



From the Community to the Canopy: An Investigation of Pathways to Careers in the Kiwifruit Industry in the Bay of Plenty

Kellogg Rural Leadership Programme

Course 42 2021

James Hart

I wish to thank the Kellogg Programme Investing Partners for their continued support:

Strategic partners



Programme partners



Service partners



Disclaimer

In submitting this report, the Kellogg Scholar has agreed to the publication of this material in its submitted form.

This report is a product of the learning journey taken by participants during the Kellogg Rural Leadership Programme, with the purpose of incorporating and developing tools and skills around research, critical analysis, network generation, synthesis and applying recommendations to a topic of their choice. The report also provides the background for a presentation made to colleagues and industry on the topic in the final phase of the Programme.

Scholars are encouraged to present their report findings in a style and structure that ensures accessibility and uptake by their target audience. It is not intended as a formal academic report as only some scholars have had the required background and learning to meet this standard.

This publication has been produced by the scholar in good faith on the basis of information available at the date of publication, without any independent verification. On occasions, data, information, and sources may be hidden or protected to ensure confidentiality and that individuals and organisations cannot be identified.

Readers are responsible for assessing the relevance and accuracy of the content of this publication & the Programme or the scholar cannot be liable for any costs incurred or arising by reason of any person using or relying solely on the information in this publication.

This report is copyright but dissemination of this research is encouraged, providing the Programme and author are clearly acknowledged.

Scholar contact details may be obtained through the New Zealand Rural Leadership Trust for media, speaking and research purposes.

Executive Summary

There is a gold rush in the Bay of Plenty. The Kiwifruit Industry is positively booming and is struggling to attract enough people to the industry to keep up with its rapid growth. What career pathways are currently available? What is the extent of current labour attraction strategies? And how can the Kiwifruit sector connect local people with local jobs to both; meet the labour demands of a rapidly growing industry and help revitalise impoverished communities in the Bay of Plenty? The main thrust for this research is to firstly outline the current labour situation and then identify opportunities within the Kiwifruit industry to create pathways to careers. This project aims to gain an understanding of the labour problems facing the kiwifruit industry and to create a desirable offering for jobseekers to create a prosperous and robust workforce.

The New Zealand kiwifruit sector is currently producing 143 million trays per year, which is projected to reach 190m trays by 2027. The kiwifruit industry currently employs more than 15,000 full time equivalent workers. An additional 7,000 workers are required by 2027 if projected growth is to be achieved. The Kiwifruit Industry is struggling to employ sufficient workers, which has been exacerbated by the response to the Covid 19 pandemic. There has been a massive drop in the number of RSE workers and backpackers using a working holiday visa due to Covid 19 and those positions now have to be filled by New Zealanders. In 2019 a labour shortage was declared in the Bay of Plenty with a peak shortage of 2,500 workers.

There are several factors affecting the industry's ability to attract and retain staff including; transport and accommodation issues, negative perceptions of the industry around pay and working conditions and the inconsistent nature of seasonal work. Labour constraints present the biggest challenge in meeting future growth projections for the industry.

The industry needs to extend its labour attraction strategies and provide more 'earn while you learn' opportunities as well as kaupapa Maori learning environments to attract more Maori to the industry particularly at higher levels of employment and governance where there is a lack of representation. Government departments need to work alongside training organisations and industry groups to employ and train New Zealanders, particularly those who are under-utilised in the workforce. Initiatives to improve attractiveness of roles should focus on improved flexibility (part-time work), reliability of work hours, extended seasonal work contracts and collaboration across industries.

A holistic approach is needed so the Kiwifruit industry can simultaneously; realise the huge growth opportunities ahead as well as lifting the productivity and prosperity of New Zealanders to create thriving communities.

Contents

Executive Summary	3
Table of Figures	5
Introduction	5
Aims and Objectives	6
Methodology	6
A snapshot of the industry	7
Snapshot of the Bay of Plenty	8
Economy	8
Labour Market	8
Challenges and Threats Facing the Industry.....	9
Pests and Diseases.....	9
Environment	9
Unlicensed Planting	9
Covid-19.....	10
The Labour Problem	10
Overview.....	10
Recognised Seasonal Workers (RSE)	11
Working Holiday Visa Program.....	12
International Students.....	12
New Zealand Workers	13
Demand for Labour	13
Demand for Skilled Workers.....	13
What is Behind the Labour Shortage?.....	14
What is Being Done?	15
Perceptions of the Industry	15
Attraction Strategies.....	15
Transport	16
Flexibility of Hours.....	16
Accommodation	17
Inconsistency and Seasonality of Work.....	17
Pay Rates	18
Collaboration and Iwi Partnerships	19
Collaboration across Industries	19
Māori Kiwifruit Growers	19
Pathways to Careers.....	20

Pipeline Project.....	20
Collaboration	20
Maori Kiwifruit Growers	20
Tuhono Whenua Horticulture Ltd	21
Kiwi Leaders.....	22
Training and Education Opportunities	23
Recommendations.....	25
Flexibility and Labour Utilisation	25
Attraction Strategies.....	25
Seasonal Assistance Programme	25
Training.....	26
Holistic Approach	26
References.....	27

Table of Figures

Figure 1 - NZKGI – Kiwifruit Growth Plans.....	7
Figure 2 - NZKGI – Orchard Operations.....	10
Figure 3 - NZKGI – Type of Employment Contract.....	10
Figure 4 - NZKGI – Source of Workers in the Kiwifruit Industry.....	11
Figure 5 - NZKGI – Average Range and Pay Rates for Seasonal Workers.....	18
Figure 6 - Tuhono Whenua Horticulture Principles.....	21
Figure 7 - Kiwi Leaders Objectives.....	22

Introduction

Te Taiao or ‘Fit for a Better World’ is the Ministry of Primary Industry’s roadmap designed to achieve, within a decade, ambitious targets for a more productive, sustainable and inclusive economy. The Kiwifruit industry will feature strongly in this plan, with exports set to grow to \$4.5 billion by 2027. However, several challenges face the industry, the most pressing of these is how the industry attracts and retains staff. The focus of this study is the Bay of Plenty.

Parts of the Bay of Plenty are some of the most impoverished in New Zealand including the towns of Opotiki, Whakatane, Kawerau, Taneatua and Edgecumbe. These towns have very high levels of unemployment and

low levels of educational achievement. The Kiwifruit industry is a large employer in the Bay of Plenty and there is huge growth and investment in the industry. However, much of the work available is difficult, weather dependent and seasonal. This combination of factors make for a rather unstable environment for workers and an unattractive offering for people looking for a career. This study will attempt to identify what programmes and strategies are in place to attract people to the industry.

This could be through creating stronger partnerships between orchards, post-harvest operators and other sectors to “extend” the season for workers. It could also be through creating training programmes that reach these workers that teach aspects of the kiwifruit industry at a higher level such as management, financial & technical skills.

The landscape of the kiwifruit labour market has changed significantly through 2020 and will continue to do so. I will also look at the effects of the response to COVID-19 on the kiwifruit industry and what opportunities and challenges have been presented.

I would also seek to expand on current attraction strategies in place within the kiwifruit industry or other industries that would be applicable. I will also look at the situation from a Maori perspective. There is a massive opportunity to expand the Māori interest in Kiwifruit and to support the increased productivity and sustainability of whenua Māori.

Aims and Objectives

The aim of this project was to firstly gain an understanding of the current and future requirements for labour in the kiwifruit industry. I also wanted to investigate career pathways that were available in order to meet the needs of this rapidly growing sector. From this, I wanted to highlight pathways which helped to create a strong and resilient workforce whilst also serving local communities in the Bay of Plenty.

The purpose of the study is to identify;

- The current composition and distribution of the Kiwifruit labour market
- The current and future demand for labour, both skilled and unskilled within the Kiwifruit industry
- What attraction strategies are already in place to make the Kiwifruit industry a more attractive offering
- How collaboration, training and education can create a more resilient workforce

Methodology

In order to gain an understanding of the current situation regarding careers in the Kiwifruit industry, a quantitative literature review was undertaken. This helped to refine the scope of the report and established what career pathways were currently available. Secondary research provided a significant contribution to this

report and contributors included; Ministry of Primary Industries, the Ministry of Innovation and Employment, New Zealand immigration, Horticulture New Zealand, New Zealand Kiwifruit Growers Incorporated, and Zespri.

To gain an understanding of the situation from an employer perspective an informal focus group was also conducted with several local growers. The discussion was constructive and gave valuable insights into the quality of labour attraction strategies and well as problems and possible solutions to those problems relating to labour in the Kiwifruit Industry.

A snapshot of the industry

Today there are around 2,800 kiwifruit growers in New Zealand with approximately 12,800 hectares in production according to the New Zealand Kiwifruit Growers Association. New Zealand is the world's third largest producer of Kiwifruit accounting for roughly 10% of global supply and New Zealand exports more than 97% of its fruit. 85% of New Zealand-grown kiwifruit comes from the Bay of Plenty. Within the Bay of Plenty Kiwifruit is grown mostly in Te Puke, Katikati, Whakatane and Opotiki which have temperate climates, regular rainfall and fertile soils.

This production is split roughly in half between the G3 (Sungold) and Hayward (Green) varieties. A new red variety has also had huge success in commercial trials in Singapore. 150 hectares has been released under a tender process in 2020 with more to come in 2021. The red fleshed fruit is still in its infancy as a variety, but is poised to become a significant part of New Zealand's kiwifruit landscape.

Zespri is the sole global exporter of New Zealand grown kiwifruit. Zespri International Limited is the world's largest marketer of kiwifruit, selling into more than 53 countries and managing 30 percent of the global volume. (NZKGI, 2021) Zespri has an extremely good reputation especially in China where 30% of New Zealand kiwifruit is exported. It is also the most recognised fruit brand in China's largest cities.

The Kiwifruit industry produced 148million trays valued at \$2.3 Billion during the 2019/20 growing season. This is projected to grow to 190 million trays valued at \$4.5 billion by 2027. There is predicted to be a reduction in the production of green Kiwifruit as growers cut over to the more lucrative Sungold. Zespri is the sole license holder for the Sungold variety and will release 700 hectares for tender every year for the next three years and possibly beyond.

Drought in the Northern North Island affected production during the 2019/20 growing season and contributed to a smaller crop than the record 155million trays produced during the 2018/19 season. This is mainly a result of drop in volumes for green variety, from 83 million trays to 70 million. However, SunGold increased from 67 million trays to 75 million in the 2020 harvest.

The drop in production can largely be explained by an increase in production area for SunGold kiwifruit as new greenfield developments are coming to fruition along with ongoing conversions of Green to SunGold. The crop yields between the two main crops also vary with SunGold being 35% more productive on a per hectare basis.

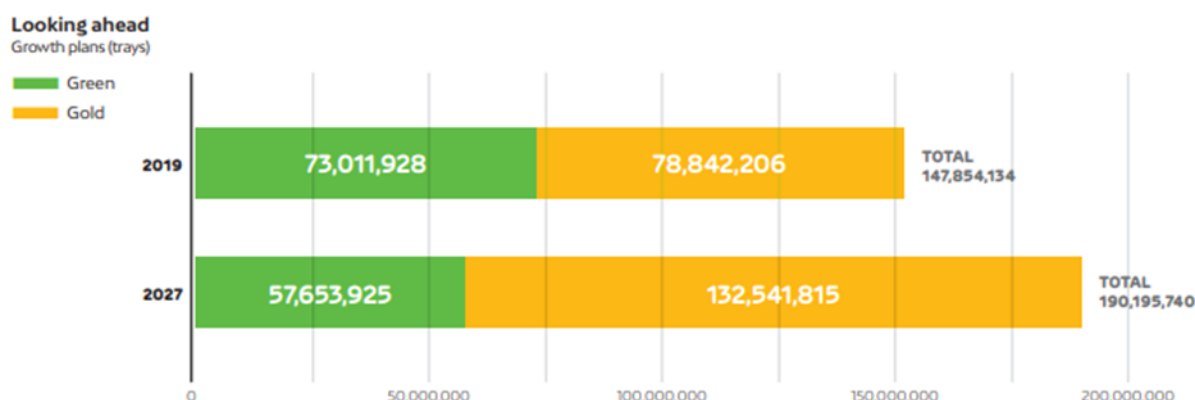


Figure 1: NZKGI – Kiwifruit Growth Plans (2020)

Snapshot of the Bay of Plenty

Economy

From 2014–19, Bay of Plenty’s economy increased 44.4 percent (national increase was 30.4 percent), the largest percentage increase of any region. This increase was driven by several factors including construction, dairy farming and the rapid growth of the Kiwifruit industry and adjacent services. (Statistics New Zealand, 2020) The success of the Kiwifruit industry in the Bay of Plenty is due to several factors including; Zespri’s strong brand recognition around the world, long standing secure markets as well as emerging markets, the technical ability of New Zealand growers and exceptional growing conditions in the Bay of Plenty.

Labour Market

A report from Business and Economic Research Limited titled ‘Analysis of Bay of Plenty employment and skills’ (Cox et al, 2014) describes the Bay of Plenty as having a three-tier labour market; with the Western Bay of Plenty and Tauranga in the top tier, Rotorua and Whakatane in the second tier, and Kawerau and Opotiki in the third tier. The top tier districts have had strong labour markets, even during the prolonged recession. Tier one areas have a higher possibility of labour and skills shortages in the future. At the other end of the scale, the third tier districts have suffered population loss and have low skilled and poorly qualified labour forces. They face the possibility of ongoing decline.

According to the report, the tiers also reflected significant inequalities between younger and older workers; Māori and non-Māori; and, unqualified/lowly qualified and highly qualified people.

- The region has a relatively old employed labour force.
- The largest occupational groups are Managers and Professionals, but half of the labour force has no qualifications or school qualifications only.
- Kawerau and Opotiki stand out from the other districts in the region because their respective employed workforces include relatively large numbers of Māori, people who work as Labourers and people who have no or low educational qualifications.
- Unemployment rates are very high at 8.9% across the region compared to 5.3% for New Zealand.
- There are large disparities within the Bay of Plenty in terms of employment; 24.9% in Kawerau and 11% in Whakatane, compared to 7.2% in the Western Bay of Plenty and 7.6% in Tauranga.
- Compared to employed people, unemployed people are more likely to be young, Māori, and have no or low educational qualifications.

Challenges and Threats Facing the Industry

Pests and Diseases

Several challenges face the Kiwifruit Industry which all have the potential to significantly curtail its rapid growth. The vine killing disease PSA, which made its way into New Zealand on a shipment of pollen from China 10 years ago has cost the industry over \$1 billion and counting. It continues to be a challenge for growers and still presents a considerable cost in terms of its mitigation and lost production. PSA has shown how devastating an introduced pest or disease can be to the sector. The Brown Marmorated Stink Bug is another pest that poses a significant risk to the industry. Zespri in conjunction with MPI have made considerable efforts at our borders to keep this pest out. More recently monitoring has been done offshore at the source as an added layer of resistance against BMSB.

Environment

The negative externalities of Kiwifruit growing have recently come under more intense scrutiny. These include increased water usage for frost protection and irrigation and the use of crop sprays. A critical yet harmful spray called Hi-Cane is currently under review by New Zealand's Environmental Protection Agency (EPA) and if it is banned or phased out could significantly reduce the productivity of orchards.

Unlicensed Planting

Another looming threat to the industry is unlicensed Kiwifruit being grown in other countries. This could damage Zespri's reputation if the fruit grown is of low quality. It could also push New Zealand grown fruit off the supermarket shelves, lower prices and compete with Zespri's Italian grown fruit which is harvested at a

similar time according to Dave Courtney, a senior executive at Zespri. (RNZ, 2020) In New Zealand, growers bid for license under a closed tender process and the lowest successful bid in 2020 was \$378,000 per hectare. (RNZ, 2020) As much as 4,500 hectares of unlicensed Sungold Kiwifruit is being grown in China compared to 7,500 hectares of New Zealand Sungold plantings. Zespri is currently working with these Chinese growers in an effort to bring this unlicensed fruit under Zespri's umbrella to try and mitigate these negative effects.

Covid-19

The government's response to Covid 19 has created a raft of new challenges for the Kiwifruit industry along with the entire economy although the industry has stayed remarkably buoyant throughout the pandemic posting another record year in 2020. This has been due to the diligent work of growers and post-harvest operators to adapt to new mitigation measures as well as strong demand for healthy food products in overseas markets. Covid has affected all aspects of production and supply, however the most pressing challenge to come from the pandemic has been to the labour supply.

The Labour Problem

Overview

New Zealand Kiwifruit is grown on a remarkably small footprint of land and is therefore very labour-intensive. The SunGold variety requires around 1,000 hours of work per hectare or 0.63 full time equivalent jobs. It took 760 hours per hectare for green, or 0.51 full time equivalent roles.

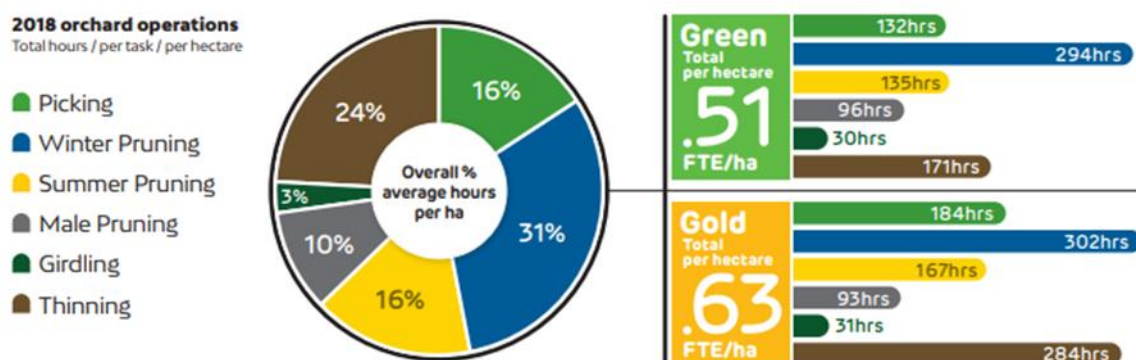


Figure 2: NZKGI – Orchard Operations (2018)

According to New Zealand Kiwifruit Growers Inc. (2020), there are currently around 19,500 seasonal workers needed in the Kiwifruit Industry which is projected to increase to 27,880 by 2027. This increased demand for labour presents the single biggest challenge to the sector in order to meet ambitious growth targets and be able to grow and pick fruit in optimal condition.

The Kiwifruit labour pool is made up of; permanent full time, long term casual, part time and seasonal workers as shown below.

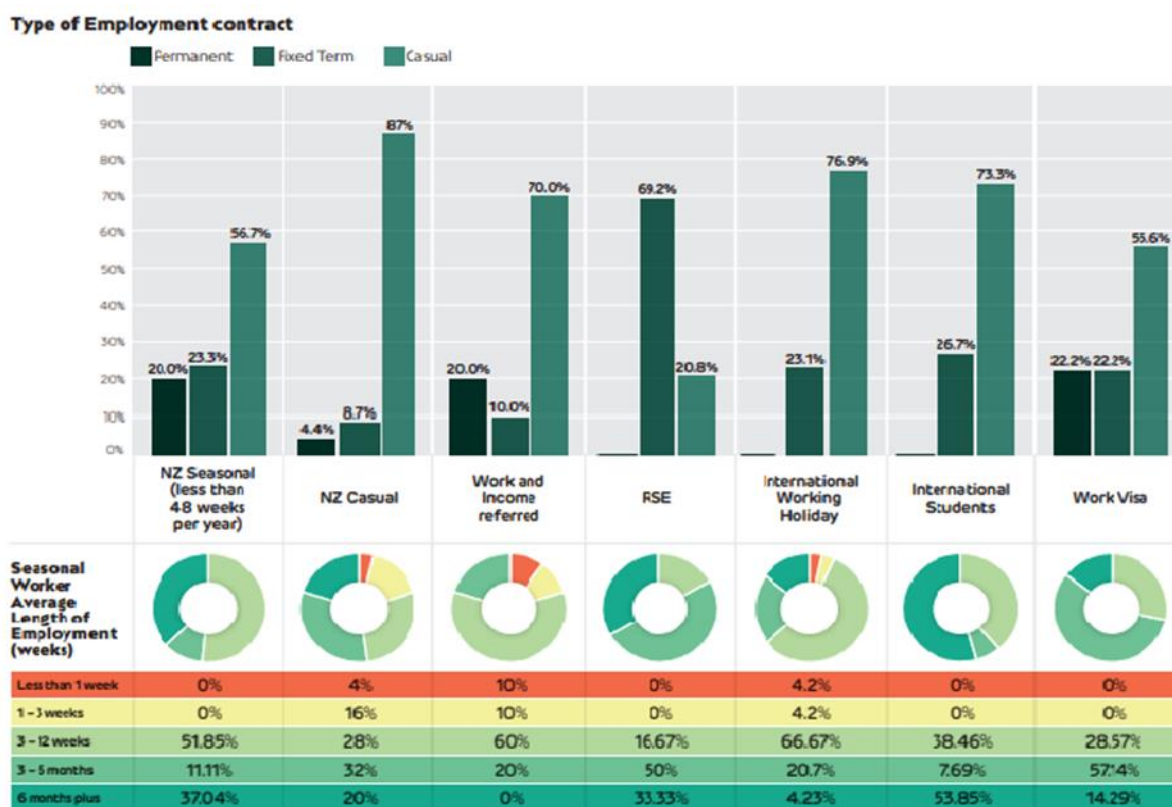


Figure 3: NZKGI – Type of Employment Contract (2020)

Prior to 2020, labour has been drawn from three main groups; New Zealand workers making up just over half the workforce, backpackers using a working holiday visa accounting for 20-30%, and workers from the Pacific Islands under the recognised seasonal worker Program making up the rest as shown below. International student numbers have also decreased following the closure of some international schools.

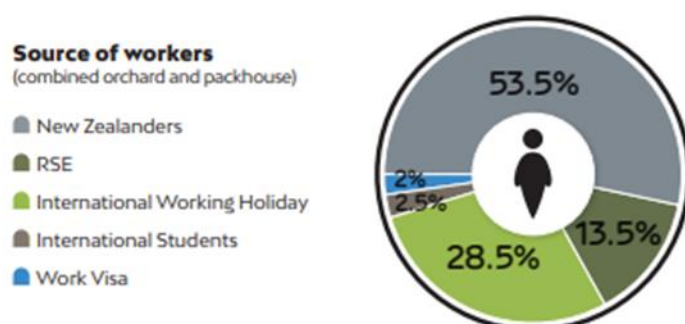


Figure 4: NZKGI – Source of Workers in the Kiwifruit Industry (2019)

Recognised Seasonal Workers (RSE)

The RSE program, started in 2007 normally has around 14,000 workers from the Pacific Islands including; Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu (Immigration NZ, 2020). These workers are split between the various horticulture sectors. There are currently around 6,000 RSE

workers in NZ due to Covid, however, many will be heading home as flights become available – leaving just 4,500 in NZ for the coming season.

Chief executive of the New Zealand Kiwifruit Growers Association Nikki Johnson suggests that while the industry is only about 20% reliant on RSE workers, there is pressure on the industry to find replacements for those workers because they are very reliable and highly efficient. (NZKGI, 2020) They are relied upon as critical labour for nightshift and weekend work, as well as winter pruning – all of which have proven difficult roles to recruit New Zealanders into. Johnson notes that many RSE workers who were planning to come here didn't make when the border was suddenly closed in March. Since then, the kiwifruit industry has had to 'share' workers with other horticultural sectors – in particular the pip fruit sector. (Hort News, 2020)

The government has offered help to the under-pressure horticultural sector by allowing a further 2000 RSE workers in to help pick fruit and vegetables this summer. From January 2021, up to 2,000 experienced seasonal workers from the Pacific will be allowed to travel to New Zealand to address labour shortages in the horticulture and wine growing sectors. (Beehive.govt.nz, 2020) The workers will arrive between January and March next year.

It is important to note that the entry of RSE workers into New Zealand is very important for Pacific economies. These countries have also been severely affected by the lack of tourism due to Covid. More than \$40 million was returned to the Pacific in 2018 as a result of the RSE scheme. (Horticulture New Zealand, 2020)

Working Holiday Visa Program

In past seasons, backpackers using a working holiday visa account for roughly 30% of the Kiwifruit industry's workforce. There would normally be up to 50,000 Working Holiday Visa holders to be available throughout the picking season. That number has drastically decreased to around 13,000 current workers across New Zealand's economy. The New Zealand government has extended Working Holiday Visas that expire from 21 December 2020 to 30 June 2021 (inclusive) for six months. Conditions have been changed to allow Visa holders to continue in any employment that is not permanent in any sector until their visa expires. Time limits on total work for one employer will also no longer apply.

International Students

International students make up around 2.5% of the labour force and this proportion has markedly decreased in recent years. A number of education providers have closed down after it was found many "students" were using the International Student Visa as a 'foot in the door' to be able to work in New Zealand. A report titled 'Managed Migration? The health and safety and human rights implications for student migrant labourers in the horticultural sector' suggests many such students were working illegally for up to 55 hours per week, far

exceeding their allowed 20 hours work per week. The researchers found 93 mostly Indian students regularly working in Bay of Plenty vineyards and orchards for more than the 20 hours a week allowed by their student visas. Almost half (43 per cent) were enrolled in courses in Auckland but lived most of the time in Te Puke or other kiwifruit towns. (Anderson et al, 2012)

New Zealand Workers

New Zealanders would normally make up just over half of the labour pool. However, this has also changed dramatically in the post Covid landscape with domestic workers now accounting for a much larger proportion of the workforce than in previous seasons. MPI along with NZKGI have been working hard to attract New Zealanders to fill roles left vacant by RSE workers and Working Holiday Visa workers. Various initiatives have been put in place to build the profile and accessibility of the industry for local jobseekers and school-leavers. According to the Ministry of Primary Industries, New Zealanders are the priority workforce for the Kiwifruit industry.

Demand for Labour

According to the New Zealand Institute of Economic Research (NZIER, 2020), the peak month labour deficit was 2536 workers (assumes full time equivalent) in 2018. This labour demand is made up of both skilled and unskilled tasks on-orchard and in post-harvest operations. Demand for labour peaks during the picking season from March to May. It is critical to have enough workers to pick and pack fruit to ensure optimal fruit quality when it arrives to the market.

NZIER indicates that for every one million trays of kiwifruit produced, an additional 14 fulltime staff, 28 on-orchard staff and 130 post-harvest staff are required. (NZKGI, 2020)

NZKGI do not necessarily think that there is a strong linkage between availability of technical training and inability to attract New Zealanders to roles. They believe the emphasis should be on 'soft' skills making sure MSD clients are physically fit and sufficiently supported to stay in jobs and progress into careers. "From small scale projects in the kiwifruit industry, we are becoming aware of the importance of pastoral care in supporting MSD clients into fulltime work. Government assistance to provide this to employers for employees is important." (NZKGI, 2020)

Demand for Skilled Workers

The Ministry for Primary Industries 2014 People Powered Report identified that currently, the horticulture industry does not have the people capability to meet horticulture's export targets. The report states that an increase of 7,800 'unskilled' workers and 14,900 more qualified workers are needed by 2025. NZKGI has

become increasingly focused on careers and education within the industry in order to meet the increased demand for labour.

While a large part of the Kiwifruit industry will continue to provide opportunities for people without formal qualifications, much of the growth in labour will be in highly skilled roles according to the Ministry of Primary Industries. That will drive demand for diplomas and certificates – particularly those that can be gained through in-work training. The sector will need to attract keen, innovative people from diverse backgrounds. Future workers will need qualifications across a range of subjects like science and technology, economics, maths, and engineering, right through to marketing and human relations. (MPI, 2020)

- In 2012, an estimated 44% of employees in the primary industries had formal, post-school qualifications.
- By 2025, it's anticipated this will need to increase to 62% to meet these new demands.

Managing Director of Te Kaha Enterprises Paul O'Brien agrees that the industry is interesting, diverse and there's great money to be made, especially for those who can look at the machinery of the wider industry and identify careers within areas such as the sciences, finance, communication and management. These four areas of the industry comprise the most 'skilled' labour and will continue to drive the increase in demand for qualified staff.

What is Behind the Labour Shortage?

The government's response to Covid-19 and the subsequent decrease in foreign labour has been both a challenge and an opportunity for the Kiwifruit sector, particularly in the Bay of Plenty. NZKGI's labour analysis has suggested other factors affecting the industry's ability to attract workers which include;

- Outdated preconceptions around pay rates and worker welfare.
- The short-term nature of the roles on offer.
- The seasonal and weather dependent nature of Kiwifruit work

The industry is working to refresh interest in seasonal kiwifruit work. These efforts include:

- Improved worker welfare and pay rates.
- Planning for increased accommodation and transport to attract employees.
- Working with the Ministry of Social Development to employ New Zealanders, particularly those who are under-utilised in the workforce.
- Initiatives to improve attractiveness of roles including improved flexibility (part-time work), reliability of work hours and extended seasonal work contracts.

- Increased training, qualifications and pathways into the industry through schools and tertiary organisations.
- Investment in research and technology to ease the burden of future staff shortages. The industry's efforts need to be complemented by government initiatives to fill job vacancies, so the booming kiwifruit industry can make the most of the growth opportunities ahead.

What is being Done?

Perceptions of the Industry

In addition to making seasonal work attractive and finding jobs for potential seasonal employees, NZKGI has worked hard to break down the barriers and attract New Zealanders to find careers in the kiwifruit industry, which is seen by many as physically demanding with low pay. NZKGI's education coordinator role focuses on schools, vocational training providers and tertiary institutions to help change perceptions about the industry's offering in terms of career opportunities. Tours allowed school groups to see the different career options available in kiwifruit, and wider horticulture.

Attraction Strategies

Awareness and attraction to the industry was strongly influenced by Facebook and friend referral according to the 2020 Seasonal Worker Survey completed by NZKGI.

In 2019, the Kiwifruit sector partnered with the Ministry of Social Development to transition people into the industry. It would provide certainty around the number of workers required, share good news stories, demonstrate flexibility in work hours and conditions, and also connect people with accommodation and transport options.

A key change in the 2020 strategy according to the 2020 NZKGI Labour Attraction Strategy was to emphasise and focus on attracting New Zealanders, especially those living close to orchards and packhouses, to work in the industry as a priority, ahead of WHV-holders. New promotional material was also proposed including posters and leaflets such as 'The Little Green and Gold Book' for use with New Zealand audiences such as tertiary students. It was important to include real data around pay rates and future or ongoing seasonal work outside of harvest time as well as promoting Bay of Plenty as a destination.

Serendipitously, the kiwifruit sector was in a position to offer many of those in areas severely hit by Covid-19 such as tourism, hospitality and forestry work in orchards and packhouses. This unexpectedly available workforce certainly helped meet the labour requirements of the 2020 season. Social distancing requirements also meant packhouses had to reduce the number of workers in their facilities, slowing the throughput of fruit, which actually smoothed the peak of the workforce requirements. (NZKGI, 2020) Although this influx of labour

was a great windfall at a time of crisis, these staff were mostly new to the industry so were inefficient at first and required more training to get up to speed.

The Ministry of Innovation and Employment (MBIE) – have created learning seminars for seasonal workers doing for specific seasonal orchard tasks such as bud thinning or winter pruning. These entry level courses are free. The one-day taster course is designed to give jobseekers an insight into the nature of working on a kiwifruit orchard. It provides both the theory and practical experience of summer canopy management. The first part of the day is in a classroom, followed by a practical demonstration on an orchard. MPI has committed \$130,000 towards the initiative. NZKGI Education Coordinator Di Holloway hope that a large proportion of the people who undertake the one-day training will be pleasantly surprised by the variety of different jobs on offer. Following the one-day taster, a two-day training course will be offered to those interested in pursuing the opportunity more.

Transport

Those who did not hold a full driver's license, or own a car, are supported by contractors and growers who provide subsidised transport options. Some vans travel as far away as Rotorua and Tokoroa to pick up people keen to work in the Western Bay of Plenty. Anecdotally, it is very common to make ride-share arrangements with workmates.

NZKGI interviewed kiwifruit industry employers who believed that offering transport would not attract more staff. Many workplaces have offered transport to get workers to and from orchards and pack houses, but the number of employees utilising the service has generally been inconsistent and/or uneconomic. The NZKGI Seasonal Worker Survey from 2019 suggested that transport was not a large factor in people's willingness to work in the Kiwifruit industry.

Flexibility of Hours

Flexibility of hours is another challenge for employers to overcome. Employers are now more likely than ever to allow staff to work weekend shifts, or work around family commitments such as school or sporting commitments in order to retain them. Employers are also increasingly aware of their responsibility to provide a workplace that meets the needs of employees as well their own. This might mean hiring two people to fill one full time equivalent position.

As part of my focus group, growers were asked how they are filling their labour requirements. All three growers responded that they have one set of hours to allow staff (particularly mothers with school age children) to start at 9am and finish at 2.30pm and another set of longer hours for staff without these types of commitments. Growers commented that this strategy has worked well with only a negligible increase in overhead costs due to having more staff on the payroll.

Some larger kiwifruit industry employers such as packhouses have run pre-employment training courses for potential employees. They cover critical areas such as time management, budgeting, and orchard fitness. Other courses have been tailored specifically for the needs of particular groups, such as solo parents.

Flexible working hours have multiple benefits for employers including; staff retention, a reduction in absenteeism, and increased productivity.

Accommodation

Finding homes for workers without soaking up valuable local housing stock is a real challenge in the Bay of Plenty where less than 7% of the accommodation provided to workers is in residential housing. The housing shortage has meant new restrictions such that RSE workers can no longer; stay in a residential house that has not previously been used to accommodate RSE workers. (Immigration New Zealand, 2019)

Most transient workers are either living in purpose-built accommodation on orchards. Self-contained vehicles on orchards is another option for shorter periods of time and is popular with backpackers. Holiday parks also accommodate a portion of domestic, RSE and, WHV workers. More orchards and packhouses are deciding to provide facilities with 500 beds planned for 2020 and over 2,500 new beds in the next 5 years. (Cox et al, 2014)

Inconsistency and Seasonality of Work

Adverse weather conditions greatly affect the hours that can be worked both on orchards and in post-harvest operations. Kiwifruit cannot be picked during wet weather and this subsequently lowers the throughput of packhouses. Many other orchard tasks also cannot be done during wet weather as it can spread diseases like PSA. The seasonal nature of Kiwifruit work is another factor that is off putting for many potential entrants to the industry.

Under the government's new changes to the Seasonal Work Assistance Programme, unemployed New Zealanders are being offered a number of incentives to lure them into the jobs for the busy harvest season. These new incentives include up to \$200 per week for accommodation costs, a \$1000 incentive payment for workers who complete six weeks or longer, and increasing "wet weather payments" when people can't work to reflect minimum wage. (Work and Income, 2020) An incentive payment of \$500 to be paid to the employee halfway through the contract and another \$500 to be paid at the end for jobs that last six weeks or more has also been introduced. These changes should make the Kiwifruit industry more attractive to potential workers as well as providing more certainty of hours and security of income for current workers. The programme is available for the horticulture and wine growing industries.

You may get Seasonal Work Assistance if you:

- Stopped getting a benefit within the last 26 weeks to go into seasonal horticultural work

- Have lost wages because you could not work due to bad weather
- Are a New Zealand citizen or permanent resident.

It is worth noting that these new government incentives have not been entirely altruistic and have followed a similar campaign in Australia which went even further. New Zealanders were offered \$2000 if they relocated to Australia and worked for at least six weeks, and worked for at least 120 hours in agricultural work. This prompted accusations that Australia was "pinching" Kiwi workers.

Pay Rates

NZKGI's Labour Needs Analysis found that 2019 pay rates for picking averaged \$22.71. While this is a notable increase on previous years, many potential workers appear unaware of these improved rates and maintain the perception that kiwifruit work is poorly paid. Packhouse work is more consistent and less physically demanding, with an average hourly rate for unskilled workers of \$20.01 in 2020. (NZKGI) In addition, a wide range of seasonal skilled packhouse roles earnt on average \$22.18.

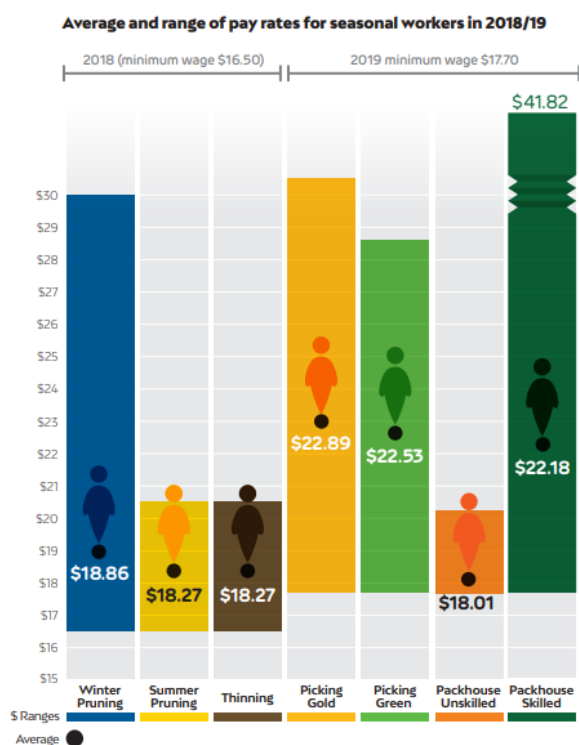


Figure 5: NZKGI – Average Range and Pay Rates for Seasonal Workers (2019)

This average pay rate is well above previous seasons.

Collaboration and Iwi Partnerships

Employers are also working with the Ministry of Social Development and iwi to create effective partnerships. This collaboration has resulted in pre-employment training, which then flowed to a work environment where employees are supported by iwi. MSD also has been working with iwi to encourage a cohort of job-seekers to get 'work-fit' by doing projects in the community. These people are then connected to a supportive employer who provides transport and pastoral care. A number of pack houses work with MSD to assist people to achieve forklift licences and other qualifications. This work starts before harvest, when candidates have time to gain experience.

Collaboration across Industries

An example of cross-industry collaboration is the post-harvest operator DMS whose seasonal work now includes work on Avocado orchards. Staff were previously only able to work for 9-10 months in Kiwifruit and now can work year round as seasonal work for Avocados is complementary to Kiwifruit. This utilises a workforce that would otherwise be unemployed for 2-3 months of the year. It will help in retaining these staff for future seasons and increases their knowledge of the horticulture sector.

Māori Kiwifruit Growers

Māori Kiwifruit Growers Incorporated is a Māori growers collective whose purpose is to build and grow the Māori Kiwifruit businesses for current and future generations. Members now account for over 10% of total Kiwifruit production in New Zealand. Māori growers are now major players in the industry. Fruit volume from Māori owned orchards has increased 50% from the establishment of MKGI in 2016 to 2018. This stunning increase is due to new developments, ongoing orchard maturity and significant acquisitions in both Hawkes Bay and the Bay of Plenty largely by Māori trust orchards.

From the four priorities set out in MKGI strategic plan, the goal of supporting the provision of knowledge, education and training was one that resonated with this study. The actions accompanying this goal are to;

- Prepare a survey to better understand what Māori Growers are wanting and facilitate the delivery/provision of training to Māori Growers to increase capability and performance. The results of this survey are yet to be published but will be key in identifying ways to improve upon current strategies.
- Identify and explore the potential for a training programme calendar that includes site visits as part of the training to expedite knowledge and capacity building

MKGI and Kiwi Leaders work together to host 'Kai & Kōrero Sessions' aimed at young Māori professionals who are studying, working or simply interested in the primary industries. The purpose of this forum is to bring

together young Māori to share ideas and knowledge, create opportunities and connections with peers and the business community, increase confidence, raise profiles and professional development. (MKGI, 2019)

Pathways to Careers

Pipeline Project

Under the Pipeline Project, kiwifruit employers have been working with the Ministry of Social Development to place unemployed clients into work. Large employers provide in-work training through Polytechs, the Primary ITO or independent training providers. The industry is also working with the Kiwi Leaders programme, which aims to build a skilled Māori workforce in the primary industries to attract young people into jobs. Various other initiatives include work in secondary schools to promote opportunities and leadership and development programmes to encourage workforce retention and transition to full-time roles.

Collaboration

An example of great collaboration is a group of Māori trust orchard growers in Te Kaha who work together to train their own staff, and have providing opportunities for over 50 young people to travel to horticulture training courses in Tauranga. This collective has also established their own spray contracting company and use bee keepers from their hapu to pollinate crops. This group of orchards pay employees the living wage of \$22.10 as a minimum. There is also a new school opening in the area with plans to teach horticulture principles. This pooling of resources has given these orchards greater resilience from labour shortages and has given more opportunities than would otherwise have been available to young people in terms of training and employment.

Maori Kiwifruit Growers

Another great example of collaboration within the Kiwifruit industry is Hineora Orchard in Te Kaha. This Māori freehold land block has won the inaugural Ahuwhenua Trophy Excellence in Māori Horticulture Award. The trust runs a kiwifruit joint venture operation, a commercial pack-house facility housing the local kiwifruit spray company (in which the company holds shares), and a four-bedroom home for accommodation at the block. (New Zealand Kiwifruit Journal, December 2020)

There are several challenges for MKGI and various Māori trust groups around trust, decision making and communication. It can be difficult to bring together often large numbers of stakeholders together in person. This has been made especially difficult in recent times due to Covid. Trust and communication issues often have to do with complex owners structures of Māori trust orchards which have many shareholders and contrasting interests in the orchards. MKGI are working with partners including Zespri to build databases and find different ways to connect.

Tuhono Whenua Horticulture Ltd

Tuhono Whenua Horticulture Ltd is a Māori focused business and horticultural leadership group focused on improving sustainable productivity on Māori owned land and delivering sustainable returns to shareholders. Tuhono Whenua works in partnership with land owner organisations, orchard operational teams, post-harvest operations, and Zespri to achieve its goals. The main objective is to grow the leadership and technical skills of Māori across the horticulture industry.

Tuhono Whenua have a trustee who works closely with NZKGI to provide training and outreach work for non-tertiary school leavers. A capacity development opportunity was identified in the lack of workforce calibration by these Māori trusts, which then led to a successful Government Sustainable Farming Fund application called “Ka Matau Ka Ora” – People and Prosperity Project focusing on orchard productivity, workforce development, governance training, industry connectivity and Māori trust collectives.

The He Kakano project is a pilot programme developed alongside Primary ITO and Fruition Horticulture to develop management skills. Participants benefited from a ‘learn as you earn’ pathway, and graduates benefited from a recognised and transferable qualification grounded and supported within a kaupapa Māori environment. The programme sought people currently in employment and looking to accelerate their career pathway progression as well as ‘second chance learners’. (Tuhono Whenua Hort, 2020)

A key point of difference of Māori organisations like MKGI and Tuhono Whenua is their holistic approach and emphasis on training and succession as well as profit. Tuhono Whenua understands that to bring about long term prosperity they need to work with both people & land – to treat the land respectfully and to build the skill capability of people. The following picture represents the principles of Tuhono Whenua;

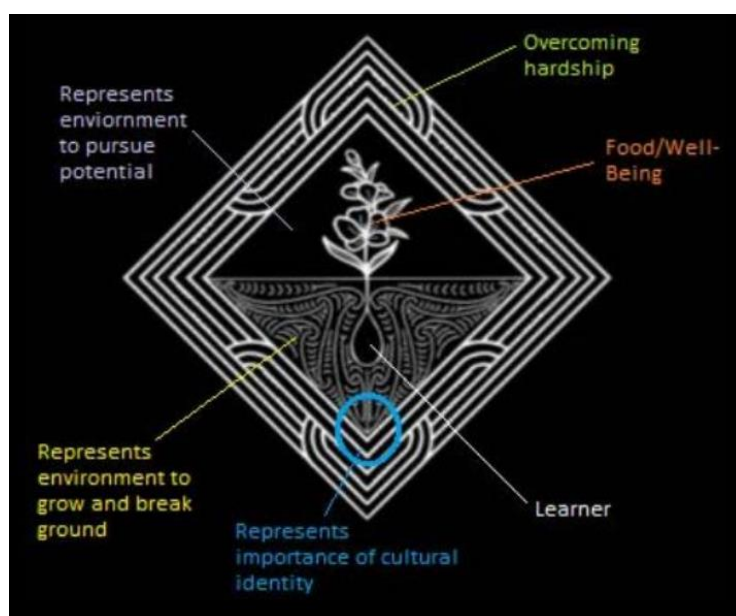


Figure 6: Tuhono Whenua Horticulture Principles (2020)

Kiwi Leaders

Kiwi Leaders purpose is to help build a skilled Māori workforce for the primary industries in horticulture. Kiwi Leaders primary aim is to achieve better representation and leadership of Māori at higher levels of employment and education for all opportunities across the primary sector. Kiwi Leaders attempts to achieve this goal by creating pathways for Māori into meaningful employment within the kiwifruit industry. Since its conception in 2006, there has been strong demand in the Bay of Plenty for integrated development plans across multiple sectors. (Kiwi Leaders, 2020)

Kiwi Leaders wants to provide a skilled and talented Māori workforce for the primary industries and for Aotearoa by bridging the gap between rangatahi (students and young professionals) and the business community.

By 2050, Māori and Pacifica will make up over 50% of the national population, which makes their participation in the workforce critical to economic growth and achieving growth targets in the Kiwifruit industry. Currently Māori represent 22% of youth unemployment and only 35% of Māori leaving school have qualifications. (Statistics New Zealand, 2021)

Kiwi Leaders services are designed for students and young professionals as well as businesses to;

- Help students and young professionals discover career pathways through workshops, field trips, focus groups, sector ambassadors and social media.
- Provide students with opportunities to connect with networks of peers, community, industry and whanau through networking events.
- Help students stay engaged and grow their careers with the support of mentoring, formal qualifications and work experience.
- Assess current people development strategies within the organisation
- Strengthen existing programmes by implementing our Kiwi Leaders blueprint, as well as supporting the recruitment and promotion of programmes.
- Drive success by implementing comprehensive monitoring and evaluation of people and programmes.



Figure 7: Kiwi Leaders Objectives (2021)

Kiwi Leaders was spawned from Te Awanui Huka Pak in 2016 and provides numerous scholarships, internships and cadetships in order to transition young Māori from school or entry level employment into high value career opportunities. Te Awanui Huka Pak Limited (Te Awanui) is a 100% Māori owned company founded in 1984 by a collection of Māori trust Kiwifruit orchards. Today, shareholders have in excess of \$200m and the interests in the company have expanded from kiwifruit to include Avocado's, commercial property, pastoral farming, elder care and other investments. Most shareholders provide social and cultural distributions and benefits to their kaumatua, shareholders and whanau.

Training and Education Opportunities

- Zespri and NZKGI offer scholarship for up to five students each year studying Massey University's Bachelor of Horticultural Science degree. Scholarships are aimed at students considering a career in kiwifruit. Scholarships are each worth up to \$15,000 over three years and include mentoring opportunities, exposure to and support from the wider industry.
- Zespri sponsor one candidate each year to complete a Kellogg scholarship.
- Katikati Innovative Horticulture Trust – have plans to construct a purpose built facility in Katikati to train and educate people of all ages seeking employment in the horticulture industry. (Fisher, E.2020)
- Māori Kiwi Berry Scholarship - MKGI in conjunction with Zespri and Plant and Food Research provide a kiwifruit cultivar development scholarship for one current Māori undergraduate or postgraduate student. The initial scholarship is up to \$40,000 and one year of work experience or study. This could include degrees in all areas of science, maths, technology, engineering or computing. The Māori

Kiwiberry Scholarship is offered to build awareness of the kiwifruit industry as an exciting career option, to encourage further research into the industry (especially in the kiwifruit cultivar development) and to encourage capability building.

- NZKGI - Bay Of Plenty Young Fruit Grower Competition. This annual competition is coordinated by NZKGI as part of its mission to acknowledge, develop and retain young people employed in the fruit sector in the Bay of Plenty. It does this by showcasing competitors' horticultural skills through a series of theoretical and practical events.
- Zespri Horticultural Scholarships - Zespri provide up to \$10,000 towards tuition fees for two outstanding current university students to support their studies towards a career in the horticulture industry. This could include degrees in science, management, marketing, nutrition or business for example. The scholarship also includes opportunities to be involved with the kiwifruit industry.
- Horticulture New Zealand – Offers \$500 Industry Training Scholarships available to industry trainees studying towards a certificate or diploma. They provide assistance and acknowledge the achievements of those studying and working at the same time. HortNZ also offer \$4500 Undergraduate Scholarship to support people undertaking undergraduate study in horticulture or related fields. HortNZ now offers two \$10,000 Postgraduate Scholarships 2021, which are available to people undertaking postgraduate study in horticulture or related fields.
- New Zealand Fruit Growers' Charitable Trust - Offered a \$10,000 scholarship new in 2021 that is available to people undertaking postgraduate study specifically related to the fruit industry.
- Future Leaders - Formed in 2014, the membership base has grown to over 180 active members. Anyone associated with or interested in joining the horticulture industry can join. Future leaders holds events which are usually free to attend and are always an excellent opportunity to get together with other like-minded people and learn about the horticulture industry and associated primary industries while giving the members an opportunity to rub shoulders with existing industry leaders.
- Tuhono Whenua Horticulture Ltd – Offers up to 15 cadetships into training courses and provides candidates with placements and mentoring over a three year period to achieve a recognised qualification. Tuhono Whenua also provides trustee leadership training for up to 20 people. Trustees undertake a two or three programme and receive support to implement changes.
- Kiwi Leaders - Spawned from Te Awanui Huka Pak in October 2016 for the purpose of creating pathways for whanau into meaningful employment within the kiwifruit industry. Kiwi Leaders provides a database of available scholarships within whanau, iwi and industry networks. Kiwi Leaders create opportunities within businesses to allow students an opportunity to gain work experience while they're studying. Kiwi Leaders also run mentoring workshops which cover principles of effective

mentoring, personality style, communication style and an opportunity to practice what a session might look like.

- NZKGI – Cultivate Your Career is an annual event held in the Western Bay of Plenty and the Eastern Bay of Plenty which is coordinated by NZKGI as part of its mission to attract, develop and inspire young people within the Bay of Plenty's horticulture industry. The event aims to introduce industry professionals to secondary school students, exposing them to the skills they need to transition from school into horticulture employment.

Recommendations

Flexibility and Labour Utilisation

The Kiwifruit industry should continue to provide a greater level of flexibility to attract and retain staff. Shorter working hours, alternate shifts and job share arrangements will enable a greater number of people to participate in the industry.

Ensuring there is consistent and ongoing work for staff and to fill in gaps between seasonal tasks. The industry should continue to collaborate and pool labour resources together across the sector and other related sectors in terms of both work but also training.

Growers should continue to cooperate with each other with the goal of providing employment year-round to achieve greater consistency of work and training outcomes.

Attraction Strategies

An expansion of 'Kiwi Leaders' and NZGKI attractions programmes would encourage even more people thinking about a career in Kiwifruit to make the transition to the labour force. Promotional strategies and introductory courses greatly enhance people awareness of the diverse career opportunities available.

It is worth noting that during almost all training days, orchard field days and the Zespri roadshow, the host puts on a barbecue or lunch for participants. This small gesture of kai greatly helps to foster engagement and 'greases the wheels' of the activity. Anecdotally, some people go just for the free lunch which is the whole point of the exercise – to get local people out to the orchards and packhouses and see what it's about.

Seasonal Assistance Programme

The government should continue with changes to the Seasonal Work Assistance programme which will make the Kiwifruit industry a more attractive offering to potential workers as well as providing certainty of hours and security of income for current workers.

Training

The Kiwifruit industry should continue to put efforts into education and on the job training. This will help to meet the increasing labour demand of the sector especially with the decrease in foreign labour post Covid. The emphasis should continue to focus on training people who live within specific growing areas rather than people from other regions.

Increase training of 'soft skills' as well as qualifications to provide a more robust workforce.

Holistic Approach

Programmes like Kiwi Leaders and the efforts of Tuhono Whenua are holistic in their approach and seek to support and strengthen communities as well outcomes for Kiwifruit growers. This focus on rangatahi (youth) succession and community will create a more sustainable and resilient workforce that is more equipped to withstand shocks to the industry such as Covid.

A pilot project steered by Teneille Ogilvy with the Bay of Plenty District Health Board aims to increase access to free dental care in the community as well as providing links to kiwifruit jobs. (Ogilvy, 2021) A mobile unit is placed at local schools and offers care to school children, low income adults and those receiving some form of income support. Using free dental care as the foundation for engagement in the community, Work and Income NZ help people with wrap around services as well as providing contacts to local growers and packhouses for seasonal employment. This is a great example of a holistic approach where different organisations can work together for the benefit of the community as a whole.

References

- Anderson. D, Jamieson. S, Naidu. K. '*Managed migration?* The health and safety and human rights implications for student migrant labourers in the horticulture sector' *Proceedings of the 16th World Congress of International Labour and Employment*. July, 2012
- Bay of Plenty interim Regional Skills Leadership Group. '*Local Insights Report*'. September, 2020
- Burke, Peter. 'Lack of Labour' *Hort News*. November, 2020
- Colliers. '*Kiwifruit Industry Going Strong Despite Challenging Conditions*'. July, 2020 <https://www.colliers.co.nz/en-nz/research/kiwifruit-market-update-june-2020>
- Cox. M, Dixon. H, Schulze. H. '*Analysis of Bay of Plenty Employment and Skills Revised Report*' July 2014 www.berl.co.nz
- Fisher, Elaine. '*Help Katikati Build Pathways into Hort Jobs*' *Coast & Country News*. August, 2020
- Fyfe, James. '*Kiwis Offered \$1000 Incentive to Jump into Seasonal Work amid Horticulture Labour Shortage*' *Newshub*. February. 2020 <https://www.newshub.co.nz/>
- Horticulture industry appreciates Government's decision on RSE workers. *Horticulture New Zealand*. November, 2020
- Kissun, Sudesh '*Hort Exports Top \$6.2 Billion in 2019*' *Rural News*. 25 August, 2020
- Kiwi Leaders. <http://www.kiwileaders.co.nz/about-us.html>. 2020
- Māori Kiwifruit Growers Incorporated. <https://www.Māorikiwifruitgrowers.com>
- Ministry of Primary Industries. www.mpi.govt.nz
- Ministry of Business Innovation & Employment. www.mbie.govt.nz
- New Zealand Kiwifruit Growers Incorporated. <https://www.nzkgi.org.nz/>
- NZKGI NZ Kiwifruit Labour Shortage – 2018 Report <https://www.nzkgi.org.nz/>
- NZKGI Labour Attraction Strategy Evaluation. 2020. <https://www.nzkgi.org.nz/>
- O'Conner, D & Faafoi, K. 'New Year border exception for seasonal workers in the horticulture and wine industries' *Beehive.govt.nz*. November, 2020
- Radio New Zealand News (2020) 'High Prices for Gold Kiwifruit Licences' 7 June www.rnz.co.nz/news/national/418351/high-prices-for-gold-kiwifruit-licences
- Radio New Zealand News (2020) 'Legal action begins as kiwifruit plantings in China soar' 31 July <https://www.rnz.co.nz/news/country/422463/legal-action-begins-as-kiwifruit-plantings-in-china-soar>

Recognised Seasonal Employer (RSE) scheme research. Immigration New Zealand

<https://www.immigration.govt.nz/about-us/research-and-statistics/research-reports/recognised-seasonal-employer-rse-scheme>. 2020

New Zealand Immigration. *‘Providing Accommodation for RSE Workers’*. October, 2019.

<https://www.immigration.govt.nz/>

New Zealand: International students exploited by kiwifruit industry. nzherald.co.nz. July, 2012

Priority One. *‘Kiwifruit industry offers more free training’*. 2020. <https://www.priorityone.co.nz/>

Seasonal Worker Survey 2019 – NZKGI. <https://www.nzkgi.org.nz/>

Seasonal Worker Survey 2020 – NZKGI. <https://www.nzkgi.org.nz/>

Tuhono Whenua Horticulture Ltd. <https://www.tuhonowhenuahort.co.nz/>

Work and Income New Zealand. *‘Support When You Start a Seasonal Job’*. November, 2020.

<https://www.workandincome.govt.nz/about-work-and-income/news/2020/seasonal-work.html>