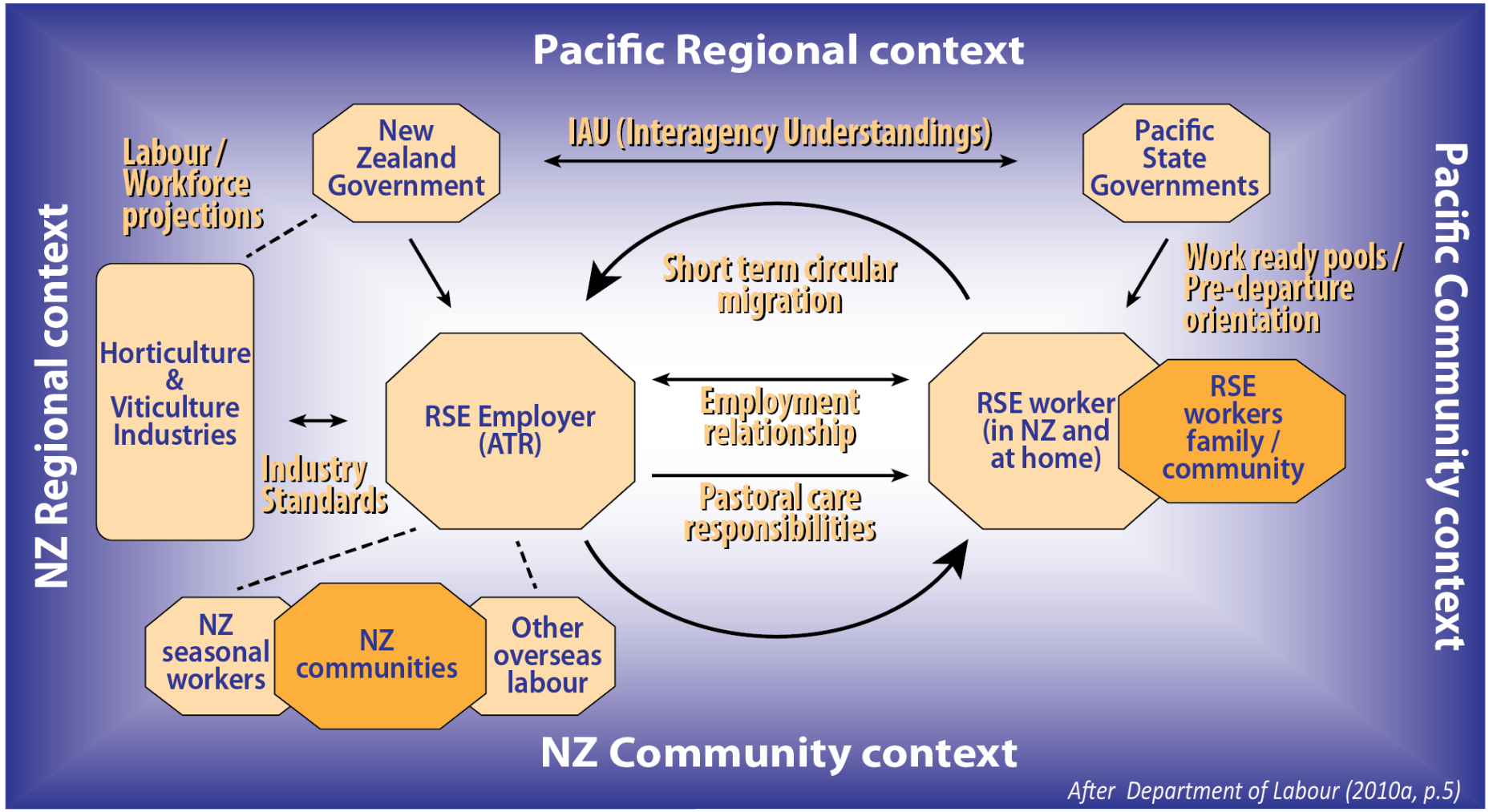
New Zealand's Recognised Seasonal Employer (RSE) scheme

An industry-led initiative

RSE scheme

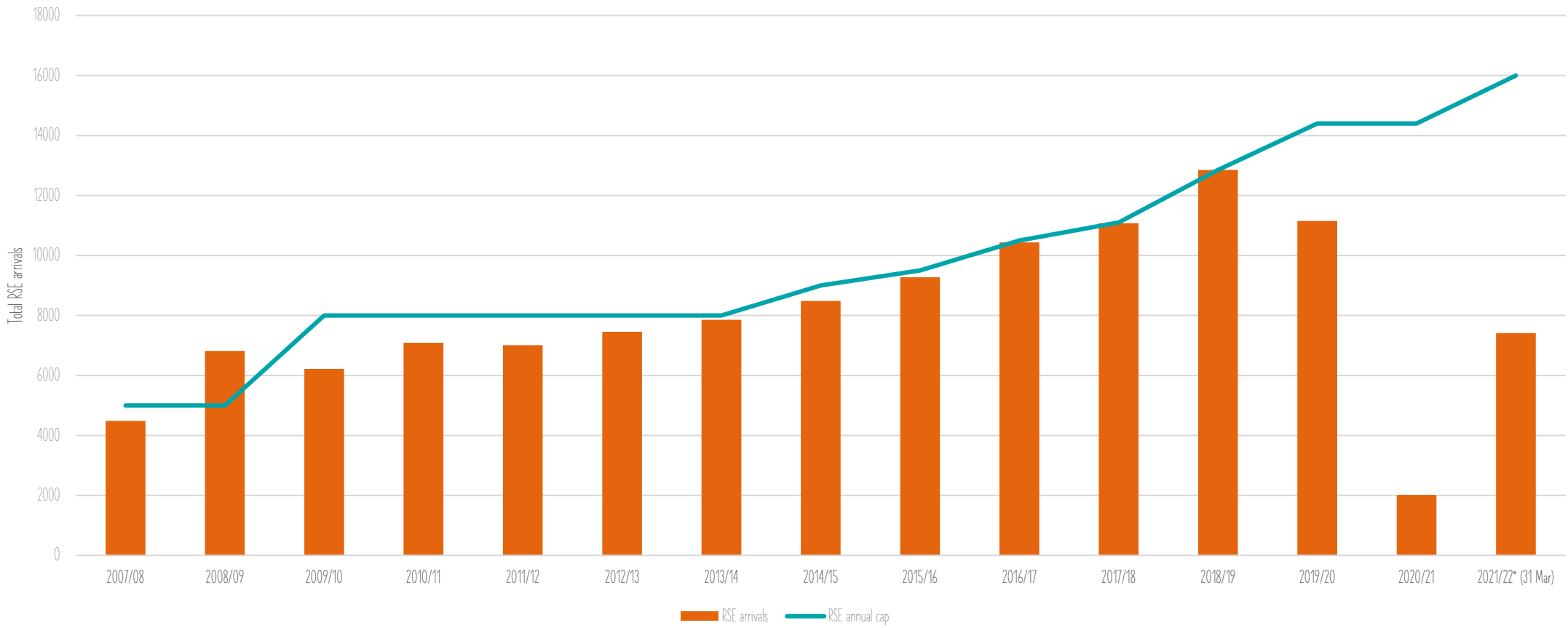
- Implemented 2007, co-designed by industry and government
- Provides seasonal labour to NZ's horticulture industry (incl. wine)
- 9 Pacific countries c.90% RSE arrivals, small number (c.1,500) SE Asia
- Employer-specific visa, max 7 months (9 months Kiribati and Tuvalu)
- Annual RSE cap, 16,000 for 2021/22, protect NZ workforce
- **Dual aims: 1) support seasonal labour needs of NZ horticulture industry; 2) contribute to economic development of participating Pacific countries**

The RSE 'system'

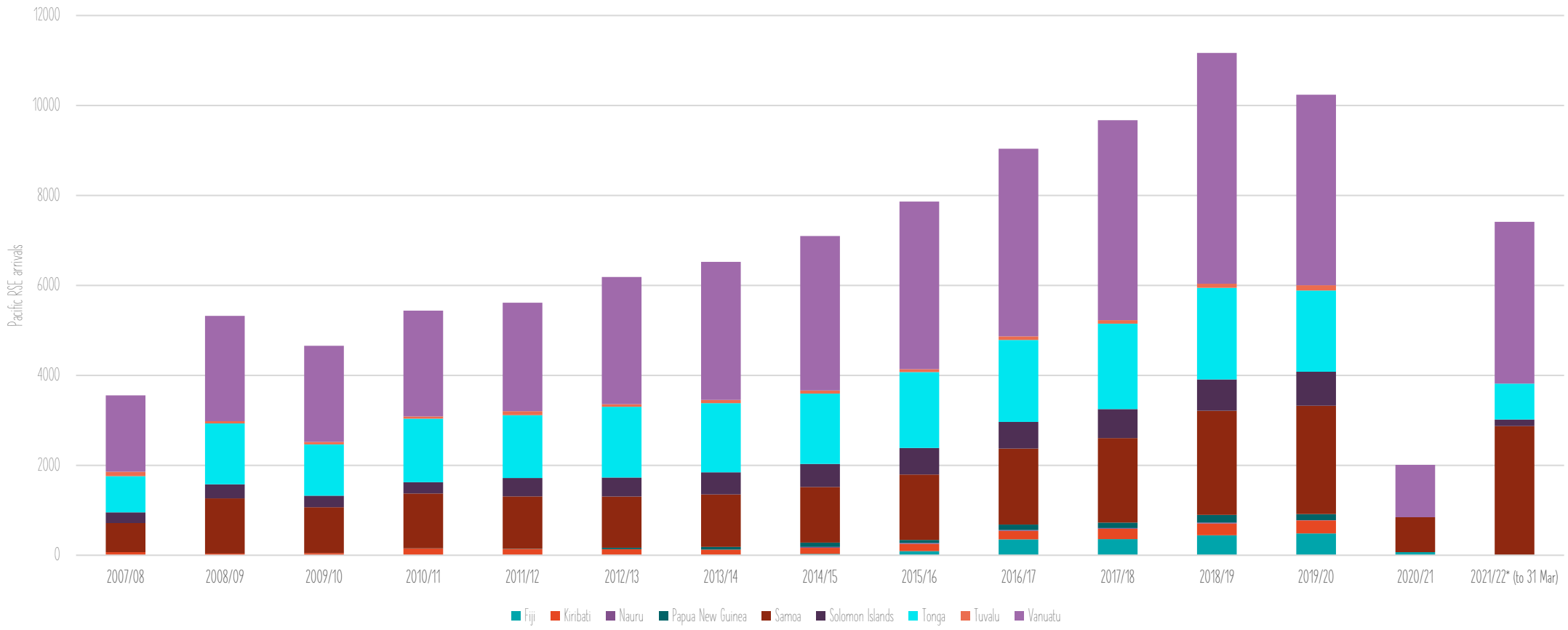


After Department of Labour (2010a, p.5)

RSE annual cap and arrivals 2007-2022



Pacific RSE arrivals 2007-2022



RSE employers

Direct recruitment and employment. Long-standing relationships with workers

2018/19:

- 10 largest RSEs (300+ workers) accounted for 45% of arrivals
- But 40% of 147 RSEs recruited <20 workers

Annual RSE survey – monitor how scheme is meeting growers' needs

NZ horticulture industry (incl. wine)

Export-oriented $6.6b 2020: kiwifruit (38%), wine (29%), apples (13%)

Industry: strong voice in RSE, early efforts to “clean up” grower practices

Global GAP, Sustainable Winegrowing, NZ Ethical Employers

Annual RSE conference

RSE workers

Regular source of income key benefit of RSE participation

Vakameasina – skills training

RSE has weaknesses inherent in other schemes:

- Restrictive visa and employment conditions, accommodation
- Workers don't want to speak out for fear of jeopardizing job opportunity
- Social impacts of regular, repeat absences from family

Worker voice – industry pilot of annual RSE worker survey

RSE scheme during COVID

- **RSE recruitment restricted to certain Pacific countries**
- **2,800+ long-term workers who entered pre-COVID, still in NZ 2yrs+ later. Visa extensions, working year-round. Family** relationships disrupted by long absences
- **Collaborative approach to worker wellbeing: government, industry, community groups, iwi, Pacific diaspora; piloting of new welfare initiatives**
- **RSE an industry-led scheme with government oversight**

2021/22: “the goal is just to survive”

Seasonal labour shortages

- Estimated c. 10,000 RSE workers in March 2022.
- Shortage of 6,500 backpackers
- Low local unemployment rate
- Omicron – staff off sick or self-isolating
- Wage rates: locals earning up to $60/hour on piece rates in kiwifruit, $24/hour in packhouse, incentives and cash bonuses to lure locals into seasonal jobs

Rising production costs

- Disruption to global supply chains, soaring freight costs. Cost of apples to US up 135%
- Kiwifruit charter vessels to get fruit to key markets; apple exporters switching to new markets
- Increasing energy costs, minimum wage gone up + rising costs of Global GAP certification
- Costs can’t pass on to consumers in competitive markets. Products becoming uneconomic
- Growers leaving industry

Towards 2023 and beyond

- RSE policy review
- New Pacific labour mobility schemes
- Productivity Commission's challenges: reduce dependence on overseas labour, automation, up-skilling NZers

Working on the migration equation

Economist Peter Wilson says closed border offers perfect chance to rethink NZ's reliance on low-skilled seasonal labour, writes **Liam Dann**

Out of **workers**

A Business Herald series on the country's crippling labour shortage

The series

Monday:
- The tech sector's new pain point

Tuesday:
- Worse than Covid: Hospitality's battle for staff
- Kate MacNamara: Immigration and the puzzle of New Zealand's tight labour market

Wednesday:
- 'Ridiculous' shortage of MIQ spaces for construction workers
- Covid-19 highlights labour shortage in seafood industry

Thursday:
- Horticulture has 'wall of work coming' and dwindling staff
- James Cameron laments worker shortage

Yesterday:
- Tourism jobs go begging, receptionists making beds
- 'Devastating': Worker shortage causes crisis — employers plead for help

Coming up
- **Solutions:** What should the Govt be doing, how firms are adapting