

A woman wearing a denim jacket and gloves is smiling while holding a large black basket filled with kiwifruit. She is standing in a vineyard with rows of grapevines in the background. The entire image has a warm, orange-to-yellow color overlay.

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 238 million trays by 2026. 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.

THE SECTION IS DIVIDED AS FOLLOWS

8.1	Labour	139
8.2	Health & Safety	144
8.3	Certification for GlobalG.A.P. and GRASP	145

KIWIFRUIT JOBS

GREAT OPPORTUNITIES

GREAT FLEXIBILITY!

“I like working with my hands in the outdoors. The people I work with are cool as and they’re a great bunch to be with”

Mamie West

KIWIFRUIT HARVESTER EXTRAORDINAIRE

Image courtesy of Stille Photography

Say yes to seasonal work and more!

- Pick and pack kiwifruit from March to June. Other positions available all year-round.
- Jobs located in Northland, Auckland, Waikato, Bay of Plenty, Poverty Bay, Hawke’s Bay, Lower North Island and Tasman District.
- Day, night and flexible shifts available.
- Chat with employers about transport and accommodation options.
- Competitive pay rates.

**PICK UP A JOB AND PACK
IN SOME EXTRA CASH.
SCAN TO FIND SEASONAL
KIWIFRUIT WORK NOW!**



8.1 LABOUR

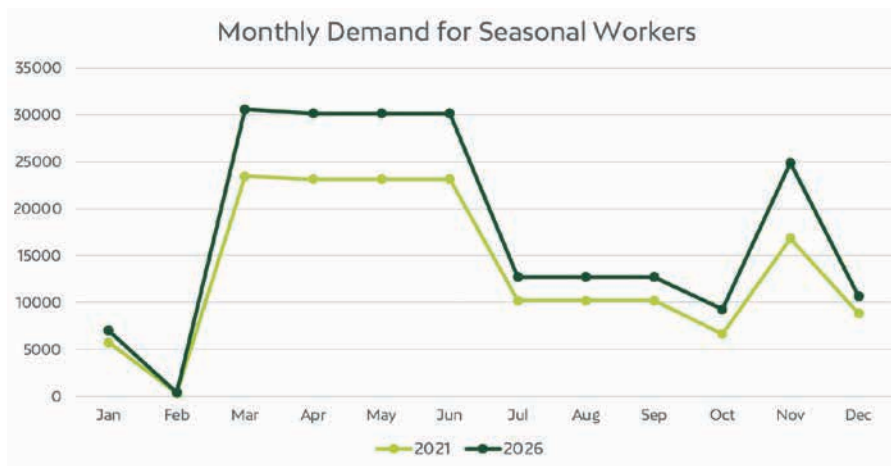
Employment Statistics

In 2021 NZKGI modelling found there were 23,500 seasonal workers employed in the kiwifruit industry which is forecast to expand to 30,000 people by 2026. 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 despite the reopening of our border from July 2022.

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 19,000 for the 2022/23 season. 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.



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

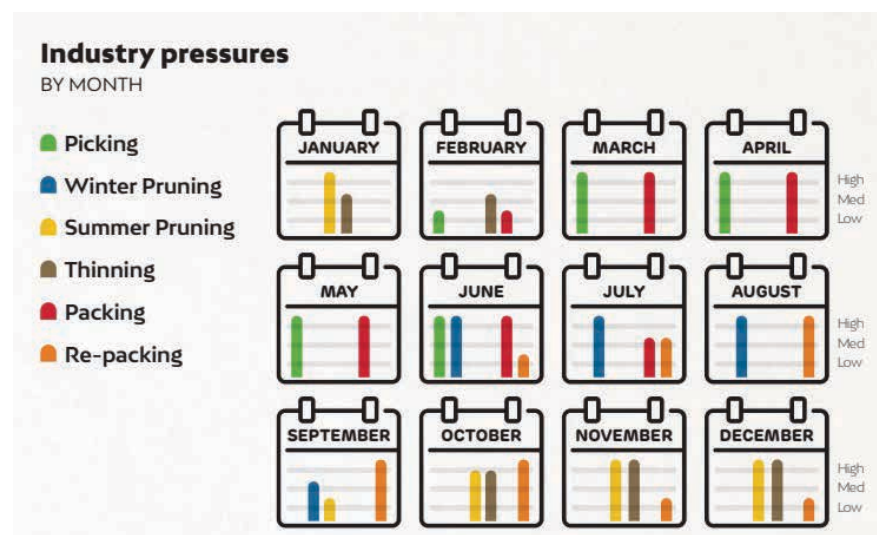
- Make the industry more attractive to New Zealand workers, by providing better wages and conditions
- Build more accommodation for workers to alleviate local accommodation pressures
- Take greater responsibility for supply chains and labour contractors to help stamp out migrant exploitation
- Transform 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 2022, 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

The Government's 2022 decision to increase the RSE cap to 19,000 people/year was welcomed by the kiwifruit industry (and horticulture as a whole). However, there are other ongoing challenges in addressing the shortfall between the availability of workers and the seasonal positions to be filled:

- Nationally, unemployment rates are low (Unemployment rate 3.3%, Underutilisation rate 9.2% - June 2022 quarter, StatsNZ) but this is particularly pronounced in some growing regions.
- Inconsistency and seasonality of the work, with peak labour demand over harvest (Feb-March) and again in November for summer work (see the Industry Pressures diagram). On-orchard work is highly weather dependent.
- Gold and Red Kiwifruit plantings are increasing, with an extra 10-15 million trays of production coming online each year. Both varieties are more labour-intensive to grow than Green, and there is limited opportunity for automation on-orchard.
- Accommodation options for seasonal workers in the growing regions are limited.
- Increasing costs for Employers (rates, licensing, compliance, transport, worker pay rates) on top of the general cost of living increases (fuel, power etc.) means there is less capital available for funding innovation projects to address labour shortages.
- Competition for labour from other industries who may be able to offer full-time work rather than seasonal roles.
- Persistent inaccurate public perception of the work.

These challenges are 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 2021 season on the NZKGI website at www.nzkgi.org.nz.

Case Study: Thompson's Horticulture

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/environmental-and-policy/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.

Based on GLOBALG.A.P., Zespri has determined their own production requirements that all growers must follow, also known as Zespri G.A.P. This ensures that the product Zespri sources and supplies meets all regulatory and customer requirements. The requirements underpin the Zespri production system using both a second and third-party inspection/audit certification process. This means growers undergo an annual GAP audit to ensure they are meeting their obligations.

Good management practice is all about quality and sustainable food production. By following the Zespri Production Requirements growers comply with local and global good management practice in the following three key areas:

Food Safety

- Food Act (2014) recognised by MPI as a Template Food Control Plan,
- Maintaining consumer confidence in food quality and safety,
- Orchard to retail traceability.

Environment

- Integrated Pest Management (IPM) practices and reducing the use of agrichemicals,
- Local regulatory requirements related to resource management,

- Improving the efficiency of natural resource use,
- Minimising the detrimental impact on the environment, whilst conserving nature and wildlife.

Social Responsibility

- GRASP (GLOBALG.A.P. Risk Assessment Social Practice) module as prescribed by customers
- New Zealand employment law,
- Ensuring a responsible attitude towards worker health, safety and welfare.

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

A contractor is defined as someone who provides any of these activities or services on kiwifruit orchards:

- spray application
- vine-work, including harvest, pruning and other canopy work
- fertiliser application
- supply labour for any of the above activities *and* maintain the employment relationship with the employee

Contractors have a vital role within the Kiwifruit industry and therefore play a major part in growers' G.A.P. compliance. The Grower is required to ensure that everyone working on the orchard is compliant with G.A.P. requirements at all times. To be able to work in the kiwifruit industry, contractors must have a valid Compliance Assessment Verification (CAV). To gain this certification, the

contractor must apply to Zespri, have documents and records that demonstrate their systems are working and fully meet the requirement of G.A.P and GRASP, which are then verified through inspection by an approved independent inspector. Growers must retain a copy of the CAV for any contractors they use.

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.

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.