A close-up photograph of a man with a beard and short hair, wearing a white long-sleeved shirt and a grey safety vest. He is looking upwards and to the right with a thoughtful expression. The background is filled with green leaves and branches, suggesting an outdoor agricultural setting. The lighting is bright and natural, with some shadows on his face.

Recognised Seasonal Worker Survey

2020

This survey of RSE employers, set in the pre-Covid labour market, explains how RSE workers contribute to the seasonal workforce for the horticulture and viticulture sectors.

It demonstrates how employers are committed to employing New Zealanders first and the long term commitments employers are making to the RSE programme through investment in accommodation.

The horticulture industry has an important role in New Zealand supporting the economy through exports and providing New Zealanders with jobs and healthy food. Recent border closures and a likely downturn in the economy will lead to more New Zealanders working in horticulture. Our industries are adapting to the changed labour supply through a range of expanding industry-led, government-enabled initiatives. However, the ability of the sectors to continue on their sustained growth trajectory is dependent upon employing both additional redeployed New Zealanders as well as RSE workers.

The certainty of sufficient and experienced seasonal labour being available for harvest and pruning is critical for the investment confidence

into the industry. The RSE scheme is critical to drive investment growth, which will drive economic growth and in turn employment growth for New Zealanders. NZIER research has previously demonstrated the substantial gap between supply and demand of seasonal workers. This report demonstrates how employers are meeting the challenge of attracting and retaining New Zealanders and providing infrastructure for RSE workers.

This report confirms the importance of the RSE scheme to sustain and contribute to the growth of horticulture and viticulture. This is especially so as New Zealand recovers from Covid because both horticulture and viticulture have a vital recovery role to undertake and the RSE scheme is one of the cornerstones of these sectors.



Survey results

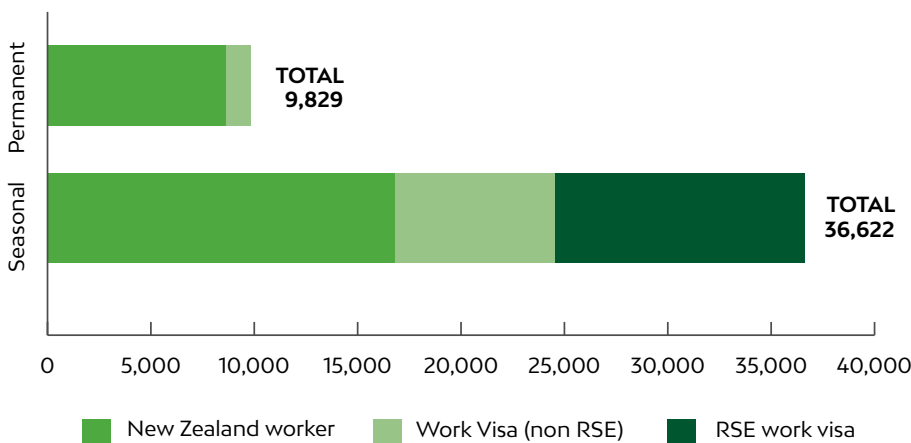
The following data was drawn from a survey answered by 222 RSE employers involved in horticulture and viticulture in New Zealand. Respondents range from growers, to contractors, orchard management companies, packhouses and co-operatives, and represent niche products such as tea and seeds, through to significant exports such as kiwifruit, wine and apples.

The survey was returned in March 2020, reflecting on the 2019 calendar year.

Please note: The figures used are averages across regions and not weighted averages. Percentages are provided based on the number of employers that answered the question.

Worker origin: New Zealanders are the cornerstone of our workforce

Total number of employees and visa type



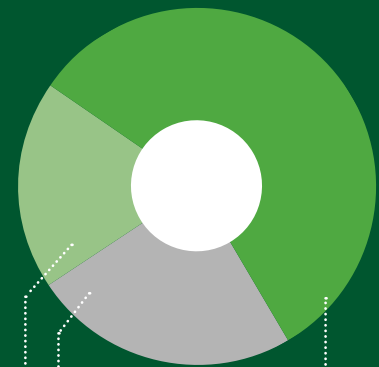
The majority of employees in horticulture are New Zealanders. RSE's make up 33% of seasonal workers. In 2021, we anticipate losing access to the 21% of work visa (non-RSE) employees due to the COVID-19 Alert border restrictions.

RSE's make up
33%
of seasonal staff



Payrate options:

Basis for pay – average across the 2019 season



The majority of people working in horticulture are paid an hourly rate. In harvesting, a piece rate was more common (43% of workers). In winter pruning there was an even split between hourly rate and piece rate. For all remaining seasonal tasks, hourly rate was the most common.

Survey results cont.

The average payrate for all workers was \$20.30.



Worker type

	Permanent workers	Seasonal workers - first season	Seasonal workers - returning	RSE workers - first season	RSE workers - returning	Average all workers
Winter Pruning	\$22.30	\$18.73	\$20.87	\$19.07	\$22.24	\$21.31
Summer Pruning	\$22.30	\$18.21	\$20.20	\$18.69	\$20.16	\$19.60
Harvest / Picking	\$22.25	\$19.37	\$20.58	\$19.96	\$22.43	\$21.31
Packing	\$21.49	\$18.16	\$18.65	\$18.42	\$18.83	\$19.08
Other / New Development	\$23.89	\$18.85	\$20.66	\$18.23	\$19.39	\$20.19
Average	\$22.65	\$18.66	\$20.19	\$18.87	\$20.61	\$20.30



Returning workers are paid, on average, more than those working their first season.

Permanent workers earn, on average, at least \$2/hour more than seasonal workers.

Worker accommodation is affordable

Cost of accommodation per week 2019 (RSE workers only)

	3rd Party	Employer owned
Residential house	\$121.36	\$106.47
Rural house (on orchard)	\$119.77	\$115.68
Purpose built accommodation (new build)	\$128.31	\$112.57
Converted accommodation (e.g. boarding house, ex-motel)	\$131.50	\$122.28
Motel / backpacker	\$131.74	\$104.00
Campsite	\$104.23	\$68.98
Average	\$122.82	\$105.00

AVERAGE COST OF ACCOMMODATION PER WEEK \$105 - \$122.⁸²

Survey results Cont.

Worker accommodation is plentiful – and increasing

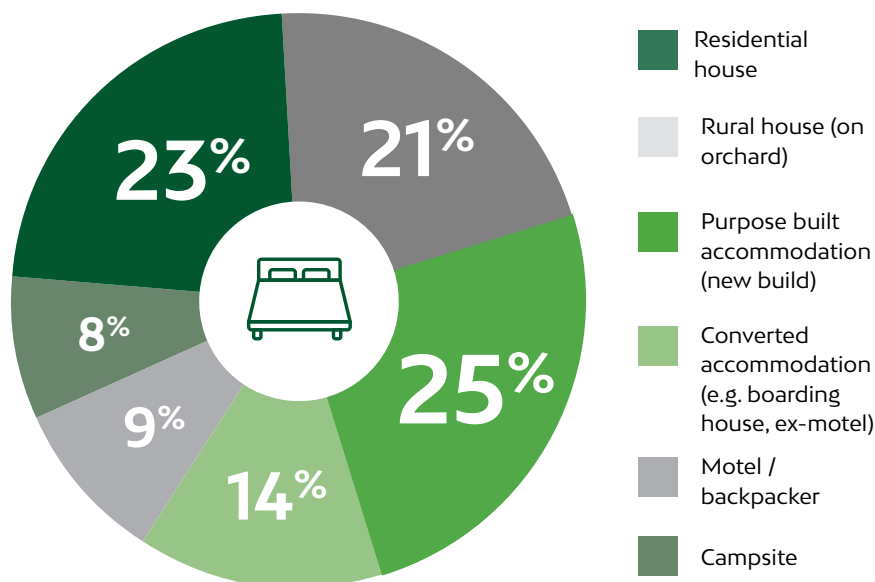


Between 2018 and 2019, there was a significant fall in the use of residential housing, motels/ backpacker accommodation and campsites to house RSE workers (drops of 7% each). At the same time, horticulture recorded a dramatic increase in the use of purpose-built accommodation (up by 13%). Rural housing also rose by 5% and converted accommodation by 2%.

Also between 2018 and 2019, the percentage of 3rd party provided accommodation decreased from 61% to 42%. This was matched by a subsequent increase in employer-owned accommodation from 38% to 57%.

Survey respondents reported an additional 4,753 beds would be made available in 2020, of which 84% would be purpose-built and 10% converted accommodation. These beds would be provided predominantly by employers (61%), with the remainder supplied by 3rd parties.

Provision of RSE accommodation 2019



Survey respondents reported an additional 4,753 beds would be made available in 2020

New accommodation planned to be available in each of the next 5 years*

	Purpose Built	Converted	Other	Total
2021	1906	330	135	2371
2022	1960	329	15	2304
2023	1180	88	45	1313
2024	848	77	55	980
2025	835	76	75	986

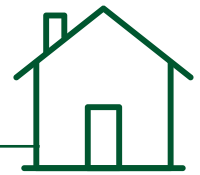


Producers have made significant investments to ensure they are providing accommodation options for their staff.

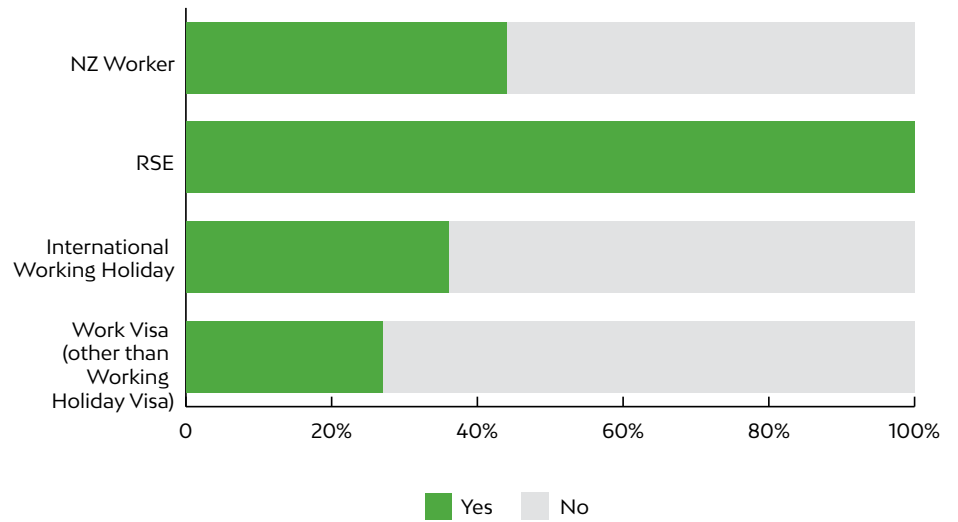
* number of beds

Survey results Cont.

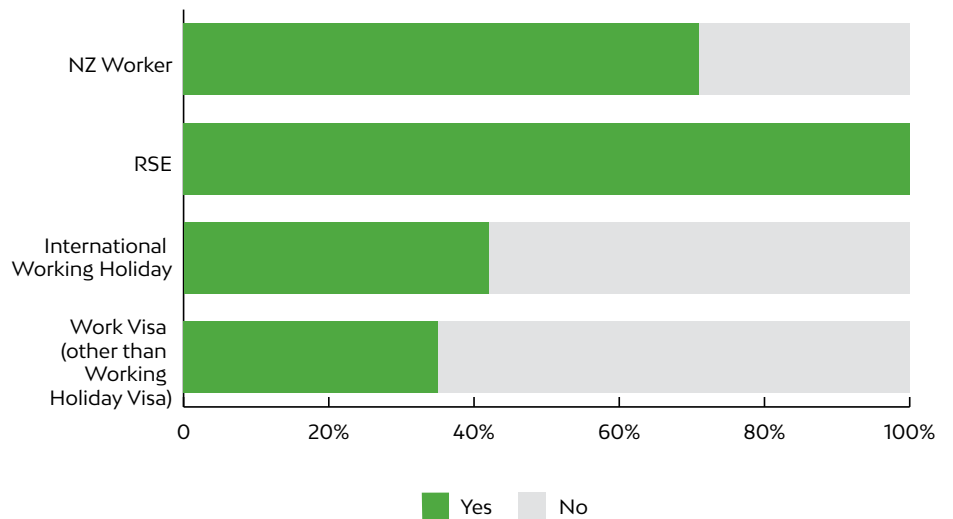
Supporting employees to offset barriers to work



Rates at which accommodation is offered to seasonal workers



Percentage of seasonal workers offered transport

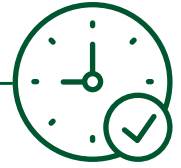


100%

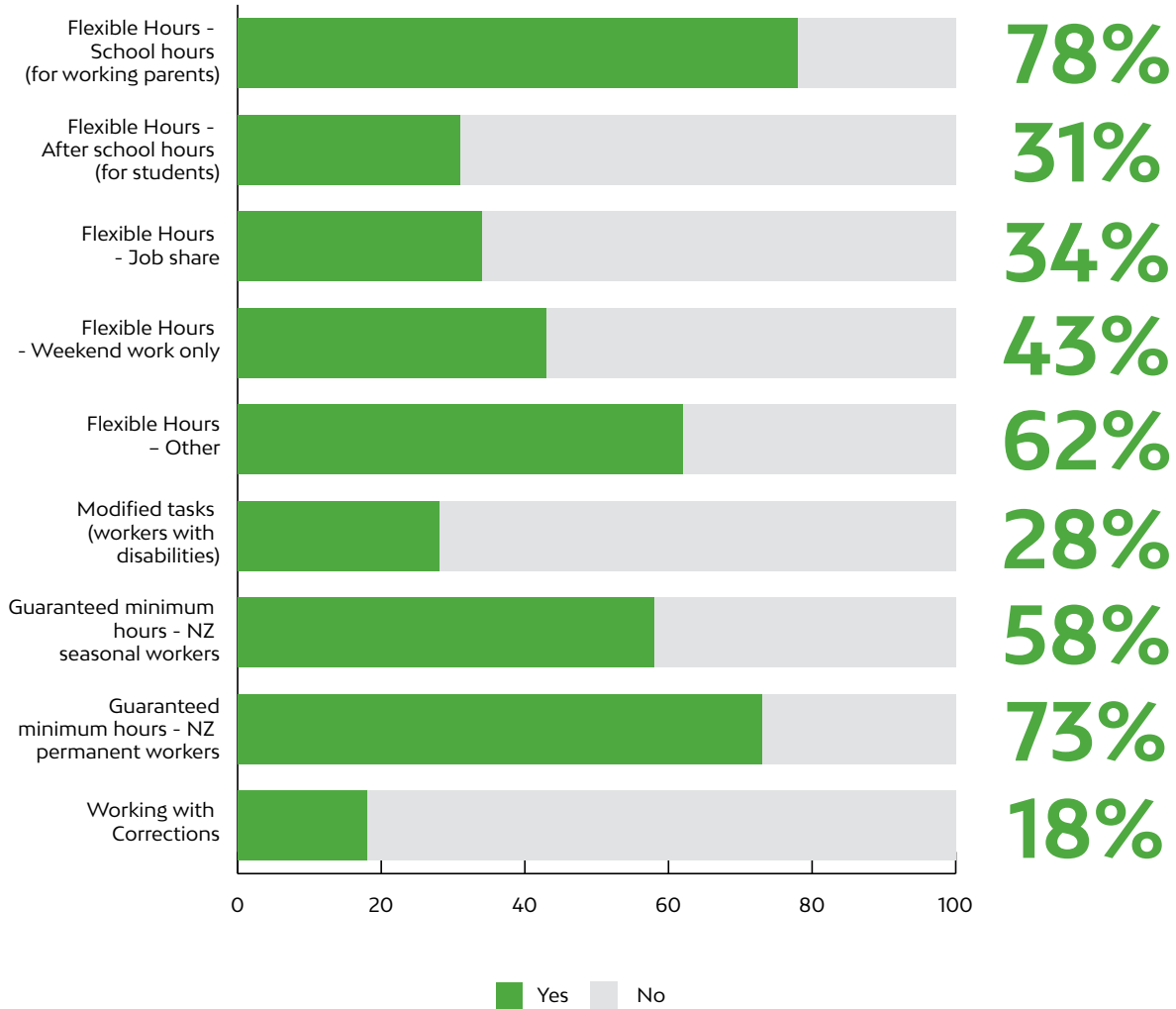
of RSE workers are offered transport and accommodation

Survey results Cont.

Supporting employees to offset barriers to work



Percentage of employers offering New Zealanders specific work arrangements



APPLES AND PEARS



Apples & Pears

New Zealand's apple and pear industry engages roughly half of all RSE workers brought into New Zealand each year. This industry is particularly reliant on Pacific Islanders to fulfil the physical demands of picking on ladders. Around 79% of all New Zealand's apples and pears are picked by migrant workers.

While the industry is moving quickly in a direction that will provide less reliance on the physicality of its workers thus creating opportunities for Kiwi workers with varying abilities, apple and pear growers currently remain deeply reliant on RSE labour to get their crops off the tree.

To harvest the 60 tonne per hectare apple crop, a worker must collectively climb the equivalent of 20 to 25 vertical kilometres, up and down ladders, carrying 20kg bags of apples. Many of the migrant workers capable of these demanding roles come back every year to the same orchard, building a depth of experience and skill which leads to measurable productivity gains on-orchard. These RSE workers are essentially a permanent seasonal workforce.



Orchard innovations will support New Zealand workers

Currently, picking is both a physically challenging and a skilled job, requiring working on a ladder, up and around a tree. It is not easy to find staff capable of the rigours of the task, and young Pacific Islanders with high levels of fitness and strength are an invaluable resource at picking time.

However, the industry is changing in ways which will benefit a wide range of New Zealand

jobseekers. Some corporate growers have invested in hydraulic platforms which move pickers up and down the tree. Fruit no longer needs to be carried; it is fed straight to a conveyor belt. These platforms provide for a more diverse range of employees that may not have the physical strength and endurance to harvest on ladders.

New Zealand Apples & Pears Inc. (NZAPI) is commissioning research to quantify the on-orchard efficacy and value of the platforms. The industry believes that a robust evidential study will support its goals to bring platforms into every orchard.

“The industry has invested significantly in research to revolutionise the structures of orchards.”

Many orchards are moving to a style of planting known as “robot-ready”. These orchards have trees that are low-in height, with a slim growth habit and are planted close together, creating a hedge-like plane of apples in each row. This style of orchard is easier to pick, reducing ladder work, and again creating opportunities for workers with average fitness, strength and mobility.

The New Zealand apple industry is working with Silicon-Valley based Abundant Robotics to work on the development of a commercial apple picker. This robot spends the northern hemisphere harvest in Washington State before being flown to New Zealand for our southern hemisphere harvest season. This allows two seasons of development in one year.

Career Progression Managers have been employed across our key regions. These coordinators will work with Schools, MSD, employers, ITO, Polytechnics, and Universities to get career seekers into permanent jobs that are supported by skills development at all levels.

Examples of industry actively recruiting greater numbers of New Zealand workers:

- Solo parent programmes in packhouses – an initiative MSD has designed with Hawke’s Bay employers, providing on-going pastoral care. This includes job sharing and reduced hours to try to retain staff and establish consistent attendance in the packhouse.
- Job share programmes for people with health and disability conditions – Deaf Aotearoa, Work Bridge.
- Forklift skills training by larger corporates providing a pool of forklift drivers that get permanent work with other industries.
- Industry has organised forklift driver schools to improve competency and safety of drivers beyond licencing.
- Pre-employment training.
- Funded sustainability projects to keep people linked with their employer or the sector.
- Funding or co-funding transport.
- At the end of harvest, many employers are working hard to retain seasonal workers for pruning and development work, including providing funding of pruning and other training programmes.



- SEED Programme (Seasonal Employee/Employer Development) – fully funded six month programme with full training offered to MSD clients. Training includes both professional and personal skills, with some workers becoming permanent staff after programme completion.
- Working with people with moderate mental illness – pastoral care fully funded by MSD.
- NZ Corrections and Probation department – involved in their Return to Work Scheme (RTW)
- Working with the prison rehabilitation programme.
- Hawke’s Bay Initiative (HBI) – takes MSD clients from outside of the Hawke’s Bay and offers them full pastoral care, accommodation and employment within the Hawke’s Bay
- Encouraging workers to return through paying bonuses, advance payments during hardship, paying higher wages, facilitating a positive working environment, being considerate about the placement of New Zealand workers in positions where they are most likely to succeed (eg less physically demanding).

Examples of industry actively recruiting greater numbers of New Zealand workers cont.:

- Strong relationships with local schools – offering employment during holidays, field trips and orchard open days to promote horticultural careers to students.
- Full time/permanent positions given to motivated, reliable NZ seasonal employees.
- Family friendly/flexible roster/school hours shifts/ split shift initiatives to accommodate parents of school aged children/ appeal to locals who are unable to work a full week – job sharing and reduced hours. Older teenagers then joining their parents in school holidays and weekends to gain some work experience and be introduced to horticulture.
- Bootcamp for University graduates.
- Advertising – Trademe, Seek, MyJobSpace, Work the Seasons, Student Job Search, Facebook, local newspapers, newsletters, news boards, road signage.
- Match Fit – looks at getting workers physically fit for employment.
- Providing transport between towns/ cities to help with NZ workers that struggle to find transport.
- Supporting employees to obtain their drivers licenses by arranging lessons and tests.
- Pastoral care – administrative support to workers completing applications for housing, family support etc, numeracy and literacy courses to improve skills, motivational and career prospects, health monitoring, counselling.
- NZAPI employers have supported a PGF application to put 100 local people into permanent, skill supported jobs. These people are from the more challenging NEET (not in employment, education or training) group.

Training New Zealanders for future roles

Apple and pear production will change markedly in the next decade. By 2030, we expect many on-orchard roles will involve someone working with technology that does not exist or is not utilised in the horticulture sector today. This could include supervising a robot in a task such as picking. To get there, growers are making substantial investments in:

- Orchard systems and tree architecture to enable better efficiency, productivity, and potential to support automation.
- Technology that allows continued sustainable practice to be embedded in the sectors assurance and environmental development platforms.

Current training numbers

- As of the 2019 harvest there are 272 trainees from the apple and pear sector with:
 - 62 at level 2,
 - 103 at level 3,
 - 77 at level 4 and,
 - 30 at Level 5 studying the Diploma Fruit Production or Post-Harvest qualifications.
- Online training programmes being developed and made available to the sector to be rolled out this winter, which will encourage more New Zealanders to consider the apple and pear industry and the exciting career opportunities it provides.
- NZAPI are working alongside iwi to develop their capacity to grow their own orchard operations, staffed by their own trained and skilled whānau.
- Having a significant influence in the reforms of vocational training being implemented at present, ensuring that the new world of work is flexible, adaptable and fit for purpose and that it allows for the horticulture industry to access the people it needs for the future.

**“New Zealand’s
apple & pear
industry employs
around half of
all RSE workers.
The industry is
working on a plethora
of initiatives to
attract more
New Zealanders
into jobs.”**



Purpose-built accommodation – with room to spare

Apple and pear corporate growers have invested \$45 million in purpose-built accommodation for RSE workers; a reflection of how vital these workers are to the industry. We now have more than 2000 purpose-built RSE beds. This season more than 350 of these were empty as employers met the Government challenge but went unrewarded.

Investment in accommodation supports the workers to have a positive experience in New Zealand, while alleviating any toll on residential housing in our communities. These are just some examples:



Example 1

In late 2018 Thornhill Horticulture Contracting purchased the Angus Inn Hotel in Hastings and transformed it into a 312-bedroom accommodation site to house their RSE workforce. The purchase was part of the apple industry's \$45 million commitment in building 1,500 new beds for the RSE workforce. As part of the rebuild the entire premises is now an alcohol-free zone with full security, a 24-hour on-site manager and a strong health and wellbeing focus.

As part of Thornhills pastoral care package for \$130 per week, RSE workers staying at the Angus Inn receive full lodgings, fresh linen, weekly laundry and cleaning services. They also get three full meals a day for \$13.50, including a packed lunch. Thornhill began an initiative with MSD and the Department of Corrections giving New Zealanders the same opportunities as RSE workers, offering jobs, subsidised accommodation, and meals to those New Zealanders looking for employment.

Thornhill have also partitioned off a fully separate area with its own secure access of 14 units for providing transitional housing in partnership with MSD. Some of the housing tenants are also becoming permanent Thornhill employees working within the accommodation complex and elsewhere as part of the contracting team.



Example 2

Freshmax Omaha Road Site is a purpose built RSE housing facility that will accommodate 525 people once all stages of development have been completed by 2023. Freshmax are proud to work in conjunction with MSD, Taiwhenua and local iwi to utilise this property as a stepping stone for individuals, solo parents, and families that have moved into the Hawke's Bay area to transition into full time employment. This complex provides temporary housing that is safe, dry, warm, affordable and with strict criteria which must be adhered to ensure the safety of all persons. During this period, they can seek other long-term accommodation in the Hawke's Bay Region. From May to December each year, this complex is utilised by both RSE workers and New Zealanders, with positive results. Good outcomes have already been achieved for many families who used this accommodation site last season. Possible employment and career opportunities within the horticultural industry can be an advantage due to the location of Omaha site.

Independent RSE housing projects like the Omaha site assists with the current housing shortage crisis in Hastings which is beneficial to all and Freshmax is further proud to be part of supporting solutions to addressing our cities accommodation shortage.

Strong industry focus on combating worker exploitation

The apple and pear sector is highly engaged on combating exploitation of workers. The industry use GLOBALG.A.P. as its international assurance standard in social practice conformity.

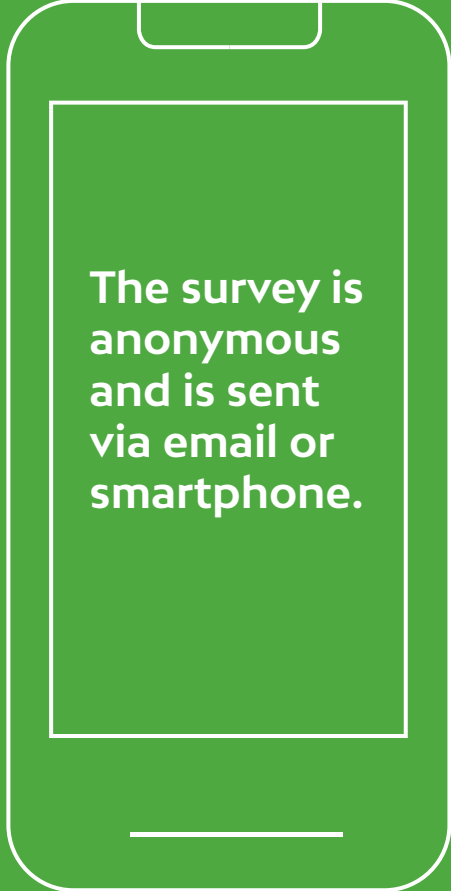
New Zealand Apples and Pears Incorporated (NZAPI) has taken international committee positions on the GLOBALG.A.P. Risk Assessment Social Practice (GRASP) stakeholder committee and the overall GLOBALG.A.P. Board.

NZAPI has partnered with business survey company Ask Your Team to survey seasonal workers to gather information on conditions of work, accommodation and exploitation risks. The survey covers GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) questions that cover baseline employment conditions of NZ Laws and more targeted questions on conditions of work.

Added to these are questions from the United Nations Human Rights Commission on exploitation and modern slavery. These amount to over 20 questions and NZAPI has had them translated into four languages of Bislama, Lea faka-Tonga, Gagana Samoa, and Solomon Island Pijin. The survey is anonymous and is sent via email or smartphone. It can be made part of procurement from third party labour contractors and gives the brand owner oversight of condition in their supply chain but outside of their business.

Five employers based in Hawke's Bay used the tool to survey more than 2,500 RSE and other seasonal workers in two trials throughout 2019. Over 1,500 responses were received. All organisations that participated in the trial received positive responses, with overall scores of 75% or above. Results were consistent over both RSE and New Zealand seasonal workers, suggesting that employees were answering honestly. Due to the success of the pilot, NZAPI and Ask Your Team are encouraging all of the pipfruit industry to become involved. The next survey will likely run when RSE workers return in Spring 2020.

There is significant global interest in this being used within the 135 countries and 180,000 business using GLOBALG.A.P.



The survey is anonymous and is sent via email or smartphone.

All organisations that participated in the trial received positive responses, with overall scores of **75% or above.**



Export

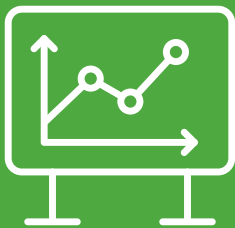
earnings have grown from

\$340m

in 2012 to

\$870m

in 2019



Between 2012 and 2019 the industry has

- Increased in area by 17% to 10,200ha
- Export volume increased by 37% to 395,500MT
- Value per metric tonne increased by 71% to \$2,198MT
- Increasing overall export value by 135% to \$870 million.

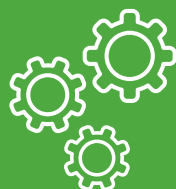
Apple & Pear Fact Box:



The apple and pear industry has **been growing at 3.5% CAGR** in area and 13% CAGR in value for the past 8 years.

\$2bn
in exports
by 2030

The industry is projected to reach \$1b of exports by 2021 and to reach \$2 billion by 2030, creating an additional 2,159 permanent jobs (currently 3,997), and 11,052 seasonal jobs (currently 20,402).



The world's highest productivity

The New Zealand apple and pear industry has the world's highest productivity at 61MT/ha, 48% higher than our nearest competitor and 161% higher than the world average for apples and pears.



RSE
workers peak at harvest at
7,000.

KIWIFRUIT



Kiwifruit

Kiwifruit is New Zealand's largest horticultural export, making up 67% of New Zealand's fresh fruits. Statistics New Zealand list 2019 Kiwifruit exports at \$2.3bn followed by wine at \$1.8bn. New Zealand-based Zespri forecast strong growth and plan to grow global sales revenue to \$4.5 billion by 2025. The economic importance of the industry, particularly in light of COVID-19, is recognised widely. In 2018/19, the kiwifruit industry contributed \$1.82bn to New Zealand's regional economies. However, the future success of the industry, and its contributions to New Zealand's economies are hinged on the ability to gain additional workers.

Attracting more New Zealanders

Seasonal Labour

The seasonal workforce is already made up of more than 50 per cent New Zealanders, and the focus of our strategy is to get even more Kiwis into the industry. However, with the country's recent low unemployment rate, new workers have been hard to come by.

“The seasonal workforce is already made up of more than 50% New Zealanders”

New Zealand Kiwifruit Growers Inc. (NZKGI) spends \$100,000 annually on an innovative labour attraction strategy. Tools are used such as videos, relatable profiles and social media to attract and debunk misconceptions to bring more people to the kiwifruit industry.



The video to attract seasonal labour in 2020 has been viewed by over 113,000 people and profiles a young female who began working as a seasonal worker after finishing school. She gained her qualifications whilst working and progressed to her current role as Orchard Manager.

NZKGI also works with stakeholders across the industry on initiatives with the Labour Governance Group as well as with government organisations to ensure a coordinated strategic approach. There are working groups to address advancements with pastoral care, accommodation and transport, immigration, business analysis and labour utilisation. An example of this is the Pastoral Care group who worked with The New Zealand Police and KiwiRail to keep employees safe through the production of a Road Safety guide.

Another example of the industry attracting more New Zealanders to work in kiwifruit is with the recent risk of further labour shortages due to COVID-19. In response to this risk, the kiwifruit industry established a Labour Co-Ordination Centre. The Centre involved a team who matched job seekers who had been made redundant from their regular work with available seasonal work organisations nation-wide. At its peak, the Centre had over 1,000 potential employees on their database.

“We are starting to see some very creative thinking when it comes to employers in the kiwifruit industry.”



Kiwifruit Careers

In addition to making seasonal work attractive and finding jobs for potential seasonal employees, NZKGI has worked hard to break down the barriers and attract New Zealanders to find careers in the kiwifruit industry.

NZKGI's education coordinator role focuses on schools, vocational training providers and tertiary institutions to change perceptions about the industry's offering in terms of career opportunities. Tours allow school groups to see the different career options available to those who choose a career in kiwifruit, and wider horticulture.

The fact is, the industry is interesting, diverse and there's great money to be made, especially for those who can choose to look at the machinery of the wider industry and identify careers within areas such as the sciences, finance, communication and management.

Here are some examples of ways some employers are making the industry more attractive to Kiwis:

- Employers pay above minimum wage for every role.
- Providing pre-employment training and pastoral care.
- Working with MSD to offer post-employment career support, such as training, qualifications and networking, to help with their next role.

Working closely with MSD, the industry supported 843 people on jobseeker benefits into jobs from 1 January to April 2020. Here are some great examples of kiwifruit employers supporting vulnerable New Zealanders into paid employment:

- One employer took on a group of workers on a fixed-term contract at the start of 2020. Once the term was up, the employer offered a number of people full-time permanent contracts, with a guarantee of 60 hours of work per fortnight, in the lull between summer work and harvest. MSD paid their salaries for four weeks, while the employer organised training to be delivered to them. Over 70% of the people offered the permanent contracts remain in employment, and approximately 50% are still with that employer.

- Another employer worked with a group of solo parents to complete vine training. This group was able to work flexible hours depending on their personal needs. It worked very well for the employer who is looking to expand on the project next year, looking into the possibility of providing childcare – potentially utilising a member of the group as the carer.

“It’s rewarding, diverse, and there is good money to be made.”

Removing barriers for keen Kiwi workers

Those who don't hold a full driver's license, or own a car, are supported by contractors and growers who provide subsidised transport options, usually in the shape of a van which does daily pick up and drop off to their homes. Some vans travel as far away as Rotorua and Tokoroa to pick up people keen to work in the Western Bay of Plenty.

Flexibility of hours is another challenge employers are meeting head on. Some will employ seasonal staff for weekend shifts, or work around family commitments.

We are starting to see some very creative thinking from employers who may have had the luxury of being rigid in the past. If an employer has to get three people to fill one full time equivalent role, they are willingly doing just that. Employers have realised they must be flexible or they will miss out on workers.

Some kiwifruit industry employers have run pre-employment training courses for potential employees. They cover critical areas such as time management, budgeting, and orchard fitness. Other courses have been tailored specifically for the needs of particular groups, such as solo parents.

Employers are also working with MSD and iwi to create effective partnerships. This collaboration resulted in pre-employment training for five people, which then flowed to a work environment where employees were supported by iwi. In another case, MSD worked with iwi to get a cohort of job-seekers 'work-fit' and work ready by doing projects in the community. These people were then connected to a supportive employer who provided transport and pastoral care.

Here are some other examples of what's being done to remove barriers for keen Kiwi workers:

- A number of pack houses work with MSD to assist people to achieve forklift licences. This work starts before harvest, when candidates are offered time and space to get experience "on the seat".

One pack house has established a job-sharing initiative where 14 sole parents fill 7 full-time jobs in the main pack season. It is hoped that after harvest, the crew can be kept together and train for other roles within the industry.

Finding homes for workers, without soaking up valuable local housing stock

Housing is another challenge for our industry. There are perceptions, especially in real estate-squeezed Tauranga, that seasonal workers take homes from local families. In reality, less than 7% of the accommodation provided in the Bay of Plenty is in residential housing with most workers living in purpose-built accommodation: converted buildings, on orchards and dormitories with shared facilities. And further building work is planned to boost seasonal accommodation options with over 500 beds planned for 2020 and over 2,500 new beds in the next 5 years.



Preventing worker exploitation

With worker welfare issues, a small number of cases have shaded public opinion of working conditions in the industry. While a very small number try to circumvent the systems, the annual audit on worker pay and conditions – compulsory to maintain a Compliance Assessment Verification – has been weeding out those flouting regulations. With seasonal labour in the kiwifruit achieving a higher public profile due to NZKGI's Labour Attraction strategy, some complaints which may have otherwise gone unattended are also being brought to the attention of the industry, allowing us to weed out non-compliant employers.





**Kiwifruit
is exported
to over**

**50
countries**

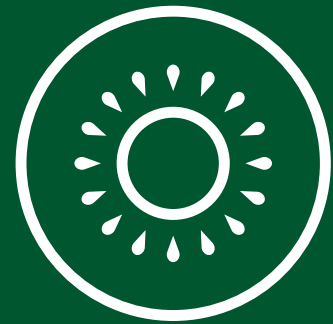
earning more than \$2.6bn in 2018/19; a 19% increase on the preceding year. Zespri global sales revenue is expected to grow from 3.1bn in 2018/19 to \$4.5bn by 2025.



In 2018, approximately **2,500 RSE** workers were employed in **kiwifruit.**

Kiwifruit Fact Box:

Kiwifruit is New Zealand's largest horticultural export, with 12,747 hectares in production, a 0.5% increase on 2017 and a predicted growth rate as more greenfields are constructed. The largest growing region is the Bay of Plenty with 10,228 ha, 80% of total producing area.



**Over 96%
of production is exported**



New Zealand kiwifruit production can vary from year to year based on climatic conditions and yield. In 2018/19, 148.8 million trays of New Zealand-grown kiwifruit were sold by Zespri, up 21% from the previous year. Over 96% of production is exported and export earnings of New Zealand-grown fruit continue to climb, to \$2.1bn in 2018/19, up 23% on the previous year.

\$2bn to GDP

In 2018 the kiwifruit industry brought \$1.82bn to local economies. The total economic impact of the kiwifruit industry for New Zealand is estimated to generate a Revenue of \$4.5bn and contribute \$2bn to GDP.

RSE

**workers as
percentage
of seasonal
workforce:
13.2%**



VITICULTURE



Viticulture

New Zealand's wine industry exports premium wines to over 100 countries and supports 7,350 direct jobs throughout New Zealand. It has experienced year-on-year export growth, driven by consumer demand for our distinctive wine styles. Grapes are New Zealand's largest horticulture crop, with over 39,935 hectares in production - a 2% increase since last year. The RSE scheme has supported the growth of the industry since its introduction, and we greatly value the privilege of access to this skilled Pacific workforce.

New Zealand's winegrowers are continuing their determined approach to labour retention - increasing purpose-built accommodation and working hard to support Kiwis in to long-term careers in the wine industry.

Supporting Kiwis to choose rewarding wine careers

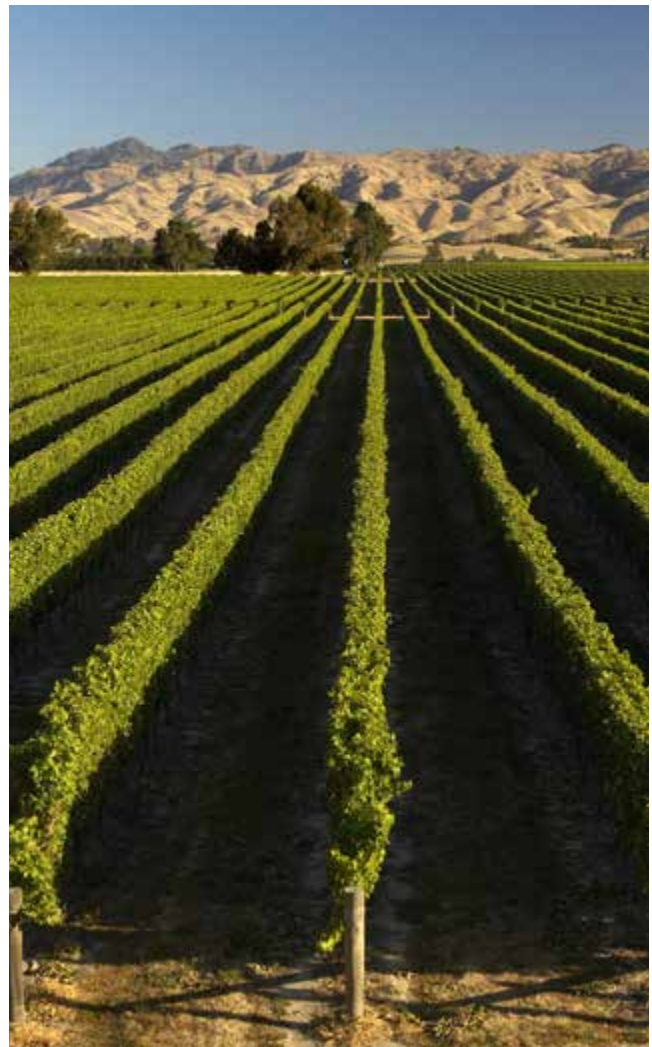
Employers in Marlborough have been recognised as being at the forefront of inclusive growth practice in New Zealand.

Marlborough's Smart+Connected labour and skills group works with rangitahi/youth, people aged over 55, employers, the skills hub and Housing New Zealand. It won the premier award at the 2019 Economic Development NZ conference.

Marlborough Labour Governance Group figures show that, between 2012 and 2016, a full-time-equivalent role in the wine industry was created for every two-and-a-half RSE workers in Marlborough.

Wine industry employers have a range of initiatives underway to attract and retain Kiwi workers. Here are a few examples of the various ways wine industry employers meet the needs of the New Zealand workforce:

- **VineFirst** employed 16 MSD clients this past winter, offering flexible hours, and comprehensive training and upskilling. They believe in second chances for those with criminal convictions and promote a family first culture where parents stay at home with kids when needed.
 - **Vinepower** has an inclusive employment policy. They employ Kiwis with disabilities, in most cases rewriting job descriptions to accommodate their abilities. They offer a range of work-day structures, such as variable, flexible and school-hours arrangements.
 - **Grapeworx** has a solo parent crew, working 9am til 2.30pm weekdays. They support workers with associated upskilling, such as gaining their driver's license and achieving viticulture qualifications.
- **Thornhill** works with the Department of Corrections' "Ready to Release" programme, offering 3 fully catered meals a day alongside full-time work. Thornhill still has five employees sourced through the New Zealand Seasonal Work Scheme.
 - **E & E Trading** offers transport and accommodation, as well as settling-in help for Kiwis moving in to the region.



Case study:

A local RSE employer and Work & Income are delivering a flexible employment initiative. Last year, as a pilot, 15 people worked three days a week from 9am to 2.30pm. Transport and gear were supplied, they worked on vineyards close to town with cell phone coverage and they had the ability to take school holidays off where necessary. The aim is to transition them to sustainable fulltime permanent employment. The programme is in its second year and expanding to include other employers.

Growing Kiwi winegrowers

The New Zealand School of Winegrowing (NZSW) is based at Marlborough Boys' College and hosts students from two other local colleges.

The NZSW is a contextualised learning programme based on Vocational Pathways and is supported by funding from New Zealand Winegrowers (an annual grant of \$50,000 since 2018) and engagement and support from Wine Marlborough.

Students study traditional subjects such as Chemistry, Biology, English, Mathematics, Geography and Economics - all with a wine context. The qualifications are not just school-based but also workplace qualifications, such as Grow safe spraying of herbicides and pesticides, as well as driver's license training, and development in teamwork and leadership.

The programme gives students an understanding of the whole industry, rather than a single aspect. It delivers graduates who are ideal candidates for almost any entry level job, and have a considerable head-start should they decide to continue into tertiary education.

In the two years that it has been established, it has had a 100% success rate for students at Level 2 NCEA. Every student is either working in the industry, or enrolled in a viticulture-related course.

Wine Marlborough offers two scholarships to top students each year and has partnered with the Nelson Marlborough Institute of Technology (NMIT) to provide expertise for teaching and work experience opportunities for students on its viticulture and winemaking programme.

Case study: Marlborough

Around 80 percent of New Zealand wine is produced in Marlborough, and the region's experiences are a reflection of the challenges winegrowers face across the country.

Marlborough is a region of high year-round employment.

Around 5,000 locals are employed in the Marlborough wine industry full-time. However, despite high levels of automation, the industry still requires additional seasonal labour for many of the tasks required to create a world-renowned premium export product.

“Around 80% of New Zealand wine is produced in Marlborough”

Every year, the Marlborough wine industry struggles to attract sufficient numbers of locals, students, working holiday visa holders, and Kiwis from elsewhere in New Zealand to support winter pruning, and – to a lesser extent – the summer harvest.

In a typical winter, the Marlborough wine industry utilises around 2,700 RSE workers. Over many years, returning RSE workers have developed high levels of skill and knowledge.



Photo courtesy of Jules Taylor

“New Zealand’s wine growers are continuing their determined approach to labour retention - increasing purpose-built accommodation and working hard to support Kiwis in to long-term careers in the wine industry.”



Purpose-built accommodation and pastoral care for RSE workers

In wine-growing regions nationwide, many employers have invested in high-quality purpose-built accommodation. They range from small on-vineyard properties to those housing hundreds of workers.

The large facilities enable an employer to take care of their staff, supporting them with on-site people who can help them with banking, social issues, and communication with those they are missing back home.

One example is the St Andrews Property Group's \$11 million purpose-built residential accommodation and pastoral care facility for 418 RSE workers. Construction of its 24 residential units (on the site of an existing 34 unit motel) is nearing completion. The residential complex will include a rec hall, soccer field, landscaped gardens and planter boxes, an onsite manager's residence and a shop.

Other employers have opted for expansive fit-outs of existing residential properties, creating home-like lodges so their workers can participate in the community life of their neighbourhood and have a more authentic New Zealand experience.

In Marlborough, 2018 local government research revealed RSE workers used about two percent of the region's available housing stock. In the last four years, residences totalling an additional 1,070 beds specifically for RSE workers have been created.

A long record of exceeding international worker care standards

The New Zealand wine industry is working on adopting a pan-industry standard. But as a long-time export industry, the requirements of European and American customers have long held the industry to high standards in terms of worker care.

New Zealand's wine producers are audited regularly to ensure their practices meet the stringent demands of offshore customers, and this has been the case for many years.

New Zealand Winegrowers assists employers with information around standards and expectations in areas such as workplace agreements, but for many exporters these are standards they have been adhering to, at the insistence of their customers and for their own peace of mind, for many years. The industry is currently examining these standards to develop its own standard to demonstrate supply chain assurance best practice.





New Zealand wine is exported to over

100 countries

It is a \$2.4 billion industry, with \$1.9 billion in export earnings at February 2020, an increase of 8% on the preceding year.

0.4%
contribution to
GDP

In 2019, there was an estimated contribution to GDP of 0.4%. In addition to export earnings, we pay over \$300 million in excise, HPA levies and GST.

Viticulture Fact Box:



Wine is New Zealand's largest horticultural crop, with 39,935 hectares in production; a 2% increase on 2019 and a predicted growth rate of about 1% for at least the next two years. The largest wine-growing region is Marlborough, with 27,808 ha - 70% of total producing area.

Over 80%
of production is exported



Wine production varies each year. The last two vintages have been 419,000 tonnes and 413,000 tonnes. Over 80% of production is exported.



RSE

workers employed:
Winter - 2,780,
Summer - 1,770.

RSE workers as percentage of seasonal workforce:



Summer
50%



Winter
75%





SUMMERFRUIT



Summerfruit

There have been significant plantings of summerfruit (especially cherries) in Central Otago in recent months and years. This has coincided with increased plantings in apples and grapes in the same region – all putting further demand of labour.

Cherries and other Summerfruit:

Central Otago produces 59 percent of New Zealand's Summerfruit, Hawke's Bay 31 percent and other regions contribute the remaining 10 percent. Total export value in the 2018/19 year was \$88 million.

Whilst the 2019/2020 has been fraught with a variety of weather events which resulted in significant crop losses – hail in Hawke's Bay, frost and rain in Central Otago - it is widely reported that had the crop been above average, labour shortages would have meant the harvest would not have been completed. Perfect, export-grade fruit would have rotted on the trees.

To ensure security of labour supply, groups of workers travel from Hawke's Bay for six to eight weeks during a period when there is little work available with their primary employer to assist with cherry harvest.

Large scale investment in technology for packing fruit has significantly increased capacity while reducing labour demand, although overall industry growth has both retained some demand and changed the nature of the work as higher-level (especially IT) skills are required.



Labour demand: We take all the locals we can

NZIER Reports have consistently illustrated the actual and potential labour shortage across New Zealand, highlighting the projected growth in Otago plantings and consequent local labour shortage. This is further supported by Central Otago Labour Market Surveys, the latest published in late 2018.

Figures supplied by MSD show that in Central Otago there are 191 job seekers registered with Work and Income (September 2019), and of those only 80 are considered to be 'work ready'. As a result, employers in Central Otago are heavily reliant on school and university students, retirees and WHV holders for seasonal work. Large numbers of local residents in all categories traditionally work in the summerfruit harvest as it coincides with school and university holidays. However, substantial apple and grape harvests – from March to May – reduce the availability of local residents/holiday makers and, at this time, the region is far more reliant on WHV holders and RSE workers.

Over the 2019/2020 season there has been a significant drop in WHV holders registering for work in Central Otago. The cherry crop was low due to various weather events but growers have noted that, had there been an average or above average crop, there would have been insufficient labour available to complete the harvest.

In previous years, employment of WHV holders has been over 3,000 at the January peak so any reduction in numbers is a matter for serious concern.

Many labour shortages have been managed by RSE employers through joint ventures to meet demand and give some certainty to growers over harvest. Seasonal Solutions Cooperative re-locates workers who have completed summer vineyard work in Marlborough to Otago for the apple and grape harvest and accepts underemployed RSE workers from Hawkes Bay in January/February for the cherry harvest.

“Had the crop been above average, labour shortages would have meant the harvest would not have been completed. Perfect, export-grade fruit would have rotted on the trees.”



Attracting Kiwis to opportunities in horticulture:

Otago has the benefit of a newly appointed Southern Horticulture Careers Progression Manager to support workforce planning, promote career opportunities in horticulture and viticulture, and provide support for growers to ensure that suitable trainees are identified and supported in their learning.

While we await the outcome of ROVE, both Otago Polytechnic and Primary ITO are currently very active and supportive in this space. Training opportunities include full time, part time, distance learning and 'on the job'. Local and overseas students attending Otago Polytechnic gain work experience with local growers in their area of speciality and provide a valuable supplement at peak seasons. Both Otago Polytechnic and Primary ITO are represented at the CO Labour Governance Group and are proactively working with growers to tailor all courses to meet their needs.

Seasonal Solutions Cooperative attends every available careers and employment expo across Otago and Southland, investing significant time and around \$12,000 in costs each year to encourage young people to consider horticulture and viticulture as career options. A one year, fully funded cadet scheme in partnership with Primary ITO has been administered by the cooperative for four years and a steady stream of trainees have participated. Each cadet costs approximately \$5,000 per year including recruitment, training and pastoral care/management.

The opportunities for trainees are immense as there are numerous positions currently available.

Reducing use of residential houses and boosting purpose-built worker accommodation:

The majority of the accommodation historically provided across Otago is on-farm, purpose built or re-purposed (hostels, backpackers etc.). Of the 907 beds reported at the time of writing, fewer than 10 percent are provided in what were previously residential houses. In 2019/2020, 76 new beds became available - all but seven of them in purpose built and/or on-farm buildings.

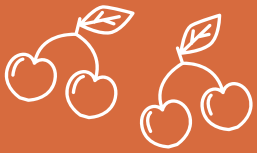
Four residential houses are no longer in use as seasonal accommodation. One further re-purposed hostel is currently being renovated to provide additional purpose-built beds to meet all current regulations for the coming summer season.

Planning is underway for further purpose-built accommodation and all growers are well aware of the need to provide suitable buildings, not residential properties. Experience across several regions has allowed the development of a 'library' of possible accommodation models which have been shared (with the permission of developers/builders etc.) with summerfruit growers investigating their own accommodation options.





New Zealand summerfruit is exported to approximately 40 countries, however, market access to many Asian markets is currently restricted to just cherries.



Cherries represent **70% of exports,** with Taiwan and China - the two largest markets - taking nearly 60% of the total export crop. Apricots are exported, mainly to Australia.

Cherry plantings have increased by **over 20%** in the last four years.

Summerfruit Fact Box:



Summerfruit collectively comprises apricots, cherries, nectarines, peaches, and plums, and the hybrids thereof. Summerfruit is produced by 230 growers on almost 2,000 hectares of orchards in the three main growing areas of Hawke's Bay, Marlborough, and Central Otago.

Export sales values at the top of the market



The New Zealand summerfruit industry is small in relation to the scale of worldwide production. However, it is highly regarded for quality, with export sales values at the top of the market.

Most nectarines, peaches, and plums produced in New Zealand are consumed on the domestic market, with only minor volumes exported, mostly to the Pacific.



RSE workers

The number of RSE workers employed in summerfruit orchards in summer totals approximately 800 and in winter totals approximately 160.

The percentage of RSE workers of the total seasonal workforce in Central Otago in winter is **15%** and in summer is **16-18%**.



The summerfruit

season runs from November to March, with the peak of export being between December and February. In December and January, 4,000-4,500 workers are required in Central Otago alone.



**OTHER
HORTICULTURE**



Other horticulture

In order to fuel a rapidly growing, innovative industry, horticulture must get noticed.

Making horticulture more attractive to New Zealanders

Our primary focus is to get Kiwis to engage with horticulture, and we've had some excellent wins in that regard.

The industry continues to work hard at educating people about job and career flexibility, availability, and support for workers in the industry.

The Provincial Growth Fund's \$1 million, coupled with dedicated industry support, has seen the creation of a network of Career Progression Managers across New Zealand in key locations. This has been coordinated by Horticulture New Zealand.

Their goal is to educate New Zealanders on the range of opportunities available - while pushing back on perceptions which may set the horticulture industry back, and prevent it capitalising on projected growth.

Managers target a variety of potential horticulture employees, working with secondary schools and employment organisations such as Priority One and Fruition Horticulture.

We are also working hard to highlight available training and further education options, such as the reintroduced Horticulture Degree at Massey University and apprenticeships with the Primary ITO.

The International Horticulture Immersion Programme (IHIP), operating for the first time in 2019, sent 11 students from Massey and Lincoln Universities overseas for full immersion learning in international horticultural markets. They (and, importantly, their peers via social media) were exposed to the range of careers available in horticulture and related fields - from engineering to plant breeding to food marketing. The programme's goal is to activate student leaders to start tackling issues in the horticulture industry.

Perceptions around pay rates in the industry are gradually maturing. While some jobs do pay minimum wage, others range across the spectrum and require a range of skill sets.

Worker housing developments

There is a need for focused, creative thinking on worker accommodation in the midst of a housing shortage. There is an enormous amount of work going on in that area, including turning a motel into purpose-built worker accommodation.

In some areas, in some industries, we are seeing innovative solutions such as purpose-built, on-orchard accommodation which forms part of an employee's package.



Growers are focused on worker welfare issues

We know that breaches of worker welfare are very rare, but naturally they cause huge concern to us and the community. We are working at strengthening social practice in horticulture through regulations which use customer expectations to drive employers towards best practice.

We have had significant success with a tool called GRASP (Global at-Risk Assessment for Social Practice). This is an international standard which European retailers demand from producers. All kiwifruit, most apples, and some other crops exporting to Europe have adopted GRASP certification.

Regulators provide producers with a score which is visible to buyers. The score takes in to account compliance with standards in areas such as complaints procedures, employment agreements and wage rates. There has been an instance where an employer dropped below the expected 100% score and, with a score of 95%, and was unable to sell their product. Employers are highly incentivised to look after their workers.

About 90 percent of producers (anyone who is attempting to get market access) will also be certified through the Global GAP schemes.

In 2018, we started development of a New Zealand-adapted add-on for GAP certification. This will be available to anyone in horticulture in New Zealand. Audits will start when we have finalised privacy requirements for auditing producer accounts.

This GAP certification will be for food producers. However, we know that most worker welfare issues occur under contractors, so we have created another category of the GAP certification scheme for contractors. This means growers will not have to audit contractor practice; each contractor will come with certification regarding their compliance with worker welfare.

Australian and New Zealand retailers are increasingly asking for a social practice certificate so launching the GAP products for growers and contractors is a priority for us this year.



“It’s about getting horticulture noticed, about getting us on the table for real consideration. We have worked hard to do that.”



Case study: Northland

Northland was chosen as the pilot for the Go Horticulture co-ordinator programme and, in under 18 months, the gains have been significant.

Working with orchardists, schools, contractors and Government agencies, the Kerikeri-based co-ordinator has increased the number of locals in horticulture jobs and expanded understanding of the career opportunities available in the sector.

In Northland, there is a higher percentage of New Zealanders seeking jobs than in most other parts of the country. Employers have a responsibility to employ New Zealanders alongside highly-skilled RSE workers.

In 2018/2019, the 198 Northland employers using RSE workers collectively drew 71% of their labour from locals, 6% from backpackers and 23% from RSEs.

In 2016, 665 people got seasonal jobs in horticulture through MSD's job connect service. In 2019, that number grew to 796. Of those, 71% were Northland locals, and 29% were backpackers. Of those who had been on a benefit prior to that season, 60% did not seek a benefit at the end of the season – suggesting continued employment.

There are now seven Go Horticulture co-ordinators nationwide. They are forming strong networks with MBIE, MSD, The Education Ministry and training providers, to elevate the prominence of horticulture in the minds of school-leavers and jobseekers.



In Northland, the co-ordinator is supporting the new Te Taitokerau Trades organisation, providing field trip options, contacts, and ambassadors to connect with young people about futures in horticulture.

She has also worked with MSD to launch a Bright Stars initiative, where people who have shown potential during seasonal employment are selected for supported transition to permanent positions. This opportunity is open to people who have formerly been unemployed.

During the Covid-19 lockdown, a Go Horticulture website was launched to engage with growers and bring together information and inspiration around training and career opportunities.

In the 2018/2019 financial year, there were 1,842 people employed in horticulture in Northland. Positions ranged from seasonal to permanent, and from on-orchard to research and management.





These industry sectors earned a total of

\$2.49b
in 2019;

\$1.03 billion in exports and \$1.46 billion in domestic sales.



These sectors are responsible for

5%

of total horticulture training, which is considered high per FTE.

Other Horticulture Fact Box:

(Excludes summerfruit, pipfruit and kiwifruit)



Horticulture (excl. the sectors above) accounts for 54,574 hectares in production, across fresh fruit, fresh vegetables and processed vegetables. The sector increased by 1% on 2019 and indications are for a predicted annual growth rate of about 1% for the next three years.



RSE workers

make up a small percentage of the total workforce, compared to the fruit and wine sectors. This is due to the large numbers of New Zealanders that are employed all year round and the level of mechanisation and automation that is applied by these sectors. The 1,500 RSE are mainly used for the harvest of the vegetables and fruit crops.

Horticulture is present in all the main growing regions, but in particular

**south of
Auckland,
Waikato,
Bay of Plenty,
Hawkes bay &
Canterbury.**





Recognised Seasonal Worker Survey 2020

