



New Zealand Government Submission: Australian Federal Parliament's Joint Standing Committee on Migration: Inquiry into the Seasonal Worker Programme

The New Zealand Government is pleased to have the opportunity to contribute to the work of the Joint Standing Committee on Migration in its Inquiry into the Seasonal Worker Programme.

It is intended that the information below informs the Committee's work by detailing New Zealand's experience with regard to the Recognised Seasonal Employer (RSE) scheme, a comparable policy to the Australian Seasonal Worker Programme. RSE has proved to be a highly successful initiative that has been described as a "triple-win":

- It has been a win for the New Zealand horticulture and viticulture industry, with RSE employers growing their business since the scheme's inception.
- It has been a win for New Zealand workers, as industry growth has resulted in more jobs for New Zealanders in both permanent and casual work.
- And it has been a win for Pacific development, with earnings by Pacific RSE workers enabling them to support their families and pay for education, health and other community services. In many cases it has generated capital for those wanting to start a small business

The Committee's specific terms of reference for the inquiry are used to organise the information provided below.

The role of seasonal workers in the horticulture industry

The New Zealand horticulture industry comprises 5,500 commercial fruit and vegetable growers. The industry is valued at more than NZ\$4 billion and has a target to grow this value to NZ\$10 billion by 2020. The industry comprises more than 60 products, and exports to more than 120 countries. Major exports include kiwifruit, apples, avocados, onions, kabocha (pumpkin squash), fresh vegetables and potatoes. Citrus, berryfruit and olive oil are developing export products.

The New Zealand horticulture and viticulture industries combined are estimated to employ around 50,000 people. Employment in the industry has a seasonal pattern, with

more workers required when crops are harvested and packed. Different crops have different seasonal employment peaks and troughs throughout the year. Since 2006/07 the industry has been able to source additional migrant workers through RSE policy. Prior to RSE, there was high incidence of employment of illegal migrants during seasonal periods.

Originally RSE policy allowed up to 5,000 workers a year to enter New Zealand. This ceiling – “the RSE cap” – was increased to 8,000 in late 2008, as industry grew and its labour needs increased. The cap was again increased in 2014 to 9,000. RSE numbers grew relatively slowly after 2008 as a result of the Psa outbreak in the kiwifruit industry. The Government will again review the cap if and when RSE numbers approach 9,000.

RSE workers are highly valued by New Zealand employers for their productivity, dependability and enthusiasm. Advice from RSE employers is that the scheme has resulted in a more stable workforce for the horticulture industry than in previous years, and has supported the employment of more New Zealand workers in addition to RSE workers. The majority of RSE employers have been able to expand their area under cultivation and envisage further improvement in their business operations as a result of participation in the scheme.

Expanding the Seasonal Worker Programme to other countries and sectors

The two key operating principles of RSE are:

- *New Zealanders first* – employers should be employing local workers first, and if they are unable to find New Zealanders, then migrant workers can be employed.
- *Pacific preference* – employers must employ Pacific migrants, unless they have an established relationship with workers from other countries. Around 83 per cent of RSE workers come from seven Pacific countries – Vanuatu, Samoa, Tonga, Solomon Islands, Kiribati, Tuvalu and Papua New Guinea.

RSE participation is open to all Pacific Forum Island Countries. New Zealand enters into bilateral arrangements (known as Inter-Agency Understandings or IAUs) with Pacific source countries. IAUs are currently in place with Vanuatu, Samoa, Tonga, Solomon Islands, Kiribati, Tuvalu, Papua New Guinea, Fiji and Nauru.

RSE policy has been designed to address the particular needs of the horticulture and viticulture industries. The New Zealand Government recognises the contribution that labour mobility opportunities for Pacific workers can make to Pacific economic development. The New Zealand Government therefore remains open to exploring broader labour mobility opportunities for Pacific workers, both seasonal and non-seasonal.

In the PACER Plus negotiations, New Zealand has proposed a “Pacific Labour Mobility Annual Meeting” that would better connect the Pacific into employment opportunities in

areas of labour shortages in the New Zealand and Australian labour markets. New Zealand has offered to host the first such meeting in Christchurch, as a means to link New Zealand trades employers in the Canterbury rebuild with Pacific workers (trades workers in the Canterbury rebuild is an area of current labour shortage).

The current and future workforce requirements for sectors that may benefit from seasonal workers

Prior to the introduction of RSE, employment in horticulture and viticulture had been falling. Access to a reliable, returning workforce during seasonal peaks has allowed the industries to stabilise, and begin to increase employment. A Pipfruit New Zealand membership survey in October 2013 found that RSE employers had increased their employment of New Zealand permanent and seasonal workers by 19 and 16 per cent respectively.

Future growth in the horticulture and viticulture industries will be achieved by increased planting, which will require a commensurate increase in seasonal labour for harvesting and packing. The Ministry for Primary Industries report *People Powered* indicates that the horticulture sector will require a net increase of 7,800 workers by 2025. That is likely to require increased labour from a number of sources, including RSE.

The impact on the Australian labour force of the current and projected Seasonal Worker Programme

The New Zealand Government has set a challenging target to reduce welfare dependency through increased placements of beneficiaries into employment. Horticulture and viticulture are sectors that provide work opportunities that might be suitable for people currently receiving welfare. An important principle of RSE is "New Zealanders First": New Zealand workers should be given the first opportunity at available jobs.

RSE is managed as a partnership between Immigration New Zealand (part of the Ministry of Business, Innovation and Employment), Work and Income (part of the Ministry of Social Development) and industry. Regional Governance Groups make recommendations for regional allocations within the national cap, which incorporate estimates of the available local labour supply. Immigration New Zealand then makes individual visa decisions, which reflect Work and Income advice on whether individual employers have made efforts to recruit welfare recipients.

In 2014/15, Work and Income has introduced a pilot "New Zealand Seasonal Work Scheme", which seeks to replicate most of the features of RSE for local workers who are prepared to temporarily relocate to seasonal jobs in the industry. At this stage, the scheme is a pilot of 250 places, which may be increased if it proves successful.

The merits and challenges of increased recruitment of overseas workers, in particular providing increased access for women and youth workers

RSE policy is considered by researchers and evaluators including the World Bank to be a world leading example of a seasonal worker programme. It has generated benefits for industry and workers – both New Zealanders and migrants – and is highly valued in the Pacific as a source of remittance income and transferable skills. Approximately 15 percent of Pacific RSE workers are women.

RSE policy has amongst its objectives furthering Pacific economic development, regional integration and stability. In addition to supporting economic development in the region, it has served to enhance people-to-people links between New Zealand and Pacific Island countries, demonstrated most recently by the support from RSE employers to Vanuatu in the wake of Cyclone Pam.

Increased recruitment of overseas workers, including through RSE, will need to continue to be managed alongside the imperative that New Zealand workers – including those currently receiving welfare – are given the first opportunity at available jobs.

The role of the Seasonal Worker Programme in supporting development assistance in the Pacific

The New Zealand Aid Programme provides financial support to facilitate the RSE scheme and maximise the development benefits:

- The “RSE Worker Training Programme” (*Vakameasina*) has provided 4,700 Pacific RSE workers with access to literacy, numeracy, financial literacy, computer, business development, leadership and practical life skills while in New Zealand;
- The “Strengthening Pacific Partnerships” (SPP) project provides technical assistance to participating Pacific governments - Kiribati, Samoa, Solomon Islands, Tonga, Tuvalu, PNG, Vanuatu, Fiji and Nauru - to ensure the smooth running of the scheme;
- The “Remittance Pilot Project” aims to establish baseline evidence on economic benefits of RSE policy and its role in assisting development in Samoa and Tonga; and
- The “Send Money Pacific” website compares the total costs of different providers for sending money from NZ, Australia and the USA to seven Pacific countries.

The RSE scheme provides Pacific workers with the opportunity to upskill and increase their income. Overall remittances have been between \$34 and \$41 million per year. On average, workers take home \$5,500 each season.

The skills and training Pacific workers acquire while working in New Zealand enables them to improve their financial planning, and seek better employment opportunities or develop their own business opportunities when they return home. Upskilling workers

also benefits RSE employers, resulting in better communication, fewer mistakes, less accidents and ultimately more efficient workplace practices.

Any legislative and other impediments in attracting seasonal workers

New Zealand enters into bilateral arrangements (known as Inter-Agency Understandings or IAUs) with Pacific source countries. These arrangements specify what is required of both parties, and in some cases will constrain how source countries go about selecting workers.

Employers make the final decision as to which eligible RSE workers they will hire. Where they have identified a reliable source of workers, they will tend to go back to that source. As a result, employers have developed relationships with particular countries and even villages. Countries that have not been able to provide a reliable source of good workers have tended to struggle to compete with those that have.

The visa regime for seasonal workers, including compliance and related issues

Accredited Recognised Seasonal Employers will be given an Approval in Principle to recruit a specified number of workers. To maintain accreditation, employers need to maintain a good record with respect to their employment practices, and continue to demonstrate a commitment to hiring New Zealand workers.

Individual RSE workers are given limited visas, which allow them to work in New Zealand for up to seven months each year (up to nine months for Kiribati and Tuvalu). RSE workers are able to return in subsequent years, although they require a new visa each time. Workers must meet the standard health and character requirements that apply to all visas.

Overstaying rates are very low for RSE. There have been fewer than 100 overstayers over the history of RSE, and a significant proportion of these are from non-Pacific source countries (which make up less than 20% of RSE workers).