

Invited presentation, “Making Migration Work”, ANU, 3 April, 2012

Perspectives on productivity: Some RSE examples

**Richard and Charlotte Bedford
University of Waikato and University of Adelaide**

Context

- ❖ **A vulnerable industry with low profit margins**
- ❖ **Small-scale operations for the most part (80% under 20 ha). Only 11% RSEs**
- ❖ **Small RSE workforces for the most part (44 percent of ATRs for under 10 people; 44 RSEs with under 50 recruits, 2011)**
- ❖ **New Zealanders first policy**

Assessing productivity

- ❖ **Volume of output per day (bins, kg of fruit picked etc)**
- ❖ **Value of produce picked per day (\$\$/ worker)**
- ❖ **Gross wages per period paid and changes in these over successive seasons**
- ❖ **Two dimensions to productivity: attendance (number of weeks worked) and experience (return workers)**
- ❖ **Simple information for employers to provide**

Citrus picking, 2011 season

Group	Av kg/day/wor ker	Av wages/da y/wker	Av \$ pd /kg
RSE	755	127	0.17
NZ	391	87	0.22
Back pker	414	101	0.24

Hypothetical productivity gain, 2011

Group	Value
Total crop	2,623,356 kg
All RSE labour (17c)	\$445,970
All NZ labour (22c)	\$577,140
Difference (\$)	\$131,170
% difference	29%

Apples, gross wages 12 weeks, 2011

Worker group	Av. \$/12 wks	SD \$/ 12 wks	Coeff. Var. (%)
RSE return	8798	738	8.3
NZ return	6641	2324	35.0
RSE new	8081	1245	15.4
NZ new	7141	1711	24.0
NZ casual	2894	2144	74.1
Backpack	2655	2130	80.6

Apples, gross wages 10 weeks, returnees 4 orchards, 2009-2011

Worker group	Av. \$/10 wks	SD \$/ 10 wks	Coeff. Var. (%)
RSE 2009	6798	1226	18.0
NZ 2009	7098	2635	28.1
RSE 2010	6924	1175	17.0
NZ 2010	7356	2470	33.6
RSE 2011	7251	908	12.5
NZ 2011	6506	1920	29.5

Summary

- **RSE workers consistently more productive as measured by attendance and experience, especially after a year or two**
- **On average the RSE return worker is more productive than the equivalent experienced NZ worker**
- **The productivity gains are starting to plateau but still some potential for reducing variability across workers**

Challenges

- ❖ **The attraction of Australia**
- ❖ **Building loyalty through rewards for experience**
- ❖ **Stopping too much “shopping around”**
- ❖ **Building loyalty through investment in island communities**
- ❖ **New Zealanders first policy**