The RSE, a tool for dairying? Understanding the Recognised Seasonal Employer policy and its potential application to the dairy industry.

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The RSE, a tool for dairying?

Understanding the Recognised Seasonal Employer policy and its potential application to the dairy industry.
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Introduction

Circular and temporary migration schemes allow:
“…advanced capitalist societies to meet essential labour needs but with migrants who will circulate and not become a permanent part of the population. It enables developing countries to access more prosperous labour markets, and enhance skills development and transfer, as migrants will not only send remittances but will also return home. The migrants themselves benefit as they can enter the global labour market to work legally while still maintaining ties with their communities of origin. Seen from this point of view, circular migration is presented as a win-win-win scenario.” (Bedford, 2013, p. 16)

The RSE was introduced in 2007, as policy allowing the introduction of seasonal labour for horticulture and viticulture from the Pacific Islands. The success of RSE has led to calls from “the dairy and meat processing industry [who] have requested that the Department of Labour extend RSE policy to include their sectors” (R. Bedford & Hugo, 2012, p. vii; C. Bedford, 2013, p. 263). Based on this comment, and in recognition of recruitment and retention problems and use of migrant labour by the dairy industry, Associate Professor Rupert Tipples commissioned this research to investigate whether RSE could be used by the dairy industry as a solution to its current problems with labour supply. This research investigates the development of RSE and reviews the drivers for the development of the policy and changes to policy, and how growers have interpreted the policy and adapted to it. It then addresses the current methods of recruiting workers in the dairy industry and whether the RSE could in fact be applied to dairying.

1.1.1 Research Method

To analyse the development of RSE and understand stakeholders’ interpretations of the policy, a qualitative research approach was undertaken. A quantitative research approach would not have yielded the in-depth responses required by the project. Fourteen semi-structured interviews were completed with participants throughout New Zealand representing industry, government, dairy farmers and horticulture/viticulture (h/v growers). Five RSE employers, two dairy farmers and seven representatives from dairy and h/v industry, government and interest groups were interviewed. A description of participants and their relationship to the study is outlined in Table 1 below.

Participants were recruited using a number of methods. A list of potential h/v growers was generated using Immigration New Zealand’s (INZ) list of registered Recognised Seasonal Employers.
A list of ten potential participants throughout New Zealand was generated. Employers using RSE were targeted throughout New Zealand to see how it operates in the different areas. Government, industry and interest group participants were recruited based on recommendations made by participants and a purposeful sampling method.

Potential participants were each emailed and asked if they would be interested in participating in the project. Each email contained details about the study and what was required of them. For those who agreed to take part, a convenient time was arranged for the interview to take place. RSE employers, two industry leaders and two dairy farmers were interviewed in November 2013 and the remainder in April 2014. In accordance with the Lincoln University Human Ethics Committee (HEC) requirements prior to each interview commencing, participants were required to read a Research Information sheet and sign a consent form. Participants were carefully assured of the measures in place to protect their identity in the published material. As such participants will be referred to in text using the pseudonyms described in Table 1.

**Table 1 Participants and their relationship to the study**

<table>
<thead>
<tr>
<th>RSE Employers</th>
<th>Industry leaders</th>
<th>Dairy farmers</th>
<th>Government/Advocacy groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarah</td>
<td>Charles</td>
<td>Bryce</td>
<td>Industry leader 1</td>
</tr>
<tr>
<td>Michelle</td>
<td>Michael</td>
<td>Casey</td>
<td>Advocacy group 1</td>
</tr>
<tr>
<td>Rachel</td>
<td>Emma</td>
<td>Bobby</td>
<td>Advocacy group 2</td>
</tr>
<tr>
<td>Leigh</td>
<td></td>
<td></td>
<td>Industry leader 2</td>
</tr>
<tr>
<td>Michael</td>
<td></td>
<td></td>
<td>Immigration Advisor 1</td>
</tr>
</tbody>
</table>

The primary data collected during the field work phase is supported by an extensive literature on the RSE. The scope of this paper was to look at the development of RSE as a policy and how RSE employers, industry and government have adapted to the policy; and then investigate whether it was possible to apply RSE to dairy. It does not delve into the wider influences and understandings of RSE in New Zealand or the Pacific Islands. For a more thorough analysis of RSE see the various government and academic literature on the topic (Gibson, McKenzie & Rohorua, 2008; Ramasamy, Krishnan, Bedford & Bedford, 2008; Bailey, 2009; Evaluate Research, 2009; Rohorua, Gibson, McKenzie & Garcia Martinez, 2009; C. Bedford, Bedford & Ho, 2010a; Evaluate Research, 2010; Roorda, 2011; Williams, 2011; R. Bedford & Hugo, 2012; Kumar, 2012; Kwant, 2012; MBIE, 2012; Merwood, 2012; C. Bedford, 2013; Prochazkova, 2013).
1 RSE Policy

1.1 Context to the development of RSE

1.1.1 Illegal labour and the Change Labs

Traditionally, employers in the horticulture/viticulture industries (h/v growers) have relied on casual, itinerant labour drawn from a pool of students, working holiday makers, the unemployed and the underemployed (Ramasamy, et al., 2008; C. Bedford, 2013). But this pool of labour by the 2000s was no longer attracted to the work on offer (Evalve Research, 2010; Tipples & Whatman, 2010). H/v growers became increasingly reliant on a growing pool of illegal migrant workers to get the work done; “it was estimated there were 17,000 illegal workers across h/v industries” (C. Bedford, 2013, p. 93). These illegal workers were managed by “mainly Indian and Asian gang-masters who set themselves up as labour contractors” (Courtney, 2008, p. 78 in: C. Bedford, 2013). It led to the cycle where “few New Zealand employers sought to enhance labour productivity through retention, higher wages or training ... that might attract a more permanent workforce” (C. Bedford, 2013, p. 76). The use of illegal workers came to a head in the early 2000s with grower, industry and government recognition that it could not continue; “[we were on] a hiding to nowhere, we were going to get found out by our overseas customers and if that was the case they would have stopped using our product”.

Growers, industry and government came together to investigate “the problems facing the industry and then co-design the structural changes the industry needed to make” (C. Bedford, 2013, p. 95). This co-design process is based on the Finish ‘Change Laboratory’ (Change Lab) (Engestrom, 1987; Seppänen, 2002) approach described as “a step-wise process of creating and sharing knowledge about the history of an activity, the principles of its development and contradictions that are the driving force of change in it” (Helle (2005) in: Hill, Capper, Wilson, Whatman & Wong, 2007, p. 363). WEB Research and the New Zealand Department of Labour (now Ministry of Innovation, Business and Employment, MBIE) pulled apart the apple harvesting process to expose contradictions within the process and identify ways to redesign the process (Hill, et al., 2007). The end product of this co-design process was “a new policy initiative [known as] the Recognised Seasonal employer scheme” (Hill, et al., 2007, p. 14). This co-design process laid the foundations for growers, industry leaders and government to work together to maintain the integrity of RSE. While RSE is led by industry, government “bring everyone inside the tent and say behave. If you have a problem, tell us”. Government officials explained that “when there is a problem that we are finding with employers, sometimes it doesn't pay for us to go in. It is best we hear from industry themselves”.
1.1.2 Demands from the Pacific

Concurrent with the co-design process, government leaders were facing an increasing pressure from Pacific Island leaders to find employment for a growing population of young people in economies where employment is limited (R. Bedford & Hugo, 2012; C. Bedford, 2013). Pacific Island leaders could see existing labour migration schemes to Australia and New Zealand were skewed in favour of skilled workers and not those in greater supply (The World Bank, 2006). For example, New Zealand offers the Pacific Access Category which enables a set number of skilled workers from Tuvalu (75), Tonga (250) and Kiribati (75) to gain residence in New Zealand per year (Gibson, et al., 2008; R. Bedford & Hugo, 2012; Prochazkova, 2013). At the Pacific Island forum in 2006, Pacific Island countries began lobbying “for greater access to New Zealand and Australia’s labour markets” (C. Bedford, 2013, p. 98).

Knowing the foundations of the RSE had been laid in the co-design process, then Prime Minister Helen Clark announced a pilot temporary migration scheme would be trialled in h/v for the 2006/07 growing season (Whatman & Van Beek, 2008; Goodman, 2009; C. Bedford, 2013). One Wellington based participant explained “Helen Clark was a stickler for saying something that needed to happen like that [and] you had to actually do it”. Funded by the World Bank, government and grower cooperative Seasonal Solutions, 45 ni-Vanuatu workers came to harvest fruit in Central Otago (Whatman & Van Beek, 2008; Goodman, 2009). Workers were taught how to harvest fruit but also learned other essential skills such as “two-stroke motor maintenance was taught, and the internet, Google and cyberspace opened up the workers to a new world of opportunities” (Whatman & Van Beek, 2008, p. 279).

1.2 The RSE policy

The pilot study in Central Otago was deemed a success and in 2007 the RSE was launched as a temporary migration policy enabling Pacific Islanders to come to New Zealand and plant, harvest and maintain crops “once all suitable New Zealand labour supplies have been exhausted” (Ramasamy, et al., 2008, p. 279; Whatman & Van Beek, 2008; C. Bedford, 2013). Initially, 5,000 workers (lifted to 8,000 in 2008) from Vanuatu, Tonga, Samoa, Tuvalu and Kiribati (known as the kick-start states) could come to New Zealand for up to seven months; although workers from Tuvalu and Kiribati could come for nine months (Bailey, 2009; Williams, 2011; C. Bedford, 2013; Prochazkova, 2013). Workers come to New Zealand on a “limited purpose [visa] and people must go home. This works
beautifully for New Zealand because it means that every RSE worker has to be on a plane at the end of their employment”. The box inset below details the core principles of RSE policy.

- **Employer recognition**: employers must comply with being a good employer and apply for an Agreement to Recruit (ATR) outlining workers required and work tasks;
- **New Zealanders first**: number of workers recruited is dependent on labour needs and availability of New Zealanders;
- **Employer driven**: workers recruited according to employers requirements;
- **Short term migration/minimise Immigration risk**: workers can stay in New Zealand for up to 11 months, but must return home at the end of it;
- **Circular migration**: workers can come back the following season;
- **Pastoral care**: employers are responsible for the pastoral care of workers;
- **Agency to agency relationships**: agreements between agencies state obligations, arrangements and requirements of each country (Eval Research, 2010, pp. vi-vii)

### 1.2.1 Becoming an employer of RSE workers

For h/v growers interested in employing the RSE workers, they have to become accredited RSE employers and “go through a whole lot of hoops to get recognised”. This involves proving to INZ that as employers they are in a strong financial position, have human resource policies in place, demonstrate a commitment to employing New Zealanders first and have good workplace practices in place (Immigration New Zealand, 2012). H/v growers have to be willing to pay the market rate for workers, pay 50 per cent of airfares, provide all pastoral care for workers, offer an induction programme, offer 240 hours’ work, and disclose all deductions and payments made to RSE workers to Immigration (Immigration New Zealand, 2012). Once these documents have been submitted and INZ is satisfied, h/v growers are granted RSE employer status for two to three years (Immigration New Zealand, 2012).

Once h/v growers are recognised RSE employers, they must then submit an Agreement to Recruit (ATR) which is the application to recruit workers and details “the number of workers they require, the country (s) workers will be sourced from, and further details around terms and conditions offered to workers” (C. Bedford, 2013). Figure 1 details the process of becoming an RSE employer. The number of RSE workers h/v growers receive is then dependent on the decision of the 11 Regional Labour Governance groups in New Zealand who allocate a number of workers to regions (C. Bedford, 2013). These allocations have “taken time to bed down ... but by all accounts it seems to be working quite well now” as h/v growers perceive the groups “have a fairly good handle on our needs of labour”. Participants felt their “wish list” for numbers of RSE workers was usually granted (Figure 2).
Figure 1: Process of becoming an RSE employer

(Adapted from: Immigration New Zealand, 2011a, p. 1)
Participants explained there was a fine judgement call made by agencies before the ATR was approved. Sarah explained “it is a judgement and it is a fine line, a grey line … if you want them by the end of March, they will wait until the beginning of March to approve the ATR”. That does not give very long to recruit workers from the Pacific, where processing speeds and approvals are slow; “one of the most challenging aspects of it is making sure everything is finished in the Islands to get the plane to New Zealand by a certain date”. Charles explained for workers going to Australia as part of their Pacific Worker Pilot Scheme\(^1\), if they missed their flight they missed the opportunity to work; “if the plane doesn’t turn up on the day, then they just cancel that supply for the year. I will go somewhere else and get the workers”.

For some participants, fitting the criteria to become a RSE employer was easy because their industry bodies have tight quality control regimes they have to strictly adhere too, “we have huge safety requirements [and] quality control that is already there and we didn’t have to do anything for RSE”. Whereas others had to formalise informal protocols and processes, making sure “all the nuts and bolts are up to date”. H/v growers cannot afford to breach these criteria as they are regularly checked by the different government departments who “assess it all” making sure for example “your OSH is up to date and your safety procedures are right”. Government departments (INZ, Work and

---

\(^1\) This Australian scheme is very similar to the RSE, but to this date, has not had the same successes (see: Mares & Macellian, 2007; Gibson & McKenzie, 2011; Reed, Southwell, Healy & Stafford, 2011; Hay & Howes, 2012; Gibson, McKenzie & Rohorua, 2013)
Income New Zealand (WINZ), Ministry of Social Development (MSD) and the RSE unit in MBIE) have acted as “the mothers, babysitters and the teachers, we would tell them you need to do this, this and this … we are [now] using a big stick when we need to, but in most cases [change] is by mutual agreement”.

1.2.2 New Zealanders first

As a result of the Welfare Reforms, government agencies are putting greater pressure on employers to fill their vacancies with New Zealanders rather than migrant workers or RSE workers. There is the belief that some positions in horticulture, viticulture and dairying industries are “unskilled” and therefore “the general principle is the less skilled the work, the more New Zealanders in theory should be able to do it”. This creates a tension where those in h/v and dairying would argue their positions are skilled “the biggest challenge is the tension around the welfare reforms and whether we have non-New Zealanders doing what most people call unskilled work, which isn’t unskilled work”. In response to this, there are “a lot of unemployed people and a lot of them don’t have high skills so we are very concerned at the moment. We don’t want to be bringing in a lot of unskilled labour when we have unskilled workers”. So “we are pushing them really hard to try and do things to increase their employment of New Zealanders … [and making] a real effort to hire and train some of these [unemployed] people”. Figure 3 illustrates the ideal composition of the seasonal work force for h/v growers.

This is problematic when areas have low unemployment and a very small pool of unemployed or casual workers to call on. For example, Southland has a low unemployment rate, a high work force participation rate and consequently a small number of unemployed people to call on to do the work (Infometrics, 2012; Rawlinson, Greenhalgh & Tipples, 2013). H/v grower participants explained their requests for RSE workers were granted; “[our area] is tiny, there is us and another company and we know we want 30 and they have different requirements”. Dairy farmers in rural Southland observed they were now expected to employ unemployed people living in Invercargill who were expected to drive to the dairy farm each day to work, something the dairy farmers considered unfeasible and unsafe (Rawlinson, Tipples, Greenhalgh & Trafford, 2012).
There were a number of issues faced by h/v grower participants in their efforts to employ New Zealanders first. They explained their efforts to employ unemployed New Zealanders through Work and Income New Zealand (WINZ) was difficult because their “clientele changes if not on a daily basis, on a weekly, monthly basis. [The] people who are on their books now, won’t be on their books” when h/v growers need them. In other cases, where WINZ workers are available, they may be unsuitable for the work or unreliable: “it is difficult to employ Kiwis because they are not suitable”, “we have found that there are always problems ... [we’ve] interviewed 15 people for one position and had someone ... only to be let down, they do it for half a day and don’t want to come back”. For dairy farmers, they feel “a lot of those guys that are recruited by WINZ they have drug and alcohol problems and they need a lot of supervision. On farm it is just not suitable. They are not suitable”.

Participants have found that some WINZ workers make it difficult to employ them, “they just get into the habit of living [on benefit] and so I don’t feel like going to work today” or others “come with a million Ministry of Social Development (MSD) investigations and fines and they are a lot of work, they are more work than RSE workers”. In areas with low unemployment “the likelihood of finding workers, well we haven’t found anyone”. To fill breaches like these some commentators have suggested re-homing unemployed workers in cities to areas of low unemployment\(^2\), which one government official commented “WINZ can provide assistance to relocate”. But h/v grower participants had always heard “talk about it, but it always becomes too hard” as “trying to pull

\(^2\) In May 2014, the Social Development Minister Paula Bennett announced beneficiaries would be paid $3,000 to take up a job in Christchurch as part of the rebuild (Bennett, 2014)
people out of their environment and giving them an environment up north, but it just hasn’t been that successful, it is just hard for people moving away from friends and family”.

1.2.3 Efforts to up-skill New Zealanders

Despite some problems with WINZ workers, participants were able to explain they were making a greater effort to employ New Zealanders first. Though they did not work out, one participant used Limited Service Volunteers\(^3\) for a couple of seasons. An industry leader spoke of an h/v grower who put 16 unemployed New Zealanders through a 16 week training course “they have got a Level 2 qualification in horticulture and most of them will have a permanent job to go to [at the end]”. The employer uses 300 RSE workers and if training continues, there may be no need to employ the RSE workers in five years’ time. Rachel’s company started a cadetship programme for young New Zealanders to learn about h/v industry in the hope it would lead to permanent employment, “[it is] a 12 month fixed term employment agreement ... they spend six months in the winery and six months in the vineyards”. Industry leader participants mentioned there was a greater effort being put on in Secondary schools by dairy and h/v to showcase the opportunities available in each industry:

> PipfruitNZ is now talking to high school boards and Trustees throughout the Hawkes Bay and they are offering scholarships and programmes”.
>
> “He had a whole lot of school principals [and] he took them up in the airplane and showed them all the different agricultural systems in Canterbury. It is not all about dairy farms”.

Participants explained how they had up-skilled their permanent New Zealand workers “to actually support supervision all year round, like tractor operators and spraying and pruning”. Sarah did this for one of their New Zealand permanents “we have managed to get him a grow safe certificate for all the chemicals”. In addition to up-skilling New Zealanders, participants explained that having the RSE has “pestered out of the industry” the bad employers of the past. It has also made it easier for smaller h/v growers to find employees:

> “RSE employers are generally the larger corporatised employers so they have all the means of attracting the labour, so by not calling on the pool for the remainder of the staff, be it backpackers or New Zealanders, it makes it a lot easier for the non RSE employers to employ staff”.

Wellington based participants remarked that “a skilled workforce of Kiwis, it is cheaper, but it is hard keeping Kiwis in that industry. They [h/v growers] won’t admit they are paying enough”. One industry participant was able to explain that “we’ve now got evidence to show that you can make a good living from six months of the year if you are in [h/v]. The top money earner last year earned

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\(^3\) This is a six week course run by the NZ Defence Force on behalf of WINZ to train people to be work ready
$32,000 in six months”. These Wellington based participants could see increasing pay rates in h/v would entice “even the laziest Kiwi would go and work there if they knew they could go and get a little bit more”. Table 2 below does illustrate that seasonal earnings for RSE workers have increased since the policy was introduced.

Table 2 Seasonal earnings for RSE workers (Source: MBIE, 2012, p. 7)

<table>
<thead>
<tr>
<th>Seasonal earnings adjusted</th>
<th>Monthly worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>Median</td>
</tr>
<tr>
<td>2007/08</td>
<td>$12,780</td>
</tr>
<tr>
<td>2008/09</td>
<td>$12,770</td>
</tr>
<tr>
<td>2009/10</td>
<td>$13,130</td>
</tr>
<tr>
<td>2010/11</td>
<td>$14,210</td>
</tr>
</tbody>
</table>

1.2.4 Influence of RSE in the Pacific

Participants were able to explain the benefits they themselves had witnessed in the Pacific and the changes RSE workers had made to their lives and their families lives; “what they have done with their money and taken it home. That was great to see the change in people’s lives. Anyone with a heart would be blown away”. It was clear from the interviews with h/v grower participants that not only were RSE workers a beneficial part of their labour forces, but they had also become a valued part of their extended families “I love my [RSE] boys”. As the return workers are coming to New Zealand they are becoming better managers of their money “some of them went home with $5,000 to $6,000, while others went home with $2,000”. One participant thought it would be the next generation of Pacific children who would benefit from having the RSE workers in New Zealand:

“The benefits for them, they are going home and having a roof over their head, running water and their kids are getting educated. I can see we are not seeing it yet in this generation but the change will be in the next generation because these fathers are taking enough money home to educate their children. So the next generation are going to be educated to start with and they can make choices about what they want to do, at the moment they have no choices”.

Thus, RSE is increasing rural capability, because it is increasing the range of choices of participants and their families.

1.2.5 Pastoral Care

Once h/v growers have proven they have tried to fill vacancies with New Zealanders first and their ATR is approved, they can then recruit their RSE workers (the methods they use to recruit RSE workers will be discussed in 2.2.5). Before RSE workers leave, for some it is compulsory to attend a
pre-departure briefing which covers “climate, clothing, taxation, insurance, health and wellbeing, piece rates compared with hourly rates, financial matters … workers are also warned of the consequences of overstaying and are encouraged to have a good work ethic and uphold their countries reputation” (Evalue Research, 2010, p. x).

When RSE workers arrive, as part of the RSE policy, h/v growers are responsible for the pastoral care of workers. This includes providing adequate housing, methods of transportation and an induction process for workers. One industry leader could see that “a lot of the pastoral care problems have disappeared … DoL regularly inspect the accommodation of workers … and employers want the workers to come back … they aren’t going to come back for crap accommodation”. Sarah used to house her workers off-site at a local backpackers, but they found “they used to get a lot of people in from all over the world and there was a lot of knocking on doors at night”. Sarah’s RSE workers now live in a house on site.

Michelle faced similar problems with her RSE workers when a group of Mormons found her RSE workers who tried to alter the workers religious beliefs, “they probably thought they were going to meet all their KPIs in one week”. To minimise any potential problems in the community, participants spoke of employing people to clean the RSE worker houses and purchase groceries that they require. One participant noticed her 30 RSE workers tended to shop together, “you cannot take that number of people into Pak n Save, they would go bananas”. Emma recommends to her workers that instead going as a group, workers ‘go in couples or ones”. Leigh’s workers are billeted to community members who “look after them and show them where to buy food and go to the bank and all that type of stuff”.

Participants were able to explain their induction processes differed depending on whether their RSE workers were first timers or return workers. New workers were given a detailed induction and return workers a refresher “for new guys it can take a couple of hours, for not so new guys, maybe we can do a refresher in 30 to 60 minutes”; for new workers “we take them into town and set up bank accounts and give them IRD numbers and all that sort of thing”. To eliminate the requirement of pastoral care and inductions, one participant’s RSE workers are contracted to them by a cooperative company that “take the hassle out of it in my mind … [they have] the resources to manage the pastoral care and the recruitment side”.

The grower cooperatives were viewed favourably by participants who could see their availability means small growers do not have to absorb the costs of being an accredited RSE employer; “they
serve a good purpose for small growers who cannot afford to access labour offshore ... the cost of becoming accredited it is too expensive”. An industry leader explained the outlay of costs for RSE employers “about $3,000 I think, it is a three year cost ... you pay upfront costs of getting the visas offshore and you have the airfare ... insurance ... [and] transport costs”. Having these cooperative companies enables RSE workers to visit different h/v growers and experience different things and learn new skills, “RSEs working in coops they alter from orchard to orchard. You get some good ones and some grouchy ones. You get some well-planned out ones and some rubbish ones”.

The cooperative company used by this participant contracts out 1,000 RSE workers annually to h/v growers. To manage the volume of workers, there are two operations managers responsible for different areas of New Zealand, and below them a group of advocates who are the link between the RSE workers and administrators. Handling the large volume of workers means “we pride ourselves on their wages [being] 100 per cent correct every time” as “trust is an integral part of the business. If we make mistakes, we lose their trust. If we lose their trust, they start to talk and we might as well give up because it will start causing issues”. H/v grower participants were able to explain that RSE workers were quick to check their pay slips for any inaccuracies:

“[They] thoroughly check their pay and know exactly what they are owed and send them home. They study their pay checks, they are paid on a Wednesday night and it will be in their bank account at midnight and by the time they are starting work the next day they all know how much is in there and you explain to them the deductions”.

What RSE employers deduct from RSE workers must be made in writing (Evalue Research, 2009). They are able to deduct money from RSE workers for accommodation, medical insurance, tax and the air fares (Ericsson, 2009). In some early instances deductions were used as “collective punishment toward the male Ni-Vanuatu workers because some of the male workers had been drinking inside the motel compound” (Ericsson, 2009, p. 32). Depending on where RSE workers have come from, it can take varying lengths of time to repay airfares. Thus the RSE policy was changed in 2007 to allow workers from Tuvalu and Kiribati to stay longer in New Zealand and make them attractive to h/v growers (Evalue Research, 2010). Table 3 below illustrates the different costs associated with the different nationalities in RSE. One participant believes workers from Tuvalu and Kiribati would have to:

“Find an employer who is willing to recruit from there including absorbing 50 per cent of the travel costs ... when you have a worker from Tuvalu or Kiribati in a row over someone from Samoa who within a week has paid off their 50 per cent, whereas three months down the track these other guys are still paying their 50 per cent”. 
Table 3 Cost to come to New Zealand for RSE workers and number coming to New Zealand
(Source: Fiji Airways and House of Travel search for travel dates 30th June return 5th October)

<table>
<thead>
<tr>
<th>Country</th>
<th>Cost to get $NZ return</th>
<th>Cost to worker</th>
<th>Number coming to NZ in 2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanuatu</td>
<td>571</td>
<td>285.5</td>
<td>2829</td>
</tr>
<tr>
<td>Samoa</td>
<td>1,050</td>
<td>525</td>
<td>1137</td>
</tr>
<tr>
<td>Tonga</td>
<td>663</td>
<td>331.50</td>
<td>1573</td>
</tr>
<tr>
<td>Kiribati</td>
<td>1,109</td>
<td>554.50</td>
<td>138</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>-</td>
<td>-</td>
<td>56</td>
</tr>
<tr>
<td>PNG</td>
<td>$2,233</td>
<td>1116.5</td>
<td>31</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>$1,200 (est)</td>
<td>600</td>
<td>423</td>
</tr>
</tbody>
</table>

1.2.6 Productivity gains from the return workers

One of the key tenets to the RSE scheme is that it is a circular migration scheme. The RSE is a limited purpose work visa “people must go home, this works beautifully for New Zealand because it means that every RSE worker has to be on a plane at the end of their period of employment”. For h/v grower participants, getting the return workers is “quite important ... we have found over the years that people who come back it’s like putting on an old pair of slippers, they fall straight back into it”. Figure 4 below illustrates the return rates of RSE workers per season and the percentage of workers returning to the same employer. H/v grower participants were proud of their return rates “we pride ourselves on our 85 per cent return rate and that takes a lot of work”; “out of 30 [RSE workers] there is only one guy who is not coming back”. The return workers have become more productive “they have learnt to maximise their benefits while they are in New Zealand ... workers have learned they need to be as productive as they can to earn as much money as they can to take back”.


While workers are becoming more productive to maximise their earnings to take home, h/v growers recognised that often potential return RSE workers did not have the funds to come back to New Zealand. Charles explained that he knew of h/v growers who were encouraging RSE workers to set up a savings account in New Zealand so they had money to fund a return trip. He explains:

“In the end the worker has a choice; you don’t have to come back. Your contract is for one year. It is not a multi-year contract and you are not under any obligation to return to the farmer. A clever way that some farmers have helped lock in workers is to encourage them while they are in New Zealand to leave a share of their wages in New Zealand to cover half the airfare for the next season, and they do it with good will. [But] they know that the guys and the women will get back home and the money will disappear ... in the employers mind they are doing the worker a favour, but you could also say that they are doing themselves a great favour their putting in the bank in advance the workers contribution to next years airfare. They don’t have to deduct it from their salary [and] they don’t have to run the risk that the worker won’t be able to find it when he is back home”.

While h/v growers want the return workers, the effect this has on family lives back home was one that some were aware of; “locking the workers into annual commitments to come every year, six to seven months away from [their] families” was not ideal. Participants were aware of relationships beginning to suffer “if they don’t go home they suffer, you know men lose the connection with wives and family”. Kumar (2012, p. 68) found “extra marital affairs are one of the major problems arising among Ni-Vanuatu ... when they live on their own, they decide to take another wife, so another family”.

So h/v growers can maximise their productivity from their investment in RSE workers. Some have changed the way that they recruit their workers. Previously, RSE workers were recruited from workready pools assembled in the Pacific Islands. Increasingly employers are by-passing these pools
and recruiting from areas of choice; “what invariably happens is as employers come to know and understand a group of workers, they will ask them to help them recruit. So these five people, I don’ want them back ... I want more like you”; “It has meant that people that get on RSE are generally good workers because our staff know they only recommend people who like to work or are suited to the work that we have”. Some participants explained they were going up to the Islands to self-select “I am going this year”, while others send their Human Resource Managers up “[he] will go round the island saying who wants to go or whatever and they will do a bit of a selection process”.

By passing the work ready pools and purposely selecting the workers they want to maximise productivity gains, means that the RSE work is not spread equally around the Pacific Islands. This is one of Charles’ concerns as it could have a big “developmental impact ... [not] sharing the work around”. Charles knew of villages who were locked into multi-year contracts to supply RSE workers to New Zealand, but also knew of a Matai who stood up to a human resource manager who wanted to do this:

“The Matai said that man can’t go back [to New Zealand], he is the only son and he has an elderly mother and he needs to rebuild her house ... the young new HR manager ... had no understanding of the cultural context he was in and he said no I insist he comes .. if you won’t let me have him, I will get my workers from somewhere else. This distinguished Matai said, ‘you will get your workers somewhere else’. The guy was stunned, he said, ‘I am talking 20 to 30 workers’ and the Matai said, ‘I am talking my village. That is the end of the story, you can get your workers somewhere else’”.

While some participants worried about the opportunity to share workload around the Pacific, h/v growers are now sharing RSE workers in New Zealand. H/v growers are now using the joint ATR to share the cost of RSE workers and maximise returns for the workers themselves while they are in New Zealand; “the beauty of the joint ATR is that it can cut the costs with flights and everything else that you need”. Sarah explains how the shared ATR process works for her company:

“[If] we want 10 people to start at the end of March to go through [until May] and say another company well we need them to come in December to mid-March, you both want people and that fills in that nine months”.

Sharing workers does have its limitations, “as long as they get for their part of the ATR they don’t mind sharing” and sometimes “you won’t always get what ... you put in for”. One pip fruit company tried to share workers with a Kiwifruit company, but found the types of workers they both needed were different and therefore a shared ATR was not suited for those two companies; “tall strong workers who have been recruited to pick and carry large loads of apples were not necessarily well suited to picking Kiwifruit from low-hanging vines”. In other cases, the RSE workers themselves might be the seconds “we get the people who just want to do it and they might not be the best
people for the job”. Again to overcome this, it was suggested “it is better if you are the first port of call ... or that you have a good relationship” with the other company you are sharing the ATR with.

Sharing ATRs has increased the overall number of RSE workers in New Zealand. The current cap stands at 8,000, but the number of RSE workers for the 2012/13 season was 12,000. One industry leader explains how this occurs “they come here on one work visa to go to one employer and if you take out a joint ATR that number is not counted but their work value is counted”. Wellington based participants could see the benefits of sharing ATRs for h/v growers and RSE workers, but it could be to the detriment of New Zealand workers:

“For an RSE worker it allows them to earn a lot more money. For a NZ job seeker possibly not because the job seekers who should be doing that work don’t get the opportunity because we have filled it up with an RSE worker from another region. From the two employers perspective it is a good thing, so it is two to one”.

RSE has given h/v growers “controlled blocks of labour [who are] hugely valuable” and provided them with the confidence of labour supply to make investments in infrastructure and increase or diversify their businesses. One industry leader explained there had been “an enormous amount of investment has been made into our industries” on the back of growth strategies and security of labour force; “Pipfruit NZ has a growth strategy of doubling its value by 2022, HortNZ is similar and they want to double there’s by 2020, from 5 billion to 10 billion and although PSA has put a dent in that”. It has made h/v growers think long term planning for their labour needs “like in October next year, 12 months away are [we] going to have how many staff? ... [They are thinking] about 12 months ahead of them rather than going I have cherries to get off the tree tomorrow”. Figure 5 is an example of the yearly process of one participant when thinking about RSE workers.
Having the secure supply of RSE labour has meant h/v growers have diversified and built their businesses. Michelle explained her company was going to diversify into “blueberries and other apples [and] other horticulture things”. Leigh’s company has increased its land holdings “we have expanded and brought four hectares and have another four hectares next year”. The productivity gains that h/v growers have made, not only benefit the growers and RSE workers, but also the surrounding communities:

“In order for us to have our business that not only does it support the people that work here, it is the flow on effect locally, the transporters, the local glass people, our local electricians and plumbers, all those businesses get bigger because we provide business to them. You know if we didn’t have the workers, we wouldn’t have expanded the way that we have. The flow on effect for the community wouldn’t happen”.

In Southland, the growth of primary industries, in particular dairy farming, has contributed to the economic growth in the region (Rawlinson, et al., 2013). Dairy farming has reduced the vulnerability to economic shocks and provides greater resilience in the system (Rawlinson, et al., 2013).

The availability of RSE workers was particularly helpful for Kiwifruit growers who have been battling the vine disease *PSA (Pseudomonas syringae pv. actinidiae)* since 2010. It has meant they have had the labour force to “deal with whatever is going on in the orchards [whether that is] cutting out and re-grafting and replanting”.

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*Figure 5 The annual planning process for one participant using RSE workers*
1.2.7 Industry led policy

The RSE is driven by the needs of h/v growers and industry. The desire to increase the cap to 10,000 is evidence of this. Participants explained that they hit the current cap of 8,000 for the first time “this year … once that cap is reached it is first in, first served”. Government, industry and h/v growers can see the benefits of industry driving policy, rather than “government trying to run it and implement it. It is better done the other way round from within”. An example of this is the way industry, h/v growers and government work together to allocate regional RSE numbers. Participants also explained the effort they went to, to develop strong relationships with other government departments responsible for RSE, particularly INZ and WINZ; “INZ, we have a really strong relationship with them, they have a set of rules that they have to play inside and we have to play in the same sand box with them”.

The strength of this relationship was illustrated when one of Emma’s workers had to return home after his wife became ill. She expected the worker would not be able to return, but INZ “said on compassionate reasons he can have another entry back into the country. We thought their visa was a one entry visa but somehow in the compassion box that they play in, he came back”. Strong working relationships were also important to have with WINZ as “every vacancy goes through WINZ”, who have to recognise growers needs and who may and may not be suitable for employment “[someone] who is 6 foot 3, well you are not going to fit under the structures [of our orchard]”. Michael senses that it is frustrating for participants having to go through WINZ and INZ to get RSE workers, but he tells them “it is the same as the pin on your credit card. It is a pain trying to remember it, but you won’t get any money out of the ATM, so it is better that you do”.

Participants, while they recognised INZ had a role to play, felt they could make some improvements to how they operate. Bobby found it was difficult to communicate with contact centre staff and Rachel suggested they could start up a company line for businesses to clarify their understandings of INZ processes and policies:

“Dealing with the contact centre is hopeless. It is also set up for immigrants more than companies. There is no company line, they say what are you ringing for and you go through the list and nothing say if you are an employer and they have no dedicated people dealing with employers”

“Calling Immigration New Zealand [is difficult] they are away with the fairies half the time … I couldn’t get the questions I wanted answered. Their website isn’t worth shit and you can’t get any of the information that you want”.

After watching industry leaders raise the standard of employer behaviour and “pester [the bad employers] out of the industry”, one government official commented they were going to “do an operation” to check the compliance of h/v growers and their RSE workers in 2010. But “because PSA hit, we decided not to hit them while they are down, let’s just back off”. Now they are going to go back in and check the compliance of h/v growers “now we are doing all of them”. However, in line with RSE being driven by industry, one government official suggested “when there is a problem that we are finding with our employers, sometimes it doesn’t pay for us to go in, it is best we hear from industry themselves”. Industry then “go in there and ‘beat up’ employers” to get them to comply.

The RSE has changed some of the power dynamics in the employment relationships between h/v growers and RSE workers. Previously if employees did not like the way they were being treated or found better pay rates elsewhere they could leave; “[if] they were horrible employers, employees could always walk away and they did in staggering numbers”. Now employers have “a secure supply of labour on tap all the time … RSE workers can’t go anywhere, they are stuck here, absolutely trapped”. One participant explained the example of a group of RSE workers who were being treated poorly by their employer, the case went to mediation but:

“The mediator said that the first point I need to make is as migrant workers if you don’t go back and work this out, you are in breach of your visa and you all need to go home [and] that broke any resistance to the problem straight away”.

1.2.8 Policy changes
Developing an understanding of the policy changes that had occurred in RSE was one of the main drivers of this project. C. Bedford (2013) and Evalue Research (2010) outlined the changes to RSE from 2007 to 2009 (Table 4) and government officials were asked what changes had occurred since then; “there was just minor tweaking to it ... there is no need to change it. The policy is quite flexible now [and] the industry hasn’t asked for changes to policy”. In November 2013, industry leaders explained they were pushing government to get the seasonal cap lifted from 8,000 workers to 10,000 workers, “at present we are having discussions to maybe raise that again to 10,000 to make sure that the amount of labour that is required is available at the time when we need it”; “we believe that very quickly we will require the labour to actually service the investment in infrastructure”. This request is now before government:

“We know that with all the information industry has given us in the last 12 months that if we don’t support an increase in the cap then they are not going to meet their targets of increased productivity and growth by 2020”.
To get the cap lifted to 10,000, a Wellington based participant admitted government pushed the h/v industry hard to get them to justify why they needed it increased. Explaining “[we] asked for detailed information from them about their labour force needs ... they said they need more workers but they weren’t able to say much about how many”. For the cap to be increased it will be “weighing up the needs of the industry against their assessment of the available workers in New Zealand”. An industry leader felt the increase to the RSE cap was almost a given, despite it being an election year, “we will get the 10,000; it will be a lot of grovel and showing how good we are with our Kiwis”. Participants feel losing the RSE would be “a huge loss for our development and exporting overseas” and “how we would cope with it being lowered I would have no idea, but it would stop industry and stop development”. But another participant explained that the target was the lowest number of RSE workers possible, not 10,000 as requested;

“The cap might go up because we are getting close to 8,000 but even if the cap goes up, we are not going to go in saying you can have that many. That is still very much the cap and our target is the lowest number possible”.

At the same time, Wellington based participants queried whether it was necessary to increase the RSE cap. With shared ATRs, the number of RSE workers working in New Zealand has increased to 12,000 “they come here on one work visa to go to one employer and if you take out a joint ATR that number is not counted but their work value is counted ... we are at 12,000 now”. Another participant wondered whether h/v growers could be saturating the market as they plant as much as they can: “the point where the industry has planted or started to, as much area as they can to get the volume to fruit they need”. This participant also pointed to the potential land use changes that could occur in the Hawkes Bay if the proposed Ruataniwha Water Storage scheme goes ahead, “ground is at a premium, a lot of those trees in Hawkes Bay are going to either go into holding water in the dam or dairy”. Increasing the cap to 10,000 workers may not be necessary if h/v growers property in the Hawke’s Bay is converted to dairy.
Table 4 Changes to RSE policy 2007 to 2009 (Source: Evalue Research, 2010, pp. 82-83; C. Bedford, 2013, pp. 302-303)

<table>
<thead>
<tr>
<th>Policy change</th>
<th>Purpose</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ wages allowed to go below the minimum wage for repayment of the workers’ share of their airfare</td>
<td>To enable employers to be reimbursed for workers’ share of airfare</td>
<td>July 2007</td>
</tr>
<tr>
<td>Introduction of Transitioning to RSE policy, to run from August 2007 to August 2009</td>
<td>Enable employers to work towards becoming RSE employers and enable them to employ temporary migrants in NZ</td>
<td>August 2007</td>
</tr>
<tr>
<td>RSE worker visa changed from work permit to a limited purpose entry visa/permit</td>
<td>Reduce risk of workers trying to extend stay</td>
<td>August 2007</td>
</tr>
<tr>
<td>Changes to variation of condition allowing visitors to work for six weeks in shortage areas and working holiday makers who work for three months in seasonal industries an additional 3 month stay</td>
<td>Ensure employers have access to more holidaymakers and visitors</td>
<td>August 2007</td>
</tr>
<tr>
<td>Employers recruiting workers from Tuvalu or Kiribati required to pay 50% of the workers’ return airfare from Fiji to NZ, rather than country of origin</td>
<td>Avoid cost of airfares acting as a disincentive to recruiting workers from Kiribati and Tuvalu</td>
<td>December 2007</td>
</tr>
<tr>
<td>Workers can move between RSE employers</td>
<td>Maximise worker earnings and help employers better manage unexpected downtimes</td>
<td>August 2008</td>
</tr>
<tr>
<td>DOL allowed to request information about payments made to workers to employers</td>
<td>Help DOL gather information about true costs for workers in RSE</td>
<td>August 2008</td>
</tr>
<tr>
<td>RSE cap lifted to 8,000 workers</td>
<td>Address labour shortages</td>
<td>October 2008</td>
</tr>
<tr>
<td>Supplementary Seasonal Employment (SSE) permit replacing TRSE. Where approved SSE employers can recruit SEE permit holders for a specific period of employment. To have a SSE people must be in NZ lawfully. SSE is valid for 6 months and allows workers to move from one employer to another</td>
<td>Provide employers with flexible ways of meeting labour requirements when NZers aren’t available</td>
<td>August 2009</td>
</tr>
<tr>
<td>Deductions for RSE workers are the same rules as for NZ workers. DOL requires all deductions be declared by employers as part of ATR and these are agreed before RSE workers accept employment</td>
<td>Increase transparency around deduction types from wages</td>
<td>August 2009</td>
</tr>
<tr>
<td>RSE cap retained by RSE year changed from 1 April to 31st March to 1st July to 30th June</td>
<td>Prevent RSE workers being counted twice in the same year</td>
<td>August 2009</td>
</tr>
<tr>
<td>Employers with an AIP can recruit workers from outside Pacific</td>
<td>Reduce barriers for recruiting outside Pacific</td>
<td>August 2009</td>
</tr>
</tbody>
</table>
Employers need to arrange health insurance for workers and RSE workers have to pay health insurance

Cover healthcare needs because they are not eligible for publically funded healthcare in NZ

November 2009

1.2.9 Other industry and RSE

On the basis of the success of RSE, other industries have at different times expressed an interest in getting involved with an RSE type of policy. Meat, forestry and fisheries were some of the industries interested around 2008, but due to a change of government and the Global Financial Crisis “those people having those conversations, I think those departments were moved or shelved”. Once industry learn what is required to become part of RSE, they become less inclined to think RSE is the solution to their problems; “we have gone back and said here is what it involves and at that point, [they think] that is not the right answer”. Wellington based participants did have some concerns about the poor safety record of Forestry, as 11 workers were killed in 2013 (Akoorie, 2014); and the relaxed attitude of Pacific Islanders:

“I don’t think RSE would have suited forestry ... I’d be concerned about the safety record in forestry. You know you have these guys who from the Pacific are pretty easy going and pretty laissez-faire towards safety and you would need to invest a lot in terms of health and safety training before letting them loose in the forests”.

This section has discussed the development of RSE and how h/v grower, industry and government participants have interpreted the policy. The following section discusses whether participants feel it is feasible to develop a RSE or managed migration scheme for the dairy industry.

2 A dairying RSE?

“The dairy industry, [the] first thing they have to do is [say] we are a failed industry ... in their own terms they are failing to meet the labour market and their only option is to change the rules and redefine the labour market” Advocate, April 2014.

In 2014, the dairy industry arguably finds itself in a very similar situation to the one faced by h/v industries in the early 2000s. While dairy does not use illegal labour, dairy farmers have become increasingly reliant on a workforce of migrant dairy workers to meet their demands for dairying labour. The dairy industry has long had a problem with attracting and retaining New Zealanders as New Zealand agriculture has long been tainted as a sunset industry and something that is unskilled,
unsexy and unfashionable (Murray, 2006). Dairy farming was perceived to involve hard work, have a poor social life and did not require any formal qualifications. This suggested that “bright students shouldn’t be thinking of a career in the dairy industry” (Kuriger, 2001, p. 13; Searle, 2002). The perception of dairying for school leaders still had not improved by 2009, as it involved long hours, early starts, was a dirty job and involved working in all weather conditions (UMR Research Limited, 2009). This in a situation with an industry in growth mode and demanding more workers “based on churn in the industry, that in 2013, 3,300 more people [are] needed to enter the on-farm dairy workforce to replace those who have left and secondly be enough to cover the growth in cow numbers” (Jane Muir, DairyNZ pers comm).

Based on the success of RSE for h/v “the dairy and meat-processing industries have asked the Department of Labour to extend the RSE provisions to their primary sector operations” (R. Bedford & Hugo, 2012, p. 73). This research was therefore commissioned to understand the level of interest in a dairy RSE from various organisations and individuals and discuss whether it could be achievable.

2.1 Key Questions
2.1.1 Demonstrating seasonality and measuring productivity gains
One of the first comments h/v grower participants made with reference to a dairying RSE was those in dairy would have to “demonstrate seasonality” and a clear start and end date when workers were required. H/v growers in different regions of New Zealand have clear seasonal demands, as illustrated by Figure 6 below, and participants questioned whether this would be the same for dairy farming. Dairying differs from h/v because it is largely a year round enterprise with peaks and troughs of work. Dairy based participants could see the situation where they employed temporary migrant labour to cover the busy period from the start of calving in July through to the end of January; “I employ three guys now, but you can’t justify another $50,000 [to help out] so it sort of covers [that] and helps ... farmers to employ parts of a labour unit”. 
For RSE workers they know what they will be doing for the next 20 days and h/v growers are able to demonstrate the productivity gains by having the workers; “the beauty of the orchard and the pruning is you can demonstrate clear productivity gains just on the volume of bins and the number of trees pruned and reduction of rubbish going in bin”. Knowing they have a secure supply of workers has encouraged h/v growers to invest in their businesses and expand their enterprises, thus enabling industry groups to reach their growth targets. The only constant in dairying is that the cows need to be milked. While the dairy industry has profitability and productivity targets, more often than not if dairy farmers do not have the labour, they will increase the requirements on existing employees and themselves. This creates known problems on the mental health and wellbeing of workers; and farming has a high suicide and accident rate (Tipples, Hill & Wilson, 2012; Walker, 2012; Botha, nd).

Bryce explains how the nature of dairying work differs from h/v work undertaken by RSE workers:

“The trouble is, that it is not a vineyard that you are pruning that row. Once you have learned [the job] the next 50 rows are going to be the same. The dairy industry, a lot of it ... I could tell you basically what is going to happen today or tomorrow, the key elements [anyway] but there will be another 50 per cent of things that will pop up”.

For any potential worker starting in July, participants explained they would need to come with some day to day knowledge of dairy farming because dairy farmers would not have the time to teach them, “what happens for farmers, rightly or wrongly, they will want them starting 1st August and everyone is flat out for two months”. Bobby suggested that dairy RSE workers could be trained and ready to work before they start on the farm. He could see an opportunity for a training institution

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4 The industry norm is for cows to be milked twice a day, but dairy farmers are now trialling new systems and these include once a day and 16 hour milkings.
such as Lincoln University to develop a short training/induction programme for all dairy RSE workers. This would be an opportunity for workers to learn the mechanics of dairying before being placed on a dairy farm and provide dairy farmers with the knowledge they were receiving a worker who knew what they were doing. RSE workers were offered pre-departure training for workers to understand English literacy and numeracy and financial literacy (Roorda, 2011).

2.1.2 Pastoral care and costs associated with RSE

Another central theme of the RSE is around employer responsibilities for providing pastoral care to RSE workers; h/v growers “are responsible for the pastoral care of workers” (Evalve Research, 2010, pp. vi-vii). This includes providing appropriate accommodation, transportation, and induction processes while they are in New Zealand, as detailed earlier. For a dairying RSE, participants did not see the provision of housing to be an issue, as dairy farmers had housing on their properties for employees (Figure 7 below shows examples from Southland). But what they did worry about was how Pacific workers would go living by themselves in isolated rural areas. They could see the existing RSE workers “are coming as a group and sharing the same digs”, dairy workers would be living by themselves or in shared accommodation and dairy farmers might only have one RSE worker each, whereas h/v have groups.

![Figure 7 Examples of dairy farm employee housing in Southland (Source: Jill Greenhalgh)](image)

Dairy RSE workers would also have to have a driver’s license in order to support themselves and be supplied with a car, “we are talking about a person coming individually and therefore they need a car to get around, because I am not driving them around”. There are some issues around driver
licensing and migrant workers in Southland. During their field work Rawlinson, et al. (2012) heard of the habits of unlicensed migrant workers. One community worker had set up a licensing session for migrant workers but did not gather enough support from the community for it to go ahead (Rawlinson, et al., 2012; Rawlinson, et al., 2013). Dairy based participants did recognise that some migrants were better prepared than others and had different needs; “the English are better at that, they arrive and get themselves sorted out with a car, whereas the Filipinos will arrive with nothing”.

There are a number of costs involved for h/v growers using the RSE workers, as already discussed. Wellington based participants explained that RSE was not only costly to h/v growers, but industry and government as well, “RSE isn’t a cheap or [an] easy way of doing things”. They questioned whether the dairy industry would be prepared to share some of these costs with migrant workers, in an industry where currently all the costs are on migrant workers to come to New Zealand; “there is a very robust framework of support around RSE provided by MBIE and it is expensive and the dairy industry would be expected, I imagine, to pick up some of the cost for that”. For example, 50 per cent of a return airfare from Manila to Christchurch is $1,140 and would they be prepared to pay this? The three dairy farmers interviewed indicated this cost “wouldn’t bother me” as “at the end of the day, I am saving money by not employing an extra person”.

But would dairy farmers and industry be prepared to go through the process of becoming recognised good employers and the costs associated with that? To become an accredited RSE employer h/v growers go “through a whole lot of hoops to get recognised” and prove themselves as good employers. Wellington based participants explained dairy farmers would also “be exposed to slightly more checking by labour inspectors than they get now”, is this something they want? Particularly when “dairy employers have got no proven record of being good employers in any sense of the word” towards New Zealanders and migrant workers. Further Wellington based participants felt with dairy farmers getting greater access to migrant workers, it would “open up more exploitation and we already have an issue in that area”; “people on dairy farms are even more isolated than horticulture workers, they are open to all the scams about deductions”.

To reduce the likelihood of migrant dairy workers being open to scams related to deductions or over work, one h/v grower participant could see a cooperative company managing the dairy RSE workers

5 Filipinos would have already spent upwards of $US10,000 to get to New Zealand, so it is understandable that they would arrive with nothing.
6 Based on a House of Travel search on 8th May 2014 for flights Manila > Christchurch leaving 1st June and returning 31st January
as having some benefit; “some sort of cooperative company like what we have in place [would] be really useful”. To monitor the hours, deductions and general wellbeing of dairy RSE workers, Bobby suggested having an officer “calling in every week and basically monitoring it”. The officer would be able to help the newcomers with “social things as well, even for Filipinos opening and closing curtains [and] what can/can’t be flushed down the toilet. It is quite surprising the things we take for granted”.

2.2 Steps to getting an RSE

2.2.1 Industry groups working together to create a dairy RSE
One of the features of RSE is the way industry, h/v growers and government agencies were organised and united in their efforts to develop the policy and continue to work together to maintain the integrity of the policy; “[they are] very organised in the way they have approached government about this and they were organised some time ago”. Wellington based participants believed the dairy industry would have to do the same, “your industry has a lot of work to do in that area to get the relationships first and build that rapport with others like h/v have”. When asked to define who they saw as the dairy industry, participants were unsure of who represented farmers or how organised they were, “my understanding is that DairyNZ is not necessarily representative of everybody so that is an issue”; “not sure how unified they [the dairy industry] are”. Participant’s reiterated organisation and unification were key themes when working with and lobbying government, “you know they need to be unified in the way that they worked with government on this”.

2.2.2 Engaging in the Change Lab process
Participants felt one way of exhibiting to government that the dairy industry was working together, was by going through the Change Lab process. The Apple industry successfully undertook the process in the 2000s, the results of which laid the foundation for the RSE (See: Hill, et al., 2007). The Meat Industry Association engaged in the same process but it did not progress “had buy-in to certain levels but not all levels and ... it won’t go anywhere until they come back knocking on our door and say we are ready, we are joined up”. Participants who had been privy to those processes suggested the dairy industry could undertake the Change Lab process to help farmers and industry “understand what the issues are”. As part of DairyNZ’s Farmer Wellness and Wellbeing Project 2010-2017, a Lincoln University/WEB Research consortium was leading the dairy industry through such a process
(Tipples, et al., 2012; Tipples, Hill, Wilson & Greenhalgh, 2013). However, DairyNZ terminated the project before concrete results had been achieved (Tipples, Hill and Wilson, 2014).

2.2.3 ‘Decent’ dairy farm employers and employees

They had found that securing labour was a significant driver of stress and fatigue in Canterbury for dairy farmers. One solution to this problem to emerge from the Change Labs, was developing a pool of employers and employees, who passed a number of criteria to consider themselves ‘decent’ employers and employees and matching them together. Canterbury dairy farmers and employees have worked together to define what the characteristics of decent employers and employees are. It was not imposed on them by the research team or government. For example, they defined a decent employee as someone who was fit and healthy for work, sought continuous learning and are dependable and responsible. A decent dairy farm employer provides sound accommodation, supports learning and development and offers sound working conditions.

When discussing developing a RSE for dairy, Wellington based participants were very clear that the dairy industry had to develop its own brand for any policy to work. A h/v industry leader explained “from our perspective, to try and copycat that to another industry is doomed to fail” and “[you cannot] ride on the back of a successful programme”. They recommend that “you need to find a brand of your own for this type of programme”. The proposed ‘decent’ dairy farmer/employee scheme was an alternative to that brand.

2.2.4 Research backing successful change

In addition to working together in an organised and unified way, for the dairy industry to be successful lobbying government for a RSE/managed migration scheme, participants were of the opinion that “they need to go [in] with research and they need to go in with evidence demonstrating efforts that the industry as a whole”. This included efforts the industry had made to improving employment standards and proving dairy farmers were good employers. Despite this, one Wellington based participant did not think that the dairy industry would improve its problem with recruitment and retention until there was some form of government intervention:

“You need to have a mechanism and it is probably going to be a law that starts imposing those standards and then gives employees a say in raising those standards. That is a weaker or de-facto way of saying organising and commanding terms and conditions”.

The development of the ‘decent’ dairy farm employer/employee criteria gave each party an opportunity to raise the current employment standards and represented a way to command better terms and conditions without government intervention.

2.3 What methods exist already that would be better than a dairy RSE?
One common theme of the Wellington based field work related to the nationality of workers used by any dairy RSE and an acceptance that these workers would be in New Zealand for the short term. They felt there needed to be “a constructive discussion around what the labour force needs are [in dairying]”. Migrant workers coming to New Zealand to work in the dairy RSE would need “to be prepared to accept the central tenant of RSE [and that] is linked to development of the source countries because that is the only way you can motivate [or] justify the circular migration”. H/v grower participants questioned whether Pacific workers would be the right fit for dairy work and the isolation that comes with living in rural areas. Leigh heard of circumstances where workers from Kiribati worked in the South Island but “haven’t coped with being outside and then they do a runner or try and go up North and go astray”.

2.3.1 Labour mobility schemes in Free Trade Agreements
Charles suggested when sanctions against Fiji are rescinded that “rural Fijians would love to have some seasonal work”. Other participants suggested labour mobility schemes could be incorporated into Free Trade Agreements (FTA) being negotiated by government. Charles suggested a dairy labour mobility scheme could be introduced to the FTA being negotiated between New Zealand and India; “it might be quite a nice compromise to say if we have a free trade agreement with India, we can offer rural Indians opportunities for working in the dairy industry”.

Table 5 Migrant dairy worker visa approvals by year and nationality, and total work visas approved (Source: Immigration New Zealand)

<table>
<thead>
<tr>
<th>Visa approval year</th>
<th>Total Fiji</th>
<th>Total India</th>
<th>Total Philippines</th>
<th>Total NZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>105</td>
<td>63</td>
<td>898</td>
<td>1957</td>
</tr>
<tr>
<td>2009/10</td>
<td>118</td>
<td>61</td>
<td>861</td>
<td>1787</td>
</tr>
<tr>
<td>2010/11</td>
<td>111</td>
<td>56</td>
<td>866</td>
<td>1770</td>
</tr>
<tr>
<td>2011/12</td>
<td>80</td>
<td>77</td>
<td>979</td>
<td>1894</td>
</tr>
<tr>
<td>2012/13</td>
<td>85</td>
<td>101</td>
<td>1055</td>
<td>2134</td>
</tr>
</tbody>
</table>
As illustrated by Table 5 Fijian workers already make up a percentage of workers coming to New Zealand on a temporary work permit for dairying. The number of Indian workers has increased since 2008.

### 2.3.2 Managed migration programmes

However, the greatest number of workers coming to New Zealand to work on our dairy farms, come from the Philippines; “they like the Filipinos because they adjust well to the culture and they are really keen to work”. Participants felt Filipino workers would be the popular choice of dairy farmers for any dairy RSE or managed migration programme; “where I could see it working is maybe the Filipino lads coming over for six months and then going home for six months”; “they would fit like a glove really”. One Wellington based participant believed this would be the compromise the government would make but believed that would be a mistake, as it would not encourage employers to change the way they behave towards New Zealanders; “you can see them trying to build into a six months in, six months off model. It will have even less impact on employer behaviour than RSE did and I don’t think RSE has done a great deal”. Poulter (2014, p. 75) explains there is currently “no visa to allow them [dairy farmers] to bring someone in from abroad solely for that peak period”.

Utilising Filipino workers in this model would have a number of problems. Charles thought it would be difficult to convince the New Zealand government to include a development/financial aid type dimension to a managed migration scheme with the Philippines because “that will be very tough for the Philippines [as] it is a labour exporting country, the most successful in the world”. Casey queried what the Filipino workers would do for the six months of the year they lived in the Philippines, “if they step out of their job, 1,500 people are waiting to take it”. Workers in the Pacific are perceived to be in a better position to benefit as high unemployment means they are “just hanging out and cutting taro and coconuts, if they got six months work it would still be a good thing for them”.

But one Immigration Advisor questions whether coming to New Zealand for the short period of time would be enough for the Filipino workers; “it strikes me, you would have to do some work understanding motivation of people who would want to come and do dairying, and I guarantee that the prime motivation will be residence in New Zealand”. Charles explained, “You do have to demonstrate that it will be a circular mobility scheme and there will be no expectation on the part of workers that they can stay in New Zealand”. Filipino workers interviewed in a series of Lincoln University research reports on migration (and supported by a body of anecdotal evidence) indicated they wanted to come to New Zealand permanently by building their dairy careers and making New
Zealand home (see: Rawlinson & Tipples, 2012; Rawlinson, et al., 2012; Tipples & Rawlinson, 2012; Tipples & Rawlinson, 2013). They did not want to go back to the Philippines. Residence is the goal.

But the current problem for Filipino dairy workers is “working through essential skills doesn’t guarantee you at all a residence pathway”. In their submission to INZ’s review on the ‘Essential Skills in Demand Lists review’ Federated Farmers explain “we are aware of a number of workers who have ‘failed’ to meet Immigration New Zealand’s requirements for permanent residency or to renew their temporary work visa” (Clark, 2014, p. 2). Filipinos have a low conversion rate from a work visa to a permanent residence visa, 64.4 per cent of Filipino expression of interest (EOI) applications were accepted for processing to permanent residence from 2006 to 2009. Of this number only 42 per cent had their residence applications approved (R. Bedford, Ho & Bedford, 2010b). Including all countries, 74.2 per cent of EOIs were accepted for processing and 61.7 per cent of these were approved for residence visas (R. Bedford, et al., 2010b). Poulter (2014) and Tipples and Rawlinson (2013) both recommend further research is needed on the INZ process to understand why dairying has a low conversion rate from work visa to permanent residence; “research needs to be conducted as to why there is a greater percentage of visa declines for dairy farming occupations than visa applications … does the INZ process disadvantage dairy workers in some way?” (Poulter, 2014, p. 80).

2.3.3 Alternatives to a dairy RSE?

As an alternative to existing work visa pathways and a RSE for dairy, one Immigration Advisor has thought “how can we create a pathway that a lot of farmers can use together to get the workers we want as opposed to individuals trying?” One method he suggested was developing an Approval in Principle (AIP) system where 1,000 people can be recruited from a number of countries and are “distributed recognising labour shortage in areas”. In exchange for their labour, workers could receive some training in pastoral agriculture “to give something back. It is not a one way exchange, your labour for my money. You are offering training and development”. This AIP system could be used with Latin American workers too, who we know come to New Zealand for pastoral farming experience before returning home to continue farming (Tipples & Rawlinson, 2013).

Alternatively, dairy based participants suggested re-formalising links between New Zealand and British agricultural colleges/universities as a way of recruiting short term dairy workers. Casey

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7 For the United Kingdom, 75.4 per cent of EOIs were converted to residence applications, 71.8 per cent of these were accepted. South Africa, 80.5 per cent of EOIs were converted to residence applications and 71.6 per cent were accepted. China, 78.0 per cent of EOIs were converted to residence applications and 65.9 were accepted (R. Bedford, et al., 2010b)
explained in the past they hired a number of young British workers as part of their practical work component of their university qualifications; “all they were doing instead of their practical work in England, they just did it in New Zealand and got an overseas experience out of it and went back home”. Casey has found it has become more difficult to recruit these workers in recent years:

“I tried to get onto the universities in England to see if I could put something on their notice board and without actually going over and putting something on the notice board ... you had to go and do it and go through an employment agency of the university and you had to pay quite a bit of money up front and I thought well”.

Dairy based participants suggested these workers would work out better than those from South East Asia or Latin America as “they know what they are doing” because they “are usually farmers sons” and “eating was so similar to their diet”.

There are already a number of exchange type programmes operating or in development in New Zealand. The National Trade Academy (NTA) offer a three month training programme for migrant dairy workers and are then placed on a dairy farm. NTA are currently building a programme to encourage workers to New Zealand and provide training and up to two years’ work experience before returning home. New Zealand Rural Exchange offer a government supported 12 month programme for 18 to 30 year olds who work on different farms in New Zealand. New Zealand Dairy Careers (NZDC) offer perhaps the most comprehensive programme “live, learn, earn” currently available for prospective migrant dairy workers from Northern Ireland and the Netherlands. Workers come to New Zealand for two years and are provided with PrimITO training and given a two to four week induction programme where they learn about: English language, prepare and plan meals, shopping, budgeting and planning, OSH, and training how to use farm and milking equipment (New Zealand Dairy Careers, 2013). To ensure only the best dairy employers employ the workers, NZDC checks employers to make sure they comply with Immigration laws and a code of conduct developed by NZDC (New Zealand Dairy Careers, 2013). The programme costs workers £12,500 or €15,000 and at the end of the two years, workers can return home or reapply for an extension of their work visa (New Zealand Dairy Careers, 2013).

2.3.4 Improving existing methods of recruitment and retention of migrants

One common complaint from dairy based participants in this study and Rawlinson, et al. (2012); Tipples and Rawlinson (2013), is the lengths they are now having to go through to keep the migrant dairy workers they value so highly. One farming interest group suspected their farmers would prefer to retain their workers beyond the end of their one to three year work visas; “they are wanting to retain them, train them up and they are investing resources into them and they want them to stay. I
talk to members all the time who are devastated because their migrant has been declined” and cannot stay in New Zealand. The cost of recruitment and retention of workers in the dairy industry varies, from 50 to 100 per cent of an employee’s salary (Nettle, Semmelroth, Ford, Zheng & Ullah, 2011). An industry leader agrees farmers would want workers for the long term rather than short term as proposed by other participants:

“You can currently get someone from the Philippines who can get a visa for two to three years and you have got them permanently all the time. RSE you know you have them for seven months and then they may not come back. Is that what dairy wants?”

Knowing dairy farmers want to keep their existing migrant workers, some of the Wellington participants did not believe starting a dairy RSE would work until the existing problems with dairy work visas were solved; “you can’t start up a new scheme when there are too many issues at the moment with the way INZ work”. Clark (2014, p. 5) explains Federated Farmers want INZ to “work with the agricultural sector to ensure position descriptions match what is happening on farm”. One Immigration Advisor believed that existing policy and methods of recruiting dairy workers were still the best option for dairy “immigration categories like essential skills which to me would probably be faster and easier with far less compliance costs”.

One of the issues for dairy advocacy groups, farmers and migrant workers interviewed in this project and Tipples and Rawlinson (2013), is the wording of position descriptions used by INZ for dairy jobs. Participants have explained INZ use the ANZSCO position description of a dairy farmer (code Dairy Cattle Farmer 121313) defined as someone who “plans, organises, controls, coordinates and performs farming operations to breed and raise dairy cattle for milk, meat and breeding stock” (Australian Bureau of Statistics), as the base for the four dairying positions on the Intermediate Skills Shortage List (ISSL). They question whether “this [is] rational? That there are four different positions but only one job description?” (Participant in: Tipples & Rawlinson, 2013, p. 27). The definition of dairy farming positions used by INZ differs from the actual tasks and duties of workers. This is an issue for government and industry to resolve.

The best example of this is the position of dairy farm manager, INZ describe this as someone who: organises the sale, purchase and transportation of stock, maintain farm records and manage “business capital including budgeting, taxation, debt and loan management” (Immigration New Zealand, 2011b). The problem for migrant dairy workers is these tasks are not being done by them as farm managers, but the owner: “[it] is not being done by the managers. Handling the farm budget, the owner does that. Taxation, the owner does that. Owners have their accountants”
These differences in position descriptions are not a problem for New Zealand workers, if they are employed as a Farm Manager but are not doing the bookwork it is not a problem, but for migrant workers it is. They need their position descriptions to match what is described by INZ to qualify for a work visa or gain enough points to work towards a permanent residence visa.

Farmers and industry advocacy groups are frustrated as they feel INZ “don’t understand the industry and are not willing to understand the industry”. One Southland sharemilker explained the differences in position descriptions that scale dairying has brought with it:

“If someone works on my farm and he is a herd manager, he might have total different responsibilities than a herd manager on a 200 or 2,000 cow dairy farm … [but] on my job he is what I call a herd manager. Then if INZ think that that job description that I have given my herd manager is not good enough according to their wordings of [a] herd manager, then he is not a herd manager”.

Instead of developing a new policy, participants would like existing policies fixed, “it is about ensuring the system matches what is happening on farms, so the job description that they are using actually matches what the guys are doing on the ground”. However, this may take a long time. The next position review for ANZSCO wordings is not until 2018 (Lok, 2012). Federated Farmers are advocating for industry groups and INZ to work together developing “job descriptions which align with ANZSCO and the Dairy and Sheep and Beef Capability Matrixes” (Clark, 2014, p. 5).

2.4 Recognised social engineering and behaviour change

Despite these suggestions related to how the dairy industry could go about securing labour, participants were of the belief that until employers altered “the way that they actually behave towards” their employees and the “industry understands they are in need to a visa scheme similar to RSE” the dairy industry would struggle to gain the support they needed. But on the other side of the coin, having RSE has forced h/v growers to change their employment practices and policies, “RSE stands for ‘recognised social engineering’ [as] the policy was designed to change behaviour”. This behavioural change is influencing “how they interact with New Zealanders but also on the value they put on RSE labour”. For example, to get the RSE workers, h/v growers are placing a greater emphasis on up-skilling New Zealand workers. In section 2.2.3. h/v grower participants explained how New Zealand workers were put through training courses and young New Zealanders were offered an internship to learn aspects of h/v. A greater effort was being made by h/v and dairy leaders to illustrate the opportunities in each industry to secondary school children.
2.4.1 Behaviour change in h/v growers

As a result of having to change their behaviours to qualify as accredited RSE employers and get RSE workers, h/v based participants explained the bad employers had been pestered out of the industry; “90 per cent of the employers, they maintain their integrity in making sure they are applying the rules, [but] there are one or two that test the rules and there are one or two that continually break the rules”. Since RSE has been introduced there have been “two employers in the scheme that have had their accreditation rescinded and will not get it again”.

Having a formal set of criteria which h/v growers have had to meet in order to get the RSE workers has helped to alter their behaviour. Some Wellington based participants did not support developing a RSE scheme for dairy until dairy farmers could demonstrate they were good employers; or admit the dairying was a “failed industry” in terms of employment. But a pilot project in Canterbury was giving dairy farmers and employees the opportunity to change their behaviour and become recognised as ‘decent’ dairy farmers and employees. This proposed scheme had differed from the RSE, as the criteria for becoming a decent dairy farmer or employee had been developed by dairy farmers and employees without any interference from government or industry. It had been developed by dairy farmers, for dairy farmers to drive change from within. Change was not being forced on them by government, as it would be if it ever reached the point where dairying did admit they were a failed industry. The proposed decent dairy farmer/employee scheme provided dairying with the opportunity to alter behaviour and become better employers without government interference. Unfortunately, DairyNZ did not see the value in completing this research programme (Tipples, Hill & Wilson, 2014)

2.4.2 Pay more and labour problems disappear?

For one participant, if dairy farmers were prepared to have better pay and conditions for workers “then we would argue [labour shortages] wouldn’t be a problem anymore”. But currently they see:

“Employers refuse to accept that it is anything to do with pay and conditions that they can’t get people to do the work. It is all about how one says it is hard back breaking work and how difficult it is, and the other is all about how young people today are all on drugs”.

“There are New Zealanders out there and there needs to be the balance between the employer making all the benefits that they can and that is not just offering a minimum wage and a freezing cold house. You know it is making it attractive. You have to make it attractive and that doesn’t mean starting at base level” Immigration Advisor.

Based on his interpretation of the Canterbury Agribusiness Workforce plan, one participant explained he felt “they were saying we can’t get workers [and] they were essentially saying they will
have to pay more to get them. You are telling us you could pay more than you do”. This same participant felt “you are more or less telling us that migrants allow you to keep wages low, which is actually the problem”. But another participant argues, the use of migrants has actually increased the rate of pay for all dairy workers “INZ is saying if this is the market salary you have to pay, it is actually lifting the pay of other workers as well”. Table 6 below provides an illustration of the remuneration trends for dairy farming.

When discussing the rates of pay of migrants, one participant felt that dairy farmers were trying to tell INZ and government that positions migrants fill, were skilled positions, yet their rates of pay were not reflecting this; “you are paying them under $40,000 a year and you are telling us that they are skilled, but you are treating them like they are not. [The] same reasons you struggle to attract and retain New Zealanders are going to apply to migrants”. Without any improvement in how the dairy industry treats its workers, one participant feels the path should not be made clearer to make it easier for dairy farmers to access migrant workers; “never not in a million years [want an RSE for dairy], dairy employers have got no proven record of being good employers in any sense of the word. Why would you grant them the right to do that?”

*Table 6 Remuneration Trend for dairy farming (Source: Federated Farmers & Rabobank, 2013, p. 6; Tipples & Rawlinson, 2013, p. 25)*

<table>
<thead>
<tr>
<th>Position</th>
<th>Mean salary</th>
<th>% change</th>
<th>Mean TVP</th>
<th>% change</th>
<th>Migrant rate(^8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy Assistant</td>
<td>$37,774</td>
<td>+1.1</td>
<td>$39,803</td>
<td>+3.5</td>
<td>$37,000 - $38,000</td>
</tr>
<tr>
<td>Dairy Assistant Herd Manager</td>
<td>$43,360</td>
<td>-0.4</td>
<td>$46,256</td>
<td>+2.0</td>
<td>$43,000 - $45,000</td>
</tr>
<tr>
<td>Dairy Herd Manager</td>
<td>$52,331</td>
<td>+5.2</td>
<td>$56,061</td>
<td>+7.0</td>
<td>$47,000 +</td>
</tr>
<tr>
<td>Farm Manager</td>
<td>$64,371</td>
<td>+2.4</td>
<td>$70,336</td>
<td>+6.5</td>
<td></td>
</tr>
</tbody>
</table>

The changes to the welfare system in New Zealand have provided New Zealanders with “a wonderful opportunity for New Zealanders to go and work on the farm”. But this has not occurred. Dairy farmers in Southland complained that some unemployed New Zealanders were not suited to the positions they offered (Rawlinson, et al., 2012; Tipples & Rawlinson, 2013). Participants in these studies explained they were expected to employ people with criminal records, no driver’s licences and drug and alcohol problems. A comment from a participant in the fieldwork for Tipples and Rawlinson (2013) Southland migration study explained:

\(^8\) Benefits are on top of this pay rate
“You can’t take someone, if they have to come on a dairy farm and drive a tractor and somebody doesn’t have a licence you know for a car or it has been taken away, we are still expected to employ that person. That will put us at risk for health and safety in the first place. We have also found that if we bring in our drug policies in, that immediately eliminates half of the applicants they give you”.

Dairy based participants worry having access to secure migrant labour would provide employers with an opportunity to exploit labour, “to be honest, sometimes unfortunately that attracts those people because they just want those people to get them through a three month pinch ... there are still employers that aren’t paying the right amount”. Poulter (2014, p. 80) suggests that migrant workers are more tolerant of exploitation because “having spent thousands of dollars securing employment in New Zealand, [they] tolerate exploitation because they feel “economically trapped””. Migrant dairy workers from the Philippines are known to pay over $US10,000 to agents in the Philippines to process their work visas and get them to New Zealand (Rawlinson & Tipples, 2012).

In late 2013, there was a developing media spotlight on poor employment practices of dairy farmers and their attitudes towards “pay, conditions and safety” (Hayes, 2013; Houghton, 2013; Irving, 2013; Morgan, 2013b, 2013a). MBIE’s Labour Inspectors found 31 out of 44 farms visited in 2013/14 were in breach of minimum employment rights and “the next phase in the national dairy strategy will be focused on farms employing migrant workers” (MBIE, 2014). When RSE was being developed, the government took the line ‘if the industry is compliant (pay, conditions, tax) and there are still shortage issues then government would let in migrant labour. But if conditions are still inadequate, then that would not happen. Perhaps more pressure should be put on employers of New Zealanders and migrants to raise employment standards.

3 Conclusion

The New Zealand dairy industry has well publicised recruitment and retention issues, and recognising this, Associate Professor Rupert Tipples commissioned this research to look at whether the Recognised Seasonal Employer scheme used by horticulture/viticulture was an avenue to solving these problems. The Recognised Seasonal Employer scheme was introduced as a policy in 2006 allowing workers from the Pacific Islands to come to New Zealand on a temporary basis to plant, harvest and maintain crops. No substantial changes have been made to the policy since it was introduced. Knowing they have a secure supply of labour to plant, harvest and maintain crops, employers have been able to build or diversify their businesses to reach the productivity targets set by industry groups. Employers have put a greater value on attempting to train and retain their New
Zealanders, while improving the experiences, facilities and work environment they offer workers coming to New Zealand from the Pacific. As greater numbers of Pacific workers return to work in New Zealand, employers are able to capture their productivity gains and workers have become more skilled, thus enabling them to earn more money to take home.

Based on the success of the Recognised Seasonal Employer scheme, some posed the question whether it could be modified and used by the dairy industry. Participants in this study mentioned those involved in the dairy industry would have to go through a number of steps to convince government that they were ready for the policy and were good employers. This included going through the Change Lab process akin to what occurred in the Apple industry (Tipples et al., 2014). A Lincoln University/WEB Research consortium was leading dairy through this process, but the project funding was discontinued on 31 May 2014 in sight of practical implementation. The dairy industry, itself was perceived to be fragmented, with not one voice accurately representing the needs and wants of dairy farmers. To progress, the industry would need to organise and work together as one.

Currently there is the perception, supported by recent MBIE employment survey findings, that dairy farmers are not good employers. Until they improve, participants were apprehensive towards easing the barriers for dairy farmers to employ migrant workers, when they still have not proven themselves to be good employers. There remains a fear that having this type of scheme would open migrants up to more exploitation.

While some thought developing a Recognised Seasonal Employer scheme for dairy could work, they suggested alternatives that could work better than that policy for dairy. These included building labour mobility schemes into the Free Trade Agreement currently being negotiated with India; or developing a programme where workers come to New Zealand for six months, to learn and earn in exchange for their labour over the busy part of the dairy year. It was suggested existing methods of accessing migrant dairy workers could be improved. In particular, the definitions of positions used by Immigration New Zealand for migrant dairy workers. Once there is some clarity and a firmer understanding of the tasks undertaken on the farm by migrant workers, some of the issues recruiting and retaining migrant workers could be solved.

However, the general perception towards the viability of a Recognised Seasonal Employer scheme for the dairy industry is mixed. Those engaged with the scheme in horticulture/viticulture thought it could be adapted to suit the dairy industry, while those involved with dairying and other advocacy groups did not think it could work; “we are in favour of an RSE for someone else”; “I will say upfront I
don’t think it will work”; “our view is that RSE works really well where we have got it, it is not so obvious where it would work anywhere else”. But they did all agree that something needed to change in the dairy industry to solve the recruitment and retention issues they currently face. The prevailing message appears to be until dairy farmers become better employers and the industry becomes more unified and organised in their approach, nothing will happen.

One way of doing this would have been through the proposed ‘decent’ dairy farm employer/employee pilot scheme developed by the Lincoln University/WEB Research consortium, as part of DairyNZ’s Wellness and Wellbeing programme 2010-2017. The scheme was developed by dairy farmers, for dairy farmers, with the support of the research team. It proposed to match employers with employees who had both fitted the criteria for being decent dairy farm employees and employers, developed by dairy farmers. Over time, more dairy farmers and employees were to get involved as they recognise that by subscribing to being a ‘decent’ dairy farmer would attract a better calibre of employee.

4 Future research questions

1. Investigate the practicality of re-establishing/formalising links in collaboration with Lincoln University and a British university/agricultural college to see whether it was possible for British students to complete their practical work in New Zealand from July to January.

2. Investigate whether rural Pacific Island workers would be interested in working on a New Zealand dairy farm from July to January; and whether they have the skills to do it and skills that could be used in the Pacific (skills transfer).

3. Investigate the attitudes of policy makers and dairying leaders towards the development of an RSE type scheme for dairying.

4. What is the Government’s long term vision for the use of overseas workers as a permanent/semi-permanent workforce?

5. How dependent is the dairy industry on the growth of migration to meet workforce needs?

6. How many people who enter New Zealand on a temporary work visa for dairy, stay dairying, leave New Zealand, or leave dairy farming, when their work visa renewal or application for permanent residency is declined?

7. Why do those employed in dairying leave the industry?
   a. What are the barriers for people staying in the dairy industry?
   b. What are the incentives for them to leave?
8. Is the dairy industry able to meet the goals for farm ownership and career advancement?

9. Investigate the opportunities for migrant workers in Canada and Australia to understand whether there is a competitive threat to labour migration to New Zealand?

10. Explore what happens to the second generation of migrants who stay in New Zealand?

11. Investigate the factors that contribute to different countries pathways to residence.

12. Investigate the role of modern or social media in facilitating immigration and retaining connectedness with home.
Reference List


