



WORKING ADVENTURES IN NEW ZEALAND

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Foreword

The Hawke's Bay Horticultural Seasonal Employment Challenge

This subject was chosen as my Kelloggs Rural Leadership paper as it represents a great example to me. I think it reflects personal development as a leader. I have been involved throughout this particular issue of meeting labour demands here in the Hawke's Bay for nearly 4 years. Over this time I have arrived at the realization that the only difference between an issue becoming a "problem" or a "challenge" (that will be overcome) lies simply in people's attitudes. It is the attitude of people around the issue and not the scale of the complexity within the issue itself that affects success.

I have produced an historical report although the executive summary was written to outline the process that occurred and take some general principles out of what happened

Executive summary - a process for success

Although this is a historical report briefly showing what occurred over 4 years tackling an ongoing issue of seasonal labour demands, this executive summary outlines the general principles of success in this instance. The PickNZ report sets the scene with the industry really having nothing, runs through what was found and focuses upon an effective tool for lifting the industry's profile and overcoming seasonal labour demands.

At 1999, the HB horticultural industry in relation to meeting seasonal regional labour needs for the region was ill-prepared, reactive and also obsessed with blaming other interested parties for the failure to meet demands. The industry could not cope.

In 2004, the same industry is about to turn the same issue into a focal point for the public at large. Through a well-designed and well-presented website built in collaboration with HB Tourism industry bodies, the HB horticultural industry is about to present itself to New Zealand and to targeted parts of the rest of the world that we are a great industry to experience.

This contrast over a 4 year period could not be greater, and the process of how the changes were made are listed below. Incidentally the "PickNZ" report format roughly follows the same order:

Process for change

Qualify the problem

- *recognise the issue*
- *face up to it*

Quantify the problem

- *Get the right parties involved around the problem*
- *always target those with much to lose*
- *always target those that are busy*
- *don't be surprised by the wide extent that the problem affects*
- *produce results that are based on fact, keep the emotion to a minimum*

Demonstrate that the industry is helping itself

- *Show what you are doing*
- *don't ask anyone to help if you are not prepared to help yourself*
- *back yourself*

Turning the problem into a challenge –

- *Plan well*
- *set a path and stick with it*
- *produce an argument that is based on fact and shows outcomes*
- *Get the Buy in – a new term to explain “I understand” and be understood.*
- *Use what you already have*
- *Don't underestimate local, regional and central government - they actually want to help*
- *Partnerships are good*

Timing is everything

- *A poor plan is just an unwanted one*
- *A successful plan is a needed one*
- *A great plan is a just a plan when it arrives just in time*

Maintain the momentum

- *make a point of focus*
- *securing the funds*
- *acknowledge the real contributors*

Evaluate later

- *use the 80:20 rule*
- *ask why 5 times*
- *unless the horizon changes stick with the plan*

Seasonal Labour - 1999 to 2003

What's the problem in Hawke's Bay? May 2003

Hawke's Bay has a pending employment problem. The "futures for fruit" papers published by New Zealand Fruitgrowers Federation in 1999 has predicted that, by 2010, an additional 25,000 people will be required to help fruit growers harvest crops across the country, in a production sector known to already have staffing problems. This prediction only reinforces the situation as being a permanent problem in Hawke's Bay. It's not going to go away and is likely to get worse if nothing is done.

The magnitude of this issue is significant. For example, the region's pipfruit requirements for staff have been estimated at 12,000 people at peak season, from a survey conducted in 1999. Since 1999, crop dynamics in Hawke's Bay have changed. Investment into food processing is refocusing on the Hawke's Bay region. The grape industry increased dramatically in planted land area and, according to the "2002 Hort's facts and figures" booklet, Hawke's Bay's total horticultural plantings of fruit and vegetables make it now the biggest area in New Zealand.

The New Zealand Fruitgrowers Federation (NZFF) and Hawke's Bay Fruitgrowers Association (HBFA) began to address the Hawke's Bay seasonal labour shortage seriously from 2000.

Over the past 4 years, significant progress has been made to improve seasonal labour and its availability for Hawke's Bay. Initiatives ranging from advertising what the region has to offer, to the industry steadily working effectively with Government departments, and with increasing the resource behind the seasonal employment issue have all produced some recognised gains; to the extent that other parts of New Zealand are now taking similar steps.

Now that an effective resource base and a working network are established, it is timely to refine where things are at and where the region's horticultural base has to go from here to overcome the pending problem.

Where to from here

- The region must take pro-active steps to solving the problem now.
- The MP is willing to get the relevant state departments together to arrive at some sort of 'package' once we know what we need

The region needs to embrace this issue as its own and deal with it in a manner that addresses an ever-growing problem.

1.0 Quantifying the Issues of Seasonal Labour in Hawke's Bay

Efforts have been channeled through the HBFA and that is why this survey has been produced from the office of the HBFA. The 2003 survey was conducted through the following relevant sector organisations in Hawke's Bay:

Asparagus, Summer-fruit, Pip-fruit, Squash, Kiwifruit, Vegetables, Grape-growers, Forestry in Hawke's Bay, and with processing plants.

Aims of this survey

- To establish exactly what the problems are with the region's employment into the fruit and vegetable sectors, and what the local issues are 5 years out
- To try and reduce the employment problem in Hawke's Bay horticulture.

1.1 Key Findings of the 2003 HBFA Labour Survey

The following Executive Summary is taken from the HBFA Labour Survey Key Findings (Appendix 4).

Executive Summary

The demands have changed in 5 years (from 1998 to 2003) due to the following

- 1 Overall land usage for horticultural has increased from around 15,000 hectares to 20,000 hectares. More so-called marginal land is used for horticultural production throughout Hawke's Bay, thus the growing area is more widely dispersed.
- 2 Market requirements for fruit and vegetable quality and delivery continue to get tougher, so demands on correct harvest and processing (like packing fruit and cooling it) have increased. This means peak demands on seasonal labour rise because the urgency has risen
- 3 The Hawke's Bay wine industry has increased its plantings from 1,800 ha to 3,800 ha and is moving to more labour intensive growing styles, like hand harvesting and leaf plucking. Plus, they did not participate in this survey.

- 4 Increased demand for process crops to supply processing plants, eg Watties, McCains etc.
- 5 Export crops such as onions and squash have and continue to increase production.
- 6 Unemployment statistics in 1998 were much higher than in 2003. There is general consensus that, regardless of industry, there is a genuine shortage of labour.
- 7 In crops like apples, new plantings (approx 12% of current crops) are yet to come into production.
- 8 Packhouses require more skilled people such as Accredited Quality Controllers, Forklift drivers with an F endorsement, etc.
- 9 A drop off of young people taking up horticultural studies leading to horticultural careers.
- 10 68% of growers are finding it hard to retain seasonal staff due to employees being unmotivated, unreliable, with no commitment and the competition from other horticulture sectors etc.

The main points to take from the survey results are

- 1 Hawke's Bay continues to face a seasonal labour problem. The current working arrangements with WINZ, NZIS and horticulture representatives seem effective, and should continue to be retained and strengthened.
- 2 The Hawke's Bay labour demands need to be met early.
- 3 Crucial peak periods are November until May and will be increasing over the next 5 years.
- 4 Accommodation shortages in the region are a problem.
- 5 In the future permanent labour requirements will rise by 35%.
- 6 There is a shortage of 'Blue collar' management such as line managers, supervisors, leading hands, cadets/apprentices and foremen.
- 7 Reliance on backpackers is increasing to make up shortfalls.
- 8 Employees need consistent work. Product group demands on staff are rising, and could allow a certain amount of 'staff circulation' to occur. Some effort needs to go into creating a job circuit within the Hawke's Bay's horticulture industry.
- 9 The job circuit could include all of the New Zealand horticulture industry.
- 10 The horticulture industry needs to invest in improving its public image to attract suitable people.

1.2 2004 HBFA Seasonal Labour Debrief

The HBFA Seasonal Labour Debrief of June 2004 (Appendix 6) reiterated the problems previously identified, and identified a range of issues needing to be addressed.

The following summary points are drawn from that report.

Industry Profile

This is a long-term ongoing goal. Changing image is a slow process. There is a continuing to feed the media with positive news, ie, successful cadets, good outcomes, promoting what we are doing and achieving. Links to other websites need to be developed and the proposed new Harvest Trails website should assist with this. Initiatives such as NZ Fruitgrowers Federation promotion of careers in Horticulture, and Pipfruit NZ's IFP programme for schools will assist along these lines as well. Gaining access to the Australian markets would be a huge and positive boost to this industry's image through positive media coverage.

National Seasonal Work Co-ordinators

There is a need for all seasonal work co-ordinators get together to discuss their regional issues and to draw up a time line for all of their labour requirements and crops produced. Other industries such as Ski fields, tourism operators need to add their requirements and timelines.

Local Seasonal Work Co-ordinator

The service from the HBFA offices should be retained and hours of operation over February to the end of April extended to accommodate the growing number of visitors to the office. It is my belief that it is beneficial to employ an independent person for this role for the reasons stated earlier.

Work permits

The seasonal work permit process should be retained.

There may be an opportunity to make some changes to the working holiday scheme to enable seasonal work to be a better fit. They could operate like a ski pass, which limits the user to certain pathways, and would be ideally be available for 6 – 9 month periods. Six months would cover apple harvest till the end of kiwifruit/citrus harvest (Feb - July). Nine months would enable a keen worker to start the thinning season in November and work right through until the end of the kiwifruit/citrus harvest season (Nov – July). Whether the people taking this scheme up should have the right to reapply the following year should be debated.

Capturing workers before the baddies do

The industry needs to find a way to get advertising distributed around Auckland backpacker hostels.

Attracting the sheer volume of people required

We need to be able to promote working in the seasonal labour industry in New Zealand to overseas workers who are prepared to complete the work and then leave.

1.3 Economic Impact of the Horticultural Industry on Hawke's Bay

The August 2004 report on the economic impact of seasonal labour dependency on Hawke's Bay carried out by Economic Solutions Ltd (Appendix 8) highlighted the importance of the horticultural sector to the region.

Key points from the report:

- The region is a key component of the national horticultural sector.
- The Hawke's Bay region has the leading land area in horticultural production in New Zealand, at some 20,428 hectares or 17% of the national total.
- The total annual value of sales generated by the regional horticultural growing sector, is currently in the order of \$290 million.
- Contribution of the horticultural sector to the region's exports is 40% of total primary production/processing exports and 20% of total all-industry exports from Hawke's Bay. The region also accounts for over half of the value of New Zealand's apple exports.
- The leading individual industries within the Hawke's Bay horticultural production and processing sector are fruit and vegetable processing (51% of sector gross sales), wine processing (30%) and pip-fruit growing (12%).
- During the height of the apple-picking period, an estimated 10,000-15,000 work positions are available to be filled.

- In recent years, with the considerable decline in regional unemployment, growth in competing hospitality services and tourism, and significant increase in horticultural plantings in the area, it has become increasingly difficult to meet the seasonal horticultural employment demand from within the Hawke's Bay region.
- Consequently, resort has had to be made to attracting and employing people from outside the region, including migrant labour from overseas.
- These seasonal labour difficulties facing the horticultural sector are forecast to continue in the foreseeable future.
- Unless action is urgently taken to address the difficulties, the economic contribution of the sector to the region and also to the country will be significantly impaired.
- A wide range of other business enterprises in the region that have important linkages to the horticultural sector, including include various agricultural services, specialist manufacturing equipment suppliers, building and facility construction, retailers and wholesalers providing supplies to the sector, accommodation outlets, financial institutions and rural consultancies.
- The horticultural industry also makes an important contribution to the Hawke's Bay tourism industry. This is particularly felt through food and wine based tourism to the region.

2.0 2004 - Today and Where We Are At With Seasonal Labour

2.1 The Horticultural Industry in 2004

- As we continue to grow and change we need motivated, highly skilled and educated people for the ongoing success of the industry to cater for changing workforce needs and to maintain that leadership.
- However, this sector is facing a serious challenge in that not enough people are choosing the industry as their career choice. Declining student numbers in horticultural programmes ranging from practical courses through to postgraduate degrees is a major issue and it is becoming increasingly difficult to find qualified people to fill positions available.
- Public profile of the industry is low and in schools horticulture is often regarded as the option for students less likely to succeed and therefore inherits the perceptions surrounding this. Career pathways are not obvious.
- Contrary to this public perception, there are good opportunities within horticulture but a major problem is a lack of positive and inspiring information and understanding by students, parents, teachers, career guidance counsellors etc.
- The “Pick of the Crop” package is designed to help address the above issue. It is a showcase of young people with careers already in the industry. It outlines the diversity, the sophistication and opportunities available within this exciting and dynamic sector. For more information see www.hortcareers.co.nz.
- Industry profile and presentation must be lifted to attract and retain staff.

2.2 Perspective of the HBFA, June 2004

(Refer to Appendix 7 for full text)

Seasonal Labour Shortages

Work and income registers are at an all-time low and look set to continue trending downward. Fewer New Zealanders are available to fill the positions available which we believe peak at around the 16,000 figure in February. Many of the seasonal labour positions are low skill-based jobs involving sometimes heavy and repetitive work. For those who fill seasonal positions and work for piece rates, there is good opportunity to gather excellent remuneration for their efforts. This could

possibly explain the incentive for keen but illegal overseas workers to come for the harvest in Hawke's Bay.

Last season Hawke's Bay scraped through with just enough people to harvest. This was achieved through co-operation, staff sharing and employment of contractors. The horticulture industry as a whole is expected to expand by around 20% over the next four years, particularly with large areas of grapes coming into production. This will mean increased pressure on seasonal staffing with all sectors including tourism drawing from the same labour pool.

Skilled labour shortages

As with many other industries during the economic down turn, many employers did not train apprentices. In orcharding, there is a large gap in the skilled employee area due to the lack of trainees in the industry over this period. Corporatisation of horticulture means that there are less owner-growers and corporations are seeking skilled managers and forepersons for properties. It is vital to attract locals with a commitment to the industry and offer them clear career paths for the future security of both employer and employee.

2.3 Perspective of the NZFF HB Director, August 2004

(Refer Appendix 9 for full text)

The HBFA has become the regional focus of activity. In attracting staff, there are three areas of potential. People arrive at Hawke's Bay by three means – they just arrive (foot traffic), they phone (phone traffic) and increasingly they enquire by electronic means (what I call virtual traffic). The HBFA has helped to attract and coordinate foot traffic entering Hawke's Bay and the phone traffic is also being handled in a coordinated fashion. HBFA seasonal work staff work closely with WINZ, NZIS and other officials to help the various enquirers meet New Zealand regulation and find suitable employment. At the same time employers are matched with suitable employees.

However, virtual traffic is yet to be catered for and it is now timely to look at a virtual resource.

The background work performed to date on labour seems to keep focussing in on 3 main elements:

- Industry profile needs to be lifted to attract and keep staff.
- A job circuit needs to be created throughout regions in need so that existing resources are maximised.
- Existing arrangements like the working holiday scheme can be made a lot better for New Zealand horticulture with very little change or introduction of new programs.

Increasingly national, local and regional governance have acknowledged that labour is a problem and things need to be done in order to overcome an ever-increasing election issue.

2.4 Paul Swain at the Seasonal Labour Summit for New Zealand, Sept. 04

This summit brought a national cross-section together to look at labour issues concerning the New Zealand horticultural industry. Three MPs spoke that day and all three recognized the urgency in unified action. This was reinforced by the final speaker, Paul Swain, MP for Immigration, who not only spoke of government intention to listen, act and resource, but more importantly placed a deadline for a strategy to be put in place stating short-term, medium-term and long-term plans. This deadline is the end of this year and I thought that this is the break through.

(refer Appendix 10 for Paul Swain's speech notes)

2.5 Summary

What I call "virtual traffic" is an unexploited area to attract and retain staff. The horticultural industry profile needs to be lifted in a fashion fit for the time and increasingly government, business and communities are utilising cyberspace more and more.

Existing labour resources need to be better utilised. Industries requiring seasonal and skilled labour have to offer more consistency of work and have to retain staff.

Any initiatives that produce those effects are worth pursuing.

For those reasons, the development of "PICKNZ" is so right for the time for the local horticultural industry.

3.0 Part of the Solution to the “challenge” of Horticultural Seasonal Labour in New Zealand, September 2004

3.1 The “ PICKHB” Harvest Trail Concept as a Pilot

**Hawke’s Bay Harvest Trail
Funding proposal - August 2004**

22 August, 2004

Business Need and Background

A group of Hawke’s Bay industry entities and government agencies wish to develop a “Harvest Trail” which will attract back-packers and other seasonal tourist workers to the Hawke’s Bay region for employment during peak seasonal periods.

Existing labour resources need to be better utilised. Industries requiring seasonal and skilled labour have to offer more consistency of work and have to retain staff. Initiatives that produce those effects are worth pursuing. The creation of a " New Zealand harvest trail" on a nationwide basis would be a great tool – a seasonal labour track around the country - but the key thing to focus on is that this will be an initial regional model that can then be applied elsewhere, and adapted/improved to meet different contexts. Generally speaking, Kiwis don't mind travelling, but often worry about details like accommodation, etc, when they get there. Visitors to New Zealand often like to be far more organised. Many people - locals and immigrants, backpackers and casual people are quite happy to work hard for 6-8 months a year followed by a decent break. In Hawke’s Bay seasonal demands in horticulture do coincide with regional tourism demands, so it makes sense to work in tandem to promote a coordinated approach to staffing respective industries.

Labour Situation in Hawke’s Bay

This is a problem as there is a lack of hard information, however, there is a mass of snippets which when put together give a clear picture of labour supply difficulties. The problem is that we have been predicting this for years and so far we do not have reliable information of instances where cafes have had to close, crops remain un-harvested, etc, to clearly demonstrate labour shortages. In too many instances apparent labour shortages can be attributed to the pay and conditions being offered by employers, sometimes in contravention of minimum rates of pay, etc. Sometimes the climate allows more time for crops to be harvested. And year after year the region just ‘scrapes through’.

WINZ unemployment register is tracking consistently at a level 2,000 less than the track for the 2003 year, and 2003 in turn is substantially less than 2002. For example, the register this May was 2,471 for the entire East Coast region and comparable figures for May 2003 were 4,535. Adjacent regions are in the same position, ie, there is not idle labour sitting in large numbers that can be bussed in for seasonal work.

Regional economic growth and job growth are still positive and so we can expect unemployment to continue to fall over the foreseeable future (possibly the next 6 to 9 months).

Labour demand is growing due to the growth in tourism and the expansion of the acreage of fruit, vegetables and grapes under cultivation. The gap between supply and demand can be expected to increase, but may in part be offset by technology improvements.

In 2004, 796 temporary work permits were issued for seasonal workers. In past years the number has never exceeded 200.

In 2004, Hawke's Bay fruit-growers estimated demand to peak in March at 16,368. Their estimate for March 2008 is 19,558. These estimates are for the number of jobs, but this does not equate to the number of workers as jobs can occur consecutively, ie, one worker may well complete jobs for three or more growers. The actual number of workers needed is not known and there is no way of calculating this other than by using a broad rule of thumb based on the workers needed per hectare to harvest an average crop in a year when there are no disruptions to picking.

To WINZ's knowledge, the tourism sector also does not have solid figures for their labour demand.

In terms of labour supply we anticipate there being 2,500 unemployed in Hawke's Bay of whom 2,000 can be made available.

In addition there are single parents and /or their children who can do orchard and packhouse work provided hours and childcare are adapted to meet their needs. This is a huge issue as childcare facilities are full and have waiting lists. Possibly 1,000 available.

Spouses of those on benefits - again an estimated 1,000.

Tertiary students available until late February.- an estimated 500.

Retired people do seasonal work, especially in the packhouses. Circle Pacific told me yesterday that they employ a couple in their 70s. This source is virtually untapped. Possibly 1,000 available??

New Zealand residents who move into the region for picking, etc. Again an unknown quantity, but may be as high as 3,000 based on the way Flaxmere fills up with extended Pacific families.

There are also back packers and others on working holidays or otherwise eligible to work. No idea of numbers at present, but again my judgement is that there are as many as 1,500.

Finally, illegal labour. WINZ estimate is that this numbers around 1,500??

Estimated total supply is 11,500 or 10,000 legitimate employees

The issue is that the region has little control or influence over the supply. There is little coordination and we are all vulnerable to events in Auckland, incidents such as SARS, immigration service pro-activity etc. Irrespective of how you do the estimates, there is a tight labour market and anything that can be done to make supply more manageable should be done.

That is the essence of the case for a harvest trail in WINZ's view.

This gives a fair picture of the situation, albeit light on facts. Hawke's Bay stakeholders have to concurrently push the fact that the sector is addressing conditions of employment. The "harvest trail" is a potential tool to help meet the region's needs.

Steps taken to identify if the business has potential

An initial meeting on 13 May 2004 confirmed support for this initiative as a solution to the issues facing fruit-growers and local tourism given their known demand for labour and the low current level of Work & Income registers. Over May and June of 2004 this support has been confirmed by additional entities listed at bottom of this document.

There is a seasonal shortage of labour in both the horticultural and tourism sectors in Hawke's Bay, particularly during February to April each year.

Hawke's Bay horticultural industry seasonal labour shortage in summary

Studies undertaken by the Hawke's Bay horticultural industry in 1998 and in 2003 show that peak demands in February and again in March of any year have continued to rise and are currently at 15,000 job vacancies. The region's horticultural sector is growing at a rate of 5 –15% per year in terms of land use and productivity, with wine production making up the bulk of the growth.

Hawke's Bay tourism industry seasonal labour shortage and visitor role in summary

The trend for visitors to our region is consistently increasing from October to February when it peaks - this trend continues to rise every year (average increase for the last four years is 6.5% total visitor numbers). The prediction is for this to continue, which will increase the problems of finding seasonal workers in our busiest time.

Project Objective – the Harvest Trail Concept

To establish a Hawke's Bay Harvest Trail that will be running in January 2005 and then gradually deployed throughout the rest of New Zealand.

Project Scope

The Hawke's Bay region, from Northern Hawke's Bay to Central Hawke's Bay.

Competitive Advantage

The Hawke's Bay Harvest Trail's competitive advantage will be to provide a "solution" or "package" of organised, professional services to backpackers seeking seasonal work opportunities while enjoying low cost living. This will be achieved through collaboration with accommodation providers, transport providers and employers, providing an opportunity to experience fully the Hawke's Bay lifestyle.

Hawke's Bay Harvest Trail could offer to rotate backpackers throughout different sectors (eg, apples, grapes, saffron, tourism (working in pubs), to provide a unique experience where backpackers could meet many people.

Once the Harvest Trail was over, ie, winter, – a relationship could be developed with the ski fields and the backpackers could then go to Mt Ruapehu, etc, for the ski season, having been recommended by Hawke's Bay employers.

There does not appear to be one factor that differentiates Hawke's Bay from any where else in terms of location, so the competitive advantage would have to be a combination of lifestyle, climate, low living costs, lots of variety, etc.

Position in Market Place

- Easy to access, one stop shop experience – accommodation plus job plus work permit.
- Hawke's Bay gets first mover advantage over other regions within New Zealand.

Competitors

Australia are already successfully undertaking this activity of harvest trails and job circuits. Australian Harvest Trails recommend places to stay (but don't offer accommodation) and only coordinate jobs in different sectors.

Australian companies are also prepared to fly visitors and backpackers in directly from countries like England - the same countries that we would hope to attract. In short, the very same pool we want are being targeted at source. The Australians are offering a one-stop-shop in flights, accommodation, permits and work within Queensland initially later in 2004.

SWOT Analysis for harvest trail concept in Hawke's Bay

Strengths	Weaknesses
<ul style="list-style-type: none"> • Hawke's Bay climate great for working outside and inside, and a great place to visit and stay • Sophisticated infrastructure can offer a wide array of activities and work opportunities • Largest pipfruit growing region in New Zealand • Second largest wine growing region in New Zealand • Largest organic growing region in Australasia • Internationally recognised master chefs • Range of food processing facilities • Knowledge and resources to support food industry (eg, CRIs) • A harvest trail utilises existing resources better, especially New Zealand labour and in attracting more visitors to Hawke's Bay • A very strong internet presence that can tune into today's traveller effectively • Existing and strengthening links between tourism and agriculture • Important way to add to visitor experience in the region • Possibilities of linking into global harvest trails (nb, visitors will often be coming from elsewhere on a multi-destination holiday) 	<ul style="list-style-type: none"> • Labour shortage and skills shortage • Seasonal workers • Tourists • Seasonal by nature, with high peak demands over short bursts in time • Maintenance costs of a harvest trail could be quite high • Insufficient funding to grow harvest trail • New Zealand regulatory environment not "export friendly" • Understanding market requirements and adhering to market demands in terms of delivery • The market requirements of good and/or service quality and getting that instilled into any seasonal workforce • Current lack of formal coordination between seasonal labour needs and the potential for tourism labour
Opportunities	Threats
<ul style="list-style-type: none"> • Global trends in health, convenience and gourmet make Hawke's Bay a natural fit for travellers • Hawke's Bay food sectors are in global demand (meat, seafood, horticulture, organics, beverages, specialty foods) • Beautiful, clean and green image • Hawke's Bay companies are small and can be fast to market and will pick up on the harvest trail • First mover advantages for Hawke's Bay if harvest trail gets going • Great package to offer to the right people to earn, pay and play in Hawke's Bay • Gives Hawke's Bay the opportunity to present a great 'front window' • Tool to help 'cast the net' further • This is regional economic development if supported well • Great potential for the model to be used elsewhere, the range of produce in the region means that many approaches, etc, will be applicable elsewhere in the country • Opportunity to build on best practice from overseas and to become a global leader in this type of link between tourism and agricultural production • Opportunity to use this as a way to drive accommodation development that can also assist other tourism markets – not just seasonal workers 	<ul style="list-style-type: none"> • Competition, Australia already successfully doing this and are looking to fly UK tourists directly into QLD • *Other countries are seen as equally clean and green • *Other countries have more Govt. funding (e.g. Australia) • Travellers destination of choice is elsewhere (New Zealand is often a choice for a short stop over – ie, before/after Aust) • Education of visitors upon arrival may help natural disasters – weather • Disease outbreaks – BSE etc, can restrict visitor movement • Regional accommodation is limited • Large numbers required to satisfy Hawke's Bay industries (?? This is all relative, surely any addition numbers would represent a good start??) • Hastings reputation a problem with safety (this is very unlikely to be an issue for international travellers – however they may be put off once they get into the country??) • Many opportunists reach travellers before they make contact with reputable organisations/employers.

Business Development Planning Project Plan

June 04

- Complete initial discussions and formulate draft plans for a Harvest Trail.
- Research HBWCA.
- Define stakeholders and get buy-in of the concept; identify industry support and resources.
- Get stakeholder buy-in to concept (tourism and horticultural Industry Agreement).
- Finalise budget and timelines (budget produced in draft).
- Submit draft Concept Document to Ministry of Economic Development (as per Jim Anderton).
- Confirm estimated needs for horticulture and tourism.
- Identify likely shortages in various areas.
- Free park www.harvesttrailhawkesbay.co.nz.
- Identify area to promote (eg, Lonely Planet Guide, i-sites, AA Guide, NZ100% Pure site).

July 04

- Confirm project budget.
- Seek sponsor(s), or funding from several sources, such as industry (eg NZCT) HBWCA, HB Inc, EDA, WINZ, MED, CEG, AUT/NZTRI.
- Industries work on their own needs for 2005 and plus 3 years(?).
- Proposal put to government and agencies within Hawke's Bay as a pilot scheme, meet with Parliamentary labour representatives to confirm government help.
- Inform various industry initiatives (like supporting the national network of regional seasonal labour coordinators).

August 04

- Confirm help with required resources.
- Look for resources identified as required, eg, staff, promoting, start to formulate electronic messaging and e-fliers that can link with effective existing resources.
- See www.gumtree.co.nz.

September 04

- Finalise plan and make seasonal work coordinator / project manager appointment.
- Start to get ready for rollout, begin to develop the Harvest Trail.
- Web-raising – meetings of fruit growers to get direct input into the website/trail features and to also get them working as an inter-dependent team. This approach to 'buy-in' is vital if we are to create an effective site that will be used by both visitors and the industry.
- Develop communications strategy.

October 04

- Implement communications strategy.
- Develop web site.

November 04

- Launch large advertising campaign throughout existing networks, media and key websites with international presence (eg Pure NZ site).
- This will also mean offshore advertising.
- Launch web site.

December 05

- Up and running with first phase (tourism requirements).

January 05

- 2nd phase up and running (fruit industry requirements).

The “harvest season” starts in December, and progressively gets very busy from late January through to May. Peak periods are late February and late March through to Easter in any year.

Details on why funding is required

None of the initiating companies have budget for this initiative, however can contribute “in-kind support” to get the project to the point where a project manager can be appointed

Business request

The ‘forum’ has identified several elements that need be addressed in order for this concept to become an effective reality. Professor Milne from NZTRI has offered good advice.

In summary the key points are:

- The concept works in other parts of the world. Templates that have been utilised in several parts of the world including New Zealand are available. The concept is real in Australia. See a good website called <http://www.jobsearch.gov.au> for living proof.
- The target audience for the harvest trail are computer literate and mobile, therefore any effective tool requires a strong internet presence. This website tool would attract people from both within New Zealand and offshore

- Any website developed for this purpose has to have great links to local business, local tourism and other Hawke's Bay related activity. Done properly, this has potentially huge benefits in promoting the region as a place to visit, to work and to spend. In short this aids regional economic development. Also represents an important collective lobby force for fruit growers and gives them a decision support system and network to assist them in exchanging ideas and developing their businesses.
- \$75,000 needs to be found to get this tool built, then adequately maintained for the first 12-18 months. The cost of building the site is not excessive, but ongoing maintenance is. Because of the number parties involved and in the interests of ensuring an effective tool a conservative approach has been taken.

The aim is to initially make this a non-commercial service to attract the right people to the right place at the right time.

In-kind contribution by the stakeholders is estimated to be around \$75,000 as over 200 hours input is estimated, and that the site be self-financing within 3 years of operation. It is important to stress that the website is a community (ie, fruit growing community and local communities) asset that allows individual businesses to update their business information in real time and without having to deal with an external web developer. We would insist that a central point (ie, the HBFA) managed the service and that the web builder act as mentor and supporter. Only people with a business account can post jobs.

At this stage, the forum envisage that if financial backing can be sought, then the New Zealand fruitgrowers would 'champion' the site and idea, have the HBFA manage it in Hawke's Bay, and aim to roll this concept out over the rest of the country as required, handing over the management to the regions involved, so that eventually a national harvest trail is effectively presented to willing workers and visitors.

Participating Agencies and Entities

- NZ Work and Income
- NZ Fruitgrowers Federation
- Food Hawke's Bay
- Napier City Council
- Hawke's Bay Tourism
- New Zealand Immigration Service
- Hawke's Bay Fruitgrowers Association
- Hawke's Bay Wine Country Association
- Representatives of Hawke's Bay back packers group

- Hastings District council
- NZ Tourism Research Institute

Projected outcomes

This proposal is a proactive step to address serious labour shortages experienced by two major local industries that contribute to both the region and to the country.

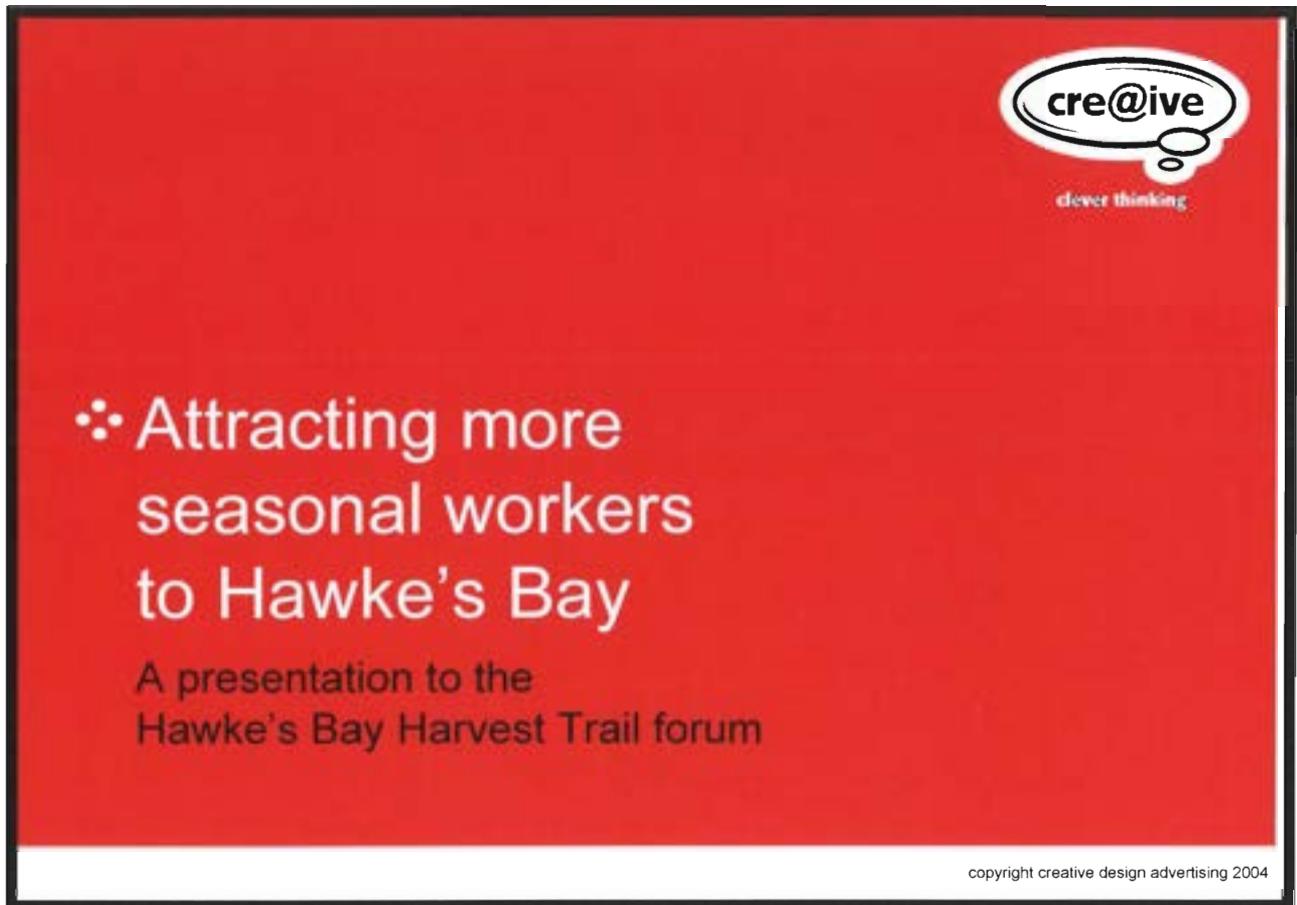
Summary

We hope that this initial paper illustrates what we need from the Ministry of Economic Development. We have enclosed a timeframe that we aim to stick to, so your consideration would be of great help to us. It is obvious that \$75,000 figure that we seek needs to come from MED and that at least an initial reaction to these thoughts from MED needs to be referred back to this group.

This is an investment for Government, not a cost.

4.0 The “PICKHB” Website, October 2004

4.1 What Is It?



Our Objective:

Attracting more seasonal workers to Hawke's Bay

creative



WORKING ADVENTURES IN NEW ZEALAND

copyright creative design advertising 2004

Chosen for its twin associations with seasonal horticultural work and the idea of a positive choice, the name “Pick” is a succinct way of representing this product and the market it serves.

The logo has been designed to appeal to a younger (18 to 35) age group, as we feel this represents the greater percentage of the seasonal labour market.

The positioning line “working adventures in New Zealand” plays mainly to visitors, but also presents the proposition well to New Zealanders (particularly tertiary students).

creative



pick hb.co.nz

pick hawksbury.co.nz

copyright creative design advertising 2004

We have secured the domain names “pickhb.co.nz” and “picknz.co.nz”

creative



pick nz.co.nz

pick newzealand.co.nz

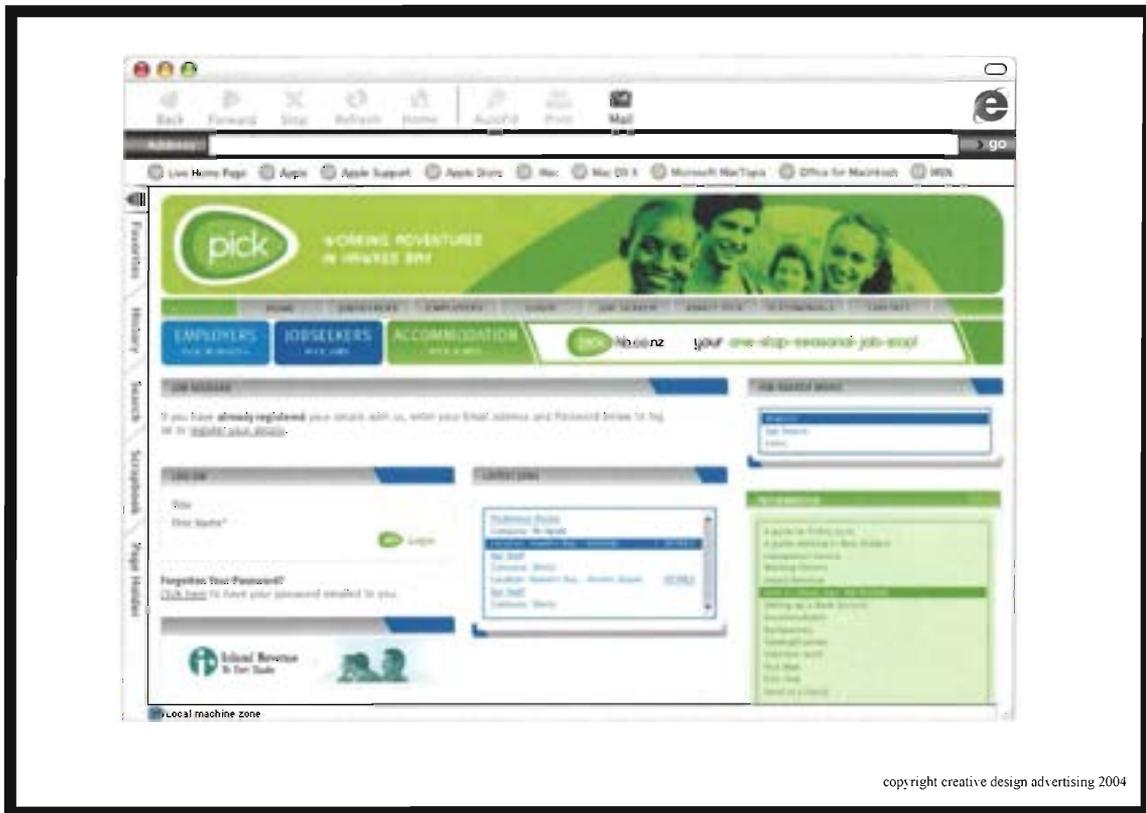
copyright creative design advertising 2004



Pick users will login to build a database - both employers and job seekers,

and also other service providers, such as

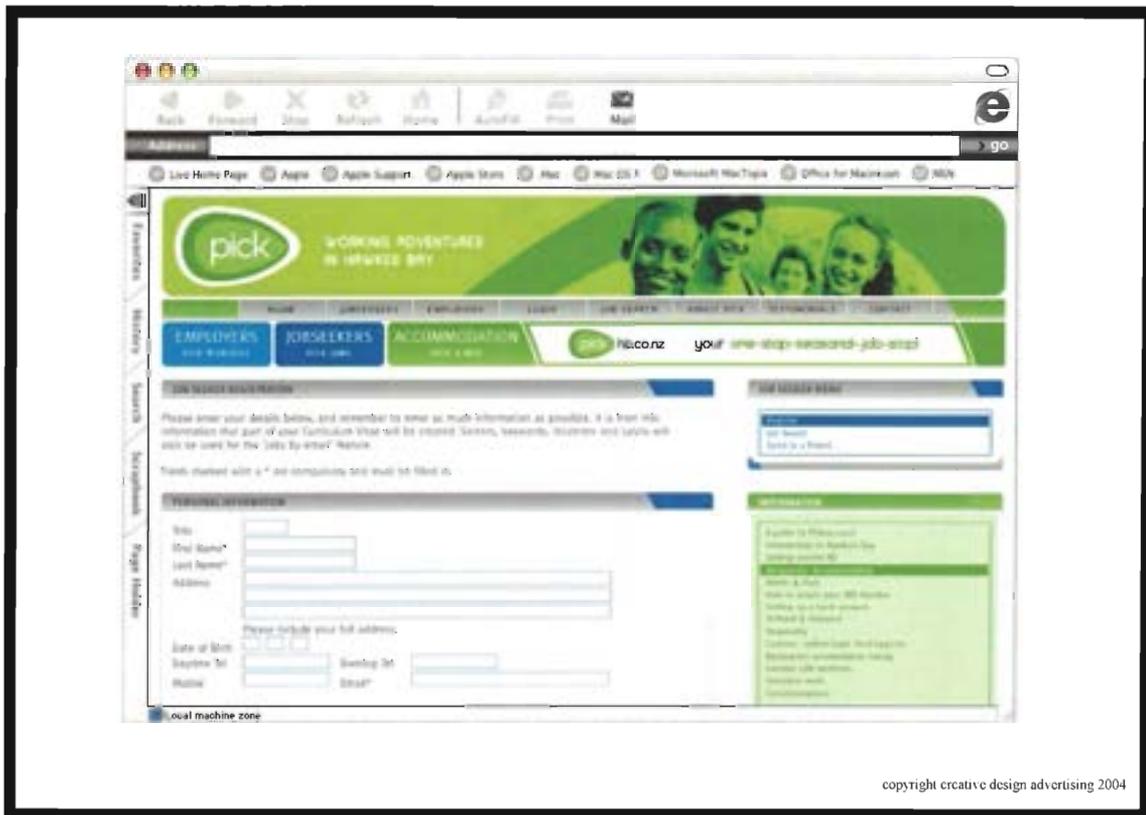
- Accommodation providers
- Travel Agencies



The site will be linked with required partners

- WINZ
- Immigration
- IRD

Providing all information for seasonal workers whether domestic or global.



copyright creative design advertising 2004

In logging in, the criteria will be designed and developed to enable tracking and database building, providing tools to use for further marketing.



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All windows will be accessible within the front frame, designed not to lose traffic to other sites. Let's look at what this product offers, in terms of site content and functionality.

content & functionality



content

- Job seeker database
- Employer database
- Accommodation database
- Information on immigration, tax and other services
- Information on Hawke's Bay/New Zealand
- Banner advertising
- Messaging service (PickMail)

copyright creative design advertising 2004

Fundamentally, the site is an interactive jobs listing bulletin board, designed to match casual workers with employers. It therefore contains:

- A job seeker database
- An employer database
- An accommodation database
- Information on immigration, tax and other services
- Information on Hawke's Bay/New Zealand
- Banner advertising

And a messaging service (PickMail) The messaging service is an auto response system that facilitates communication between workers and employers and accommodation providers.

content & functionality



functionality

- Search engine (by region and job category)
- Seasonal job calendar
- Language translation
- Internal messaging system (PickMail)
- Auto responders (“You’ve been picked!”)
- Traffic reports
- User surveys
- Send to a friend
- Emarketing

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The site will feature:

- A search engine (by region and job category)
- A seasonal job calendar
- Language translation
- An internal messaging system (PickMail)
- Auto responder cues (“You’ve been picked!”)
- Traffic reports and user surveys
- Send to a friend option to encourage viral marketing
- A database-driven emarketing product

cost estimates



budget

Creative concept

Site and communications strategy **\$10 - \$20K**

Web development

Stage 1: Site detail and specification / sign off **\$5K**

Stage 2: Front end Design **\$5K**

Stage 3: Database design, site development (database creation and webmail)
and integration of front end design **\$25K**

Stage 4: Launch live, including administrator training **\$5K**

Stage 5: (Year Two) Community chat rooms, e-card
Banner Management **\$10 - \$15K**

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What does something like this cost?

There are stages to development.

The initial estimates are as follows, these are in the process of being confirmed

- Site and communications concept and strategy estimate of \$10-20k

The development

- Stage one: site detail and specification \$5k
- Stage two: front end design \$5k
- Stage three: Database design, site development and front end integration \$25k
- Stage four: Launch live, including training \$5k
- Stage five: marketing/advertising
- (confirming target and pilot programme at this stage)
- Stage six: (Year two) Community Chat Rooms - e-cards, banner management (Advertising)
\$10 - \$15K

4.2 How It Works

The Main Objective

Our objective has been clearly stated:

It is to address labour shortages in the horticulture, viticulture, agriculture and hospitality / tourism industries by attracting seasonal tourist workers to Hawke's Bay.

Agenda

Let's look at our agenda for this project:

- We want buy in from all stakeholders
- We want to become the advertising medium of choice for employers
- The website will be a user-managed "packaged" solution. In other words, it will be a comprehensive tool for employers
- We intend to launch in Hawke's Bay
- And then expand to other regions throughout New Zealand.

Our Customers

So, who are we talking to? Let's look at our potential customers:

- Registered New Zealand unemployed
- Tourist workers from overseas
- Seasonal New Zealand workers
- Beneficiaries
- Tertiary students

Our Targets

And who are our stakeholders? Who are our "internal customers"?Employers

- Contracting services
- Accommodation providers
- Advertisers
- The community.

4.3 Strategy

So how are we going to:

- Achieve our objectives
- Talk to our customers and
- Engage our stakeholders?

What are the strategies behind this communication project?

Keep it Simple

First of all, we need to keep the proposition simple, so that our customers and stakeholders understand the benefits and are motivated to use this “product” To do this, we have to:

- Be clear about our purpose
- Focus on jobs and accommodation
- Automate as much as possible
- Let users update their own information
- Provide embedded transport / tourism information.

Keep the User In Mind

But probably the most important overall consideration behind everything we do, is the awareness of what our customers want; in other words, we have to keep the user in mind. For that reason, we will offer a product that is:

- Easy to use
- Fast loading
- Secure

and

- Contains print friendly information pages
- Offers a language translation.

Create a Unique Brand Identity

A cornerstone of our strategy is to create a unique brand identity

There are several competing “products” in the marketplace, and so we will make sure our product has a unique visual identity that:

- Themes the website away from competitors
- Allows us to build the brand beyond the web
- Makes our product memorable
- Make it appealing

Promote the Brand

Once we have this identity, we have to tell people who we are and what we do. We have to promote the brand.

We can't rely on the web to attract users - we have to drive people to it. Customers will have to be reached through other media.

We have to build awareness of what we do and how we do it better than others for all users - customers and stakeholders.

We have to build respect for the brand and create value for all users.

If we do this, we will attract users (customers), and we will attract advertisers.

Promotional Opportunities

Although we have yet to finalise our marketing plan, some of the online promotional opportunities include:

- Google text ad boxes on Google Mail
- Sponsored links on the Overture Network

As well as advertising on:

- www.travelplanner.co.nz
- xtramsn.co.nz (NZ travel section)
- www.newkiwis.co.nz

And other sites with similar profiles

Other promotional opportunities include:

- Links from backpacker websites
- Freemail service banner ads
- DM to registered unemployed (and other potential customer who may not be web literate or web enabled)
- Community papers “Situations Vacant” Stakeholder participation (through industry publications, networks and communication channels).

Potential Revenue Generation

Our product also offers the opportunity for revenue generation, through:

- Selling advertising space on the web site to appropriate third party providers - both on the home page, and on the sub pages.

Although we would initially offer services for free, to encourage maximum uptake, it may be appropriate to sell superior placement or preferred listing status to accommodation providers and employers at a later stage.

Measure Responses

A key benefit this product offers stakeholders is the ability to more accurately measure and forecast (and therefore manage) the labour supply situation within a given region (initially Hawke’s Bay).

We will also have the ability to measure site traffic and provide summary reports of registered users cut by country of origin, age, length of visit, etc.

The product will feature an auto response system, cutting down administration time and providing traceability.

We can also survey stakeholders in order to continually improve external product and internal communications and management.

Stakeholders can also generate reports for their own marketing and management purposes.

Own The Market

Through all of these strategies, we are seeking to own the seasonal work job listings market by:

- Retaining job seeker information within a database
- Facilitating employer/job seeker/accommodation communication exclusively through the website
- Creating a database of willing workers
- Attracting a higher caliber of worker

4.4 What It Will Achieve!

The initiative will attract more people to horticulture by utilising one of Hawke's Bay's emerging strengths – tourism. The initiative will help the regions horticulture improve its profile and help resolve its ongoing issue of finding enough labour.

5.0 Summary

Ultimate goal

The initiative will attract more people to horticulture by utilising one of Hawke's Bay's emerging strengths – tourism. The initiative will help the region's horticulture improve its profile and help resolve its ongoing issue of finding enough labour. A national job circuit encompassing a national harvest trail is envisaged

What's been learned?

People are the keys to success and failure. To succeed in convincing people, a science based (facts) argument has to be presented to the right people at the right time

Now what?

For PickHB to succeed, it is imperative that it is marketed well and supported by the industry and by the region. The site is intended to be self-serving by 2006 providing sufficient support can be garnered.

6.0 References and acknowledgements

- New Zealand Fruitgrowers Federation – 1999, 2003, 2004, regional reports
- Hawke’s Bay Fruitgrowers Association – for regional reports and survey results 2003, 2004 on seasonal labour.
- WINZ East Coast – for background information on regional report 2004
- NZIS – for background immigration related information 2003, 2004
- Sean Bevin – economic impact report 2004
- Paul Swain – 2004 address to National Labour Summit 2004
- Creative Design Ltd – PowerPoint presentation featuring Pick and PickHB concept
- Agfirst Consultants – design and critique

Support

- Di Kirkland, Toni Hill, Stu Wilkinson of Creative Design Ltd
- New Zealand Fruitgrowers Federation board directors
- Dianne Vesty, Mark Dames of Hawkes Bay Fruitgrowers Association
- Lindsay Scott of WINZ
- MP Barker, MP O’Connor, MP Swain, and MPs and their various officials for ongoing support,
- Peter Silcock, Martin Clements (NZFF) for guidance
- Pip-fruit (P Alison, M Butcher, J Wiltshire, N Miller), summer-fruit (B Fulford) and kiwi-fruit (T Leicester) product group representatives for ongoing involvement
- Rex Heesterman (NZIS),
- Lawrence Yule (HDC mayor)
- Ross Bramwell (HBRC chair)
- Rebecca Turner (CEO HBWCA)
- Tamra Mear (HBWCA)
- Hamish Lowry (CEO HB Tourism)
- Wendy McDonald (Food HB)
- Chris Bain (CEO Port of Napier chair HB exporters)
- Gary Hemmings (president of HB CoC)

Report ends October 2004

APPENDICES

Appendix 1: The New Zealand Backdrop, June 2003

SEASONAL WORK IN THE NEW ZEALAND FRUIT INDUSTRY

New Zealand Fruit Industry

The New Zealand fruit industry is a major exporter, with over 30,000 hectares (75,000 acres) in production earning New Zealand in excess of \$1.4 billion in export earnings in the year ended June 2002.

The major focus of the industry is the supply of kiwifruit and apples into Northern Hemisphere markets during their spring and summer. Other crops grown include avocados, summerfruit (or stonefruit), citrus, European pears, nashi, feijoas, tamarillos, persimmons and passionfruit.

LABOUR REQUIREMENTS

Every year the New Zealand fruit industry employs thousands of seasonal workers to assist with the harvesting and packing of fruit crops. Employment in the New Zealand fruit industry is available year round, however the peak requirements occur between December and May.

To take on a seasonal job within the fruit industry you will need to be fit, enthusiastic and reliable. No previous experience is required and on the job training will be provided. There is a range of jobs for young and old, skilled and unskilled people.

Many of the jobs available in the industry are outdoor based but there are also positions in packhouses, grading sheds and cool-stores

WORK PERMITS

Visitors to New Zealand who do not hold a New Zealand Passport or a valid residence permit or any open work permit will need to apply for a Work Permit.

Visitors interested in applying for work permits should make enquiries at their New Zealand Embassy or the New Zealand Immigration Service. Information is available through the website www.immigration.govt.nz.

New Zealand FRUIT INDUSTRY SEASONAL WORK LABOUR DEMANDS
BY REGION

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
NORTHLAND	1,100	800		1,000	1,000	1,000	1,000		500	700	700	700
AUCKLAND		100	200	150	400							
WAIKATO	100	150	500	500	500							100
BAY OF PLENTY	1,300	800	5,000	12,000	12,000	5,000	5,000	3,000	500	1,300	1,300	1,300
GISBORNE	200	400	400	400	200						200	200
HAWKE'S BAY	4,000	17,000	17,000	14,800	10,000	5,000	4,000				8,000	8,000
NELSON	150	5,000	5,000	6,000	5,000							100
MARLBOROUGH	1,000	600	500	500	500							800
CANTERBURY	100	500	400	400	400							150
OTAGO	3,500	3,000	1,400	700	500							1,000
TOTALS	11,450	28,350	30,400	36,450	30,500	11,000	10,000	3,000	1,000	2,000	10,200	12,350

Appendix 2: HBFA 2003 Labour Survey Foreword



R.L.Collin – Hawke’s Bay
Director
75 Trotter Road, Twyford, 4221
Hawke’s Bay
New Zealand.

16th April, 2003

Forward to Hawke’s Bay seasonal employment survey

Forward

Hawke’s Bay has a pending employment problem. The “futures for fruit” papers published by New Zealand Fruitgrowers Federation in 1999 has predicted that by 2010, an additional 25,000 people will be required to help fruit growers harvest crops across the country, in a production sector known to already have staffing problems. This prediction only reinforces the situation as being a permanent problem in Hawke’s Bay. It’s not going to go away and likely to get worse if nothing is done.

The magnitude of this issue is significant. For example the region’s pipfruit requirements for staff have been estimated at 12,000 people at peak season, from a survey conducted in 1999. Since 1999 crop dynamics in Hawke’s Bay have changed. Investment into food processing is re focusing on the Hawke’s Bay region. The grape industry increased dramatically in planted land area and according to the “2002 Hort’s facts and figures” booklet Hawke’s Bay’s total horticultural plantings of fruit and vegetables make it now the biggest area in New Zealand.

The NZFF and HBFA began to address the Hawke’s Bay seasonal labour shortage seriously from 2000.

Over the past 3 years significant progress has been made to improve seasonal labour and its availability for Hawke’s Bay. Advertising what the region have to offer, the industry steadily working effectively with Government departments, and increasing the resource behind the seasonal employment issue have all produced some positive gains. To the extent that other parts of New Zealand are doing similar things.

Now that an effective resource base and working network is established it is timely to refine where things are at and where the region's horticultural base has to go from here to overcome the pending problem.

Efforts have been channeled through the HBFA and this why this survey has been produced from the office of the HBFA. This survey is being conducted through the following relevant sector organisations in Hawke's Bay:

Asparagus, Summerfruit,, Pip-fruit, Squash, Kiwi-fruit, Vegetables, Grape-growers, Federated farmers, Forestry in HB, Heinz/Wattie, McCains.

Aims of this survey

- To establish exactly what the problems are with regions employment into the fruit and vegetable sectors and what the local issues are 5 years out
- To try and reduce the employment problem in Hawke's Bay horticulture.

Where to from here

- The region must take pro active steps to solving the problem now.
- The MP is willing to get the relevant state departments together to arrive at some sort of 'package' once we know what we need
- I hope this forward has explained the situation. The only help really needed is for you to complete the survey, and return it through your sector organization or directly to the HBFA by 15th May. If you need help then please contact the HBFA office and speak to Dianne or Vicky.

Once the survey is completed the results will be summarized and placed in the various industry publications like "HBFA fruitbowl pickings" and "The Orchardist" so that all Hawke's Bay growers can see them. The results are required early to meet the needs of 2004 and beyond.

The region needs to embrace this problem as its own and deal with it in a manner that addresses an ever- growing problem.

Regards
Ru Collin

Appendix 3: Labour Survey 2003

Sector: Pipfruit Summerfruit Vegetables Grapes Processing Kiwifruit Packhouse

(Please circle which sector is applicable to you)

Location: _____

Crop: Please enter your product, hectares, gross tonnage or gross volumes.

Product = Pipfruit, Summerfruit, Squash, grapes, etc.

Hectares = number of hectares you have for each product

Gross Tonnage = total gross tonnage for each product.

Others = if unsure of tonnage please state your gross volume in the relevant term for your product
e.g. TCEs

Product	Hectares	Gross Tons	Others

SEASONAL REQUIRMENTS

How many people do you employ seasonally over the year? If you use a contractor/s please indicate in the box the number of people in the team.

January-May			June-October			November-December		
Seasonal		Contractor	Seasonal		Contractor	Seasonal		Contractor
New Zealanders	Backpackers		New Zealanders	Backpackers		New Zealanders	Backpackers	

Name of Contractor/s.....(optional)

What do you envisage your seasonal labour requirements to be in 5 years time? Take into consideration, increases/decreases in production, replacement, increase/decrease in land area etc.

January-May			June-October			November-December		
Seasonal		Contractor	Seasonal		Contractor	Seasonal		Contractor
New Zealanders	Backpackers		New Zealanders	Backpackers		New Zealanders	Backpackers	

If there is a difference in your seasonal staffing requirements please give a brief description as to why.

How difficult is it to retain people seasonally to work on your property and why?

SEASONAL WORK PERMITS

How many of your backpacking seasonal staff applied for a seasonal work permit?

Was there enough information out there for growers and backpackers about the availability of seasonal work permits? YES NO

(Please explain)

Was the seasonal work permit fee of \$90.00 an issue? Yes NO

Would a \$50.00 fee be more acceptable? Yes NO

Would you encourage your workers to legalise themselves if the fee was reduced? YES NO

Did having the application forms available at the HBFA office help? YES NO

What do you think can be done to improve the seasonal work permits?

PERMANENT EMPLOYEES

How many people do you require permanently over the year?

What do you envisage your permanent labour requirements to be in 5 years? Consider increases/decreases in production, replacement, increase/decrease in land etc.

If there is a difference in your full-time staffing requirements please give a brief description as to why.

GENERAL EMPLOYMENT QUESTIONS:

Why do you think our Industry is not attracting the right people?

Full-Time _____

Seasonal _____

Do you see any particular barriers to you employing staff?

Full-Time _____

Seasonal _____

How do you think the industry could improve staff retention? (E.g. wages, work conditions, training, recognition)

Full-Time _____

Seasonal _____

EDUCATION

Education is important because there is currently a shortage of skilled people available to fill positions in the industry. Future regulations such as those imposed by Eurepgap are going to have an impact on skill requirements in the future.

Please indicate in the boxes on the following table how many workers employed by you have any of the following qualifications.

Qualification	Permanent	Seasonal
Post Graduate		
Horticulture Degree (Hort Alliance)		
Horticulture Diploma		
Certificate of Horticulture (Level 4) EIT		
National Certificate Horticulture (Level 2 & 4) HITO		
National Certificate Horticulture (Level 2) NZQA		
Growsafe		
Packhouse Quality Controller		
Orchard Quality Controller		
Forklift License		
Hydralada Operator		
Tractor Driver		
Packhouse Training		
Pruning		
Organics		
First Aid		
Others – Please State		

Are there enough people training in these areas to fulfill future requirements?

Yes No (Please circle)

Please explain

Who do you think should be financially responsible for Industry training? (Please circle)

Staff Employer Industry Government Others (please explain)

What do you consider the barriers to be for people undertaking training?

Over the years there has been a steady decline in people who have the appropriate skills across the board to work within our industry. Please circle from 1-5 to indicate where you have difficulty finding the right staff.

	Easy		Moderate		Difficult	
White Collar						
Administrative	1	2	3	4	5	
Computer Operator	1	2	3	4	5	
Researcher	1	2	3	4	5	
Developer	1	2	3	4	5	
Marketer	1	2	3	4	5	
Human Resource	1	2	3	4	5	
Blue Collar						
Manager	1	2	3	4	5	
Supervisor	1	2	3	4	5	
Forman	1	2	3	4	5	
Packhouse Quality Controller	1	2	3	4	5	
Technician	1	2	3	4	5	
Documentation Staff	1	2	3	4	5	
Line Manager	1	2	3	4	5	
Leading Hand	1	2	3	4	5	
Cadet/Apprentice	1	2	3	4	5	
Team Leader	1	2	3	4	5	
Office Assistant	1	2	3	4	5	
Maintenance Engineer	1	2	3	4	5	
Seasonal Skills						
Tractor Driver	1	2	3	4	5	
Hydralada Operator	1	2	3	4	5	
Pickers	1	2	3	4	5	
Orchard Quality Controller	1	2	3	4	5	
Crop Monitor	1	2	3	4	5	
Pruners	1	2	3	4	5	
Thinners	1	2	3	4	5	
Maturity Monitor	1	2	3	4	5	
Truck Driver	1	2	3	4	5	
Forklift Driver	1	2	3	4	5	

/cont..

	Easy		Moderate		Difficult
Glue Machine Operator	1	2	3	4	5
Graders	1	2	3	4	5
Tray Feeders	1	2	3	4	5
Stackers	1	2	3	4	5
Packers	1	2	3	4	5
Crop Harvesters	1	2	3	4	5

Appendix 4: Hawke's Bay Horticultural Industry Labour Survey

Key Findings 2003

Key findings only of the 2003 HBFA labour survey, August 2003

Prepared By Hawke's Bay Fruitgrowers Association in conjunction with New Zealand
Fruitgrowers Federation and Work and Income New Zealand

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HAWKE'S BAY HORTICULTURAL INDUSTRY

LABOUR SURVEY 2003

Introduction

The Hawke's Bay Fruitgrowers Association, New Zealand Fruitgrowers Federation and Work and Income New Zealand saw the need to survey growers to find out what the Hawke's Bay horticultural industry's seasonal labour needs are now and in the future. The Horticultural Industries in Hawke's Bay all compete for labour over the November until the end of April/early May period and all sectors are looking at increasing their production over the next few years.

This survey was conducted to identify present labour requirements and predicted levels required for the future both over the critical harvest period and permanent labour supplies. With the WINZ register so low in the Hawke's Bay region for 2003 it is becoming more important to encourage as many people to the Hawke's Bay area whether they are unemployed New Zealanders or backpackers. There is a desperate need for them all over the crucial harvest period.

In the New Zealand Fruitgrowers Federation's pamphlet "*Seasonal Labour in the New Zealand Fruit Industry*" it is stated, the HB area alone requires 17,000 people to help with the seasonal labour requirement of the fruit industry. This did not take into account the growing significant seasonal requirements of the grape industry.

Recently a meeting was held on Ru Collin's property with people from WINZ, NZIS, Social Welfare, Maori extension agencies and OSH amongst others. To prepare for this meeting we phoned some horticulture industries with whom we compete with for labour.

Processing Plant - A large processing plant in Hastings requires 650 seasonal labour units for the February – March period. This is one of 3 processing plants in the area.

Squash Industry – 2 local squash packhouses were contacted and they each employ 100 people for their day shift and 100 each for their night shift, hence 200 people each. There are around 4 squash packhouses in the area.

Onion Industry – The packhouse that was contacted, employed around 45 people, but plan to increase their production next year and will have two shifts requiring 45 people per shift. There is 1 more onion packhouse that we know of.

Golden Queens – this crop is estimated to need an extra 300-400 people to harvest. Time frame for this crop is the end of February beginning of March for about 3 weeks.

Apple Packhouses – There are around 33 packhouses in the Hawke's Bay area. We contacted 10 of varying sizes and they employed around 2105 people from February until around the end of June beginning of July.

The survey was divided up in to 6 categories

- A. Orchard Details
- B. Seasonal Requirements
- C. Seasonal Work Permits
- D. Permanent Employees
- E. General Employment Questions
- F. Education

The survey covered the Hawke’s Bay district from Puketapu in the North to Central Hawke’s Bay in the South.

SECTION A: ORCHARD DETAILS

A1. Orchard Details: A broad spectrum of the horticulture industry was sent the survey to complete.

Replies received from the following Sectors.

Pipfruit

Summerfruit

Vegetables

Processing

Kiwifruit

Packhouse

A2. District: The Hawke’s Bay area was the main focus of the survey, with survey results sent back from Central Hawke’s Bay, Paki Paki, Bridge Pa, Pukahu, Mangaroa, Longlands, Havelock North, Ngatarawa, Flaxmere, Hastings East, Frimley, Twyford, Pakowhai, Mangateretere, Whakatu, Clive, Haumoana, Meeanee, Waiohiki and Puketapu.

A3. Crop: Product, Hectares, Gross Tonnage or TCEs where asked for in the section.

Product	Hectares	Gross Tonnage	TCEs
Apples	1270.0	60464.5	1694200
Pears	10.0	110.0	1635
Summerfruit	151.0	2547.7	22500
Kiwifruit	11.8		62000
Vegetables	180.0	6292.0	
Total	1612.8	69414.2	1730335

The above total hectares 1612.80 represents 11% of the Hawke’s Bay’s 14472 total hectares as stated in the *Agricultural Production Survey – Horticulture (Final): Year ended 30 June 2000* published by Statistics New Zealand.

NB: The *Agricultural Production Survey* covers a broad spectrum of horticultural crops, we have only included horticultural crops which are major users of the horticultural labour pool – apples, pears, peaches, apricots, nectarines, cherries, kiwifruit, avocados, grapes, olives, onion, potatoes and squash.

SECTION B: SEASONAL REQUIREMENTS

B1: In the question growers were asked to give details of how many people they employ seasonally over the year. The question is broken down to New Zealanders, Backpackers, Contractors and then by each month of the year.

Table 1: Seasonal Labour Required for the 2003 Harvest Season

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
New Zealanders	139	464	518	503	338	112	50	46	44	204	340	344
Backpackers	48	159	177	157	31	12				49	82	103
Contractors	134	622	793	798	208	56	60	42	71	164	420	423
Total	321	1245	1488	1458	577	180	110	88	115	417	842	870
Estimated												
Industry Labour needs	3531	13695	16368	16038	6347	1980	1210	968	1265	4587	9262	9570

B2: The same question was asked as in B1 but aimed at their anticipated labour needs in 5 years time.

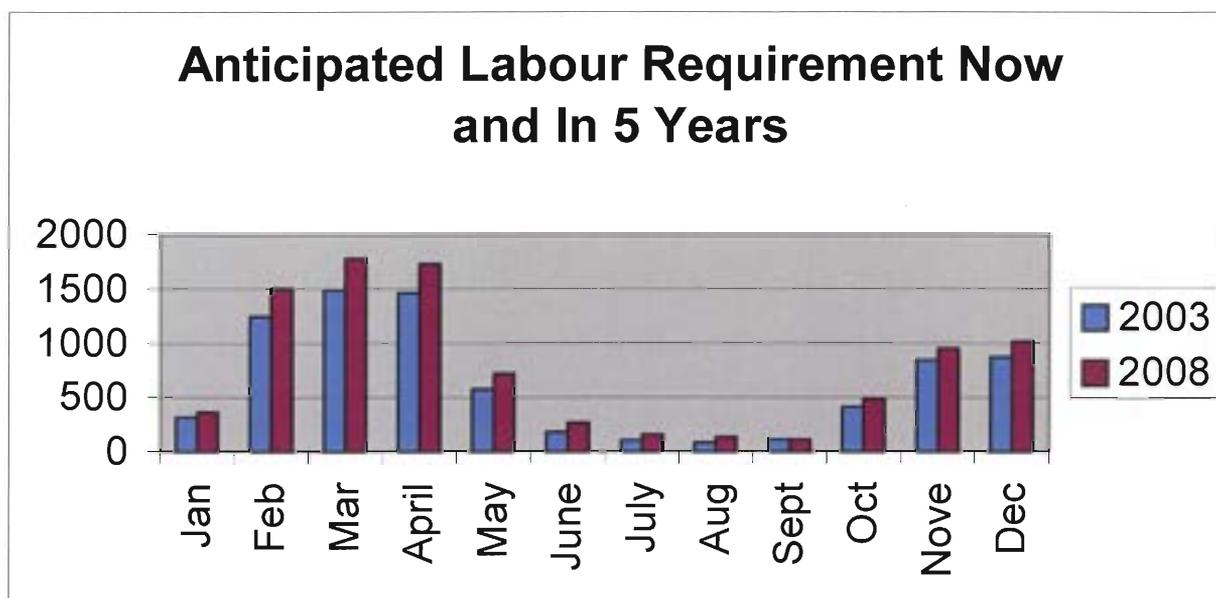
Table 2: Seasonal Labour required by the year 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
New Zealanders	149	527	595	573	372	160	87	81	49	231	358	369
Backpackers	64	224	230	208	76	31	4	4	4	60	130	160
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Total	364	1501	1778	1727	720	268	157	137	115	483	950	1014
Estimated												
Industry Labour needs	4004	16511	19558	18997	7920	2948	1727	1507	1265	5313	10450	11154

Conclusion: The difference between the two tables shows an anticipated increase in the amount of seasonal labour required to cope with increasing production.

- Growers are expecting their labour requirements to rise by 20% by 2008.
- The critical period is from November until May.
- Grapes/wine industry is not included in this survey.

Chart 1:



B3: Difference in seasonal staffing requirements

- 12% of growers have crops planted that are yet to come into full production.
- Another 25% of growers intend to increase their production over the next 5 years.

B4: How difficult to retain people on their properties.

- 31% commented that they had no trouble retaining seasonal labour.
- 68% did have trouble retaining seasonal labour.
- Of the 68%
 - o 11.6% commented that labour is unmotivated,
 - o 15% said they compete with other product groups such as Kiwifruit and Golden Queens
 - o Reliability and commitment was a problem at 25%
 - o 11.6% of growers believe it is the contractor’s problem.
- Other comments made were bin rates and wage, not a continuous supply of work, it was hard work, transport could be a problem, the turn over of people in a season, accommodation, weather and the difficulty in retaining people year after year.

Some Growers Comments were;

“Finding labour was not a problem yet but I am nervous about future staffing requirements.”

“It is very difficult to retain people as they are able to find work easily elsewhere if they do not like. Also individuals don’t have good work ethics – if they want a day off they take it.”

“Last year very difficult as it was too easy to go back on the benefit – people just play the system. Younger people have little work ethics – pay rate has little effect (I pay around \$11-\$14 per hour) it doesn’t seem to make people more reliable!!!!!!”

“Difficult to retain people because of the transient nature of employees. Use foreigners who need accommodation and move around New Zealand as work dictates. We pay good bin rates and can accommodate up to 10 people, which does help, but quite often pickers are under pressure by others to pick elsewhere etc. Locals don’t want to work. Local unemployed are capable of 2-3 bins per day against foreigners will pick 5-6 bins+, which means you have to employ double the pickers (provide more ladders, buckets, QC and tractor drivers = more cost to grower) to achieve the same bin number per day.”

SECTION C: SEASONAL WORK PERMITS

C1: Growers were asked what percentage of their seasonal staff applied for a work permit.

- On average 64.6% of grower’s seasonal labour applied for a work permit.

C2: Was there enough information out there for growers and backpackers about the availability of seasonal work permits?

Table 3: Information Availability

	Sufficient Information	Insufficient Information
Grower	84%	16%
Backpacker	65%	35%

84% of growers felt there was enough information out there and 65% of growers felt that backpackers had sufficient information available.

C3: Was the Seasonal Work Permit fee of \$90 an issue?

- 52.5% of growers said yes it was an issue

C4: What would be a more acceptable fee?

- 58% want it less than \$50
- 41% OK with \$50

One grower commented, “At \$50 I would consider paying the cost of the fee to get reliable workers. Perhaps a separate mail out of the Work Permit Form and not part of the newsletter as people tend to skip newsletters.”

C5: Would you encourage your workers to legalise themselves if the fee was reduced?

- 98% said that they would encourage their worker to legalise themselves if the fee was reduced. This is very encouraging.

C6: Did having the application forms available at the HBFA office help?

- 86% Yes

C7: What do you think can be done to improve the seasonal work permits?

Grower Comments:

“Three months is too short. Need to be able to work from thinning to picking – November to May – as cost to come to New Zealand too great for many. Unemployed New Zealand people are useless and no work ethic.”

“Make sure they are easy and cheap to get. Heavily fine anyone who takes advantage of backpackers with questionable “Training scheme”.”

“Make them no longer a requirement. Seriously!!!! Get real people who want to work shouldn’t have to pay to do so. We pay too many people to sit on their bums.”

“Remove them completely - Its only creating more work for an issue that can be solved easy. Let overseas people work for a 6 week period then they have to go.”

“Do away with them and just collect the tax.”

“WINZ needs to react more quickly. Work permits are needed to be in place before the rush starts, ie, before February.”

“Encourage people to apply for them before leaving their home country or on entering New Zealand. Then they will have already paid and budgeted for this. (E.g. more of a requirement for entering New Zealand. If you are staying more than 3 months and intend to take some work. Should be compulsory for people staying over 3 months aged 20-40 years).”

“Make them quicker to obtain. We were told 3 weeks required so some workers couldn’t see the point.”

SECTION D: PERMANENT EMPLOYEES

D1: How many people do you require permanently over the year?

Table 4

Number of labour required	0	1	2	3	4	5	6	7	8	9	10	15	20	30
Percentage	19.3%	28.5%	23%	3.5%	7%	1.8%	5.3%	1.8%	3.5%	1.8%	1.8%			1.8%

- *70% of growers require 2 or less people*

D2: What do you envisage your permanent labour requirements to be in 5 years?

Table 5

Number of labour required	0	1	2	3	4	5	6	7	8	9	10	15	20	30
Percentage		30%	30%	10.7%	5.3%	3.5%	1.8%	3.5%	3.5%		5.3%	1.8%		1.8%

- *All orchards surveyed indicated that they would need additional labour.*

D3: If there is a difference in your full-time staffing requirements in the next 5 years, why?

- 67% of growers who answered this question are increasing their production over the next 5 years.
- 8.8% better time management
- 14.7% are hoping to reduce the hours they spent working on their orchards
- 8.8% will be retired.

Conclusion: Comparison of the tables shows an increase in permanent labour requirements of 35% over the next 5 years due to growers increasing their production and their need for more permanent labour.

SECTION E: GENERAL EMPLOYMENT QUESTIONS

E1: Why do you think our Industry is not attracting the right people?

Table 6

	Permanent (%)	Seasonal (%)
Location	1.3	9.6
Wages	45.5	32.9
OSH Requirements	6.8	6.8
Transport	1.3	32.9
Accommodation	4.1	63.0
Bad Publicity	30.0	23.0
Non-trendy	45.2	20.5
Eurepgap	8.2	4.1
Hours of Work	23.3	13.7
Work Conditions	13.7	19.0
Training Costs	8.2	2.7
Physical Demands	35.6	61.6
Others	9.6	12.3

NB: Some grower's ticked more than one option.

- *Permanent Staff* the main reason for not attracting the right people seem to be wages, bad publicity, non-trendy image, hours of work and the physical demand.
- *Seasonal labour* the main reasons seem to be wages, transport, accommodation, bad publicity, non-trendy, hours of work, work conditions and the physical demands.

E2: Do you see any particular problems to you employing staff?

Table 7

	Permanent (%)	Seasonal (%)
Location	1.3	13.6
Creditors		
Wages	16.4	11
OSH Requirements	11	15
Transport	1.3	19
Accommodation	1.3	37
Bad Publicity	8.2	11
Non-trendy	15	11
Eurepgap	8.2	6.8
Hours of Work	12.3	6.8
Work Conditions	9.5	12
Training Costs	6.8	2.7
Physical Demands	19	37
Others	5.4	8.2

- Growers indicated problems employing *Permanent staff* were: wages, OSH requirements, bad publicity, non-trendy image, hours of work and physical demands
- Growers indicated problems employing *Seasonal staff* were: location, wages OSH requirements, transport, accommodation, bad publicity, non-trendy image, work conditions and physical demands.
- If the Horticulture Industry were more stable, labour attraction would be better.

E3: How do you think the industry could improve staff retention?

To retain *full-time* staff growers recognized the following areas

- Rewards and recognition
- Wages
- Training
- Established Career Paths
- Conditions
- Treating staff better
- A positive attitude from employers and the media
- Security in the industry

To retain *seasonal staff* growers recognized the following areas for improvement

- Rewards and recognition
- Wages
- Work conditions

- Treat staff better
- Short training course
- Too easy for people to go back on the benefit.
- Reducing the physical demand
- Accommodation
- Work permits easier to get
- Sharing workers between smaller orchards

SECTION F: EDUCATION

F1: Education is important because there is currently a shortage of skilled people available to fill positions in the industry. Future regulations such as those imposed by examples like Eurepgap food safety programmes are going to have an impact on skill requirements in the future.

We asked the grower to fill in the boxes on a table indicating how many of their employees, have any of the following qualifications.

Table 8

Qualification Held	Permanent Employee	Seasonal Employee
Post Graduate	8	
Horticulture Degree (Hort Alliance)	4	
Horticulture Diploma	7	
Certificate of Horticulture (Level 4) HITO	4	1
National Certificate Horticulture (Level 2&4) HITO	6	
National Certificate Horticulture (Level2) NZQA	8	
Growsafe	85	8
Packhouse Quality Controller (MAF Accredited)	12	5
Orchard Quality Controller	31	8
Forklift License (F or OSH)	38	11
Hydralada Operator (with relevant NZQA Unit Standard)	12	11
Tractor Driver	46	17
Packhouse Training	12	4
Pruning (with relevant NZQA Unit Standard)	13	16
Organics	10	2
First Aid	33	5
Maturity Tester (MAF Accredited)	5	5
Others		

F3: Do you think there should be formal training for tractor /hydralada and packhouse staff? (i.e. to make it easier to comply with OSH regulations)

- Yes 48%
- No 52%

F4: Are there enough people training in these areas to fulfill future requirements?

- Yes 34%
- No 66%

F5: Who do you think should be financially responsible for industry training?

NB: Some grower's circled more than one option.

- Employer 71%
- Industry 58%
- Government 54%
- Staff 47%
- Others 5%
- The majority felt that the employer should be the major contributor to education costs with some contribution from government and industry.

F6: What do you consider the barriers to be for people undertaking training?

- **Motivation** 80%
- **Training cost** 75%
- **Unclear career paths** 59%
- Time Required 46%
- Fear of the classroom environment 40%
- Industry Image 37%
- Confidence in ability 34%
- Lack of support 31%
- Learning disabilities 25%
- Transport 20%
- Location 14%
- Physical demands 19%
- Family Commitment 17%
- Others 12%
- Accommodation 9%

F7: Over the years, market requirements have increased at a rate faster than the industry training schemes, and there has been a steady decline in people who have the appropriate skills across the board to work within the industry.

Growers were asked to circle 1-5 (1 easy – 5 hard) indicating where they have difficulties finding the right staff.

Table 9

Med - Difficult		Med - Difficult	
White Collar		Seasonal Skills	
Administration	46%	Crop Harvesters	86%
Developer	42%	Glue Machine Operator	75%
Computer Operator	40%	Hydralada Operator	72%
Human Resource	40%	Tractor Driver	70%
Researcher	38%	Orchard QC	68%
Marketer	28.5%	Pickers	57%
Blue Collar		Pruner	56%
Line Manager	81%	Graders	50%
Supervisor	75%	Forklift Driver	49%
Leading Hand	75%	Thinners	37%
Cadet/Apprentice	74%	Crop Monitor	35%
Team Leader	72%	Tray Feeders	33%
Manager	72%	Truck Driver	28%
Foreman	70%	Stackers	25%
Documentation Staff	71%	Packers	25%
Office Assistant	63%	Maturity Monitor	21%
Technician	55%		
Maintenance Engineer	40%		
Packhouse QC	36%		

SUMMARY:

The Hawke’s Bay region is facing an ongoing issue of recruiting enough suitable labour to pick and process its horticultural crops. The last Hawke’s Bay survey was done in 1998. Peak seasonal requirements then were estimated at 14,000 people (without allowing for slippage). The estimate from the 2003 survey is 18,000 people, and rising.

ORCHARD DETAIL

- Overall, land usage for horticulture has increased from around 15,000 hectares, to 20,000 hectares. More so-called marginal land is used for horticultural production throughout Hawke’s Bay, thus the growing area is more widely dispersed.

- Market requirements for fruit and vegetable quality and delivery continue to get tougher, so demand on correct harvest and processing (like packing fruit and cooling it) have increased. This means peak demands on seasonal labour rise because the urgency has risen.
- Hawke's Bay wine industry has increased its plantings from 1800 hectares to 3800 hectares and is moving to more labour intensive growing styles, like hand harvesting and leaf plucking. The grape and wine industry did not participate in this survey.
- Increased demand for process crops to supply processing plants, like Watties, McCains etc.
- Export crops such as onions and squash have grown rapidly in recent times and continue to increase production.

SEASONAL REQUIREMENTS

- Hawke's Bay continues to face a seasonal labour problem.
- The critical period is from November until May. Demand for labour will be increasing over the next 5 years during this period.
- In crops like apples, new plantings (approx 12% of current crops) are yet to come into production.
- The need for seasonal labour will be increasing over the next 5 years as crops are coming into full production and growers intend to increase their production.
- Unemployment statistics in 1998 were much higher than in 2003. There is general consensus that regardless of industry there is a genuine shortage of labour.
- 68% of growers are finding it hard to retain seasonal staff due to employees been unmotivated, unreliable, no commitment and the competition from other horticulture sectors etc.
- Reliance on backpackers is increasing to make up shortfalls.
- Employees need consistent work. Product group demands on staff are rising, there is an opportunity to encourage a certain amount of 'staff circulation' to occur. Some effort needs to go in to creating a job circuit within Hawke's Bay's horticulture industry.
- The job circuit could include all of New Zealand horticulture industry.
- Accommodation shortages in the region are a problem.

RECOMMENDED ACTION POINTS

- The current working arrangements with WINZ, NZIS and horticulture representatives seems effective, and should continue to be retained and strengthened.
- It is necessary to keep in mind that generally this is hard physical work and not all people are suitable to do it. In saying that the industry has a wide scope of employment that can be offered so most people can be catered for so long as they are keen and reliable.

- General information packs for potential employees and visitors are most useful, but some help is required by regions bodies to help fund them.
- The Hawke's Bay labour demands need to be met early. (Use past statistics to estimate labour requirements and act accordingly)
- Hold regional meetings with key entities in late August through September.

SEASONAL WORK PERMITS

- There seems to be enough information out there for backpackers and growers regarding seasonal work permits. It appears to be the cost that is the issue. Most growers recommend that the seasonal work permits be less than \$50 and with this reduction 98% of growers surveyed said they would encourage their backpackers to apply for a seasonal work permit.

RECOMMENDED ACTION POINTS

- NZIS need to look at reducing the \$90 processing charge for permits.
- Quick decision on when work permits can be issued.
- Make seasonal work permits available from November through to the end of May.

PERMANENT EMPLOYEES

- There will be a 35% increase in the number of permanent employees needed over the next 5 years. This is due to growers increasing their production over the next 5 years and 14.7% want to reduce the hours they spend working on their properties.

RECOMMENDED ACTION POINTS

- Continue support of cadet/modern apprenticeship programme.
- Attract committed young people and encourage them through scholarships and mentors.

GENERAL EMPLOYMENT QUESTIONS

- The main reason given for not attracting the suitable *permanent staff* seem to be wages, bad publicity, non trendy, hours of work and the physical demands. For *seasonal labour* it was wages, transport, accommodation, bad publicity, non-trendy, hours of work, work conditions and the physical demand.

- Growers had a problem employing *permanent staff* were the wages, OSH requirements, bad publicity, non-trendy, hours of work and physical demands. For *seasonal labour* it was location, wages, OSH requirements, transport, accommodation, bad publicity, non-trendy, work conditions and physical demands.

RECOMMENDED ACTION POINTS

- Most growers recognise the areas highlighted need be improved and with that, it will help to retain workers.
- The horticulture industry needs to invest in improving its public image to attract suitable people.

EDUCATION

- There is a drop off of young people taking up horticultural studies leading to horticultural careers.
- The main barriers to people undertaking training are motivation, training costs and unclear career paths.
- Packhouses require more skilled people such as Accredited Quality Controllers, Forklift drivers with F Endorsement etc.
- There is a shortage of 'Blue Collar' management such as line managers, supervisors, leading hands, cadet/apprentices and foremen.
- Seasonal skill shortages are crop harvesters, Hydralada operators, tractor drivers and orchard Quality Controllers.

RECOMMENDED ACTION POINTS

- More government and industry help with education.
- Work closely with training organizations to ensure relevant qualifications are being offered and taken up.

Acknowledgements

Funding assistance from WINZ, Hawke's Bay, and to both Vicky Herries and Dianne Vesty from the HBFA in taking considerable time to compile and complete this informative report.

This report has been compiled by members and staff of the Hawke's Bay Fruit-growers Association on an E&OE basis, and although every attempt has been made to maintain accuracy, the HBFA cannot be held accountable for the conclusions drawn.

August 2003

Executive Summary

The demands have changed in 5 years (from 1998 to 2003) due to the following

- 1 Overall land usage for horticultural has increased from around 15,000 hectares to 20,000 hectares. More so-called marginal land is used for horticultural production throughout Hawke's Bay, thus the growing area is more widely dispersed.
- 2 Market requirements for fruit and vegetable quality and delivery continue to get tougher, so demands on correct harvest and processing (like packing fruit and cooling it) have increased. This means peak demands on seasonal labour rise because the urgency has risen
- 3 Hawke's Bay wine industry has increased its plantings from 1800 ha to 3800 ha and is moving to more labour intensive growing styles, like hand harvesting and leaf plucking. Plus they did not participate in this survey.
- 4 Increased demand for process crops to supply processing plants, like Watties, McCains etc.
- 5 Export crops such as onions and squash have and continue to increase production.
- 6 Unemployment statistics in 1998 were much higher than in 2003. There is general consensus that regardless of industry there is a genuine shortage of labour.
- 7 In crops like apples, new plantings (approx 12% of current crops) are yet to come into production.
- 8 Packhouses require more skilled people such as Accredited Quality Controllers, Forklift drivers with an F endorsement etc.
- 9 A drop off of young people taking up horticultural studies leading to horticultural careers.
- 10 68% of growers are finding it hard to retain seasonal staff due to employees been unmotivated, unreliable, no commitment and the competition from other horticulture sectors etc.

The main points to take from the survey results are

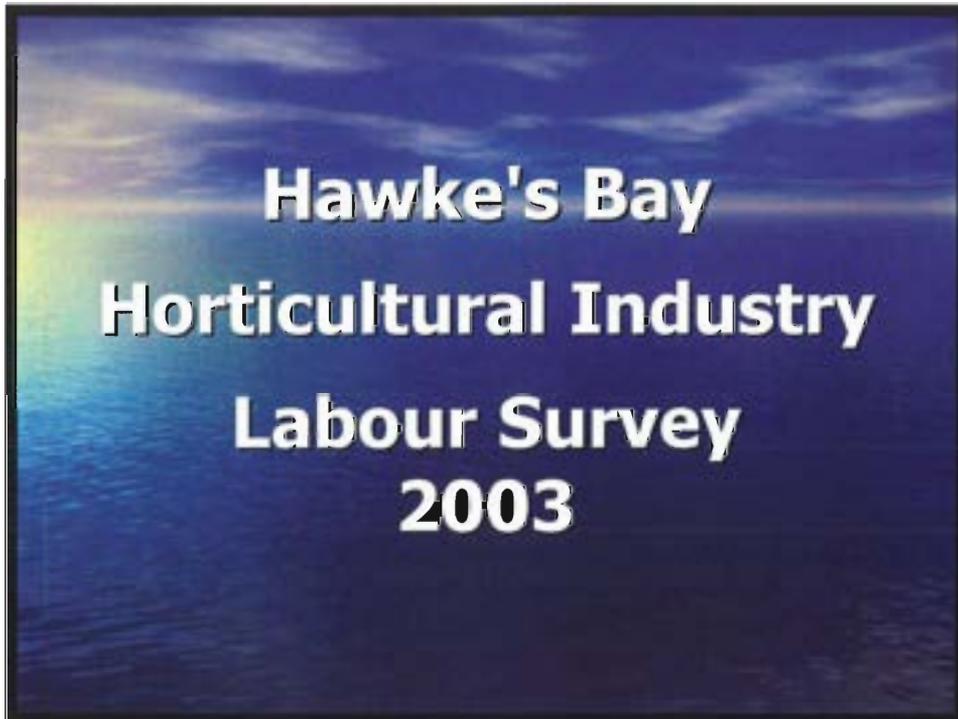
- 1 Hawke's Bay continues to face a seasonal labour problem. The current working arrangements with WINZ, NZIS and horticulture representatives seems effective, and should continue to be retained and strengthened.
- 2 The Hawke's Bay labour demands need to be met early.
- 3 Crucial peak periods are November until May and will be increasing over the next 5 years.
- 4 Accommodation shortages in the region are a problem.
- 5 In the future permanent labour requirements will rise by 35%.
- 6 There is a shortage of 'Blue collar' management such as line managers, supervisors, leading hand, Cadet/apprentice and foreman.
- 7 Reliance on backpackers is increasing to make up shortfalls.
- 8 Employees need consistent work. Product group demands on staff are rising, could allow a certain amount of 'staff circulation' to occur. Some effort needs to go into creating a job circuit within Hawke's Bay's horticulture industry.
- 9 The job circuit could include all of New Zealand horticulture industry.

- 10 The horticulture industry needs to invest in improving its public image to attract suitable people.

RECOMMENDED ACTION POINTS

- 1 NZIS need to look at the \$90 processing charge for permits.
- 2 Need to remember that this is hard physical work and not all people are suitable to do it.
- 3 General information packs for potential employees and visitors are most useful, but some help is required by region's bodies to help fund them.
- 4 Hold regional meeting with key entities in late August through September.
- 5 Quick decision on when work permits can be issued.
- 6 Make seasonal work permits available from November through to the end of May.
- 7 More government and industry help with education.

**Appendix 5: Hawke's Bay Horticultural Industry Labour Survey
2003 - Powerpoint**



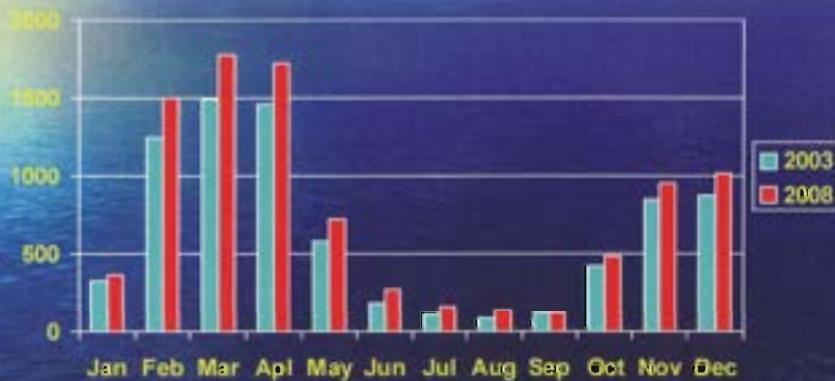
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Estimated Industry Labour needs	4004	16511	19558	18997	7920	2948	1727	1507	1265	5313	10450	11154

Anticipated Labour Requirement Now and in 5 Years



Seasonal Requirements Recommended Action Points

- Current arrangements should be retained and strengthened
- The industry has a wide scope of employment that can be offered
- General information packs are useful, but help is required by regional bodies to fund them
- Hawke's Bay Labour demands need to be met early
- Hold regional meetings with key entities in late August through September

Seasonal Work Permits Recommended Action Points

- NZIS need to look at reducing the \$90 processing charge for permits
- Quick decision on when work permits can be issued
- Make seasonal work permits available from November through to the end of May

Permanent Employees Recommended Action Points

- Continue support of cadet/modern apprenticeship programme.
- Attract committed young people and encourage them through scholarships and mentors.

General Employment Questions Recommended Action Points

- Most growers recognise the areas highlighted need be improved and with that, it will help to retain workers.
- The horticulture industry needs to invest in improving its public image to attract suitable people.

Education

Recommended Action Points

- More government and industry help with education.
- Work closely with training organizations to ensure relevant qualifications are being offered and taken up.

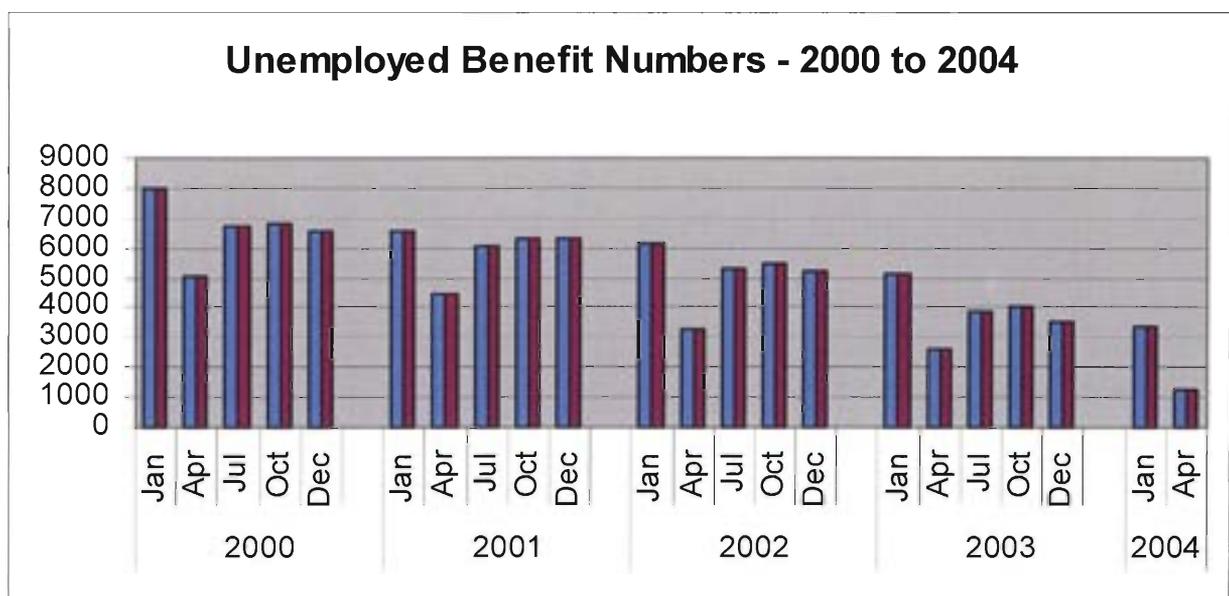
Main points from the Survey Results:

1. Current arrangements retained and strengthened
2. Labour demands need to be met early
3. Crucial periods, November to May will increase
4. Accommodation shortages are a problem.
5. Permanent Labour requirements will rise by 35%.
6. Shortage of 'Blue collar' management
7. Reliance on backpackers is increasing
8. Employees need consistent work. Create a job circuit within HB's horticulture industry.
9. Job circuit to include all NZ horticulture industry.
10. Industry to invest in improving public image

Appendix 6: HBFA Seasonal Debrief 24 June 2004

Introduction

Hawke's Bay Fruitgrowers faced the 2003-2004 season with some degree of anxiety. As can be seen in the graph below the general trend is for the numbers of people receiving the unemployment benefit and available to fulfil seasonal positions is steadily reducing. In Jan 2000 there were 7984 registered unemployed. In Jan 2004 the number had reduced to 3331. Many of people registered were unable to uptake seasonal work due to other permanent part time employment commitments and an unspecified number are realistically never going to undertake seasonal work.



Issues:

1. Unemployment levels at extremely low level
2. No certainty that there would be a legal labour supply available
3. Accommodation would once again be in short supply
4. Increased competition within the industry for labour due to increased production and new enterprises
5. An unquantified amount of people working in the industry are doing so illegally

The industry had geared itself to obtain workers from other sources

- A new Poster and Brochure promoting seasonal work was produced and distributed around the country and inserted by Immigration NZ in the passports of those people entering the country on working holiday schemes
- Poster and brochures were also displayed at WINZ offices and some Universities

- The HB Fruitgrowers Association website had been revamped and provided more information on seasonal employment than ever before
- Radio Advertising was trialled for the first time
- Seasonal employment co-ordinator commenced work at the beginning of November
- Early work permits were available from November

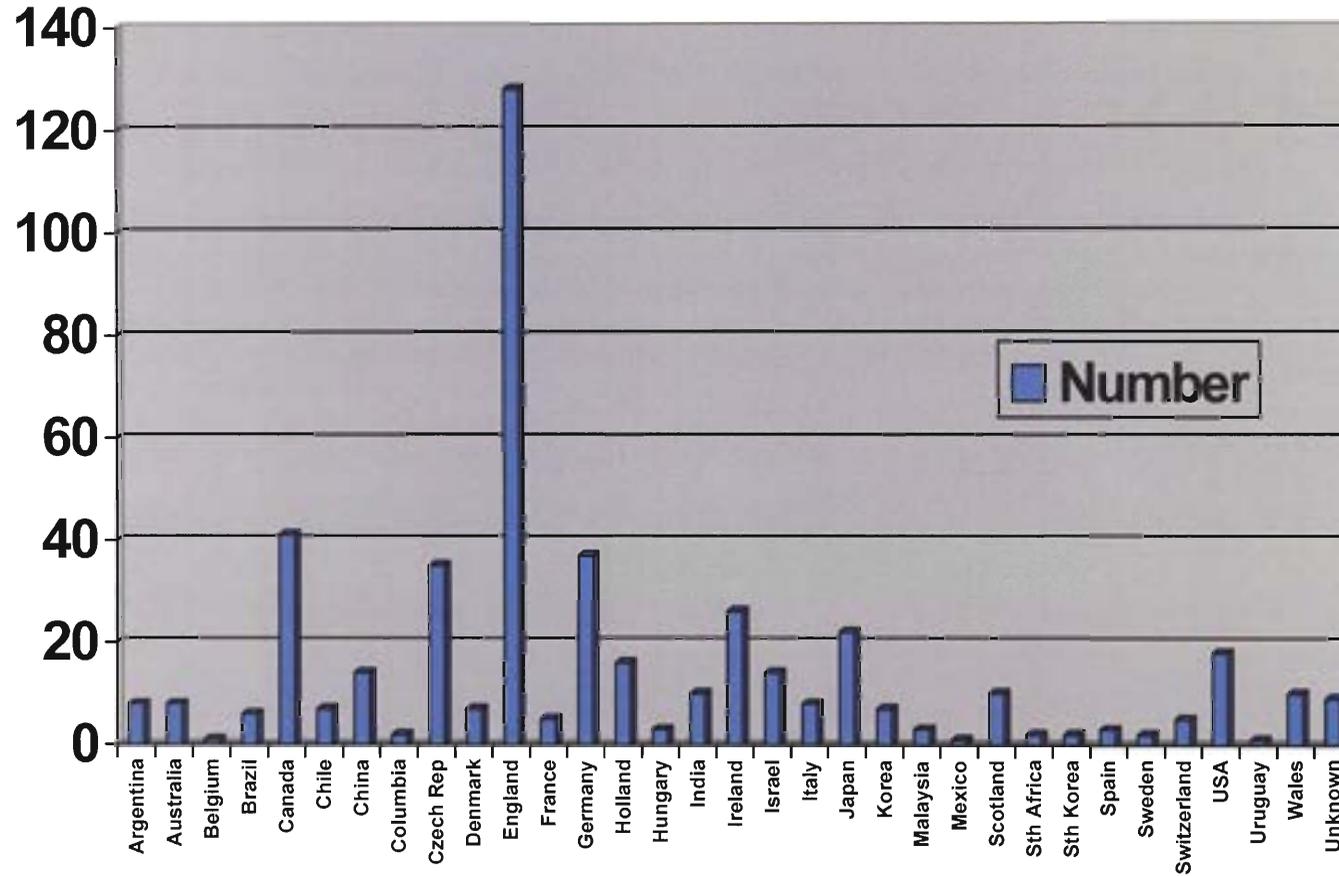
Statistics

This is the first year full statistical records have been kept for visits to the office and work permits applied for.

Statistics enable us to identify demographics of persons visiting the office seeking work/work permits

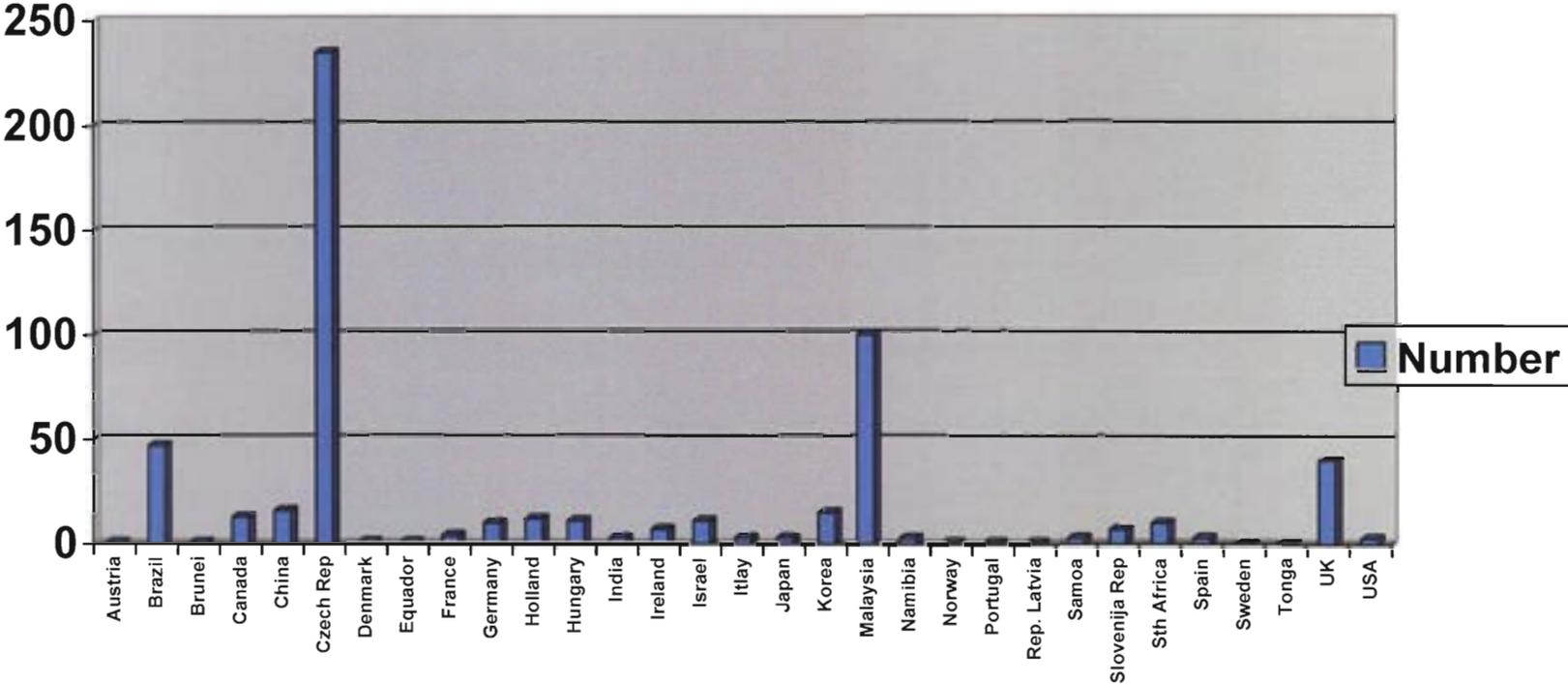
Visitors to the office by Nationality Total Recorded = 804 New Zealander = 340 Other = 464

N.B. actual number of visitors much higher as many groups of visitors were recorded as a single visitor



Graph shows origin of visitors to HBFA Office seeking work – country of origin

Work Permit Applications by Nationality Total Work Permits Applied for = 569



Graph shows origin of people applying for work permits

19 Work permit applications were declined: 8 applicants from China, 2 from India, 3 from Namibia and 1 from Korea

The main reason for declines was overstaying. A number of applicants from China were declined due to the length of stay they had, had to date. Most of these Chinese applicants claimed to be students and had been in New Zealand for periods between two and four years.

Most permit applicants originate from 1. Czech Republic 2. Malaysia 3. Brazil 4. UK

Workers from Czech Rep, Malaysia and Brazil are considered highly desirable

Czech Republic: Generally people from this country are well educated, have a reasonable to good comprehension and ability to speak English. They are usually motivated to earn good money to fund onward travels both here and overseas. They appreciate the beauty of our country, and spend lots while they are staying here. They are known to fit in well as they are culturally similar, and many come from agricultural/horticultural backgrounds and are very outdoorsy people.

Workers from Malaysia: Some have reasonable English skills. Mostly these nationalities are employed by contractors from their own culture. They are highly motivated and dollar driven and very hard working. Usually - extremely reliable and steady workers. Perceived main motivation: to take money home to improve their lifestyle.

Brazil: Also highly dollar motivated and usually work to take money home to improve their lifestyle. Very likely to hop the fence in search of the better dollar without questioning reasons why. Their desirability is due to the numbers that are present as they usually work in groups; however they are considered 'more high maintenance' than Czech or Malaysian workers and often have language/communication difficulties.

Working Holiday Scheme

It can be evidenced by the number of work enquiries compared to work permits issued, particularly in visitors from the UK, that there are a number of working holiday scheme travellers up taking seasonal work. In general though, people under this scheme are more likely to remain in the main centres and to work in their field of experience/qualification.

Many of the countries included in the working holiday scheme are highly developed and travellers often have little or no horticultural experience, their fitness level can be very low and they can find the work very hard.

Early Work Permits

This season, a trial was carried out with the issuance of seasonal work permits from the beginning of the thinning season through till the end of April to enable employers to hire staff who would be able to work the whole fruit production season. This would enable staff to gain experience to take on slightly more responsible roles over the harvest period, like team leader, quality controller, tractor driver. Particularly useful to overcome language problems when employing international harvest workers and to develop good fruit handling skills.

The early permits were not promoted widely. 397 of these work permits were issued to date 31 January 2004. Many of these workers are thought to have worked through the whole harvest season.

A problem arose at the end of April when these work permits expired and there was still fruit to be harvested/packed and those workers wished to continue working. Some were given extensions until the end of May.

General

Some confusion has arisen and complaints fielded from employees travelling from one area to another. They may have held an existing permit for Otago/Nelson and found that they needed to reapply for a work permit in Hawke's Bay or vice versa. Quite a few objected to paying more to obtain the permit required.

In some areas variations of conditions are issued at a cost of \$60. Seasonal work permits cost \$90. Depending on the applicant's circumstances e.g. duration of stay left on visa, it may cost more or less for either of these permits. Standardisation of the process may assist.

Work permit applications are very complex – would really help to simplify the form. In the present format each person takes between 10 mins to ½ an hour to complete the form.

This season work permit turn around was variable due to Rex being away or otherwise occupied. In general turn around time was good, but delays were experienced with despatch & delivery.

In January newspaper articles claimed there was a ‘labour crisis’ which was not factual. The results of this negative press meant job seekers from all over the country thought they could start work immediately, they were disappointed to find work would not commence until mid to late February.

Other inaccurate statements were made via the media giving potential workers the expectation that it was normal to be earning \$1400+ per week.

Pressure Periods

Royal Gala harvest commenced week starting 23rd Feb

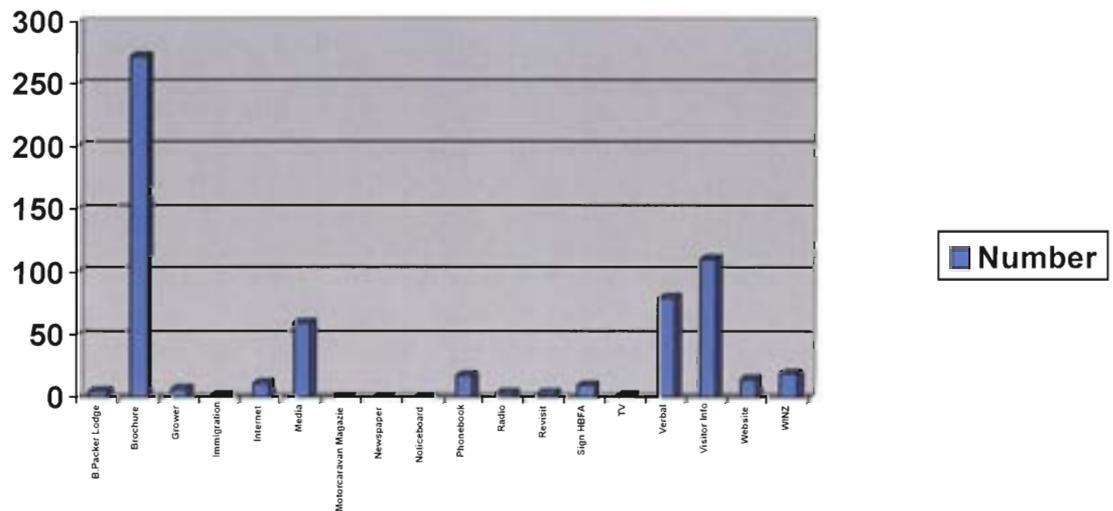
Braeburn harvest commenced 22nd March

In general the industry scraped through this year. Better promotion through the website, more individual and corporate orchards developing websites, poster on display and extensive radio advertising assisted.

Radio Advertising

WINZ & HBFA contributed to a series of three radio ads, a cadet who had gained his job through seasonal work, a single parent who had done seasonal work and an orchardist had 20 second ads promoting seasonal work.

Statistics were kept on how people had heard about us when visiting the office from December 2003



Graph showing how people heard about HBFA Seasonal Employment

N.B. it is unclear whether Media includes radio ads

The Radio Campaign started in January and went through until the end of March. It was decided due to the success of these ads to continue until the end of April. Although the above graph shows a small response from radio ads I believe these may also have been recorded as 'media'. I can personally recall many visitors stating they heard the radio advertisements. Many of the people responding to the radio ads were New Zealanders phoning from other areas and their calls were not noted.

The new HBFA brochure has been highly successful. Jason's Brochures are now distributing around accommodation providers around New Zealand, Rotorua & Wellington in particular.

Posters – we still have many of these on hand. For the upcoming season these could be placed in popular travellers spots such as bars in tourist destinations.

Accommodation

From January onward accommodation was in short supply, the problem only easing up in April when the majority of holidaymakers had left the area. A call went out to locals via an article in the local newspaper to accommodate seasonal workers. It generated around 5 replies. It may be useful to further develop this concept next season with better publicity.

A number of new initiatives are being undertaken by growers. One accommodation proposal intends to house around 140 workers in a compound format.

Many growers are currently building or making improvements to existing accommodation facilities. We would urge that the Hastings District Council and HB Regional Council be reasonable about regulations governing on-site accommodation now and in the future. This is the only way that the accommodation shortage will be overcome. At present the permits required are not difficult to get and hopefully this will not change.

Contractors Association

Registrations have been slow in coming. Currently the Association is still developing. I am aware of 13 actual registrations, however there are some applications currently being processed.

An independent master list of contractors is being held at the HBFA office and added to with any details which come to light.

Complaints

A number of complaints were fielded this season; most of these were able to be resolved. Industry partnerships and direct contacts were instrumental in resolutions with good co-operation from government departments in particular ERS, IRD & WINZ.

One serious complaint regarding a contractor was not able to be resolved as the complainant was not prepared to put herself forward as she was an overseas national and held fears for her safety.

Most problems appear to arise from 'dodgy' contracting practices and involve non payment of wages.

IRD Numbers

Delays were experienced early in the season with growers unable to fax to the number supplied for urgent requests as it was constantly engaged. This was addressed and another number supplied. This resolved the problem. It would be good to see this number available for use from November through until April for next season.

Remuneration

Average price per bin \$30

Average number of bins picked daily 3-4

Most employers were paying around \$10 as the starting rate for unskilled labour

Tractor Drivers/QC \$12-14 per hour

Hydralada operator \$12-14

Truck Driver \$12-14

Minimum wage rose from \$9 to \$9.60 per hour

Seasonal Employment Co-ordinator

We were highly satisfied with Michelle Old's services this year. Improvements to statistics collected have enhanced information available.

The role has historically been part time, however as the service grows there is a need to extend the hours, particularly over the late February-early April period. Opening the office on a Saturday morning may be a viable option so workers can visit out of working hours.

It would be good to see the national network of seasonal work co-ordinators strengthened

We believe that it is critical that the seasonal employment co-ordinator remains a direct link with this office:

- HBFA has strong relationships with associated industries which are benefiting from the service
- Growers, Contractors, Packhouses, Processors, and other hort employers know and trust the service
- This effective service is assisting with promotion of industry image
- Co-ordinator position offers the opportunity for person in the role to gain an empathy for and experience in the industry
- Co-ordinator role ideal for someone to hone their skills to enter/re-enter workforce
- Enquiries and promotion are a year round activity and the Association Executive Officer assumes the role when co-ordinator leaves
- Would be healthy to continue relationship building and maintenance between this industry and Government Departments
- HBFA provides a constant year round point of reference via the Executive Officer

Summary

- This year we managed to scrape through
- Overall there was a slight deficit of supply of workers to fulfil the demand
- Early pressures applied to pricing by rash media statements claiming 'labour crisis' sorted themselves out as the season progressed
- The new Holidays Act has implications on industry employers which the Association and NZ Fruitgrowers Federation are currently addressing
- A substantial drop off in available workers occurred following Easter weekend. Employees were notably in short supply
- Uptake of work permits has risen considerably with 161 issued 2002-2003 season. This year 550 permits were issued via this office
- A break between the Royal Gala and Braeburn harvest of around three weeks saw lots of staff looking for fill in work and shopping around to see what other employers were paying
- Accommodation shortages from Jan to end of March
- ERS were very effective with resolution of complaints
- IRD actively interested in pursuing non complying contractors
- Border Investigations still finding illegals

Planning for next Season

Although we are getting much better at tackling seasonal labour, there are issues which still need to be addressed:

Industry Profile

This is a long term ongoing goal. Changing image is a slow process. Continuing to feed the media with positive news i.e. successful cadets, good outcomes, promoting what we are doing and achieving. Links to other websites need to be developed and the proposed new harvest trails website should assist with this. Initiatives NZ Fruitgrowers Federation promotion of careers in Horticulture, and Pipfruit NZ's IFP programme for schools will assist along these lines as well. Gaining access to the Australian markets would be a huge and positive boost to this industry's image through positive media.

National Seasonal Work Co-ordinators

Would like to see all seasonal work co-ordinators get together to discuss their regional issues and to draw up a time line for all of their labour requirements, crops produced. Would also like to see other industries such as Ski fields, tourism operators add their requirements and time lines.

Local Seasonal Work Co-ordinator

Retain the service from the HBFA offices and extend hours of operation over the Feb to end April to accommodate the growing number of visitors to the office. It is my belief that it is beneficial to employ an independent person for this role for the reasons stated earlier.

Work permits

Retain Seasonal work permit process

It has been suggested that there may be an opportunity to make some changes to the working holiday scheme to enable seasonal work to be a better fit. In my opinion they would operate like a ski pass which limits the user to certain pathways and would be ideally be available for 6 – 9 month periods. Six months would cover Apple harvest till the end of Kiwifruit/Citrus harvest (Feb- July). Nine months would enable a keen worker to start the thinning season in November and work right through until the end of the Kiwifruit/Citrus harvest season (Nov – July). It is debatable whether the people up taking this scheme should have the right to reapply the following year.

Capturing workers before the baddies do

Find a way to get advertising distributed around Auckland backpacker hostels.

Attracting the sheer volume of people required

We need to be able to promote working in the seasonal labour industry in New Zealand to overseas workers who are prepared to complete the work and then leave.

Threats

EU – with the opening up of borders and ability for Europeans to work right across Europe many may be put off spending \$2000 to come to New Zealand to work. We may possibly in future see less people arriving from the Czech Republic and other eastern European countries to work.

Illegals It is still very apparent there are an unquantified amount of illegal workers throughout the horticulture industry. The largest concern is that many of these workers are residing in New Zealand illegally. The industry is prepared to assist immigration with removal of these workers but must have a legal alternative source of labour to replace them.

Corrupt practices non payment of taxes and non compliance. This industry is committed to cleaning up this area. We will continue to work closely with Government Departments and the Contractors Association to achieve this.

Appendix 7: Perspective of the HBFA, June 2004

Hawke's Bay Fruitgrowers Association

The Issues:

Seasonal Labour Shortages

Work and income registers are at an all time low and look set to continue trending downward. Less New Zealanders are available to fill the positions available which we believe peak at around the 16,000 figure in February. Many of the seasonal labour positions are low skill based jobs involving sometimes heavy and repetitive work. For those who fill seasonal positions and work for piece rates there is good opportunity to gather excellent remuneration for their efforts. This could possibly explain the incentive for keen but illegal overseas workers to come for the harvest in Hawke's Bay.

Last season Hawke's Bay scraped through with just enough people to harvest. This was achieved through co-operation, staff sharing and employment of contractors. The horticulture industry as a whole, is expected to expand by around 20% over the next four years, particularly with large areas of grapes coming into production. This will mean increased pressure on seasonal staffing with all sectors including tourism drawing from the same labour pool.

Skilled labour shortages

As with many other industries during the economic down turn many employers did not train apprentices. In orcharding there is a large gap in the skilled employee area due to the lack of trainees in the industry over this period. Corporatisation of Horticulture means that there are less owner growers and corporations are seeking skilled managers and forepersons for properties. It is vital to attract locals with a commitment to the industry and offer them clear career paths for the future security of both employer and employee.

What Hawke's Bay Fruitgrowers Association is doing to help its member growers address the issues

Seasonal Labour

Close Liaison with WINZ – we believe in the philosophy of employ New Zealanders first, around 50% of visitors to this office are New Zealanders

Close Liaison with Immigration – act as an agent collecting and assisting with preparation of applications for seasonal work permits. 570 permits processed though HBFA. We keep

our ears open and openly assist Immigration when we have information on illegal practitioners

Promotion

- Posters & brochures distributed around New Zealand with accommodation providers and in tourist centres.
- Website www.hbruitgrowers giving industry info and job availability
- Radio Advertising
- Links with local media
- Brochures at overseas consulates to target reciprocal working holiday scheme
- Dispute resolution and complaints, working closely with ERS when complaints are fielded. ERS have been instrumental in resolving most complaints forwarded to them via this office.
- Seasonal Labour Co-ordinator 50% WINZ 50% HBFA contribution. Enables office to assist with all worker enquiries and referrals to employers. Assists with Immigration applications. Keeps visitor and employer statistics. Offers information on pay and conditions. Liases with WINZ, Immigration, Accommodation providers, Tourist Agencies. Service has been running for four years.
- Working with Harvest trail team
- Conducting Labour and conditions survey Hawke's Bay, possibility of extending to New Zealand wide through co-operation

Skilled Labour

HBFA introduced the Cadet training scheme in 2000. The first seven cadets graduated last year. Currently around 50 cadets in training. We now have good numbers and are focusing on quality cadets. Cadet programme contracted to EIT.

HBFA Charitable trust scholarships for people domiciled in Hawke's Bay undertaking training at recognised tertiary education providers in Horticulture

Working on Gap year proposal to give top science students overview of industry by working in all aspects of the industry over a period of 10 months

WINZ, HITO and HBFA working together through industry Training and Education specialist Norm Miller who co-ordinates cadets, assists new contractors, promotes training and education

Conducting Labour and conditions survey Hawke's Bay, possibility of extending to New Zealand wide through co-operation

SWOT – Seasonal Labour

Strengths

- Seasonal Co-ordinator working effectively, much positive feedback received from employers and growers
- Very low rate (less than 1%) of Seasonal work permit applications held up due to incomplete details
- Strong relationships with Government Departments
- Becoming ‘known’ in backpacker circles as a good service
- Trusted service when workers complain
- Good year round staff resource remaining when seasonal employment finished
- Strong Industry knowledge base in office

Weaknesses

- Accommodation shortages
- Lack of close communication with other regions
- Limited hours of operation
- Amount of time spent with each individual – particularly filling out work permit applications, anywhere from 10 mins to ½ an hour
- Overseas visitors believe the IRD number entitles them to work
- If work permit obtained in other region it is non transferable

Opportunities

- To simplify work permit applications
- Information translations in commonly used other languages
- Overlay of Work permit application in other language
- Extend Seasonal Employment co-ordinators hours
- Harvest trail website HB joint initiative with WINZ, District Councils, NZFF, HBFA, HB Tourism
- Better links with other regions – one point of contact
- To implement seasonal work pass – New Zealand enabling visitors from low risk countries to move around work in specific areas over a specified period of time
- Information gathering 1. Office statistics 2. Labour & conditions of employment survey

Threats to availability of seasonal labour 2004-05

- There are simply just not enough New Zealanders available to fill positions
- Uncertainty of availability of seasonal work permits

- EU – Many excellent workers from Czech Republic and Hungary may not wish to travel as far as New Zealand to work to earn travel \$\$ now that these countries will be entering the EU and freely able to work in other countries in Europe
- Illegals – People not legally resident in New Zealand and working illegally. Living and working in poor conditions and most often associated with “dodgy” contractors. The door is open wide to this highly effective but often mal treated labour source. The overall impact is that New Zealand loses out due to non complying contractors and the negative effects on industry image continue to deal blows to the hard work being done to restore a good industry image.
- Corrupt practices, non payment of taxes and non compliance. This industry is committed to cleaning up this area. We will continue to work closely with Government Departments and the Contractors Association to achieve this.
- Public Holidays will continue to be a cause of concern where casual seasonal staff are employed. 70% of public holidays occur over the seasonal employment period where the industry employs around 700% more staff.
- Last year, the movie Lord of the rings attracted many travellers to New Zealand what will be their enticement this year?

SWOT - Skilled Labour

Strengths

- Cadet scheme now in its 4th year with good number of students, now focussing on quality
- Schools being targeted through promotion and industry tours for HODs and top pupils
- Lifestyle choice
- Varied occupation – ‘beats sitting at a desk all day’
- Enables you to maintain/build personal fitness

Weaknesses

- Industry Image
- Preference of suitable contenders toward more ‘sexy’ industries
- Large base of potential employees just physically not up to the work

Opportunities

- Promote achievers
- Promote healthy outdoors lifestyle choice
- More women are moving into the industry
- Labour & conditions survey (current project)

Threats

- Decreasing export returns – many factors contribute to this such as high dollar, poor investment in new technologies, slow development of new varieties, industry not yet settled after deregulation, too many marketers for the size of the export crop.
- Compliance liabilities and over regulation
- Cheap competitors
- Lack of recognition of cultural significance of horticulture to region and country

Appendix 8: 2004 Economic Impact Study on Hawke's Bay and Its Seasonal Labour Dependency, August 2004

Profile Of The Hawke's Bay Horticultural Sector

Introduction

This report provides a brief profile of the Hawke's Bay horticultural sector and its contribution to the regional economy.

The range of horticultural activity covered in the analysis includes fruit-growing, grape-growing, vegetable-growing, the processing of commodities from these industries and the provision of specialist services to the sector.

The specific information and statistical data sources for the report are identified in the main body of the report. In broad terms, the main information sources are Statistics New Zealand and the Ministry of Agriculture and Forestry.

Regional Land Use Activity

The Hawke's Bay region is a key component of the national horticultural sector.

According to the results of the Statistics New Zealand 2003 national Agricultural Survey, the region has the leading land area in horticultural production in New Zealand, at some 20,428 hectares or 17% of the national total.

At the same time, the region accounted for 84% of the North Island land area in apple production and 53% of the national area in apple production, and 22% of the national area devoted to grape-growing. It also accounted for 17% of the national land area in onion/potato/squash production and was the leading region in the country for squash production.

Last year, horticulture and grain/seed/fodder cropping together constituted some 5% of the total agricultural land-use area in Hawke's Bay. Pastoral grazing land accounted for the remainder.

Production

The horticultural sector is also an important element of the Hawke's Bay industry production base.

A 2003 year input-output model of the Hawke's Bay economy, prepared by Dr Warren Hughes, Economic Impact specialist at the University of Waikato, indicates that the total annual value of sales generated by the regional horticultural growing sector, is currently in the order of \$290 million. This represents 16% of the total value of all sales from the primary producing sector in the region. In GDP (Gross Domestic Product) terms, the sector accounts for some \$132 million or 22% of total regional primary sector GDP.

The model indicates that the total value of direct exports generated by the sector from Hawke's Bay to the rest of New Zealand and overseas (that is, domestic plus international exports) amounts to some \$182 million, 45% of all primary sector direct exports from the region.

The total value of sales made by the fruit and vegetable processing industry (including wine) in Hawke's Bay over the 2002/03 year, amounted to \$1138 million, representing 40% of total sales made during the period by the regional food and beverage processing sector. At the same time, the GDP contribution of the industry to the Hawke's Bay food/beverage processing sector was \$303 million or 41%. Exports of the fruit and vegetable processing industry in the region totalled \$958 million over the year, 40% of the total value of exports of the food and beverage processing sector.

Thus, the regional Gross Sales, GDP and Export contributions of the total horticultural sector in Hawke's Bay are as follows:

- Gross Sales-31% of total primary production/processing gross sales and 11% of total all-industry gross sales by the region
- GDP-30% of total primary production/processing GDP and 8% of total regional GDP (this excludes the GDP impact of other manufacturing and service industries closely linked to the horticulture production and processing sector, which is likely to increase these two ratios significantly)
- Exports-40% of total primary production/processing exports and 20% of total all-industry exports from Hawke's Bay. The region also accounts for over half of the value of New Zealand's apple exports

The leading individual industries within the Hawke's Bay horticultural production and processing sector are fruit and vegetable processing (51% of sector gross sales), wine processing (30%) and pip-fruit growing (12%). Fruit/vegetable processing accounts for 52% of the sector's exports, wine production (32%) and apples (15%).

With respect to the Hawke's Bay wine industry, the region accounted for nearly 20% this year of the national grape vintage. New Zealand Winegrowers organization projections are for the total producing vineyard area to increase from 4150 hectares in 2004 to 4682 in

2006, an increase of 13%. This trend will have significant workforce implications, in relation to grape-growing, wine production and related tourism in the region.

Employment

The horticultural sector is also an important component of the Hawke's Bay employment base.

In 2002/03, the regional horticultural sector employed a total of 6731 fulltime equivalent workers, representing 35% of total primary production and processing employment in the region and 10% of total all-industry employment in Hawke's Bay.

The workforce totals for the year, for the individual horticultural sector activities in the region, were pip-fruit production (2884), other fruit (627), vegetable-growing (800), fruit and vegetable processing (1880) and beverage/wine processing (540).

The horticultural industry in Hawke's Bay is heavily dependent on a strong seasonal workforce for the harvesting, distribution and processing of its production. Seasonal work begins in November each year, peaks in the following February/March period and then continues at a lower level over the April/May period. During the height of the apple-picking period, an estimated 10,000-15,000 work positions are available to be filled. In recent years, with the considerable decline in regional unemployment, growth in competing hospitality services and tourism, and significant increase in horticultural plantings in the area, it has become increasingly difficult to meet the seasonal horticultural employment demand, from within the Hawke's Bay region. Consequently, resort has had to be made to attracting and employing people from outside the region, including migrant labour from overseas. Barring any major climatic or overseas market adversities, these seasonal labour difficulties facing the horticultural sector are forecast to continue, in the foreseeable future. Unless action is urgently taken to address the difficulties, the economic contribution of the sector to the region and also to the country will be significantly impaired.

Port Of Napier

The Port of Napier is a key element of the support infrastructure for the successful operation of the Hawke's Bay horticultural sector and provides the main conduit for the international export of the sector's production. For the Port's 2001/02 financial year, the processed food and fresh produce sectors, of which the horticultural industry and its production is a major component, accounted for over 20% of the total volume of exports handled by the facility.

Aside from the Port, there is a wide range of other business enterprises in the region that have important linkages to the horticultural sector. These include various agricultural services, specialist manufacturing equipment suppliers, building and facility construction, retailers and wholesalers providing supplies to the sector, accommodation outlets, financial institutions and rural consultancies.

Tourism Sector

The horticultural industry also makes an important contribution to the Hawke's Bay tourism industry. This is particularly felt through food and wine based tourism to the region. These are the critical elements in the branding and external promotion of the regional tourism sector. The brand by-line for the region is 'Hawke's Bay Food and Wine Country'. General winery based tourism and specific food and wine industry related events are key elements of tourism activity in Hawke's Bay and have been increasing significantly over the past five years.

Sean Bevin
Consulting Economic Analyst
Economic Solutions Ltd
Napier

26 August 2004

Appendix 9: Perspective of the NZFF Director, August 2004

Hawke's Bay overview of the labour situation for its horticulture 2004

The keywords for providing solutions to the labour shortage for horticulture that I have experienced are attraction and retention.

Putting seasonal labour into context

It is acknowledged and accepted that where skill/labour shortages are identified within a particular industry in a particular geographical region, that both the industry involved and the New Zealand Government have a responsibility and must play key roles in addressing and solving those labour shortages wherever possible.

Industry

Industry must actively plan to meet any forecasted labour shortage and must ensure that active recruitment systems and options are explored and put in place to ensure that staff can be both recruited and retained into the industry workforce. Wages and conditions of employment coupled with availability of provision of staff training will of course play a major role in this. Industry must be seen to be helping itself.

In Hawke's Bay anyway, horticultural representatives have spent much resource on recruitment and retention initiatives, like resurrection of the industry apprentice scheme, scholarships and bursaries and GAP initiatives. For seasonal needs the establishment of the seasonal work coordinator in 2001 and the HBFA office becoming a central hub for seasonal work activity since 2002 has been a success story in itself. Visitors to the office by nationality for 2004 was as follows: Total Recorded = 804, New Zealander = 340 Other = 464. (A recorded "visit" was made up of 1 individual or a group, so the total number of people was likely much higher than 804). This point highlights how much we depend on local labour and how important that pool is to Hawke's Bay Horticulture.

The HBFA and NZFF has taken steps to print information leaflets promoting the region, enhancing its own website facility, and highlighted seasonal work opportunities through radio and newspapers, leaflets, notices and fliers. And all those initiatives are working. Specific information have in turn be sent to a number of NZ Overseas High Commissions and Embassy who administer the various WHSs, although authorities are unable to be

assured that holders of work permits issued under the WHS will in fact come to Hawke's Bay to take up employment opportunities available during the harvesting season.

Government

For their part the whole of Government is responsible for providing a number of possible interventions that will assist in meeting/alleviating labour/skill shortages. Whether it be by encouraging an increase in productivity or providing options for training and up-skilling of people already available within the workforce or encouraging new people into the workforce within a particular industry. That could include the facilitation of workers from overseas. Maximising local labour availability is of course the 1st priority and can include looking at options to attract and recruit labour from non traditional sources but when those resources have been exhausted the Industry has looked to the issuing of restricted seasonal work permits to those persons already lawfully visiting New Zealand.

In 2004 the seasonal work coordinators worked well with NZIS and nearly 800 work permits were issued to help with the seasonal demand, and nearly 600 via the HBFA office alone. In past years the number has never exceeded 200.

Maximising the opportunities under current Working Holiday Schemes has been something that has been raised with the Hawke's Bay Horticultural Industry in recent times by the NZIS and some success has been achieved in this area during the past year In 2004 the Hawke's Bay seasonal work coordinator kept records about approaches from people who were seeking work permits. Most permit applicants originate from 1. Czech Republic, 2. Malaysia, 3. Brazil, 4. UK.

Assessing the Labour situation in Hawke's Bay

This is a problem as there is a lack of hard information however there is a mass of snippets which when put together give a clear picture of labour supply difficulties. The problem is that we have been predicting this for years and so far we do not have reliable information of incidents where cafe's have had to close, crops remain un-harvested etc to clearly demonstrate labour shortages. In too many instances apparent labour shortages can be attributed to the pay and conditions being offered by employers sometimes in contravention of minimum rates of pay etc. sometimes the climate allows more time for crops to be harvested. And year after year the region just 'scrapes' through.

WINZ East coast unemployment register is tracking consistently at a level 2000 less than the track for 2003 and 2003 in turn is substantially less than 2002. For example the register this May was 2471 for the entire East Coast Region and comparable figures for May 2003 were 4535. Adjacent regions are in the same position ie there is not idle labour

sitting in large numbers that can be bussed in for seasonal work. At August the numbers fell even further to around 1000.

Regional economic growth and job growth are still positive and so we can expect unemployment to continue to fall over the foreseeable future [possibly the next 6 to 9 months

Labour demand is growing due to the growth in tourism and the expansion of the acreage of fruit, vegetables and grapes under cultivation. The gap between supply and demand can be expected to increase but may in part be offset by technology improvements.

The issue is that the region has little control or influence over the supply. There is little coordination and we are all vulnerable to events in Auckland, incidents such as SARS, immigration service proactivity etc. Irrespective of how you do the estimates there is a tight labour market and anything that can be done to make supply more manageable should be done.

There is a seasonal shortage of labour in both the horticultural and tourism sectors in Hawke's Bay, particularly during February to April each year.

Hawke's Bay Horticulture industry seasonal labour shortage in summary

Studies undertaken by the Hawke's Bay Horticultural industry in 1998 and in 2003 show that peak demands in February and again in March of any year have continued to rise and are currently at 15,000 job vacancies. The regions horticultural sector is growing at are of 5 –15% per year in terms of land use and productivity, wine production making up the bulk of the growth. The market demands for quality and delivery to ever increasing specifications continue to grow which really helps make the labour peaks steeper each season.

Hawke's Bay tourism industry seasonal labour shortage and visitor role in summary

The trend for visitors to our region is consistently increasing from October to February when it peaks - this trend continues to rise every year (average increase for the last four years is 6.5% total visitor numbers). The prediction is for this to continue which will increase the problems of finding seasonal workers in our busiest time.

Suggestions as solutions

The seasonal labour issues will remain as major challenges for some time to come. The Hawke's Bay horticultural industry stance can be summarised as this: New Zealanders first (so long as they are keen and reliable), then look at other labour sourcing options. In

conjunction with this point the industry needs to promote itself as a vital and interesting employer.

Unemployment figures continue to fall while the horticultural demand for labour rises. Rather than flinging the gates open and just allow widespread immigration to solve the immediate problem of shortages, some of the existing resources that Government has already in place could be refined and made a little better for 2005 needs.

The following are national solutions for a national problem.

Making the working holiday scheme more interactive.

We understand that of the 18+ various countries involved in the reciprocal Working Holiday Scheme (WHS) currently in operation some are under subscribed each year while others are oversubscribed. While we understand that those on WHS are not permitted to work for any one employer for more than 3 months at any time, we believe that the ability to enforce this requirement by the NZIS is simply not possible. We wish to explore the option of looking at either re-spreading the existing maximum number of 31,000 participants under current WHSs or introducing new schemes with countries whose nationals have in the past taken advantage of the seasonal work permits issued. These countries are primarily the Czech Republic, Brazil and Malaysia.

The Malaysia WHS has by way of example a maximum number of 100 participants each year and we understand that Malaysians are one of a number of very restricted countries who can apply to be included under the WHS from within New Zealand. We are aware that during the past season a number of Malaysians were issued with work permits under the Malaysian WHS from within New Zealand. In addition we also understand that in generally speaking nationals from the Czech Republic tend to leave New Zealand when required to do so and do not remain here unlawfully. To that end we wish to raise with the New Zealand Government exploring the following options:

Look at re-spreading the total number of places currently available under the various WHSs in operation and increasing the maximum numbers for some specific participating countries (in particular Malaysia).

Look into introducing a WHS with a number of additional countries where traditionally seasonal workers originate from (eg, Brazil & the Czech Republic.)

Look into introducing a WHS that is open to various nationalities but specifically restricts work within the various horticultural sectors across New Zealand that experience labour shortages during peak harvesting times.

In summary the working holiday scheme needs to be examined. The above points are suggesting to either refine, or either/and added to, and/or ideally become an umbrella where a seasonal work scheme sits within it. The latter is preferred with additional low risk countries such as the Czech republic and Brazil added to the WHS.

A seasonal work circuit – a “harvest trail”

Existing labour resources need to be better utilised.

Industries requiring seasonal and skilled labour have to offer more consistency of work and have to retain staff. Any initiatives that produce those effects are worth pursuing.

The creation of a " NZ harvest trail" on a nationwide basis would be a useful tool – a seasonal labour track around the country. At this stage I believe we should focus on an initial regional model that can then be applied elsewhere – and adapted and improved to meet different contexts. Generally speaking Kiwis don't mind travelling, but often worry about details like accommodation, etc when they get there. Visitors to New Zealand often like to be far more organised. Many people - locals and immigrants, backpackers and casual people are quite happy to work hard for 6-8 months a year followed by a decent break. In the Hawke's Bay seasonal demands in horticulture do coincide with regional tourism demands, so it makes sense to work in tandem to promote a coordinated approach to staffing respective industries.

A group of Hawke's Bay industry entities and government agencies wish to develop a “Harvest Trail” which will attract back-packers and other seasonal tourist workers to the Hawke's Bay region for employment during peak seasonal periods.

Australia are already successfully undertaking this activity of harvest trails and job circuits. Australian Harvest Trials recommend places to stay (but don't offer accommodation) and only coordinates jobs in different sectors.

Australian companies are also preparing to fly into that country directly from countries like England, visitors and backpackers from the same countries that would hope to attract. In short the very same pool we want are being targeted at source. The Australians are offering a one-stop-shop in flights, accommodation, permits, and work within ‘Queensland’ initially later in 2004.

This proposal is a proactive step to address serious labour shortages experienced by two major local industries that contribute to both the region and to the country.

Planning for next Season - key issues

The messages inside the HBFA 2004 harvest season labour final report do not need to be repeated here but are supported by this overview. The main items that were highlighted in that report for redress are added into the list below....

As stated at beginning the keywords are attraction and retention.

Industry Profile

This is a long term ongoing goal. Changing image is a slow process. Continuing to feed the media with positive news i.e. successful cadets, good outcomes, promoting what we are doing and achieving. Links to other websites need to be developed and the proposed new harvest trails website should assist with this. Initiatives like NZ Fruitgrowers Federation promotion of careers in Horticulture, and Pipfruit NZ's IFP programme for schools will assist along these lines as well.

National Seasonal Work Co-ordinators

A network must be established nationally

Local Seasonal Work Co-ordinator

Essential service that must be continued in regions.

Work permits

Retain Seasonal work permit process. It has been suggested that there may be an opportunity to make some changes to the working holiday scheme to enable seasonal work to be a better fit. In my opinion they would operate like a "ski pass"/"WOF" type document which limits the user to certain pathways and would be ideally be available for 6 – 9 month periods. Six months would cover Apple harvest till the end of Kiwifruit/Citrus harvest (Feb- July). Nine months would enable a keen worker to start the thinning season in November and work right through until the end of the Kiwifruit/Citrus harvest season (Nov – July). It is debatable whether the people up taking this scheme should have the right to reapply the following year.

NZIS and Hawke's Bay

NZIS should establish an office in Hawke's Bay to assist with immigration related issues. It would be helpful to end users if the NZIS were able to publish a concise booklet outlining an explanation of terms, requirements and regulations relating to horticulture.

Capturing workers before the baddies do

Find a way to get advertising distributed around backpacker hostels.

Attracting the sheer volume of people required

We need to be able to promote working in the seasonal labour industry in New Zealand to overseas workers who are prepared to complete the work and then leave.

EU – with the opening up of borders and ability for Europeans to work right across Europe many may be put off spending \$2000 to come to New Zealand to work. We may possibly in future see less people arriving from the Czech Republic and other eastern European countries to work.

Illegals - It is still very apparent there are an unquantified amount of illegal workers throughout the horticulture industry. The largest concern is that many of these workers are residing in New Zealand Illegally. The industry is prepared to assist immigration with removal of these workers but must have a legal alternative source of labour to replace them. Existing schemes like the WHS maybe able to be re-examined that may lead to actually help some “illegals” become legal.

Corrupt practices- non payment of taxes and non compliance. This industry is committed to cleaning up this area. We will continue to work closely with Government Departments and the Contractors Association to achieve this.

Skills recognition and working away at retention

People want to work within our industry not just for the money but for recognition as well. To help retain staff and to recognise the skills acquired while working within the industry, particularly during the season, then record of learning and more recognition at NZQA level needs to be examined. Note that recently horticulture has been dropped as a yr 13 subject for scholarship awards, and that is detracting from attracting some school leavers from the industry so the matter of recognition is wider than just seasonal and permanent horticultural staff.

Secondary Taxation

Why is there a secondary tax for a salary base up to \$38,000? Why should an individual get penalised for taking on extra work? Does it really matter if a person needs 1 job to reach that level of remuneration or 3 jobs? This area is important to look at particularly when

people on DPB and other income streams are being targeted as potential workers within horticulture.

Data collection

It's very important that to go forward, appropriate data is collected. I suggest that thought applied to standardisation of this data is addressed. The seasonal coordinator in every region plays an important role with data collection and should be linked to initiatives such as the Ag/Hort capabilities study.

Although we are getting much better at tackling seasonal labour, there are issues which still need to be addressed. The key is to start early.

For any enquiries:

Ru Collin (NZFF), rakaunui@stra.co.nz, August 2004

References

2003 Hawke's Bay labour survey

2004 Hawke's Bay Fruitgrowers Association seasonal debrief

East coast Regional commissioner summary of labour year to date, August 2004

Notes from proposed harvest trail meetings

Appendix 10: 2004 Speech by Paul Swain at the Horticultural Labour Summit for New Zealand, late Aug 04

SPEECH NOTES FOR HON PAUL SWAIN FOR SEASONAL MEETING WITH HORTICULTURE INDUSTRY

Level 3, Auditorium, Ministry of Social Development, Bowen State Building, Bowen Street, Wellington

Tuesday, 24 August, 9am – 3pm.

Background

The Ministry of Social Development (Work and Income) has organised a ‘seasonal meeting’ with key players in the horticulture industry.

The purpose of the meeting is to bring industry and government together to discuss appropriate responses to the industry’s seasonal labour shortages.

A planning workshop will be held in the afternoon to discuss the upcoming season (around November onwards). This will include operational requirements and the use of temporary migrant workers.

This will be followed by discussion on longer-term requirements over the next 3 – 5 years, including workforce requirements and planning for industry and workforce development.

Key Messages

- Shared role for government and industry
- Both the government and industry have a role in solving seasonal labour shortages.
- Industry must share responsibility for their labour needs and actively plan for the future. They have a significant role to play in worker recruitment and retention through terms and conditions, wages, staff training, and the identification of career paths within their industry.
- The key role for the government is helping to get the mix of interventions right (i.e. increasing participation, increasing productivity, helping to upskill New Zealanders, facilitating overseas labour where appropriate) and assisting industry responses.
- Need to be clear why labour shortages are occurring

- It is important to be clear about the reason why a labour shortage has occurred in the first place before considering appropriate responses. In particular, whether there is an absolute labour shortage or whether shortages are occurring as a result of recruitment difficulties.
- Recruitment difficulties can occur for various reasons such as lack of accommodation, lack of transport, low wages, poor work conditions, remote location, and the seasonal nature of the work means that it may be difficult for people to make a career in seasonal employment.
- Where shortages are due to recruitment difficulties, immigration responses are generally not appropriate. Immigration does not address the underlying problems identified above and there is a risk of exploitation of migrant workers who may be willing to accept sub-optimal working conditions.

Range of responses

Solutions need to be put in place that improve labour market information and assist employers to make necessary adjustments (such as offering more attractive or competitive wages and conditions, meeting accommodation, transport or childcare needs).

Priority on local labour

It is important to strike an appropriate balance between jobs for New Zealanders on the one hand and facilitating labour market opportunities for overseas workers on the other.

The government's priority is increasing the participation of New Zealanders in the workforce and preventing the displacement of any job or training opportunities for New Zealanders.

This means maximising the use of local labour including registered job seekers, beneficiaries, and encouraging employers to consider non-traditional sources of labour.

These include the employment of migrants and refugees already living in New Zealand, women, different ethnic groups, people with disabilities, and older workers. These employment options need to be considered ahead of using overseas labour.

Role of Immigration

- Immigration is a secondary lever that can form part of the mix of responses to New Zealand's labour shortages.
- A range of mechanisms can be used to facilitate temporary overseas workers to fill skill and labour shortages, such as:

- Working holiday schemes (WHSs) - there are currently 21 schemes with various countries. Places available have increased to 31,000 in 2004/05 (with a maximum of 40,000 available from 2006/07).
- Improved joint marketing initiatives between Industry, Tourism, the Ministry of Foreign Affairs and Trade and the DoL are expected to increase the uptake of WHS places and facilitate workers into industries experiencing shortages.
- Variation of conditions for onshore visitors – Where Work and Income Regional Commissioners confirm that there are no New Zealanders available, the DoL (Immigration Service) can vary visitor permit conditions to enable visitors to work. During peak seasonal shortages, this process can be fast-tracked in 48 hours.
- During the 2004 seasonal period, over 2,000 work permits were issued to visitors for work in the horticulture industry.
- Recruitment offshore – The government may consider granting employers approval in principle to recruit offshore where they are experiencing absolute shortages of labour. This would need to be considered within the context of a strategic approach to seasonal shortages, as outlined below.

Future Direction: Seasonal Labour Strategy

A strategic, generic approach is required to seasonal labour shortages rather than continuing to respond in an ad hoc manner. Both short and longer-term responses need to support sustainable industry and regional development.

These responses should be aligned so that short-term immigration responses are made available only where they form part of longer-term strategies such as skill development and improved productivity.

The government is considering a seasonal strategy that could consist of the following three key stages:

Stage One: (Short-term: 2004/05)

This could involve a high level of government intervention to increase labour market participation in order to meet industry demand for labour by:

- maximising the use of local labour, and
- using immigration responses where no suitable New Zealanders were available (where industry has committed to planning for its future labour needs, and using good employer and recruitment practices)

Specific immigration initiatives that could be used to respond to seasonal shortages in 2004/05 include:

- increased marketing of WHSs

- continuing to vary visitor permit conditions onshore
- establishing mobile field workers to provide targeted immigration services in the regions alongside MSD seasonal coordinators (particularly where there are no physical immigration branches), and
- granting approval in principle to recruit offshore where good recruitment and employer practices were in place (details outlined further below).

Stage Two: (Medium-term: 2005/06 – 2007/08)

This could involve industry and government working more closely together to meet labour needs with:

- industry being required to demonstrate steps taken towards planning for their workforce development and employers continuing to show good employer and recruitment practices, and
- a stronger compliance focus before immigration responses are made available

Stage Three: (Longer-term: 2008/09 onwards)

This could continue to build on the above, with a high level of industry / regional responses to seasonal labour requirements that includes:

- active participation in industry / regional development planning
- engagement by industry in workforce skill development
- increased technology to increase productivity where possible, and
- immigration responses available where appropriate.

Principles for using Overseas Labour

The objective of a carefully managed immigration response would be to:

- facilitate a more efficient labour market where there are clear roles for both industry and the government, and any risks are effectively managed, and
- to reduce the use of unlawful labour over the medium to longer-term.

This would require some firm principles / criteria in place such as:

- labour market test undertaken
- good recruitment practices
- good employer practices, and
- industry and workforce development planning.

Recruitment practices

Good recruitment practices include:

- attempts to recruit locally
- engagement with Work and Income
- accommodation and transport issues considered / addressed
- use of lawful labour and
- use of credible agents.

Employer practices

Good employer practices include:

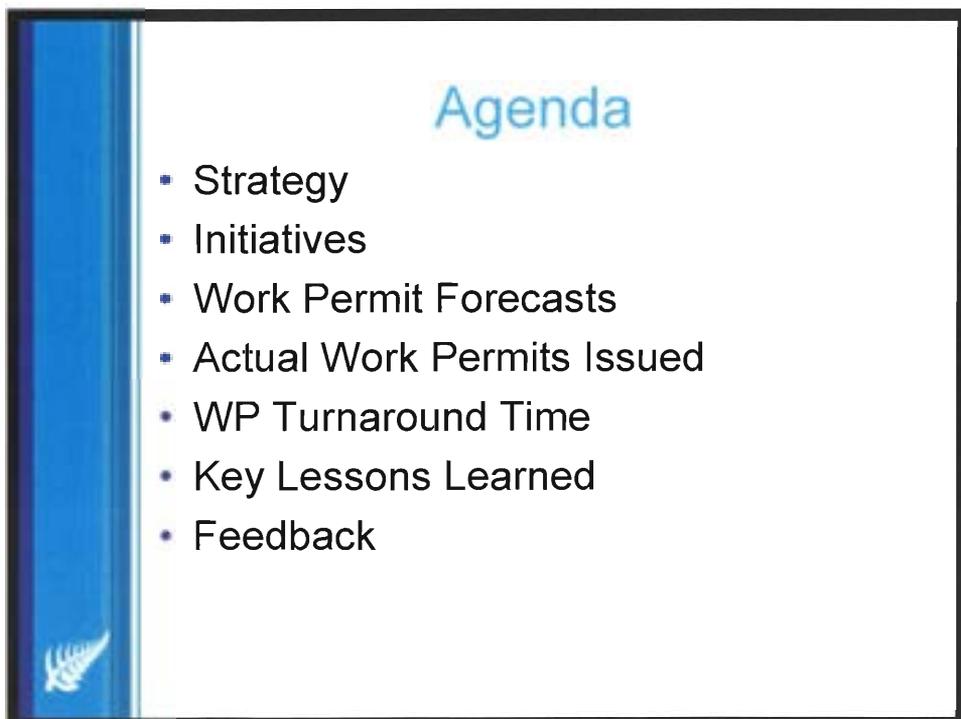
- health and safety compliance
- market level pay and conditions, and
- tax / ACC compliance.

Industry and workforce development planning

Short term government responses should be contingent on industry and regional stakeholders accepting that they have a vital role to play in addressing skill and labour shortages in their industry or region. This could include:

- active participation in industry or regional development
- the involvement by firms in the industry or region in productivity improvement activities, and
- engagement by the industry or region in workforce skill development, in partnership with relevant ITOs and tertiary education providers.

Appendix 11: National Seasonal Labour Review – Horticultural Industry, August 2004



Strategy

Department of Labour (Immigration Service) strategy for the last season:

1. Work collaboratively with WINZ and Key Industry stakeholders (NZFF/VegFed/NZKGI) to identify the seasonal labour requirements
2. Work Permits to be issued subject to WINZ Regional Commissioners declaration re non availability of NZ labour
3. Process the Work Permits within 48 hours (Fast track system)



Initiatives

1. NZFF Seasonal Brochure Inserts supplied to overseas DOL branches for WHS applicants
2. Web link on Immigration website to NZFF Seasonal Work page
3. Fast track system allowing visitors onshore to work
4. WP & Variation of Conditions processed within 48 hours.



WHS Permit Uptake

People Approved a Working Holiday Visa Offshore by Financial Year
Report run 15 July 2004

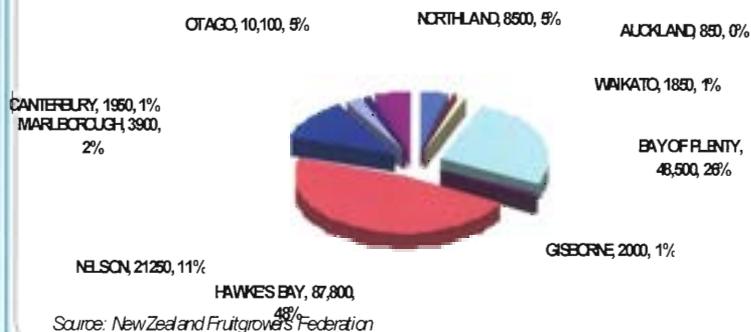
Scheme	Year Approved		
	2002/03	Arrived	% Arrived
Argentina Working Holiday Scheme	78	63	81%
Belgium			
Canada WHS	940	891	95%
Chile WHS	232	182	78%
Denmark Working Holiday Scheme	157	150	96%
French Working WHS	493	430	87%
Finland			
German WHS	1,396	1,253	90%
Hong Kong WHS	13	12	92%
Irish WHS	1,803	1,518	84%
Italian Working Holiday Scheme	164	136	83%
Japan WHS	4,185	3,878	93%
Korea/NZ Working Holiday scheme	558	356	64%
Malaysia WHS	45	42	93%
Malta WHS			
Netherlands WHS	503	466	93%
Norway			
Sweden WHS	302	282	93%
Taiwan/NZ Working Holiday Scheme			
United Kingdom WHS	9,041	8,073	89%
United States/NZ Working Holiday Scheme			
Uruguay/NZ Working Holiday Scheme			
Total	19,910	17,732	89%

Arrivals = Granted a work permit at anytime after being approved a Working Ho

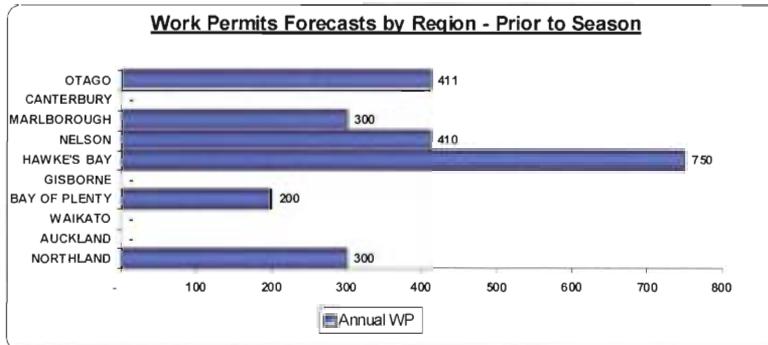
Seasonal Labour Demand

New Zealand Fruitgrowers Federation Seasonal Brochure is the only national source for Seasonal Labour Demand and inline with HBFA, NZKGI & Central Otago Survey.

Annual Seasonal Work Labour Demands

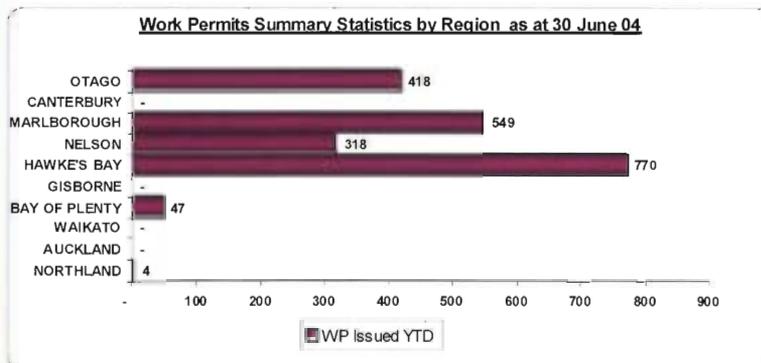


Work Permit (WP) Forecasts



- Forecast based on consultation with WINZ Regional Commissioners/Seasonal Co-ordinators/Employment Trusts/Associations and DOL (Immigration Service)
- Forecasts reviewed for Nelson, Central Otago, Marlborough & Northland

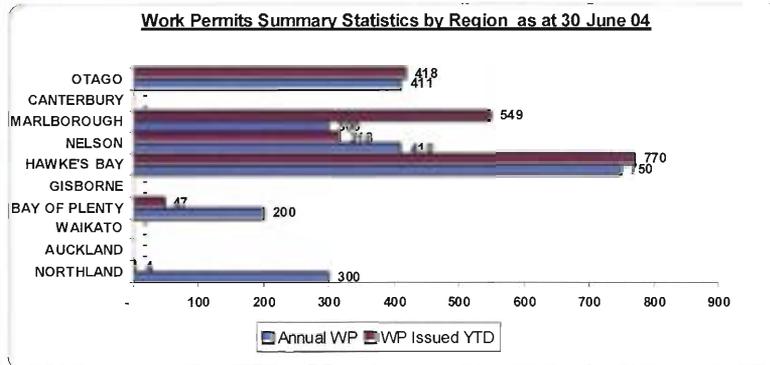
Work Permit Issued



Regional Co-ordination

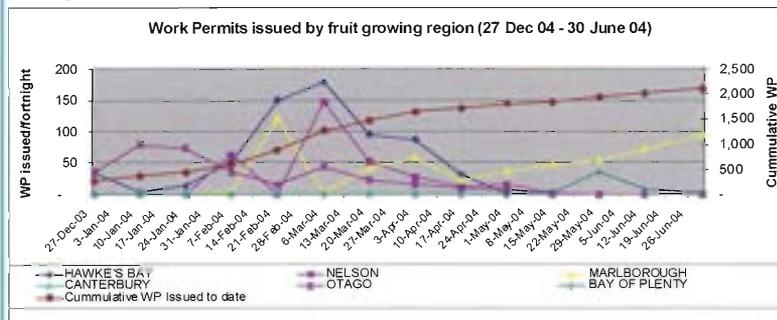
- Hawke's Bay – Hawke's Bay Fruit Association (HBFA)
- Central Otago – Central Employment Trust
- Other Region WINZ RC/Seasonal Co-ordinators/Growers

WP Forecasts vs Issued



- WP issued were approx 12% less than the forecasted figures.
- The figures may vary from number of applications processed by seasonal co-ordinators and based on feedback received from DOL branches..

WP Issued by Fortnight



The seasonal profile co-relates to the NZFF national profile on seasonal demand except for Bay of Plenty (?) & Marlborough which is predominantly viticulture.

The WP issued were monitored on a fortnightly basis to mitigate potential operational risks.

Key Lessons Learned

- **Positive Aspects**
 - Collaboration and Co-ordination between DOL & WINZ for forecasting seasonal labour demands
 - WHS applications provided with NZFF Seasonal Brochures
 - Fast track system for processing WP & VOC (for visitors onshore) within 48 hours.
 - DOL resource dedicated for processing seasonal labour WP.
 - Seasonal Co-ordinators/network useful link between Growers, WINZ & DOL.
 - More Growers approaching WINZ for seasonal labour supply.
 - Continue pre-season communication of the seasonal labour process and grower compliance responsibilities.



Key Lessons Learned

- **Potential for Improvement**
 - Strengthening relationship between DOL (Immigration) & WINZ Regional Commissioners & Industry to ensure immediate issue resolution and eliminate potential communication bottlenecks
 - Faster turn-around time for process WP/VO applications
 - Target the WHS applicants & develop 'agriventure' or work trails.
 - All WP/VOC processed within 48 hours.
 - Working with the Industry/Association/Trusts rather than individual growers
 - Find a long term option to labour solution as immigration is the last resort residual option to skilled labour shortages



Appendix 12: NZFF Seasonal Employment Brochure

SEASONAL WORK IN THE NEW ZEALAND FRUIT INDUSTRY

New Zealand Fruit Industry

The New Zealand fruit industry is a major exporter, with over 30,000 hectares (75,000 acres) in production earning New Zealand in excess of \$2 billion in export earnings in the year ended June 2003.

The major focus of the industry is the supply of kiwifruit and apples into Northern Hemisphere markets during their spring and summer. Other crops grown include avocados, summerfruit (or stonefruit), citrus, European pears, nashi, feijoas, tamarillos, persimmons and passionfruit.

LABOUR REQUIREMENTS

Every year the New Zealand fruit industry employs thousands of seasonal workers to assist with the harvesting and packing of fruit crops. Employment in the New Zealand fruit industry is available year round, however the peak requirements occur between December and May.

To take on a seasonal job within the fruit industry you will need to be fit, enthusiastic and reliable. No previous experience is required and on the job training will be provided. There is a range of jobs for young, old, skilled and unskilled people.

Many of the jobs available in the industry are outdoor based but there are also positions in packhouses grading sheds and coolstores. The important requirements are if you are keen and reliable, then horticulture can offer almost anybody something –the scope of employment are very wide.

WORK PERMITS

Visitors to New Zealand who do not hold a New Zealand Passport or a valid residence permit or any open work permit will need to apply for a Work Permit.

Visitors interested in applying for work permits should make enquiries at their New Zealand Embassy or the NZ Immigration Service. Information is available through the website www.immigration.govt.nz

CONTACTS

The contacts provided below are the best way of getting in touch with Fruitgrowers within major production regions. Some also provide accommodation.

Far North

Pukenui Holiday Park 64 9 409 8803

www.northland-camping.co.nz

Kerikeri (Northland)

Aranga Holiday Park	64 9 407 9326
Hideaway Lodge	64 9 407 9773
Honeheke Lodge	64 9 407 8170
Kericold Packhouse	64 9 407 9754

Waikato

Sundale Fruitpackers	64 7 843 4426
Glennpak	64 7 835 2907
Whitehall Fruitpackers	64 7 827 3445

Bay of Plenty

Satara	64 7 573 3400
Seeka	64 7 573 6127
EastPack	64 7 573 9309

Gisborne

Gisborne Information Centre	64 6 868 6139
Juan Ferrere	64 274 301 936 ferrereresquires@xtra.co.nz
Gisborne Youth Hostel Association	64 6 867 3269 yha.gis@clear.net.nz
Flying Nun Backpackers	64 6 868 0461

Hawke's Bay

64 6 870 8540
www.hbfruitgrowers.co.nz
Fax 64 6 870 8541E-

mailwork@hbfruitgrowers.co.nz

Nelson/Marlborough

Richard Kempthorne 64 25 223 4000

Canterbury

Linda Dawber

64 3 323 8137

lmdawber@ihug.co.nz

Bruce Tweedy

64 3 325 2208

Otago

Central Employment Trust

64 3 440 2028

www.workcentral.info

Information Centre Alexandra

64 3 448 9515

Roxburgh Information Centre

64 3 446 8715

Cromwell Information Centre

64 3 445 0212

Other Contacts

www.seasonalwork.co.nz

www.nzjobs.go.to

www.hbfruitgrowers.co.nz

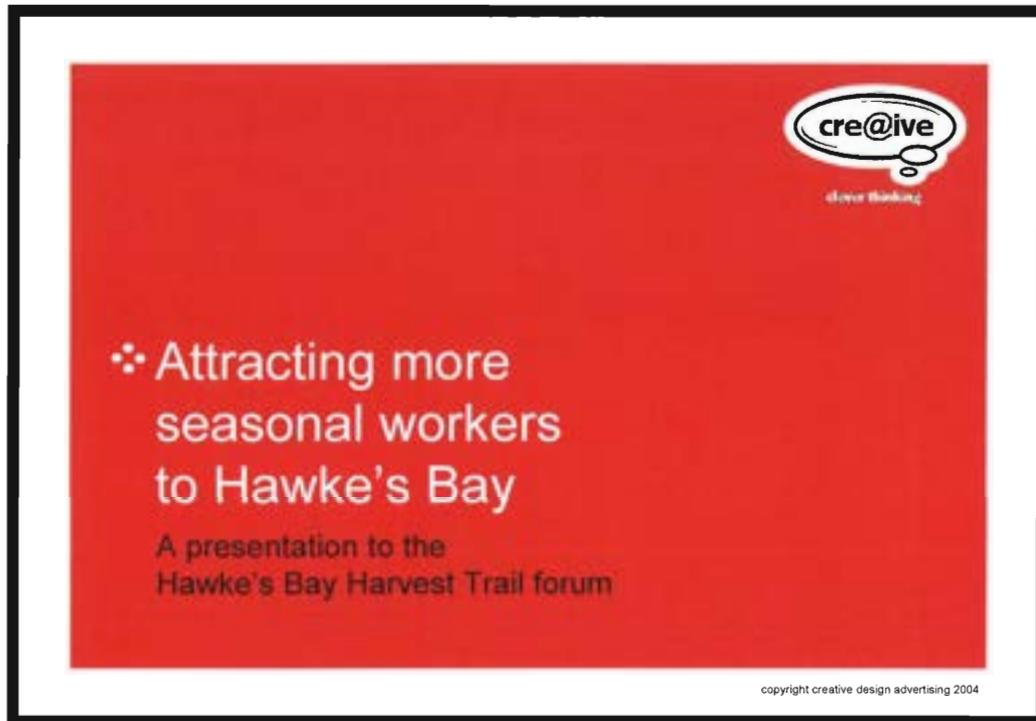
MAP OF NEW ZEALAND

(Map to show Auckland, Wellington, Christchurch, Queenstown, Rotorua, Bay of Islands and major fruit production regions)

**New Zealand FRUIT INDUSTRY SEASONAL WORK LABOUR DEMANDS
BY REGION**

	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	NOV.	DEC.
NORTHLAND	1,100	800		1,000	1,000	1,000	1,000		500	700	700	700
AUCKLAND		100	200	150	400							
WAIKATO	100	150	500	500	500							100
BAY OF PLENTY	1,300	800	12,000	12,000	12,000	12,000			800	1,300	1,300	1,300
GISBORNE ²⁰⁰	400	400	400	200							200	200
HAWKE'S BAY	4,000	17,000	17,000	14,800	10,000	4000					8,000	8,000
NELSON	150	5,000	6,000	5,000	5,000							100
MARLBOROUGH	1,000	600	500	500	500							800
CANTERBURY	700	1,100	1,100	400	400							600
OTAGO	3,500	3,000	1,400	700	500							1,000
TOTALS	12,250	28,950	38,100	36,250	35,100	13,000	1,000	0	1,300	2,000	10,200	12,800

Appendix 13: Pick HB PowerPoint Presentation

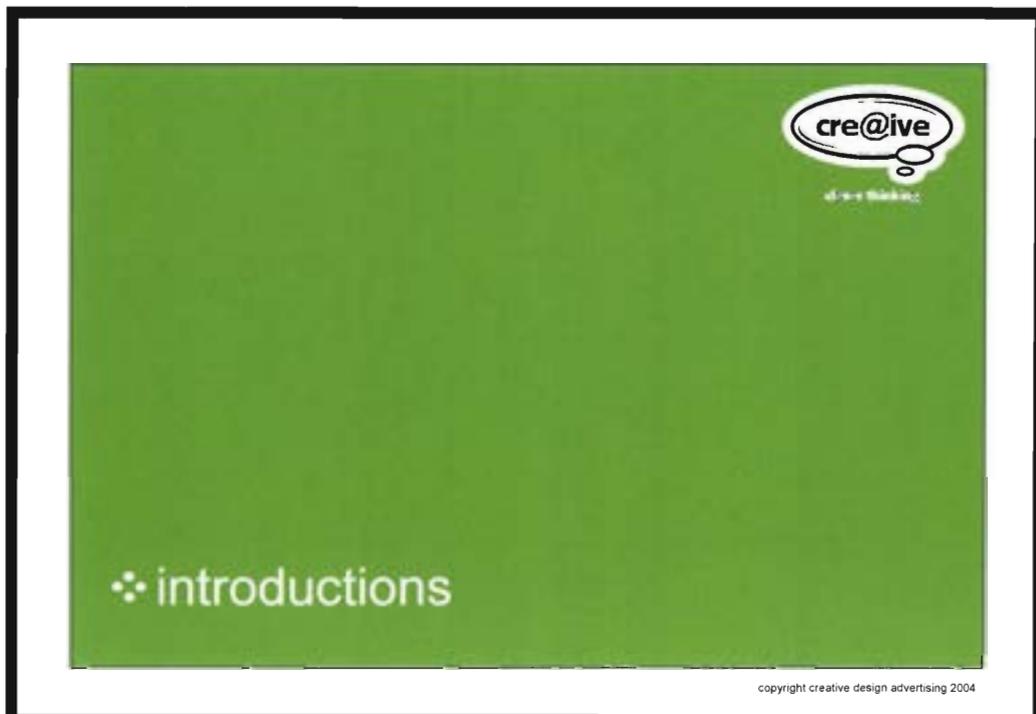


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❖ Attracting more
seasonal workers
to Hawke's Bay

A presentation to the
Hawke's Bay Harvest Trail forum

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introductions



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- Media independent
- 13 staff in Hastings and Wellington
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- Campaign
- Direct
- Web
- Outdoor
- Pack
- POP
- Corporate video
- Television & Radio

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introductions

cre@ive

cybernamix

- Web development company
- 6 staff - Auckland
- Offices in Australia and USA
- Since 2001

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introductions



cybernamix

- Website build and database design
- Content management system
- Email marketing tools
- Secure hosting
- Training
- Site optimisation

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introductions



cybernamix

- www.ppta.co.nz
- www.somersetsmith.co.nz
- www.investhastings.co.nz
- Tauranga Chamber of Commerce
- Greater Phoenix Chamber of Commerce

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introductions



toni hill

Account Manager

- Customer service, administration and sales
- Franchise industry systems and compliance
- Private training industry compliance
- Event and campaign management
- Tourism industry

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introductions



di kirkland

General Manager - Hastings

- 18 years communications industry experience
- Business ownership and management
- Account management and strategic planning
- Formerly Production Manager at Adplus Advertising
- Worked on the original "Napier Life" launch

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introductions



stu wilkinson

Creative Director

- 20 years communications industry experience
- Multi media campaign creative strategy
- Formerly Creative Director at Adplus Advertising
- Managed the Hastings investment website project

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introductions



graeme mclennan

Managing Director - Cybernamix

- 20 years IT industry experience
- Hawke's Bay orchard and vineyard owner
- Business ownership and management
- Businesses in NZ, Australia and SE Asia

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introductions



nathan hall

Senior Designer

- 8 years industry experience
- Multi media specialist
- Worked for top repro house in London
- Design and artwork for Finex Group (UK)
- Design work for IBM, HP and Sony

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the brief

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the brief



main objective

Address labour shortages in the horticulture, viticulture, agriculture and hospitality/tourism industries by attracting seasonal tourist workers to Hawke's Bay

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the brief



agenda

- Stakeholder buy in (tourism and horticulture)
- Advertiser of choice for employers
- User-managed "packaged" solution
- Start in Hawke's Bay
- Expand NZ wide

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the brief



our customers

- Registered NZ unemployed
- Tourist workers from overseas
- Seasonal NZ workers
- Beneficiaries
- Tertiary students

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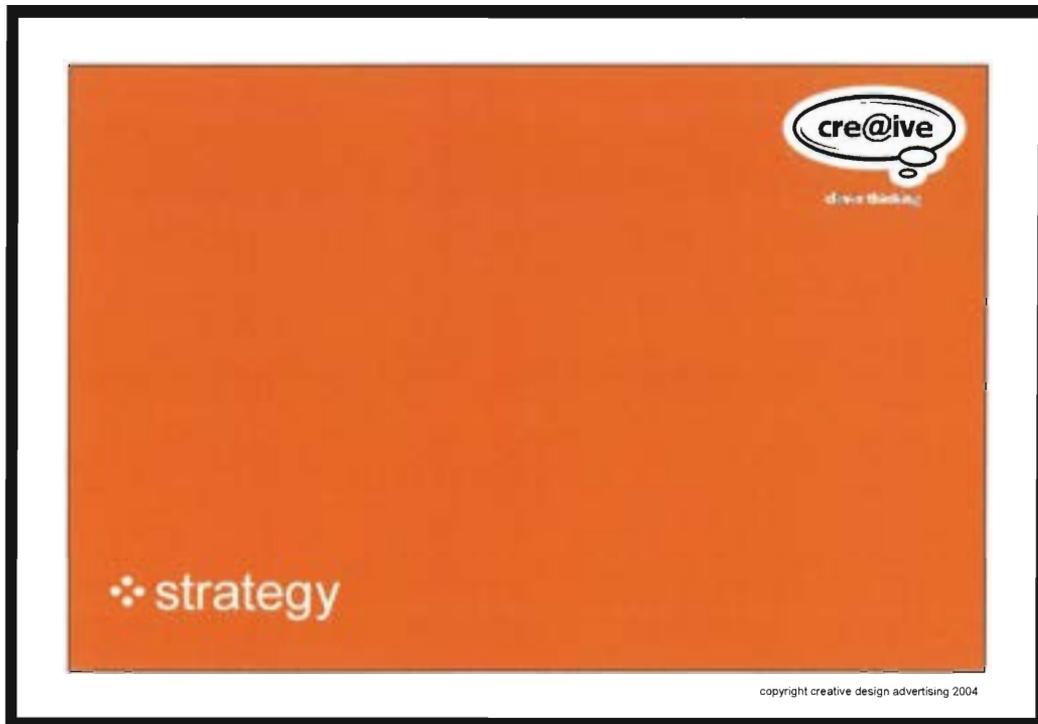
the brief



our targets

- Employers
- Contracting services
- Accommodation providers
- Advertisers
- The community

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strategy



keep it simple

- Be clear about our purpose
- Focus on jobs and accommodation
- Automate as much as possible
- Users update their own information
- Embedded provide transport / tourism information

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strategy



keep the user in mind

- Easy to use
- Fast loading
- Secure
- Print friendly information pages
- Language translation

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strategy



create a unique brand identity

- Theme the website away from competitors
- Plan for brand use beyond web
- Make it memorable
- Make it appealing

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strategy



promote the brand

- Website alone won't do it
- Build brand awareness
- Build brand value
- Attract users
- Attract advertisers

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strategy



promotional opportunities

- Google text ad boxes / Google Mail (with word search)
- Sponsored links on the Overture Network
- www.travelplanner.co.nz
- xtramsn.co.nz (NZ travel section)
- www.newkiwis.co.nz

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promotional opportunities (cont)

- Links from backpacker websites
- Freemail service banner ads
- DM to registered unemployed
- Community papers "Sits Vac"
- Stakeholder participation

potential revenue generation

- Sell banner ads on home page
- Banner ads on sub pages
- Placement fee for accommodation providers
- Placement fee from employers

strategy



measure response

- Real time picture of labour supply
- Reports summarise site use
- Automated notifications for users (auto responders)
- End of season survey to employers
- Employer reports

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strategy



own the market

- Retain job seeker information within database
- Facilitate employer/job seeker/accommodation communication exclusively through the website
- Create a database of willing workers
- Attract a higher caliber of worker

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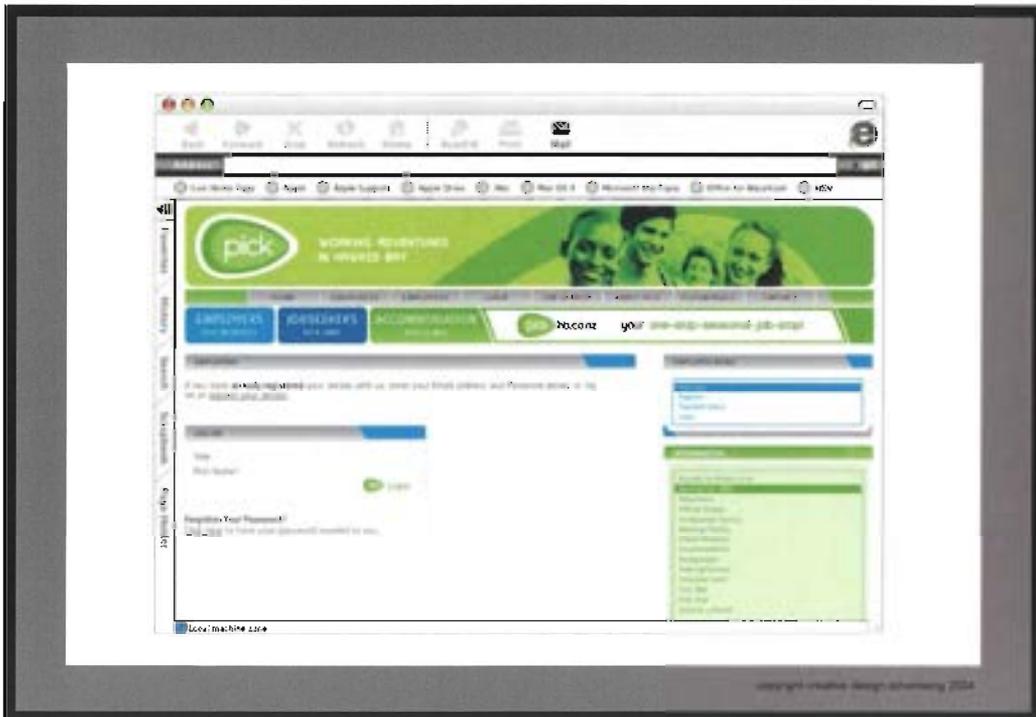
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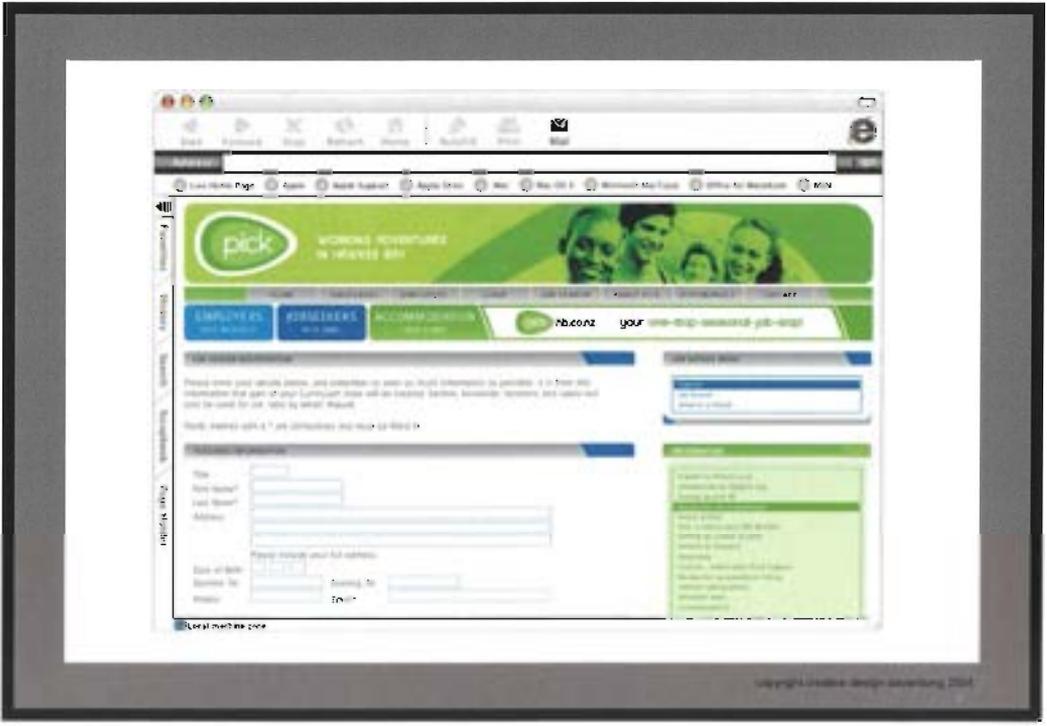
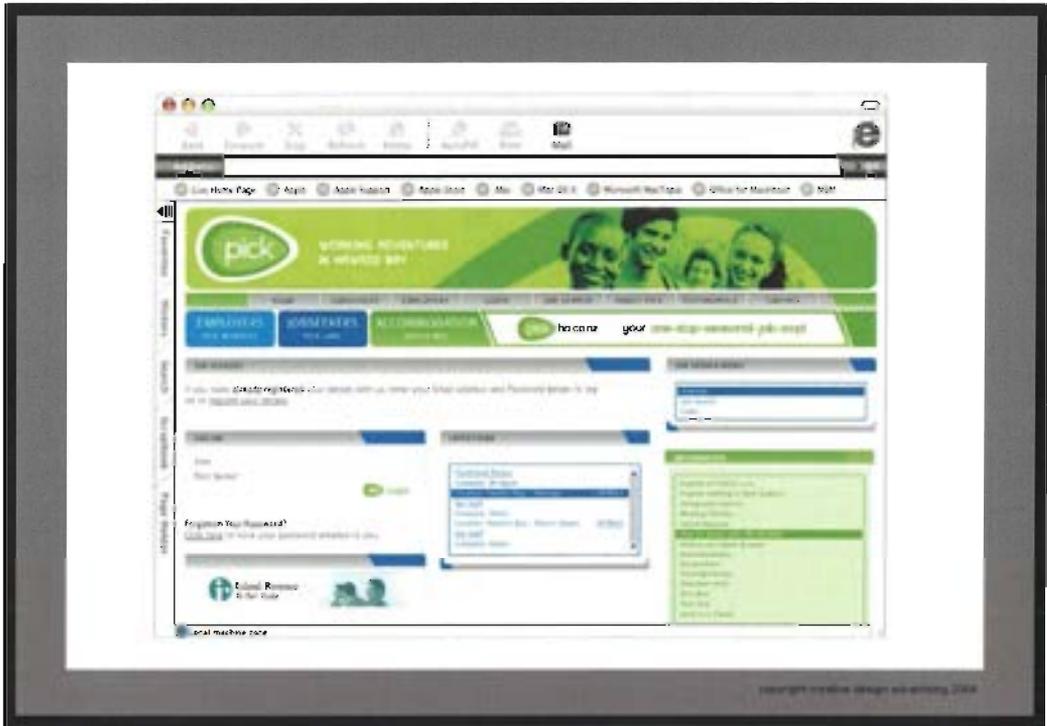
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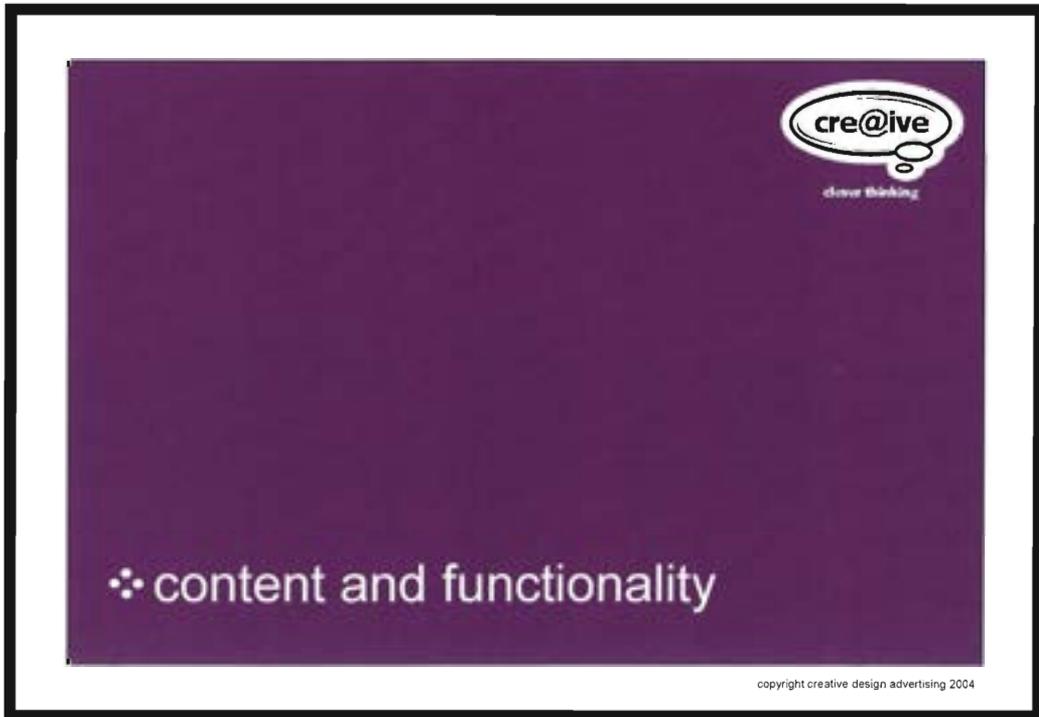
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content & functionality



content

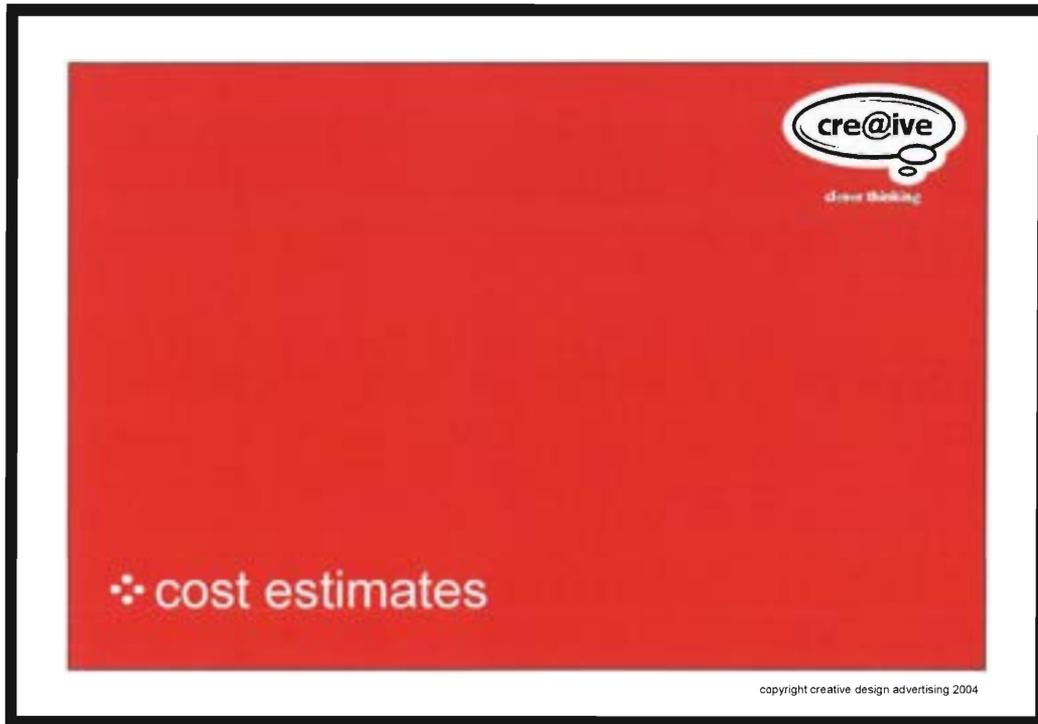
- Job seeker database
- Employer database
- Accommodation database
- Information on immigration, tax and other services
- Information on Hawke's Bay/New Zealand
- Banner advertising
- Messaging service (PickMail)

content & functionality



functionality

- Search engine (by region and job category)
- Seasonal job calendar
- Language translation
- Internal messaging system (PickMail)
- Auto responders ("You've been picked!")
- Traffic reports
- User surveys
- Send to a friend
- Emarketing



cost estimates

budget

Creative concept
Site and communications strategy **\$10 - \$20K**

Web development

Stage 1: Site detail and specification / sign off **\$5K**
Stage 2: Front end Design **\$5K**
Stage 3: Database design, site development (database creation and webmail) and integration of front end design **\$25K**
Stage 4: Launch live, including administrator training **\$5K**
Stage 5: (Year Two) Community chat rooms, e-card Banner Management **\$10 - \$15K**

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