

Faculty of Agribusiness and Commerce



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**New Zealand agricultural
employment relations,
migration, and 'pledge
washing' – the new recipe
for the 21st century**

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Abstract

This Working Paper continues a series of articles published in *Sociologia Ruralis* in 1987, 1995, and 2007 reviewing the evolution of rural employment relations in New Zealand. It analyses research driven changes to public policy on the use of migrants to combat the ongoing labour shortages in New Zealand's rural sector. There is a comparison contrasting the effects of these changes in the horticulture/viticulture sector and in the dairy farming sector. For the former a publicly acclaimed migration scheme resulted. For the latter an employer driven charter, which has been described as a 'pledge wash', was the outcome. Attention is drawn to the Health and Safety at Work Act 2015 which it is argued may have far more significant effects on dairy farming than employers have appreciated. It concludes by revisiting four key questions posed back in 1995 looking at them again after a further twenty years.

Keywords: Agriculture, Horticulture, Dairy, Farming, Employers, Employees, Relations, Migrants, Workers.

Acknowledgements

Richard Whatman, then of the Department of Labour, saw the potential of DWR for addressing the 'wicked' problems of the sector. His skills as a policy entrepreneur, as a key coordinator and networker, and pragmatic state servant, played a major part in the establishment and subsequent success of the Recognised Seasonal Employer policy. Without his invitation to the launch of the first Horticultural/Viticultural Labour Strategy in 2005, the writer's interest would have not been engaged. That led to a cooperative co-authorship of related papers (e.g. Tipples and Whatman, 2010), and more importantly to an attempt to introduce DWR into the dairy sector to solve intractable problems of staff recruitment and turnover. That was facilitated by a seeding research grant from the Lincoln University Research Fund (Award INTE 013, 2009). The Developmental Work Research into Fatigue issues in dairy industry became part of DairyNZ's *Farmer Wellness and Wellbeing* PGP programme (2010-2014), when another serendipitous factor came into play. The writer had taught Mark Paine, Dairy NZ's People Investment Manager back in the early 1980s when he was a student at the then Lincoln College. He and DairyNZ were initially amenable to funding the DWR work on the dairy industry. Credit must be given to Anne Lee of the New Zealand *Dairy Exporter*, who drew my attention to the launching on 8 October 2015 of the *Sustainable Dairying Action Plan*, produced by DairyNZ and Federated Farmers of New Zealand. That required the amendment of some of the previous conclusions of this article. Had I not become aware of these late changes the conclusions would have been much less favourable to New Zealand dairy farmers and their organizations.

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New Zealand agricultural employment relations, migration, and 'pledge washing' – the new recipe for the 21st century

The original intention was to publish this material again in *Sociologia Ruralis*, but a change in Editorial policy focusing more on European and theoretical concerns has made that impossible. So to make the empirical content available publically it is now being published as a Faculty of Agribusiness and Commerce Working Paper. In effect it presents the author's review of 37 years of rural employment relations research in New Zealand.

Issues of recruitment and retention continue to challenge the primary industries in developed economies, much as they have for the past half century. The *Employment Relations Record* (1) explored new ways of looking at these problems and highlighted the effects of demographic changes and the continued attraction of urban life and employment, which draws the young away from rural areas and jobs (Tipples, 2008).

What it did not do was examine the role of migration and refugees from developing countries with an over-supply of under-employed labour to developed ones with shortages in many and especially rural occupations. This is an area which needs more study.

International experiences with short-term migratory groups have been a widespread phenomenon, but often not a happy experience for the short term migrants. For example, the Parliamentary Assembly of the Council of Europe was advised in 2003:

“Reliance on migrant labour has become a characteristic feature of agriculture in southern European countries, especially for seasonal activities, where a large workforce may be needed at short notice for brief periods. The work of many of these migrants is undeclared. As a result, they have no rights to receive minimum wages or make social security contributions and are often subject to abuse and exploitation (De Zulueta, 2003, p. 1).

Similar recent views can be found about other developed countries such as the UK and the USA (Rogaly, 2008; Taylor, Martin & Fix, 1997; Martin and Taylor, 2003; Weil, 2009).

That was a concern as New Zealand considered ways to utilise the large potential source of labour on its doorstep in the Pacific. In New Zealand such short term immigration has already begun with the Recognised Seasonal Employer scheme. Does this scheme deliver Win:Win:Win outcomes for New Zealand growers, New Zealand and Pacific Island governments, and Pacific workers and their communities? Further, if countries like New Zealand have a tradition of difficulty getting farmers and growers to be compliant with employment legislation, are there any other new developments which may help ensure marginal groups of employees like migrants get a better deal?

This is the fourth article published by the author in *Sociologia Ruralis* on New Zealand rural employment relations. These articles have reviewed the regulatory and institutional context for rural employment relations research. The first article (1987) contributed to the understanding of how farm employment and conditions had evolved from colonisation in the nineteenth century to 1985, moving from an unregulated farm labour market before 1894, to a regulated one under the Industrial Conciliation and Arbitration Act 1894 and the subsequent Agricultural Workers Act 1936. Neo-liberal deregulation and the withdrawal of farm subsidies in the 1980s led to the re-regulation of the farm labour market by the Employment Contracts Act 1991 and the second article (1995). That explained why total deregulation had not taken place. Then a new government passed the Employment Relations Act 2000, which led to the third article on 'Further re-regulation' (2007). Until yet more regulatory change these articles set the context of research on New Zealand rural employment issues. This fourth article shows a shift of emphasis from a focus on employment relations change to a concern with the conditions enjoyed by increasing numbers of migrant workers supplying New Zealand's increasing demands for farm labour (2). In the period since the Employment Relations Act 2000 there have continued to be relatively minor adjustments of the legislation. However, the Health and Safety at Work Act 2015 presages more changes than the farmer/employer lobby may have realised.

These changes need to be set in context. First, it must be remembered that agricultural exports have been and continue to be a major component of the New Zealand economy. They make up 55 percent of Total Merchandise Exports, which was 6.5 percent of Gross Domestic Product (StatisticsNZ, 2015), and matter to all New Zealanders' welfare. Further,

they are a major source of potential economic vulnerability from extended but largely unprotected trade routes and, as a very small player, other international pressures. The most significant change undergone by the sector was the removal of all farm subsidies in 1984 as part of the free market reforms of the Fourth Labour government. That introduced the 'Cold Turkey' era, when the industry had to survive without the drug of farm subsidies. One change which farmers could readily introduce was to cut paid employed labour, which they replaced with an increased use of rural contractors and family (Morriss *et al.*, 2001; Greenhalgh, 2010). However, these changes are difficult to measure because another cut resulting from the 'free market reforms' was the agricultural census which had provided the best farm labour data. Farm jobs come in the 3D category, dirty, dangerous and demeaning (Callister, 2014). So farm employment had become much less attractive to young New Zealanders. Farm labour shortages were beginning to be felt, and have become more significant since 2000, which resulted in a specially funded Ministry of Agriculture enquiry (Morriss *et al.*, 2001). There were also major enterprise changes too. The number of sheep in New Zealand has approximately halved from 70 million in 1984 to 30 million today (Te Ara, 2015). Many former sheep farms have been converted to dairy production, which has expanded dramatically, particularly in the South Island (Forney and Stock, 2014). The number of dairy cows nationally has more than doubled from 2.28 million in 1984 to 5 million in 2015 (New Zealand Dairy Statistics, 2015). Such large scale conversions have often been based on corporate investment, irrigation and extensive employed labour, frequently of migrants operating under short term visas (Tipples and Trafford, 2011). One other vulnerability has reappeared with the New Zealand economy becoming dominated by a single commodity type – dairy products, which formed 47 percent of all farming exports. So in 2015 alarm affected the dairy sector with a significant fall in dairy prices on the world market that continued into 2016 with no prospect of immediate improvement.

During the same period there was a rapid growth in horticulture and viticulture production, a successful diversification from the 1960s sheep dominated agricultural economy. This had followed the United Kingdom joining the European Economic Community in 1973 which restricted New Zealand's traditional export markets. Combined horticulture and viticulture exports have increased from \$NZ500 million (fob) in 1985 to nearly \$NZ4 billion in 2014. Again this growth has been enabled by more employed staff, often migrants.

Traditionally farm employment was solely a kiwi affair, particularly the iconic independent rugby playing kiwi sheep farmer (Liepins, 2000). However, as in many other developed economies, farm work no longer has the status or economic returns of former years and the industry is not attracting sufficient young recruits to replace itself let alone to drive expansion. One of the downsides of the 'Cold Turkey' era was that farmers encouraged their offspring to get an education and a good job, because many of them did not have that alternative when faced with the removal of subsidies. In many cases farms were saved by the wife's ability to get paid employment off farm, whether as a teacher, nurse, librarian or other premarital jobs for which they were trained and qualified (Taylor and Little, 1995). Alternatively they helped with different forms of farm pluriactivity such as providing bed and breakfast farm accommodation, or other forms of farm tourism, which all helped with cash coming into the farm business (Robertson, Perkins and Taylor, 2007).

This paper is also important because it draws attention to the social dysfunctionality of New Zealand dairy farming, which is the most valuable farming enterprise type. The contradictions between what the dairy industry aspires to, its industry strategy, its dominant culture, and how it actually behaves are marked. For example, this is highlighted by the contradiction between the long hours of work in dairy farming and the desire to reduce its recruitment and retention of staff problems. They are exaggerated by unfavourable future demographics, so the social sustainability of dairy farming as it is practiced is questioned.

Role of migration in agriculture

Prior to 2000 migrant labour had formed a limited part of the farm labour force. For seasonal work the horticulture and viticulture industries had largely depended on internal migration of the retired, holiday makers and students, aided by some international visitors. However, this labour supply was always uncertain. In dairy farming the chief migrants were young British and Irish men seeking post tertiary qualification New Zealand experience before going home to take up dairy farming careers. They were supplemented in the late 1990s by an exodus from South Africa and Zimbabwe of farmers and managers, who were seeking to make New Zealand home for their families (Fegan, 2009). Unlike the situation for much of North America

and Western Europe there was no large pool of potential migrant labour seeking farm work, whether legal or illegal, just over a relatively porous border. The isolation of New Zealand, surrounded by some 2,000 kilometres of the Southern Oceans, has made the control of migrants relatively easy. Following the millennium, concerns about labour shortages began to be expressed and the labour supply for two key export sectors became the focus of attention.

Migration and the growth of the horticulture industries

After 2000 there were major upheavals in the Pip Fruit sector because of the unavailability of adequate seasonal labour, which threatened the very existence of it as an export industry, because potentially it might not meet critical quality standards and timelines set for fruit exports (Tipples and Whatman, 2010).

Pip Fruit Developmental Work Research

The path of policy evolution on seasonal labour for the pip fruit industry is difficult to follow because a number of separate themes developed at the same time. Such a 'wicked' problem was not readily treated by conventionally developed public policies and had serious overlapping implications for the tax, immigration and employment services. The Department of Labour established a project (2004-2006) to analyse the problem using an activity based focus founded upon Finnish Developmental Work Research (DWR) and Cultural Historical Activity Theory (CHAT) (Hill, Capper, Wilson, Whatman & Wong, 2007; Whatman *et al.*, 2005; Whatman and Van der Beek, 2008). DWR Change Laboratories became part of a co-design process with industry and related parties to help small and medium employers, increasingly burdened by compliance costs, develop better governance actions for the pip fruit sector, which suffered from the tricky problem of needing a large, quality, seasonal labour force for late summer and early autumn's production processes.

DWR is "A systematic application of a learning/ intervention method based on Cultural Historical Activity Theory" (CHAT) (Engeström *et al.*, 1996). Activity Theory is defined as being based on five principles (Seppänen, 2000):

- The unit of analysis is the Activity System, not individual informants.
- Multivoicedness – Activity theory is based on many points of view, not just one powerful one.

- It is the result of historical development, which is explored through approaches like ethnographic methods, which are good at explaining why something has happened.
- From the analysis of the historical development of the subject matter and identification of the patterns of activities 'Contradictions' are highlighted. These are structural tensions between elements of the system often long accepted and not seriously challenged.
- From the disassembly of these activities there is a possibility of expansive transformation or learning – a shared journey towards new objects.

Such change used an expansive learning cycle administered through change laboratories (Hill *et al.*, 2007). The change laboratories were made up of people who contributed intimately to the subject of the analysis who had the motivation to be involved and seek improvements. The researchers were there only to facilitate the processes of change laboratory operation. The participants were there as the active ingredient who had the expertise on the topic.

Fig. 1 Managing change using an expansive learning cycle (Hill et al., 2007, p. 364)

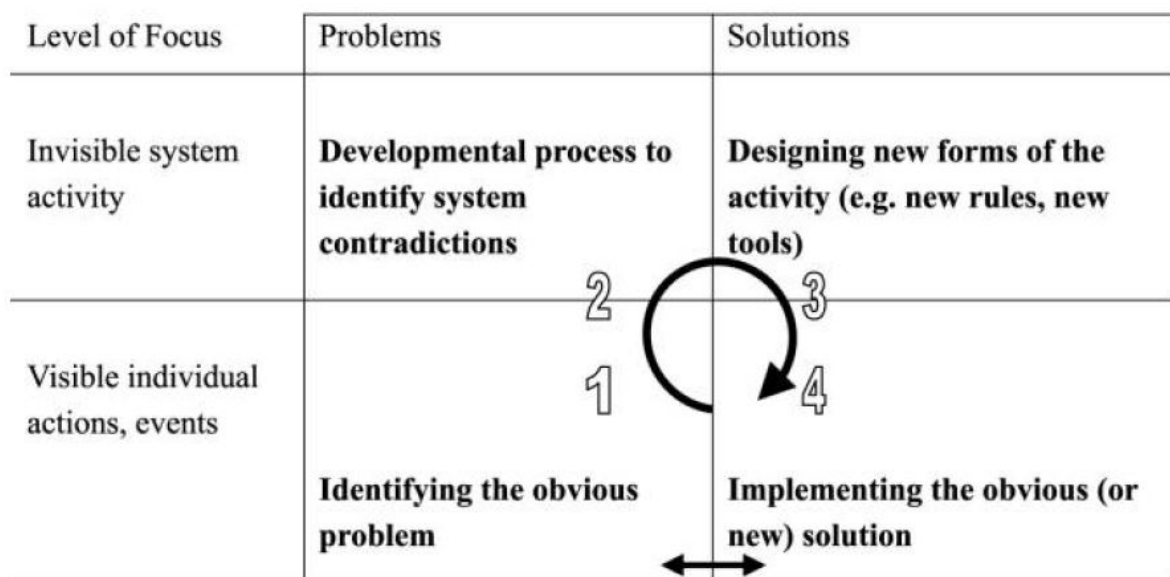


Figure 1 is a simple matrix of Level of Focus on the 'Y' axis from highly visible actions like events, through to invisible forms of system activity. On the 'X' axis problems and solutions are contrasted. In New Zealand typically problem identification (Box 1) leads pragmatically (Siegfried, 1904) to a 'simple', obvious but easily implemented solution (Box 4) Unfortunately,

such 'sticking plaster' type solutions often only operate at a surface level and are often not lasting. In practice the whole four stage process is needed for developing optimal solutions.

'The initial crisis' – the catalyst for action

In 2004 at the same time as the Pure Business Project was getting underway the Minister of Immigration was confronted on TV by a squash grower who argued that Thai immigrants worked better than NZ unemployed. The relationships formed in the co-design experiment helped at this politically sensitive time when the Minister called the parties together to work out what could be done about the labour shortage: Two distinct areas of responsibility were identified:

- That government was responsible for absolute staff shortages
- That industry was responsible for improved employment practices

A second potential crisis was perceived - poor labour, giving poor untimely quality for supermarket purchase, which would undermine New Zealand's position as a major international horticultural exporter.

Changes in horticultural employment were considerable. The industry diagnosis was that they were moving from a state of seeking high numbers of seasonal employees for harvesting type operations, but that their current applicants were likely to turnover quite quickly thus creating anxieties for growers with the uncertainty of whether they would complete their harvest in the deadlines required by purchasers such as supermarkets to ensure high quality produce (Tipples and Whatman, 2010). Rewards were typically based on volume of work through piece rates and there was little staff development. Employer practices were often poor, for example, employing illegal migrants or dubious labour contractors, and staff planning was almost impossible. Staff were a major cost and problem for employers.

When the industry began to consider how they would like to see the situation develop into the future, bearing in mind the Department of Labour's need to encourage compliance with employment standards, they focused on productivity as the key to their future. To achieve this they believed they would need a more loyal, stable workforce, whether full time or returning from year to year. Then investments in training and skills development would be most beneficial. Further rewards needed to be modified to reflect and reinforce this

productivity focus. As the Minister of Labour had suggested employers needed to improve their practices, not employing illegals, but recruiting from offshore on a planned basis. Overall staff were to be seen to be the key to future success.

First Horticulture Labour Strategy 2005

These details were hammered out between state departments, growers, unions and other interested parties in the first Horticulture/Viticulture Seasonal Labour Strategy of 2005, which had the subtitle of “Supporting Industries with Seasonal Labour Demands to Achieve Sustainable Growth”. It had five key features:

1. Work available must be offered to New Zealanders first
2. When it had been and demands were still not satisfied access might be given to global labour
3. The supply and demand of Seasonal Labour would need to be considered on a regional basis
4. The resultant employed workforce was to be skill and productivity focused
5. Contractors were to be more closely monitored and encouraged to improve themselves (Tipples and Whatman, 2010).

One of the benefits which flowed from the Strategy after considerable inter-industry and inter-government negotiations, and the background research conducted by WEB Research, was the Recognised Seasonal Employer (RSE) policy. The fortuitous circumstances supporting the development of such a policy have been discussed elsewhere but included interventions by the United Nations, World Bank and Pacific Forum. The policy was announced by the New Zealand Prime Minister, Helen Clarke, at the 2006 Pacific Forum (Tipples and Whatman, 2010).

The policy was to come into operation in April 2007. Initially it was to allow the temporary entry of 5,000 Pacific workers to work in horticulture/viticulture to ‘pick, pack, prune or maintain crops’. It was only to operate once all suitable New Zealand labour supplies had been exhausted, but where pre-existing relationships with other non-Pacific countries

existed they could continue. RSE employers and employees had to be approved, and in the case of the former that included providing pastoral care for Pacifica migrants

In 2009 the RSE policy was seen as bigger than new variety profile of New Zealand pipfruit in helping to provide high quality fruit to market at a time when harvesting was particularly time constrained for achieving best quality. That in turn led to New Zealand replacing other southern hemisphere producers in the world marketplace. The RSE's Pacific labour had helped delivering fruit at exactly the right time for best fruit maturity, which led to best keeping fruit and a great condition for its transport. Pacific islanders' soft hands used to handling more delicate tropical fruits also proved to be a contributing factor (Hammond, 2009). Consequently the Minister announced the continuance of an improved RSE scheme from 4 June 2009. Then the maximum numbers were allowed to increase in 2011 to 8,000 p.a. and in 2013 to 9,000 p.a. In 2012 the labour supply certainty created by the RSE scheme had encouraged three quarters of recognised RSE growers to increase their plantings and production (Immigration New Zealand, 2012, p.2).

Looking back over the period 2007-2014 we may conclude the RSE Scheme provided New Zealand horticulture and viticulture's need for seasonal labour in a way to ensure quality and certificated production. The large and relatively under-employed labour force around the Pacific solved New Zealand's seasonal needs for workers with a managed circular migration scheme, the Recognised Seasonal Employer Scheme. Further, the Recognised Seasonal Employer scheme delivered Win: Win: Win outcomes for stakeholders in New Zealand and the Pacific. There were wins for governments – New Zealand was able to access global labour. Pacific Islands were given work, not aid, and a further source of remittances and foreign exchange. There were wins for growers – apples were picked on time in best conditions, with growers enjoying labour supply certainty. Finally, there were wins for workers – they had well paid seasonal work. They were able to make savings and send remittances to families and communities, and still went home at the end of their period of employment. The Recognised Seasonal Employer Scheme was so effective that it won an excellence award (Tolerton, 2011) and was described as the 'gold standard' for international seasonal worker schemes (Bedford, Didham & Bedford, 2014).

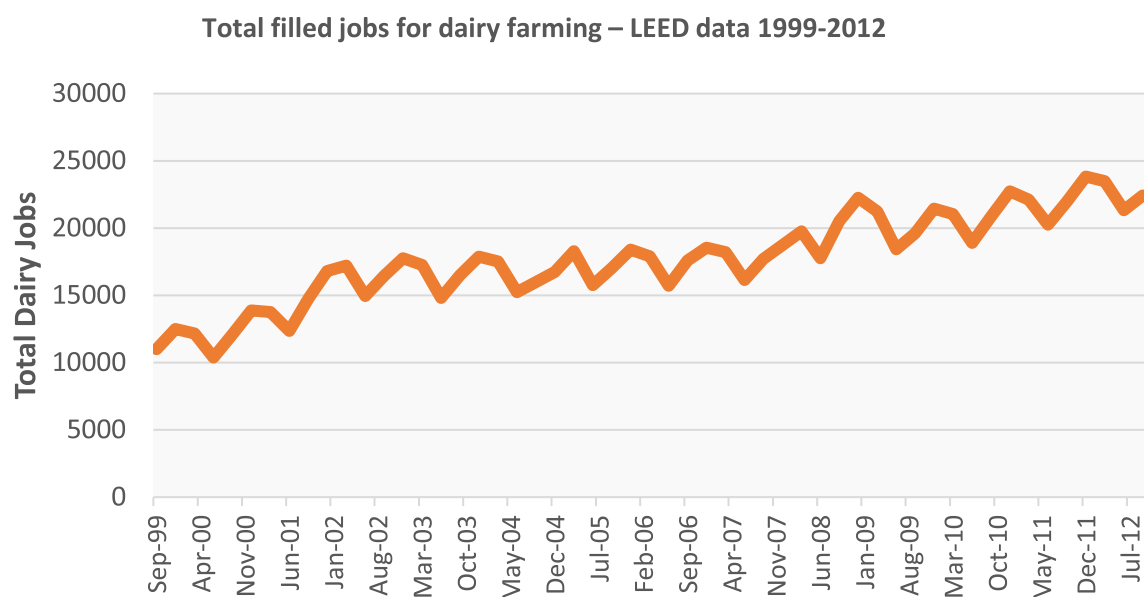
Dairy Farming Developmental Work Research in Canterbury 2011-2014

Overcoming dairy staffing problems

Dairy farming's staffing problems have been particularly apparent since the rapid growth in South Island dairy farming during the 1990s. The problems of long hours of work, fatigue and high accident rates did not go away as revealed by a dairy farming self-analysis in 2007 (*Dairy InSight*, 2007). Recruitment and retention problems still remained. Dairy farming was not attractive compared to other industries. The hours were long. The staff turnover was high, recruitment and retention continued to be problematic. The accident rate was third worst in terms of injuries per person employed. Dairy staff were required to live on-farm and as such were socially isolated. There was also a lack of rural support networks (Self-diagnosis, *Dairy InSight*, 2007).

While the number of employees in the dairy sector continued to grow (Figure 2) there were still problems with on-going staff turnover. Retaining staff continued to prove difficult as shown in Figure 3, a comparison using Linked Employer Employee data, which shows the respective employee turnover rates across the economy at large (lower curve) and in dairy farming (upper curve).

Fig. 2 On-going growth in dairy employment (Linked Employer Employee Data (LEED), StatisticsNZ)

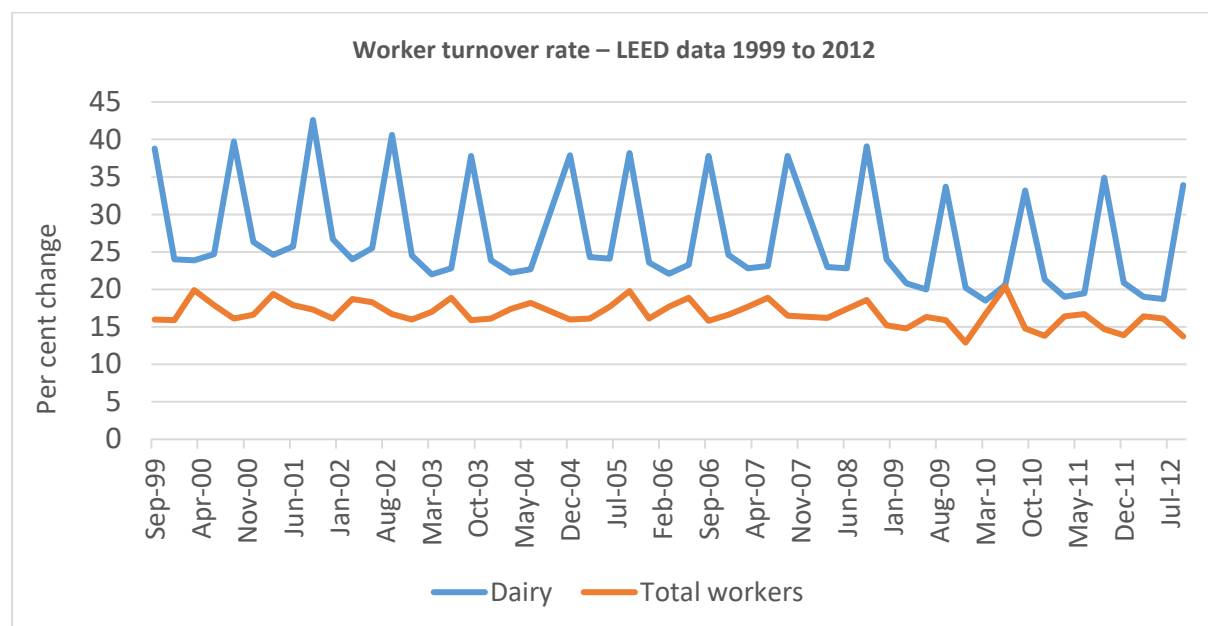


This on-going concern was highlighted again in an exploratory study ‘Fatigue in dairy farming’ (2009), which led to an invitation to participate in substantive research as part of Dairy NZ’s Primary Growth Partnership funded *Farmer Wellness and Wellbeing* programme 2010-2017 (Tipples, 2011; Tipples, Hill & Wilson, 2014). The research sought to get away from the regular reciting of the problems of the dairy farming sector and get it involved in a new approach based on Finnish Developmental Work Research (*ibid.*, 2014). That was built on a knowledge of the earlier success of the RSE model, which had been based on DWR, and the hope to achieve something similar with the wicked problems in the intractable dairy farming sector.

What we did in Canterbury

Initial plans were for a three pronged set of Change Laboratories in Canterbury, Waikato and Southland to pick up on significant regional differences. Field work began in Canterbury close to Lincoln in early 2011. We visited a range of farms during January, May, and June 2011, interviewed all kinds of on farm dairy people and also interviewed off farm people as well including: Consulting Officers, a banker, an accountant, a vet, health professionals etc. We heard of overwork, work-related stress, injury and clinical depression, which were triangulated with on and off farm data.

Fig. 3 Recruitment and Retention Problems of employees in dairy farming and jobs as a whole (LEED data, StatisticsNZ)



Examples of Emergent themes

From the initial Canterbury Change Labs a number of themes emerged. These included: What motivates dairy people to work 16-19 hour days, for weeks on end from July – December with no meaningful break? They suggested young, highly-motivated, entrepreneurial men and women were seeking farm ownership, but that a large debt was necessary to do this, which created huge pressures. These were complicated by the need to manage more people, in a more diverse workforce e.g. often with English as second language.

Outcomes of Canterbury Change Laboratories

Participants began to focus on three questions by the end of the change laboratories:

- What a 'decent' dairy farm had?

It provided good accommodation, which was comfortable, well maintained, safe, warm, and well fenced; good working hours that were fair, with regular time off, which was negotiable and with enough employees; operating in a safe working environment with an active health and safety plan, hazards map and relevant training and appropriate safety gear.

- What a 'decent' dairy farm did?

It was thought to provide good leadership, with employees knowing the targets of the business, and fairness, with each member of staff getting home on-time. Clear expectations also featured. In terms of rewards a decent dairy farm was one which told its employees when they had done well, and which provided job variety and flexible rosters, with the chance of increased responsibilities.

- What characterised a 'decent' employee?

They could explain why they wanted to work on their farm and knew what that required. They were healthy: physically, emotionally, psychologically robust and drug free. Some previous work experience was seen as good but it was not essential. Where they were in a relationship valuing family life was seen as important together with being 'house proud'. (Tipples, Hill, Wilson and Greenhalgh, 2013)

What happened subsequently?

DairyNZ reviewed the *Farmer Wellness and Wellbeing* programme 2010-17 in late 2013 using external consultants from Melbourne, the Harris Park Group (Harris Park Group, 2014). Our fundamental research component did well – we were acting well before the ‘top of the cliff’, where farmers in crisis were in danger of falling off. Subsequently discussions with DairyNZ were on-going in the period March – May 2014. New personnel became involved from the DairyNZ end who had not been part of the initial setting up of the project, who did not seem to understand what we were trying to achieve with dairy farmers. Then in May 2014 DairyNZ’s mandate to have a Commodity Levy was renewed with a successful vote for DairyNZ’s continuance. In the new dairy financial year from 31 May 2014 we were advised there would be no new contracts. In effect our contract had been terminated but only after DairyNZ’s mandate had been renewed. DairyNZ had claimed it was taking much of the work of the *Farmer Wellness and Wellbeing* program back ‘in-house’, but there was little sign that they were continuing the previous Developmental Work Research focus on fatigue and stress in the dairy industry (Jago, 2014a; 2014b). They had no staff with expertise in this field, nor the established relationships to make it possible along the lines originally conceived. In fact, the relationships formed had been broken e.g. with the Filipino Dairy Workers in New Zealand Inc. Thus there was a further example of a failed dairy people initiative. Further, the industry continued to ignore the impending dairy employment crisis (Tipples & Trafford, 2011), hoping perhaps that the problem would be overcome by new technology (Automatic Milking Systems) which needed less people. While the dairy industry still has *Making Dairy Farming Work for Everyone* as its national strategy for sustainable dairy farming 2013-2020, in the light of its previous history Objective 8 seems unrealistic – ‘Provide a world class work environment ‘on farm’, where that addresses the physical workplace, the employment conditions and the employment relationships. However, the termination of the Fatigue study was eclipsed by the collapse in dairy product prices since 2014. Employment issues are now less prominent. These problems still remain because many of the recently developed dairy farms are dependent on the availability of an employed labour force, which is in practice composed largely of migrants on temporary visas (10 percent of the workforce), of whom half come from the Philippines (DairyNZ and Federated Farmers, 2015). Self-exploiting self-employed share milkers, formerly the backbone of the New Zealand dairy industry, are in

relative decline in the new large scale, irrigated and often corporate dairy world. They are no longer as appropriate in the modern dairy environment.

Then in October 2015 the Minister of Primary Industries, Nathan Guy, acting for Federated Farmers of New Zealand Inc. and DairyNZ, launched their latest people initiative, the *Sustainable Dairying Workplace Action Plan* (*Selwyn Times*, 20 October 2015). This appears to draw on much of our previous research but offers only a dairy farming employers' view of what is needed for the future, without acknowledging its sources.

The *Action Plan* is the result of collaborative work primarily between DairyNZ and Federated Farmers. It addresses the increasingly high profile employment issues which have affected the dairy industry for many years – issues of attraction, recruitment and retention of staff, problems of high staff turnover, changed career prospects, the need for migrant workers, the lack of statutory compliance, and the shift of dairy farming southwards, together with a change to more employed rather than self-employed staff. One of the key drivers for the Action Plan was the growing realization that in a competitive global environment it was necessary to have products that were ethically produced from industries that exhibited good social responsibility, to remain competitive. Hence, the desire for 'Good dairy employment'. The *Action Plan* is based on a model of good people management of five pillars (fields of focus) on a foundation of compliance, which in turn supports a pediment of a quality workplace.

Fig. 4 Five Pillars of Good People Management. (DairyNZ & Federated Farmers, 2015, p. 6)



Each of the pillars on which the *Action Plan* is based would merit a separate article. Two key issues are recognized – the tyranny of long hours and poor rosters, and excess staff member fatigue. The goal of DairyNZ and Federated Farmers is not just compliance, (which had been seen up to now as a problem), but instead voluntary engagement with becoming ‘Good Dairy Employers’. The latter is very similar to the ‘Decent Dairy Farmers’ identified by the industry in the recent Lincoln fatigue research programme funded by DairyNZ (Tipples, Hill, Wilson & Greenhalgh, 2013).

One research finding reported (DairyNZ and Federated Farmers, 2015) is that dairy farmers today rate farm employees as more important than other factors, such as pasture, herd quality and infrastructure in dairy farming’s future. That is a significant change from the past. Moreover, careful reading of the Plan reveals that employees feature strongly in it, which is surprising in light of the furore over the introduction of the recent Health and Safety at Work Act. Farming was being expected to have employee health and safety representatives as a high risk industry. That had led, after lobbying, to farming being downgraded to only medium risk, and therefore not needing such representatives (Rutherford, 2015). Under Pillar 3 of the new Workplace Action Plan, ‘Wellness, Wellbeing, Health and Safety’, the dairy industry recognizes it has an unacceptable level of workplace accidents and is expected to improve its health and safety significantly. Under Pillar 5, ‘Effective Team Culture’, employers and employees are expected to work together in setting health and safety plans, but there is no mention of formal representation.

The contribution of the migrant component of the dairy farm work force is given a high profile. It is now some 10 percent of the work force at large but they are on temporary visas, which have an average duration of 1.5 years. Some 50 percent of such migrants are from the Philippines. The Plan recognizes the rapid growth in the number of migrant workers, particularly in the districts with a huge growth in dairying, such as Canterbury and Southland, but only hints at the need to enhance local communities in those areas, which historically have been some of the most ethnically undiversified parts of New Zealand (DairyNZ and Federated Farmers, 2015). If the industry wishes to encourage career building and community development in new dairy farming areas, as the Plan suggests, perhaps it should consider the next generation of dairy farmers being Filipino, much as the Dutch impacted the

industry in the 1950s (Krivokapic-Skoko, 2001, pp. 133-136). However, that will require significant changes to current immigration rules which seem to operate against Filipinos getting permanent residence status, although they are now a very valuable part of the industry (Poulter and Sayers, 2015; Poulter, Sayers & Tipples, 2016).

However, if the Plan is examined from an employment relations point of view, it just confirms the unitary approach of Federated Farmers and DairyNZ, which goes back to the early days of the Arbitration system before World War I. Helen Kelly, former President of the New Zealand Combined Trade Unions (NZCTU), made a point in her final speech as President (October 2015) that the process of development of the *Sustainable Dairying Work Place Action Plan* had specifically rejected a participatory role for organized labour. In effect, the *Action Plan* is the farmers' view of how to solve their well-documented employment problems in ways that they say are in the best interests of employers and employees, regardless of what employees actually think. This continued a trend that was most prominent when dairy farm employers killed off the Farm Workers' Association, which had been created as an independent collective of farm employees not affiliated to the NZCTU under the Agricultural Workers Act 1977 (Angove, 1994; Tipples, 1995). Since then there has been an on-going problem in many pan agriculture organizations such as the AgITO, now Primary ITO (Industrial Training Organization), which has a major role in farm safety training, finding someone to represent farm workers' views (Tipples, 2011, pp. 220-221). Kelly has described farming as "...this most important part of our economy (which) is still the wild west when it comes to employment practice."

She went on:

"We have highlighted this in the simplest of ways – using social media representing farm workers, gathering the data and using the mainstream media, and the industry has felt the pressure. Not enough pressure to fix this problem – only enough to look for alternate ways to counter the criticism. The industry continues to be extremely dangerous with no sign of improvement in accident numbers. 7 people have been killed on quad bikes alone in agriculture this year at the same time as the Minister passes law removing farm workers' rights in health

and safety. But the latest move by DairyNZ, supported by the Feds and worst of all supported by Government departments is the attempt to 'pledge wash' the employment issues on farms.

Pledging is the new black in this country. Since I took up this job everyone is doing it. Instead of bargaining, setting and maintaining standards etc. with unions, business draws up its pledge to address some issue where they are under fire and gets employers to sign it....The most recent example of this pledging is the just launched 'Sustainable Dairying Workplace Action Plan' which was launched last week – it was developed with the help of MBIE (Ministry of Business, Innovation and Employment), Worksafe, ACC (Accident Compensation Corporation) and MPI (Ministry of Primary Industries) – they were all in there and the results speak volumes about what they view as aspirational for New Zealand farm workers. We approached DairyNZ when we heard about this initiative seeking for them to develop this with us and the workforce and with ambition. Documents on workers' rights should have a workers voice right? We were rejected both by the Federated Farmers and DairyNZ."

After giving some examples of new undesirable norms in the sector, she continued:

This is an industry more and more reliant on migrant labour to feather its low wage survival. This new document (new pledge wash) notes the huge turnover in dairy and the fact that fewer and fewer registered unemployed are being engaged on farms, and that many farmers spend very little on training – but this document is as good as it gets and it will be used every time we raise concerns – oh yes, we are concerned they will say – and that is why we have this sensational charter – The pledge wash by DairyNZ shows in one way we are having an impact – our work has led to this charter. On the other hand Government departments that know their international obligations on worker rights and have relationships with the NZCTU think it is perfectly fine to collaborate on this document that is designed to create a fiction that the workforce issues on farms are being resolved by the industry - and most worryingly – both the Government departments and

DairyNZ and the Feds are desperately trying to fight the reality that workers in the agriculture sector would be much better off joining a union for these matters to be fairly addressed. The last thing they want is that and together this collaboration is their push back against our campaign. It is our continuing obligation to expose this sort of malarkey and continue to speak on behalf of these workers and encourage them to organize” (Kelly, 2015, pp. 2-3).

So in Kelly’s opinion this example of ‘pledge washing’ will prove problematic for achieving higher standards quickly in the farming sector. With the Fed’s focus on putting in place this ‘pledge wash’ that Kelly argues will slow progress because it is unenforceable, they may, in fact, have missed the much greater problems awaiting them in the Health and Safety at Work Act 2015, which came into effect on 4 April 2016. While they have avoided the issue of safety representation following ministerial intervention, they will still be bound by the central requirements of the Act. In effect, lack of necessity for safety representation may be a pyrrhic victory. Under the new Act every principal involved in a business (Person Conducting a Business or Undertaking – PCBU) will have a primary duty to ensure employees, and others affected by its work, can work in a safe and healthy environment. All PCBUs acquire personal liability for accidents occurring in the workplace. These will not be able to be avoided by blaming intermediaries or contractors and cannot be insured against. PCBUs will have to conduct hazard identification and appropriate training for hazard avoidance. Accidents, which have to be notified to WorksafeNZ, show a failure to do so and criminal liability comes back directly to the business owners including farmers. In future escaping those responsibilities will be difficult and potentially incur penalties up to \$600,000 and/or 5 years imprisonment for sole traders or officers and \$3 million for companies.

DairyNZ and Federated Farmers have taken many brave steps with this accord, not only recognizing long hours and fatigue as problematic, but also recognizing that competitive wage and salary rates that attract and retain talented people are required. However, still more could be done. For example, a system of collecting reliable data on hours worked, wages paid, incidences of work-related injuries and illnesses etc. needs to be established. Finally, recognition needs to be given to the changing demographics of the farm worker population

and the changing nature of the work where individuals should be able to enjoy freedom of association.

If we compare the two industries – Horticulture/Viticulture and Dairy, we find one industry which has made a serious attempt at changing itself with the help of government, employers and employees, and the introduction of the Recognised Seasonal Employer scheme. The other, after a promising research based start has failed to agree with government and employees on a regulatory policy for its future, substituting its own charter or pledge which is unenforceable. Crisis, which is a much more potent force with a perishable crop than a processed commodity, stimulated industry action which was more focused on the need to achieve a short term outcome. That combined with a serendipitous set of contextual variables and forces facilitated an optimum policy outcome (RSE) which has survived changes in government and now sets the ‘gold standard’ for seasonal worker migration schemes internationally (Bedford *et al.*, 2014). Developmental Work Research delivered the desired objects when allowed to run its full course. When frustrated by lack of employee engagement and terminated prematurely as with dairy farming, no viable public policy has resulted.

CONCLUSION

This article has sought to expand the discourse and research on the role of migrants in developed economy agriculture, using New Zealand experiences as the core data. This helps to bridge the information gap about the role of migration highlighted at the outset.

Four questions had guided the 1995 and 2007 articles. These are now addressed again twenty years after first being considered. First, to what extent is management initiative the new driving force in employment relations (formerly ‘industrial relations’)? For primary production management initiative has always been the driving force in rural employment relations. That has been expressed most recently in employer concerns to train and develop their staff to adopt new technologies (e.g. precision agriculture) and as part of quality assurance schemes (e.g. apple production), and to alleviate health and safety risks. Market conditions have had much more to do with employers improving employment conditions to ensure they continue to have a labour force. Poor performance is now quickly penalised by

migrants' social networking and use of social media. Filipino migrants can quickly warn potential fellow employees via a Filipino Dairy Workers in New Zealand (Inc.) Facebook page of problematic employers (Tipples, Rawlinson & Greenhalgh, 2013). The most recent employer initiative was the *Sustainable Dairy Workplace Action Plan* announced in October 2015.

Secondly, to what extent are traditional modes of trade union in crisis? Traditional trade unionism has not existed in New Zealand farming since the Employment Contracts Act 1991. There were minor involvements in horticulture and viticulture. However, there has been a recent development with the growth in the number of Filipino migrants employed in dairy farming. Perhaps, to avoid antagonising farmers too much, this group has described itself as an 'interest group', rather than as a union (Tipples, Rawlinson & Greenhalgh, 2013). It is concerned with looking after not only members' migration/visa and employment issues, but also their social activities and networking for the Filipino community, such as running their basketball league. Traditional unionism has begun campaigning about poor conditions in agriculture through the NZCTU under its late activist President, Helen Kelly (1964-2016), using modern technology such as social media to gain access to disgruntled farm workers.

The third question was 'Is there a decisive trend towards de-regulation?' Perhaps to some extent with a National (Conservative) dominated government from 2008, but nothing like as strong as before after 1984. The Government still has to appeal to its right wing, which has recently been exemplified by getting the duties for health and safety required of farmers reclassified from high risk to medium risk, when the death and injury statistics are appalling, in the new Health and Safety at Work Act 2015. The trend to deregulation has been pushed by employers in what Kelly describes as 'pledge making'

Finally, is New Zealand rural employment relations in a disruptive process of decentralisation which is the over-riding dynamic of the current scene? Decentralisation reached its peak in 2007 with the demise of the corporatist *Human Capability in Agriculture and Horticulture* pan-industry collective, for promoting the human capability and skills of the sector. However, the Horticulture and Viticulture sectors were working with government in the research based *Recognised Seasonal Employer* scheme at that time. It has been suggested dairy farming would like a similar scheme, but that looks unlikely because dairy farming is more year round and recently dairy product prices have collapsed

as part of a cyclical downturn in commodity prices, with the consequence farmers are minimizing their current costs including those of labour (Rawlinson and Tipples, 2014). Government may be less interested than for horticulture/viticulture because achieving compliance particularly for taxes is less problematic than for the much shorter term horticulture/viticulture casual workers. All farmers, particularly dairy farmers, now have to modify their behaviour to meet the requirements of the Health and Safety at Work Act 2015, which became operative on 4 April 2016.

ENDNOTES

1. The *Employment Relations Record* is the refereed Journal of the Pacific Employment Relations Association (PERA).
2. In this, as in previous articles, the generic terms farm and agriculture are used generically to describe New Zealand's primary production which includes all forms of agriculture, horticulture, viticulture, and farm forestry.

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