

# Exploitation in New Zealand's hospitality sector

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## Christina Stringer

Dr Christina Stringer is an Associate Professor of International Business at The University of Auckland Business School, New Zealand. Her research interests include a focus on labour and human rights abuses. She has published a number of articles on labour and human rights abuses in the former foreign charter vessel sector within New Zealand's fishing industry. Christina recently completed a two-year research project on migrant worker exploitation in New Zealand.



Disturbing accounts of exploitation in the hospitality industry recently reported in the media include: "Restaurant workers treated like modern-day slaves – judge" [1]; "Restaurant chain exploited, underpaid workers for years" [2]; "Christchurch restaurant to pay \$70K for underpaying staff" [3]. Such headlines are not new.

In December 2016, I released the findings from a research project entitled "Worker exploitation in New Zealand: A troubling landscape" [4] which I undertook for the Human Trafficking Research Coalition [5]. I interviewed 105 people, the majority of whom were migrant workers. What became quickly apparent was the vulnerability of workers in the hospitality industry, and, in particular, the food and beverage sector.

Common amongst those I interviewed was the non-compliance by their employers with New Zealand employment law, including the Minimum Wage Act 1983 and the Holidays Act 2003. A number of interviewees were paid less than the minimum wage and/or for less hours than they had worked. For example, one temporary migrant typically worked 90 hours a week but was only paid for 45 hours. Another worked 80 hours a week earning just \$350 to \$450 a week (\$4.37 to \$5.62 an hour). Staff in one Auckland restaurant, located in an upscale suburb, were not paid for two weeks as they were told there was no money to pay them. For some, their legal entitlements to holiday or sick pay were denied.

In some cases, workers were paid their legal entitlements through the formal wage system but had to return part of their wages back in cash. Others paid potential employers \$20,000 to \$40,000 in order to secure a job with the prospect of obtaining permanent residency (PR). One interviewee had a good job albeit one without the prospect of permanent residency. He was offered employment in a restaurant with the promise of support for his PR application. There he worked 80 hours a week, often for little or no pay. Eight months later his employer told him he would not support his visa application.

A number of interviewees felt their employers took advantage of their vulnerability, stating that "they know your weaknesses" including their inability to obtain other employment as their working visa was linked to their employer. In some cases, employers threatened the workers that they would be deported if they complained.

In April 2017, a new policy came into effect whereby employers who are found to have exploited migrant workers face a compulsory stand-down period in terms of hiring. In May 2018, 106 employers were listed on the Ministry of Business, Innovation and Employment's stand down list, including some from the hospitality

sector. The hospitality sector is a significant employer of temporary migrant workers, particularly those on working holiday or student visas. The contributions that migrant workers make to this sector must be valued and their entitlement to New Zealand employment conditions respected.

The original report that this article is based on can be accessed here <https://www.workerexploitation.com/report>

### Corresponding author

Christina Stringer can be contacted at [c.stringer@auckland.ac.nz](mailto:c.stringer@auckland.ac.nz)

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- (5) Human Trafficking Research Coalition (members: The Préscha Initiative, Stand against Slavery, Hagar, and ECPAT –End Child Prostitution and Trafficking). <https://e2nz.org/tag/human-trafficking-research-coalition/> (accessed Jun 11, 2018)