

To: Labour, Science and Enterprise Group
Ministry of Business, Innovation and Employment
RSEpolicyreview@mbie.govt.nz

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Submission on: Recognised Seasonal Employer scheme review

From: New Zealand Kiwifruit Growers Inc (NZKGI)



New Zealand Kiwifruit Growers Incorporated

New Zealand Kiwifruit Growers Incorporated (NZKGI) advocates on behalf of around 2,800 kiwifruit growers by representing their commercial and political interests in industry and government decision making.

We are committed to upholding the industry's social licence by promoting responsible practices, ensuring compliance, and engaging with the community to address concerns proactively.

We are funded by levies mandated under the Commodity Levies Act 1990.

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Executive summary

New Zealand Kiwifruit Growers Incorporated (NZKGI) welcomes the opportunity to submit on the Recognised Seasonal Employer (RSE) scheme review. The kiwifruit industry is New Zealand's largest fresh produce export sector and remains highly dependent on seasonal labour to meet sharp peak demands. The RSE scheme has assisted industry growth, supported Pacific partnerships, and delivered long-term benefits for Pacific workers and their communities.

Our submission focuses on the overall design and operation of the scheme, rather than detailed operational issues already addressed through industry-led proposals.

Our bottom line is about simplifying the scheme for all participants. We emphasise the importance of grounding any future changes firmly in existing legislation and good regulatory practice, rather than creating parallel or duplicative systems that increase complexity without improving outcomes. We support a more coherent, risk-based and graduated regulatory model that recognises that most employers want to do the right thing, while ensuring regulators have proportionate tools to address non-compliance where it occurs.

Key themes and positions in this submission include:

Employer accreditation and compliance We support a graduated accreditation and renewal framework aligned with compliance. Accreditation settings, allocation, and enforcement tools should be clearly linked within a compliance framework that provides clarity on regulator roles, expectations, timeframes, and consequences.

Agreement to Recruit (ATR) settings We support maintaining the principle that New Zealand workers must be prioritised while recognising that the current ATR process is administratively heavy and often misaligned with the realities of seasonal labour demand. We support exploring longer-term and/or alternative ATR models.

Worker welfare, visas, and pastoral care We support settings that strengthen worker wellbeing, voice, and pastoral care while allowing flexibility to reflect diverse cultural needs and local contexts. We favour pastoral care plans that demonstrate access to essential supports and reflect workers' voices, rather than prescriptive one-size-fits-all requirements. We support two-season visas for experienced workers, increased flexibility for workers to change employers in defined circumstances.

Accommodation standards and cost recovery We support modernising accommodation standards with clearer system-level monitoring and enforcement, grounded in existing building, health, and safety legislation. We support the industry accommodation proposal and caution against overly rigid or ambiguous requirements that undermine good regulatory practice.

On cost recovery, we're open to a minimum take-home pay. However, a longer-term resolution may require legislative change that recognises the unique nature of the RSE scheme.

Introduction

The RSE scheme has assisted the kiwifruit industry's growth

New Zealand's kiwifruit industry has grown rapidly over the past decade and is now one of the country's leading horticultural sectors. Kiwifruit remains our largest fresh produce export crop, contributing NZ\$3.66 billion in 2025 and driving much of New Zealand's NZ\$5.68 billion in fresh fruit export earnings¹. Export volumes rose from 100 million trays to over 200 million trays over the past decade, reflecting major gains in productivity, intensification, and strong industry coordination.

This strong performance is expected to continue, with industry forecasts showing sustained production growth - from 214 million trays (2025) to 236 million trays (2030).

The kiwifruit industry's future labour needs will continue to grow. The mix of roles and skills are changing as technology and automation become more widely adopted. The permanent workforce is projected to increase by 20–30% by 2035², driven by industry expansion. Seasonal labour will remain essential to meet sharp peak periods.

The Recognised Seasonal Employer (RSE) scheme has assisted the kiwifruit industry with meeting labour demands, and supported industry growth. NZKGI recognises the 'triple-win'; the RSE scheme benefits New Zealand's Pacific partnerships and delivers long-term benefits for Pacific workers and their communities. It provides access to well-paid seasonal jobs, that build skills, support families, and strengthen economic resilience.

The 'triple-win' must be matched by fairness

RSE employers are held to standards that go well beyond those applied to other New Zealand employers. The impact is significant compliance and financial pressures, particularly for smaller operations.

New Zealand already has strong legislative settings that ensure minimum protections and conditions for all workers. Existing legislation and the scheme's core objectives must remain central to decision-making. Further, effective regulation recognises that most employers want to do the right thing.

We take our social responsibilities seriously

All kiwifruit growers and contractors must be certified under Global Good Agricultural Practice (GLOBALG.A.P), an internationally recognised set of standards designed to ensure safe, sustainable, and responsible farming. Where growers and contractors employ staff, they must also meet social practice standards.

The kiwifruit industry also vets all prospective kiwifruit orchard contractors alongside GLOBALG.A.P. Registered contractors are reassessed annually. Contractors are vetted on:

- Sustainability of business structure including residency status of directors.
- Management capability e.g. industry experience.
- Financial resources e.g. credit history and cash to support the business.
- Compliance capacity e.g. regulatory compliance history and understanding of the contractor programme.

¹ United Fresh. (2025). Fresh Facts 2025. <https://unitedfresh.co.nz/assets/site/Fresh-Facts-2025-%E2%80%93-Online-Version-%E2%80%93-28.10.25.pdf>

² Scarlatti. (2026). Future workforce needs of New Zealand's kiwifruit industry.

We also volunteer a labour compliance quarterly report to government officials outlining our compliance activities.

Our submission focuses on the overall design and operation of the scheme

Our bottom line is about simplifying the scheme for all participants. The general position we support is for existing legislation and the scheme's core objectives to be at the centre of decision-making.

Processes could be shaped by looking to other regulatory frameworks that serve a similar purpose or function i.e. caring for vulnerable persons; and/or conditional permitting. In writing this submission, the frameworks we considered include:

- School hostel licensing under the Education (Hostels) Regulations 2005
- Early childhood service licensing under the Education (Early Childhood Services) 2008
- Aged care facility certification under the Health and Disability Services (Safety) Act 2001
- Conditional permit systems e.g. visa conditions under the Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010, building consent under the Building Act 2004 etc.

We have intentionally avoided going into detailed issues, as these are fully covered by our industry partners and working groups. We acknowledge and generally support their detailed submissions.

We also commend MBIE for its collaboration and constructive engagement with the horticulture industry throughout this process. MBIE provided useful insight into some of the policy tensions at play. As a result, some of our positions in this submission may differ from proposals or views we have previously supported.

The horticulture industry made efforts to engage with Pacific partners on its proposals

Pacific partners raised concerns about the pace of the consultation process, the lack of coordinated engagement as a group, and a number of other challenges on their side. NZKGI acknowledges these concerns and recognise that there are several issues still to be worked through. However, these matters sit outside the scope of this review of RSE scheme settings for New Zealand, and may better sit with MFAT.

We support the Government continuing to work with Pacific partners on these broader challenges. Working through them will help to set Pacific partners, workers, and the New Zealand horticulture sector up for more success over the long term.

Employer and compliance settings

Status/accreditation duration

What's being considered:

- rebalancing the approach to front vs back-end checking
- reducing the burden of status renewals
- incentives for employers to meet higher employment standards through our settings

If progressed, should increased status duration apply to all employers or just to “good” / “lower-risk” employers? If the latter, what requirements should employers need to meet to receive longer status duration? Should this be graduated?

The RSE settings must be anchored in New Zealand's existing legislative requirements, and the core objectives of the scheme. The non-negotiables. We support additional standards only where no appropriate standard otherwise exists. Regulation should reinforce what's already in law, not create parallel and at times conflicting systems.

Employers support clear non-negotiables across the system:

1. Employers have made reasonable attempts to train and recruit New Zealand citizens and residence class visa holders.
2. Ensuring that the employment conditions of both New Zealand and overseas workers are protected and supported, including:
 - Demonstrated compliance with employment laws – no substantiated complaints or incidents lodged with regulators. Robust regularly reviewed policies and procedures are in place, aligned with current legislation.

We acknowledge that the absence of substantiated complaints or incidents does not always mean there are no concerns. We support proactive monitoring where regulators identify elevated risk.

 - Accommodation standards are met, with evidence available for inspection or audit.
 - Pastoral care - employers have clear plans in place to support the rights and wellbeing of workers. This is a shared responsibility and a cornerstone of the scheme's success.
3. Ensure workers recruited under these instructions are adequately paid and benefit financially from their time in New Zealand, including:
 - Wage entitlements are met.
 - Deductions are actual, reasonable and lawful.

We support a graduated approach to accreditation/renewals and aligning it with allocation.

We also support aligning a graduated accreditation status with a clear compliance framework so that employers are clear on roles and responsibilities, and the consequences of non-compliance (discussed further below under compliance settings).

We would like MBIE clarify how it will deal change of ownership

We would like MBIE to clarify how it will deal with accreditation, allocation and Approval to Recruit (ATR) where there is a change of ownership of an accredited entity. Some scenarios include:

- Entity restructure (i.e. administrative nature). For example, splitting one entity into two entities or changing from a partnership to a registered company.
- Transfer/merger where the new owner has no prior RSE experience.
- Transfer where the new owner is currently RSE accredited for a separate entity.
- Merger into another entity where the new owner is currently RSE accredited.

We are aware of situations when minor changes to entity structures result in significant administration from across regulators. We encourage MBIE to look for efficiencies.

Are there particular pain points in status renewals or applications we should address?

The application system is paper-based and uses postal services. We support email application submissions in the short-term and moving to a digital platform in the longer-term.

Postal services are increasingly unreliable, and employers are often not even sure Immigration NZ (INZ) have received the documents.

Would you be comfortable paying a higher upfront status fee if there were fewer times you had to reapply and/or it could improve the speed of processing?

We support a higher fee if the proposed fee is aligned with the Government's cost recovery guidelines and is overall more efficient than having to apply and pay fees every other year.

Compliance settings

What's being considered:

- how to address current gaps (between formal warnings and revocation)
- a graduated assurance model, where greater checks are in place for "higher-risk" employers and fewer for "lower-risk" employers
- whether additional levers are needed to address employer non-compliance and/or incentivise employer compliance
- whether the Labour Inspectorate (LI) and/or others need further resourcing to support compliance activities and improve timeliness.

What levers should the system have to address non-compliance? Are there other options we should be considering?

We agree the compliance settings aren't fit for purpose and support regulators having proportionate tools available to support employers with compliance.

Reducing an allocation is a proportionate tool to address medium-level non-compliance or where an educative approach has failed. Improvement notices may also be an effective tool. It could be used as an intermediary tool between educative approach and reduction in allocation.

Should MBIE adopt a graduated approach to accreditation, we support aligning this setting with a compliance framework (discussed further below).

Are there particular pain points in the compliance system we should address?

Employers are committed to meeting the non-negotiables outlined in legislation and the RSE scheme's core objectives. The current model is low-trust and compliance heavy, placing significant pressure on employers – especially smaller operations. We support a system that is simplified and built on a higher-trust model, complementing current legislation and with core objectives at the centre of decision-making.

Currently, most compliance activity sits with two agencies (regulators) for system efficiency. But it means that regulators operate outside of their usual regulatory roles. And those roles and responsibilities are unclear to employers. For example:

- The LI inspecting RSE accommodation, which is not an employment site.
- INZ assesses employment documents submitted with applications.

We also aren't aware of any service standards or practice guidance in place for regulatory staff across the various departments. This results in different practices in different regions and processing timeframes.

The scheme would benefit from a compliance framework to provide clarity, consistency and assurance for stakeholders

We strongly encourage MBIE to consider its regulatory practice with the scheme and how it can provide greater clarity, consistency and assurance for stakeholders. The scheme would benefit from a compliance framework. The framework should include:

- Clarity on which regulator is the decision-maker at key points in the process and clearly defining the roles and responsibilities of the supporting agencies.
- Clarify that any employment or immigration offences will be dealt with under the relevant Act; and outline how any sanctions for those offences may impact an employer's RSE status.
- Specify processing time frames to ensure consistency and reduce uncertainty. For example, 20 working days from date of receipt is a standard applied across many government application systems.
- Outline any proactive monitoring or mandatory audit activities, and how this aligns with accreditation. For example, LI will conduct [x] number of visits within the accredited period.
- Enforcement tools that are proportionate and provide transparency on how they may be applied. Tools should be progressively applied, but not always, depending on the risk/harm and the employer's attitude/behaviour towards compliance. For example:
 - Educational approach for unintentional, low risk/harm non-compliance, often administrative in nature.
 - Improvement notice where educative approach has failed.
 - Reduction in allocation/ATR/accreditation status.
 - Revocation of accredited status for serious non-compliance, particularly where sanctions have been imposed under relevant immigration or employment law.

We would like to see employers have more review rights on decisions made by INZ

Currently INZ will only reconsider a declined decision if the employer provides new information (and does so promptly). There are many instances of MSD being unable to supply sufficient jobseekers for the peak periods, while simultaneously restricting the number of workers approved. Employers cannot seek a review of these decisions. Where a public body or agency makes a decision affecting a person's rights or interests, that person should generally be able to have the decision reviewed in some way.

Further, we recommend MBIE specify clear timeframes for any review rights e.g. a set number of working days for submitting review requests.

Should we scale enforcement based on risk factors?

Yes, good regulatory practice includes prioritising monitoring and enforcement efforts where the greatest harm could occur and where intervention can make the most meaningful difference. This includes identifying high risk behaviours or repeated patterns of low-level non-compliance.

Where do you think the biggest risks lie in the system?

We assume the question is about identifying indicators for higher risk employers.

We consider that the biggest risks lie in new participants to the scheme, high growth companies and during periods of turnover of key staff. We support the regulators to take appropriate actions to mitigate the risks, aligned with a compliance framework. For example, high-growth companies could receive a gradual increase in their worker allocation, while regulators could provide additional support to new participants or in situations where there has been turnover of key staff.

The lack of proactive monitoring from the LI poses a clear risk. We are calling on the Government to commit to increased resourcing for the LI so it can take a stronger, more preventative role. We have consistently advocated for this over many years. And we think our Pacific partners would support this too.

The *Soapi vs. Pick Hawke's Bay* judgement (under appeal) provided clarity on how the law should be applied. Employers have adjusted their practices to avoid breaching the Wage Protection Act 1983. In good faith, some employers are asking workers to agree to automatic bank account payments or other methods to recover costs. It is outside the payroll system and cannot be verified by the LI, which introduces a new exploitation risk to the system.

We strongly support clear, lawful and auditable deduction processes that uphold worker protections and system integrity.

To what extent should compliance performance align with accreditation duration?

We support using accreditation as an administrative and enforcement tool. Changing the employer's accreditation duration may be appropriate in some circumstances, particularly where there's a change of ownership and the owner has no/limited RSE experience.

As noted above, we strongly suggest a compliance framework is developed to provide clarity on when using the tools may be appropriate.

The Agreement to Recruit settings and Labour Market levers

ATR duration and settings

What's being considered:

- how we can best ensure that the ATR is fulfilling its purpose to ensure New Zealanders are first in line for jobs while acknowledging the need for RSE workers to help fill supply gaps
- whether we should move the ATR to a longer model
- allocation mechanics, including possible streamlining that could so the ATR is more focused on its core labour market objectives.

What works and doesn't work with the current ATR process?

We agree that job-ready New Zealanders should be recruited and employed first wherever possible. We're supportive of MSD being involved in the process and recognise the assurance role MSD plays in the scheme.

However, the ATR is not working as well as it should. We refer to the industry proposal where the pain points are documented, but note two key issues:

- Labour plans are indicative. They reflect estimates because they are provided well in advance, often before seasonal fluctuations and labour market changes are known. Employers need flexibility to adjust to these plans and engage in responsive communication with MSD.
- Only MSD jobseeker referrals are recognised, which undermines genuine efforts by employers to hire locally. New Zealand jobseekers who are employed should count towards meeting the scheme's core objectives of a New Zealand workers first approach, regardless of whether they are an MSD referral.

We would like to see a more responsive process when late-stage problems arise with workers

Late-stage issues arise outside an employer's control on occasion. For example, where workers have their visas cancelled due to serious offending shortly before departure.

Employers who have recruited up to their allocation are required to submit a new ATR to recruit replacement workers. We would like to see a more responsive process to enable employers recruit replacement workers.

Would you support moving to a longer-term approach for an ATR, including if it meant further input upfront to demonstrate prioritisation of the domestic labour market and/or came at a higher cost?

The long-term nature of the RSE scheme alongside the Government's commitment to Pacific economic development and the need for a more enduring model, raises a reasonable question about whether an annual is still fit for purpose. Accordingly, we support improvements to the ATR process and duration.

In the past we have expressed support for a three-year for ATRs. However, we recognise there may be better fit solutions, as discussed further below.

Do you have any other views on how to improve the ATR while maintaining its core purpose to ensure the domestic labour market has been tested?

We support exploring alternative solutions, including shifting ATR elements into the accreditation process.

The ATR's core purpose is to ensure the domestic labour market has been tested, so it should be just that. Most other requirements can be shifted to accreditation. Further, we support two-year ATRs, aligned with two-year/season RSE Limited Visas as discussed below.

If regulators want to check on accommodation or pastoral care more often than the length of an employer's accreditation, but not every year, they can add a monitoring or reporting requirement as part of the accreditation (see compliance framework recommendation). For example, if an employer is accredited for six years, regulators can set a requirement for accommodation or pastoral care to be audited at a certain point during those six years. This allows regulators to keep an eye on standards without needing to reassess the employer every year.

Cap and cap allocation

Do you think we still need a cap? Why?

We support MBIE considering whether the concept of a cap is needed.

If the objective of the cap is to ensure New Zealanders are prioritised for jobs, it's unnecessary duplication of the ATR.

The cap has not been reached in recent years, which shows that employers respond to the industry and labour market conditions appropriately.

The cap was a barrier when the industry was experiencing rapid growth.

Worker welfare and visa settings

Visa settings

What's being considered:

- whether RSE visas should last multiple seasons and how would this affect other parts of the system (e.g. upfront health requirements and the cap allocation)
- whether and how we could increase flexibility for workers to change employers while onshore
- whether RSE should remain a limited visa (limiting the ability to apply for other visas onshore and certain appeal rights)

What would you be prepared to do to facilitate multi-season visas? (e.g. offering guaranteed contracts, or advising INZ when workers do not return)

We support efforts to reduce visa application administration and have previously expressed support for three-year visas. However, we recognise that longer visa durations would have implications for workers' tax obligations and eligibility for public healthcare.

We understand that a two-year, multi-season visa would reduce the obligation on New Zealand public services. Accordingly, we support two-year visas for workers who have completed at least two prior seasons. A two-year, multi-season visa allows sufficient time to verify a worker's health and good character, providing an appropriate safeguard for employers and New Zealand.

Under this approach, Agreement to Recruit (ATR) and visa applications would be aligned within the same recruitment year. There would inevitably be situations where a worker's first two seasons do not align neatly with an employer's ATR cycle. This misalignment should be recognised as a practical feature of the system and will need to be managed by employers, workers, and labour sending units.

As discussed at the Bay of Plenty employer forum, an alternative or complementary option to explore is a simplified or fast-track process for returning workers, with lower fees and more flexible eligibility settings. This would also help to mitigate misalignment issues and cost-recovery pressures.

In what circumstances should workers be able to change employers without requiring a new ATR? Eg in cases of adverse weather events or of employer non-compliance

We support settings that, in some circumstances, allow workers to change employers without requiring a new ATR or visa for the worker. For example, in adverse events or employer non-compliance. In adverse weather events, the current settings made it difficult to move workers to other employers in other regions.

We also strongly support allowing employers to move their workers to another region, provided workers give their consent and Immigration New Zealand is notified. We recognise that labour market conditions can vary between regions; however, if the relocation is temporary and the employer has met all other ATR requirements, they should have the same flexibility as other New Zealand employers to redeploy labour when needed.

For example, larger employers with orchard and post-harvest operations across multiple regions would benefit from the ability to move workers between locations. This could include redeploying workers from smaller kiwifruit-growing regions experiencing adverse weather conditions to the Bay

of Plenty. This would help ensure continuity of employment for workers while minimising production risk for growers.

Healthcare and insurance

What's being considered:

- whether current settings strike the right balance of cost and coverage, access to healthcare in New Zealand.

We recognise that healthcare and insurance is difficult.

Dental care is a common issue for workers. Workers often arrive with pre-existing dental issues and require extraction. We support insurance cover for dental extraction but acknowledge pre-existing conditions are often excluded in insurance policies.

We support MFAT to resourcing for the worker training programme, NOA Village of Learning. The programme has a healthy living module, Ola Manuia which covers themes such as:

- The Fonofale and Ola Manuia Health Models (holistic health and wellbeing)
- Foundations of physical wellbeing
- Mental and emotional wellbeing awareness
- Healthy lifestyle habits – food and nutrition, meal planning
- General strategies for maintaining wellbeing while working in Aotearoa.

We would like to see this expanded as it is not available in all regions.

Worker voice and pastoral care (excluding accommodation)

What's being considered:

- what pastoral care requirements should be in place, and clarity around those
- whether an RSE specific complaints process should be introduced
- how we could increase worker voice representation in the scheme

What is working well, and not working well with current pastoral care settings?

We refer to the industry proposal where the pain points are documented.

Do you have suggestions for how we can balance the level of up-front checks, with the frequency of subsequent checks?

Pastoral care is inherently complex. Cultures are diverse, and workers' needs and expectations vary widely. It is not possible to account for every individual circumstance. It's about tangata, whanaungatanga and tikanga, not prescriptive requirements.

Employers should be able to demonstrate worker wellbeing through a clear and credible plan. The plan should show that workers have access to essential supports and reflect workers' voices as far as reasonably practicable. Where these conditions are met, the Government should be satisfied that workers' wellbeing is being appropriately supported.

A plan could include, but is not limited to:

- how workers are supported to access essential needs, such as communication with whānau, transport, financial autonomy, religious and cultural observance, and opportunities for exercise and recreation;
- the number of pastoral carers available to workers, including their roles, responsibilities, and any relevant personal or professional credentials; and
- measures in place to ensure workers' voices are heard and acted upon as reasonably practicable to do so.

We recognise Pacific partners may want more assurance that workers' wellbeing is supported than we propose; and it is essential that their perspectives are reflected in any monitoring of pastoral care. Pastoral care plans could be required with an ATR, showing evidence of annual self-review (what improvements have made or are they planning to make?).

We support an independent complaints line for workers.

We encourage stakeholders to recognise the significant amount of work the industry is doing in pastoral care. For example:

- Horticulture New Zealand's Whānau Moana Nui pilot,
- Ola Manuia – RSE health and wellbeing framework,
- Labour Governance Groups sharing practice,
- employers voluntarily supporting Pacific workers and their lives back home³,
- examples documented in the Pacific Labour Mobility Annual Meeting (PLMAM) Employer Forum Outcome Statement 2024⁴.

Training, upskilling and role differentiation

What's being considered:

- Should experienced RSE workers be able to access training towards more skilled RSE related roles while working in New Zealand?
- Can provision of take-home skills and training for RSE workers be improved or broadened, in addition to offerings through MFAT's Noa programme?

We support increased MFAT resourcing for the worker training programme, NOA Village of Learning. We would like to see this expanded as it is not available in all regions.

³ [Beyond the season: How RSE employers are voluntarily supporting Pacific workers and their lives back home - Immigration New Zealand](#)

⁴ [Pacific Labour Mobility Annual Meeting – Outcome Statement 2024.pdf](#)

Accommodation standards and cost recovery

Accommodation

What's being considered:

- modernising the Accommodation Standards Framework
- system-level strengthening of monitoring and enforcement
- greater clarity and improved transparency
- industry proposal on new accommodation settings

What are the pain points in the accommodation standards we should address?

We refer to the industry proposal where the pain points are documented.

Where and how do you see the lines between minimum standards, room for discretion, and unhelpful ambiguity?

We reiterate that the scheme settings must be about meeting existing legislative requirements and the objectives. That is, accommodation is healthy and safe and meets the requirements of:

- Healthy Homes Standards,
- Building Code including fire safety,
- local rules under the relevant authority's plan.

Further, any concerns about a building compliance should be referred to the relevant authority.

We support the industry's accommodation proposal regarding their appended standards. We acknowledge that 'adequate' may be an unhelpful regulatory term, nor consistent with our general position for clear standards. However, it is appropriate here and consistent with good regulatory practice that recognises most employers (or accommodation providers) are responsive and provide adequate facilities and furnishings.

Licensing criteria for early childhood services, for example, requires providers have

a sufficient quantity and variety of (indoor and outdoor) furniture, equipment, and materials is provided that is appropriate for the learning and abilities of the children attending⁵

without being prescriptive about the number of books and toys that children must have access to.

⁵ [General premises and facilities criteria for centre-based ECE services – PF1 to PF14](#)

Cost recovery

What's being considered:

- how immigration settings around cost recovery interacts with employment law
- approach to transport related cost recovery
- clarity, consistency, and guidance
- cost-sharing responsibilities

What challenges are there in the current settings?

We refer to the industry proposal for transport cost recovery where the pain points are documented.

Accommodation costs are out of scope for this review. However, we strongly support revisiting them. Both current and legacy cost-recovery methodologies expose employers to known tax compliance risks.

Should there be a minimum take home pay requirement, or more rules around the timing of cost recovery?

We support the industry's proposal on transport cost recovery.

Cost recovery for flights and visas etc

Cost recovery challenges within the RSE scheme primarily arise from the pressure on employers to recoup airfare and visa costs quickly, particularly where workers are only marginally exceeding the 30-hour threshold and where cashflow constraints are present.

While the *Soapi v Pick Hawke's Bay* decision clarified application with the Wage Protection Act 1983, it has also led some employers to seek alternative cost-recovery arrangements outside the payroll system, inadvertently introducing new risks of worker exploitation.

We are open to policy options such as a minimum take-home pay requirement, potentially benchmarked to Jobseeker Support payment. But we recognise these settings may be difficult to justify to Pacific partners.

Pending the outcome of the ongoing appeal, meaningful resolution is likely to require legislative change that recognises the unique characteristics of the RSE scheme, acknowledging the complexity and sensitivity of such reform.