

THE LABOUR FORCE BEHIND NEW ZEALAND'S INCREASED PRODUCTIVITY IN THE HORTICULTURE AND VITICULTURE SECTORS



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During the 2014 Recognised Seasonal Employer (RSE) conference, New Zealand Immigration Minister, Michael Woodhouse, announced that the government would increase the annual cap to 9,000 workers. Although this was expected by industry, the increase was lower than anticipated. New Zealand growers have become reliant on this labour force, enabled by the RSE and have argued that productivity has increased since its initiation. This *In Brief* examines some considerations of New Zealand's policy as Australia is in the process of increasing the Seasonal Worker Program (SWP).

RSE and SWP

There are significant differences between Australia's and New Zealand's approaches to labour mobility schemes. The RSE has been operating since 2007, whereas SWP began in 2012 after the successful pilot project Pacific Seasonal Work Program (2008–2012). The RSE has 9,000 visas available in two main employment sectors, horticulture and viticulture, whereas SWP allows 4,250 visas for the horticulture, aquaculture, cotton, tourism and sugar cane sectors. However, 98% of SWP visa uptakes are in horticulture (Ball 2015). Furthermore, these schemes have been promoted and implemented differently across industries.

Nonetheless, there are important similarities related to growers' concerns on the uptake of these seasonal programs and the methods that governments use to implement these programs. These have been highlighted in terms of costs, compliance and monitoring (Bailey 2009; Hay and Howes 2012).

RSE: Industry Driven. Government Regulated

After the RSE was announced in 2006, arrangements for its implementation were rapidly established. The RSE was an industry-led initiative, yet growers were concerned with consultation processes, the timeline, and the potential demise of other schemes, such as the Approval in Principle scheme and Seasonal Work Permit Pilot Policy that met the needs of small business growers.

Prior to the scheme's official launch on 30 April 2007, the New Zealand Department of Labour presented the RSE to industry stakeholders on a limited nationwide tour, where information about the RSE was made available (Bailey 2009). For smaller business growers, the RSE seems less viable given the extensive requirements of becoming an RSE employer (Bailey 2009). Growers were particularly concerned about the costs, obligations and significant amounts of bureaucratic paperwork (Bailey 2009). Hays and Howes (2012) also highlighted these issues for SWP. To offset these obligations, New Zealand growers joined industry co-operatives to source labour from RSE accredited employers. These co-operatives have aided in the success of the scheme.

Another key to the success of the RSE was stakeholders' urgency to make the scheme successful, underpinned by large investments to establish it. Government agencies, industry leaders and approved RSE employers dedicated economic and social resources to support the policy, and focused on promoting positive media while downplaying any negative consequences (Bailey 2009).

Category of Labour Force

The organisational structures of RSE recruitment produced a particular labour force that suited growers' expectations and demands. It is a captive, immobile, organised, reliable and accommodating workforce that ensures growers will have crops harvested on time, and, so far, this has exceeded projected productivity levels (Bailey 2009; 2013; 2014a; 2014b; Bedford 2013). For example, Gibson and McKenzie (2014, 19) argued 'RSE workers are 50–60% more productive than backpackers and New Zealand casual labor, and 11–18% more productive than other New Zealand contract workers, even those returning for multiple seasons'. The labour force the scheme produces has increased industry's productivity, resulting in further promotion of the scheme among growers, who initially had reservations about the scheme's viability.

Concerns, Returning Workers, Reducing Costs

Concerns that the RSE would create a lack of employment for New Zealanders or decrease wages in these sectors have not been realised. The increased production from employing RSE workers in these industries has created further employment opportunities and wages have increased annually.

Ni-Vanuatu RSE workers have become an integral part of New Zealand's labour force. In Bailey's (2014b) case study, 68% have returned annually since 2007. This is an advantage for employers who traditionally trained new workers such as backpackers, transients and holidaymakers annually. Central Otago Winegrowers President, James Dicey, stated:

Business has actually become a lot easier for me ... I don't have to find and recruit, and I train less people. Six years ago before the Vanuatu workers came to us we had staff turnover on a regular scale, a Swedish backpacker might be with us for a day and a half. I've had to go and train them for an hour or two, a supervisor would take over, continue training them ... then the next day or the day after that they would be gone ... So the constant retraining was a huge drain on resources particularly when we are focused on quality and the consequences of the ni-Van working for us have been, that they are at ... full-vehicle speed within a day ... the level of retraining is significantly decreased, the level of productivity has continued to grow and that's not just within GrapeVision but certainly within other areas (Grower, pers. comm. 2010 cited in Bailey 2014a).

Allowing labourers to return in successive seasons enables employers to retain good workers with minimal retraining. Furthermore, to secure renewal of contracts for subsequent seasons ni-Vanuatu work hard to be productive for their employer, something that traditional temporary labour workers in the industry are not necessarily concerned with.

Conclusion

Government and industry heavily invested to promote and make the RSE successful; however, the most significant forms of promotion were the scheme's labour outcomes. The reputation of RSE

workers and improved productivity has increased caps on visas in response to RSE growers' demands and is likely to continue in the near future. For New Zealand industries, increased productivity is a result of a reliable source of labour available for consecutive seasons.

With the recent increased uptake of SWP visas, Australia has the potential to deliver its own unique approach to improving productivity in a number of industries, while engaging in developing regional relationships through providing labour access to its Pacific neighbours.

Author Notes

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