

TOP REGIONAL INSIGHTS

The iRSLG is keeping a watching brief on the current challenges facing the Horticulture industry. The region's Mayors and Regional Council Chair collaborated with key horticulture and viticulture industry representatives to write to Ministers regarding the next steps to respond to the critical labour market issues facing the sectors. The letter confirms that they would like to partner and collaborate with the Government on developing a Hawke's Bay Horticulture Workforce Transition Plan.

Investment in technology will provide further opportunities for growth and help to overcome some of the current labour market challenges. However, investment in expensive new technology requires growers to be profitable and the Industry is balancing rising costs with the need to invest to stay competitive. This requires a carefully planned transition working with Government and its full range of levers, for example research and development, innovation, and adjustments to labour market settings and activities.

There is no specific training qualification available anywhere in New Zealand to qualify the workers appropriately for their individual job type. For example, not one qualification can be given to the pack house workers to show the skills and experience that they have. This leads to a misconception that the roles are 'unskilled', which impacts on workers ability to progress to higher skill roles.

New Zealanders represent 73% of full time roles in the sector workforce and 19% of full time work comes from overseas workers as part of the Recognised Seasonal Employer (RSE) visa scheme. Employers ensure that RSE workers supplement the New Zealander workers so locals can take up opportunities in other parts of the supply chain.

Industry is having ongoing difficulties attracting and retaining workers even though they have improved wages and conditions (paying the living wage, and providing support such as transport to and from work). There is competition from other industries that often appear more attractive due to the poor public perception of the horticulture industry. For example, meat processing or opportunities for work in Australia.

A range of local initiatives are proving successful in addressing the challenge of attracting and retaining new workers, including collaborations between industry, MSD and other partners. Some regional examples are job share programmes across two employers that support 20 sole parents to share 40 full time pack house jobs. Another example is the SEED Rangatahi programme (Sustainable Employee/Employer Development) that is funded to support 30 pack house roles, and was so well subscribed that MSD placed 40 Rangatahi into jobs. This programme provides pre-employment preparation, identifies career aspirations, and supports them to gain licences. Once employed it includes team building, and ongoing pastoral care.

TRENDS AT A GLANCE



The 2020/21 Apple and Pears harvest is looking to be 14% down compared to last year. This is the equivalent to about \$95-100 million in export revenue.



With the impact of COVID-19 recovery measures people are leaving the benefit in greater numbers to take up work. Numbers have been generally up on previous years, with 4,050 people exiting the benefit in the year to date. 1,540 were placed into work directly by MSD, with 680 of these placements into horticulture.



Hawke's Bay will require 1,140 more permanent workers and 3,570 seasonal workers by 2030. Industry has identified the critical skills and competencies that will be needed within the next 5-10 years.



66% of New Zealand apples are grown in Hawke's Bay. In 2019 apples were the second largest horticulture export for New Zealand, valued at \$828.8m.

TOP LABOUR MARKET OPPORTUNITIES

- **Ownership of intellectual property rights of fruit varieties allows New Zealand to manage overseas growth.** Overseas expansion such as for the Hastings based New Zealand Apples and Pears Inc. allows the opportunity for industry workers to expand their skills and work overseas.
- **Investment in new technologies will allow for a broader range of skilled people,** as the need for physically demanding and repetitive work decreases. Current innovation such as the use of automatic platforms by T&G Global will allow for a wider demographic to work in the industry.
- **Reducing the reliance on migrant labour and offering full time work for New Zealanders** to build a more resilient labour force with a larger proportion of high-skilled jobs and a smaller proportion of low-skilled jobs.
- **Iwi investment in primary industries of around \$2-3billion increases Māori ownership within the industry.** Currently 3,800 Māori are working in horticulture, of which 610 are high-skilled, 1,050 are skilled and 2,130 are low-skilled.
- **ROVE changes are on the horizon which will ensure that training provisions are agile and responsive** and allow for an adaptable framework that meets the needs of the industry.

TOP LABOUR MARKET CHALLENGES

- **Filling the current vacancies with local labour can be challenging** as the available workforce is very constrained. Work is physically demanding and finding work-fit people who are keen to work in the sector is not easy.
- **The horticulture industry has a shortage of workers with specific skills.** These skills are different to many of the old traditional production driven skills. Workplace training cannot deliver the new skills as they require more off-job classroom learning.
- **Availability of land and water is a concern for future growth,** due to competition with vineyard land, cropping land and pastoral farming land with irrigation supplies. Infrastructure shortages are growing with a lack of pack houses and cool stores.
- **Permanent employment opportunities are not clearly visible,** making it difficult to attract and retain local workers. Most schools do not teach horticulture as one of their subjects, and ones that do often target lower achieving students.
- **Mental health issues are increasingly impacting the permanent workforce.** Industry are currently providing counselling services which are at full demand. The increased number of seasonal employees with gang affiliations has had impacts that have resulted in the need for increased security in the pack houses.

THE HAWKE'S BAY REGION

In 2020, Hawke's Bay had 580 learners in the horticulture and viticulture sector

Technological advances in the pack houses are removing the need for manual graders

Hawke's Bay's Apples and Pears sectors directly contribute around \$715 million to regional GDP

Career pathways in the industry are not well known - the perception is that horticulture is a narrow field

Significant plans for industry expansion should take into account skill and labour force needs at the outset

OUR FOCUS FOR THE NEXT 2 MONTHS:

- **Aged Care and Mental Health workforce** to understand the current situation, constraints and strategic opportunities for these health sectors.
- **Continue to work with the horticulture industry on the deep dive to include other fruit and vegetable types grown within the region.** This includes their contribution to GDP and jobs, with a view to further develop the discussion document.
- **Continue to support the newly established Matariki Pou 2 construction action group** to develop the regional response plan addressing the construction priorities previously established.
- **The impact of technology across key Hawke's Bay sectors** that the iRSLG have focused on to date. Exploring the issues and opportunities and the need for technical upskilling.