New Zealand's Recognised Seasonal Employer scheme: 38,000 workers by 2028?

By Charlotte Bedford
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In an election year, pressure is on for political parties to make policy announcements that capture the public imagination and ultimately garner votes. Inevitably, some surprising promises are made. The National Party's recent announcement of plans to "Double the Recognised Seasonal Employer (RSE) worker cap over five years to 38,000 per year and explore other countries entering the RSE scheme" is one such promise.

Industry and the media picked up on the one-liner immediately. Following a briefing on 18 April by the National Party, Horticulture New Zealand released a statement that speculated that countries in Asia might become more prominent sources of RSE labour. A small number of RSE employers have approval to recruit workers from select Asian countries, a residual component of an earlier labour migration scheme that was grandparented into the RSE scheme. Approximately 1,500 RSE workers from countries in Asia – predominantly Thailand, Malaysia and Indonesia – arrive each year.

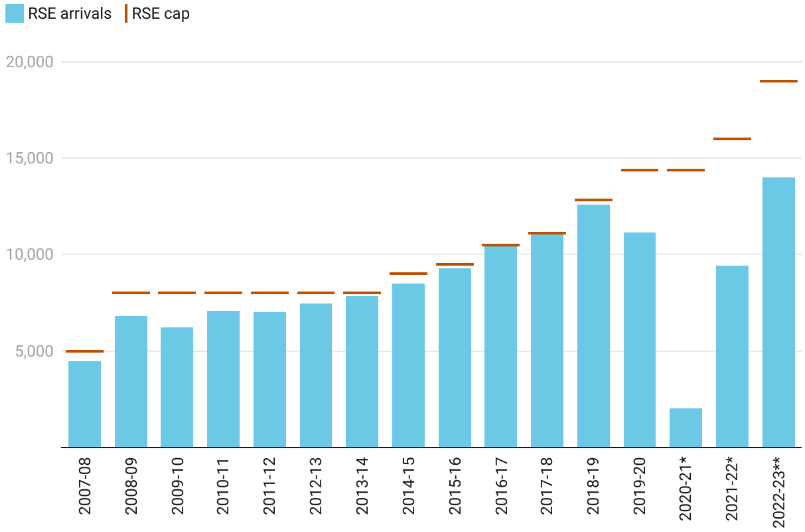
RSE employers would no doubt be interested in recruiting seasonal labour from Asian source countries. In light of recent concerns raised by several Pacific countries about the potential drain on their domestic labour forces as New Zealand and Australia expand their Pacific-focused temporary labour schemes, an argument could be made as to the benefits of diversifying beyond the Pacific. Horticulture New Zealand's statement reflects this view: "One of the Pacific's concerns is the draw on their labour force. As the RSE scheme evolves, we agree with the approach of reducing reliance on the Pacific by looking at recruiting skilled seasonal workers from Asia and other countries, while ensuring the integrity of the RSE scheme and New Zealand's unique role in the Pacific."

This statement fails to acknowledge, however, the low intake to date of RSE workers from Papua New Guinea in particular, as well as from Fiji and Solomon Islands. All three countries have sizeable working age populations that have been largely untapped by New Zealand employers, and could be better utilised, especially in the case of PNG. It would make sense for RSE employers to explore recruitment from these countries first.

Australia's equivalent seasonal work scheme also extends employment opportunities to Timor-Leste. This may be a country for New Zealand to expand to in the future, ahead of seeking labour from other Asian source countries. Even so, expanding RSE recruitment beyond the Pacific would be a major departure from one of the scheme's key policy settings – to provide seasonal work opportunities to citizens of participating Pacific countries in order to contribute to economic and social development in the region.

The RSE scheme has always been governed by an annual cap on numbers. When the scheme was introduced in 2007, the annual cap was set at 5,000 places. Over time, the cap has increased in response to employers' growing demand for RSE labour (Figure 1). Despite pressure on the cap in some years, the total number of RSE workers recruited in any given financial year has never exceeded the cap ceiling. The maximum number of RSE workers to have arrived in any given year to date is 12,581 in 2018-19, the last full year of RSE recruitment prior to the onset of the COVID-19 pandemic in early 2020.

Figure 1: RSE arrivals and annual RSE cap, 2007-23



**RSE arrivals in the 2020-21 and 2021-22 years negatively impacted by COVID-related travel restrictions.*
***Estimated RSE arrivals to 30 June 2023 (actual arrivals were 12,445 to 1 May 2023)*
Created with Datawrapper

National's proposal to increase numbers of RSE worker arrivals to 38,000 over a five-year period – more than three times the maximum number of arrivals per annum achieved to date (12,581) – is to promote growth in the scheme and its operational systems at a rate that has never been attempted.

The annual cap has always been a source of some tension between horticulture and viticulture industry groups and employers on the one hand, and government officials on the other. From industry's perspective, a national cap is unnecessary as individual employers can self-regulate – employers prefer to recruit locally, in part because it's less expensive than recruiting seasonal labour from the Pacific, hence employers will only bring in the number of RSE workers they need for seasonal jobs and that they can accommodate. Australia has taken this approach – their equivalent seasonal work scheme is uncapped.

The RSE cap – which acts as a regulating mechanism to support the New Zealander first principle of the scheme (i.e. employers should seek to recruit local labour first, ahead of recruiting migrant workers) – does however serve a useful purpose in terms of public perception; it helps mitigate arguments of "exploitation" of migrant labour by the horticultural sector at the expense of providing seasonal jobs to Kiwis.

Notwithstanding this tension, there has been a high level of bipartisan support for the scheme's basic policy settings – including the annual cap – during the first 15 years of its operation. This is evident in the current RSE policy review where one of the three workstreams relates largely to the cap: the way the cap is set, the review process, and the allocation model for how RSE labour is then distributed regionally and to individual employers.

The major consultation phase for the RSE policy review, including receipt of stakeholder submissions, ended on 24 April. Immigration New Zealand is due to report to the Labour government on the outcome of the review by June 2023. It is difficult not to be cynical about the underlying purpose of National's announcement, made five days prior to the end of the consultation period, and to question whether it is an attempt to destabilise the review process.

The policy review was initiated to address a range of concerns about the RSE scheme's operation, with particular emphasis on the wellbeing of RSE workers while in New Zealand. The scheme has been the subject of significant criticism in recent months, especially in relation to employment conditions, standards of RSE worker accommodation, and mistreatment of workers. The policy review aims to tackle these issues, including availability and provision of suitable RSE worker accommodation, provision of health care to RSE workers, employment conditions including wage rates and employee deductions, and worker rights.

In light of current concerns, including from the Human Rights Commission that "due to a lack of oversight, regulation, enforcement and human rights protections within the RSE scheme, employers are able to exploit workers with few consequences if they wish", National's plan to double the current cap of 19,000 places, and widen the pool of eligible source countries, seems ill-considered.

Moreover, the recent devastation caused by Cyclone Gabrielle – with estimated on-farm capital losses of up to NZ$1 billion due to physical damage to trees, vines, fencing, machinery, buildings and other infrastructure – and the multi-year timeframe to remediate land and re-establish orchard and vineyard plantings, begs the question of whether there is a need for 38,000 RSE workers in the next five years.

Australia had similar plans to supplement their existing PALM (Pacific Australia Labour Mobility) scheme by recruiting agricultural labour from countries in Southeast Asia. The Australian Agricultural Visa (AAV) announced in 2021 was to provide agricultural workers across a range of skill levels. Only one country signed a Memorandum of Understanding to participate in the AAV before the new visa category was shelved. With the Labor government's election in 2022, the AAV was subsumed into the PALM scheme and effectively buried. Labor is instead focusing on increasing the numbers recruited from the Pacific "as part of our Plan to build a Stronger Pacific Family".

With a New Zealand election looming later in 2023, RSE employers, industry groups, Pacific governments and other key RSE stakeholders will have to wait and see whether National's plan to expand the RSE scheme comes to fruition, or faces a similar fate to the AAV.

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