

A woman wearing a denim shirt and a headband is smiling while holding a large black basket filled with kiwifruit. She is standing in a kiwifruit orchard with rows of vines and fruit visible in the background. The entire image is overlaid with a semi-transparent orange filter.

CHAPTER EIGHT **PEOPLE**



CHAPTER EIGHT PEOPLE

It is estimated the industry will need another 7,000 seasonal employees in order to reach its growth targets of 229 million trays by 2029. However, this future growth is dependent on the ability to attract and retain people. This chapter will cover topics such as labour, health and safety and examine industry regulations to show how stakeholders can look after one of the industry's most important resources: Its people.

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8.1 LABOUR

Employment Statistics

A 2019 NZKGI survey found there were 19,500 seasonal workers employed in the kiwifruit industry which is forecast to expand to 28,397 people by 2031. As the kiwifruit industry strives to take advantage of increased global demand, shortages of seasonal labour continue to be a challenge. Prior to the advent of Covid-19 in 2020, 53.5% of seasonal workers were New Zealanders, 13.5% were RSE workers and the rest were made up of non-RSE visa holders e.g., backpackers on working holiday visas and international students. Border closures in 2020 drastically reduced the inflow of foreign workers but provided opportunities for New Zealand workers displaced from their jobs by Covid-19. The availability of foreign workers continues to be impacted by travel restrictions, with even fewer expected to be available for the 2022 harvest.

Current estimations are that there are around 9,250 people in permanent employment in the kiwifruit industry. This number will also need to increase as the industry expands. Read more in Ch 9 about initiatives to encourage more people into kiwifruit careers.

Recognised Seasonal Employer (RSE) Scheme

The Recognised Seasonal Employer (RSE) scheme came into effect in April 2007. The scheme allows the horticulture and viticulture industries to recruit workers from overseas for seasonal work when there are not enough New Zealand workers. There is an administrative limit or cap on the number of RSE places that can be taken up in any one year. This cap was set at 5,000 places when the scheme was established in 2007, but the success of the RSE scheme has led to increased demand from employers and the cap was increased to 14,400 in 2019. Unless employers can show they have preestablished relationships with workers from other countries, they may only recruit workers under RSE policy from the following eligible Pacific countries: Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Workers must meet health and character requirements and provide evidence of arrangements to leave New Zealand at the end of their stay. People employed under the RSE policy may stay in New Zealand for up to seven months during any 11-month period. Exceptions to this are workers from Tuvalu and Kiribati, who can stay for nine months because of the distance from New Zealand and the cost of travel.

“Current estimations are that there are around 9,250 people in permanent employment in the kiwifruit industry. This number will also need to increase as the industry expands.”

Right:
In 2019, 14,400 RSE workers
came to New Zealand



At the 2018 RSE Conference, then Immigration Minister Iain Lees-Galloway issued four challenges to RSE Employers:

- Make the industry more attractive to New Zealand workers, by providing better wages and conditions
- Build more accommodation for workers to alleviate local accommodation pressures
- Take greater responsibility for supply chains and labour contractors to help stamp out migrant exploitation
- Transform the horticulture and viticulture industries from low-cost industries to industries based on quality, productivity, and high value products.

These challenges have led to a number of initiatives and shaped the Horticulture Industry transition plan. An additional comment from Minister Lees-Galloway was around the need for Horticulture to work with other industries by sharing knowledge and experience, as it is acknowledged that many industries, such as construction and hospitality, are also experiencing a shortage in labour supply. Benefits

may come from coordinating with other industries with complementary peak labour periods.

In Kiwifruit, it is recognised that the working conditions granted to RSE workers have led to an overall increase in conditions for all workers. In 2021, most packhouses paid the living wage to all workers (rather than just minimum wage), and on-orchard pay rates have traditionally been higher. The RSE scheme also contributes to New Zealand's objectives for the Pacific, by encouraging economic development, regional integration and stability. In 2018, the RSE scheme saw the Pacific Islands benefit by more than \$40 million. The RSE scheme has also been recognised by the World Bank as being one of the best migrant labour schemes in the world.

For more information about the importance of the RSE scheme to the Pacific Island participants see www.hortnz.co.nz/people-jobs-and-labour/rse-scheme/ for a series of short videos.



Becoming a Recognised Seasonal Employer (RSE)

New Zealand horticulture and viticulture employers can apply to Immigration NZ to become RSEs and recruit overseas workers only when there are not enough New Zealanders to plant, maintain, harvest and pack their crop. The employers must fulfil certain requirements to be considered as RSEs:

- Show evidence of being in a sound financial position
- Have human resource policies and practices that are of a high standard, promote the welfare of employees, and include a dispute resolution process
- Have demonstrated a commitment to recruiting and training New Zealanders
- Show evidence of good workplace practices, including compliance with all immigration and employment laws (e.g., health and safety policies and procedures)

Once granted RSE status, Employers then apply for an Agreement to Recruit (ATR). Additional criteria must then be met:

- Show evidence of the shortage of labour in their region and the number of positions they need to fill
- Show how RSE workers pastoral care will be catered for e.g., transport to and from their port of arrival, a work induction program, access to acceptable medical insurance, access to personal banking, necessary language translation, opportunities for recreation and religious observance.
- Provide suitable accommodation at a reasonable price, which does not take away residential accommodation for New Zealanders.
- While employed, RSE workers must be provided with transportation to and from the worksite, all safety equipment and personal protective equipment (PPE), onsite facilities (toilets, handwashing, shelter, first aid, fresh drinking water)
- Provide sample employment agreements that include paying the market rate for the work carried out by RSE workers, specify hourly rates and piece rates that apply, guarantee minimum payments (e.g. at least \$22.10/hr, for a minimum of 30 hours/week), detail any deductions, comply with NZ Employment Law.
- Agree to cover the cost of repatriation if workers breach their visa conditions

Once granted an ATR, Employers can then offer jobs to seasonal workers from overseas. They support their workers visa applications by providing written employment agreements that meet all necessary criteria.

An initial RSE status is granted for 2 years, with subsequent applications approved for 3 year durations.

For more detailed information about applying for RSE status see <https://www.immigration.govt.nz/documents/forms-and-guides/inz1140.pdf>

Looking forward from 2020

With the March 2020 lockdown, many RSE workers already in the country were unable to return home, and many others that were expected to arrive were excluded (along with foreign backpackers). This changed the mix of workers for the 2020 kiwifruit harvest, with the industry making up the balance with New Zealanders that had been displaced from their previous jobs (see Ch1.9 Industry response to Covid-19). Immigration New Zealand had to modify visa conditions for those RSE's remaining and they were kept in employment as much as possible. Repatriation flights to the Pacific Islands were able to go ahead later in the year, but some RSE workers chose to remain in New Zealand. The Government retained the 14,400 cap in 2020, but under Covid-19 border restrictions only 1012 RSE workers entered the country in January and February 2021, through MIQ facilities. These workers were shared between horticulture and viticulture employers around New Zealand. More are expected to arrive by harvest 2022 with the Government allowing some quarantine free travel for workers from Vanuatu, Tonga and Samoa. However, the planning around this remains fluid as a result of the Delta variant outbreak in New Zealand.

With ongoing border closures preventing working holiday visa holders from entering, fewer RSE workers available, an unemployment rate sitting around 4-4.5%, and a forecast crop increase of 10-15 million trays from 2021, the industry is predicting and planning for a severe labour shortage in 2022.

This challenge is being approached from a number of directions:

1. Attraction: NZKGI's labour attraction campaign has been in place for a number of years. It involves the use of targeted media (including online and traditional print media, and collateral such as flyers and posters) to promote seasonal jobs to different groups (such as students, retirees, sports clubs). The messaging also includes links to job sites for recruitment. At the end of each year the strategy is reviewed, using the quantitative data available from the social media platforms and worker surveys, and refined for the next year's campaign. Other attraction activities have included Government-funded training courses to give potential employees some preliminary skills and a taste of the job, so they know what they are signing up to.

For more information on this attraction strategy go to www.nzkgi.org.nz/wp-content/uploads/2020/09/2020-Labour-Attraction-Strategy-Evaluation.pdf.

2. Retention: the 2021 harvest was notable for a perceived increase in absenteeism by some businesses, ranging from 0-50%, with a median around 20%. This included workers signing up but not turning up to work, some not completing whole shifts, or working less shifts per week than they were contracted for. Although widespread across both on-orchard

and postharvest operations, this was not an industry-wide issue, suggesting that further research into the motivators driving this behaviour is warranted. This research is currently ongoing.

3. Government Policy: early indications are that the welfare system may be a factor contributing to absenteeism. By its nature, seasonal work is fixed term, and attention needs to be focussed on the threshold for benefit levels to be impacted by income changes, for both students and job seekers. Employment Law should also be scrutinised, to provide more flexibility around working while studying or working longer hours during peak times, providing more opportunity for workers to transition from fixed term to permanent contracts.

4. Automation provides another potential solution for the labour shortage, allowing replacement of unskilled roles with machines that are more efficient and sustainable. This necessitates a transition to a more highly trained and skilled workforce to maintain the technology. Read more in Ch 7 about automation across the kiwifruit value chain.

To read more on the shortage of seasonal labour, read the NZKGI Seasonal Labour Report for the 2020 season on the NZKGI website at www.nzkgi.org.nz.

Thompson's Horticulture Limited

Thompson's Horticulture Limited (THL) is a family run and operated business that owns and manages vineyards and kiwifruit orchards in the East Coast region. Like other similar companies in the horticulture sector, THL has been heavily reliant on casual labour. However, unreliability of some staff made day-to-day management of the workflow problematic. Absenteeism was frequent and unpredictable. Losing casual staff meant constant retraining when replacement labour was sourced.

Four years ago, THL made the decision to have a people focus in its business, with the aim to become a preferred employer. A key aim was to be able to be flexible for staff and provide the business with surety of labour. It consulted with staff and worked with the Labour Inspectorate to structure new employment contracts. Employees are guaranteed at least one day of 8 hours a week. In return they agree to be at work at least one day each week. A range of employee benefits has helped foster loyalty to the employer.

THL runs a highly successful employment and training programme, partnering with the Ministry of Social Development (MSD) and Eastern Institute of Technology (EIT). Long term unemployed are recruited by MSD to join the programme where they are offered a 5-month fixed term contract with THL, working as Horticulture Workers. Through a combination of on-the-job training and classroom learning, participants can gain the NZ Certificate in Primary Industry Skills (Level 2) through EIT. More than 80 people have been put through the programme since it was launched.

The classroom part covers literacy, numeracy, and the theory behind the horticultural tasks they perform while working on the kiwifruit vines. Programme participants are considered part of THL's core labour

force for the duration of their training. At the conclusion of the programme, workers can apply for a Permanent, Fixed Term or Casual position with THL. Feedback received was that the experience of being in the programme had given them confidence to re-join the workforce. Successes included a participant who was encouraged to undertake further training after THL staff noticed her positive attitude and work ethic. She was highly motivated by the experience and is now a THL Supervisor and a valued employee. She had also introduced other members of her family to the company. THL says it has been able to attract trustworthy and reliable workers because of the success and reputation of the programme.

A Horticulture Apprenticeship programme is also run at THL. Employees work towards completing their NZ Certificate in Horticulture (Fruit Production) (Level 3 & 4). This programme offers a pathway to management. Successes include a trainee who began working for THL in the machinery area, went on to become a Trainee Horticulture Manager, and is now the Development Manager who has developed 50ha of kiwifruit in Gisborne.

THL launched an initiative to give permanent staff an opportunity to obtain their driver licence free of charge. The company had become aware that some employees, who travelled to work by car, were unlicensed drivers. One, who was on a restricted licence, had been bringing several others to work in their vehicle. THL uses the services of outside providers in Gisborne and Opotiki to deliver training so employees can obtain their driver licence at no cost. This includes theory, driving lessons and a defensive driving course. THL is focused on investing in its people. It says the ability to obtain a driver licence has helped dispel the frequently held belief that employers do not care about staff.

8.2 HEALTH & SAFETY

The Health and Safety at Work Act 2015

The Health and Safety at Work Act 2015 (HSWA) is New Zealand's workplace health and safety law that came into effect on 4 April 2016 and is part of a reform package aimed at reducing the number of serious work-related injuries and deaths. The HSWA shifts the focus from monitoring and recording health and safety incidents to proactively identifying and managing risks so everyone is safe and healthy.

HSWA ensures that everyone has a role to play and makes everyone's responsibilities clear:

- Businesses have the primary responsibility for the health and safety of their workers and any other workers they influence or direct. They are also responsible for the health and safety of people at risk from the work of their business. Officers (company directors, partners, board members, chief executives) must do due diligence to make sure the business understands and is meeting its health and safety responsibilities.
- Workers must take reasonable care for their own health and safety and that their actions don't adversely affect the health and safety of others. They must also follow any reasonable health and safety instruction given to them by the business and cooperate with any reasonable business policy or procedure relating to health and safety in the workplace.

- Other people who come into the workplace, such as visitors or customers, also have some health and safety duties to ensure that their actions don't adversely affect the health and safety of others.

More information can be found in the 'Keep safe, keep growing' guide on the WorkSafe website:

<https://worksafe.govt.nz/topic-andindustry/horticulture/keep-safe-keepgrowing-how-to-be-healthy-and-safe-in-horticulture/>

NZKGI & Zespri Health & Safety Guidance Material

In collaboration with Zespri, NZKGI has created guidance material to help growers understand their obligations as a PCBU ('person conducting business or undertaking') on the orchard. This four-step guide sets out the steps growers need to take to manage their health and safety obligations on the orchard and includes a decision tree for growers to confirm their role as a PCBU. The Health & Safety wheel and associated materials are located on the NZKGI website at:

<https://www.nzkgi.org.nz/what-we-do/health-safety/>

Right:
A typical Health & Safety
briefing on orchard.



8.3 CERTIFICATION FOR GLOBALG.A.P. AND GRASP



Putting Food Safety and Sustainability on the Map

G.A.P. stands for Good Agricultural Practice, and GLOBALG.A.P. is the worldwide standard that assures it. GLOBALG.A.P. is a global organisation with a crucial objective: safe, sustainable agriculture worldwide. GLOBALG.A.P. is an important aspect of orchard management affecting everyday activities around growing kiwifruit. Further, it is a compliance programme with a range of modules growers must complete to meet the industry standard and achieve certification.

GLOBALG.A.P. has mandatory requirements that follow legislation and voluntary requirements that promote best practice. However, although the organisation has set voluntary standards for the certification of agricultural products around the world, an increasing number of producers, suppliers and buyers are aligning their certification standards to match. There are a range of activities growers must adhere to in order to achieve certification, from good record keeping through to correct spray management practice.

There are two certification options for New Zealand kiwifruit growers:

Option 1 certification - For a single producer (with or without a Quality Management System).

- Growers that need certification for multiple crops must be option 1
- Less than 100 kiwifruit Management System Owners (MSO) are option 1 certified
- MSO's get their own GLOBALG.A.P. certificate

Option 2 certification - Multiple producers with a mandatory Quality Management System (Group certification).

- A group of producers with a shared mandatory Quality Management System (QMS) receives one certification for the entire group following a successful audit of the QMS and random sample inspections of some of the producers by a GLOBALG.A.P. approved certification body
- Option 2 is Crop specific meaning option 2 covers kiwifruit only
- Over 95% of New Zealand's kiwifruit growers are certified through option 2

GLOBALG.A.P. and GRASP for Kiwifruit Contractors

Contractors have a vital role within the kiwifruit industry and therefore play a major part in growers' G.A.P. compliance. Growers are required to ensure that everyone working on the orchard is compliant with G.A.P. requirements at all times.

For G.A.P. purposes, a contractor is defined as anyone hired to undertake work that is addressed by one or more requirements in the G.A.P. and GRASP checklists. This includes all contractors and sub-contractors.

All kiwifruit contractors are required to be inspected against the orchard activities that they take part in. They

are also responsible for ensuring that anyone they employ complies with these requirements. It is also the contractor's responsibility to ensure that all requirements as set by legislation are met, specifically in regard to health, safety and employment. Contractors must provide the grower with a CAV (Compliance Assessment Verification) issued by an approved inspector before they undertake any work. These need to be kept on file by the grower for their inspection.

Food safety is also a critical part of some contractor operations. On entering the orchard, contractors and their employees must be healthy and adhere to good hygiene practices whilst handling fruit in order to avoid contamination of the product or the spread of disease. Contractors are responsible for ensuring that orchard hygiene procedures are adhered to, that all staff are appropriately trained, that risk assessments are undertaken, and that training is documented.

“ GLOBALG.A.P. is an important aspect of orchard management affecting everyday activities around growing kiwifruit. ”

GRASP

A Commitment to Workers Health, Safety and Welfare

GRASP stands for GLOBALG.A.P. Risk Assessment on Social Practice and is a voluntary social responsibility module of GLOBALG.A.P. GRASP was developed to assess social practices on the orchard and the module consists of 11 questions which can be added to the annual GLOBALG.A.P. audit. GRASP is an assessment only, not a full social audit.

During the GRASP Assessment, the Following Topics are Checked:

1. Confirmation that there is an Employees' Representative
2. Confirmation that there is a complaints procedure for employees
3. Self-Declaration from the orchard owner on good social practices (including commitment to the International Labour Organisation core labour conventions)
4. Access to national labour regulations for workers
5. That workers have signed contracts (employment agreements)
6. That there are regular payments of employees' wages, with evidence (pay slips)
7. Payment of at least national minimum wage
8. Non-employment of minors
9. That children of workers who live on the orchard have access to compulsory school education
10. Time recording system for employees
11. Safe working hours and adequate breaks

GRASP helps growers establish a good social management system on their orchard. It offers consumers added assurance that they are purchasing a product that has been ethically produced. And it helps protect one of the orchards most important resources: Its people.