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A SERVICE OF THE DEPARTMENT OF LABOUR



# FINAL EVALUATION REPORT OF THE RECOGNISED SEASONAL EMPLOYER POLICY (2007-2009)



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## EXECUTIVE SUMMARY

### Purpose of this report

This report describes and assesses the first two seasons of the Recognised Seasonal Employer (RSE) Policy (1 April 2007 to 31 March 2008 and 1 April 2008 to 31 March 2009). The report examines how the policy was implemented, identifies short-term outcomes, and assesses how potential risks were managed.

### Evaluation method

An independent evaluation company, Evaluate Research, was contracted to undertake the evaluation. This report is a synthesis of data collected in two phases (July–November 2008 and June–August 2009). The evaluation used a mixed methods design. This included qualitative interviews with Pacific workers, employers, Pacific and New Zealand government officials, recruitment agents, industry and union representatives, and community participants. Fieldwork was conducted in New Zealand and five Pacific states.<sup>1</sup>

Quantitative data included two online surveys of employers undertaken by Research New Zealand and analysis of administrative data held by the New Zealand Department of Labour. Government and industry documents were also reviewed. The evaluation also draws on data from a 2008 Department of Labour audit of wages and earnings from 17 RSE employers.

A merit determination rubric was developed with dimensions and criteria identified by New Zealand government and industry representatives. The rubric described what key dimensions of policy would look like if the policy was meeting stakeholders' expectations.

### Description of the Recognised Seasonal Employer Policy

The RSE Policy allows for the temporary entry of offshore workers to work in the horticulture and viticulture industries in New Zealand. Preference is given to workers from Pacific Islands Forum countries (with the exception of Fiji).<sup>2</sup> Five Pacific states were initially selected to have facilitation measures to support the implementation of the policy: Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu (referred to here as the kick-start states). The main aspects of the policy are as follows.

- *Employer recognition*: Employers who wish to participate in the RSE scheme must first gain recognition by complying with good employer and other requirements. Once an employer has achieved RSE status, they may apply for an Agreement to Recruit (ATR) a specified number of RSE workers (for a specific time-frame, location, and work tasks).
- *New Zealanders first*: The number of RSE workers approved in ATR applications is subject to the availability of suitable New Zealand workers.

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<sup>1</sup> The five states were Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu. Fiji was to be included but was subsequently excluded following the coup.

<sup>2</sup> RSE Policy requires that employers recruit workers from eligible Pacific Islands Forum countries unless reasonable attempts to recruit from the Pacific have been unsuccessful; the employer has pre-established relationships with workers from outside the Pacific (which means an employer who has previously invested in recruiting and training workers from other countries is not penalised); or it is not feasible to recruit from the Pacific.

- *Employer driven*: The selection of workers and re-employment of return workers is determined by employers' requirements. The relationship between the employer and worker is one of employment.
- *Short-term migration*: Worker applicants who have an offer of employment from an RSE employer and who meet the RSE worker criteria are granted a limited purpose entry visa for the duration of work approved in the ATR for up to a maximum of 7 months in any 11-month period.<sup>3</sup>
- *Circular migration*: The RSE Policy provides for the return of experienced workers (who have an offer of employment, want to return, and meet immigration requirements) in future seasons.
- *Pastoral care*: The RSE employer is responsible for the pastoral care of workers.
- *Agency to agency relationship*: Inter-Agency Understandings (IAUs) between the kick-start states' government agencies and the New Zealand Department of Labour set out the respective obligations of the parties and arrangements for the RSE scheme.

## Findings of the evaluation

Table A provides an overall assessment for the dimensions identified by industry and New Zealand government participants as being critical to the success of the RSE Policy. The evidence behind each rating is in chapter 2. The merit determination methodology is explained in Appendix E, and each rating is described in Appendix H.

**Table A: Overall assessment of Recognised Seasonal Employer Policy dimensions**

<b>Worker dimensions</b>	<b>Rating</b>
Pre-departure orientation	Excellent
Orientation in New Zealand	Excellent
Worker earnings	Adequate
Deductions	Very good
Work experience	Very good
Relationship with employer	Very good
Accommodation	Adequate
Access to services in the community	Adequate
Support with problems	Poor-adequate
Involvement with local community	Adequate
<b>Employer dimensions</b>	<b>Rating</b>
Labour supply	Excellent
Dependability, enthusiasm, and productivity of workers	Excellent
Cost benefit	Excellent

<sup>3</sup> Except nationals of Kiribati and Tuvalu for whom the maximum duration is 9 months in any 11-month period.

### ***New Zealanders first***

The principle of New Zealanders first in the RSE Policy helps to ensure access to seasonal employment opportunities are protected for New Zealand workers. The RSE Policy includes three mechanisms to ensure jobs are available for New Zealanders.

- Employers must lodge their seasonal work vacancies with Work and Income before submitting an ATR.<sup>4</sup>
- Work and Income applies labour market tests to ATRs.
- The number of RSE workers is capped at 8,000 workers per year.<sup>5</sup>

Immediately before the start of the policy, employers reported varying degrees of difficulty in meeting their labour needs using New Zealand workers and working holidaymakers. When employers were recruiting for the second season, the effects of the recession were not yet being felt in the RSE regions. However, by the 2008/09 season more New Zealand workers were available. In the Bay of Plenty, an estimated 1,000 additional New Zealanders were employed in the kiwifruit industry. Employers reported a higher calibre of New Zealand worker was available – these were people who were more likely to have a work history and positive work ethic than was previously the case.

Despite the increased availability of New Zealand workers, employers reported some misalignment between job seekers and the work available. For example, New Zealand workers were less willing or able to do the heavy manual work involved in harvesting crops such as apples or to work night shifts and weekends.

During the first season, one instance of the likely displacement of New Zealand workers was reported (in the Bay of Plenty). The displacement of New Zealand workers does not appear to have been an issue in the second season despite more New Zealand workers being available. This was achieved by improved workforce planning by employers and enhanced processes for labour market forecasting at regional levels.

### ***Pacific workers coming to New Zealand***

In the first season, 2,390 RSE workers arrived in New Zealand from the five kick-start states. In the second season, this number increased to 5,207. Most workers spent 3–7 months in New Zealand. More than one-quarter (the highest proportion) spent around 6 months in New Zealand. The pattern of time spent in New Zealand appears broadly similar for first-time and return workers.

#### *Selection processes*

All kick-start states have promoted the policy widely, and, in the case of Kiribati, Tonga, and Tuvalu, have policies and systems to ensure all eligible people across their jurisdiction have a chance to apply and be selected. However, recruiting from remote islands is difficult as it can be expensive for workers to participate. Most Pacific states have given priority to those not in waged employment and

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<sup>4</sup> Employers apply to recruit a specific number of RSE workers for identified tasks during a specified period in a particular location.

<sup>5</sup> The cap was increased from 5,000 to 8,000 workers in October 2008.

those from rural communities, many of whom have had no formal work experience.

In general, employers reported that the selection processes in Vanuatu, Tonga, and Samoa improved in the second year as people were better informed about what employers required. Workers who had already spent a season in New Zealand were also able to share their experience with prospective workers.

#### *Work-ready pools*

The governments of the Kick-start states maintain a register ('work-ready pool') of worker candidates. Most employers used these work-ready pools to recruit in the first season. However, in the second season employers tended to by-pass work-ready pools and recruit directly, which means people in work-ready pools are less likely to be recruited in future.

#### *Employer recruitment of workers*

In the second season, employers shifted away from using agents to recruiting directly. Employers have realised that groups sourced from the same community are more cohesive, work better together, and have recognised leaders who can support and monitor the group.

#### *Return workers*

An expected outcome of the RSE Policy is that a significant proportion of workers return each season to the same employer. However, during the second season, only 51 percent of kick-start state workers returned from the previous season. This lower-than-expected return rate was because some workers chose not to return, some workers were not invited back because of work-related or behavioural issues, and some employers said they had recruited the 'wrong' people in the first season. Employers said the workers who came for the first time in the second season were more suited to the work than those who came in the first season. Whether this results in more workers returning in the third season is yet to be tested. Some workers were invited back but could not pay for the in-country costs (including visa and health checks). This has led to mechanisms such as employer advances and loans and micro-credit facilities being set up to help workers with up-front costs.

#### *Pre-departure briefings*

The governments of the kick-start states are responsible for pre-departure briefings to help workers prepare for New Zealand conditions and work.<sup>6</sup> There was widespread agreement among employers, the five Pacific states, and New Zealand government officials that the pre-departure training in the first season was not as successful as intended. Officials in each state received some information and training from the Department of Labour but few were equipped to talk about life in New Zealand because they had never visited or experienced the horticulture and viticulture industries. Pacific states enhanced their briefings

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<sup>6</sup> The pre-departure briefing covers climate, clothing, taxation, insurance, health and wellbeing, piece rates compared with hourly rates, financial matters such as budgeting and setting up bank accounts, and travel arrangements. Workers are also warned of the consequences of overstaying and are encouraged to have a good work ethic and uphold their country's reputation as a reliable source of seasonal workers.

for second season. Workers who had been in New Zealand in the first season shared their experiences with prospective workers. The New Zealand Department of Labour provided a DVD in each kick-start state's main language for use in pre-departure briefings. The pre-departure briefings have adapted to meet workers' needs. More emphasis is now being placed on educating workers about budgeting and making sound financial decisions. Overall, workers are better prepared for work and life in New Zealand. However, this is likely to be a combination of better pre-departure briefings and first-hand experience.

### *Pacific facilitation measures*

The Pacific facilitation measures were designed to kick start the RSE Policy with five Pacific states and enable employers to access workers quickly. The Pacific facilitation measures are specified in the IAUs signed between the Department of Labour and the equivalent government agency in each of the five states. The measures include:

- community-based selection procedures of worker candidates
- screening of all worker candidates for entry into the work-ready pool
- maintenance of a work-ready pool of worker candidates
- oversight (and licensing) of private recruitment agents
- pre-departure orientation for workers.

Overall, the facilitation measures have worked as intended. The strength of the measures lies in the fact Pacific government agencies are responsible for and actively involved in administering the measures. This involvement has helped maintain the integrity of worker-selection processes and mitigate risks (for example, risks to New Zealand's public health through seriously ill workers arriving in New Zealand and risks to New Zealand's border security and public safety through people with a criminal conviction or an unlawful immigration history being recruited).

### **Earnings and savings**

#### *Earnings*

A 2008 Department of Labour audit showed the average net return per worker (after deductions for airfares, food, accommodation, transport, and health insurance) for September 2007 to July 2008 ranged from \$1,704 to \$16,413.<sup>7</sup> The median and mean net returns were \$5,625 and \$6,079 respectively. The audit found that workers were employed for a period of at least 9 weeks, with the maximum length of employment just over 28 weeks. The average number of hours worked was close to 660 hours, well in excess of the minimum 240 hours prescribed by RSE Policy. The audit covered 407 workers (mostly Tongan, Samoan, and ni-Vanuatu) across 17 employers.

The audit was not repeated in 2009. The lack of data on second-year earnings is a significant gap. The implementation of the RSE tax code from April 2009

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<sup>7</sup> Department of Labour (2008) *Audit: Pastoral care provision and work conditions for RSE workers*. Wellington: Department of Labour.

provides the possibility for gathering more accurate earnings estimates in the future.

Workers from Tonga, Samoa, and Vanuatu interviewed in both seasons were generally satisfied with the amount they earned. Several return workers interviewed said they were receiving a higher hourly rate in the second season than in the first season. Workers from Kiribati and Tuvalu were interviewed in only the first season and were generally disappointed because they were earning less than they had expected.

### *Savings*

Some workers were disappointed they had not saved more in their first season and were keen to save more in the second season. Several employers responded by setting up voluntary savings schemes. Participating workers receive a 'living wage' for food and personal items. The balance goes into a bank account. Workers can remit money home as needed or wait until the end of the season when all the money in the account is transferred into workers' accounts at home. Workers also reported other strategies to save money, such as pooling finances to buy food and reducing non-essential spending.

### ***Living in New Zealand***

The RSE Policy requires RSE employers to be responsible for workers' wellbeing while they are in New Zealand. This 'pastoral care' responsibility includes helping workers access suitable<sup>8</sup> accommodation and linking them to community groups and services such as health care, shops, and banks.

In the first season, two-thirds of employers surveyed reported they had problems or difficulties providing pastoral care for their workers. In contrast, in the second season almost two-thirds (63 percent) reported no problems. Positively, most employers (76 percent) said the management of pastoral care was easier when they had return Pacific workers. Many said they have been through an enormous learning curve and were now better prepared to provide pastoral care. In part, this is because return workers are self-managing. Workers reported that they now know how to get around the community and access services by themselves.

### *Accommodation*

Employers provide different types of worker accommodation. Some workers live on an employer's property in purpose-built accommodation; some live off the property in rented houses, camp grounds, or backpacker-style accommodation; and others live with New Zealand-based family.

During the first season, one of the biggest challenges facing employers was a shortage of suitable accommodation. In the second season, 17 percent of employers who responded to the online survey reported that they were considering improvements to their accommodation arrangements.

In the first season, workers were unprepared for the cost of living in New Zealand, in particular the cost of accommodation. Some workers were

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<sup>8</sup> Employers are advised to refer to their local territorial authority's requirements for temporary accommodation and other housing.

concerned about rents that appeared excessive for the standard provided or about overcrowded living conditions. Return workers were more prepared for New Zealand living costs in the second season. Workers reported rents of \$50–\$110 per week (with the higher rents including gas and electricity), which they considered acceptable. However, high accommodation costs continue to be an issue, particularly in Marlborough, which appears to have the most expensive rental housing of the RSE regions.

#### *Pastoral care arrangements*

Employers have used a variety of arrangements to provide pastoral care to workers, including:

- contracting a New Zealand-based Pacific person from the same Pacific nation as the workers to manage workers
- having existing Pacific employee(s), including return RSE workers, undertake aspects of pastoral care
- having an accommodation manager provide pastoral care when workers are accommodated in hostel or backpacker-style accommodation
- contracting other local, non-Pacific people to provide pastoral care.

#### *Overseeing workers outside of work hours*

In the second season employers used a mix of strategies to oversee workers outside of work hours. The first strategy was the careful selection of workers, for example recruiting workers from the same community or island. The rationale is that these workers have a strong sense of familial or community responsibility and obligations, so are less likely to behave inappropriately in New Zealand. Usually such groups come with a recognised leader who workers trust and respect. Another strategy was to accommodate workers on the employer's property where they could be more closely monitored. Four employers interviewed had close links with a New Zealand-based Samoan church and relied on the church community to provide aspects of pastoral care. Workers stayed with their New Zealand relatives and attended the same church. As well as providing an element of connectedness between New Zealand-based and Pacific-based relatives, the church connection provides support and guidance about expected behaviour that is familiar to Pacific workers.

Other employers have instigated strategies that some industry representatives and officials consider too restrictive. One employer, for example, has identified a 5 kilometre zone around their accommodation, and workers must get the employer's permission to go outside the zone.

#### *Alcohol*

One in every three employers who responded to the online survey said they had workers who had engaged in alcohol-induced, socially disruptive behaviour. Nearly half (47 percent) of employers said the issue was a 'one-off' while just over half (53 percent) said it was an ongoing problem. A Department of Labour respondent said police had been involved in 30 to 40 worker conduct issues – usually alcohol fuelled – resulting in mostly minor issues but a few serious cases

such as alleged rapes and assaults. When incidents have occurred they tended to involve individual workers rather than groups.

Employers manage the issue of alcohol in one of two ways: by allowing workers to consume moderate amounts of alcohol in their accommodation or banning it completely. Most employers interviewed insist that workers sign an employment contract or another document stating they will not drink alcohol while in New Zealand.

The 'no drinking' policy has the support of all Pacific state officials and pastoral care workers interviewed. Workers who have been caught drinking have been punished by being sent home. This has been a source of concern for the Department of Labour because New Zealand employment law does not allow workers to be sacked for drinking alcohol.

### ***Community response to workers***

Many workers engaged with their local community through church and sports activities. Local Pacific communities were both a support and a distraction for workers. On the one hand, they offered social support and material comfort, in the form of warm clothing and blankets. However, some also encouraged workers to visit them or to stay in New Zealand after their visa expired. In Nelson some local Pacific community members encouraged workers to visit bars and nightclubs. There were anecdotal reports of workers being asked for money by relatives living in New Zealand.

### ***Returning home***

The limited purpose entry visa issued to RSE workers defines the period workers may stay in New Zealand. The expiry date of the visa is aligned with the end date of the employment contract. Workers who do not comply with the requirements of their visa or fail to return to their home country by the expiry date are deemed to be 'unlawful'.

Over the first two seasons of the RSE Policy, worker flight risk has been successfully managed: about 1 percent (35) of all RSE workers who arrived in the first season and less than 1 percent (65) who arrived in the second season took flight. The low rate of unlawful workers indicates that the policy mechanisms designed to minimise worker flight risk are working well.<sup>9</sup> These mechanisms are supplemented by an early intervention approach used by the RSE compliance teams.

### ***Short-term results of Recognised Seasonal Employer Policy***

#### *Results for RSE workers*

The intended short-term results for RSE workers are that they will benefit financially (after repaying airfare, other debt,<sup>10</sup> and living expenses) and gain new work-related skills.<sup>11</sup>

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<sup>9</sup> A condition of the visa is that workers remain in the agreed employment position. Workers who leave their employment are deemed to be breaking the conditions of their visa, so become unlawful.

<sup>10</sup> Other debt includes amounts for visas and health checks, and may also include internal transport costs from outer islands to the main centres in the source countries.

Kiribati and Tuvalu experienced few, if any, positive impacts from the RSE Policy during the first two seasons. This can be explained, in part, by the small numbers of workers who have participated in the RSE Policy. In their first season, i-Kiribati workers employed by one employer experienced numerous problems, including the contractor's inability to find sufficient work for them. In the second season, employers reported problems with poor performance and alcohol consumption. Productivity issues were also reported for Tuvaluan workers.

In contrast, workers from Vanuatu, Tonga, and Samoa have benefited financially from the RSE Policy. The most frequent uses of savings by workers were to pay school fees and buy school uniforms; renovate or build new homes; purchase land and cattle; support other relatives; pay for family events; purchase vehicles, boats, equipment, and electronic goods; and repay bank and other loans.

Some workers used their savings to start or expand business ventures and other activities to generate income (for example, cattle farming, a taxi business, a store, and a vehicle-hire business).

While financial rewards were the most important benefit, workers also valued their newly acquired skills, especially time management skills, English language skills, and an improved work ethic. Some workers discussed how the skills they had learnt in the vineyard or orchard could be transferred to their farms at home or to business ventures they were considering. Return workers said they were better at managing and saving their money.

#### Pacific states' perspectives

Officials and other key informants from Tonga, Samoa, and Vanuatu described the main benefit of the RSE Policy as providing work for people who have limited access to paid employment at home. This includes the growing populations of young adults who cannot be absorbed into the small labour markets of Pacific countries. The level of earnings of RSE workers over a 4–7 -month period far exceeds the income provided by agriculture and other income-generating activities in their community. Cash is becoming more important for family wellbeing and to fund community infrastructure projects.

However, respondents stressed that workers must have access to consistent work for at least 4 months (preferably longer), if they are to earn enough to have residual income after repaying airfares and meeting living expenses.

While the main benefits of the RSE Policy are financial, skill development was also identified as a positive outcome for workers by Tongan, Samoan, and Vanuatu respondents. They were keen to find ways for workers to use the horticultural skills learned in New Zealand at home. Workers' increased financial management skills were also identified as important.

Despite the positive economic benefits for some Pacific workers and communities from the RSE Policy, issues were identified that are negatively affecting (or may negatively affect) Pacific communities: increased access to alcohol, the effect on

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<sup>11</sup> A third intended result is that return workers will re-settle successfully into their home communities and contribute to the development of their communities via enhanced skills and earnings. This result is outside the scope of this evaluation.

children of absentee parents, and the impact on communities of workers being unavailable for food production.

#### *Unintended consequences for Pacific states and workers*

Despite the many positive benefits of the RSE Policy for workers, their families, and their communities, some unintended consequences have emerged or may emerge.

Not all workers benefited financially from their time in New Zealand. Some workers did not earn sufficient income to enable them to save after repaying airfares and meeting their living expenses. In the first season this included i-Kiribati and Tuvaluan workers. Some workers returned home with unrealised expectations and disappointment for their families.

The experience of living and working in New Zealand is changing the aspirations of some Pacific people. Many workers have plans (such as building new houses or educating children) that will require them to make multiple visits to New Zealand if they are to accumulate the finance required to achieve their goals. Some workers expressed a desire for their family to migrate permanently to New Zealand.

That workers may return regularly to New Zealand raises questions about possible long-term impacts on Pacific states from spouses, parents, and other adults being absent from home for around 4 months each year. Risks such as loss of labour for food production are being addressed, but there is less evidence that other potential risks such as the effects on children of absentee parents and the pressures placed on other family members for childcare are being taken into consideration. This was despite several respondents talking about the negative impacts of absentee partners or parents.

#### *Results for employers*

For the majority of RSE employers, the benefit of the RSE Policy was realised immediately in the first season: employers had workers who could be relied on to turn up for work every day and who, in the most part, were enthusiastic about working and productive. Having a reliable workforce has had flow-on effects for employers: reduced recruitment and training costs, increased confidence to expand and invest, and reduced stress.

Eight-five percent of RSE employers said the RSE Policy provided them with better quality and more productive workers during the second season. Return workers were immediately productive and had an 'edge' on first-time RSE workers and New Zealand casual workers. Return workers showed new workers what to do and helped them to gain confidence in the workplace. In many cases the initial performance advantage of return workers was short-lived as new workers got up to speed within a couple of weeks of their arrival.

Employers identified factors that contributed to the productivity levels of RSE workers: Pacific workers coped well with the physically demanding manual work involved in harvesting crops in very hot, cold, or windy conditions; and were more willing to work long hours, weekends, and night shifts than New Zealand workers.

A consistent theme that emerged from employer interviews was the improved quality of produce due to having skilled workers to pick and pack crops while they were in optimum condition. Other results were improvements to the supply chain as a result of a reliable workforce, and improved performance of New Zealand workers due to the demonstration effects of RSE workers.

### ***Department of Labour's role and approach***

The role and approach of the Department of Labour has been a key contributor to the RSE Policy's success during the first two seasons. The policy involves a range of disparate 'players' (that is, Pacific governments and workers, industry bodies, employers, and the New Zealand Council of Trade Unions) and multiple levels of activity (that is, from local to international levels). The Department has played an important role in linking these players and creating an environment of openness where shortcomings are identified and addressed.

Although the Department of Labour has statutory and other compliance-based responsibilities for the RSE Policy,<sup>12</sup> it describes its role as a 'facilitative' one that is relationship-based. This facilitative approach underpins how the Department's national office and regional team work. When shortcomings are identified, the Department aims to resolve them through education and support. Compliance is viewed as a measure of last resort. Although some employers and other key informants appreciated this approach, others were critical of the Department as being too lenient on employers who are not complying with RSE requirements.

### **Summary of key achievements**

Overall, the RSE Policy has achieved what it set out to do. The policy has provided employers in the horticulture and viticulture industries with access to a reliable and stable seasonal workforce. The labour supply crises of previous years have been avoided and employers can now plan and manage their businesses with confidence. As the policy enters its third year, there are indications many employers are now also benefiting from skilled labour as workers return for subsequent seasons. Significant productivity gains were reported in the second season, together with improvements in harvest quality.

Alongside the employer 'wins', Pacific workers and three Pacific states have benefited financially from participating in the RSE Policy. Skill development has also been identified as a positive outcome for workers.

There is evidence that the policy is 'bedding down' as all parties gain confidence about their roles and as the benefits of the RSE Policy build on previous years. There is also recognition that the RSE Policy and its operation will continue to evolve as:

- the labour market changes
- relationships are cemented between employers and Pacific communities
- the pattern of return workers emerges

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<sup>12</sup> The Department of Labour's statutory responsibilities include border security and employer compliance with employment and other legislation.

- productivity trends from repeat return workers become apparent<sup>13</sup>
- RSE productivity gains are factored into employers' workforce planning
- other market forces play out (that is, fewer worker places available may result in greater competition among the kick-start states).

Alongside these achievements is an issue requiring attention: worker support and access to dispute resolution. The evaluation findings highlighted factors that reduce the ability and opportunity for individual workers to raise issues about workplace conditions and pastoral care and to have such issues addressed.

## **The future – opportunities and challenges**

The evaluation findings identify opportunities and challenges for industry representatives and Pacific and New Zealand governments.

### ***Industry – realising government's investment***

The RSE Policy has involved significant investment by the New Zealand Government to support the policy's implementation. Employers who have made productivity gains by employing RSE workers now need to consider how they can channel such gains into business investment and growth. Unless industry change occurs, the expected benefits of the RSE Policy in terms of increased export earnings and more sustainable jobs for New Zealand workers may not eventuate. The expected economic gains will be compromised and the Government's investment in the industry unrealised.

### ***Pacific governments – balancing opportunities and challenges***

Inherent in the opportunities presented by the RSE Policy are challenges for Pacific governments. The most significant challenge is how to balance the desire to spread RSE opportunities as widely as possible while also meeting employers' demands for experienced return workers.

Other challenges include:

- encouraging 'wise' spending by workers while in New Zealand
- engendering a savings culture and the building of capital
- encouraging the use of RSE earnings for seeding business ventures
- improving productivity in domestic crop production at home
- exploring how the new horticulture workforce could be employed at home for new export crops
- transforming RSE income flows into job creation and local investment
- creating sustainable RSE migration flows at village and district levels.

The RSE Policy has been successful in addressing seasonal labour shortages. Employers are now reaping the benefits associated with having reliable and productive workers. Workers from Samoa, Tonga, and Vanuatu and their families have benefited financially from working in New Zealand.

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<sup>13</sup> Such trends will reveal at what year the productivity of repeat return workers peaks, and once levels have peaked whether they remain the same in subsequent seasons or decline.

***New Zealand Government – improving dispute resolution mechanisms***

In theory, RSE workers have access to the same support mechanisms set out in the Employment Relations Act 2000 as New Zealand workers have access to. However, in practice these mechanisms are not easily accessible by RSE workers.

The Department of Labour may wish to consider how to promote and strengthen existing dispute resolution mechanisms for RSE workers.



## **INTRODUCTION**

### **Purpose of this report**

This report describes the findings from an evaluation of the first two seasons of the Recognised Seasonal Employer (RSE) Policy (1 April 2007 to 31 March 2008 and 1 April 2008 to 31 March 2009). The report examines how the RSE Policy was implemented, including the Pacific facilitation measures designed to kick start the policy with five Pacific states; identifies the short-term outcomes of the policy; and assesses how potential risks have been managed.<sup>14</sup>

### **Structure of the report**

This report is structured in the following way.

- Chapter 1 summarises the background to the RSE Policy.
- Chapter 2 discusses the findings from the evaluation under nine topics.
- Chapter 3 summarises the achievements of the RSE Policy.
- Chapter 4 discusses the opportunities and challenges facing the RSE Policy.
- Chapter 5 concludes the main report.
- The Glossary, Appendices A–H, and References contain supporting information.

### **Terms used in this report**

Unless otherwise stated:

- the 'kick-start states' are the five Pacific countries selected to kick start the RSE Policy – Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu.
- 'Pacific RSE workers' means the RSE workers from the kick-start states.

Other terms used in this report are explained in the Glossary (page 78).

### **Evaluation method**

The Department of Labour contracted the independent evaluation company Evaluate Research to undertake the evaluation.

The report is a synthesis of data collected in two phases: July–November 2008 and June–August 2009.

The evaluation followed a mixed methods approach using:

- qualitative interviews with Pacific workers, employers, Pacific and New Zealand government officials, recruitment agents, industry and union representatives, and community participants

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<sup>14</sup> Although the objectives of the RSE Policy include economic and development outcomes, these outcomes are not the focus of this evaluation. Economic and development outcomes will be influenced primarily by how industry and the kick-start states respond to and make use of the opportunities provided by the policy. Economic and development outcomes also require a longer lead-in time than the evaluation study time-frame.

- fieldwork conducted in New Zealand and the five Pacific states of Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu
- quantitative data from two online surveys of employers (undertaken by Research New Zealand), an analysis of administrative data the Department of Labour holds, and a review of government and industry documents.

Three merit determination rubrics were developed with input from government and industry respondents. Merit determination is the process of setting standards, for example what constitutes very poor, adequate, and excellent in relation to RSE activities. To evaluate the RSE Policy, the standards were applied across the employer and worker data sources. More detailed information about the methodology is in Appendix E.

# **1 BACKGROUND TO THE RECOGNISED SEASONAL EMPLOYER POLICY**

In 2000–2004, New Zealand’s horticulture and viticulture exports increased more than 30 percent. At the same time, unemployment rates were falling and the national labour market was tightening. A labour supply shortfall was identified as a potential risk to national export earnings and regional economic development and as a constraint on business growth.

The horticulture and viticulture industries responded in part by shifting the labour supply problem to labour contractors and lobbying for an increased supply of short-term migrant workers. Poor and illegal business practices among contractors became significant concerns for government agencies and concerned contractors. These features resulted in a labour market that was high in risk and low in opportunity for productivity gain.

## **Seasonal work immigration policies**

Seasonal work immigration policies have a long tradition in New Zealand. Seasonal work schemes operated from the 1960s until 2001, particularly in the agricultural and horticultural industries. During 2001–2006, several immigration policies attempted to address seasonal labour shortages: the Approval in Principle, Seasonal Work Permit, Working Holiday Scheme, and Variation of Conditions Policies. However, neither these immigration policies nor a range of domestic initiatives to encourage effective labour supply were sufficient to meet the growing labour demands in the seasonal industries. Furthermore, short-term, reactive solutions failed to encourage the two industries to plan effectively for their future seasonal workforce requirements. In addition, the seasonal work immigration policies did not adequately manage immigration risk.

Impetus for a joined-up government intervention in the horticulture and viticulture labour markets emanated from several policy agencies: the Department of Labour, the Ministry of Social Development, the Ministry of Agriculture and Forestry, New Zealand Trade and Enterprise, the Ministry of Economic Development, and the Inland Revenue Department.

These issues led to the formation of the Horticulture and Viticulture Seasonal Working Group, which was styled as a partnership between industry, government, and other organisations. The working group sought to integrate the concerns and ongoing initiatives of multiple government agencies and the lobbying by different industry groups. The working group sought to shift control away from contractors, who had become central but under-scrutinised and largely unregulated players in the two industries. The working group developed the Medium–Long–Term Horticulture and Viticulture Seasonal Labour Strategy, from which the RSE Policy eventually emerged.<sup>15</sup> The RSE Policy was one part of this broader strategy to address seasonal labour issues.

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<sup>15</sup> Horticulture and Viticulture Seasonal Working Group (2005) *Medium–Long–Term Horticulture and Viticulture Seasonal Labour Strategy*. Wellington: Department of Labour.

## Pacific perspective

Pacific Island peoples have a long history of involvement as temporary migrant workers in the New Zealand labour market under various schemes. This involvement has been an important source of foreign exchange earnings at different times for some Pacific communities. Pacific Islands Forum countries raised the issue of improved temporary work access at the Pacific Islands Forum in Papua New Guinea in October 2005. The New Zealand and Australian Governments were asked to improve access to their respective temporary labour markets for workers from the Pacific. Labour mobility for Pacific citizens was also raised in the context of discussions about the Pacific Plan for increased regional cooperation and the Pacific Agreement on Closer Economic Relations.

These calls led to the New Zealand Government undertaking an inter-agency consultation (involving the Department of Labour, Ministry of Foreign Affairs and Trade, and New Zealand Agency for International Development) about possible responses. The outcome of the consultation process was a Cabinet Policy Committee paper, *Pacific Labour Mobility*.<sup>16</sup> The paper noted that temporary work opportunities for less-skilled migrants would enable unemployed or under-employed people to earn a higher income, lifting workers' families out of poverty and providing better education and improved access to health services for family members. Broader benefits such as increased local investment and employment creation were also identified. The need for temporary labour mobility was described as being most pronounced in the countries of Melanesia, which have rapidly growing populations and limited domestic opportunities for employment, particularly for young people.

## Description of the Recognised Seasonal Employer Policy

The RSE Policy was introduced in April 2007<sup>17</sup> to allow for the temporary entry of offshore workers to work in the New Zealand horticulture and viticulture industries.<sup>18</sup> Preference is given to workers from the Pacific Islands Forum (with the current exception of Fiji).<sup>19</sup> Five Pacific states, the kick-start states, were selected to have facilitation measures: Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu.<sup>20</sup> The facilitation measures were developed to support the implementation of the policy.

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<sup>16</sup> Cabinet Policy Committee (2006) *Pacific Labour Mobility* POL (06) 293. Wellington: Cabinet Policy Committee.

<sup>17</sup> The policy became operational in October 2007.

<sup>18</sup> Employers may recruit from countries other than the eligible Pacific Islands Forum nations if they have evidence that they have been unsuccessful in recruiting from the Pacific nations. Employers with an existing relationship with workers from other countries may continue to recruit from those countries.

<sup>19</sup> Fiji was originally included in the RSE Policy but was excluded following the coup.

<sup>20</sup> For an overview of the development of the RSE Policy, see S Ramasamy, V Krishnan, R Bedford, and C Bedford (2008) 'The Recognised Seasonal Employer Policy: Seeking the elusive triple wins for development through international migration.' *Pacific Economic Bulletin* 23: 171–186.

The governments of the kick-start states are responsible for:<sup>21</sup>

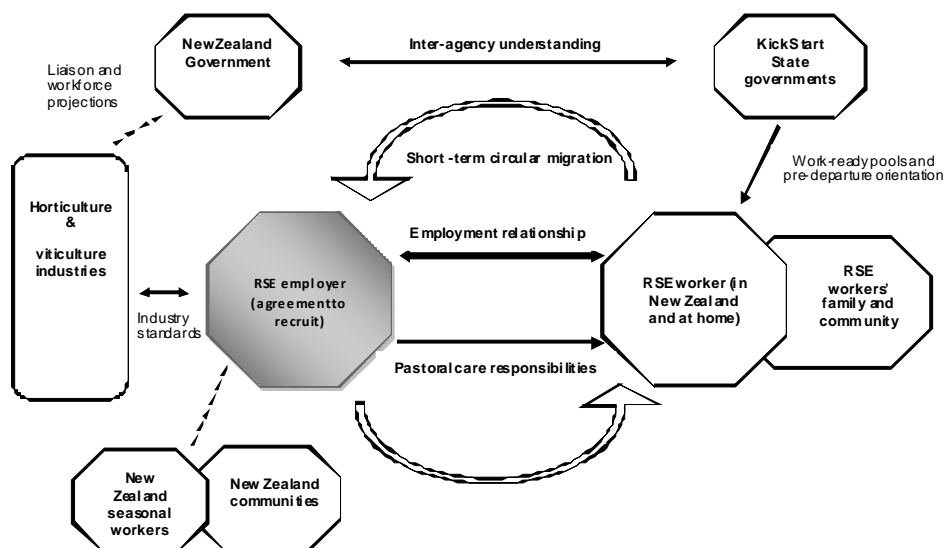
- developing a work-ready pool of workers (through community-based selection procedures and government screening of worker applicants)
- overseeing and licensing private recruitment agents
- providing pre-departure orientation for workers to help them to adjust to work and life in New Zealand.

The RSE Policy has multiple aims, including to:

- create a sustainable seasonal labour supply
- transform the horticulture and viticulture industries from low cost industries to industries based on quality, productivity, and high value through improved business practices
- protect New Zealanders' access to seasonal employment
- minimise immigration risk
- contribute to New Zealand's broad objectives in the region with regard to encouraging Pacific economic development, regional integration, and stability.

The primary RSE scheme participants and their relationships are shown in Figure 1.

**Figure 1: Primary Recognised Seasonal Employer participants and their relationships**



<sup>21</sup> In the initial stages of the RSE Policy, additional facilitation arrangements were suggested in official documents but were not subsequently included in the Inter-Agency Understanding (IAU). Therefore, the additional facilitation arrangements were not included in the evaluation.

The seven main aspects of the RSE Policy are as follows.

- *Employer recognition*: Employers who wish to participate in the RSE scheme must first gain recognition by meeting specified standards, particularly in regard to their recruitment and employment practices. Once an employer has achieved RSE status, they may apply for an Agreement to Recruit (ATR) a specified number of RSE workers (for a specific time-frame, location, and work tasks).
- *New Zealanders first*: The number of RSE workers approved in ATR applications is subject to the availability of suitable New Zealand workers.
- *Employer driven*: The selection of workers and re-employment of return workers is determined by employers' requirements. The relationship between the employer and worker is one of employment.
- *Short-term migration*: Worker applicants who have an offer of employment from an RSE employer and who meet the RSE worker criteria are granted a 7-month limited purpose entry visa in any 11-month period.<sup>22</sup>
- *Circular migration*: The RSE Policy provides for the return of experienced workers (who have an offer of employment, want to return, and meet immigration requirements) in future seasons.
- *Pastoral care*: The RSE employer is responsible for the pastoral care of workers. (Appendix A lists employers' pastoral care obligations.)
- *Agency to agency relationship*: Inter-Agency Understandings (IAUs) between participating Pacific government agencies and the New Zealand Department of Labour set out the respective obligations of the parties and arrangements for the RSE scheme. Pacific government agencies are responsible for worker screening, maintaining a register of worker candidates, and worker pre-departure orientation.

## **Intended outcomes**

The intended short-, medium-, and long-term outcomes of the RSE Policy for each of the RSE participant groups are shown in Tables 1 and 2.<sup>23</sup> The intended outcomes encompass immigration, the labour market, employment, industry, and Pacific development.

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<sup>22</sup> Except nationals of Kiribati and Tuvalu for whom the maximum duration is 9 months in any 11-month period.

<sup>23</sup> The intended outcomes have been identified from official and industry documents.

**Table 1: Recognised Seasonal Employer (RSE) Policy outcomes – New Zealand participants and affected parties**

Industry	RSE employers	New Zealand workers	New Zealand Government
Sustainable supply of skilled labour (S/M)	A reliable workforce of skilled and productive return workers (S)	Access to seasonal employment opportunities protected (S)	Immigration risk successfully managed (S)
Illegal employment practices eliminated (S/M)	Employers incentivised to improve business and employment practices (S)	Improved management practices and labour relations (S/L)	No displacement of New Zealand workers (S)
Labour contracting sector becomes more 'professional' (M)	Increased ability to plan (S)	Improved practices by labour contractors (M)	Illegal employment practices eradicated (S/L)
Sustainability and corporate social responsibility brand values strengthened (M/L)	Increased productivity (S/M)		Sustainable seasonal work immigration policy (L)
Industry transformation – internationally competitive industry based on quality, productivity and high value (L)	Investment in business (S/M)		RSE self managed by industry (L)
	Business efficiency gains (from reduced worker turn over) (S/M)		Economic growth, improved governance and regional integration in the Pacific (L)
	Employer – Pacific community long term relationship (S/M)		

Note: S = short-term outcomes – outcomes expected in the first two seasons of the RSE Policy;  
M = medium-term outcomes – outcomes expected beyond the first two seasons of the RSE Policy;  
L = long-term outcomes – outcomes expected after 5 or more years of the RSE Policy.

Source: Official documents.

**Table 2.: Recognised Seasonal Employer (RSE) Policy outcomes – Pacific participants**

<b>Pacific RSE first-time workers and return workers</b>	<b>Pacific workers' families and communities</b>	<b>Pacific countries*</b>
<p><i>In New Zealand</i></p> <p>Successful adjustment to New Zealand life and work (S)</p> <p>New work-related skills (S)</p> <p>Benefit financially after repaying airfare, other debt, and living costs (S)</p> <p>Comply with work visa and return home (S)</p> <p><i>At home</i></p> <p>Successful re-entry into home community (S)</p> <p><i>Return workers</i></p> <p>Trained workers immediately able to maximise earnings (S/M)</p> <p>Prospective workers learn about work and life in New Zealand from return workers (S/M)</p>	<p>Economic and wellbeing benefits from increased income (S/M)</p>	<p>Effective work-ready pool and pre-departure orientation (S)</p> <p>Progress towards achievement of economic development goals (L)</p> <p>Remittance incomes – as consumption support (S) and investment pool (L)</p>

Notes: S = short-term outcomes – outcomes expected in the first two seasons of the RSE Policy; M = medium-term outcomes – outcomes expected beyond the first two seasons of the RSE Policy; L = long-term outcomes – outcomes expected after 5 or more years of the RSE Policy.

\* The outcomes for Pacific countries are identified at the country level only.

Source: Official documents.

## Policy context

The evaluation shows that the RSE Policy has been implemented within a context that is political and complicated (Table 3).<sup>24</sup>

The political dimensions span both New Zealand and the participating Pacific countries. In both settings, there has been considerable support for the RSE Policy from many quarters. However, during the first season some industry lobbyists, employers, and communities were vocal in their lack of support for aspects of the policy. The level of media scrutiny the policy was subjected to during the 2007/08 season provided further complication. The few instances of 'failure' that occurred received extensive negative publicity. Some claims by churches and community groups of worker exploitation were also aired in the media. Although the Department of Labour did not undertake a media analysis for the 2008/09 season, participants in this evaluation reported less negative publicity than in the first season.

<sup>24</sup> PJ Rogers (2008) 'Using programme theory to evaluate complicated and complex aspects of interventions.' *Evaluation* 14: 29–48. We have adopted Rogers' differentiation between 'complicated' programmes (those that have multiple components) and 'complex' programmes (those that have outcomes that are uncertain and emergent).

**Table 3: Features of the Recognised Seasonal Employer Policy and their implications**

Policy feature	Implications
Multiple participants – industry, workers, Pacific states, and New Zealand Government	Multiple and potentially conflicting participant perspectives, priorities, and experiences.
Two industries – horticulture and viticulture	Differences between industries in respect of age, histories, relationship with labour, timing of labour demand, and industry cohesion. Differences in regions – location, temporal demands for labour, community composition and reactions, and historical experiences. Numerous sectors within the horticulture industry.
Multiple Pacific countries	Each Pacific government has its own priorities and objectives for participating in the Recognised Seasonal Employer (RSE) scheme. The New Zealand Government has separate relationships with each Pacific country, articulated in an Inter-Agency Understanding with each country. Each Pacific country has its own cultural and political context. Workers from each country have distinctive cultures.
Policy cuts across New Zealand government agencies	The policy cuts across several agencies’ areas of responsibility: <ul style="list-style-type: none"> <li>• immigration and employment (Department of Labour)</li> <li>• labour market (Ministry of Social Development)</li> <li>• foreign policy and development assistance (Ministry of Foreign Affairs and Trade and New Zealand Agency for International Development).</li> </ul>
Policy is implemented across different regions or communities in New Zealand	Communities differ in respect of: <ul style="list-style-type: none"> <li>• their response to newcomers</li> <li>• existing Pacific residents</li> <li>• the availability of short-term housing for workers.</li> </ul>
Focus on short-term results, in addition to long-term change	Immediate demand for workers in the 2007/08 season meant the RSE Policy was implemented in a short time-frame. The RSE Policy aims to support the Medium-Long-Term Horticulture and Viticulture Seasonal Labour Strategy’s objective to transform the industries’ business model from low-cost industries to industries based on quality, productivity, and high value. However, there is a need for short-term results (that is, trained return labour to meet immediate labour needs). The desired long-term change will not happen if the short-term results are not achieved. Need to be sensitive to, and monitoring for, new issues and risks associated with years two to five of the RSE Policy.

Pacific government officials and other Pacific stakeholders are committed to the success of the RSE Policy. This commitment has resulted in formal and informal social sanctions on workers to control their behaviour. Within the participating Pacific countries, the findings show that some worker selection processes have been influenced by local community politics.

Several elements of uncertainty added a further level of complication. Such uncertainty was more pronounced in the first season than in the second.

In the first season (2007/08):

- employers were uncertain whether to invest in the RSE Policy due to a possible change in government
- employers were uncertain about the future government commitment to other sources of temporary migrant labour, the emphasis on the kick-start states, and the continuation of the Transitioning to RSE (TRSE) Policy
- employers were uncertain about likely productivity and worker return rates
- industry was uncertain about the cap on the number of RSE workers who could come to New Zealand in any 12-month period and how this cap would be proportioned across regions and over the season.<sup>25</sup>

In the second season (2008/09) uncertainties related to:

- the difficulty of predicting the required RSE worker numbers 6–12 months ahead as a result of expected increases in New Zealand unemployment rates
- the impact on the RSE Policy of the introduction of the Australian seasonal migrant worker scheme.

The Department of Labour has adopted a 'responsive' approach to the changing circumstances within which the RSE Policy operates. This approach has been evidenced in several policy enhancements the Government agreed to during the policy's first 2 years. These enhancements are summarised in Appendix B.

### **Policy mechanisms to address risks**

Several mechanisms were incorporated into the RSE Policy to address potential risks such as overstaying, the displacement of New Zealand workers, and the exploitation of RSE workers. Table 4 summarises these risks and the policy mechanisms designed to address them. The success of the displacement and overstaying mechanisms are discussed in chapter 2, which discusses the findings as they relate to the New Zealanders first principle and workers returning home.

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<sup>25</sup> The way the cap on RSE worker numbers is applied was changed in October 2008. See Appendix B.

**Table 4: Risks and related policy mechanisms for the Recognised Seasonal Employer Policy**

<b>Risk</b>	<b>Description of risk</b>	<b>Policy mechanism to address risk</b>
Overstaying by workers	Workers may be tempted to extend their stay in New Zealand, legally or illegally	<p>Workers must not be charged recruitment fees, minimising any debts they need to incur before arriving in New Zealand.</p> <p>Workers may be re-employed in subsequent years, providing specific conditions are met.</p> <p>A limit of a 7-month stay in any 11-month period means workers retain strong links to their home country.</p> <p>Travel costs are shared with the employer so that the cost for the worker is not so great as to make overstaying attractive.</p> <p>A guarantee of 240 hours' work is given.</p> <p>The agreement to recruit requires employers to pay the costs associated with workers' removal from New Zealand, if workers become illegal and are deported</p> <p>Workers must not change to another permit after their Recognised Seasonal Employer (RSE) permit.</p>
Displacement of New Zealand workers	<p>Fewer opportunities for New Zealanders to be employed</p> <p>Employers use Recognised Seasonal Employer (RSE) Policy to avoid employing New Zealanders</p>	<p>A cap of 8,000 RSE workers per year.</p> <p>Regional governance groups (consisting of representatives from the Ministry of Social Development, the Department of Labour, and industry) established to provide advice on forecast numbers of workers required and available New Zealanders</p> <p>Employers lodge their vacancies with the Ministry of Social Development before attempting to recruit from offshore.</p> <p>The Ministry of Social Development advises on the availability of New Zealanders for agreement to recruit applications.</p>
Exploitation of workers	<p>Workers may be exploited by employers</p> <p>Employers lack incentive to address wage and conditions issues</p>	<p>Employers must retain their RSE status to be eligible to access offshore workers.</p> <p>Worker applicants must be provided with a signed contract of employment clearly setting out the terms and conditions before they can be issued with a visa to enter New Zealand.</p> <p>Migrant workers must be paid New Zealand market rates.</p>
Exploitation of workers by offshore recruitment agents	Offshore recruitment agents may exploit nationals	<p>Workers must not be charged recruitment fees. These fees must be borne entirely by employers (uniquely for immigration policy).</p> <p>The Inter-Agency understanding with each of the Pacific kick-start states requires offshore recruitment agents to be regulated.</p> <p>RSE employers may not use a recruitment agent who seeks a commission from workers in exchange for securing an employment agreement.</p>

<b>Risk</b>	<b>Description of risk</b>	<b>Policy mechanism to address risk</b>
Health risks	Risks to New Zealand public health	Worker candidates who stay longer than 6 months or who have tuberculosis risk factors must produce a chest X-ray certificate. Workers from countries with a high prevalence of HIV must provide the results of an HIV test.
Suppression of wage growth	May deter wage growth to attract domestic labour (inherent risk of any immigration work policy)	Employing RSE workers is more expensive than employing New Zealand workers. Paying a portion of the airfare, providing pastoral care and so on, ensures there is a cost differential to employ RSE workers. Some employers identified RSE workers as costing \$1.50–\$2.25 per hour more than other labour units.  The number of RSE workers is capped below the total labour requirement to encourage productivity gains and wage growth.

## 2 FINDINGS OF THE EVALUATION

The evaluation findings are discussed under the nine headings:

- New Zealanders first
- Pacific workers coming to New Zealand
- earnings and savings
- living in New Zealand
- community response to workers
- returning home
- short-term outcomes
- industry
- Department of Labour's role and approach.

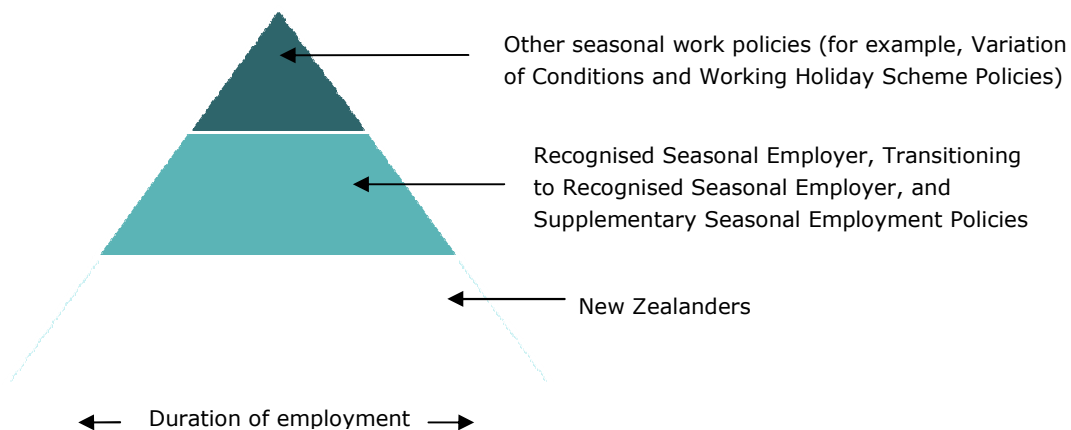
### New Zealanders first

#### Key points

- Negligible displacement of New Zealand workers has occurred.
- Job seekers and the work available do not always align.

This section discusses the findings from the evaluation as they relate to the principle of New Zealanders first. New Zealand workers are intended to provide the base seasonal labour required by the horticulture and viticulture industries. The RSE Policy and other immigration seasonal work policies are designed to supplement this domestic labour supply (as illustrated in Figure 2).

**Figure 2: Composition of seasonal labour**



The principle of New Zealanders first aims to ensure that access to seasonal employment opportunities is protected for New Zealand workers. The RSE Policy has three mechanisms to ensure jobs are available for New Zealanders.

- Employers must lodge their seasonal work vacancies with Work and Income before submitting an Agreement to Recruit (ATR).<sup>26</sup>
- Work and Income applies labour market tests to ATRs.
- The number of RSE workers is capped at 8,000 workers per year.<sup>27</sup>

The labour market underwent significant change over the first 2 years of the RSE Policy. Immediately before the start of the policy, employers reported varying degrees of difficulty in meeting their labour needs using New Zealand workers and working holidaymakers. Employers cited issues such as:

- the unreliable nature of New Zealand casual workers
- local casuals being reluctant to travel far from home (for example, 5 kilometres outside town to an orchard)
- unsuccessful experiences with Work and Income referrals
- a reduction in the number of students seeking work (particularly in Otago)
- New Zealanders being uninterested in working in the horticulture industry.

Reflecting on the quality of New Zealand workers, a horticulture grower who required 100 casual workers at the peak of the season commented that if his company used only New Zealand workers, it would have had to employ 200 people to ensure it had 100 at work on any one day.

### ***Minimal displacement of New Zealand workers***

Some displacement of New Zealand workers occurred in the first season, notably in the kiwifruit industry in the Bay of Plenty. This displacement was the result of at least one corporate RSE employer over-estimating the number of RSE workers required. However, claims by some New Zealand workers about RSE workers taking jobs from them were not as accurate as they may have first appeared. In previous seasons, there was such a shortage of labour that casual workers could take time off work without explanation and then expect to return to a job some time later. However, the presence of RSE workers meant this was no longer possible, resulting in reduced worker 'churn'.

Respondents reported that when employers were recruiting for the second season, the effects of the recession were not being felt in the regions. The recession affected urban centres before filtering through to the provinces. However, as the 2008/09 season got under way more New Zealand workers became available. In the Bay of Plenty, an estimated 1,000 additional New Zealanders were employed in the kiwifruit industry. Employers reported a higher calibre of New Zealand worker was available – people who were more likely to have a work history and positive work ethic than was previously the case. Such job seekers were proactive, turning up at the employer's door seeking work.

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<sup>26</sup> Employers apply to recruit a specific number of RSE workers for identified tasks during a specified period in a particular location.

<sup>27</sup> The cap was increased from 5,000 to 8,000 workers in October 2008.

Despite the increased availability of New Zealand workers, employers reported some misalignment between job seekers and the work available.

- Some job seekers did not have the attributes required for the work (for example, the ability to do the heavy manual work involved in picking).
- Workers were selective about the type of work they were prepared to consider. Workers were less likely to want to do 'front-end' or outdoor work that is physically demanding, preferring instead the 'back-end' or inside work (for example, pack house work, truck driving, and fork lifting). New Zealand workers were also less likely to be prepared to work night shifts in pack houses.
- Workers were not prepared to work the long hours that RSE workers were prepared to work.
- Retention of New Zealand workers became a problem when temperatures began to drop, workers became tired towards the end of the season, and during the third apple pick, which is not as financially rewarding as the first and second picks.
- Workers left as soon as they found a job in their usual line of work or one better suited to their skills.

A large kiwifruit grower and pack house reported it usually experiences a 20 percent turnover rate among New Zealand workers during the first part of the season. The company had expected the turnover rate to be less in the 2008/09 season due to the recession, but there was no change.

Displacement of New Zealand workers does not appear to have been an issue in the second season, despite more New Zealand workers being available. Respondents identified six reasons for this.

- Employers learnt from the first season and got better at workforce planning. The costs associated with pastoral care and worker travel acted as incentives for employers to correctly estimate the number of workers they required. Another financial incentive was that the policy requires employers to top up wages if workers have insufficient work.<sup>28</sup>
- Work and Income enhanced its labour market testing processes and requirements of employers. For example, employers were required to submit more detailed workforce planning documentation as part of the ATR process.
- Some regional governance groups (made up of industry representatives and Work and Income and Department of Labour staff) have become more effective, particularly the Hawke's Bay and Nelson groups. Members have oversight of labour market requirements in their region and input into the ATR approval process.

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<sup>28</sup> The RSE Policy specifies the minimum remuneration for RSE workers. Remuneration for periods of employment of 6 weeks or longer is the greater of the payment for 240 hours at the per-hour rate, regardless of the availability of work or the payment for an average of 30 hours per week at the per-hour rate for the period worked. Remuneration for periods of employment of less than 6 weeks is 40 hours per week at the per-hour rate over the period of work, regardless of the availability of work.

- The number of workers recruited by employers was smaller than the approved number, and the number of workers who arrived in New Zealand was smaller again.<sup>29</sup>
- Some larger employers said that increased productivity from return RSE workers resulted in more New Zealand workers being employed in pack houses and in other roles (for example, quality control and tractor and forklift driving).
- RSE employers in regions such as Nelson employed RSE workers, freeing up New Zealand workers and holidaymakers for the smaller companies. The pipfruit harvest, particularly in the Hawke's Bay region was exceptional, resulting in more work being available.

### ***Recession making regional forecasting for third season difficult***

The impact of the recession on regional labour markets has made industry's forecasting of its labour requirements more difficult. The extent to which New Zealand workers continue to be available over the next 12–18 months is uncertain. Even if New Zealand workers continue to seek employment in the seasonal industries, the question of their willingness to undertake or suitability for some roles remains. Employers who are expanding their businesses on the back of productivity gains from the RSE Policy claim that more work will become available for domestic labour in roles that are better suited for New Zealand workers.

## **Pacific workers coming to New Zealand**

### **Key points**

- All kick-start states have promoted the RSE Policy widely, but recruiting from remote islands is difficult as it can be expensive for workers to participate.
- Selection processes tended to improve in the second year because workers were better informed about what employers required.
- Employers shifted away from using work-ready pools and licensed agents to directly recruiting workers in the second season.
- Many workers returned in the second season to the same employer: 51 percent of kick-start state workers. However, lack of funding can be a barrier to workers returning.
- Improvements to pre-departure briefings meant workers were better prepared for life in New Zealand in the second season than in the first season.
- Groups that come from the same community are more cohesive and work better together.
- Some workers are pressured to recruit the 'right' people for employers with negative consequences for workers if they select the 'wrong' people.

<sup>29</sup> A total of 10,202 workers were approved to be recruited, of whom 8,176 workers were recruited and 7,157 arrived in New Zealand. The annual cap relates to arrivals in New Zealand.

This section discusses the findings from the evaluation as they relate to the Pacific workers coming to New Zealand. In the first season (2007/08), 2,390 RSE workers arrived in New Zealand from the kick-start states. In the second year (2008/09), this number increased to 5,207, an increase of 118 percent.

### ***Duration of stay***

Analysis of administrative data on workers' entry into and exit from New Zealand showed that most workers spent 3–7 months in New Zealand (Table 5 and Figure 3). The largest proportion, over a quarter, of the workers spent around 6 months in New Zealand. The pattern appears broadly similar for first-time and return workers.

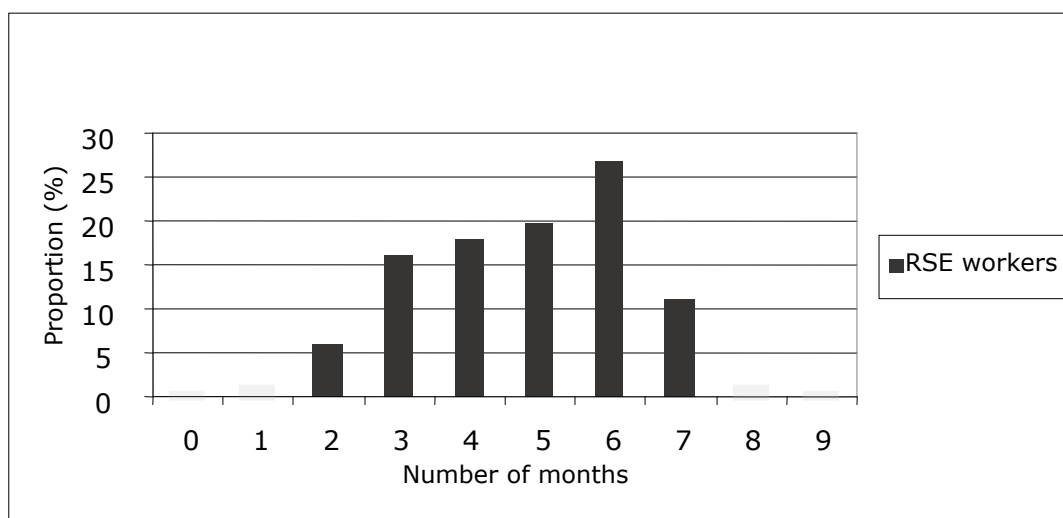
**Table 5: Duration of stay in New Zealand by Recognised Seasonal Employer (RSE) workers, as at 23 August 2009**

<b>Length of stay (months)</b>	<b>Number of first-time RSE workers</b>	<b>Number of return RSE workers</b>	<b>Number of RSE workers</b>	<b>First-time RSE workers (%)</b>	<b>Return RSE workers (%)</b>	<b>All RSE workers (%)</b>
0	18	5	23	0.2	0.3	0.3
1	69	18	87	0.9	1.1	1.0
2	432	112	544	5.8	7.1	6.0
3	1,202	255	1,457	16.1	16.1	16.1
4	1,290	337	1,627	17.3	21.2	18.0
5	1,440	346	1,786	19.3	21.8	19.7
6	2,024	411	2,435	27.1	25.8	26.9
7	933	71	1,004	12.5	4.5	11.1
8	43	33	76	0.6	2.1	0.8
9	17		17	0.2	0.0	0.2
<b>Total</b>	<b>7,468</b>	<b>1,588</b>	<b>9,056</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: A small number of observations that exceeded 9 months were excluded from this analysis. Due to rounding percentages may not add up to 100.

Source: Department of Labour administrative data.

**Figure 3: Duration of stay in New Zealand by Recognised Seasonal Employer (RSE) workers, November 2007 – August 2009**



Source: Department of Labour administrative data.

Employers who have a pre-established relationship with migrant workers from countries outside the kick-start states are allowed to recruit those workers. In the second season, employers recruited more RSE workers from Indonesia, Malaysia, and Thailand than they had in the first season. In absolute terms, the number of RSE workers coming from the kick-start states more than doubled, but the proportion of such workers dropped from 83 percent in the first season to 73 percent in the second.<sup>30</sup> Appendix C (Table 23) shows the number of RSE workers in New Zealand, by ethnicity, during the first two seasons.

An expected outcome of the RSE Policy is that a significant number of workers return each season to the same employer. Fifty-one percent of kick-start state workers and 71 percent of non-kick-start state workers returned for RSE work in 2008/09. Further discussion about the return rate of Pacific RSE workers is in the section 'Returning home' later in this chapter.

### **Selection process**

The kick-start states have promoted the RSE Policy widely across their countries. Kiribati, Tonga, and Tuvalu have policies and systems to ensure that eligible people across their jurisdictions have a chance to apply and be selected as RSE workers. The policies in Kiribati and Tuvalu date back to the recruitment of labour for work in Nauru's phosphate extraction industry and apply to the recruitment for their marine training schools. In Tonga, different islands and districts are given a quota based on their populations in the desired working-age groups. The quotas are managed by the town officers, who are responsible for the initial selection of potential workers from their communities and submit lists of candidates to the Tongan Ministry of Labour, Commerce and Industry for the work-ready pool (the official register of worker candidates).

<sup>30</sup> In 2008/09, 7,157 RSE workers arrived in New Zealand from various countries. Despite the reduction in the percentage of workers from the kick-start states in 2008/09, the percentage is higher than the target of 50 percent Pacific workers when the New Zealand Government approved the policy.

Most kick-start states have given priority to people not in waged employment and people from rural communities, many of whom have had no formal work experience. Gibson et al's study in Tonga and Vanuatu supports this finding.<sup>31</sup>

Some employers see merit in actively selecting workers from the more remote islands. One small employer (a contractor) believes that workers from outlying islands may put in extra effort to work hard because they have few opportunities to participate in paid employment at home. Another large employer, who is also seeking to recruit in a new community in the third season, said it planned to start with a few workers from a specific community to assess their productivity and behaviour in New Zealand. If they perform well, then additional labour will be recruited from their community in the future.

The difficulty with recruiting from remote islands is that it can be expensive for workers to participate. In Vanuatu, for example, communications infrastructure is limited. Those responsible for recruitment try to ensure workers have as little time as possible in Port Vila waiting for their applications to be processed before heading to New Zealand. Prospective workers are required to make their way to Tarawa (Kiribati) or Funafuti (Tuvalu) to await recruitment there. For workers from the more remote parts of Kiribati, such as the Line Islands and Kritimati Island 3,000 kilometres to the east of Tarawa, this may mean spending lengthy periods in Tarawa before coming to New Zealand.

Several employers alluded to selection processes not always being fair with nepotism occurring but that they can 'live with it' as long as those put forward are suitable for the work they will be doing.

In general, employers reported that the selection processes in Vanuatu, Tonga, and Samoa improved in the second year as people were better informed about what employers required. Workers who had already spent a season working in New Zealand were also able to share their experiences with prospective workers. As one employer said:

*After the first group went home and all the 'talk talk' the next group already knew the reality of what this was going to be like. [Our Pacific state contact] and the leaders had in their heads what was required; they were ruthless about who was presented. The quality that came [in the second year] was 50 percent better; and the lot that came after them are of the same ilk.*

Kiribati has recognised the need to have strong leaders in the groups it sends to New Zealand. Traditional leaders in Kiribati are generally older men (unimane). Employers' preference for younger men poses a challenge because there is no authority structure in Kiribati that allows a man from one island to be automatically recognised as a leader by a man of equivalent age from another island.

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<sup>31</sup> See J Gibson, D McKenzie, and H Rohorua (2008) *How pro-poor is the selection of seasonal migrant workers from Tonga under New Zealand's Recognised Seasonal Employer (RSE) program?* Hamilton: University of Waikato; D McKenzie, PG Martinez, and LA Winters (2008). *Who is coming from Vanuatu to New Zealand under the new Recognised Seasonal Employer (RSE) program?* Hamilton: University of Waikato.

### ***Work-ready pool***

The governments of the kick-start states must maintain a register of worker candidates (the work-ready pool).

Samoa's work-ready pool remains important, accounting for 50–60 percent of the workers recruited for the second season, according to Samoan officials. A change in the second season was the shift towards registering groups, rather than individuals, in the work-ready pool.<sup>32</sup> More than 2,000 names are in the work-ready pool as interest in the RSE scheme continues to grow. With employers starting to request church and village groups that are registered,<sup>33</sup> individuals in the work-ready pool are now less likely to get the opportunity to work in New Zealand.

In Kiribati and Tuvalu, the work-ready pools comprise many prospective employees. Recruitment of i-Kiribati who came to New Zealand in 2008/09 involved the leaders of the work teams selecting workers. However, these workers were not necessarily in the work-ready pool.

In Tuvalu, 23 new workers required by an employer (in addition to 25 return workers from the first season) were selected from the work-ready pool. Given the low levels of recruitment in 2008/09 and the limited prospects for growth in numbers required for 2009/10, it is unlikely the Kiribati and Tuvalu governments will seek to increase the size of their work-ready pools.

Vanuatu used a work-ready pool for the first season, but since then has operated entirely on community contacts through chiefs. One reason for this change in strategy was that the work-ready pool was dominated by people living in Vila and Luganville. A Vanuatu official said the Government was keen to spread access to the RSE scheme to the more remote communities. It also decided the work-ready pool was not a reliable base from which to select people, especially as the official's office had had no input into the pool's creation.

### ***Worker database***

Interviews with officials in the first phase of the evaluation indicated that all kick-start states had developed a functioning database of worker candidates and the database was customised to meet their specific needs. Only Vanuatu uses the database the New Zealand Agency for International Development designed. Other countries do not find the agency's database useful because it is internet-dependent, so is inappropriate for countries where the internet is unreliable or only a few staff have internet access.

Vanuatu government staff use their database to record all workers by province and island and to track the number selected from each community.

Kick-start state officials interviewed in the second phase of the evaluation said they want the ability to analyse data for management purposes (for example, data about remittances, worker earnings, and which workers are employed by

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<sup>32</sup> Every individual or group that registers as part of the work-ready pool remains on the list regardless of whether they are chosen for work in New Zealand. Therefore, it is a complete list of everyone who has registered since the start of RSE Policy, rather than a 'pool' of currently eligible workers waiting for selection.

<sup>33</sup> The Samoan Ministry of Prime Minister and Cabinet set up the Seasonal Worker Action Team to be responsible for the RSE Policy.

which employer). Tongan and Samoan officials said they would like to use the database to record the wage rates offered by individual employers.

### ***Direct recruitment of workers***

Some employers used licensed agents in the first season to recruit workers. In the second season, employers shifted towards direct recruitment of workers. This shift was due in part to employers being reluctant to pay agents' fees, which add to employers' RSE costs. In Samoa and Vanuatu, some of the larger employers moved away from using recruitment agents and sourced their workers directly through church and village groups. Only one licensed agent resident in Vanuatu is still actively recruiting workers. The agent recruits for about 10 small to medium-sized employers in Auckland and the Hawke's Bay. Informal agents (that is, unlicensed agents) are being used in Samoa, including a matai (chief) and other locals with New Zealand connections.

Employers have also realised that groups that come from the same community are more cohesive, work better together, and have recognised leaders who can support and monitor the group. Direct recruitment through a community may involve a two-step process, whereby a prospective worker is first selected by their community and then interviewed by an employer. One employer described the process as follows:

*When I interview in a school hall I talk to someone for 10 minutes [to check their English], look at them physically and give them a score and a general 'what do I think'. I don't get a report from the community; they have already been through their own selection process to get there.*

The employer, by getting a community to do the initial selection, in effect shifts responsibility back to the community to ensure only appropriate people are put forward for selection. If the new worker turns out to be unproductive, is involved in poor behaviour-related incidents, fighting, or extra-marital relationships or absconds, this will reflect badly on the community representatives who selected the worker. In this respect, employers can leverage off existing social norms.

Some employers also ask their 'best' workers to recruit others from within their community. Interviews with workers and employers suggest there is pressure on workers to select the 'right' people. If they do not do so, employers indicate that this will reflect back on workers who do the recruiting. For example, one worker described how he was asked by his employer to select 11 workers. The worker asked for some criteria, but was told it was up to him; it was his responsibility to deliver a group of 12 who would work hard and stay for the full duration of the contract. The employer made it clear he expected the group selected to be committed and to cause no behavioural problems.

Two employers described how they work closely with New Zealand-based Pacific Island churches to recruit workers. In both cases, New Zealand church members were involved in decisions about who was invited to participate in the RSE scheme. Representatives from one church took into consideration whether workers from the first season spent their money wisely and 'made the best opportunity of their time in New Zealand'.

In the second year, there was evidence that employers, where possible, were spreading the risks (and opportunities) by recruiting from more than one

community or Pacific state. They want to maintain an element of competition, stating it is important that Pacific states and communities do not get the impression they have access to the RSE scheme as of right or entitlement.

The shift towards selecting and recruiting certain groups of workers has three implications for Pacific state residents. First, it means those registered as individuals on the work-ready pool are less likely to get the opportunity to work in New Zealand. Secondly, the focus on experienced return workers means fewer opportunities for others to get the opportunity to be employed through the RSE Policy. Thirdly, direct recruitment by employers has led to different levels of engagement across the island groups within a Pacific state. Some employers are now recruiting only from certain islands or villages and are taking a microcosm of the entire village (with the complete hierarchy) to ensure a cohesive group of workers in New Zealand.

### ***Return workers***

The RSE Policy is based on the circular migration of trained workers who return to the same employer season after season. At first glance, the overall return rate of workers (51 percent in the second season) appears disappointing. Indeed, most of the employers interviewed said their return rates were lower than expected. There are four explanations for the low return rate.

The first explanation is that a proportion of workers was not invited back because of work-related or behavioural issues or a combination of both. Secondly, some employers said they recruited the 'wrong' people in the first season (for example, workers who were too heavy or too weak to do the work). Employers say the workers who have come for the first time in 2009 are better suited for the physical work required than those who came in the previous season. Whether this results in more workers returning in 2010 is yet to be tested.

Thirdly, employers reported that workers chose not to return because they had got too homesick in the first season, had family obligations, or had earned sufficient money to achieve their goals.

Finally, employers also reported that they would have liked particular workers to return, but their government or community would not let them come back because of their behaviour while in New Zealand. In Tuvalu, some islands wanted to open the opportunity to other citizens, so wanted only first time workers to come to New Zealand.

### ***Funds to get to New Zealand***

Returning to New Zealand requires workers to pay for some expenses (for example, visa, health, and police checks) upfront. In the case of first-time workers, employers usually pay the workers' half share of the airfare and then deduct this amount from their wages. Return workers are usually required to pay their half share of the airfare upfront. Workers are encouraged by employers and Pacific officials to set aside an amount of money from their earnings from one season to cover the costs of returning the following season.

Five employers interviewed said few of their workers set aside the funds required for the following season. As a consequence, lack of funds was one reason why

workers said they could not return the following season. A Samoan official also reported that they tried to get 15 experienced workers to return to New Zealand, but could not find workers who had enough money to pay their share of the airfare and the visa costs.

Two employers said they provide no support to workers to return. One, a New Zealand Pacific Island contractor, said they make it clear to workers that they need to find the money themselves; it will not be lent to them.

The interviews identified different ways that return workers fund the costs associated with getting to New Zealand (Table 6). Some of these options are described in more detail below.

No information is available about how workers from Kiribati funded the costs associated with returning to New Zealand.

**Table 6: Strategies for funding workers' upfront costs to return to New Zealand**

Strategy	Tonga	Samoa	Vanuatu	Tuvalu
Worker takes loan from micro-credit facilities established by local Pacific communities or loans from provincial council			✓	
Worker obtains funds from church		✓		
Worker has access to community contributions from earnings of first season workers			✓	
Worker has personal savings from work during a previous season	✓		✓	
Worker has funds advanced from employer to cover expenses; funds are deducted from wages once worker is in New Zealand	✓		✓	✓
Worker leaves funds in New Zealand with employer (to cover airfare and other costs)	✓		✓	
Worker borrows from relatives or elsewhere; employer then advances funds once the worker is in New Zealand so money can be repaid in Pacific	✓			

Note: The evaluators did not specifically ask how return workers funded their costs associated with getting to New Zealand. The table identifies the strategies mentioned by employers and workers from four Pacific states. Workers may use several of these strategies or others not identified in the table. No information is available about how workers from Kiribati funded the costs associated with returning to New Zealand.

Ni-Vanuatu workers have several options to obtain loans to cover pre-departure and transport costs, as well as initial living expenses in New Zealand before the first payment for work is received. These options include micro-credit facilities (for example, the VANWODS microfinance scheme) established by the local communities that lend money to cover RSE-related costs; loans from provincial councils (for example, Torba Province); access to community contributions from the earnings of first season workers; personal savings from work during a

previous season; and loans from friends. The Government has not set up its own revolving credit system. Non-government agencies, community groups, and local councils have assisted where they can with financial support required to cover the initial expenses. The National Bank of Vanuatu also began offering loans to workers in January 2008 that had to be guaranteed by the agent or New Zealand employer.

Some employers and recruitment agents have provided bank packages to finance the workers' half share of the airfares to New Zealand from Vila and have assisted with various other living expenses, with the expectation that workers repay the loans during their first few months in New Zealand. One employer, a large cooperative, now requires returning workers to keep NZ\$1,000 in their New Zealand bank accounts to pay for their airfare for the next season.

For the workers from Ambrym, the majority take loans via the VANWODS microfinance scheme to meet the costs associated with participating in RSE. VANWODS allows RSE workers to borrow up to a maximum of 150,000 vatu with a flat interest rate of 20 percent. The loans are given on the basis of strict group responsibility and with stringent screening and preparation. This preparation includes a three-part pre-departure training programme that includes financial literacy.

One employer insists that workers pay the upfront costs and then offers to advance an amount of money once workers have arrived, so they can pay back relatives if necessary. The employer said none of the workers had taken up this option. Another employer lends workers the money (at a modest interest rate). He said he would prefer to do this than risk losing workers. He did not want to see workers going to finance companies in the Pacific, where they might be paying 20 percent interest. A third employer arranges for workers to leave behind an amount of money so they can purchase cheap air tickets (of which the worker pays half) when they become available.

### ***Pre-departure briefings***

The governments of the kick-start states are responsible for pre-departure briefings to help workers prepare for New Zealand conditions and work.

In the first season, the pre-departure briefing covered climate, clothing, taxation, insurance, health and wellbeing, travel arrangements, piece rates compared with hourly rates, budgeting, and setting up bank accounts. Workers were also warned of the consequences of overstaying and were encouraged to have a good work ethic and uphold their country's good reputation.

In the first season, workers were not prepared for the cost of living in New Zealand. For example, an employer who bought bulk food for his workers at a cost of \$30 per person per week said that the workers thought this amount was excessive.

Based on the experience of the first season, the Pacific states changed their briefings in the second season. These changes are discussed in more detail by Pacific state in the sections following. Overall, workers reported being more prepared for work and life in New Zealand. However, this is likely to be a combination of better pre-departure briefings and first-hand experience.

## Samoa

In Samoa, all workers (first-time and return workers) must attend the government pre-departure briefing.

The RSE Policy DVD, produced by the New Zealand Department of Labour in Samoa, is shown as part of the pre-departure briefing. All workers are given pre-departure information packs that are written in Samoan and include additional information on life and work in New Zealand.

The government pre-departure briefings also make use of those who have experienced RSE work. As one Samoan returnee explained:

*Everyone including return workers like me who had been to New Zealand under the RSE previously has to attend the pre-departure training with other people who were coming to New Zealand for the first time. The training was about things those of us who had come previously knew already, but it was also a useful exercise because some of us were able to discuss our experiences of the RSE with other Samoan people who were coming to work here for the first time.*

One Samoan community respondent commented that the official pre-departure briefing did not provide enough information about budgeting, saving, and investing funds.

A potential gap in the pre-departure briefings is around occupational health and safety, for example ensuring workers know about the importance of using protective equipment when handling spray-covered fruit. In the initial 'training of the trainers' meeting in Samoa in 2007, staff from the Occupational Safety and Health section of the Ministry of Commerce, Industry and Labour were involved, but since then they have not been invited to be part of the pre-departure briefings.

Workers also need clear instructions about how to use the New Zealand medical system and how to make accident compensation and general medical insurance claims. Although some employers may address these issues, some respondents commented that they also need to be covered in the pre-departure briefings.

Several respondents expressed concern about whether the workers understand the employment contracts they are signing. Contracts vary in form, layout, and content across employers. There is also no Samoan language version of the contracts.

## Tonga

In Tonga, the Ministry of Labour, Commerce and Industry pre-departure briefing is compulsory for workers recruited from the ministry's work-ready pool and voluntary for workers recruited by employers or agents.

The pre-departure briefing generally involves two steps. Employers who travel to Tonga must provide an initial briefing in the local community where they are recruiting. This briefing has been changed to ensure other family and community members learn about the RSE Policy and know what their workers will be doing during their time in New Zealand and to give workers more detailed information about the nature of the work. Once workers have been selected and the ATR and

dates for employment have been finalised, a second, formal, pre-departure briefing is run in Nuku'alofa.

The formal pre-departure briefing is also organised on an employer-specific basis to allow the requirements of particular employers to be dealt with more effectively than in a generic training session at the start of each season. This means the Government is running briefing sessions throughout the year.

As in Samoa, the importance of good behaviour in New Zealand is heavily emphasised at the Tongan pre-departure briefing. Return workers are also invited to share their experiences. As one worker said:

*Our involvement with the training was to share about our experiences and we also talk to them about the type of team work, team spirit and [what] staying as a group means. We emphasised more the style of living we have here because we all stay together in this farm and it was very important that we start thinking of each other as one family. [We talk about] what that requires and the type of team spirit we each need to contribute to, in order for us to live like a community of people that support each other – because we will be living like that for the whole time we are here and so when we go into the farm we are seen as just one big family.*

Workers now receive a detailed explanation of exactly what type of work they will be doing and the demands of seasonal work. A government official involved in the pre-departure briefings has visited employers and their workplaces. Photographs of the orchards and vineyards are now incorporated into the sessions to illustrate the New Zealand working environment. Workers are also shown a map of the different regions with a chart that lists the estimated living costs in each area.

Tonga plans to develop specific leadership modules in its pre-departure briefings to help workers to remain a cohesive group while in New Zealand. However, officials said the implementation of this initiative is contingent on additional funding being made available.

Tongan officials also mentioned the RSE Policy DVD, produced by the New Zealand Department of Labour in Tongan, along with the pre-departure information packs in Tongan that they plan to incorporate in the 2009/10 season's training.

### *Vanuatu*

As in Tonga, pre-departure briefings are organised on an employer-specific basis for each group of workers in Vanuatu. If an RSE employer has travelled to Vanuatu to conduct the recruitment and selection, they are invited to be part of the pre-departure briefing. This enables employers to explain the contracts in detail and answer questions.

Interviews with workers and ni-Vanuatu government officials indicate workers have more realistic expectations (than in the first season) about the work they will be doing in New Zealand and their earnings potential. In part, this is because the pre-departure briefings now provide better information, but also because return workers are able to pass on information and advice to new workers. Ni-Vanuatu government officials report fewer complaints from workers in the second season about the conditions of their employment.

As in the other four Pacific states, a key part of the pre-departure training is the emphasis on good behaviour in New Zealand and maintaining the reputation of workers' families, communities, and country. This has also involved worker candidates understanding the consequences of misconduct in New Zealand. In the first season, workers were surprised that some acts were deemed to be breaking the law and that the Melanesian approach to reconciliation (apologising after the event and paying some form of compensation such as presenting a mat or other payment) did not work in New Zealand.

Due to a significant number of complaints during the first season from workers who had not properly understood the conditions of their employment, much greater emphasis is now being placed on reviewing the employment contracts and ensuring they are clearly explained to the worker groups. Ni-Vanuatu officials are concerned about the considerable variations between RSE contracts: some are two to three pages long while others can be up to 20 pages and difficult to understand. They also queried whether the contracts employers sent to the Department of Labour for approval are always the same as those passed on to the workers to sign. Before the workers sign their contracts, advice is now sought from the Vanuatu Department of Labour's legal officer – the contracts are reviewed to check they are appropriate. The legal officer then attends the pre-departure briefings to explain the contracts to the workers in Bislama.

#### *Tuvalu*

The pre-departure briefings were not specifically discussed during the interviews with officials in Tuvalu. However, officials indicated that the content for briefings is under review. Greater emphasis on what the work entails and how to be a productive worker on a New Zealand orchard is now seen to be useful, rather than just a focus on conditions in New Zealand and compliance issues. The use of return workers to explain their experiences to new workers is also seen to be important.

#### *Kiribati*

The pre-departure briefings were not specifically discussed during the interviews with officials in Kiribati.

### ***Pacific facilitation measures***

The Pacific facilitation measures were designed to kick start the RSE policy in five Pacific states and enable New Zealand employers to access Pacific workers quickly.

The Pacific facilitation measures are specified in the IAUs signed between the New Zealand Department of Labour and the equivalent government agencies from the five kick-start states (dated April 2007). The measures include:<sup>34</sup>

- community-based selection procedures of worker candidates
- the screening of all worker candidates for entry into the work-ready pool<sup>35</sup>

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<sup>34</sup> In the initial stages of the RSE Policy, additional facilitation arrangements were suggested in official documents but these were not subsequently included in the IAU. Such arrangements included subsidised pre-departure medical vetting; a revolving fund to meet a proportion of workers' international travel costs; and local pastoral care coordinators to link workers with local communities and church groups and to assist employers to meet their pastoral care responsibilities.

- the maintenance of a work-ready pool of worker candidates
- pre-departure orientation for workers.

Table 7 provides more information about the Pacific facilitation measures.

**Table 7: Pacific facilitation measures**

Worker selection	Worker preparation
<p>The Government of each kick-start state is responsible for:</p> <ul style="list-style-type: none"> <li>• selecting worker candidates for the work-ready pool based on agreed community-based selection processes (such processes differ across the five states)</li> <li>• screening all worker candidates (whether recruited via work ready pools or agents or directly by employers), with screening including health,<sup>1</sup> security, and immigration history checks<sup>2</sup></li> <li>• maintaining a work-ready pool of citizens who have been screened or in the case of Vanuatu, the licensing of recruitment agents<sup>3</sup></li> <li>• facilitating employers' access to workers, including maintaining a valid and up-to-date database of candidates and overseeing (or regulating) recruitment agents to ensure the integrity of selection processes.</li> </ul>	<p>The Government of each kick-start state is responsible for pre-departure orientation to improve the ability of Pacific workers to quickly adapt to New Zealand conditions and be productive in their jobs. The pre-departure briefing must:</p> <ul style="list-style-type: none"> <li>• cover climate, clothing, footwear, taxation, insurance, health and well being, accident compensation,<sup>4</sup> hourly and contract rates, legal deductions from wages, banking, remittance, budget advice, travel arrangements, and emergency contact details</li> <li>• cover compliance, including the consequences of overstaying</li> <li>• promote a good work ethic and the upholding of the country's reputation as reliable source of seasonal workers</li> <li>• cover supporting group leaders.</li> </ul>

Notes

- 1 All Recognised Seasonal Employer (RSE) Policy applicants must comply with the health requirements for a limited purpose visa (regardless of intended length of stay) under the RSE Limited Purpose Entry Policy. For Pacific countries, this means providing a temporary entry X-ray certificate and completing a section of the application form that asks whether applicants are HIV positive or have any medical condition(s) that currently requires or may require renal dialysis, hospitalisation, or residential care during their intended stay in New Zealand. All the kick-start states provide X-rays for tuberculosis; blood tests for HIV, sexually transmitted infections, and liver function; urine tests for diabetes; and tests for hepatitis B.
- 2 Security checks involve police checks for criminal convictions. Immigration checks identify previous deportees.
- 3 The New Zealand Agency for International Development funded the development of an internet-based database for the work-ready pool and sent a trainer to each country to train local staff in its use.
- 4 Accident compensation legislation covers workers, but they are not eligible for free health care.

<sup>35</sup> Vanuatu has not used a work-ready pool but rather has relied on private recruitment agents. The agents are responsible for the screening and pre-departure orientation for the workers they recruit. The agents are licensed by the Vanuatu Department of Labour.

Funding and support was provided to the kick-start states by the Department of Labour to enable them to implement the Pacific facilitation measures.<sup>36</sup> The IAUs were reviewed in early 2009 in light of experience over the previous 18 months. The revised IAUs place more emphasis on the type of information Pacific states provide to workers at the pre-departure briefing (for example the difference between hourly rates and piece rates, legal deductions from wages, and providing extra support to group leaders).

Overall, the Pacific facilitation measures have worked as intended. Table 8 provides an assessment of each measure. The strength of the measures lies in the fact Pacific government agencies are responsible for them and are actively involved in administering them. This has assisted the integrity of worker-selection processes and helped to mitigate risks (for example, risks to New Zealand’s public health through seriously ill workers arriving in New Zealand and risks to New Zealand’s border security and public safety through people with a criminal conviction or an unlawful immigration history being recruited).

**Table 8: Assessment of individual Pacific facilitation measures**

<b>Pacific facilitation measure</b>	<b>Assessment</b>
Community-based selection processes	<p>Community-based selection processes have occurred. However, tension is associated with such processes that stem from the different needs of the Pacific states and employers.</p> <p>In general, the five Pacific states want Recognised Seasonal Employer (RSE) opportunities to be available to as many people as possible. However, employers prefer return workers. Many employers are also developing relationships with particular communities. This means some communities are involved in the RSE scheme while others are being by-passed.</p>
Screening of workers	<p>The security screening of workers has worked well. This is evidenced in the relatively low number of workers who have absconded from their workplace or failed to return home at the end of their visa.</p> <p>Overall, health screening was satisfactory. A few pregnancies and serious health conditions were not picked up in the health screening process and became apparent only after the worker had arrived in New Zealand. In Kiribati and Tuvalu, the requirement for medical checks can put pressure on local resources. Both islands have only one X-ray machine.</p>
Work-ready pools	<p>The work-ready pools of Samoa, Tonga, Tuvalu, and Kiribati generally worked well in the first season.<sup>1</sup> They provided New Zealand employers with immediate access to workers.</p> <p>There was less use of work-ready pools for the second season as employers established direct relationships with Pacific communities, inviting previous workers to return and allowing return workers to nominate friends and family. There was evidence the Pacific states were responding to employer requests for the pool to include groups (rather than just individuals).</p> <p>The internet-based database provided by the New Zealand Agency for International Development has been unsuccessful in most countries, so has been replaced by databases in Microsoft Excel or Microsoft Access.</p>

<sup>36</sup> For example, the Department of Labour provided tools and resources such as DVDs to the kick-start states to assist with pre-departure orientation.

## Pacific facilitation Assessment measure

Pre-departure orientation	The pre-departure orientation briefing for workers coming to New Zealand in the first season was not successful. Trainers had little knowledge about New Zealand and were unfamiliar with the horticulture and viticulture industries and the nature of the work. Briefings improved in the second season with the Department of Labour's DVDs in Pacific languages and return workers explaining work conditions and life in New Zealand to first-time workers.
Oversight of agents	Exploitative practices by agents (for example, workers being required to pay agents) were not apparent. Employers used agents to recruit workers in the first season, but tended to do so only in Vanuatu in the second season.

### Note

- 1 Vanuatu does not have a work-ready pool. Agents were the main recruitment source in the first season.

## Earnings and savings

### Key points

- Workers were generally satisfied with the amount they earned, although some said they earned less in the second season than in the first season. It is impossible for workers to earn in their home countries the amount they can earn from working 4–7 months in New Zealand.
- Workers' earnings (or lack thereof) can affect the chances of a worker being selected by their village to come back for a further season.
- Many first season workers found it difficult to save, but implemented strategies in the second season to achieve financial goals.
- More emphasis is being placed on educating workers about budgeting and making sound financial decisions.

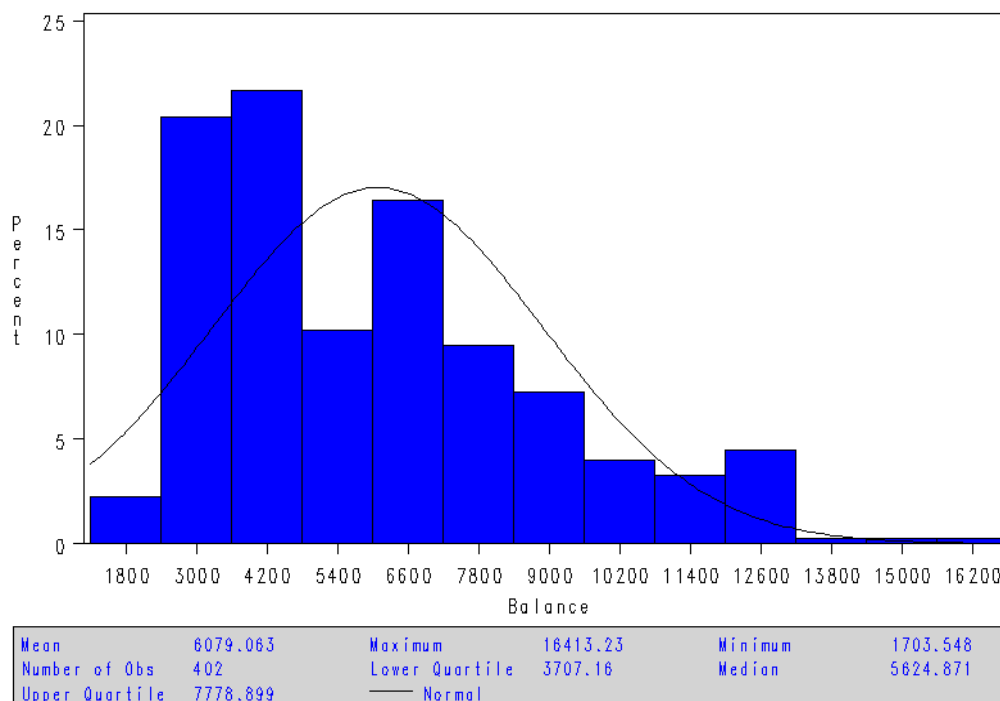
This section discusses the findings from the evaluation as they relate to workers' earnings and savings.

### Earnings

A Department of Labour audit in 2008 showed the average net return per worker (after deductions for airfares, food, accommodation, transport, and health insurance) from September 2007 to July 2008 ranged from \$1,704 to \$16,413.<sup>37</sup> The median and mean net returns were \$5,625 and \$6,079 respectively. Figure 4 shows the distribution of worker net returns from the 2008 audit.

<sup>37</sup> Department of Labour (2008) *Audit: Pastoral care provision and work conditions for RSE workers*. Wellington: Department of Labour.

**Figure 4: Distribution of worker net returns, September 2007 – July 2008**



The audit found that workers were employed for a period of at least 9 weeks, with the maximum length of employment just over 28 weeks. The average number of hours worked was close to 660 hours, which was in excess of the minimum 240 hours prescribed by the RSE Policy. The audit covered 407 workers (mostly Tongan, Samoan, and ni-Vanuatu) across 17 employers.

The audit was not repeated in 2009. However, with the implementation of the RSE tax code from 1 April 2009, it will be possible to derive better estimates of worker earnings in the future from linked employer–employee data.<sup>38</sup>

Workers from Tonga, Samoa, and Vanuatu interviewed in both seasons were generally satisfied with the amount they earned. Several workers from each of the three states indicated they had higher hourly rates in the second season. For example, one Tongan worker said:

*Last year when I came I was a grader and my rate was \$12.50. This year my rate has gone up to \$13 but now during the main season I feel that they are aware of my commitment and loyalty to the company. Just recently they have come to tell me that my rate has gone up to \$13.50 per hour. So what I can see is that they are watching and are noting how we work and the improvement we have made.*

<sup>38</sup> A recent study using linked employer–employee data from 1999 to 2005 found that permanent workers in the horticulture industry earned an average \$2,060, which is almost double the monthly earnings of seasonal workers (\$1,096): J Timmins (2009) *Seasonal Employment Patterns in the Horticultural Industry*. Wellington: Statistics New Zealand and Department of Labour.

One Samoan worker estimated he would earn about NZ\$2,000 more in the second season:

*I think [this] is an indication that I am getting better at this kind of work since my first season last year.*

Other Samoan workers reported they earned less in the second season. One reason was more-rapid ripening of the apple crop in the second season, which meant one major pick compared with three picks in the first season. Some workers were paid off after a shorter period in New Zealand.

Second season workers are now comparing their earnings between seasons, especially when they have set income targets for their time in New Zealand and are concerned if they cannot meet these targets because of changes to their contracted periods of employment. In some villages in Samoa, targets are being monitored with reference to worker productivity on a weekly basis. Workers are required to explain lower than expected earnings. Workers' earnings (or lack thereof) can affect the chances of a worker getting selected at the village end (not by the employer) to come back for a further season.

Workers from Kiribati and Tuvalu were interviewed in only the first season and were generally disappointed at earning less than they had expected. Both groups of workers had periods where they could not work between changes in work activities. The experiences of workers from Kiribati and Tuvalu are discussed below, but this was also the case for workers from other Pacific states.

### **Savings**

Workers from all Pacific states commented that it is impossible in their home countries to earn the amount of money they can get from working 4–7 months in New Zealand. Major family expenditures – a house, a vehicle, and school fees – all require money.

However, many workers have found it difficult to save. Workers in their second and third season have implemented strategies to help them to achieve their financial goals. These are summarised in Table 9 and discussed in more detail below.

One group of workers from Vanuatu, for example, debriefed at the end of their first season, concluded they had spent too much money while in New Zealand. In response to a request from the workers, the employer has set up a voluntary savings scheme. Participating workers receive a 'living wage' of \$150 per week (or more if they choose) for food and personal items. The balance goes into a bank account. The savings are transferred to Vanuatu when the exchange rate is favourable and the employer pays the transfer fee. At the end of the season, all the money in the account is transferred into workers' accounts in Vanuatu.

**Table 9: Strategies for saving**

Strategy	Tonga	Samoa	Vanuatu
Voluntary savings scheme set up and managed by employer	✓	✓	✓
Money saved by worker in a New Zealand bank account	✓	✓	
Increased awareness of budgeting (for example, making lunches at home rather than purchasing shop-bought food and making fewer phone calls home)	✓		✓
Couples live off one pay packet and bank the other	✓		✓
Boarding with relatives	✓	✓	
Monitoring of workers' earnings and savings (by village chief and pastoral care worker in New Zealand)	✓	✓	
Bulk remittance transfers	✓		

Note: No information is available for i-Kiribati or Tuvaluan workers.

Workers interviewed were very satisfied with this arrangement. One worker said:

*If we need to send money home, we just tell the company and they will arrange to transfer the required amount into our account and we send it home or they can send it directly to the address and account in Vanuatu.*

Another worker said:

*So far we have not sent any money home. Our kids at home have enough to eat and so we're saving up and hope to meet what we are here for.*

Other employers operate similar schemes with the support of workers. One team leader said workers required two counter-signatures (the pastoral care worker's and the employer's) to withdraw money from the savings account. One Samoan worker commented on this arrangement:

*One of the most important life skills I have learned from being involved in the RSE scheme is the importance of managing and saving my hard-earned money. I think the involvement of the boss' wife in our savings accounts has meant we have to be responsible and respectful of her willingness to support us through organising our pay to go directly to our special accounts which she counter-signs with each worker. And then there is a second individual bank account which the worker can operate individually, using an Eftpos card to withdraw money anytime. But having her counter-sign our main bank accounts doesn't mean we can't access the money any time. It just means that if I wanted to send some money to my family in Samoa, I need to fill out a form which is counter-signed by the church leader who provides pastoral care for the workers. Once that is done, the form is presented to the boss wife who then counter-signs the withdrawal for the money to be withdrawn to be sent home. That is the same process for all workers which ensure that we aren't able to spend money indiscriminately. We still have a small amount of money (\$80) which goes to our second account which we use for other*

*things which we may want to buy during the week. Now that's quite a good scheme for all of us because we know that when we have to leave we will be able to withdraw money from our accounts and that is very useful.*

One employer said he monitored workers' savings, with the rationale it is 'our failure' if a worker goes home with few savings. He said the success of the RSE scheme depends on money getting back to the Pacific 'where it needs to be'. He speculated that if workers arrived home after 7 months with only \$500 in their pocket, their relatives would ask, 'what did you do with the money?'. The employer's concern was that workers might shift the blame to employers, for example that there was not enough work, rather than say they did not work hard enough or that they spent their earnings.

Another employer, commenting on the issue of savings schemes, said:

*Call it colonialism or patronizing ... we [employers] do have to be careful. But the big picture is the success of the scheme. The money needs to get back to the islands.*

More emphasis is being placed on educating workers about budgeting and making sound financial decisions. The pre-departure training organised by the Tongan Government now includes information intended to help workers to plan for using their income. One pastoral care worker also emphasises teaching workers how to budget and save.

A Samoan recruiter believes the Samoan Government needs to improve its pre-departure training, especially in areas relating to money management and plans for investing funds when workers return to Samoa. This recruiter provides a pre-departure orientation programme that covers budgeting, saving, and investment in much greater detail than the compulsory government pre-departure training. He believes the most critical skills workers need to gain are 'life skills' such as how to save earnings and use them wisely and cultural and societal differences in New Zealand. His orientation programme includes advice on these topics, and he runs the training sessions for all workers in his district.

There is evidence that some workers have developed strategies to spend wisely. An employer said that workers in their second season have learnt to make their own lunches to take on a bus journey, rather than purchasing from shops along the way.

One Samoan group now pools finances to buy food and eat together 'to try to save as much money as we can'. Other workers have cut down on cell phone calls home and non-essentials so they can save. As two workers said:

*Last year, I spend a fair bit of money in trying to connect with my family in Tonga. I left behind a wife and seven children. So this year I have rationalised to understand that I am really here to save money for specific targets and so I am managing the calls to Tonga better. Tongan worker*

*Sometimes, I watch other people work hard, then go and spend their money on things like alcohol and smokes and takeaway foods. I know it is their own business to spend their money how they like, but I often wonder whether that is the best way to spend their hard-earned money. So that is something that has made me realise that it would be a shame to spend my money I work hard for to buy things that aren't really important, especially when I am*

*making much sacrifice to leave my wife and children and come and live and work in a different country and work environment. Now that is a new skill I have learned from working in New Zealand.* Samoan worker

Two Tongan couples interviewed (working for different employers) said they managed to save by spending only a portion of one partner's wages. One Tongan respondent said:

*At the moment while we both work, my husband and I, we both earn but we have agreed to live only on his wages and mine is being saved.*

## Living in New Zealand

### Key points

- Employers are responsible for their RSE workers' wellbeing in New Zealand.
- Two-thirds of employers surveyed reported problems providing pastoral care for their workers in the first season, but almost two-thirds reported no problems in the second season.
- Accommodation and living costs continue to be a problem for some workers, especially during down time, although return workers are more aware of these costs than they were in the first season.
- Just over half the employers surveyed said alcohol-induced socially disruptive behaviour was an ongoing problem.

This section discusses the findings from the evaluation as they relate to the wellbeing of RSE employees living in New Zealand.

The RSE Policy requires RSE employers to be responsible for their workers' wellbeing while they are in New Zealand.<sup>39</sup> This aspect of the policy is referred to as 'pastoral care'. Pastoral care includes helping workers access 'suitable'<sup>40</sup> accommodation and linking them to community groups and services such as health care, shops, and banks.

In the first season, two-thirds of employers surveyed reported they had problems or difficulties providing pastoral care for their workers. In contrast, in the second season almost two-thirds (63 percent) reported no problems. Positively, most employers (76 percent) also said that the management of pastoral care was easier when they had return workers.

These findings were confirmed in the individual interviews with employers. Many employers said they have been through an enormous learning curve and are now better prepared to provide pastoral care. In part, this is because return workers are self-managing. Workers reported that they knew how to get around the community and access services by themselves. As the following two comments show, return workers are also a source of support to first-time workers:

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<sup>39</sup> See Appendix A.

<sup>40</sup> Employers are advised to refer to their local territorial authority's requirements for temporary accommodation and other housing.

*Living at the same location this second season has been good because I know the place, know where the Samoan Methodist Church is and the people there. That is a great help because I was able to show the new workers around and introduce them to the Samoan church community people in the area which they appreciated. Samoan worker*

*I think the new workers are very, very lucky because we work closely with them and we share our experiences and we really want to make it better for them so they don't repeat the sort of negative experiences we may have come through. Tongan worker*

### **Accommodation**

Employers rely on different types of accommodation to house workers. Some workers live on the employer's property in purpose-built accommodation; some live off the property in rented houses, camp grounds, or backpacker-style accommodation; and others live with New Zealand-based family.

During the first season, one of the biggest challenges employers faced was a shortage of suitable accommodation. In the second season, 17 percent of online survey respondents reported that they were considering improvements to their accommodation arrangements. A new 196-bed facility opened in Marlborough, and six employers interviewed said they had invested in new or renovated accommodation during the second season.

Where new accommodation had been built, return workers commented:

*We have the best accommodation this year compared to last year. Last year we paid for everything we do like washing machine if we needed to do our laundry. This year we were given this house which is really good ... it includes everything and I am happy.*

Workers interviewed during the second season paid \$50–\$110 for accommodation. The higher rents included gas and electricity. Workers at one site paid \$120 for food and board. Return workers said they were more prepared for their living costs in the second season, and some had developed strategies to keep costs as low as possible. As one worker explained:

*We knew that the accommodation wasn't cheap so we wanted to do things like pooling our moneys to buy food and eat together and save as much money as we can.*

However, a Department of Labour respondent commented that accommodation costs continue to be an issue for some workers. The main issue is what workers receive for the amount of rent they pay. The respondent said that Marlborough accommodation tends to be the most expensive.<sup>41</sup> Landlords argue they need to set rent at such a level that it covers them for the period of non-occupancy when workers return home. However, the rent (\$1,200 per week for the property) appears excessive when it is averaged out over a year. Interviews with Department of Labour managers suggest there is varied understanding about the Department's ability to influence workers' rental costs.

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<sup>41</sup> No workers from Marlborough were interviewed in the second season.

In both seasons, some workers struggled to understand why they had to pay for accommodation and other living expenses when they did not get paid during down time (for example, when it rained). In the first season, some kiwifruit workers had not been informed or did not understand that they would not work for 3–4 weeks between the end of picking and beginning of pruning. In interviews with Samoan and Tongan workers in the second season, the issue of down time, particularly in January between the end of thinning and start of harvesting, was raised again. Samoan workers suggested they should be paid the minimum wage for some of the time they were not able to work – especially if the period of down time exceeded 1 week – as they still needed to pay for accommodation and food.

### ***Pastoral care arrangements***

Employers use a variety of arrangements to provide pastoral care to workers, including:

- contracting a New Zealand-based Pacific person from the same Pacific nation as the workers to manage workers
- having existing Pacific employee(s), including return RSE workers, undertake aspects of pastoral care
- having an accommodation manager provide pastoral care when workers are accommodated in hostel or backpacker-style accommodation
- contracting other local, non-Pacific people to provide pastoral care.

Several employers employ Pacific New Zealanders to liaise between workers and employers and assist with pastoral care. In the Nelson region, for example, five employers share a pastoral care coordinator, whose role is to help with language translation and organise leisure activities for workers, including kava on Saturday night. The pastoral care coordinator also liaises between team leaders and meets with the five growers, both individually and as a group once a week. This approach appears to work well as all workers have an opportunity to meet and discuss issues and employers are kept informed.

The Tongan Government employs two RSE liaison officers to provide pastoral care support for workers recruited from the work-ready pool. One liaison officer is employed solely by the Tongan Government and provides national support. The other liaison officer's salary is shared 50 : 50 between the Tongan Government and a large employer in the North Island. The officers' role is to keep an eye on all Tongan RSE employees in the Hawke's Bay region. The liaison officers have been involved in a range of activities and issues, including mediation of wage rates, disputes, or dissatisfaction about accommodation and transport, conduct issues, banking and savings plans, filing tax returns, remittance procedures, medical insurance, diet, social and religious activities, contact with families in Tonga, and dealing with alcohol-related incidents. Although this arrangement may work well for some workers, there is concern that workers at smaller employers miss out. One Tongan team leader, for example, said they had not seen either liaison officer in the 4 months they had been in New Zealand.

In Central Otago, a designated ni-Vanuatu liaison officer has been appointed by the employer (a cooperative) to assist with pastoral care on a part-time basis while also working in the orchard. Again, some workers, including those employed by the cooperative in Marlborough, have not seen the liaison officer because his role is only part time. This is problematic because, unlike Samoa and Tonga, Vanuatu does not have a large New Zealand-based community that can provide additional support to the workers, especially those coming to New Zealand for the first time. Interviews with Vanuatu government participants suggest that the ni-Vanuatu honorary consul may be funded to provide some pastoral care support. However, the honorary consul is based in Auckland and has other duties and responsibilities that limit the amount of time he can invest in the RSE scheme.

Some employers have accommodation providers, staff, and locals who provide informal support and language translation.

### ***Overseeing workers outside work hours***

In the second season, employers used a mix of Pacific social norm 'mechanisms' to oversee workers during out-of-work hours. The first strategy was the careful selection of workers, for example recruiting workers from the same community or island. The rationale is that these workers have a strong sense of familial or community responsibility and obligation, so are less likely to misbehave in New Zealand. In theory, such groups come with a recognised leader who workers trust and respect.

Another strategy is to accommodate workers on the employer's property where they can be more closely monitored. Five employers interviewed accommodate some or all of their workers on-site, which they said helped to manage workers in out-of-work time. As one employer explained:

*Two [of our workers] wanted to break away and drink kava with the local community. We are discouraging that [and] the group is discouraging it. We don't want an explosion of people going 14 different ways and losing control. At the moment we keep a tight rein [but] we're fair at the same time. They get six days' [work] a week; kava on Saturday night; go to church on Sunday. They don't need to be drinking kava again on Sunday night.*

One employer who moved his workers from town to his farm in the second season said this had resulted in fewer 'misconduct issues'.

Four employers interviewed had close links with a New Zealand-based Samoan church and rely on the church community to provide aspects of pastoral care. One employer, for example, recruits workers who are related to church members. Workers stay with their New Zealand relatives and attend the same church. As well as providing an element of connectedness between New Zealand-based and Pacific-based relatives, the church connection provides support and guidance about expected behaviour that is familiar to Pacific workers. As one worker said:

*One of the endearing aspects of our experience here is the manner in which the Samoan church community has made us feel very welcome. And it is not just our own relatives, but everyone within the church community has been really supportive. They give us good advice and we appreciate that very*

*much. Tonight, members of the church community are going to hold a farewell function for us here at the church hall. That is such a nice gesture and makes us feel that we belong to the community. It's like our home away from home and I quite like that.*

Another employer with a Pacific pastoral care worker insists all workers attend the same interdenominational church three Sundays a month. They are free to attend another church on the fourth Sunday.

One employer said they could not afford to employ a pastoral care worker, but had the accommodation supervisor provide informal support. In return, the accommodation supervisor paid no rent.

Other employers have instigated control mechanisms that some industry and government participants consider too restrictive. One employer, for example, has identified a 5 kilometre zone around the workers' accommodation, and workers must get the employer's permission to go outside the zone. Respondents viewed this form of control as 'paternalistic' and a 'breach of human rights'. Workers from this site were not interviewed in the second year, so their views about this arrangement are not known.

The evaluators are not aware of any official documents that stipulate employers are responsible for controlling worker behaviour out of hours. Employers do, however, face a penalty if the worker absconds: they can be required to defray costs of up to \$3,000 per worker for any worker who is repatriated at the taxpayers' expense as a result of breaching his or her work permit. The work permit requires workers to remain in the employment arrangement.

The reasons for managing worker behaviour may include employers wanting to minimise risks around alcohol-related behaviour that result in damage to property or workers being unable to work the next day. They may also want to avoid workers being perceived as a negative presence in the community, for example by drinking late at night in public places. They may also want to manage workers' relationships with Pacific Island family in New Zealand, especially if they have a negative influence on workers' behaviour.

Employers and workers also stress that it is important to have a cohesive group as each group is here for up to 7 months living and working alongside each other. As one Samoan worker commented:

*I had a good relationship with the workers (15) from my village that we worked together as a group. For most of the seven months we were able to generate a good and respectful working environment among us and the bosses of the company. We had a period at the beginning when we first arrived where the supervisors and team leaders from the employer gave us advice about the types of work we were supposed to do, how those were to be done, and explained to us properly. Even among ourselves as a group, we talked about how we were to organise our work and organised a routine in relation to our accommodations.*

## **Alcohol**

One in every three employers who responded to the online survey said they experienced alcohol-induced socially disruptive behaviour from their RSE workers. Nearly half (47 percent) of employers said the issue was a 'one-off' and just over half (53 percent) said it was an ongoing problem. A Department of Labour respondent said police had been involved in 30–40 cases. A small number of these cases were serious incidents. Where incidents have occurred they have tended to involve individuals rather than groups. The most serious incident in the second season involved a worker driving under the influence of alcohol. The worker hit an oncoming car, killing the occupant. The worker is now serving time in prison.

Employers manage the issue of alcohol in different ways. One employer interviewed said they allow workers to consume moderate amounts of alcohol in their accommodation. They become involved only if other issues come to the fore, for example male–female relationships that cause a rift within the group. Most employers interviewed insist that workers sign an employment contract or another document stating they will not drink alcohol while in New Zealand.

The 'no drinking' policy has the support of all Pacific state officials and pastoral care workers interviewed. However, the rigid enforcement of the policy has been a source of tension between the Department of Labour and employers and between employers and Pacific pastoral care workers and Pacific state officials. The Department of Labour points out that the Employment Relations Act 2000 does not allow a worker to be dismissed and sent home for alcohol consumption. One employer tells workers before they sign up for work that they have a choice: they can sign the employment agreement and work for the employer in accordance with the rules the employer imposes or they can choose to work elsewhere.

A key finding is that workers stay or are invited to return for a subsequent season not just because they are productive or skilled workers, but because they also meet certain standards of behaviour. The evaluation findings indicate that the decision about who stays or is invited back is not always made by employers. This is illustrated in the following vignette:

*A group of workers were caught drinking a six pack of beer in an accommodation block where alcohol was banned. The Pacific pastoral care worker insisted that all four workers be sent home for disobeying the rule. The four workers happened to be some of the most productive in the group. However, the pastoral care worker explained to the employer it was essential to send a clear message to all of the workers – if you break the rules, you will be sent home, regardless of whether you're a top performer or not.*

The social sanctions that are enforced in the Pacific may affect not just individual workers, but also the worker's community. Thus, a community may be prevented from participating in the RSE scheme in the subsequent season because of a worker's misbehaviour. In Tonga, a minister's village has been barred from sending RSE recruits until an absconder returns. Local sanctions for RSE behaviour-related incidents have also been reported in Samoa and Vanuatu.

## Community response to workers

### Key points

- Workers are generally welcomed into the community, but some have experienced unfavourable, including racist, responses from the community.
- Many workers engage with the local community through church, sports, and cultural activities.
- Local Pacific communities can be a support or distraction for workers, with some Pacific New Zealand residents encouraging workers to stay in New Zealand beyond their visa expiry date or to seek 'better paid' illegal work.
- The small numbers of i-Kiribati and ni-Vanuatu in New Zealand means minimal community support for i-Kiribati and ni-Vanuatu workers.
- Knowledge, sanctions, and social norms minimise the risk of workers becoming unlawful by leaving their employment or overstaying.

This section discusses the findings from the evaluation as they relate to the community's response to RSE workers. Pacific workers have appreciated the efforts made to welcome them into communities where they are working. Workers mentioned the kindness of older people who were 'friendly and approachable' and would 'often stop to chat in town' or share a cup of tea after church. Many workers engaged with local community through church and sports activities. In one community, Pacific members of a church organised cooking lessons and provided warm clothing. Examples of workers interacting with their local community included:

- workers participating in a local soccer tournament – the local radio station ran an appeal for soccer gear for the workers
- a community organising a welcome for a group of 96 workers
- workers doing community work during work down time, which was reported in a local newspaper and locals responded by dropping off fish for the workers
- workers getting to know people from a local marae while fishing, which led to a cultural exchange evening being held at the marae
- a community donating around 100 blankets for workers in response to a radio appeal
- workers singing at local events and institutions.

*They like to sing so [name of pastoral care provider] has organised for them to sing at an old people's home and at the local community hospital. Once they were there with a brass band – within an hour the two groups were mingling and got together later. Large pipfruit grower*

Other workers lived too far from town to engage with the local community.

Some communities have responded less favourably to having RSE workers in their midst. Two employers (one in Marlborough and another in Nelson) reflected on the reaction of the local community to their workers:

*There were some negative impacts at the start from the community. A lot of people in Marlborough are older, white, retired. A big group of 35 [workers] came and there was a lot of prejudice.* Large pipfruit grower

In the first two seasons, local Pacific communities were both a support and a distraction for workers. They offered social support and material comfort in the form of warm clothing and blankets. However, some also encouraged workers to visit them or to stay in New Zealand once their visa expired. In Nelson some local Pacific community members encouraged workers to visit bars and nightclubs. There were anecdotal reports of workers being asked for money by their relatives living in New Zealand.

A Kiribati official noted that the policy was formulated on New Zealand experience with Tongans and Samoans and assumed there would be community support for workers. However, as there are small numbers of i-Kiribati (and ni-Vanuatu) in New Zealand, this support was not available.

## Returning home

### Key points

- The risk of large numbers of workers absconding has been successfully managed: around one percent of all RSE workers in the first season (35 workers) and less than one percent (65 workers) in the second season.

This section discusses the findings from the evaluation as they relate to the Pacific RSE workers returning home. The limited purpose entry visa issued to RSE workers defines the period workers may stay in New Zealand. The expiry date of the visa is aligned with the end date of the employment contract. Workers who do not comply with the requirements of their visa<sup>42</sup> or fail to return to their home country by the expiry date are deemed to be unlawful.

Over the first two seasons, the risk of large numbers of workers absconding was successfully managed – around 35 workers became unlawful in the 2007/08 season (around one percent of the total RSE workers who arrived during the season) and 65 in the 2008/09 season (less than one percent). Of the workers from the five kick-start states, Tongan and Samoan workers were most likely to overstay.

The most significant instances of workers absconding were in Marlborough and involved two RSE employers. The workers' disappearance was the result of complicated circumstances, including insufficient work being available, the breakdown of the employment relationship, and failures in the pastoral care responsibilities of the employer.

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<sup>42</sup> A condition of the visa is that workers remain in the agreed employment position. Workers who leave their employment are deemed to be breaking the conditions of their visa, so become unlawful.

The low rate of unlawful workers indicates that the policy mechanisms designed to minimise worker flight risk are working well. Such mechanisms are summarised in Table 10.

**Table 10: Policy mechanisms designed to minimise workers’ overstaying**

<b>Policy mechanism</b>	<b>Description</b>
Employment incentives	Workers leave New Zealand with the promise of being able to be re-employed in subsequent years (providing specific conditions are met). Workers are guaranteed 240 hours’ work.
Family connections	A limit of up to 7 months stay in any 11-month period means workers retain strong links to their home country.
Cost sharing	Travel costs are shared with the employer so that the cost for the worker is not so great as to make overstaying attractive.
Punitive device	The Agreement to Recruit requires employers to pay for the costs associated with removal from New Zealand if workers become illegal and are deported.

These mechanisms are supplemented by the early intervention approach used by the RSE compliance teams, discussed in more detail in the section ‘Department of Labour – role and approach’.

Respondents identified three factors that helped to minimise the risk of workers becoming unlawful by leaving their employment or overstaying. The three factors were:

- knowledge: workers receive effective pre-departure orientation so that they understand what they have signed up for (that is the nature of the work, work conditions, and living arrangements)
- social norms: workers are part of cohesive groups (that is, they are from the same community or church) that have strong leadership
- sanctions: Pacific governments and communities impose sanctions on workers (and their families) who overstay.

The negative influence of some Pacific New Zealand residents on workers was identified by several respondents, including employers, Pacific pastoral care workers, and Pacific key informants. Some Pacific New Zealand residents have encouraged workers to stay in New Zealand beyond their visa expiry date for a holiday. Others have advised workers to leave their RSE employment and to seek ‘better paid’ illegal work opportunities. Some employers expressed frustration at the influence of such people on workers. One way employers managed this influence was to accommodate workers on-site. Some employers and pastoral care workers also accompany their workers to and from the airport to ensure workers are not intercepted by family members who will help them to abscond. In Nelson, employers and the Department of Labour have worked closely with local Pacific leaders to ensure locals understand the RSE Policy and why it is important that the rules are enforced.

## Short-term outcomes

### Key points

- Workers from Vanuatu, Tonga, and Samoa benefited financially from working in New Zealand, but workers from Kiribati and Tuvalu experienced few positive impacts.
- Short durations of work make it impossible for workers to generate sufficient savings to make their trip to New Zealand financially worthwhile.
- Pacific states are concerned by workers' increased access to alcohol, the effect of absentee parents on children, and the impact on communities of workers being unavailable for food production at home.
- Workers' earnings enhance the wellbeing of families and enable individuals and communities to pursue business ventures.
- Employers' preference is for return workers who are trained and familiar with New Zealand life.
- Significant productivity gains for employers began to emerge in the second season.

This section describes the short-term outcomes (intended and unintended) of the RSE Policy for workers, Pacific states, and employers from the first two seasons of the policy.

### **Results for RSE workers**

The intended short-term results for RSE workers are that they will benefit financially (after repaying airfare, other debt,<sup>43</sup> and living expenses) and gain new work-related skills.<sup>44</sup>

Workers from Vanuatu, Tonga, and Samoa benefited financially from working in New Zealand.<sup>45</sup> These financial benefits extended to workers' families and, in some cases, to their communities. However, this was not the case for workers from Kiribati and Tuvalu – the reasons for this are discussed in the following section.

The most frequent uses of savings by ni-Vanuatu, Tongan, and Samoan workers were to:

- pay school fees and buy school uniforms
- renovate homes or build new homes
- purchase land
- support other relatives
- pay for family events (for example, funerals and weddings)

<sup>43</sup> Other debt includes amounts for visas and health checks and may include internal transport costs from outer islands to the main centres in the source countries.

<sup>44</sup> A third intended result is that return workers will re-settle successfully into their home communities and contribute to the development of their communities with their enhanced skills and earnings. This result is outside the scope of this evaluation.

<sup>45</sup> Information in this section was collected from return workers (Tongan, Samoa, and ni-Vanuatu) interviewed in New Zealand and Samoan workers who had returned home and were interviewed in Samoa.

- purchase cattle
- purchase vehicles (for example, tractor, tip truck, van, and cars for use as taxis)
- purchase boats
- purchase equipment and tools (for example, fishing nets, outboard motors, and solar power systems)
- purchase electronic goods (for example, televisions and cell phones)
- repay bank and other loans (Tongan workers).

Samoan and Tongan workers also used their savings to give financial support to their church. A group of Samoan workers financed a church project, while some Tongan workers described using their savings to meet their church obligations (misinale). A group of Samoan workers gave their village council a gift (mea'alofa) of NZ\$2,000.

Some workers have used their savings to start or expand business ventures or for other activities that will generate income. Examples of such ventures include cattle farming, a taxi business, a store, and a vehicle-hire business. A Samoan worker who had recently returned home after his second season working in New Zealand tells his story:

*The RSE scheme has made a significant difference to my own life, especially the money I earned which I used to buy vehicles. After the first season of working in New Zealand for six months, I came back and bought a car with the money I earned, which was about \$12,000. This year I worked for five months and I earned about \$9,000, which I used to buy a right hand drive van, which I have licensed as a taxi which I am now driving as a job. It means I now am earning money from the taxi van ... Now that's a big life-changing change and I am enjoying it very much.*

While financial rewards were the most important benefit, workers also valued their newly acquired skills. The skills workers most frequently identified were time management skills, English language skills, and an improved work ethic:

*I learned to improve my attitude towards timing. In Vanuatu there is no such thing as coming on time for work or meetings for that matter. I can now see how important time is in everything.*

*I have learnt a lot from the palagis' way of life, especially here in the farm. They seem like rich people but they work every day in and out, just attending to their farm ... the result – a good harvest. I've learnt to think about that in relation to how I may be able to work my own farm at home. Hours mean dollars and also mean every hour counts, not just the hours you want to work. It's a work culture I am hoping to be able to sustain and show my kids too so perhaps they would be able to understand and appreciate the money that I earn.*

Some workers discussed how the skills they had learnt in the vineyard or orchard could be transferred to their farms at home or to business ventures they were considering. For example, a worker from the island of 'Eua, where 'mandarins and oranges grow wild in the bush', thought he could use the skills he has acquired pruning apples in New Zealand to prune the oranges and

mandarins in 'Eua so they will yield more fruit. Other workers had learnt about weed control, how to stack pallets, how to use farm equipment, and how to drive skills.

Return workers said they were better at managing and saving their money. Other return workers who had been given supervisory roles at work or as accommodation supervisors talked about the leadership skills they had gained:

*One of the most important life skills I have learned from being involved in the RSE scheme is the importance of managing and saving my hard-earned money.*

*I now find that those leadership skills I have got working as an RSE worker have become a useful asset ... in my role as a matai of my family and village.*  
Samoan worker

A positive outcome emerged from interviews with workers who were living with their Pacific relatives in New Zealand. They appreciated the opportunity to get to know their New Zealand relatives better and felt less homesick as a result of living with family.

Finally, a conversation between an employer and one of his female ni-Vanuatu workers provides an insight into what it means for some people to come to New Zealand. The worker described the freedom she experienced working in paid employment and living in New Zealand without the constraints of her traditional role as caregiver and housewife. She alluded to returning to domestic violence in her home situation.

### ***Pacific states' perspectives***

Respondents from Tonga, Samoa, and Vanuatu described the main benefit of RSE as providing work for people who have limited access to paid employment at home. This includes the growing populations of young adults who cannot be absorbed into the small labour markets of Pacific countries. The level of earnings of RSE workers over a 4–7-month period far exceeds the income provided by agriculture and other income-generating activities in their communities. Cash is becoming more important for family wellbeing (to build or renovate homes and pay school fees) and to fund community infrastructure projects.

However, respondents stressed that workers must have access to continual work for at least 4 months (but preferably longer) if they are to earn enough to have residual income after repaying airfares and meeting living expenses. Short durations of work make it impossible for workers to generate sufficient savings to make their trip to New Zealand financially worthwhile.

While the main benefits of RSE are financial, skill development was also identified as a positive outcome for workers. Respondents were keen to find ways for workers to use the horticultural skills learned in New Zealand when they return home. Workers' increased financial management skills were also identified as important.

Respondents were interested in other opportunities for worker skill development. While they were appreciative of the New Zealand Agency for International Development's literacy, numeracy, and financial training,<sup>46</sup> they questioned its

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<sup>46</sup> This training initiative for RSE workers is scheduled to begin in late 2009.

effectiveness given that it will largely take place in the evenings after workers have worked at least a 10-hour day. Respondents suggested how training funding could be better used. Training could be made available in the source countries for workers to pick up on their return home. Such training could link into existing small business start-up training that is supported by the New Zealand Agency for International Development in some of the kick-start states. Given the equipment (for example, motors and weed eaters) workers are taking home, training in small engine maintenance or mechanical skills would be useful. Training in English language, numeracy, and financial literacy could be available to workers before they left for New Zealand.

In contrast to Tonga, Samoa, and Vanuatu, Kiribati and Tuvalu have experienced few, if any, positive impacts from the RSE Policy during the first two seasons. Further discussion of the impacts experienced by each state is provided below.

Despite the positive economic benefits for some Pacific workers and communities from RSE, several issues were identified that are negatively affecting (or may negatively affect) Pacific communities. These issues include increased access to alcohol, the effect of absentee parents on children, and the impact on communities of workers being unavailable for food production. Despite these issues, all respondents supported the RSE Policy, highlighting the positive impacts for workers' families and communities. The short-term results for each of the five kick-start states are discussed below.

#### *Vanuatu*

As Table 11 shows, Vanuatu had the highest number of RSE workers in New Zealand of the kick-start states in 2007/08 and 2008/09, but the worker return rate of 49 percent in 2008/09 was less than the return rates for Tonga and Samoa (57 percent and 56 percent respectively).

**Table 11: Vanuatu worker numbers**

<b>Number of workers in 2007/08</b>	<b>Number of workers in 2008/09</b>	<b>Number of return workers in 2008/09</b>	<b>Proportion of return workers (%)</b>
1,067	2,523	524	49

Remittances from RSE workers are becoming one of the biggest earners of foreign exchange (and value added tax obtained from the sales of goods and services) in Vanuatu, second only to the tourism industry. RSE remittances exceed foreign exchange earnings from copra and other rural activities.

In some parts of Vanuatu the impact of RSE remittances has been focused on individual families, while in other instances the community as a whole has benefited. Some workers have used their earnings to improve their family's wellbeing, purchasing permanent housing materials; acquiring large plastic water storage tanks, solar panels, and diesel generators; educating children; acquiring power boats or vehicles; and buying consumer goods such as cell phones and DVD players.

One respondent said that workers' aspirations are changing with increasing amounts of money. Some are saving money to invest in small business ventures,

while others are saving so their children can go to university. Workers who come home with money are rewarded by attaining a higher status in their communities as they are seen as contributing to their family and community's livelihoods (rather than staying at home).

Other workers have used their remittances for community development projects. Some islands have set up community development councils to manage such projects. For example in North Ambrym, the local government council in the Lolihor area requires all workers to contribute approximately NZ\$200 towards a community fund that supports projects run by the local women, including small business initiatives and crop production. For the past 2 years, most of the community's immediate needs for income (to improve housing; buy water tanks, generators, solar panels; and pay school fees) have been met. The council has established a scholarship fund. Additional unused funds have now been put on term deposit until decisions are made about future development initiatives for the region. Lamén Bay, Epi, was cited as a 'model' community as the community's engagement with the RSE scheme has a clear community focus to improve village housing and water supply. The community sets a limit on the number of people participating in the RSE scheme each season to ensure the village economy and society are not disrupted.

One respondent described the non-financial benefits for workers from the RSE scheme. Workers have gained financial and time management skills, people management skills (taking on supervisory roles), and general personal development. Their English and financial literacy skills have also improved.

Some respondents regard the immediate financial benefits of the RSE Policy as just the beginning – they view the policy as being part of a broader vision for economic development in Vanuatu. The policy is seen as a way to build the knowledge and expertise of ni-Vanuatu workers so they can pursue other opportunities for overseas contract labour. Offshore work is regarded as crucial to enhance Vanuatu's economic independence and reduce the country's reliance on aid. The development potential of return workers, utilisation of their skills, and reintegration into Vanuatu society are key goals of the Vanuatu Department of Labour. The department's focus is shifting from recruitment and selection to how best to utilise the skills and earnings of those involved in temporary labour schemes. The Employment Service Unit has requested funding from the New Zealand Agency for International Development, World Bank, and International Labour Organization to assist with various community-level training and re-integration programmes.

Officials and other respondents identified a few negative impacts. Alcohol is banned in many rural communities in Vanuatu. The relative freedom workers experience in New Zealand has given them opportunities to consume alcohol, which has led to negative alcohol-related incidents. When workers returned home at the end of the first season, some chose to remain in Port Vila rather than returning to their village. This was less of an issue in the second season as returnee workers realised that staying in town would be costly and erode their hard-earned savings. Some workers have been involved in extra-marital relationships during their time in New Zealand. There have also been difficulties for family members left behind in the village, particularly for husbands and

children if their wives and mothers are away (and therefore unable to fulfil their traditional household duties).

Because of these issues, the Employment Service Unit now requires all married couples to sign a consent form before departure for New Zealand, to ensure there are no complaints regarding a spouse's employment overseas. In the future, the unit intends to encourage employers to take married couples, rather than leave one partner behind.

### *Tonga*

Tonga had the second highest number of RSE workers in New Zealand of the kick-start states in 2007/08 and 2008/09 and the highest worker return rate in 2008/09 (Table 12).

**Table 12: Tonga worker numbers**

<b>Number of workers in 2007/08</b>	<b>Number of workers in 2008/09</b>	<b>Number of return workers in 2008/09</b>	<b>Proportion of return workers (%)</b>
610	1,361	349	57

Tonga has used the RSE Policy to provide employment opportunities to people living in poorer, rural areas where there are few opportunities for paid employment. The 'bottom up' aspect of the policy was described as helping to build social and human capital for such people and their families. Cash is now essential for Tongan households to sustain everyday life. Regular remittances are vital for many households, especially those on Tongatapu where there is more dependence on paid transport and store-purchased foods. Workers' earnings have also been used to improve housing and pay school fees.

Workers' enhanced skills in time and financial management were identified as less tangible benefits of the RSE Policy. Respondents said there was potential to further improve workers' financial literacy, especially the benefits of saving money for themselves and their families before donating large amounts to the church. It was noted that Tongan people always give to their families and the church first, and then repay debts later. This causes problems for banks with loan repayments.

Attention is beginning to focus on how workers might use the horticulture skills gained in New Zealand when they return home. Many workers have small plots of land that could be developed. There are options for subsistence farming and the planting of new crops or increased planting of existing crops that could help reduce reliance on imported goods. These crops include fruits such as pawpaw, limes, pineapples, mandarins, and oranges.

The main negative impact of RSE identified by respondents related to family tensions that are occurring as a result of the husband/father (the traditional authority figure) being absent from the family. Some respondents described children becoming less disciplined and unruly and increasing problems with truancy and petty crime. The RSE Policy is compounding a long-standing trend of migration-induced absentee parents, and the increasing reliance on relatives and others in the community to support the children left behind.

There is strong internal commitment at all levels within the Tongan Government and at the district and town levels for the RSE Policy. From the Government's perspective, there is no problem at this stage with the numbers deployed under the policy and the sustainability of such flows at the village and district level, particularly given Tonga's high level of unemployment. Nevertheless, the net migration loss through international migration is estimated to be about 1,800 Tongans per year. This is only 500 more than the loss of labour through seasonal migration in 2008/09 (1,300 workers). If 1,300–1,500 RSE workers travel to New Zealand annually, this figure is close to the current level of total net out-migration.

### *Samoa*

Samoa had the third highest number of RSE workers in New Zealand of the kick-start states in 2007/08 and 2008/09 and was almost equal with Tonga for the highest worker return rate in 2008/09 (Table 13).

**Table 13: Samoa worker numbers**

<b>Number of workers in 2007/08</b>	<b>Number of workers in 2008/09</b>	<b>Number of return workers in 2008/09</b>	<b>Proportion of return workers (%)</b>
569	1,234	319	56

For the government officials responsible for the RSE Policy, the most important benefit of the policy is the income earned by workers that enables them to achieve their families' goals. The RSE Policy provides Samoan citizens living in rural areas the opportunity to build their cash assets at a time of declining waged employment, particularly for those with agriculture skills. Even if people are able to find paid work, the cash returns for casual labour (STA\$5 per hour or NZ\$2.50) are much lower than the minimum wage in New Zealand (NZ\$12.50). Skill development (such as time and money management) is viewed as a secondary benefit.

Workers' earnings were described as enhancing the wellbeing of families and enabling individuals to pursue business ventures that would have been impossible without the cash injections from wages earned in New Zealand. Examples were cited of workers from Poutasi village and other villages in Falealili District – one worker expanded his family's business (a store) by establishing a tourist venture for surfers who wish to take advantage of a particular wave break over the reef out from Poutasi. Another worker bought cows for a cattle farm and is planning to use next season's earnings for wire fencing. A third worker established a taxi business to service the Falealili area. Poutasi village is considered one of the RSE 'success stories' because of its role in the broader vision of a senior matai (a village chief) for the development of the district.

The circular migration aspect of the RSE Policy was identified as a key benefit for Samoan communities. People have access to paid employment without having to permanently migrate to New Zealand. Despite this, some respondents spoke of the risk that RSE could drain families and villages of their young men and women, making them unavailable for family chores or food production. A senior matai who is a recruitment agent for his district described how he recruited

workers for 2007/08 from a larger area to reduce the impact of their absence. Those selected for the RSE scheme were required to plant 5,000 taro shoots each before leaving home to compensate for the loss of their labour while overseas. Another respondent thought that the 1,300 RSE workers in New Zealand during the second season was not a major drain on the rural working population.

Few negative impacts were identified. A matai expressed concern that some workers were spending their earnings on consumer goods such as large stereo systems. He is keen for workers to receive advice on how to invest their hard-earned money in productive ventures, rather than on entertainment. Another respondent noted that one of the challenges associated with the increasing focus on recruiting from village and church groups is ensuring that individual workers retain some of their earnings for their own use, rather than all of their money being channelled into community and church projects.

The development and transfer of returnee workers' skills was also raised. The possibility of workers receiving training in New Zealand in growing vegetables that could be grown in Samoa was suggested. This would not only increase workers' horticultural skills, but also provide workers with a source of fresh vegetables that would help improve their diet while in New Zealand. Training in basic mechanical maintenance skills was also suggested as appealing to some workers.

#### *Kiribati and Tuvalu*

Kiribati and Tuvalu have experienced few, if any, positive impacts from the RSE Policy during the first two seasons.<sup>47</sup> This can be explained, in part, by the small numbers of workers who have participated in the RSE Policy (Table 14).

**Table 14: Kiribati and Tuvalu worker numbers**

Country	Number of workers in 2007/08	Number of workers in 2008/09	Number of return workers in 2008/09	Proportion of return workers (%)
Tuvalu	99	48	25	25
Kiribati	45	41	01	2

Kiribati workers experienced numerous problems with their employer in the first season. These problems included the contractor's inability to find sufficient work for the workers. The employer and many workers ended the season in financial trouble and the following season the employer was not permitted to re-recruit i-Kiribati. The experiences of the 2008/09 workers was mixed. One employer reported problems with poor performance and alcohol consumption. The employer said they do not plan to recruit from Kiribati again.

Two RSE employers recruited 99 Tuvaluans for the first season and 48 for the second season. One employer said he did not find the Tuvaluans to be as productive as his other RSE workers and they were more expensive to recruit.

<sup>47</sup> The information in this section is drawn from visits to Kiribati in November 2007 and February 2009, and Tuvalu in January 2008 and 2009.

The employer was prepared to take two as return workers, but they could not pay the costs associated with returning.

Other factors that influenced the experiences of workers were:

- the dispersed nature of the islands and atolls of Kiribati and, albeit to a lesser extent, of Tuvalu means workers from these countries face significant challenges to travel to New Zealand<sup>48</sup>
- the cost for i-Kiribati and Tuvaluan workers to travel to and from New Zealand is higher than for other Pacific states<sup>49</sup>
- interviews with i-Kiribati and Tuvaluan workers during the first season suggested their earnings were not as high as those of workers from other Pacific states
- there has been minimal interest from employers about recruiting workers from Kiribati and Tuvalu, but the Department of Labour and Horticulture New Zealand are working to encourage more employers to recruit from these countries.

In both countries, but especially in Kiribati, there is a sense of unfulfilled expectations about the RSE Policy. There is a view that more needs to be done by New Zealand to reduce the costs of participation for more distant countries, and to assist with pastoral care and liaison with workers in New Zealand. There is disillusionment about the gap between the perceived opportunities of the RSE scheme and the actual returns to the workers and source countries.

### ***Unintended consequences***

Despite the many positive benefits of RSE for workers, their families, and their communities, some unintended consequences have emerged or may emerge.

#### *Unrealised aspirations*

Not all workers benefited financially from their time in New Zealand. Some workers did not earn sufficient income to enable them to save after repaying airfares and meeting their living expenses. This included i-Kiribati and Tuvaluan workers for the reasons identified in the previous section. Several workers returned home with unrealised expectations and disappointment for their families.

Some workers chose to spend their earnings in New Zealand on alcohol, smoking, fast food, entertainment, and other discretionary items. Some employers expressed concern at the spending choices of their workers and that the workers' families would not benefit from their earnings. Employers were also concerned that workers were purchasing goods that were not good value for money (for example, cheap tools and equipment that would not last) and that workers would not have the mechanical skills to fix equipment when it broke down. There were anecdotal reports of New Zealand-based family members putting pressure on workers for financial assistance. Employers reported workers

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<sup>48</sup> For example, only one boat a month travels from the Line Islands to Tarawa, and it takes 3 weeks and costs around A\$200.

<sup>49</sup> Employers are required to pay half of the airfare from Fiji, leaving workers to pay for the rest of their airfare costs. This decision was to avoid disincentives for employers to recruit workers from these countries.

giving money to New Zealand churches. An employer told a story about one of her ni-Vanuatu workers:

*One worker went back as a 'big man with big money', spent money here on capitalistic things (42 inch flat screen TV, mattresses which won't last in the Vanuatu climate). He ran out of money in Vanuatu, wanted me to guarantee repayments to a finance company – he thought when he ran out of money he could cash in his ticket, but it was a nonrefundable air ticket ... one thing led to another ... may have been under pressure from family so he went to a finance company. He got a \$640 loan, interest was 20 percent plus.<sup>50</sup>*

The opportunities for new workers to come to New Zealand are lessening. Employers' first preference is for return workers who are trained and familiar with New Zealand life. The productivity gains of return workers may result in some employers employing fewer RSE workers. Many employers are by-passing work-ready pools, preferring instead to link directly into Pacific communities to recruit new workers or to ask return workers to nominate friends or family. Recessionary pressures will have the effect of further reducing RSE worker numbers approved by the Ministry of Social Development.

There are people in some kick-start states who have been in a work-ready pool since its inception and others who want to come to New Zealand as a result of seeing the financial gains of workers returning home. However, the above factors are limiting their chances of being recruited for the RSE scheme in the immediate future. This raises the possibility of differential wealth creation in the kick-start states. The economic wellbeing of RSE workers' families will incrementally improve and their community benefit. In contrast, people who are unable to participate in the RSE scheme may struggle to create income-generating activities at home and become more economically disadvantaged.

The current pressure on worker places may ease if the worker return rate decreases in season three and beyond or if recessionary effects are short term, resulting in fewer New Zealanders being available for seasonal work.

#### *Changing aspirations – longer term impacts*

The experience of living and working in New Zealand is changing the aspirations of some workers. Many workers have plans (such as building new houses or education children) that will require them to make multiple visits to New Zealand if they are to accumulate the money required to achieve their goals. Some workers expressed a desire for their family to migrate permanently to New Zealand.

The fact that workers may return regularly to New Zealand raises questions about possible long-term impacts on kick-start states from spouses, parents, and able-bodied men and women being absent from home for periods of 4–9 months each year. Some Pacific state respondents described measures being taken to mitigate such potential impacts, such as spreading worker recruitment around a district and requiring workers to plant crops before leaving for New Zealand.

Several Samoan and Tongan respondents placed the RSE Policy within the larger context of their migration history to New Zealand and other Pacific rim countries

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<sup>50</sup> The workers at this employer left money in New Zealand for their portion of the airfare to return the following season

for education and work opportunities. These respondents were of the view that communities could sustain the effects of absent RSE workers in the immediate future.

The extent to which annual circular migration by ni-Vanuatu workers would occur was questioned by one respondent. He said there are workers who intend to work in New Zealand for only two or three seasons to meet specific income targets for improving the livelihoods of their families. Long-term planning for investment in future development is foreign to ni-Vanuatu villagers – most needs are immediate ones and once these are satisfied there is little imperative to go on earning money. With the exception of a small proportion of people who have long-term goals for their children (for example, a university education) or careers that require a lot of training, the majority seek target incomes and once these have been achieved they turn their attention to other activities. Consequently, this respondent thinks there will continue to be a reasonably high rate of turnover and opportunities for new workers to participate in the RSE.

Despite these perspectives on worker numbers and return behaviour, the potential impacts on families and communities over the longer term need to be considered. While some risks such as loss of labour for food production are being addressed, there is less evidence that other potential risks such as the effects of absentee parents on children and the pressures placed on other family members for childcare are being taken into consideration.

### **Results for RSE employers**

The intended short- and medium-term results for employers are shown in Table 15. Short-term results are results expected in the first two seasons of the RSE Policy. Medium-term results are results expected beyond the first two seasons of the RSE Policy.

**Table 15: Intended short- and medium-term results for employers under the Recognised Seasonal Employer Policy**

<b>Intended short-term results</b>	<b>Intended medium-term results</b>
A reliable workforce of skilled and productive return workers	Increased productivity
Employers incentivised to improve business and employment practices	Business efficiency gains
Increased ability to plan	Investment in business
	Employer – Pacific community relationships

For most RSE employers, the benefit of the RSE Policy was realised immediately in the first season – employers had workers who could be relied on to turn up for work every day and who, in the most part, were enthusiastic about working and were productive. Table 16 shows the results of the online survey of employers about the dependability, enthusiasm, and productivity of their Pacific RSE workers during the 2007/08 and 2008/09 seasons. The results for Pacific RSE workers were higher than those for non-Pacific RSE workers, working holidaymakers, and New Zealand seasonal workers.

The impact of a reliable workforce was immediate – an industry leader summed up the first season of the RSE Policy:

*For the first time the fruit was picked on time and at the right time across all the industries, and the grapes were pruned on time and at the right time. That is an unbelievable achievement.*

**Table 16: Recognised Seasonal Employer (RSE) worker results, 2007/08 and 2008/09**

Rating	Dependability		Enthusiasm		Productivity	
	2008/09 Pacific RSE workers (%)	2007/08 Pacific RSE workers (%)	2008/09 Pacific RSE workers (%)	2007/08 Pacific RSE workers (%)	2008/09 Pacific RSE workers (%)	2007/08 Pacific RSE workers (%)
Rated 0–7	19	15	22	23	30	27
<b>Rated 8–10</b>	<b>80</b>	<b>69</b>	<b>76</b>	<b>62</b>	<b>69</b>	<b>58</b>
Don't know	2	15	2	15	2	15
Total*	100	100	100	100	100	100
Base number	54 <sup>†</sup>	22 <sup>‡</sup>	54 <sup>†</sup>	22 <sup>‡</sup>	54 <sup>†</sup>	22 <sup>‡</sup>

Notes

- \* Total may not sum to 100 percent due to rounding.
- † Subsample based on respondents who employ Pacific RSE workers.
- ‡ Caution: low base number of respondents – results are indicative only.

Having a reliable workforce has had flow-on effects for employers: reduced recruitment and training costs, increased confidence to expand and invest, and reduced pressure and stress. An industry leader said that a reliable workforce has enabled employers to focus on crop production and quality, rather than spending their time and energy on getting labour:

*[The RSE policy] enables employers to start effectively managing the fruit production.*

During the second season of the RSE Policy, other impacts began to emerge, including productivity gains and improvements to harvest quality. These and other impacts are described in more detail below.

The online survey asked employers to consider the benefits they had gained in terms of the costs incurred from participating in the RSE Policy.<sup>51</sup> Of the 54 RSE employers<sup>52</sup> who responded to this question, 46 (85 percent) said the benefits outweighed the costs, 4 (7 percent) said the benefits did not outweigh the costs, and 4 (7 percent) were unsure.<sup>53</sup>

<sup>51</sup> Two online surveys were conducted – one at the end of the 2007/08 season and the second at the end of the 2008/09 season. The online survey referred to in this section is the 2008/09 survey.

<sup>52</sup> 'RSE employers' refers to RSE employers who employed workers from one of the five kick-start states.

<sup>53</sup> In the online survey, different numbers of employers responded to individual questions. Consequently, in the online survey results that follow, different numbers of employers are noted as having responded to a particular question.

A pipfruit employer summed up the cost–benefit comparison:

*The downside is that RSE workers are expensive labour units and are time consuming – the upside is that they are reliable and the company doesn't have to worry about not having enough labour.*

### *Productivity*

Significant productivity gains began to emerge in the second season. During the first season, productivity gains were variable, with 6 of the 14 employers interviewed reporting increases in productivity. Employers acknowledged that workers were in a learning phase and that their productivity would improve in future seasons. Some workers struggled to acquire the required skills or to cope with cold working conditions during the winter months. At the end of the first season, an employer (a large viticulture contractor) observed:

*The first year with pruning, you're learning all the time, and it's only at the end of season you finally know what you're doing and you start to make money. It's only when you come back in your second year that you start to make good money. They're making good money now, next year it should be better from day one. And they're quite excited about that and so am I!*

Employers' expectations about productivity gains in the second season were realised. Forty-six of the 54 (85 percent) RSE employers in the online survey said that the RSE Policy provided them with better quality and more productive workers during the second season. This finding was reflected in the qualitative interviews with employers. Return workers were immediately productive and had an 'edge' on first-time RSE workers and New Zealand casual workers. Return workers showed new workers what to do and helped them to gain confidence in the workplace. In many cases the initial performance advantage of return workers was short lived as new workers got up to speed within a couple of weeks of their arrival.

Employers identified a range of factors that contributed to the productivity levels of RSE workers. Pacific workers are more likely to be able to cope with the physically demanding work involved in harvesting crops (such as apples or asparagus) in very hot, cold, or windy conditions. They are more willing to work long hours, weekends, and night shifts than New Zealand workers. A large kiwifruit pack house manager illustrated the difference between RSE and New Zealand workers:

*One grading table has 10 ni-Vanuatu women, and another 10 New Zealand casuals. The ni-Vanuatu table is always asking for extra work. Within a month the attendance of the New Zealand workers started dropping off – they didn't want to work weekends or night shift.*

Some RSE workers were reported as working at a consistently faster pace than New Zealand workers:

*A ni-Vanuatu was pruning in a row by himself. There were two kiwi permanent casuals in the next row. The ni-Vanuatu pruned at twice the speed as the two New Zealanders. Kiwifruit grower*

Employers reported productivity increases of 10–62 percent during the second season.<sup>54</sup> For some employers, workers were so productive that weekend work was stopped. Other employers sent their workers home before the end of the allocated period because all the work had been completed. An employer (pipfruit grower) compared the productivity of her workers over the two seasons:

*When we started RSE last year we thought 'oh my god have we done the right thing, they were slow'. Must have been a huge cultural shock for them. They picked four bins of pears a day [each] last year, this year they are picking seven–eight bins a day.*

#### *Harvest quality improvements*

A consistent theme that emerged from employer interviews was the improved quality of produce due to having skilled workers to pick and pack crops while they were in optimum condition.

*The biggest issue Motueka has is getting the fruit off at optimum maturity - when it's ready to be picked you physically have the staff to pick at the right time; then optimum harvest, optimum packing, optimum storage, optimum to the market - in a saleable form, not throwing half out because quality is not right. If you haven't got the people there's your whole year's work sitting on the tree racing away to maturity and you physically can't get to it. 2007 was a disaster - Braeburn picking second week of May - way past gone. Then probably repacked and threw a third out. Now there's fantastic quality. Admittedly it's been a good year but we're packing the last ones now - there have been significant improvements in the quality of fruit at harvest.* Pipfruit grower

Another employer explained how their fruit is graded and packed according to quality standards. In 2007/08, these standards were met 70 percent of the time. This increased to 90 percent in 2008/09.

The impact of RSE workers in the Hawke's Bay during the 2008/09 apple harvest was particularly significant. There was an intense start to the season due to the fruit ripening early. Half of the crop was picked in the first pick (rather than over three picks as is usually the case). The presence of RSE workers meant the fruit could be harvested when it was in peak condition. Employers reported that without the RSE workers, there would have been significant losses to quality.

#### *Confidence to expand and invest*

Until the introduction of the RSE Policy, the availability of seasonal labour acted as a limiting factor for employers wanting to expand their business. Fifty of the 54 (93 percent) RSE employers who responded to the online survey question said that the policy provided them with a more stable workforce than in previous years. As a result, employers reported becoming more confident about developing their business. Among the 22 employers interviewed:

- four employers were increasing their crop size
- one employer was moving into new varieties to be more competitive

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<sup>54</sup> It was too early for employers to have completed their productivity calculations when the qualitative interviews were being done. Therefore, this information about productivity is based on employers' assessments.

- one employer was undergoing a \$5 million expansion
- one employer was investing in more storage for fruit.

Another employer said the company needed greater certainty that it would continue to have access to RSE workers (in light of the recession) before committing to expansion.

The online survey indicated that RSE employers are more likely than non-RSE employers to have invested or be planning to invest in new plant and equipment and to expand their business.

Twenty-six (36 percent) RSE employers said they had invested in new plant and equipment in the 2008/09 season (compared with 29 percent of non-RSE employers and 26 percent of Transitioning to RSE (TRSE) employers), and another 31 percent plan to make changes in the 2009/10 season or beyond (compared with 19 percent of non-RSE employers and 28 percent of TRSE employers).

Twenty-five (35 percent) RSE employers said they had expanded their business in the 2008/09 season (compared with 12 percent of non-RSE employers and 23 percent of TRSE employers), and another 29 percent plan to make changes in the 2009/10 season or beyond (compared with 16 percent of non-RSE employers and 31 percent of TRSE employers).

#### *Employer–Pacific relationships*

Two types of relationships have emerged between employers and Pacific states. One approach involves a direct business relationship between an RSE employer and government officials, key community leaders, and other influential people in the Pacific states. The employers who fit this category are corporate or large-scale RSE employers. They are an attractive option for a Pacific state because they can provide work for large numbers of workers. In return, these employers expect Pacific state officials to manage the recruitment process and any worker issues that arise:

*If there are any hassles I don't piss around, I go straight to the [Pacific] officials and they sort it out.*

The second type of relationship has involved medium-sized or small employers establishing relationships with particular Pacific communities. The smaller number of RSE workers in these companies enables employers to get to know their workers and to hear about their families and personal circumstances. This is illustrated by the following vignette from an interview with a pipfruit grower:

*X has got to know the workers – she has learnt about their homes and families. X said she has become attached to them – she keeps in contact with them when they return home. X helped them find goods to take back home as unaccompanied luggage - digital cameras, laptops, solar panels, GPS to find fish, dictionaries, exercise books, bulk buying of books. She made sure that the laptops were suitable for the climate. She tried to make sure that the workers were getting the best value for their money. Next year she is planning to take the women to some cheap stores in Porirua to bulk buy silk flowers and long table cloths which the women will hire out or sell back home for weddings and other celebrations.*

There were numerous examples of such employers providing assistance to the community, including employers building a kindergarten, providing equipment (for example, chain saws, children’s books, school supplies, and lawn mowers) or other materials needed by the community (for example, church pews), and paying for containers for workers to ship their purchases home. While such assistance has obvious pay-backs for the employer in terms of engendering worker loyalty, many employers described a genuine desire to assist the community. They also described the ‘feel good’ factor that comes from doing so.

#### *Other results*

Other results that have emerged are summarised in Table 17.

**Table 17: Other results of the Recognised Seasonal Employer (RSE) Policy**

<b>Result</b>	<b>Description</b>
Improvements to supply chain	A reliable labour supply has enabled the supply chain to work more efficiently, which in turn means produce quality is more likely to be assured, that is: <ul style="list-style-type: none"> <li>• growers are confident that pack houses can pack their crop at the optimum time for quality</li> <li>• pack houses have certainty that crops will be picked and delivered to the pack house when scheduled</li> <li>• pack houses can plan accurately when they will get the fruit to market.</li> </ul>
Business efficiency gains	Employers reported reduced staff turnover, resulting in reduced recruitment and training costs.
Improved business and employment practices	RSE employers who responded to the online survey were more likely to have improved or changed their business and employment practices than were non-RSE and Transitioning to RSE employers. Such practices included workforce planning; how seasonal staff are managed and supervised; training and induction for seasonal workers; health and safety practices.
Positive impact on New Zealand workers	The presence of RSE workers has lifted the performance of local casual workers and reduced absenteeism and worker churn: ‘New Zealand workers know they have to lift the bar on their performance’.
Enhanced working environment	‘Our foreman says, “every day is a good day when you work with the Tongans”.’ ‘The workers are smiling, happy people – their positive attitudes have a positive impact on the pack house and other workers.’ RSE workers’ ‘joy and happiness makes a difference in the workplace’ – medium pipfruit employer.
Reduced workplace pressure and stress	‘Having the RSE workers has taken the stress off supervisors and foremen – the workers are consistent and reliable.’ ‘It has been a pleasure to work this year, compared to other years when it has been a nightmare’ – large kiwifruit employer.

Result	Description
Intangible benefits for workplaces	<p>'Being an RSE is an enriching experience. This is more the experience of small and medium sized RSEs who can develop relationships with villages and the workers' -</p> <p>'RSE has a feel good factor for employers – it's a good thing to be part of ... it's a personal connection rather than a commercial connection.'</p> <p>'Having RSE workers has changed me and my supervisors – we're probably better people for knowing them' – large viticulture employer.</p> <p>'It's very rewarding from our point of view – just the satisfaction of seeing they (the workers) have achieved something' – large kiwifruit employer.</p>

## Industry

Key points
<ul style="list-style-type: none"> <li>• A direct employer–worker relationship enables employers to get to know workers on a personal level, resulting in a positive workplace culture.</li> <li>• The accommodation and pastoral care requirements of the RSE Policy are not new or different for Nelson employers, who were already managing such requirements for their other overseas and New Zealand workers.</li> </ul>

This section discusses the findings from the evaluation as they relate to the horticulture and viticulture industries. The evaluation findings may be understood within the larger context of the horticulture and viticulture industries (and sectors within these industries). Characteristics of these industries (and sectors) have influenced employers' response to the RSE Policy. Some have acted as enablers or barriers to the successful implementation of the RSE Policy. This section provides a broad overview of these industry-related characteristics and regional factors.

### ***Employers engaging with RSE Policy***

During the first two seasons, 143 horticulture and viticulture employers became RSE employers. At least 43 percent of RSE employers had annual revenues of \$1 million or more (Table 18), while 31 percent had revenues less than \$1 million. At least half of the RSE employers employed fewer than 100 full-time staff at the peak of the season, while at least 36 percent employed over 100 staff (Table 19).

**Table 18: Annual revenue of Recognised Seasonal Employer (RSE) employers, 2007/08 and 2008/09**

Annual revenue	Number of RSE employers	Proportion of RSE employers (%)
Up to \$50,000	8	5.6
\$51,000–200,000	7	5.0
\$201,000–500,000	13	9.0
\$501,000–999,000	16	11.0
\$1 million–9.9 million	43	30.0
\$10 million plus	19	13.0
No data available	37	26.0
Total	143	100.0*

Note

\* Percentages may not total 100 percent due to rounding.

**Table 19: Full-time staff in Recognised Seasonal Employer (RSE) employers during peak season, 2007/08 and 2008/09**

Number of full-time staff	Number of RSE employers	Percentage of RSE employers (%)
< 50	35	24.0
50–99	39	27.0
100–149	12	8.0
150 +	40	28.0
No data available	17	12.0
Total	143	100.0*

Note

\* Percentages may not total 100 percent due to rounding.

### ***Horticulture industry***

Of the 134 employers who became RSE employers over the two seasons, 109 employers (81 percent) are in the horticulture sector.<sup>55</sup> These employers are located in all of the RSE regions.<sup>56</sup> Hawke’s Bay has the most horticulture RSE employers (36), followed by Nelson (27), then Bay of Plenty (19). Crops include pipfruit, stone fruit, berry fruit, avocados, kiwifruit, citrus, and vegetables.

Of all of the industry sectors and regions involved in the RSE Policy, the pipfruit sector in Nelson has been most successful in adopting the policy. This success is attributed to several characteristics of the pipfruit industry in this region. Growers are long-established, family-owned businesses that have a history of direct relationships with workers. This direct employer–worker relationship means labour contactors are not part of the picture in the region. For smaller companies in particular, this relationship has enabled employers to get to know

<sup>55</sup> Four of these RSE employers work in both the horticulture and viticulture industries.

<sup>56</sup> The RSE regions are Northland, Auckland, Waikato, Bay of Plenty, Gisborne, Hawke’s Bay, Manawatu, Wairarapa, Marlborough, Nelson, Canterbury, and Central Otago.

workers on a personal level, resulting in positive workplace cultures. It has also engendered loyalty on the part of workers.

Pipfruit growers in the Nelson region also have a long tradition of providing on-site accommodation and pastoral care for seasonal workers, especially working holidaymakers. For these employers, the accommodation and pastoral care requirements of the RSE Policy did not involve anything new or different from what they were already doing for their overseas and New Zealand workers. From a broader industry perspective, pipfruit employers in the Nelson region are described as a cohesive group with strong leadership who enjoy the confidence of the Ministry of Social Development and Department of Labour.

Pipfruit growers in Hawke's Bay were less likely to have on-site worker accommodation, and more likely to use labour contractors than their Nelson counterparts. Some employers, particularly the larger employers, had previous experience employing migrant labour through the Approval in Principle Policy.<sup>57</sup> While the Approval in Principle Policy did not have the level of pastoral care requirements of the RSE Policy, these employers were experienced in managing migrant workers and understanding their needs. For such growers the transition to the RSE Policy was relatively straightforward. The Hawke's Bay region was the largest employer of RSE workers, with 4,689 workers being employed in the first two seasons. The majority of workers were employed in the pipfruit industry.

The kiwifruit industry is located predominantly in the Bay of Plenty region with around 2,000 orchards. The industry is disparate, ranging from major corporate companies that operate large hi-tech pack houses to medium-sized enterprises to smaller owner-operated orchards, 'life style' growers, and absentee growers who lease their orchards. The majority of the 19 RSE employers in the Bay of Plenty are kiwifruit growers. The Bay of Plenty region had the second largest number of RSE workers during the first two seasons, with 3,029 workers. While the Bay of Plenty has fewer horticulture RSE employers than Hawke's Bay and Nelson, the large corporate companies in the region account for the higher worker numbers.

The use of labour contractors is wide spread in the Bay of Plenty. It is widely recognised that some of these contractors have dubious employment practices and employ illegal workers. The issues surrounding the use of labour contractors are described below.

The fresh produce food standard, Global GAP, has become an important driver for change within the kiwifruit industry, setting progressively higher standards.<sup>58</sup> The RSE Policy is seen as providing a stable labour supply, allowing the industry to focus on meeting the required quality standards that will enable it to compete in international markets. Consequently, kiwifruit industry bodies are enthusiastic supporters of the RSE Policy.

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<sup>57</sup> The Approval in Principle Policy allows employers to recruit temporary workers from offshore. The Approval in Principle Policy is no longer available to horticulture and viticulture employers, but is available to other industries.

<sup>58</sup> Global GAP is the fresh produce food standard set in place by Europe's leading food retailers to give their customers more assurance of food safety. Only accredited growers can supply these retailers. Global GAP certification allows New Zealand growers access to European markets because it provides evidence that their practices meet good agricultural practice standards, including ensuring a responsible attitude towards worker health and safety.

The kiwifruit industry suffered significant losses in the two seasons before the RSE Policy due to labour shortages. Labour shortages, together with poor workforce planning, resulted in some employers (including at least one major corporate) overestimating the number of RSE workers required in the first season of the RSE policy. This caused New Zealand workers to be displaced and insufficient work to be available for RSE workers in some workplaces.

The influx of numbers of RSE workers in the first season resulted in major accommodation shortages across the region. Employers described competing with each other for accommodation for accommodation. The situation eased in 2008/09 with fewer RSE workers.

### ***Viticulture industry***

Twenty-eight employers (growers and contractors) working in the viticulture industry became RSE employers during the first two seasons.<sup>59</sup> The majority of these RSE employers are located in Marlborough (19), with the remainder in Hawke's Bay (5), Auckland (2), Central Otago (1), and Nelson (1). The low number of viticulture RSE employers is due in part to the fact many winegrowers rely on labour contractors for workers to pick and prune their vines.

The viticulture industry has undergone rapid growth in recent years: the number of wineries increased from 204 in 1995 to 585 in 2008.<sup>60</sup> Despite its size, the industry is described as being more fragmented than the horticulture industry. However, the industry has strong lobby capabilities that were evident in the early days of the RSE Policy. According to an industry respondent, the structure of the wine industry is different to that of the horticulture industry. Unlike the horticulture sector, which has large employers integrated with pack houses that employ significant numbers of workers over a prolonged period, the wine sector has large numbers of small players and contractors, most of whom do not have the scale to make the investment in the RSE Policy pay off.

In contrast to the established nature of pipfruit growers in neighbouring Nelson, the viticulture industry in Marlborough is relatively new. It has become New Zealand's largest winegrowing area with about 145 companies having a presence in the region. Many vineyards are now wholly or partly owned by overseas investors.<sup>61</sup> Marlborough growers rely heavily on contractors for their labour needs. This means that unlike other winegrowing regions, there is no relationship between winegrowers and the people working in their vineyards. The Marlborough region had the third highest number of RSE workers over the first two seasons (1,407), the majority of whom worked in the viticulture industry.

The roll-out of the RSE Policy in Marlborough was compounded by a lack of existing temporary accommodation (such as motor camps and hostels) suitable for RSE workers. Employers were forced to rent houses from private landlords in a tight housing market. There were cases of large groups (up to 12 workers) living in one property. The rent paid by workers (\$100–\$120 per week) appeared excessive given the number of people living in the property. There was no shortage of accommodation reported in 2008/09 due to new accommodation

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<sup>59</sup> Four of these RSE employers work in both the viticulture and horticulture industries.

<sup>60</sup> New Zealand Wine. *Statistics*. <http://www.nzwine.com/statistics> (accessed 27 August 2009).

<sup>61</sup> 'Another vineyard sold to foreigners.' (2009) *Dominion Post*, 25 August, p 20.

being built. However, Marlborough is still considered as having the most expensive worker accommodation of all of the RSE regions.

The most high-profile cases of poor practices by RSE employers have emerged from Marlborough contractors. During the 2007/08 season, there were also instances of thinly veiled racism by some Marlborough residents towards Pacific workers living in their community.

Before the RSE Policy's introduction and during the first season, Marlborough winegrowers expressed considerable angst at the policy, some of which was played out in the media. Growers resented being required to employ workers from the Pacific, preferring instead Thai and Malaysian workers, who they claimed were better suited to vineyard work. However, there was growing acceptance of the RSE Policy during the second season as its benefits began to be realised.

Winegrowers in other wine-growing regions such as Central Otago are more likely to be smaller-sized companies than their Marlborough counterparts. These winegrowers are more likely to be owner-growers who have 'hands-on' involvement with their workers by doing their own recruitment of local labour or using labour gangs they know.

### **Labour contractors**

Labour contractors are particularly prominent in the kiwifruit industry in the Bay of Plenty and viticulture industry in Marlborough. Their role remains a central issue for the RSE Policy. Contractors were at the centre of the poor labour practices (and use of illegal workers) that were a significant stimulus for the RSE Policy.

The nature of the relationship between a labour contractor and worker is different to the relationship between an employer and worker. Employers get financial gains from the use of their land. Contractors on the other hand make money by selling labour. As one industry representative said:

*For direct employers, workers are people who make it possible to produce but for contractors workers are the sole source of profitability and everything that happens around them is an opportunity to clip the ticket. They make their money from people.*

Contractors also establish distance between the worker and the ultimate employer of labour. Where contractors are bad employers, they can exploit this distance. Even where contractors are effective, they can confuse understandings about rights, responsibilities, and resolution of conflicts. More specifically, contractors intervene in the relationship between grower (owner of the land) and worker, which are important for Pacific workers.

By the end of the second season, 37 labour contractors had become RSE employers: 16 are based in Marlborough; 11 in Hawke's Bay; 6 in the Bay of Plenty; and 1 in each of Northland, Gisborne, Christchurch, and Central Otago.

The RSE Policy is intended to create market pressures on rogue contractors with RSE growers requiring contractors to employ legal labour and demonstrate good labour practices. Such pressures are intended to force contractors to become compliant or to be driven out of the industry. The formation of the Master

Contractors' Federation is designed to help the industry become more professional in how it operates.

There is agreement that the RSE Policy has improved the employment practices of many contractors. Some growers are prepared to use only RSE contractors. One large corporate in Hawke's Bay has sufficient RSE workers so the company no longer has to use labour contractors.

Despite these positive developments, respondents reported that there are contractors who continue to operate outside the law and growers who are willing to use their illegal workers. Such growers are more likely to be in the kiwifruit industry in the Bay of Plenty or viticulture companies in the Marlborough region. According to one New Zealand official, a handful of larger RSE employers are prepared to use illegal workers if they are unable to access legal labour. When they are confronted with the fact that illegal workers are working on their property, they claim ignorance or hide behind multiple company structures to disguise such use.

Some respondents stated that the Department of Labour should take its focus off RSE contractors who are compliant and put more resources into clamping down on rogue contractors. An official stated that the Department of Labour lacks the level of resources required for the level of compliance activity associated with a widespread assault on dubious contractors, some of whom are highly transient and work in remote locations.

### ***Employer cooperatives***

It was expected that some RSE employers would organise collaborative ventures as a way of sharing RSE workers. A range of potential benefits were identified from such arrangements, such as economies of scale and cost efficiencies for employers. Further, since a cooperative is responsible for the provision of pastoral care, employers' responsibilities for workers are limited to work hours. Such cooperative arrangements were also seen as benefiting workers, providing them with continuity of work. Despite such potential benefits, other than an existing employer cooperative, there has been minimal take-up of collaborative arrangements by employers.

One grower cooperative was established before the RSE Policy (in 2004) as part of a Ministry of Social Development initiative to solve seasonal labour shortages in Central Otago. The cooperative provides RSE workers to orchardists and grape growers in Central Otago and Marlborough. It recruits predominantly ni-Vanuatu workers and has opened a recruiting office in Port Vila. In 2008/09, the cooperative employed around 550 ni-Vanuatu workers. In the second season, some employer members of the cooperative chose to recruit workers directly, stating this is more cost effective for them and the workers.

The only new cooperative venture by RSE employers is a small-scale arrangement in the Hawke's Bay called Pick NZ, which is based on the grower-owned Seasonal Solutions cooperative model.

Other employers have joined up with nearby employers to share a pastoral care worker. This is an effective approach for employers with smaller numbers of RSE workers as it reduces pastoral care costs.

### **Joint Agreements to Recruit**

Another way for employers to have cooperative arrangements is through a joint Agreement to Recruit (ATR). A joint ATR allows employers to have access to workers at peak work periods by sharing workers with another employer. This is usually an employer in a different industry where harvesting and pruning occur at different times.

In 2007/08, 12 joint ATRs were approved (involving 241 workers); in 2008/09 five were approved (involving 148 workers.)

The success of joint ATRs has been variable. During 2007/08, all of the ATRs related to pipfruit employers in the Hawke's Bay sharing workers with kiwifruit employers in the Bay of Plenty. Employers discovered that different physical attributes were required for working in the two industries – tall, strong workers who had been recruited to pick and carry large loads of apples were not necessarily well suited to picking kiwifruit from low-hanging vines.

*There is a real problem with joint ATRs – what the apple industry needs is different to what kiwifruit industry needs – apple needs tall people, kiwifruit shorter people. Apple needs people who are self-driven, kiwifruit needs people who can work well in a group. Kiwifruit employer*

Some workers complained that they did not like the change involved in working for one employer and then another. For example, workers had no sooner acquired picking skills for apples, than they had to learn a different set of skills for picking kiwifruit.

### **Department of Labour's role and approach**

#### **Key points**

- The Department of Labour has taken a facilitative, relationship-based role in managing the RSE Policy. Shortcomings are resolved through education and support. Compliance is a measure of last resort.
- Employers feel comfortable contacting their local RSE regional team if they need advice.
- Some employers believe the Department of Labour is too lenient on employers who are not complying with the RSE Policy.

This section discusses the findings of the evaluation as they relate to the role of the Department of Labour. The role and approach of the Department of Labour has resulted in the Department being a key contributor to the RSE Policy's success during the first two seasons. The policy involves a variety of disparate 'players' (that is, Pacific governments and workers, industry bodies, employers, and the New Zealand Council of Trade Unions) and multiple levels of activity (that is, international, national, and local levels). The Department has played an important role in linking these disparate players and creating an environment of openness where shortcomings are identified and addressed.

### ***Department of Labour's responsibilities***

The aspects of the RSE Policy for which the Department of Labour is responsible are:

- negotiation of IAUs with each of the kick-start states and ongoing liaison
- approval of employers as an RSE employer<sup>62</sup>
- approval of ATR workers<sup>63</sup>
- visa processing of RSE workers
- border security and worker compliance with visa requirements
- employer compliance with employment and other legislation
- employer compliance with conditions of RSE Policy (for example, pastoral care)
- development, monitoring, review, and evaluation of the RSE Policy.

Several business units in the Department of Labour are involved in the administration, operation, and support of the RSE Policy.

- An RSE Employer Unit in the Wellington branch of Immigration New Zealand deals with the accreditation of employers, ATR applications, and related matters.
- Immigration New Zealand branches and High Commissions around the Pacific and in Asia process visa applications from RSE workers.
- Dedicated labour inspectors and Immigration New Zealand compliance staff are based in regions around New Zealand
- Wellington-based specialists in policy development and advice, communications, legal matters, finance, and research and evaluation are involved as required.
- A central RSE team manages and facilitates the policy. The team includes a principal adviser Pacific region, two regional RSE relationship managers, a business analyst/executive assistant, and an establishment director.

In the regions, RSE staff operate in teams rather than in isolation. At the national level, coordination and oversight is provided through meetings of Workstream leaders (which bring together managers from all parts of the Department with a role in the RSE Policy) and an RSE governance group (which includes deputy secretaries and other senior staff from across the Department).

### ***Department of Labour's approach***

Although the Department of Labour has statutory and other compliance-based responsibilities for the RSE Policy, it describes its role as a 'facilitative' role that is relationship-based. This facilitative approach underpins how National Office and regional teams operate. Where shortcomings are identified, the Department aims to assist through education and support. Compliance is a measure of last resort.

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<sup>62</sup> This is done by the centrally based RSE Processing Unit.

<sup>63</sup> Approval of ATRs is done in consultation with the Ministry of Social Development, which applies a labour market test to ATR applications.

The work of the RSE regional teams is described as being based on relationship management. Labour inspectors' work involves ensuring minimum employment conditions are met, monitoring pastoral care and other aspects of RSE Policy, and facilitating the resolution of disputes between RSE employers and workers. Labour inspectors work with employers to address shortcomings and improve practices. Immigration officers' work is based on an early intervention strategy – by staying in touch with employers, they aim to address problems early that might otherwise lead to workers disappearing from a workplace or failing to return home at the end of their visa. The low rate of unlawful RSE workers indicates the success of this strategy.<sup>64</sup>

The effectiveness of the Department of Labour's facilitative way of working with employers was evident in comments from employers. They felt comfortable about contacting their local RSE team if they needed advice and spoke positively about the help provided:

*People are terrified of joining the scheme because they have to submit full financial records to the Department of Labour ... Everyone can make mistakes, there are so many rules and regulations, we try our hardest, it's an intense season, you deal with large numbers of people, you get tired, slip up ... There is a fear in businesses that mistakes will be misinterpreted (by government). But the Labour Department has been brilliant, they've said they are interested in educating not penalising – and that's been the case. We've learnt so much about documentation, getting it right. Department staff have a 'top class' attitude.*

However, the Department of Labour's approach with some employers has been criticised. There have been some cases of failure by RSE employers, notably labour contractors in Marlborough. In such cases, the RSE approval process failed to identify poor employment practices and pastoral care provision, which became evident following worker complaints. Other RSE employers and the New Zealand Council of Trade Unions have criticised the Department for taking a facilitative approach with such employers, rather than taking more decisive action such as rescinding their RSE status.

During the first season, the Department of Labour's labour market knowledge managers performed a strategic brokerage role between policy, local government, employers, contractors, other agencies, and local communities. One labour market knowledge manager described his role as the 'lynchpin' between Wellington head office and the RSE scheme on the ground.

The Department of Labour's facilitative role and the importance placed on relationships is a recurring theme in the findings about the development and implementation of the RSE Policy. The development of the RSE Policy involved extensive consultation and negotiation with industry. Respondents attributed the success of this engagement to senior industry officials and Department officials working in a collaborative manner. Industry respondents described this engagement as creating a platform for enhanced collaboration across industries, and between industries and government in future.

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<sup>64</sup> Unlawful RSE workers are workers who have failed to return home by the expiry of their visa or who have left their employment (remaining in employment is a requirement of the visa).

The speed with which the RSE Policy got off the ground is attributed in part to the networks of the then Service International Group in the kick-start states. These networks assisted the negotiation of RSE arrangements between the five governments and New Zealand government officials and the signing of the IAUs.<sup>65</sup> Official respondents from Vanuatu, Tonga, and Samoa expressed appreciation at the visits of senior RSE personnel during the first two seasons of the RSE Policy to assist with the implementation of the policy and the opportunities to meet in New Zealand with representatives from other states involved in the policy.

The Department of Labour governance structure for the RSE Policy has been effective. Officials were unanimous about the success of this cross-organisational structure, describing it as a model for future initiatives. A senior manager noted there were no 'models' to guide them about how to make the RSE Policy work successfully. He described this as being a strength, because it increased the level of innovation and cross-organisational collaboration, particularly among the members of the RSE Governance Group.

### ***Relationship of Department of Labour with other New Zealand government agencies***

The Department of Labour has primary responsibility for the development and implementation of the RSE Policy. However, other agencies were involved in or consulted during the policy development process. These agencies included the Ministry of Social Development, Ministry of Foreign Affairs and Trade, New Zealand Agency for International Development, Ministry of Pacific Island Affairs, and Ministry of Agriculture and Forestry.

The Ministry of Social Development, Ministry of Foreign Affairs and Trade, New Zealand Agency for International Development, and the Inland Revenue Department also have responsibilities for the implementation of the RSE Policy (Table 20).

**Table 20: Agency responsibilities**

<b>Government agency</b>	<b>Recognised Seasonal Employer (RSE) implementation responsibilities</b>
Ministry of Social Development	Forecasts seasonal labour requirements Receives all seasonal work vacancies lodged by employers Considers RSE and Agreement to Recruit applications
Ministry of Foreign Affairs and Trade and New Zealand Agency for International Development	Involved in the development of the Inter-Agency Understanding with the kick-start states Provided set-up funding and activities for kick-start states, including a worker database, training the trainer programmes, awareness raising, and marketing
Inland Revenue Department	Develops and maintains RSE worker tax codes

<sup>65</sup> New Zealand government officials came from the Department of Labour, Ministry of Foreign Affairs and Trade, and New Zealand Agency for International Development.

## **Summary of findings**

Overall, the RSE Policy has achieved what it was set up to do – employers in the horticulture and viticulture sectors have access to a reliable and stable seasonal workforce. As the policy enters its third year, there are indications many employers are now also benefiting from skilled labour as workers return for their second and third seasons. The labour supply crises of previous years have been avoided and employers are now able to plan and manage their businesses with confidence. Significant productivity gains were reported in the second year, together with improvements in harvest quality.

Alongside the employer 'wins', Pacific workers and three Pacific states have benefited financially from participation in the RSE Policy. Skill development has also been identified as a positive outcome for workers.

Some credit for the success of the implementation of the policy must go to the Department of Labour, which early on recognised the value in adopting an 'adaptive' approach to policy making that acknowledges the importance of being responsive to emerging situations and changing circumstances. The first two seasons have been a period of tremendous learning and adjustment for employers, workers, and government officials in New Zealand and the Pacific.

There is now evidence that the policy is 'bedding down' as all parties gain confidence about their roles and as the benefits of the RSE Policy build on previous years.

### **3 THE FUTURE – OPPORTUNITIES AND CHALLENGES**

The RSE Policy and how it operates on the ground will continue to evolve as:

- the labour market changes
- relationships are cemented between employers and Pacific communities
- employers become more skilled at managing Pacific workers and providing pastoral care
- the pattern of return workers emerges
- productivity trends from repeat return workers become apparent<sup>66</sup>
- RSE productivity gains are factored into employers' workforce planning
- employers become more knowledgeable about the optimal times to employ RSE workers during the season to maximise their earnings and reduce time away from home
- the interplay between employer demand and worker supply works out
- other market forces play out (that is, fewer worker places available may result in greater competition among the kick-start states).

As has been noted above, several factors are contributing to a reduction in the number of worker places for the third season of the RSE Policy. More New Zealanders are available for work, and the productivity gains of return workers means employers are requiring fewer workers. Although employers will recruit some first-time workers, their preference is for trained workers. Policy changes announced in mid-2009 provide some employers with more options to recruit workers from outside the Pacific.

In the kick-start states, interest in the RSE Policy has developed as people have seen the financial rewards of workers returning home. More people are now competing for fewer worker slots. Three of the Pacific states are now competing with each other to be the preferred supplier of labour to RSE employers.

During the 2008/09 season, some employers paid their return workers a higher rate. However, pressure on fewer worker places will create market forces that may suppress pay and employment conditions for RSE workers. There needs to be sufficient gains and benefits from the RSE Policy for workers for Pacific governments to support the policy in the longer term.

The evaluation has identified opportunities and challenges for industry and the Pacific and New Zealand governments.

#### **Industry – realising government's investment**

The RSE Policy aims to assist with the creation of a more efficient and productive horticulture and viticulture industry. The goal is to transform the industry from one based on low cost and low skill levels to an internationally competitive industry based on high value and high quality. This will lead to the creation of more secure, full-time jobs that will make the sector more attractive to

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<sup>66</sup> Such trends will reveal at what year the productivity of repeat return workers peaks, and once levels have peaked whether they remain the same in subsequent seasons or decline.

New Zealand workers. The development and implementation of the RSE Policy, a 'small' policy in relative terms, has required significant input from government agencies and considerable public funds.

Employers who have made productivity gains by employing RSE workers now need to consider how they can channel such gains into business development, investment, and growth. Unless the intended industry transformation occurs, the expected benefits of the RSE Policy in terms of increased export earnings and more sustainable jobs for New Zealand workers may not eventuate. The expected economic gains will be compromised and the Government's investment in the industry unrealised.

The RSE Policy aims to create a sustainable seasonal labour supply by using Pacific migrant workers. For employers' relationships with Pacific communities to be sustainable over the longer term, employers must invest in their relationships with workers by developing their skills, rewarding them appropriately, and providing opportunities for advancement. While some RSE workers may be prepared to remain as low-skilled seasonal workers, others have higher aspirations. Unless employers make such investments in their workers, they run the risk of being seen as exploiting their Pacific neighbours. This could have significant consequences for the industry given the focus of international corporate customers on ethical business practices and social responsibility.

### **Pacific governments – balancing opportunities and challenges**

Pacific governments welcome the opportunity for their young people and unwaged citizens to earn an income in New Zealand that is of direct benefit to their workers' families and communities at home. At a national level, Pacific states have the opportunity to leverage off the RSE Policy to strengthen their economy and work towards economic development goals. Although the Pacific economic development goal may be a secondary aim for the New Zealand Government, the policy is extremely important for Pacific states.

Inherent in the opportunities presented by the RSE Policy are challenges for Pacific governments at the micro and macro levels. The most significant challenge is how to balance the desire to spread RSE opportunities as widely as possible while also meeting employers' demands for experienced return workers.

Other challenges include:

- encouraging 'wise' spending by workers while in New Zealand, rather than on discretionary spending or for purchasing consumer goods
- engendering a savings culture and the building of capital
- encouraging the use of RSE earnings for seeding business ventures
- utilising workers' horticultural skills to improve productivity in domestic crop production at home
- exploring how the new horticulture workforce could be employed at home for new export crops
- transforming RSE income flows into job creation and local investment
- creating sustainable RSE migration flows at the village and district levels.

The extent to which the kick-start states may look to the New Zealand Government for assistance with these opportunities and challenges is a decision for leaders from respective kick-start state governments. Other possible avenues of assistance for kick-start states and specific communities include Pacific-based non-government agencies, the World Bank, and joint ventures with New Zealand employers.

Most importantly, Pacific governments need to mitigate the negative economic and social impacts arising from groups of citizens (and their communities) having access to substantial earnings (by Pacific standards), while others remain engaged in activities that generate minimal income. Other potential negative impacts that require the attention of Pacific leaders are the loss of labour in communities, the effects of absentee parents on children, and the pressure placed on substitute caregivers.

The Governments of Samoa, Vanuatu, and Tonga have demonstrated their capacity to respond to the opportunities offered by the RSE Policy. This is not the case with Tuvalu and Kiribati, which are struggling to attract RSE employers and are seeking additional support from New Zealand.

### **New Zealand Government – ongoing role**

The Department of Labour's role in the RSE Policy as a 'facilitator' and 'educator' has been successful. However, this relationship-based approach is time and resource intensive. Consequently, decisions about the Department's future role and when the RSE Policy will become 'business as usual' (with an associated reduction in resourcing) are important.

As the RSE Policy is both an immigration and employment policy, the Government will always have a role in ensuring border security and employer compliance and mitigating identified risks such as public health risks and the displacement of New Zealand workers.

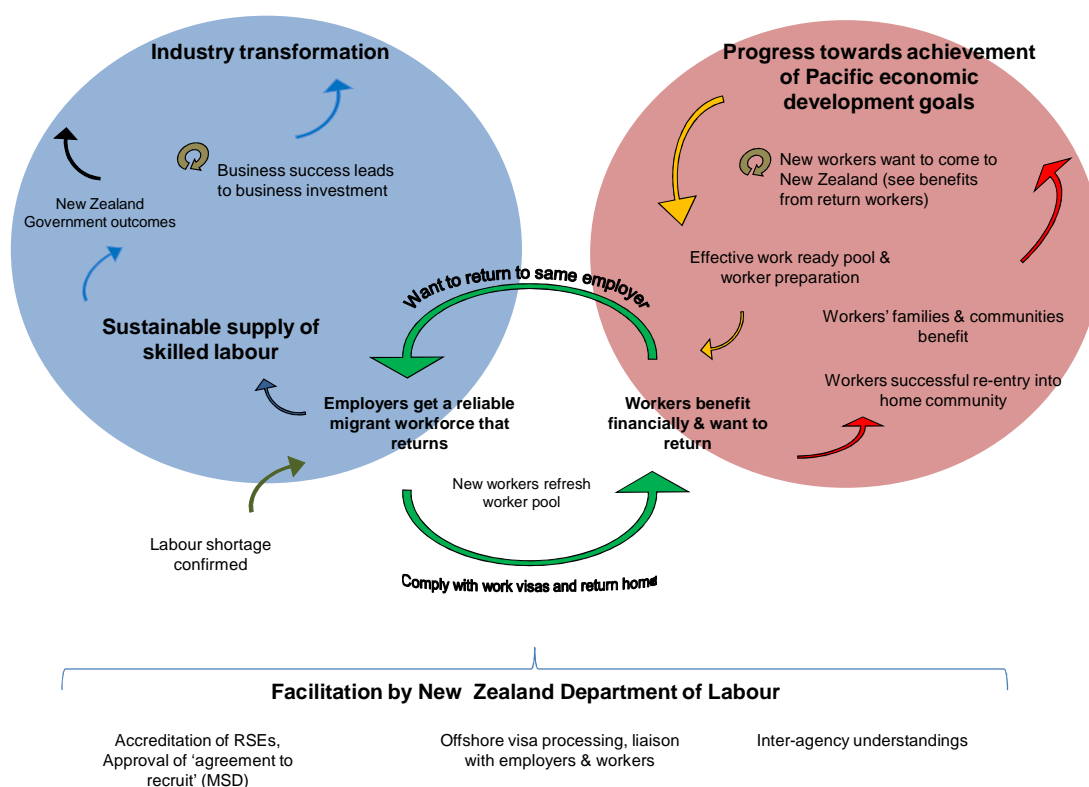
Although the policy has been successfully implemented in the first two seasons, how it operates will continue to evolve in response to changing economic and other conditions. Given the number and range of parties involved in the RSE Policy, the Department of Labour will continue to play an important overview and coordinating role. In particular, Pacific states require a centralised contact which to raise policy or operational issues.

The RSE Policy is a relatively small policy for New Zealand (in terms of the number of people involved), but it is regarded as significant by participating Pacific governments. For this reason, the RSE Policy is likely to play a major role in New Zealand's foreign relations with these countries in the future. There is considerable scope for the New Zealand Government to assist Pacific governments, through the New Zealand Agency for International Development, to explore ways to leverage off the RSE Policy for economic development purposes. Other involvement could include supporting Kiribati and Tuvalu to develop the capacity to effectively utilise the RSE Policy and assisting other Pacific countries to participate in the RSE policy.

## Balancing the interests of employers and workers

The RSE Policy is described as a 'win-win-win' arrangement for the horticulture and viticulture industries, Pacific workers, and Pacific states. An intervention logic<sup>67</sup> illustrates how the diverse aims of RSE participants need to be in balance so all parties benefit (Figure 5). It is recognised that the employer is the primary driver of the RSE Policy, but Pacific workers' goals and interests must also be considered if the employer is to gain ongoing access to trained workers. This 'balancing' will require oversight and management by New Zealand government officials and industry leaders in the immediate future. Further information about the intervention logic is in Appendix D.

**Figure 5: Recognised Seasonal Employer intervention logic**



Note: MSD = Ministry of Social Development. For information about how to interpret the figure, see Appendix D.

## Issue to be resolved – worker support and dispute resolution

An issue that has emerged from the first two seasons of the RSE Policy that is yet to be fully addressed is that of worker support and access to dispute resolution. The evaluation findings highlight factors that reduce the ability and opportunity for individual workers to raise issues about workplace conditions and pastoral care and to have such issues addressed. These factors are summarised into three areas: selection and recruitment processes, competition among Pacific states, and worker awareness and representation.

<sup>67</sup> This section draws on PJ Rogers (2008) 'Using programme theory to evaluate complicated and complex aspects of interventions.' *Evaluation* 14: 29–48.

### ***Selection and recruitment processes***

The selection and recruitment processes used to employ workers may act as a disincentive for workers to raise issues. As is described in the 'Pacific workers coming to New Zealand' section in chapter 2, work performance is not the only factor in decision making about which workers will be invited to return for the following season. Individual workers who raise issues may be sidelined by employers or pastoral care workers considering who to invite back.

Selection and recruitment processes based on group approaches have advantages in that workers are likely to work better together and have recognised leaders who can support the group. However, such processes may also make it more problematic for individual workers to raise issues because existing power and group dynamics may prevent them from speaking out.

### ***Competition among Pacific states***

There is competition among Tonga, Vanuatu, and Samoa to supply workers to New Zealand employers. Before leaving home workers are told they are ambassadors for their country and must not act in a way that could jeopardise the opportunity for others to come to New Zealand. There are penalties for workers (and their communities) who are identified as 'letting the side down'. Social sanctions imposed by Pacific states put pressure on workers to conform, rather than to question employment conditions or raise issues about pastoral care.

The evaluation identified examples where workers had little opportunity for formal or informal redress. Examples included workers who had concerns about their employment conditions or pay rates and workers who performed well in the workplace but were sent home for drinking alcohol outside work hours.

Employers and Pacific pastoral care workers are by-passing the RSE labour inspectors, whose role includes facilitating the resolution of disputes between employers and workers. One avenue for Tongan workers to raise their concerns – the dedicated RSE liaison officers – does not appear to be working as intended. The findings suggest that this role is more about making the RSE Policy a success for the source country, than advocating on behalf of individual workers.<sup>68</sup> The liaison officers expect workers to raise issues through them, rather than directly with their employer. In addition, the liaison officers have not been accessible to all workers – some workers expressed concern that they had not seen their liaison officer during their time in New Zealand.

### ***Worker awareness and representation***

Some workers appear to have limited knowledge about their rights as workers under New Zealand employment law or where to go for assistance. In some cases, this has resulted in New Zealand churches taking action on workers' behalf to address issues. In other cases, workers have used their networks of New Zealand-based Pacific residents to channel their complaints.

The role of the six RSE labour inspectors includes investigating worker complaints. However, the extent to which the labour inspectors are easily accessible to workers is not clear. Workers may prefer to raise issues with people

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<sup>68</sup> The Tongan RSE liaison officers are employed by the Tongan Government.

they know or through channels where they feel more comfortable. There is evidence that Pacific pastoral care workers play an important role in providing workers with a voice in the workplace. This role works particularly well when workers feel safe to speak openly with the pastoral care worker about issues of concern and where the pastoral care worker and the employer have regular opportunities to communicate and discuss issues.

However, not all workers have access to pastoral care workers with the skills required to 'walk the line' between workers and employers. The evaluation has highlighted areas of tension, conflicts of interest, and practical issues that resulted in workers not always getting the support they need. RSE workers have access to the same support mechanisms as New Zealand workers through the Department of Labour's independent formal dispute resolution process, but in practice workers may not find these mechanisms accessible. The Department may wish to consider ways to promote and strengthen existing dispute resolution mechanisms for RSE workers.

## 4 CONCLUSION

The first two seasons of the RSE Policy involved significant learning for RSE employers, Pacific workers, and the kick-start states. As is the case with any new policy, there were 'teething issues', particularly during the first season. Most of the issues and tensions that occurred in the first season were less apparent in the second season. This was the result of several factors, including:

- workers having more realistic expectations about life and work in New Zealand
- employers getting better at providing pastoral care
- the 'right' people being selected for the work
- all RSE participant groups becoming more competent and confident about their roles and responsibilities.

The RSE Policy has been successful in addressing seasonal labour shortages. Employers are reaping the many benefits associated with having reliable and productive workers. Such gains need to be reinvested into the industry to achieve the overarching aim of the RSE Policy, that is, the creation of more efficient and productive horticulture and viticulture sectors.

Pacific states regard the RSE Policy as an important initiative – Samoa, Tonga, and Vanuatu in particular are very committed to the RSE policy. The financial gains of workers from these countries are making a positive difference for their families and communities. However, potential risks have been identified for Pacific states from their participation in the RSE Policy, including differential wealth creation among Pacific communities. Such potential risks require ongoing monitoring and management.

The ongoing success of the RSE Policy in future seasons will involve the careful balancing of the interests of RSE employers and RSE workers. There will need to be sufficient gains for all parties involved in the RSE Policy for the policy to be sustainable in the longer term.

## GLOSSARY

Note: Words in **bold** text in the definition column are defined in the Glossary.

Term	Definition
Agreement to Recruit (ATR)	<p>Employers apply to recruit a specific number of Pacific workers for identified tasks during a specified period. In applying for an ATR, the employer agrees to undertake the following for their Recognised Seasonal Employer workers:</p> <ul style="list-style-type: none"> <li>• pay one half of workers' return travel costs<sup>69</sup></li> <li>• guarantee wages for at least 240 hours of work</li> <li>• guarantee an average of at least 30 hours' work per week</li> <li>• provide evidence of specific provisions for pastoral care (that is, accommodation, translation, transportation, and induction to life in New Zealand, including providing opportunities for recreation and religious observance)</li> <li>• provide evidence that workers will be paid at least New Zealand market rates<sup>70</sup></li> <li>• commit to pay for the costs associated with removal from New Zealand if workers become illegal and are deported</li> <li>• agree to compliance, auditing and enforcement provisions.</li> </ul>
ATR	See <b>Agreement to Recruit (ATR)</b>
IAU	See <b>Inter-Agency Understanding (IAU)</b>
Inter-Agency Understanding (IAU)	<p>An IAU sets out facilitative arrangements between the New Zealand Department of Labour New Zealand and the relevant agency in each of the <b>kick-start states</b> in support of New Zealand's <b>Recognised Seasonal Employer Policy</b>. IAUs were signed with agencies from the five kick-start states in early 2007.</p>

<sup>69</sup> In the case of workers from Tuvalu and Kiribati, employers pay half of the return airfare from Fiji. Cabinet agreed to this policy amendment in December 2007. It will be reviewed in 2009.

<sup>70</sup> Workers' wages must not be below the minimum wage unless an agreement exists for the employer to recover half of the return airfare.

Term	Definition
kick-start states	<b>Pacific Islands Forum</b> countries (with the current exception of Fiji) have preferential status under the New Zealand <b>Recognised Seasonal Employer Policy</b> , but five Pacific states were selected to have additional facilitation measures to kick start the policy: Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu (also referred to as the <b>Pacific states</b> in this report).
Pacific facilitation measures	The Pacific facilitation measures were designed to kick start the <b>Recognised Seasonal Employer Policy</b> in five <b>Pacific states</b> . These measures are set out in schedule 1 of each <b>Inter-Agency Understanding</b> and identify the responsibilities of <b>kick-start states</b> as: <ul style="list-style-type: none"> <li>• providing community-based selection and recruitment procedures</li> <li>• overseeing and licensing of private recruitment agents</li> <li>• screening all worker candidates before passing their names to Immigration New Zealand for visa processing</li> <li>• providing pre-departure orientation for workers.</li> </ul>
Pacific Islands Forum	The Pacific Islands Forum is a political and economic policy organisation for the Pacific region. The forum comprises 16 independent and self-governing Pacific states: Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.
Pacific states	Pacific states are the five Pacific countries selected to kick start the <b>Recognised Seasonal Employer Policy</b> : Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu (also referred to as the <b>kick-start states</b> ).
Recognised Seasonal Employer (RSE) Policy	The RSE Policy allows for the temporary entry of offshore workers to work in the horticulture and viticulture industries in New Zealand.
Recognised Seasonal Employer (RSE) status	The awarding of RSE status requires an employer to demonstrate compliance with relevant legislation and provide evidence of their commitment to recruiting and training New Zealanders.
RSE Policy	See <b>Recognised Seasonal Employer (RSE) Policy</b>
RSE status	See <b>Recognised Seasonal Employer (RSE) status</b>

Term	Definition
Supplementary Seasonal Employment (SSE)	<p>Supplementary Seasonal Employment (SSE) employers are approved to employ a specified number of SSE work permit holders at any one time for a specific period in a particular region (following labour market testing).</p> <p>To apply for an SSE work permit, people must be in New Zealand lawfully. The SSE permit is valid for 6 months and allows workers to move from one approved SSE employer to another.</p>
Transitioning to Recognised Seasonal Employer (TRSE) Policy	<p>The TRSE Policy was introduced in November 2007 to give employers extra time and assistance to work towards meeting RSE requirements. Employers who are working towards becoming an RSE employer may recruit temporary migrants who are already in New Zealand, providing there are no suitable workers in New Zealand to fill the positions. The TRSE Policy ended in November 2009.</p>
TRSE Policy	<p>See <b>Transitioning to Recognised Seasonal Employer (TRSE) Policy</b></p>

## APPENDIX A: RECOGNISED SEASONAL EMPLOYER POLICY – ROLES AND RESPONSIBILITIES

**Table 21: Recognised Seasonal Employer (RSE) roles and responsibilities**

<b>Selection</b>	<b>Pre-departure</b>	<b>Work related</b>	<b>Non-work-related</b>
<b>Work-ready pool</b>	<b>Work specific &amp; general readiness</b>	<b>Worker wellbeing</b>	<b>Worker and family wellbeing</b>
<p>The kick-start state government is responsible for:</p> <ul style="list-style-type: none"> <li>selecting a work-ready pool of citizens who have been screened (the selection processes into the work-ready pools differ across the kick-start states, see Table 7)</li> <li>in the case of Vanuatu, licensing recruitment agents</li> <li>facilitating employers' access to the work-ready pool, including maintaining a valid and up-to-date database of candidates</li> <li>overseeing or regulating recruitment agents to ensure the integrity of selection processes</li> <li>screening all worker candidates (whether recruited through work-ready pools and agents or directly by employers).</li> </ul>	<p>The kick-start state government is responsible for providing pre-departure orientation to improve the ability of Pacific workers to quickly adapt to New Zealand conditions and be productive in their jobs.</p> <p>The pre-departure orientation covers:</p> <ul style="list-style-type: none"> <li>climate, clothing, footwear, taxation, insurance, health and wellbeing, accident compensation,<sup>1</sup> hourly and contract rates, legal deductions from wages, banking, remittances, budget advice, travel arrangements, and emergency contact details</li> <li>compliance – the consequences of overstaying</li> <li>a good work ethic and upholding the country's reputation as a reliable source of seasonal workers.</li> </ul> <p>The RSE employer is responsible for paying half of the return airfare of each worker.</p>	<p>The RSE employer is responsible for the worker's pastoral care, including:</p> <ul style="list-style-type: none"> <li>transportation to and from the port of arrival and departure</li> <li>suitable accommodation<sup>2</sup></li> <li>an induction programme</li> <li>transportation to and from the worksite</li> <li>access to personal banking</li> <li>personal protective equipment</li> <li>onsite facilities</li> <li>necessary language translation.</li> </ul>	<p>The RSE employer is responsible for providing opportunities for:</p> <ul style="list-style-type: none"> <li>recreation</li> <li>religious observance</li> <li>worker links into local communities and church groups.</li> </ul> <p>The New Zealand Department of Labour assists individual employers to meet their pastoral care responsibilities.</p>

### Notes

1 Workers are covered by accident compensation legislation, but are not eligible for free medical services.

2 Workers are responsible for the costs of accommodation, food, clothing, and other living expenses.

## APPENDIX B: CHANGES TO THE RECOGNISED SEASONAL EMPLOYER POLICY

**Table 22: Changes to the Recognised Seasonal Employer Policy, July 2007 – November 2009**

Policy change	Purpose	Date
Workers' wages allowed to go below the minimum wage for repayment of the workers' share of their airfare	To enable employers to be reimbursed for workers' share of the airfare.	July 2007
Introduction of Transitioning to Recognised Seasonal Employer (TRSE) Policy, to run from August 2007 to August 2009.	To allow employers who were working towards RSE status to employ temporary migrants who were already in New Zealand, (providing there were no suitable New Zealand workers to fill the positions). To enable employers to work toward becoming RSE employers.	August 2007
RSE worker visa changed from a work permit to a limited purpose entry visa/permit	To reduce the risk of workers trying to extend their stay.	August 2007
Changes to the Variation of Conditions Policy to allow visitors to work for up to 6 weeks in shortage areas and to allow working holidaymakers who work 3 months in the seasonal industries an additional 3-month stay.	To provide employers with improved access to working holidaymakers and visitors.	August 2007
Employers recruiting from Kiribati and Tuvalu required to pay 50 percent of the workers' return airfare from Fiji to New Zealand (rather than from the workers' country of origin).	To avoid cost of airfares acting as a disincentive to employers recruiting from Kiribati and Tuvalu.	December 2007
Workers allowed to move between RSE employers.	To maximise worker earnings and help employers better manage unexpected down times.	August 2008
Department of Labour allowed to request information about payments made by workers to employers.	To help the Department of Labour gather information about the true costs for workers of participating in the RSE Policy.	August 2008
The cap on RSE worker numbers increased from 5,000 to 8,000 per year.	To address labour shortages.	October 2008

<b>Policy change</b>	<b>Purpose</b>	<b>Date</b>
<p>Supplementary Seasonal Employment (SSE) permit to replace TRSE.</p> <p>Approved SSE employers can employ a specified number of SSE work permit holders at any one time for a specific period in a particular region (following labour market testing).</p> <p>To apply for a SSE work permit, people must be in New Zealand lawfully. The SSE permit is valid for 6 months and allows workers to move from one approved SSE employer to another.</p>	To provide employers with more flexible ways of meeting their labour requirements, providing New Zealand workers are not available.	August 2009
<p>Rules for deductions from RSE worker wages are the same as those for New Zealand workers.</p> <p>The Department of Labour requires all deductions to be declared by the employer as part of their application to recruit RSE workers and workers to agree to the deductions before accepting employment.</p>	To increase transparency around the types and amounts of deductions from workers' wages.	August 2009
<p>The cap was retained at 8,000 workers per year, but the RSE year was changed from 1 April – 31 March to 1 July– 30 June.</p>	To prevent RSE workers being counted twice in the same year.	August 2009
<p>Employers who have a pre-established relationship with migrant workers outside the Pacific (as evidenced by an Approval in Principle granted after April 2007) are allowed to recruit workers from outside the Pacific.</p>	To reduce the barriers to recruitment outside the Pacific.	August 2009
<p>Employers required to arrange health insurance for their workers, and RSE workers to pay for health insurance</p>	To ensure RSE workers' health care needs are covered because they are not eligible for publicly funded health care in New Zealand.	November 2009

## APPENDIX C: NUMBER OF RECOGNISED SEASONAL EMPLOYER WORKERS IN FIRST TWO SEASONS

**Table 23: Number of Recognised Seasonal Employer (RSE) workers in first two seasons, 2007/08 and 2008/09**

Category of state	Nation	Number of RSE workers 2007/08	Number of RSE workers 2008/09
Kick-start	Kiribati	45	41
	Samoa	569	1234
	Tonga	610	1361
	Tuvalu	99	48
	Vanuatu	1,067	2,523
	Subtotal	2,390	5,207
Non-kick-start	Czech Republic	1	
	India		41
	Indonesia	177	305
	Malaysia	45	637
	Philippines	80	75
	Solomon Islands	157	348
	Thailand	32	529
	Taiwan		12
	Vietnam		1
	United States of America		1
	Togo		1
Subtotal	492	1,950	
<b>Total</b>		<b>2,882</b>	<b>7,157</b>

## APPENDIX D: INTERVENTION LOGIC

In the intervention logic developed for the Recognised Seasonal Employer (RSE) Policy (Figure 5), the blue circle encompasses industry interests and the red circle encompasses Pacific interests.

The implementation logic is grounded in the evaluation data. The logic's purpose is to:

- illustrate how the RSE Policy is a dynamic interaction of independent parties whose actions are interconnected
- show the high-level intended outcomes for each of the participant groups<sup>71</sup>
- show that the cause and effect relationships are not linear or unidirectional
- identify the different causal strands that have to work both simultaneously and 'in balance' for the policy to be successful
- illustrate how feedback mechanisms have the potential to contribute to (or impair) the achievement of the intended outcomes.

As noted in chapter 1, the RSE Policy exists within a larger political and economic context. Although this context is not shown in Figure 5, it has the potential to influence RSE Policy (for example, increasing unemployment will reduce the number of RSE workers allowed into New Zealand).

### ***Simultaneous causal strands***

The RSE Policy is a complicated policy that involves multiple and interconnected relationships, called 'simultaneous causal strands'. These strands must occur at the same time and in a balanced way for the initiative to be successful. The failure or dominance of one or more causal strands can impact negatively on other causal strands.<sup>72</sup>

Seven simultaneous causal strands are identified for the RSE Policy (as shown in Figure 5).

- The policy is based on the circular migration of trained workers who return to an employer season after season (green arrows).
- Workers benefit financially (and non-financially) from their New Zealand employment. This has a positive impact on their families and communities, which in turn assists Pacific countries to progress towards economic development goals (red arrows).
- Pacific countries enable employers to access suitable labour through their facilitative arrangements (for example, work-ready pools) and ensure workers are prepared for work and life in New Zealand through effective pre-departure orientation briefings (orange arrows).
- For employers, migrant labour must result in increased productivity. Increased productivity together with certainty of labour supply enables employers to invest in their business (lower blue arrow).

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<sup>71</sup> 'Business-related outcomes' refers to all the employer outcomes listed in Table 1.

<sup>72</sup> PJ Rogers (2008) 'Using programme theory to evaluate complicated and complex aspects of interventions.' *Evaluation* 14, 29–48.

- Improved business practices and increased business investment by employers enables structural change to occur at the industry level in the longer term (upper blue arrow).
- The RSE systems set up to ensure New Zealand workers have first access to seasonal work opportunities work effectively (lower dark green arrows).
- The RSE Policy continues to exert pressures on labour practices to ensure improved workplace experiences, enhanced productivity, and Pacific and domestic worker, union, and government support (not depicted in the diagram).

While the RSE Policy is portrayed as a system, each participant group that makes up the system can be viewed as a separate 'subsystem' of the whole. Figure 5 should be viewed as a dynamic inter-play of disparate participant groups working for their individual interests.

### ***Feedback mechanisms***

The systems logic includes two reinforcing loops (shown as  in Figure 5). Reinforcing loops are where initial success creates the conditions for further success. The two reinforcing loops are (shown from left to right):

- productivity increases by RSE employers will encourage further investment and business growth
- the success of return workers will encourage other people to join the RSE scheme.

## APPENDIX E: EVALUATION METHODOLOGY

The focus of the evaluation was to describe and assess how the Recognised Seasonal Employer (RSE) Policy, including the Pacific facilitation measures, have been implemented during the first 2 years of the policy, identify short-term outcomes, and assess how identified risks have been managed.

The evaluation focused on the facilitation measures as set out in schedule 1 of the Inter-Agency Understandings (IAUs) between the New Zealand Department of Labour and the relevant agencies in the Pacific states.<sup>73</sup> These measures include Pacific governments being responsible for:

- providing community-based selection and recruitment procedures
- overseeing and licensing of private recruitment agents
- screening worker candidates before passing the names to Immigration New Zealand for visa processing
- providing pre-departure orientation for workers.

Schedule 1 of the IAU also specifies the pastoral care responsibilities of RSE employers to workers. The roles and responsibilities of the different RSE participants are summarised in Appendix A.

The evaluation used a mixed methods design, with data collected over two periods (July–November 2008 (phase 1) and June–August 2009 (phase 2)). Interviews were conducted in both periods with Pacific workers, employers, Pacific and New Zealand government officials, recruitment agents, industry and union representatives, and community participants. Fieldwork was conducted in New Zealand and the five Pacific states selected to kick start the policy (Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu – the kick-start states).

Quantitative data came from two online surveys of employers and an analysis of administrative data held by the Department of Labour. Official and industry documents were also reviewed. The analysis of administrative data focused on return worker rates by individual employers and Department of Labour RSE Agreement to Recruit, visa-processing, and worker overstaying data. This data was analysed by a Department of Labour researcher and is from the Department's Business Information Services Application Management System.

In addition, papers supplied by the Department of Labour relating to the development and implementation of the RSE Policy were reviewed, summarised, and included as secondary data. Industry documents from multiple sources were also reviewed.

All respondents received an information sheet about the evaluation and a consent form to sign if they agreed to participate. The information sheet and consent forms were translated for the worker interviews, and the English versions are reproduced in Appendix G.

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<sup>73</sup> In the initial stages of the RSE Policy, additional facilitation arrangements were suggested in official documents but were not subsequently included in the IAU, so were not examined in the evaluation. Such arrangements included subsidised pre-departure medical vetting; a revolving fund to meet a proportion of workers' international travel costs; and the provision of local pastoral care coordinators to link workers with local communities and church groups, and to assist employers to meet their pastoral care responsibilities.

## Phase 1

Time and budget constraints meant data was collected concurrently (with the exception of the online survey of employers). The evaluation was designed as seven sub-projects to take into account the diverse groups involved in the RSE Policy. Each sub-project was analysed and written up separately, primarily to hold in balance the voices of different participant groups.

Interviews in the Pacific focused on the process for selecting workers, orientation, pastoral care, resources required to implement the RSE Policy, and use of the database funded by the New Zealand Agency for International Development.

In New Zealand, fieldwork was conducted in five regions: Bay of Plenty, Hawke's Bay, Nelson-Tasman, Marlborough, and Central Otago. In each location, talanoa<sup>74</sup> sessions with workers were facilitated by a Pacific researcher who spoke the same language as the workers. Fifteen talanoa sessions were held with 159 workers.<sup>75</sup> The talanoa focused on workers' experiences of the selection process and their work and life in New Zealand.

Twenty-eight employers were interviewed face to face or by telephone.<sup>76</sup> Fifteen face-to-face interviews were with employers of Pacific workers. They included 10 growers, three contractors, and staff from two cooperatives. Ten employers worked in horticulture, two in viticulture, and three in both sectors. Three employers were medium-sized companies, two large-medium, and 10 large. The interviews focused on the RSE application process, the selection of workers, pastoral care, and short-term business results. Other non-RSE employers were asked whether they intended to move to RSE status and if not, their reasons for not doing so.

Initial findings from the employer interviews informed the development of an online survey of 224 RSE, Transitioning to RSE (TRSE), and non-RSE/TRSE employers. Although non-kick-start states were out of scope of the evaluation, data from employers with non-kick-start state workers was collected to allow comparisons to be made (where possible) with employers of kick-start state workers. The online survey included 25 employers with workers from kick-start states (of which four also participated in a face-to-face or telephone interview). The survey included employers' feedback on the recruitment of seasonal workers, pastoral care, perceptions of performance of seasonal workers, and short-term impacts and benefits for employers participating in the RSE Policy.

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<sup>74</sup> Talanoa (to talk or discuss) is a form of dialogue familiar to many Pacific peoples. It is a process based on respect and trust; principles, among others, that underpin Pacific cultural values, beliefs, and world views.

<sup>75</sup> Two sessions included the same group of workers who met over two evenings. In the analysis they are counted as one group.

<sup>76</sup> One company is small (defined as fewer than 10 employees), 11 companies are medium sized (11-50 employees), 3 are large-medium (51-100 employees), and 12 are large (101 or more employees).

Face-to-face and telephone interviews were held with 28 New Zealand government participants, eight industry leaders, one union representative, five TRSE coordinators, five pastoral care workers, and two community informants. All participants were interviewed using topic guides based on the research questions. In the course of undertaking interviews, other topics and issues emerged. Where possible, these were explored in subsequent interviews.

The qualitative data was coded using Nvivo8, a qualitative data analysis package. The evaluators used an analysis framework based on work by Bob Williams.<sup>77</sup> Team members met to workshop the high-level generalisations, exceptions, and puzzles from each sub-project, and then two team members undertook in-depth analysis of all data and wrote a synthesis of findings from phase 1. The synthesis report was reviewed by Evaluate Research team members, Research New Zealand staff, and Department of Labour staff.

## Phase 2

The research questions for phase 2 of the evaluation were intended to build on the findings from phase 1. The questions focused on:

- arrangements and activities that were identified as needing improvement
- new arrangements and activities that emerged in the second year of the RSE Policy
- the extent of achievement of intended short-term outcomes (for workers, businesses, and industries)
- the sustainability of the RSE Policy.

The interview guides for phase 2 are in Appendix F.

The evaluators initially proposed to conduct 'case study' interviews with employers who had the highest worker-return rates. The intention was to identify the factors that had contributed to an employer's worker-return rate and the impact, if any, a reliable labour source has had on their business. The Department of Labour's administrative data identified a small number of employers with high worker-return rates. We proposed a sample that included a variety of regions, sectors, and workers from different Pacific states. One large employer (a cooperative) elected not to participate in an interview in phase 2. This reduced the sample to three employers in Hawke's Bay, Bay of Plenty, and Nelson.

For each of these 'cases', interviews were to be conducted with the employer, workers, and other informants (where applicable) including the pastoral care worker, regional governance group members, and Department of Labour staff. One employer was subsequently found to have a return rate that was not very high. The data collected from all interviews did allow for triangulation of data, providing confidence that what employers said was mirrored (or not) by what workers said.

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<sup>77</sup> B Williams. *Analysis Sheet*. <http://users.actrix.co.nz/bobwill> (accessed 4 April 2009).

## **Interviews**

In phase 2 the evaluators decided to conduct in-depth interviews with fewer workers, so more in-depth information could be collected than was the case with talanoa in phase 1, which involved larger worker numbers. Thirty-two RSE workers from Samoa, Tonga, and Vanuatu were interviewed by the Pacific research team members. Workers were interviewed at their accommodation after work or in the weekend. Each worker interviewed received a \$20 phone card as a thank-you gesture. The interviewer also took a contribution of food to share with the workers. No workers from Tuvalu or Kiribati were interviewed in phase 2. The Department of Labour's view was that the evaluation had sufficient information about these workers. In addition, these workers represent a small number of the total RSE workers in New Zealand.

Face-to-face and telephone interviews were held with 22 RSE employers, including the three 'case study' employers where workers and pastoral care staff were also interviewed. Seven employers were interviewed in phases 1 and 2. Issues identified in the first phase of fieldwork were explored with these respondents to determine what change had occurred, if any, between the two seasons.

Face-to-face and telephone interviews were also held with industry representatives, New Zealand government officials, and a New Zealand Council of Trade Unions representative. The total number of interviews is shown in Table 24.

All interviews were taped to supplement and back-up individual researcher's note-taking.

**Table 24: Interviews conducted in New Zealand in phase 2 of the Recognised Seasonal Employer Policy evaluation**

<b>Respondent type</b>	<b>Number</b>
Employers (face to face or telephone)	22
Workers (ni-Vanuatu (6), Tongan (12), and Samoan (14))	32
Industry representatives (horticulture (5) and viticulture (1))	6
Department of Labour staff	7
Ministry of Social Development staff	2
New Zealand Council of Trade Unions representative	1
Pastoral care workers and Pacific liaison officers	3

Interviews were also conducted in the five Pacific states in phase 2, as shown in Table 25.

**Table 25: Interviews conducted in Pacific states in phase 2 of the Recognised Seasonal Employer Policy evaluation**

Pacific state	Position	Number
Samoa	Seasonal Worker Action Team, Ministry of Prime Minister and Cabinet	1
	Ministry of Commerce, Industry and Labour	1
	Community participants (including chiefs) involved in Recognised Seasonal Employer Policy	1
	Agents	1
	Department of Labour (Immigration New Zealand), New Zealand High Commission	2
Vanuatu	Vanuatu Department of Labour	2
	New Zealand High Commission	1
	VANWODS microfinance	1
	Employer representative (living in Vanuatu)	1
Kiribati	New Zealand High Commission, Department of Labour (Immigration New Zealand), New Zealand Agency for International Development	1
	Kiribati Ministry of Labour	1
	Solicitor General	1
	Community participants	1
Tonga	New Zealand High Commission, Department of Labour (Immigration New Zealand), New Zealand Agency for International Development	2
	Ministry of Labour and Minister of Labour	2
	Ministry of Training, Employment, Youth and Sport	1
	Community participants	2
	Labour recruiter (for specific employer)	1
	Employer (New Zealand RSE employer)	1
	Finance sector representative	2
Tuvalu	Community participants	1
	New Zealand High Commission, Department of Labour (Immigration New Zealand)	1
	Tuvalu Ministry of Foreign Affairs and Labour	1
	Commerce and local business people	1

The Pacific state interviews were analysed and written up by Pacific state. Each Pacific state report was coded using Nvivo qualitative data analysis software and analysed as per the approach taken in phase 1.

## **Limitations of qualitative interviews**

### ***Time***

There was a time pressure in both phases to interview workers before they returned home. With only 4 weeks from the start of the evaluation (May 2008) to fieldwork commencing, it was not possible to include kick-start state participants in the development of the merit determination rubrics (which informed the interview guides). The short time-frame also meant some tasks<sup>78</sup> occurred simultaneously with or after fieldwork.

### ***Employer data***

An attempt was made to exclude those employers who participated in a face-to-face or telephone interview from the phase 1 online survey sample frame, to minimise respondent burden and to ensure employers' perspectives were not counted twice. However, four RSE employers with Pacific workers completed the online survey and participated in an interview. Where findings from the two data sources are discussed together, the responses from these employers have been removed from the online survey, so are counted only once. In the phase 2 online survey respondents were asked if they were happy to be contacted by Evaluate Research for a follow-up interview. Only those who selected 'yes' were interviewed.

### ***Completeness of data***

Some of the qualitative interviews for employers focused on specific aspects of the RSE Policy, and the interviewer did not always have time to ask all the questions in the guide. This was less of an issue in the phase 2 interviews than in phase 1.

Because of the unstructured nature of the talanoa sessions, not all topics were discussed by each Pacific state group. This meant insufficient data was collected to make an overall evaluative assessment for some of the dimensions developed as part of the merit determination rubrics.

## **Online survey**

### ***Questionnaire development***

The questionnaire for the online survey was initially developed in consultation with the core evaluation group in 2008, including stakeholders within the Department of Labour, Evaluate Research, and Nick Lewis of The University of Auckland.

The draft questionnaire was subsequently peer reviewed by stakeholders from the broader evaluation advisory group, including Department of Labour and Ministry of Social Development staff, and representatives from key industry and sector groups such as Horticulture New Zealand and Wine New Zealand.

Following minor amendments and changes, the resulting questionnaire was then pre-tested in 2008 by Research New Zealand with four respondents by telephone

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<sup>78</sup> Including a review of the RSE logic model developed by the Department of Labour and a review of the RSE Policy and other documents.

using Dr William Belson's 'double-back' method, which involves fully simulating the interview process.

As part of the cognitive pre-testing in 2008 the researchers revisited key questions with the respondents to ensure that in answering the questions in the manner that they did, they understood the intent of the questions in the first place and felt they were able to provide an appropriately clear answer. The cognitive pre-testing also explored how respondents found the survey overall, including whether the level of language, terminology, and wording used in the questions was appropriate for both the horticulture and viticulture sectors.

The questionnaire for the 2009 survey was based on that used in the 2008 survey with minor amendments to reflect changes in the RSE Policy and to seek clarification around certain issues that were unclear from the findings of the 2008 survey (for example, where non-RSE employers who reported employing RSE workers from a kick-start state sourced such workers).

The final questionnaire was then programmed into Dimensions™ for administration as an online and computer assisted telephone interviewing (CATI) based telephone survey.

### ***Sample frames and approach to sampling***

The main sample for the online survey came from:

- Department of Labour records of employers approved under the RSE and TRSE schemes
- Horticulture New Zealand's membership list of growers
- the publicly available list of Wineries and Growers (2007) from Wine New Zealand's website (<http://www.nzwine.com/wineries>).

The final sample that was selected for the survey comprised all eligible RSE employers and TRSE employers with known email addresses and contact details (n=133 and n=179 respectively), and a randomly selected sample of n=979 growers and wineries<sup>79</sup> with known email addresses and contact details.

### ***Surveying***

The survey was open to responses from 4 June to 5 July 2009, and 272 employers ultimately completed the survey (online or by telephone).

Before Research New Zealand contacted any respondents by email to participate in the survey, an initial letter of introduction was sent on Department of Labour letterhead to the RSE employers and TRSE employers on 4 June. The letter explained the purposes of the research, Research New Zealand's role as an independent contractor, that participation in the research was voluntary, and that all respondent-specific information would remain confidential to Research New Zealand and Evaluate Research Ltd.

The introductory letter was followed by an email on 9 June, containing login and password details and a link to the survey web page.

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<sup>79</sup> Under the assumption that small boutique wineries (wineries with grape wine sales not exceeding 200,000 litres) were unlikely to be future RSE participants, such businesses were excluded from the final sample frame.

To maximise the response from RSE employers and TRSE employers, telephone reminders were conducted between 15 and 22 June, during which 25 RSE employers and 25 TRSE employers were also interviewed by telephone.

The samples drawn from Horticulture New Zealand’s membership list of growers and the list of Wineries and Growers on Wine New Zealand’s website were sent pre-notification letters inviting them to complete the online version of the survey on 17 June 2009, and a subsequent email invitation on 19 June 2009.<sup>80</sup>

A final reminder email inviting all potential respondents to take part in the research was sent on 29 June 2009.

### **Response rates**

Of the original 133 approved RSE employers, 179 TRSE employers, and the randomly selected sample of 979 growers and wineries, 13 of the RSE employers’, 70 of the TRSE employers’, and 209 of the growers’ and wineries’ email addresses were ultimately invalid, thus reducing the potential sample pool to 999 employers. A further two RSE employers opted out of the survey because they had not employed any seasonal workers in the last 12 months.

Table 26 provides a breakdown of the outcomes to the initial contact with the respondent and the survey’s response rates by respondent group.

**Table 26: Survey response rates**

<b>Category</b>	<b>Recognised Seasonal Employer (RSE) count</b>	<b>Transitioning to RSE (TRSE) count</b>	<b>Non-RSE and non-TRSE count</b>
Completed the survey	72	65	135
Refused	3	8	54
No response to the survey (eligibility unknown)	41	36	580
Non-qualifier (opted out because did not employ seasonal workers last 12 months)	2	0	0
<b>Total approached to participate (excluding bounce-backs)</b>	<b>118</b>	<b>109</b>	<b>769</b>
<b>Response rate (%)</b>	<b>62</b>	<b>60</b>	<b>18</b>

For the purposes of calculating the response rates, RSE, TRSE, and non-RSE/TRSE employers have been counted in relation to the original sample frame they were drawn from.

<sup>80</sup> Due to budget limitations, telephone reminders were conducted with only RSE and TRSE employers. Non-RSE/TRSE employers received only an email reminder to complete the survey.

The final sample composition of the achieved sample is broken down as follows:

- 72 RSE employers (54 of whom employed RSE workers from a kick-start state and 18 of whom employed RSE workers from a non-kick-start state)
- 65 TRSE employers (16 of whom reported employing RSE workers from a kick-start state)
- 135 non-RSE employers (24 of whom reported that they employed or contracted RSE workers from a kick-start state).

### ***Limitations of online survey***

As with any survey, the findings of this survey reflect the experiences, beliefs, and behaviours of the respondents, so may not accurately reflect the full gamut of experiences and beliefs of all employers who were eligible to participate in the research.

While the final achieved samples of kick-start state RSE and TRSE employers are large enough to provide statistically valid results, given the size of the eligible population of employers participating in either or both schemes, any statistics based on subsamples of less than 30 respondents should be viewed as indicative only. The results based on the full subsamples are subject to the following maximum margins of error at the 95 percent confidence level, and so a certain degree of caution should be exercised in extrapolating these results to the broader populations of all RSE and TRSE employers in particular.

- RSE employers in total (n=72)  $\pm$  7.2 percent.
- Kick-start state RSE employers (n=54)  $\pm$  9.8 percent.
- TRSE employers (n=65)  $\pm$  7.7 percent.
- Non-RSE/TRSE employers (n=139)  $\pm$  8.4 percent.

Due to the small subsample size of RSE employers who did not employ RSE workers from a kick-start state, it is not possible to calculate a confidence estimate for their results. Therefore, no comments have been made on these respondents in the main text, and any statistics in relation to them should not be construed to represent the experiences of the larger population of employers employing workers from non-kick-start states.

Similarly, the subsamples of non-RSE/TRSE employers who reported employing RSE workers from a kick-start state are too small to provide statistically robust results. Therefore, any statistics relating to their experience with Pacific RSE workers should be viewed as indicative only.

### ***Merit determination rubrics***

Three merit determination rubrics were developed with input from New Zealand government and industry respondents. Merit determination is the process of setting ratings, for example what constitutes very poor, adequate, and excellent in relation to key RSE activities. Each rubric included several dimensions for workers and for employers.

The rubrics were initially drafted in a facilitated session with industry and government participants and then checked with several key informants during their interviews. The ratings have been applied across the employer and worker data sources to draw evaluative assessments about aspects of the policy to the extent that this has been possible given the completeness of the data. Using the evaluation findings the evaluators identified a rating for each of the dimensions. If the findings spanned two ratings (for example, excellent and adequate), the rating for that dimension became 'very good'.

The rubrics are included in Appendix H.

### ***Limitation of rubrics***

Davidson notes that the nature of some data means it is impossible to use a rubric as the only tool to make an evaluative assessment.<sup>81</sup> This includes data that may not be of equal importance or reliability. There may be many different sources of data with different nuances and combinations, making it difficult to make a reliable assessment using a rubric as the only approach.

We believe the RSE data is the type of data to which Davidson refers. The RSE data has been drawn from different sources. The data is complex in that it represents a range of participant perspectives. Some data did not align easily with other data, making it difficult to provide straightforward assessments. For this reason, we have used narrative in addition to merit determination rubrics to provide our evaluative assessments.

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<sup>81</sup> EJ Davidson (2005) *Evaluation Methodology Basics: The nuts and bolts of sound evaluation*. Thousand Oaks: Sage.

## APPENDIX F: INTERVIEW GUIDES

### Interview guide for return workers

- 1 Why did you decide to return for another season? *Probe: financial / social / other reasons?*
- 2 Did you attend a pre-departure orientation before coming this season? Was it better than the orientation you did last year? If so, how?
- 3 Have you returned to the same / different employer? *Probe: why stay with the same employer? Or why change employer?*
- 4 Are there any 'negatives' about being in New Zealand (for you / your family at home)?
- 5 What are your long term plans? (e.g. continue as a seasonal worker? Would like to come to NZ permanently? Plan to do something else?) *If they are not planning to come back next season, ask why (probe: achieved goals; family need them at home; NZ climate too cold? Other reasons?)*
- 6 Are you earning less, more or about the same as last season? *Probe why? (e.g. are they on a different hourly / piece rate? Working faster? Less / more down time than last year?)*
- 7 What difference, if any, has your savings made to your life back home? *Probe about difference to them, their families, wider community – as appropriate.*
- 8 What work-related skills and other general 'life' skills did you find useful when you went home last time? *Ask for examples / evidence.*
- 9 How does your experience of **working** this season compare to your experience last season? (e.g. working conditions, including communication with supervisors / employer?) *Probe: What's worked well? Not so well?*
- 10 How does your experience of **living** in (name of place) compare to your experience last season? (e.g. accommodation, recreation, involvement with local community). *Probe: What's worked well? Not so well?*

## **Interview guide for first season workers**

- 1 How did you hear about the opportunity to work in NZ? *Probe: media, community leader, other?*
- 2 Tell me about the selection process? What happened? *Probe: e.g. signed up by recruitment agent, government official or employer? What worked well with this process? What didn't work so well?*
- 3 Tell me about your experience in New Zealand. Why did you want to come to NZ? Have your expectations been met? (e.g. working conditions, including communication with supervisors / employer? Accommodation?) *Probe: What's worked well? Not so well?*
- 4 Have you had opportunities to participate in community activities? *Probe: What interaction have you had with local PI community? Other New Zealanders? Attending church / sports activities?*
- 5 What information did you get before you left that helped you prepare for your work / life here? Where did this info come from? *Probe: pre-departure orientation, other workers?*
- 6 What difference, if any, do you think your savings will make to your life back home? *Probe about difference to them, their families, wider community – as appropriate.*
- 7 What are your long term plans? (e.g. continue as a seasonal worker? Would like to come to NZ permanently? Plan to do something else?) *If they are not planning to come back next season, ask why (probe: achieved goals; family need them at home; NZ climate too cold? Other reasons?)*

## **Recognised Seasonal Employer employers interviewed in 2008**

*Preparation: read interview notes before interview. Identify the 2-3 most significant issues/problems to follow up in this interview.*

- 1 What was your worker return rate in 2008/09? Were you satisfied with this rate?

If no, what do you think were the reasons for this rate? Are you doing anything to increase it? If yes, what?

- 2 Did return workers meet your company's expectations? If yes, how are return workers adding value?

*Probe: Ready to work from day one? Extent of retraining required? Team work? Productivity levels compared to last year? Compared to locals, other overseas workers? Positive impacts on first time RSE workers -mentoring and support, work readiness, familiarity with NZ life*

- 3 What changes to RSE did your company make in the second season of RSE? Why? What difference have they made?

*Probe: Worker selection and recruitment. More /fewer RSE workers? New / return workers? Training? Worker management? Pastoral care arrangements - especially accommodation? Issue resolution processes- work and non work?*

*Note to interviewer: check off the issues/problems that were identified in year one. If the respondent doesn't cover off these, ask:*

When we interviewed you last year, you mentioned xxx as being an issue. Was it an issue in 2008/09? If yes, how did you tackle it?

- 4 What new/different issues/problems emerged during the second season (2008/09) of RSE? Why were these issues/problems? How did you resolve them?
- 5 What is the impact (positive / negative) of RSE on your business?

## **Recognised Seasonal Employer employers not interviewed in 2008**

- 1 What was your worker return rate in 2008/09? Were you satisfied with this rate?  
  
If no, what do you think were the reasons for this rate? Are you doing anything to increase it? If yes, what?
- 2 Did return workers meet your company's expectations? If yes, how are return workers adding value?  
  
*Probe: Ready to work from day one? Extent of retraining required? Team work? Productivity levels compared to last year? Compared to locals, other overseas workers? Positive impacts on first time RSE workers -mentoring and support, work readiness, familiarity with NZ life*
- 3 What changes to RSE did your company make in the second season of RSE? Why? What difference have they made?  
  
*Probe: Worker selection and recruitment. More /fewer RSE workers? New / return workers? Training? Worker management? Pastoral care arrangements - especially accommodation? Issue resolution processes- work and non work?*
- 4 What new/different issues/problems emerged during the second season (2008/09) of RSE? Why were these issues/problems? How did you resolve them?
- 5 What is the impact (positive / negative) of RSE on your business?
- 6 Is there any other information that would be useful for the evaluation?

## **Other case study informants**

*Purpose of questions: to collect data to provide further insight into the 'success' factors associated with the case study employer + to triangulate data from the care study employer and worker interviews.*

X (case study employer) has achieved a x return rate which is among the highest in NZ. What do you think are the reasons for this return rate?

*Probe: pastoral care, worker selection processes, relationship with Pacific community, work conditions, management of workers, workplace practices, worker self management*

### **Pastoral care worker**

- 1 Gain clarification about how pastoral care is provided / employment arrangements of the pastoral care worker i.e. employee of RSE? Is owner or employee of a company who contracts pastoral care services? Other?
- 2 What changes were made to pastoral care arrangements in the second season (2008/09) of RSE? Why? What difference have these changes made?

*Probe: accommodation arrangements, pastoral care workers, oversight of workers, dispute resolution, recreation / out of work activities*

- 3 Are you considering more changes this season (2009/10)? If yes, what changes? Why?
- 4 Were first time workers in 2008/09 better prepared for living in NZ than workers the previous season. If yes, why were they better prepared?  
*Probe: briefing by employer in the Pacific, improved pre-departure info, info from ex workers, support from return workers*
- 5 Compared to the first season of RSE, have you had more / fewer issues with worker behaviour in out of work time e.g. alcohol-related incidents, altercations with other workers?  
What were the reasons for the increase/decrease?
- 6 Has there been any other issues or problems about pastoral care during the 2008/09 season? If yes, are these the same/different issues to what happened in the 2007/08 season? If different, reasons for the difference?
- 7 *Ask if appropriate:* Last year in x region, locating suitable accommodation for workers at a reasonable cost was a problem. Was it a problem in the 2008/09 season? If yes, what did you do to address the issue?

### **Labour inspector – additional questions**

*Before interview, look at notes from last year's interview*

- 1 When I spoke to you last year, you mentioned xxxx as being issues/problems in RSE getting up and running in (name of region) during the first season of RSE. Were these problems/ issues in year 2? Did new problems/issues emerge? If yes, what?
- 2 Overall, how did RSE go in the 2008/09 season in (name of region)?  
*Probes: take up by new employers? Did RSEs calculate the right no. of RSE workers displacement?*
- 3 At the individual employer level: one of the objectives of the RSE policy was to help to improve the business and employment practices of individual employers? Has this occurred? If no, why not?
- 4 At the industry level in region: what changes have occurred at an industry level in the region as a result of RSE?
- 5 What's been the impact of these changes? *Probes:*
  - a *pressure put on 'rogue' contractors/employers*
  - b *redistribution of local labour and holidaymakers*
  - c *wage rates for New Zealand workers*
  - d *conditions for NZ workers*
- 6 Extent to which industry in (name of region) has capability to self-manage / self regulate RSE?

### ***Pacific state participants' interview guide***

- 1 Check respondent's role in RSE and the time they have been involved in RSE
- 2 Total no of workers in season 1 & 2 – as expected? What annual number would they like to achieve? Why? What would be a sustainable annual number? Why?
- 3 Have any islands/communities set targets or limits re: the no's they want sent annually. If so, reasons why?
- 4 What was the make-up of their season 2 worker group – singles/married, male/female, in paid work/ non paid work? How did this compare to worker group in the first season?
- 5 Was the return rate in season 2 as expected, or smaller/larger than expected? Probe: If smaller/larger than expected – what were the reasons? Probe: employer relationships, weather in NZ
- 6 Of the first time workers, are any new communities involved?
- 7 How did the experiences of RSE workers in year two compare to the experiences of workers in year one? Probe: work conditions; pastoral care
- 8 How did the level of interest in RSE for the second season compare to the first? Why?
- 9 *(for those States that have one)*: What's happened to the work ready pool in the last 12 months? – is it over subscribed/under subscribed by interested people? (for Vanuatu – are numbers registering with recruitment agents increasing / decreasing and why?)
- 10 What do they expect may happen in the future re people's level of interest? Why? What factors will influence interest levels?
- 11 What changes to RSE processes were made for season two? Why? Probe: worker selection processes; work ready pool; pre-departure orientation; medical and security checks; examining employment offers (if mentioned in last year's interview); databases; other
- 12 What difference have these changes made? (ask for examples / evidence)
- 13 What support has been received from the NZ Government (Department of Labour / NZAID) in the last 12 months? How effectiveness is this support? (ask for examples / evidence)
- 14 Are any additional changes planned for season three (2010/11)?
- 15 Were there any differences in the way employers recruited workers in year two? If so , what were they? E.g. direct recruitment by employers. Reasons for differences? Perspective on how well this has worked?
- 16 Are individual employers establishing ongoing relationships with individual communities? If yes, how widespread is it? What do these relationships look like (e.g. who is facilitating the relationship/s; do they involve 'aid' projects (e.g. buildings funded by employer / NZ community) or something else (e.g. economic development opportunities)? What's helping? What's getting in the way?

- 17 What outcomes has the RSE policy contributed to? Probe (and ask for evidence where appropriate): economic – family, community; social; increased skills (work related; life skills)
- 18 Any negative outcomes - how are these been dealt with?
- 19 What improvements could be made to the RSE scheme to make it work better for workers? For communities?
- 20 What improvements could be made to the RSE scheme to make it more sustainable for Pacific states?

### **Industry representatives**

*Preparation: read respondent's interview notes before interview. Follow up most significant issues in this interview*

*Select from the following questions as appropriate.*

- 1 Here are where the points of tension were in the first season (2007/08) for the RSE scheme as a whole. Where were the issues / points of tension in the 2008/09 season? Why?
- 2 2008/09 return rate – as expected? If not, why not? What consider a reasonable return rate?
- 3 Did return workers meet industry's expectations? If yes, how are return workers adding value?
- 4 Issues for your industry in year one – (refer to last year's interview notes) + others as identified in the employer interviews (e.g. accommodation availability, performance issues with some worker groups etc) – to what extent were these issues in the year two season (2008/09)?
- 5 Any new issues that have emerged during the 2008/09 season? New issues that might emerge in season three (2009/10) and beyond?
- 6 Is the worker cap still an issue?
- 7 What's been the impact of rising unemployment on the availability of NZ workers? Has there been any evidence of displacement by RSE workers during the 2008/09 season?
- 8 How is RSE working in the industry (vis a vis broad models that have emerged and types of labour arrangements)? Working effectively? Why? Why not?
- 9 Last year industry expressed concern that DoL's focus was on RSEs rather than on the 'non compliers' - to what extent has this been the case during the 2008/09 season? Is RSE having an impact on non compliance in the industry?
- 10 Dispute resolution – extent to which formal employment dispute resolution procedures and informal processes for non work dispute resolution are working?
- 11 Ability of industry to self regulate/ self manage RSE? Time-frame for doing this?
- 12 Longer term sustainability of the RSE scheme – In two years time how different will the scheme be? (get them to play around with the logic and explain the reasons for any changes)

### ***Department of Labour policy interviews***

- 1 What were the most important achievements of year 2 (2008/09) of RSE?
- 2 Did any new or different issues emerge during the 2008/09 season? What? Why?
- 3 Looking out to season 3 and beyond, what new or different issues may emerge that may impact on RSE? How?
- 4 RSEs want the compliance requirements associated with RSE to be reduced. At what point do you think Department of Labour will feel confident about reducing its compliance requirements of RSEs? Are some RSEs 'lower risk' than others – i.e. contractors vs large employers with other compliance processes in place – e.g. Tesco
- 5 To what extent does government have an ongoing role in managing RSE?
- 6 RSE developed / described as adaptive / 'fluid'. To what extent is this still the case?
- 7 The policy documents describe an expectation that in the future industry will self manage RSE. What would you expect to see (or to happen) that would indicate that different sectors are able to self manage RSE? (identify indicators of readiness)
- 8 To what extent are the RSE policy objectives being achieved? (note the specific policy objectives identified by the respondent). What has assisted this achievement? What has got in the way? Ask about the 'supporting Pacific development' objective - is this still an objective of the policy? If not, why not?
- 9 What might get in the way of / act as a barrier to the achievement of RSE policy objectives in the future?
- 10 Longer term sustainability of the RSE policy – in five years time how different will the policy be?

### ***Council of Trade Unions interview guide***

- 1 What has your work with RSE involved in the last 12 months?
- 2 Last year NZCTU expressed concern about the lack of protection for workers and the potential for exploitation (- lack of transparency re deductions, need for a standard employment agreement, out of work activities) – to what extent were these concerns realised in year 2? What needs to happen to protect worker rights?
- 3 To what extent did displacement of NZ workers occur in year 2? Effect of increasing unemployment numbers?
- 4 Is RSE bringing about improvements in labour standards in the viti and hort industries?
- 5 If yes, have there been any flow on benefits to NZ workers?
- 6 Has RSE had any positive effects in reducing illegal practices/ improving the employment practices of contractors?
- 7 Last year you posed the question “will industry use the opportunity presented by RSE to leverage long term gains, or just off set the next crisis”. After two seasons of RSE, what’s your view?

### ***Ministry of Social Development national office respondents***

- 1 What’s been the impact of rising unemployment on the availability of NZ workers for seasonal work? What feedback are you getting about these (NZ) workers – re productivity, reliability?
- 2 Has there been any evidence of displacement of NZ workers during the 2008/09 season? If yes, ask for evidence / examples.
- 3 What changes have occurred at an industry level in the horticulture and viticulture industries as a result of RSE?
- 4 What has been the impact of these changes? Probe: pressure put on ‘rogue’ contractors/employers; redistribution of local labour and holidaymakers; wage rates for New Zealand workers; conditions for NZ workers
- 5 Extent to which horticulture and viticulture industries have capability to self manage / self regulate RSE?
- 6 Any other information you think is relevant to the evaluation?

## **APPENDIX G: INFORMATION SHEET AND CONSENT FORM**

### **Information sheet**

Evalue Research Ltd has been contracted by the Department of Labour to undertake an independent evaluation of the Recognised Seasonal Employer (RSE) policy.

The evaluation will describe the RSE policy and implementation, identify short term outcomes for workers and employers and assess how identified risks are being managed.

The Evalue Research team includes Mathea Roorda, Ieti Lima, Heather Nunns, Senorita Laukau, Amton Mwarakurmes and Charlotte Bedford.

Your participation in an interview is voluntary. You can withdraw from the interview at any time if you want to. You will not be identified by name in the evaluation report.

For more information about the evaluation, please contact:

Evalue Research Mathea Roorda on 04 971 9981; 027 2812774 or mathea@paradise.net.nz	Department of Labour Sankar Ramasamy: 04 915 4258 or sankar.ramasamy@dol.govt.nz
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### Consent form

I have read and I understand the information sheet outlining the purpose of the RSE evaluation.

I understand that taking part in an interview is voluntary: I have the right not to answer any questions and can withdraw from the interview at any time if I choose.

I agree to the interview being recorded.

I therefore give my informed consent to participating in an interview about RSE.

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX H: MERIT DETERMINATION RUBRICS

**Table 27: Rubric 1 – Recognised Seasonal Employer recruitment – selection and pre-departure**

Rating	Worker dimensions	Employer dimensions
Very poor	<p><b>Selection:</b> Eligible citizens do not have an equitable opportunity to apply to participate in the Recognised Seasonal Employer (RSE) Policy.</p> <p><b>Information:</b> Workers receive limited information about work and living conditions in New Zealand. The employment contract is different to what workers were told to expect.</p> <p><b>Employer relationship:</b> Workers do not know the name and location of the employer they will be working for.</p>	<p><b>Selection:</b></p> <p>(a) Employers say they would have half or less of their RSE workers back next year.</p> <p>(b) For the most part, workers selected are not in good health.</p> <p><b>Information:</b> Workers are misinformed about work and living conditions in New Zealand.</p>
Adequate <i>(This is the minimum you would expect to see)</i>	<p><b>Selection:</b> All eligible citizens know about the RSE Policy and know how to apply.</p> <p><b>Information:</b></p> <p>(a) Workers have access to accurate and adequate written information about employment opportunity and conditions. The employment contract provides information about employment conditions that is understood by the worker.</p> <p>(b) Workers receive and understand information provided about climate, clothing, footwear, taxation, insurance (including health insurance and accident compensation), budgeting, banking, travel arrangements, emergency contact details, living costs in New Zealand, and accommodation standards and costs.</p> <p><b>Employer relationship:</b> Workers know the name and location of the employer they will be working for.</p>	<p><b>Selection:</b></p> <p>(a) Employers say they would be happy to have more than half (but not all) their RSE workers back next year.</p> <p>(b) Employers have easy and timely access to a work-ready pool of workers who are, for the most part, in good health.</p> <p><b>Information:</b> Workers are informed about work and living conditions in New Zealand. Workers have an accurate contract that explains their conditions of employment and what will be provided (including who pays what).</p>

Rating	Worker dimensions	Employer dimensions
Excellent	<p><b>Selection:</b> There are no barriers for eligible citizens living in remote locations to participate in the RSE selection process (including access to health checks, passports, and interviews).</p> <p><b>Information:</b> Pre-departure orientation includes an oral briefing in worker’s language and, ideally, by someone who has experience of the RSE scheme. Briefing includes an explanation of potential impact on family being separated for a long period.</p> <p><b>Employer relationship:</b> Workers have met their employer before they leave home. Employers develop a relationship with the workers’ communities.</p>	<p><b>Selection:</b></p> <ul style="list-style-type: none"> <li>(a) Employers say they would be happy to have all their RSE workers back next year.</li> <li>(b) Workers who have returned for a second (or third) season are all in good health and do not need retraining.</li> </ul> <p><b>Information:</b> Pre-departure orientation includes oral briefing in workers’ languages and, ideally, is by someone who has experience of the RSE scheme.</p>

**Table 28: Rubric 2 – Work-related experience with Recognised Seasonal Employer**

Rating	Worker dimensions	Employer dimensions
Very poor	<p><b>Earnings:</b> Earnings do not meet workers’ expectations (includes comments such as, ‘there was not enough work’).</p> <p><b>Deductions:</b> Workers do not agree with the deductions being made (comments such as ‘deductions are excessive’).</p> <p><b>Pay slip:</b> Workers do not understand their pay slip.</p> <p><b>Work experience:</b> Workers do not receive the minimum conditions of employment, feel exploited, are not treated with respect by supervisor.</p>	<p><b>Dependability:</b> Overall, employers say they cannot depend on workers (online survey rating of 0–6). Comments might include, ‘most workers do not turn up for work’.</p> <p><b>Enthusiasm and willingness to learn:</b> Includes one or both of the following.</p> <ul style="list-style-type: none"> <li>• Overall, employers say workers are not enthusiastic about their work (online survey rating of 0–6).</li> <li>• For the most part, workers are not willing to learn and be trained.</li> </ul> <p><b>Productivity:</b> Overall, employers say workers’ productivity is not at an adequate level (online survey rating of 0 or 6).</p> <p><b>Team work:</b> Workers do not operate as an effective team within Pacific Island group or with other worker groups.</p> <p><b>Cost–benefit:</b> Overall, the cost of participating in the RSE scheme outweighs the benefits.</p> <p><b>Labour need:</b> Employers did not get the balance right: there were not enough workers when employers needed them <i>or</i> employers did not have enough work for workers.</p>

Rating	Worker dimensions	Employer dimensions
<p>Adequate (<i>This is the minimum you would expect to see</i>)</p>	<p><b>Earnings:</b> Earnings meet workers' expectations (includes comments such as, 'there was plenty of work').</p> <p><b>Deductions:</b> Workers agree the deductions are reasonable.</p> <p><b>Pay slip:</b> Employers provide information about earnings and deductions that workers understand.</p> <p><b>Work experience:</b> Workers receive minimum conditions of employment, are treated with respect, and receive support when required.</p>	<p><b>Dependability:</b> Overall, employers say they can depend on their workers (online survey rating of 7 or 8). Examples in interviews might be, 'most workers turn up for work each day'.</p> <p><b>Enthusiasm and willingness to learn:</b> Includes either of the following.</p> <ul style="list-style-type: none"> <li>• Overall, employers say workers are enthusiastic (online survey rating of 7 or 8).</li> <li>• For the most part, workers are willing to learn and be trained.</li> </ul> <p><b>Productivity:</b> Overall, employers say that workers' productivity is adequate (rating of 7 or 8). Examples in interviews might include, 'After an initial period of training, workers have the required skills to do the tasks'. <i>And</i> overall, employers say workers' productivity is similar to how they rated temporary or seasonal workers from other countries, those on a working holiday, and New Zealanders.</p> <p><b>Team work:</b> Workers operate as an effective team within the Pacific Island group and with other worker groups.</p> <p><b>Cost-benefit:</b> Overall, the cost of participating in the RSE scheme matches the benefits.</p> <p><b>Labour need:</b> Employers got the balance right: workers were available when employers needed them <i>and</i> employers had enough work for workers.</p>

Rating	Worker dimensions	Employer dimensions
Excellent	<p><b>Earnings:</b> Earnings exceed workers' expectations.</p> <p><b>Deductions:</b> Workers understand the information provided and view the deductions as value for money.</p> <p><b>Pay slip:</b> Pay slips may be in the workers' first language.</p> <p><b>Work experience:</b> Workers have a sense of identify associated with the workplace and want to return to the employer next year.</p>	<p><b>Dependability:</b> Overall, employers say they can depend on workers to a great extent (survey rating of 9 or 10)</p> <p><b>Enthusiasm and willingness to learn:</b> Overall, employers say workers are extremely enthusiastic (rating of 9 or 10). Workers initiate questions.</p> <p><b>Productivity:</b> Includes one or more of the following.</p> <ul style="list-style-type: none"> <li>• Overall, employers say workers are highly productive (survey rating of 9 or 10).</li> <li>• Overall, employers say workers' productivity exceeds productivity of temporary and seasonal workers from other countries, those on a working holiday, and New Zealanders.</li> <li>• Productivity of other (non-Pacific) workers is increased because of the presence of Pacific workers.</li> </ul> <p><b>Cost benefit:</b> Overall, the benefits of participating in the RSE scheme outweigh the costs.</p> <p><b>Labour need:</b> Employers can get additional workers or shift workers to another employer at short notice</p>

**Table 29: Rubric 3 – non–work-related experience with Recognised Seasonal Employer Policy**

Rating	Worker dimensions	Employer dimensions
Very poor	<p><b>Accommodation:</b> Accommodation is overcrowded, is overpriced, is of a poor quality, and lacks facilities.</p> <p><b>Transport:</b> Includes any of the following:</p> <ul style="list-style-type: none"> <li>• workers are transported to and from port of arrival and departure at their own expense</li> <li>• workers do not have transport to essential services (for example, supermarkets) or transport is prohibitive</li> <li>• no transport is available on workers’ days off.</li> </ul> <p><b>Orientation:</b> Workers receive no or minimum orientation to community and essential services.</p> <p><b>Access to services:</b> Workers have no or minimal opportunities for attending church, taking part in recreation, or accessing personal banking and health care</p> <p><b>Support with problems:</b> Workers do not know who to contact if they have a problem. Non-work issues are not addressed quickly and effectively.</p> <p><b>Involvement with community:</b> Local community does not welcome workers (for example, racist comments and behaviour towards workers).</p>	<p><b>Accommodation:</b> Workers damage property.</p> <p><b>Social behaviour:</b> Includes the following.</p> <ul style="list-style-type: none"> <li>• Workers’ behaviour is unacceptable behaviour (for example, drinking in public places, fighting, and damaging property).</li> <li>• Incidents occur regularly.</li> <li>• Workers behave in a way that is not culturally acceptable in a New Zealand context</li> </ul> <p><b>Support with problems:</b> Workers take issues elsewhere (for example, the media and churches), rather than first trying to sort them out with employers or pastoral care workers. Employers ignore non–work-related problems.</p>

Rating	Worker dimensions	Employer dimensions
<p>Adequate <i>(This is the minimum you would expect to see)</i></p>	<p><b>Accommodation:</b> Accommodation cost is reasonable and conditions are acceptable. (Reasonable living space for each worker and access to good facilities such as a kitchen and hot and cold water.)</p> <p><b>Transport:</b> Workers are transported to and from port of arrival and departure and to and from work (at employers' expense).</p> <p><b>Orientation:</b> Workers are taught how to use basic equipment in house, can access personal banking, and know where local churches, health care, supermarkets are.</p> <p><b>Access to services:</b> Workers have opportunities for recreation and can access personal banking, churches, and supermarkets.</p> <p><b>Support:</b> Workers know who to contact if they have a problem. Potential incidents and issues are addressed quickly and effectively by workers and employers.</p> <p><b>Involvement with community:</b> Workers have opportunities to meet and engage with local community.</p>	<p><b>Accommodation:</b> Accommodation is kept in good order.</p> <p><b>Social behaviour:</b> Workers do not fight or damage to property and drink only in moderation. Incidents are one-offs rather than regular occurrences. Workers behave in a way that is culturally acceptable in a New Zealand context (for example, respect private property).</p> <p><b>Support with problems:</b> Potential non-work incidents are addressed quickly and effectively. Where workers require personal support, they are referred to someone who can help them.</p>
<p>Excellent</p>	<p><b>Accommodation:</b> Accommodation provides workers with excellent value for money and is close to town.</p> <p><b>Transport:</b> Workers have access to a vehicle (including on days off) at no or minimal expense to workers.</p> <p><b>Orientation:</b> Returning workers orientate new workers.</p> <p><b>Access to services:</b> Workers have opportunities to attend courses at no or minimal expense (for example, small boat maintenance).</p> <p><b>Support:</b> Workers can sort out potential issues themselves</p> <p><b>Involvement with community:</b> Local community embraces workers. Workers feel welcomed and involved in local community. Special events are organised (for example, independence celebrations), and are attended by employers, workers, and other community members.</p>	<p><b>Accommodation:</b> Workers take pride in maintaining their accommodation to a high standard.</p> <p><b>Social behaviour:</b> One-off incidents are dealt with internally by the group concerned.</p> <p><b>Support with problems:</b> Employers or staff provide one-on-one support to workers in emergencies (for example, to take them to the airport or hospital).</p>

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