

# 2018 Horticulture Conference

## Where are our workers?

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### Environmental Scan

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**Change in Government – change in focus, expenditure, tax ...**

**Funding casualties include:**

- Infrastructure – roading
- Gas and oil exploration

**Funding beneficiaries include:**

- Foreign affairs and trade – Pacific Initiatives
- Provincial Growth Fund
- Tree planting

**Presents opportunities and risks**

## Labour Relations Changes



Accelerating increases to the minimum wage so that by 2020 it is \$20 per hour – this means a \$1.75 increase for the next two years

### Labour Relations Bills: re-unionisation:

1. Employers with 20 employees or more lose right to 90-day trial
2. Union reps - access to workplaces without permission
3. Businesses to settle collective agreements even if they don't or can't agree
4. Not allowing businesses to opt out of multi-employer collective agreement (MECA)
5. Plus employer responsible for contractor and sub contractor

Strikes for wage increases across the public sector

## Tax, Investment, Immigration



**Fuel tax** imposed in Auckland – by 2020 it will be across the country:

- Requires rebate for off road use
- In addition to road tolls – transmission gully

**Tax Working Group** – looking at new taxes:

- Environmental tax
- Capital gains tax

**Overseas Investment tightened**

**Immigration** – changes from the last Government still taking effect:

- 3 year visa then cooling period
- Crisis for aged care and dairy in 2020

## Effect of the Changes



### Wage rises:

- Inflationary – but good for exchange rates
- Can they be afforded?

### Reduced infrastructure spending and investment:

- Loss of quality labour to Australia

### Labour, Investment and Tax:

- More costly to do business
- Less likely to employ inexperienced workers





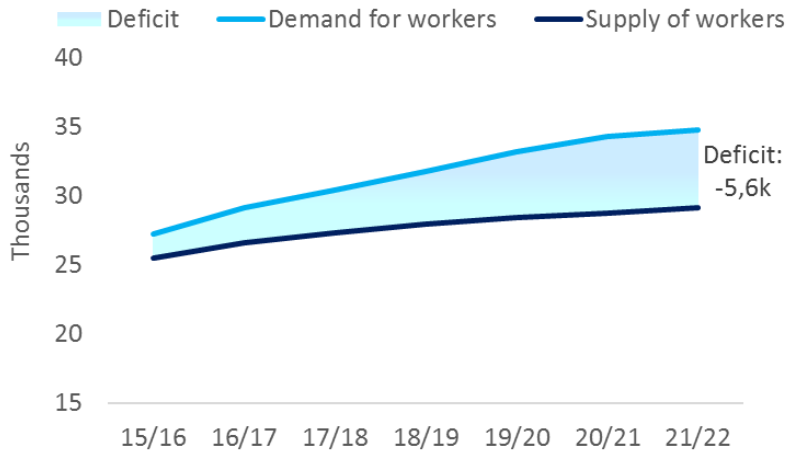
## Model results

Year end June	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22
Maximum workers available	25,481	26,583	27,325	27,964	28,387	28,756	29,100
Workers needed	27,249	29,121	30,411	31,750	33,192	34,283	34,706
<b>Difference</b>	<b>-1,768</b>	<b>-2,538</b>	<b>-3,086</b>	<b>-3,786</b>	<b>-4,805</b>	<b>-5,526</b>	<b>-5,606</b>
Peak hours per worker per week	43	44	45	45	47	48	48

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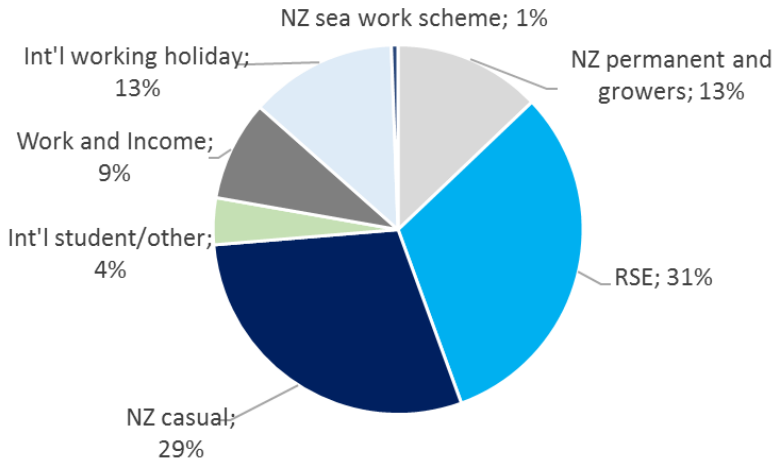
## Demand growing faster than supply



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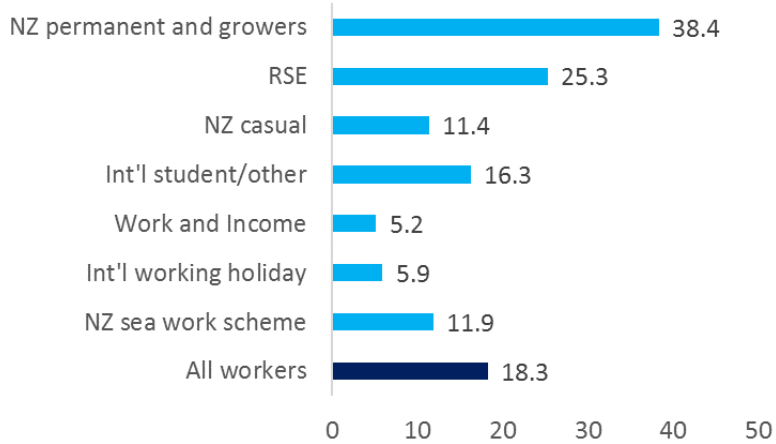
## Workers employed



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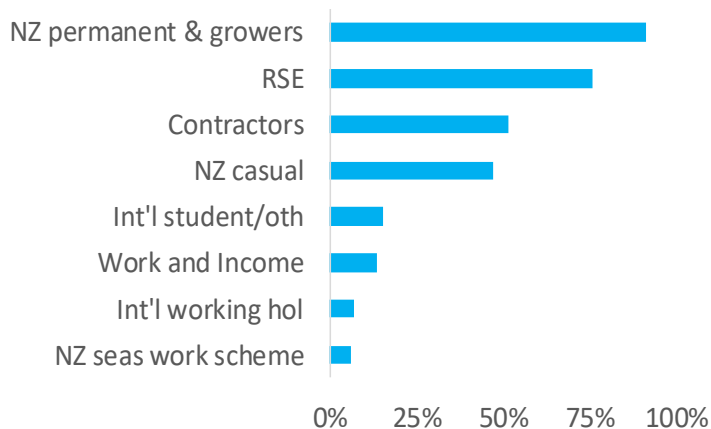


## Annual average weeks worked per worker



10

## Proportion of workers that worked last season with the same grower



11

## What are we doing?



**Horticulture Capability Group** – kiwis and training

**Labour Steering Group** – RSE and upskilling

**Employment Practices Workshops** – best practice

**Immigration** – essential skills and other tools

Two aspects:

1. Permanent
2. Seasonal

**Working collaboratively solution**

## Horticulture Capability Group

NZ Apples and Pears, NZ Avocado, NZ Kiwifruit Growers, Vegetables NZ, Hawkes Bay Fruit Growers Association and HortNZ

### Four core initiatives:

- Hort apprenticeship programme
- Massey Hort degree and short courses
- Supported by Provincial Development Funded careers managers
- Mystery Creek Fielddays careers stand

**Erin Simpson has made outstanding contribution**

## Career Progression

*Gisborne running and Northland funded – applications in for the rest*

Maximise access to workers

Work ready and up skill workers

Year round employment

Promote horticulture:

- As a thriving industry
- Offers a broad range of long-term careers

## Labour Steering Group



### Core focus RSE scheme:

- Progressive cap increases
- Reviews of scheme – less bureaucracy
- Annual employer conference

### Issues:

- Application of policy – accommodation standards
- Need to expand scheme to meet shortages
- Risk of losing scheme





## Are we good employers?



Good employer workshop running

Need to have a high standard across all of industry

Identified areas for improvement:

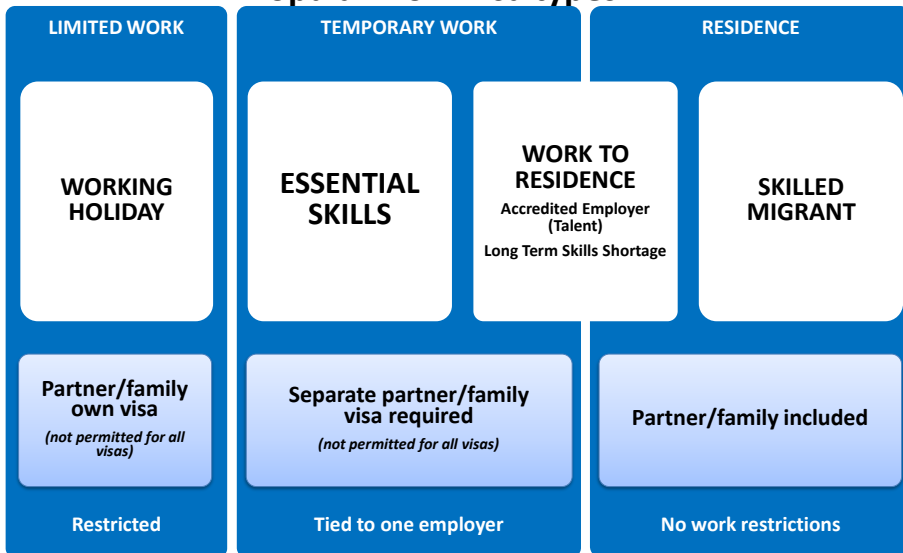
- **Attractive:** workers see future and advancement
- **Investment:** workers upskilled
- **Recognition:** of workers contribution
- **Permanent:** Focus on permanent employment



## Outside of RSE – what visa options are available?

- Refugees (Residents)
- Pacific Access Category/Samoan Quota
- Skilled Migrant Category
- Residence from work
- Study to work
- Essential Skills
- Approval in Principle / accredited employer

### Popular work visa types



## Approval in Principle



Unexplored option

Can be accessed in addition to RSE – but cannot be for the same category of worker – RSE entry level

Accredited Employer:

- Multiple workers for positions not listed on skills shortage lists
- Take direct responsibility for the workers
- Minimum base salary of \$55,000

## Employer Accreditation

- Employ worker for initial 30 months
- Don't need evidence of advertising with each application
- Can support worker to get residency after 24 months
- To become an accredited employer, instructions on the INZ website.

## Essential Skills in Demand



Currently horticulture does not have any occupations on list  
Advantage: permits migration to essential roles and creates demand for training

### **Application being made for the following positions:**

- Horticulture Manager – both orchards, gardens and covered
- Horticulture supervisor
- Horticulture Technical and Production Manager
- Post Harvest Manager
- **Application unsuccessful previously**





## Questions for Discussion



### Seasonal Labour Shortage:

1. Is the RSE scheme enough?
2. What else is there?

### Permanent Labour Shortage:

3. Is migration the answer?
4. Can we develop meaningful kiwi programmes
5. Is robotics the answer?

### Reputation:

6. How can we protect it?