Central Otago
Labour Market Survey

Horticulture and Viticulture

May 2015

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Acknowledgements

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1 Conclusions and Recommendations

The Central Otago fruit and wine growing industries are in good shape with strong growth predicted in the horticulture sector. Growth will be driven by increased plantings of cherries and pipfruit, as well as nectarines, peaches and apricots. Grape growing appears to have reached close to a steady state condition with any significant new plantings occurring only in the 2018/19 season and with winegrowers now showing a strong focus on profitability, productivity improvements and efficiency.

Labour demand is predicted to grow with an additional 600 beds required by 2018/19. Both sectors are now highly dependent on backpackers as a source of labour at peak times with RSE workers and kiwis continuing as the mainstay of the industry at non-peak times. This dependence on backpackers highlights a key fragility in the market.

Alongside growth in labour demand is an allied issue of finding workers with the right skills, particularly at the supervisor and machinery operator levels. Current training is identified in this report with future training tending to focus on the business rather than in the business.

As will be apparent from the body of the document, accommodation provision is one of the biggest issues to resolve. There is a danger in both sectors that some operators adopt a laissez faire approach towards accommodation provision and in addition fail to provide appropriate provision of workplace support. If Central Otago is to continue to attract large numbers of backpackers over the peaks of the season then provision of an appropriate working environment is paramount.

The following points set out our key conclusions:

Conclusions

Production

1. The horticulture sector is predicting strong growth to 2018/19 in all fruit types but particularly in cherries and apples. Cherry plantings are set to increase by 34% over the next five years with over 65% (or 184 hectares) of these new plantings occurring in the Cromwell area and 29% in the Alexandra/Earnscleugh area. The winegrowing sector on the other hand is predicting modest growth over the next five years to 2018/19.

2. The predicted increase in new Cromwell cherry plantings is a significant finding from the survey and will impact on an already tight accommodation situation in the region. The significance of the cherry sector to the region, and in particular Cromwell, cannot be overstated with the region now contributing approximately 95% of New Zealand’s export cherry crop. Cherry production is characterized by a short term, high peak load compared with other types of fruit which require significant numbers of workers of all types over a longer season.

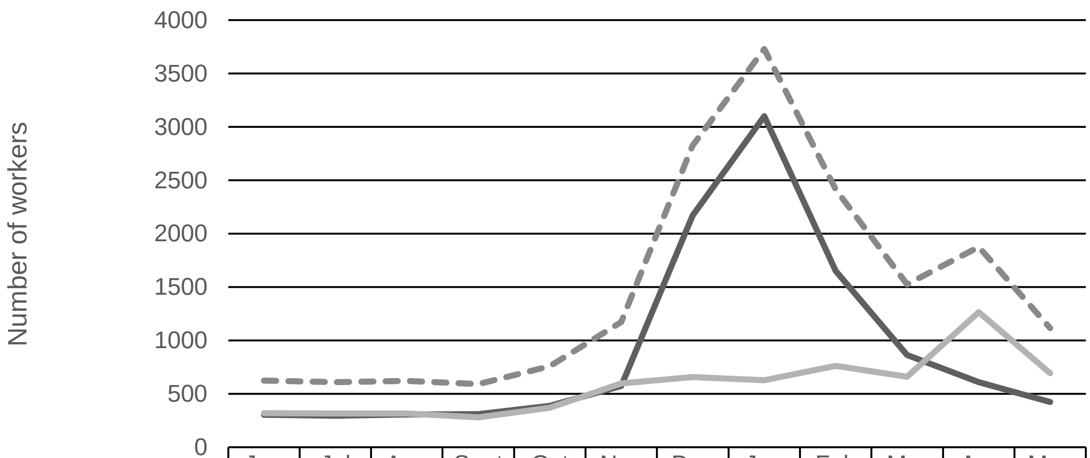
3. In recent years, both the horticulture and viticulture sectors have achieved more modest growth than that predicted in the Dolan report of 2006. In the case of winegrowing this is more apparent, with significantly less hectares of grapes planted than anticipated. One can speculate that this is a direct consequence of the global financial crisis of 2008 and its impact over the subsequent years.

4. Alexandra/Earnscleugh is the largest horticulture region with 594 hectares or 38% of the total regional planted area. This is followed by Roxburgh/Ettrick at 565 hectares (36%) then Cromwell at 406 hectares (29%).

The Labour Force

5. January is the peak employment period in the sectors with 3728 workers, most of these in the horticulture industry. The viticulture peak (at harvest time in April) creates a secondary peak of 1877 workers. In the winter period the sectors each employ a similar number of non-harvest staff.

Figure 1: Seasonal variation in labour demand 2014/15 – Horticulture and Viticulture



	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Horticulture	304	296	308	311	389	575	2168	3101	1651	865	611	424
Viticulture	320	315	315	280	370	598	658	627	763	661	1266	693
TOTAL	624	611	623	591	759	1173	2826	3728	2414	1526	1877	1117

6. Backpackers and RSE workers are the mainstay of both the winegrowing and horticulture industries at their peak times, with RSE workers and New Zealanders satisfying the demand at non-peak times. Without these groups of workers it would be difficult to see how the labour demand at the peaks of the season could be met. A further 450 workers are indicated by 2018/19 with the greatest proportion of these being backpackers required in the horticulture sector.

Backpackers

7. Backpackers make up 65% of all workers in horticulture and 43% of all workers in the viticulture industry. During this current season over 3200 backpackers were employed across both sectors. As we have mentioned, this dependence on backpackers highlights a key fragility in the market.

8. This season saw a particularly large influx of backpackers to Central Otago, the reasons for which remain unclear. Thus the demand for labour was able to be met in almost all cases, with the most preferred countries of origin being a range of European countries, particularly Germany, the Czech Republic and France. Workers from a range of Asian countries were preferred in pack houses. What stood out was an indication of a strong work ethic amongst backpackers in general, but in particularly those from European and Asian countries.

9. Seasonal Solutions Cooperative Ltd in this current season registered over 3600 backpackers and found placements for around 670 of them, a placement rate of about 19%. This

compares with the 2013/14 year where some 1700 were registered with a similar number of placements as this season, and some 1300 registered in the 2012/13 season. Such large seasonal fluctuations in registrations are a cause for concern and highlight the fragility of the current labour model and the need to ensure its long term viability. In comparison with the Dolan report of 2006/07, the RSE scheme has given a layer of certainty that was previously missing, however, with these numbers capped the horticulture industry in particular remains vulnerable to fluctuating numbers of backpackers.

10. We have been told that social media is an effective method for recruiting backpackers in the peak season. Word spreads quickly about who are the good employers. These employers can usually count on attracting backpackers as required. The others will not be in such a strong position and over time as word spreads they may struggle to get staff.

RSE Workers

11. Recognition also needs to be given to the significance of RSE workers. There was quantitative and anecdotal evidence that RSE workers have contributed significantly to an overall increase in productivity in the region. It was also noted that the RSE scheme has opened up supervisory and management roles resulting in better paid and more secure jobs for New Zealanders. It is important to note the key role played by Seasonal Solutions in ensuring the ongoing supply of RSE workers, together with the other five independent RSE employers. Four of these are in the Alexandra region and one in Ettrick.

Jobseekers

12. While there is genuine concern within the industry as a whole about trying to employ suitable Jobseekers referred by Work and Income, the survey results suggest that in most cases this has not been successful. The main concerns are around workers not being “work ready”, retention issues and poor productivity levels. We were struck however by the number of growers who expressed their commitment to working with Jobseekers and Work and Income to try and ensure that work placements are more successful.

Contractors

13. A significant proportion of the vineyard estate, 705 ha (or 37% of the total area), is now managed by a small number of contractors. Together, these contractors work on approximately 99 vineyards or about 80% of the total number. 66% of contract work is undertaken in the Cromwell basin with a further 29% undertaken in Gibbston Valley.

14. We expect the role of contractors to increase over time, particularly when they can bring a stable, well trained and highly productive work force to bear. This will become progressively more important for wine growers as the focus shifts towards achieving higher productivity for a given cost. The contractors collectively bring a standard of professionalism to the industry, noticeable in their approach towards staff employment, implementing new health and safety standards and workplace and personal support. For many winegrowers, the use of a contractor may well make economic sense given the productivity record that comes with the established contractors. All the contractors who were interviewed indicated they provided accommodation for their workers from authorised RSE accommodation to backpackers.

15. The area mechanically harvested is 317 ha with only modest growth in this area expected by 2018/19. It is our understanding that there are considerably more hectares that could be mechanically harvested if vineyard owners were of a mind to do so. There are three mechanical harvesters in the region and with a likely financial breakeven point of around 200

tonnes per season per harvester there would seem to be scope for operators to increase their operations.

Training and Upskilling

16. A range of training is undertaken at all levels. It is apparent that there are significant shortages of trained supervisors and machinery operators, especially tractor drivers. Many respondees felt that there was an opportunity for the Polytechnic and other course providers to meet this need. Discussions during the survey process indicated the younger managers or supervisors are more likely to engage in upskilling and training than those who are older or have been in the position for a long time.

17. A number of growers are still struggling to get to grips with the upcoming new Health and Safety legislation, even though it was acknowledged that there had been significant investment by a number of organizations to provide training in this area.

18. A number of respondees feel the need for training to be given in a range of management techniques such as conflict resolution and structuring of incentive packages. During the course of our interviews we came across a number of examples of very good management practice as it relates to staff training, but we also struck a number of cases where we feel that individuals would benefit from some specific intervention particularly where it relates to the care of their seasonal workers.

Care of Workers

19. We were struck by the lengths to which some employers go to ensure their seasonal workers were well looked after. This included provision of hot meals on cold days, warm clothing and bedding, regular staff functions such as barbeques, meat and wine and access to the internet to enable workers to contact friends and family etc. In many cases they also provided a friendly face at the end of the day who could listen to and help resolve problems. Such instances now form part of the reputation of the region as a good place to come and work. Stories of good experiences circulate in the social media space encouraging more people to come to the region, in particular young people from overseas on working holiday visas.

20. It was disappointing, however, to note that there were a number of people we interviewed who felt they had no responsibility for their workers once they left the property each day. This was particularly the case with regard to accommodation and this aspect has no doubt contributed to the increase in freedom camping around the district, but particularly in the Lowburn area. On the one hand it is accepted that backpackers may have a natural reluctance to pay anything towards their accommodation, but on the other hand it seems less than satisfactory that some employers effectively wash their hands when it comes to the care of what is an essential resource. Such an attitude invariably results in a high rate of staff turnover and also generates bad publicity not only about the employer but also about the region.

Productivity

21. The two most significant barriers to increasing productivity for both the horticulture and viticulture sectors were a lack of suitable accommodation and a lack of suitably trained staff, particularly at the supervisor and machinery operator level.

Accommodation Demand and Supply

22. Horticulture and viticulture growers are predicting each sector will need around 300 more beds for workers by 2018/19. Horticulture growers have plans to increase their bed numbers by 266. By contrast, the viticulture sector is only planning a further 8 beds in the same period. The demand for beds is expected to be across all worker types but with particular emphasis on provision of backpacker accommodation.

Accommodation Supply and Demand to 2018/19	Horticulture	Viticulture
Increase in demand for beds	307	300
Planned increase in supply of beds	266	8

23. Many respondees felt that a variety of methods could be used to resolve the predicted bed shortage. These ranged from provision of backpacker hostels to more use of chalet type accommodation to more serviced camp sites both on private and public land. The horticulture sector seems better resourced both as to the range and number of bed types – possibly because they have been in the business of providing this type of benefit for a longer time. In our survey we identified only ten winegrowers who provided either camp site capacity or backpacker style accommodation. However, given the low response rate to this question, it is possible that there is more vineyard accommodation available than has been recorded.

24. The shortage of suitable, affordable accommodation for kiwi workers and their families is apparent across the region but is particularly acute in Cromwell and Alexandra. One of the contractors spoken to said he was losing the ability to employ these workers because he is unable to accommodate them. We have heard of one instance where a grower had to vacate their own house so as to accommodate workers and a number of other cases where workers had to be accommodated with growers' families in their houses. This highlights the need for development of some form of low cost, high density housing. The provision of land to enable this has proven to be a sticking point and a number of respondees wondered if the CODC or Community Boards could make such land available.

25. A number of respondees also indicated uncertainty about the way in which the two local bodies interpreted the Building Act when it came to the provision of short term worker accommodation, including camping facilities.

Recommendations

1. That all stakeholders (growers, local authorities, central government and the community) **recognise the absolute importance of backpackers as a source of seasonal labour.** The future supply of sufficient backpackers cannot necessarily be guaranteed due to a number of external factors. Provision of a favourable regional and national policy framework as well as attractive working conditions will be the key to supporting the ongoing growth of these sectors. New Zealand appears to be a favoured destination at the moment, but needs to continue to be seen as an attractive place to work in a supportive work environment.

2. That an **investigation be undertaken** to determine why such large numbers of backpackers chose to come to Central Otago in the 2014/15 season. In addition we would recommend that a **joint initiative between the industry and Central Otago District Council be undertaken to ensure the ongoing supply of backpackers.** This could include conducting

surveys within the backpacker community, monitoring of social media sites, conducting social media campaigns in the main countries of origin and ensuring that the CODC and other web sites are a primary source of information for backpackers.

3. That CODC and QLDC together with industry bodies look at **promoting Central Otago** as a place to work profitably in a supportive environment.

4. That the Labour Market Governance Group facilitate a conversation between industry groups and local government on **how to address the predicted increase in demand of 600+ beds** by 2018/19. Meetings should include representatives from the Central Otago Wine Growers Association the Central Otago Fruitgrowers Association, Central Otago District Council and Queenstown Lakes District Council. It is recognised that short term accommodation in the current season across all locations has been at or beyond capacity. Two possible options to consider are the supply of affordable land to enable to construction of low cost, high density housing particularly in the Cromwell and Alexandra areas and the option to use of some form of mobile ablution facilities.

5. That CODC **clarify and communicate to growers the regulatory framework around the provision of accommodation for short term workers**. Consideration should be given to the development of an information pack.

6. That industry bodies **review the identified short term training needs** with a range of training bodies and industry organizations (e.g. COWA), including Otago Polytechnic, to address the shortage of trained machinery operators and other identified training requirements.

7. That a project be established between Work and Income and employers to further investigate how **suitable Jobseekers can be made work ready, encourage productivity in line with employer expectations and encourage worker retention.**

8. That consideration be given to **running workshops on best practice** within both industry sectors. We came across a number of instances of what we considered to be best practice particularly as they relate to employment strategies that could be usefully shared.

9. That the **report is released in a planned manner** after discussion between the Labour Market Governance Group, Ministry of Social Development and Central Otago District Council.

2 Background

2.1 Objectives and Scope

In 2014, Druce and Anderson were engaged by the Central Otago Labour Market Governance group to undertake a survey of labour issues in the horticulture and viticulture sectors in Central Otago. The project builds on research undertaken by Bill Dolan and others in 2006 titled *"Survey of Central Otago Horticulture and Winegrowing Seasonal Labour Requirements 2006/07 – 2010/11".*

The aim of the project is to provide up to date and detailed information on horticulture and viticulture labour issues to allow the sectors to plan effectively for the future. Both industries rely on high numbers of seasonal staff. This, coupled with an annual variation in the volume of fruit, means that matching the labour demand with supply can be difficult.

The Central Otago Labour Market Governance Group intends for this report to provide recommendations aimed at:

- Improving the functionality of the seasonal labour market;
- Assuring the inward flow of seasonal labour and promoting Central Otago as a place to work (and live);
- Addressing the accommodation issue;
- Identifying linkages with government labour market policies and programmes, in particular the Regional Seasonal Employment (RSE) programme and the new New Zealand Seasonal Worker Programme (NZSWP) or a Central Otago variation thereof;
- Connecting jobseekers to employment opportunities;
- Ensuring that industry labour requirements are addressed.

The Steering Committee for the project, made up of representatives from the Central Otago District Council, Ministry of Social Development, Seasonal Solutions Cooperative Ltd and industry representatives have a broad range of labour issues they are interested in canvassing with the project.

The result is the most in-depth picture of labour issues in Central Otago that has been produced to date and it will inform the development of a Central Otago labour market plan. The plan will provide the foundation to develop labour market strategies throughout the district that create employment opportunities for out-of-work New Zealanders; address issues such as year-round employment across seasonal industries, identify skills and training requirements, and allow for the District to better plan for economic growth.

2.2 Terms of Reference

The terms of reference required the contractors to use a survey-based methodology to research the labour needs of the horticulture and viticulture sectors, looking out five years to the 2018/19 season. It needed to address the following key components:

- Crop plantings 2014/15 – 2018/19
- Labour needs 2014/15 – 2018/19
- Recruitment and Retention
- Variability / predictability of labour
- Upskilling
- Matching
- Productivity

- Demand for accommodation
- Supply of accommodation

The boundary for the horticulture survey was the Central Otago District Council district. The viticulture survey also included this area but in addition captured the Wanaka and Gibbston Valley wine growing regions in the Queenstown Lakes District Council region.

2.3 Methodology

Horticulture Methodology

Preparatory work for the horticulture survey was carried out in late 2014 with surveying and interviews taking place in February and March 2015.

Initially, an in-depth survey was constructed with input from the Steering Committee (see Annex 1). Following this, a database of fruit growers was prepared from information supplied by Seasonal Solutions Cooperative Ltd and through consultation with senior members of the horticulture industry. The database was then segmented according to both size and region. A random selection of 23 orchards were then identified for interviews. Of this number, 22 interviews were conducted and one grower (that uses contract labour) contacted by phone.

A total of 31 surveys were mailed out to the balance of the database and 21 responses received, either via mail or by phoning the businesses directly. This achieved an overall response rate from both interviews and mailed surveys for the horticulture sector of 43 surveys or 80% of the database.

We also interviewed key contractors and lessees to gain data on fruit hectares planted and the associated labour demands of 38 more businesses. This process covered off all except three of the non-respondents of the mail survey. It also identified many businesses that use contract labour and were not on the database. Finally, in consultation with industry experts, we estimated the planted hectares for the final three businesses.

The result is that the 84 businesses represented in the fruit plantings data represent close to 100% of the total hectares in horticulture. Note that the terms of reference for this project required that all horticulture growers in Central Otago be included in the survey with the expectation that an 80% to 90% representation would be satisfactory provided all the large growers/contractors are surveyed. This has been achieved.

Viticulture Methodology

In order to survey the viticulture sector an in-depth survey was constructed by the contractors with input from the Steering Committee (see Annex 1). A database of vineyards was then prepared from databases supplied by both Central Otago Winegrowers Assn (COWA) and from New Zealand Winegrowers (NZW). This was then segmented according to both size and region and whether there was a winery on site. A random selection of 24 vineyards was identified for interviews. The viticulture interviews and surveying were also undertaken in February and March 2015.

We conducted 26 interviews, with a further six interviews with contractors to ensure a more complete coverage. A total of 93 surveys were also mailed out to the balance of the database and a total of 30 responses received.

The overall response rate from both interviews and mailed surveys for the viticulture sector is approximately 45%. This is acceptable as this response represents approximately 79% of the total hectares for the vineyard estate.

We also interviewed six key contractors. In order to avoid double counting, where a response showed that a contractor was principally used to manage a vineyard, the hectares for that vineyard were recorded against the contractor concerned. So in all, a total of 32 interviews were conducted.

In addition, a calculation was made of the area not returned, by identifying those vineyards and then referring back to COWA or NZW original data. These "non-returned" hectares have been used as an adjustment factor in the calculation of the overall Central Otago vineyard estate.

Response rates for the viticulture survey are summarised in Annex 2. As the response rate varies for each part of the survey, we have indicated the number of respondents as (R=x) and the number who did not respond (DNR = y).

2.4 Confidentiality & Disclaimer

Confidentiality was an important consideration with the project. Information collected during the interviews was kept secure and the results in this report are in aggregate form, with no reference to individual businesses. Once the report has been published, the survey forms will be destroyed.

While every effort has been made to elicit and compile accurate data, Druce and Anderson, Central Otago Labour Market Governance Group, Ministry of Social Development or Central Otago District Council will not accept any liability for actions, or consequences of those actions, taken by growers or other parties based on the information contained in this report.

Horticulture Labour Survey Results

3 Area in Production

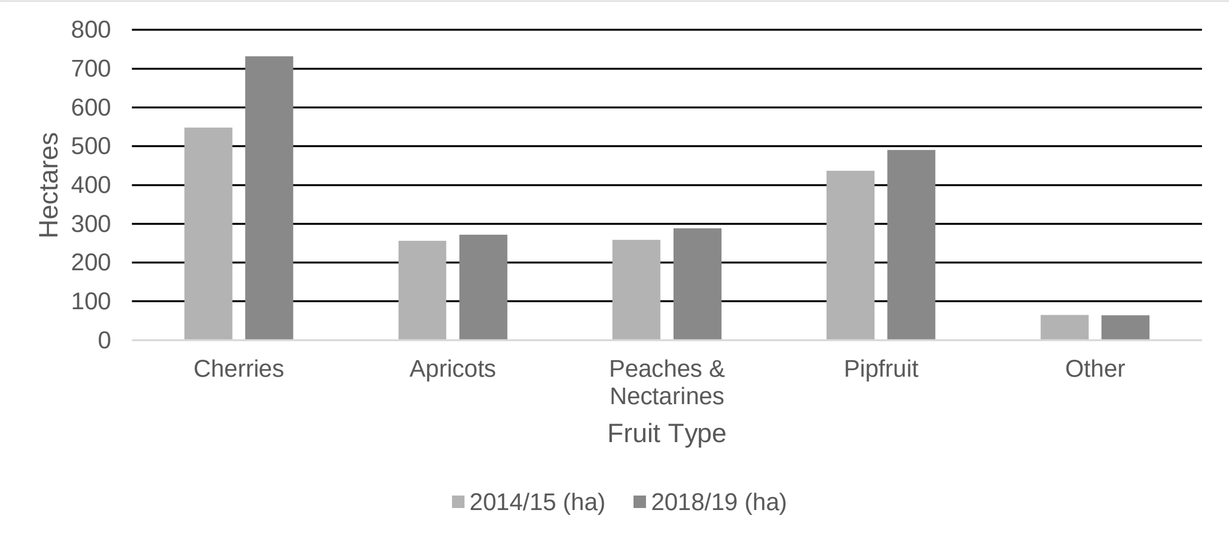
3.1 Central Otago

Growers were asked to indicate how many hectares they currently have planted by fruit type and how many hectares they expect to have planted by 2018/19. These data give for the first time, a clear picture of the size of the horticulture sector and what changes are planned for the next 5 years.

The results indicate general confidence in the sector with the main trends as follows:

- Growers are planning to increase fruit plantings by 18% or 281 hectares over the next 5 years.
- Growth will come predominantly from 184 hectares of new cherry plantings (an increase of 34% over 5 years). 62% of these plantings are planned for the Cromwell basin and 29% for the Alexandra area.
- Growers are planning a 12% increase (or 53 new hectares) of pipfruit, mainly in the Roxburgh and Ettrick areas.
- There is an 11% increase in peaches and nectarines planned (most in the Alexandra area) and a 6% increase in apricots.

Figure 2: *Plantings by Fruit Type in Central Otago (ha) (R = 84, DNR = 0)*



Fruit type	2014/15 (ha planted)	2018/19 (ha) estimated by growers)	Change (ha) in next 5 years	% Change in next 5 years
Cherries	548	732	184	34
Pipfruit	437	490	53	12
Peaches & Nectarines	259	288	29	11
Apricots	256	272	16	6
Other	65	64	-1	-2
TOTAL	**1565**	**1846**	**281**	**18**

There are only 20 hectares of tree removals planned for the 5 year period to 2018/19. These removals are across all fruit types.

The Dolan Report of 2006/07 found the region had 1375 hectares of fruit plantings. When analysed with the data from this study we find that there have been 190 hectares planted over the last 8 years, a 14% increase.

3.2 Plantings by Region

Alexandra

The Alexandra region (including Earnscleugh) has the highest number of planted hectares by sub-region at 594 or 38% of the total planted fruit in Central Otago. There is no one dominant fruit type planted with peaches and nectarines, cherries, apricots and pipfruit all planted in significant numbers.

Growers have plans to increase these plantings by a further 15% (or 90 hectares) over the next 5 years. This includes 54 new hectares of cherries, 25 of peaches and nectarines and 14 of pipfruit.

Figure 3: Alexandra - Plantings by Fruit Type (ha) (R = 18, DNR = 0)

Fruit type	2014/15 (ha planted)	2018/19 (ha estimated)	Change (ha) in next 5 years	% Change in next 5 years
Cherries	166	220	54	32%
Pipfruit	92	105	14	15%
Peaches and Nectarines	214	239	25	12%
Apricots	100	102	2	2%
Other	22	18	- 5	-20%
TOTAL	**594**	**684**	**90**	**15%**

Roxburgh and Ettrick

The Roxburgh and Ettrick regions have 565 hectares or 36% of the planted hectares of fruit in Central Otago. Pipfruit is the dominant crop in the area representing 59% of the total hectares planted. Apricots are the next most planted crop.

Growers in the Roxburgh and Ettrick areas have plans to increase plantings by 72 hectares (or 13%) over the next 5 years. 40 of these hectares will be in pipfruit, 16 in cherries and 12 in apricots.

Figure 4: Roxburgh and Ettrick - Plantings by Fruit Type (ha) (R = 11, DNR = 0)

Fruit Type	2014/15 (ha planted)	2018/19 (ha estimated)	Change (ha) in next 5 years	% Change in next 5 years
Cherries	60	76	16	27%
Pipfruit	332	372	40	12%
Peaches and Nectarines	21	22	1	5%
Apricots	116	128	12	10%
Other	37	40	3	8%
TOTAL	**565**	**637**	**72**	**13%**

Cromwell

The Cromwell region has 406 hectares or 26% of the planted hectares of fruit in Central Otago. Cherries represent 79% of fruit plantings in the Cromwell area.

Cromwell growers plan to increase plantings by 119 hectares (or 29%) over the next 5 years. 114 of these 119 hectares will be cherries.

Figure 5: Cromwell - Plantings by Fruit Type (ha) (R = 55, DNR = 0)

Fruit type	2014/15 (ha planted)	2018/19 (ha estimated)	Change (ha) in next 5 years	% Change in next 5 years
Cherries	321	436	114	36%
Pipfruit	14	14	-1	-4%
Peaches and Nectarines	24	27	3	13%
Apricots	40	42	2	4%
Other	7	7	0	0%
TOTAL	**406**	**525**	**119**	**29%**

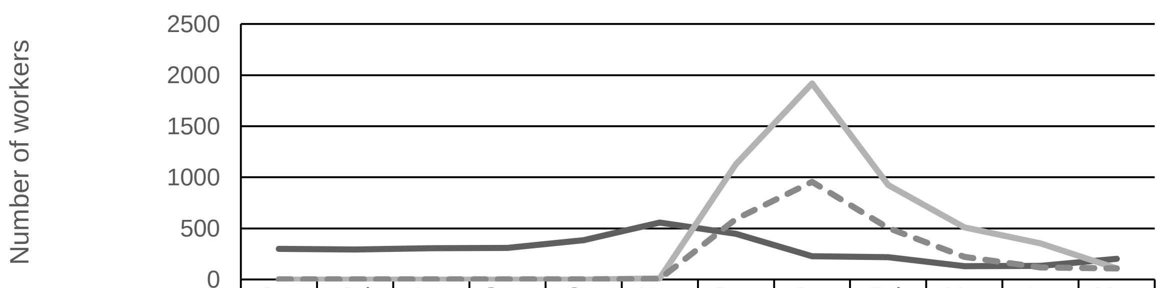
4 The Horticulture Labour Force

Growers were asked to indicate how many workers they currently employ for non-harvest work, picking and in the packhouse. They were also asked to estimate how many workers they will be employing by 2018/19. It is important to note that some of the same people may work during both the non-harvest and the picking and packing period so may be represented in both categories.

4.1 Seasonal Variation in Labour Demand

The horticulture industry in Central Otago employs a base load of between 130 and 558 non-harvest workers throughout the year. The majority of workers are employed however during the picking and packing period. This starts with a small number of workers at the end of November (early cherries) and jumps rapidly in December, peaking in January with 1918 pickers and 956 packers. By February the number in the picking and packing jobs halves and then continues to drop away until apple harvest ends in May.

Figure 6: Number of workers employed by Job Type 2014/15 (R = 40, DNR = 3)



	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Non Harvest	302	294	306	309	387	558	447	227	220	130	136	205
Picking	0	0	0	0	0	11	1129	1918	926	512	355	110
Packhouse	2	2	2	2	2	6	592	956	505	223	120	109

4.2 Labour Demand by Job Type

Growers were asked to indicate how many workers they employed in each seasonal role on the orchard. The non-harvest workforce is set to grow the most in the next five years in Central Otago, rising from 570 workers to 686 in 2018/19, an increase of 20%. The number of pickers is set to increase by 13% from a much larger base, resulting in an increase in demand of 317 workers. By contrast, the number of workers employed in packing sheds will show a small decrease over the same period. This is due to an increase in mechanisation.

The net result is that the number of jobs to be filled will increase by approximately 407 in the next five years – keeping in mind that some of the same workers will fill the non-harvest and harvest roles.

Figure 7: Horticulture Labour Requirements 2014/15 to 2018/19 (R = 43, DNR =0)

	2014/15	2018/19	Change	% Change
Non Harvest	570	686	116	20%
Picking	2451	2768	317	13%
Packhouse	1119	1093	-26	-2%
Jobs to be filled	**4140**	**4547**	**407**	**10%**

It is interesting to note that non-harvest workers in the 2014/15 year were 570 compared with 1219 recorded in the Dolan Report for 2006/07. It is difficult to understand the reason behind this drop but one possibility is the increase in productivity achieved by RSE workers.

With the predicted growth in the cherry crop over the next five years an attempt was made to independently check the surveyed labour requirements for the peak harvest season. Using industry based data it is assumed that the typical season lasts nine weeks, that the yield per hectare can vary between 8 and 12 tonnes/hectare depending on variety (our calculation uses 10 tonnes/hectare), that an eight hour day five day week is worked and that an average picker can pick 800 kg over the five days then an additional 256 harvest pickers will be required by 2018/19. This number compares favourably with the total additional picking jobs of 317 needed by 2018/19 identified in the survey in Figure 7 above. It should be noted that the assumptions used are conservative and are dependent on the productivity of the pickers, the yield achieved and the number of hours worked in a week.

Sub regional breakdowns using the rule of thumb above indicates the following number of additional cherry harvest workers:

Figure 8: Sub-regional estimate of additional workers required in the cherry industry by 2018/19

	New hectares planned	Additional workers required
Cromwell	114	160
Alexandra	54	75
Roxburgh	16	21

It would be advisable for these numbers and this calculation to be checked each year.

4.3 Source of Labour by Worker Type

Growers were asked to indicate how many workers they employed of each worker type over the 2014/15 year. By contrast to section 4.2 above, these results show the number of people employed in each category, as opposed to jobs that were filled (where more than one worker can fill a position, due to turnover).

The Central Otago horticulture industry employed 4081 workers in the 2014/15 year. Backpackers made up 65% (or 2647) of these workers, 16% were locals and students, 11% RSE workers, 7% permanent workers and 1% Jobseekers referred by Work and Income.

Figure 9: Source of Labour by Worker Type 2014/15 (R = 43, DNR = 0)

Type of Worker	**Number employed**	**Percentage**
Backpackers	2647	65%
Seasonal Locals / Students	651	16%
RSE Workers	446	11%
Permanent Workers	280	7%
Jobseekers referred by Work and Income[1]	57	1%
TOTAL	**4081**	**100%**

This is consistent with the Dolan Report that found that 63% of workers were 'Tourists' (backpackers).

4.4 Backpackers by Source Country

Growers were asked to indicate where their backpacker workers come from by ranking 1 to 3. Most workers came from 'Other Europe', particularly the Czech Republic, Germany and France. Second was Asia, third South America and fourth United Kingdom. *(R = 38, DNR = 5).*

Respondents were also asked if they have a preference for taking backpackers from any particular country. 62% indicated they did have a preference *(R = 37, DNR = 6).* Those who answered yes, when asked why, pointed to a strong work ethic, particularly among workers from the Czech Republic and Germany. Similarly, workers from Asia are found to also have a good work ethic, be focused and work productively, particularly in the packing sheds.

5 Recruitment and Retention

5.1 Methods of recruitment

Growers were asked to indicate the methods of recruitment they find most useful in securing the workers they require. RSE through Seasonal Solutions Cooperative Ltd, online recruitment and casual walk ups were the most useful methods.

Figure 10: Value of Methods of Labour Recruitment (R = 41, DNR = 2)	Rank
RSE through Seasonal Solutions Ltd	1
Online (website or email)	2
Casual Walk Ups	3
Previous Years' Workers Returning	4
Local Referrals	5
Casual Workers from Seasonal Solutions	6
Social Media	7
Direct RSE	8

[1] [1] Figure 9 shows Jobseekers identified through this survey and interview process. Ministry of Social Development statistics indicate that a total of 174 people sought Jobseeker support in Central Otago in December 2014 and 160 in March 2015.

Advertising	9
Direct recruitment / Use of recruitment agencies	10
Referrals from Work and Income	11

5.2 Length of employment

Respondents were asked the average length of time employees stay in their employment.

Permanent workers stay an average of 8.7 years and New Zealand seasonal workers 13.4 months (including workers who return for more than one season). Backpackers stay an average of 2.2 months, RSE workers 5.7 months and referrals from Work and Income 8.7 days.

Figure 11: Length of time in employment (R = 38, DNR = 5).

Type of worker	Range	Average
Permanent Workers	1 - 25 years	8.7 years
New Zealand Seasonal Workers	1 month – 10 years	13.4 months
Backpackers	1 month – 1 year	2.2 months
RSE Workers	6 weeks - 7 months	5.7 months
Jobseekers referred by W&I *(R = 10)*	1 day – 30 days	8.7 days

5.3 Retaining Jobseekers

Growers were asked if they thought there was anything the Government could do to assist growers to retain Jobseekers referred by Work and Income. Twenty four responses were received with 17 growers answering 'yes' and 7 'no'. Of those that thought there was, the following suggestions were made. Note that some respondents made more than one comment.

Figure 12: Suggestions for Government to help growers retain Jobseekers referred by Work and Income (R = 17, DNR = 26)

Suggestions	Number of responses
Ensure Jobseekers are work ready	5
Ensure W&I send Jobseekers with a good attitude	3
Ensure Jobseekers are physically / mentally capable of working and will be productive	2
Teach Jobseekers budgeting advice / time management / goal setting skills	2
Be honest with businesses regarding Jobseekers	1
Show Jobseekers that a career path is available in the industry	1
Provide incentives for Jobseekers to stay on the job	1
Provide clear guidelines to workers as to the standard of work required	1
Allow a 3 day probation instead of 90 day probation in the horticulture sector	1
Ensure Jobseekers have transport to the work place	1
Make it more difficult to get a benefit.	1
Careful screening to ensure a good fit	1

5.4 Incentives

Accommodation and piece rates are the most frequent incentives offered by horticulture businesses to encourage staff retention. A common feature was also the provision of a safe and friendly environment. Responses are summarised in the table below:

Figure 13: Incentives offered by businesses to encourage staff retention (R = 33, DNR =10)

Incentives Offered	Number of responses
Accommodation (provides or offers a discount)	15
Piece rates	12
Safe, friendly work environment, treat workers well, involvement, empowerment, interest in general welfare	10
Training	7
Bonus	6
Use of vehicles	5
Contract rates	5
Provide Transport / Petrol	4
Good hourly rate	3
Day off / flexibility	2
Power / gas / internet / cell phone	2
Other	8

Respondents were asked if there were any further incentives they felt could be utilised. Of the 12 respondents who answered this question, accommodation, increased pay rates (and consistency of work), an end of season bonus and contract rates were suggested as possible incentives they could employ in the future. *(R = 12, DNR =31).*

5.5 Information on Government Requirements

Growers were asked if they needed help with, or more information on Government requirements in relation to the employment of staff. 68% of those who responded indicated they did not with the other 32% requiring assistance in the areas of Health and Safety, employment contracts, ACC and privacy matters. Particular responses are listed below.

Figure 14*: Types of Government assistance required by growers in relation to the employment of staff (R = 34, DNR = 9)*

Type of Government Assistance Required	Number of responses
Health and safety	9
Employment contracts	5
Holiday Pay	5
ACC	4
Privacy	3
Parental Leave	2
Other	7

With regard to Health and safety, particular reference was made to the need for information on the proposed Health and Safety law changes, a desire to see Health and Safety auditors follow up in prescribed timeframes, and the need to remove perceived extra layers of Health and Safety auditing staff.

With regard to employment contracts, it was suggested that online templates for the horticulture sector would be useful and that a shorter probation period for the horticulture sector would help growers manage unproductive staff.

Several growers mentioned the added cost of ‘Mondayisation’ of the statutory holidays to their business – particularly during the cherry season. Growers find that they often pay out these holidays only to find staff do not return. Also mentioned was a frustration at paying the minimum wage for staff who are unproductive.

5.6 Factors affecting recruitment or retention

Respondents were asked to indicate how a number of factors have affected their ability to recruit or retain staff. Growers are most affected by the availability of suitable accommodation, language barriers and the availability of transport.

Figure 15: Factors affecting recruitment or retention (R =38, DNR =5)

Factors affecting recruitment or retention of staff	Rank
Availability of suitable accommodation	1
Language barriers	2
Availability of transport	3
Lack of Working Holiday Visa or VOC	4
Work placement of spouses	5
Incorrect paperwork (IRD, Bank a/c etc.)	6
Location of work	7
Availability of childcare	8

Growers indicated they had found the following solutions to the above issues:

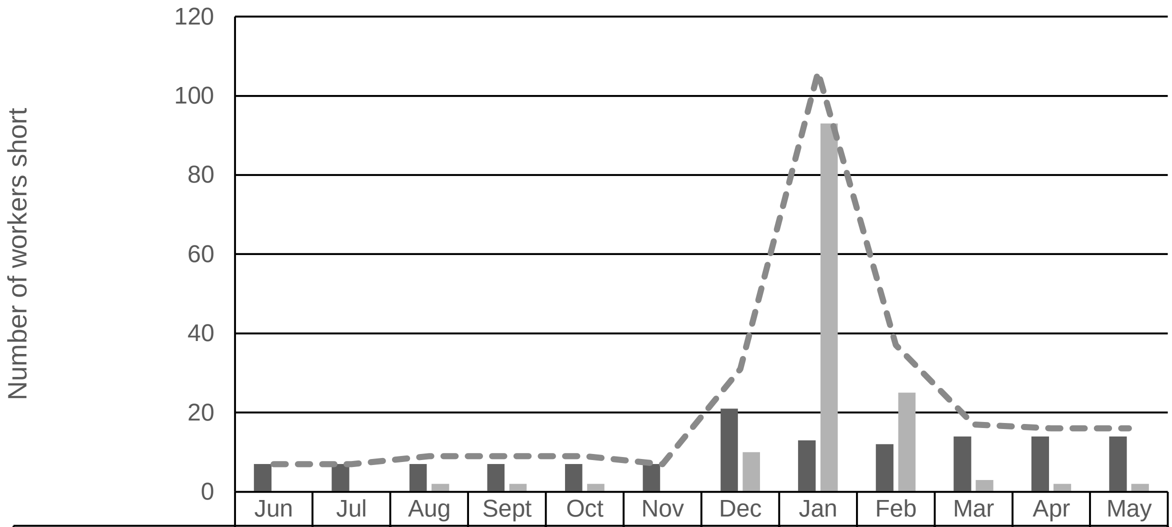
Provide accommodation / more accommodation
Provide transport / encourage car pooling
Always have someone who can speak English / use pictures to explain tasks
Maintain a good relationship with accommodation providers
Employ workers’ spouses
Provide flexible working hours
Employ staff who speak multiple languages
Email paperwork to staff in advance to complete paperwork

6 Variability / Predictability of Labour

6.1 Labour Supply

In the 2014/15 year, 79% of respondents were able to source the labour when they needed it *(R = 42, DNR = 1)*. Central Otago was between 7 and 21 permanent staff short through the 2014/15 year, with a peak in December.

Figure 16: Labour shortages in the horticulture sector 2014/15



	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Permanents	7	7	7	7	7	7	21	13	12	14	14	14
Casuals	0	0	2	2	2	0	10	93	25	3	2	2
TOTAL	7	7	9	9	9	7	31	106	37	17	16	16

There was a small deficit of seasonal workers from December to February. At its peak this resulted in the region being short of 93 seasonal workers in the month of January. Discussions with growers indicated that in order to cover this shortfall employees worked harder and that hours of work were extended.

7 Upskilling

7.1 Upskilling Managers and Supervisors

This question asked what initiatives had been undertaken in the past 12 months to upskill managers and supervisors. Of those that responded, 69% identified Growsafe as the most common form of training, followed closely by 62% who have supported Health and Safety training.

Figure 17: Initiatives undertaken to Upskill Managers and Supervisors in the last 12 months (R = 29, DNR = 14).

Managers and Supervisors	**Number of Responses**		**Number of Responses**
Growsafe	20	Irrigation	6
Health and Safety	18	National Certificate in Hort	6
Machinery Operation	17	Heavy Traffic Licence	5
Approved Handler	16	National Diploma in Hort	4
Quality Control	16	Courses by Correspondence	4
Conferences	13	First Aid	3
Supervisor’s Training	11	Other	3

When asked about plans for future training, some indicated that training would be ongoing (6 respondents) but others had plans for Health and Safety (3 respondents) and Growsafe (3). Two respondents had no plans for further training of Managers and Supervisors at present. There was a wide range of other types of training that individual growers intended on providing for their managers and supervisors. These were: First Aid, Advanced level 4 Hort, Fruition training, motorbike training, supervisor training, IT, HR and relationship management, communications, primary ITO training and Approved Handler.

Discussions during the survey process indicated the younger manager or supervisors are more likely to engage in upskilling and training that those who are older or been in the position for a long time.

7.2 Upskilling Other Staff

This question asked what initiatives had been undertaken in the last 12 months to upskill other staff. Of those who responded, 59% plan to give machinery operation training, 45% Growsafe and 41% Health and Safety training.

Figure 18: Initiatives undertaken to upskill other staff in last 12 months (R = 22, DNR = 21)

Other Staff	**Number of Responses**		**Number of Responses**
Machinery Operation	13	Irrigation	5
Growsafe	10	Conferences	3
Health and Safety	9	Heavy traffic licence	3
Approved Handler	7	Supervisor's Training	2
Quality Control	7	National Certificate in Hort	2
On the job training	7	Other	4

When asked about plans for future training six indicated training would be ongoing and two would be doing no further training at this stage. There were other types of training that individual growers intended on providing for their other staff. These were: Health and Safety, Approved Handler and Growsafe.

7.3 Upskilling Yourself (Owners / Operators / Managers)

This question asked the respondents (owners / operators / managers) what initiatives they had undertaken to upskill themselves in the last 12 months. The majority identified conferences, Health and Safety and Growsafe as the most utilised. Results are summarised in the table below.

Figure 19: Initiatives undertaken to upskill yourself (Owners / Operators / Managers)

Yourself *(R = 25, DNR = 18)*	**Number of Responses**		**Number of Responses**
Conferences	16	Heavy traffic licence	3
Health and Safety	14	National Diploma in Hort	3
Growsafe	12	Irrigation	2
Approved Handler	8	First Aid	2
Machinery Operation	6	National Certificate in Hort	1
Quality Control	4	Other	8
Supervisor's Training	3		

Plans for future training included 'ongoing training as required' (5), Health and Safety (3), Management / Leadership / Governance (2), none (2) and Growsafe (2). Sale of liquor, an MBA, Primary ITO Training, Approved Handler and Forklift training all featured once.

7.4 Supply of Training Courses

This question asked if there was felt to be a shortage of suitable training courses. 41% of respondents do think there is a shortage of training courses for their staff.

There was a wide range of shortage areas identified, the most frequent being human resources (including relationship, conflict and people management). Operational courses in tractor safety, spraying, mowing, frost control and irrigation were also identified. Responses are summarised in the table below.

Figure 20: Areas where there is a shortage of training courses (R = 32, DNR = 11)

Training areas	**Number of responses**
Human resources including relationship, conflict and people management	5
Operational courses (tractor safety, spraying and mowing, frost control & irrigation)	3
Health and Safety	2
Human Resources	2
Otago Polytechnic – would like more training offered in areas other than cherries. Would like OP to provide face to face courses for New Zealanders not just overseas students.	2
Information Technology	1
Would like to see a cadet scheme reintroduced	1
Supervisor training	1
Horticulture skills	1
Staff motivation / empowerment / leadership	1
Coordination around timing of training events by ITO needed	1
Issues with cost and location of courses	1
Lack of benchmarking, field days and information sharing in industry	1
Law	1
Unimpressed by standard of commercial training providers – need to provide operational, hands on short courses.	1
No berry fruit courses offered	1

7.5 Time Spent Training

Growers were asked how much time they spend training both permanent and seasonal workers over a year. Many had difficultly responding to this question and responses varied widely.

On average however it was found growers spend an average of 3.1 days per year training permanent staff. Seasonal workers are trained an average of 8.8 hours per year.

Figure 21: Time spent training workers (R = 26, DNR = 17).

Type of worker	**Average time spent training**	**Range of responses**
Permanent workers	3.1 days / year	0 to 2 weeks
Seasonal workers	8.8 hours / year	2 hours to 10 days

8 Matching

Growers were asked to explain the challenges in finding employees with the right skills and attributes. This question was included to give respondents the opportunity to make a range of qualitative responses without prompting. The following table summarises the responses

Figure 22: Challenges faced by growers in finding employees with the right skills and attributes (R = 29 DNR =14).

Challenges	**Number of responses**
Image of industry not good, lack of perceived career path, seen as a low pay industry	6
Problems finding shooters, quality control staff, vehicle operators, tractor drivers, forklift operators, mechanical skills	5
Supervisors difficult to find	3
Difficult to find the right staff / right skills for the job	3
Difficult to find people with right attitude / mind set who want to work on minimum wage.	3
Perm staff hard to find. Have been advertising with no response	2
Good short term staff hard to find.	2
None	2
Need to go back to farm cadets schemes	1
Hort diploma only offered through Massey	1
Language is the issue	1
ITO needs to combine theory with practical experience	1
Difficult to find staff for diverse crops	1
Lack of facilities in area to attract families	1
Many unsuited to physical work	1
Difficult to match the pay rates to the conditions	1
Turnover = always needing to employ and induct new staff	1
Managers are foremen - running staff biggest issue	1
Need seasonal workers to return so as to benefit from their training especially H&S due to export standards	1
Lack of trained horticulturalists as most trained end up on vineyards rather than orchards	1
Otago Polytechnic international horticulture students cannot get jobs in the holidays due to lack of VOC's. Would like to see VOC's issues with student visas.	1
Lack of recognition of industry by immigration dept.	1
Would like to see the RSE scheme more reactive and flexible to grower needs	1
Would like flexibility to gain a visa extension for some backpackers for more than 3 months so that growers could retain (and sponsor) the best workers through winter	1

9 Productivity

9.1 Barriers to increasing productivity

This question asked growers what the barriers were to increasing their productivity. The largest barriers are a lack of suitably trained staff and the availability of accommodation. Underutilisation of expensive capital investments due to seasonality and a shortage of labour when required were also highlighted.

Figure 23: Barriers to increasing productivity (R = 30, DNR = 13)

Lack of suitably trained staff	20
Availability of suitable accommodation	20
Underutilisation of expensive capital investments due to seasonality	16
Shortage of labour when required	12
Shortage of nursery stock	12
Lack of technical knowledge	9
Availability of finance for purchasing equipment	6
Availability of transport for staff	4
Other:	6
Need people in orchard who can supervise cherry pickers	
Lack of skilled people able to fix equipment	
Climate and Health	
Lack of good consultants in the apple industry	
Land availability at affordable price	
Difficulty in waiting until Feb to receive first fruit payment	

9.2 Worker Productivity

Growers were asked on a scale of “Unproductive” to “Exceeded Expectations” to rate the productivity of each type of worker.

100% of RSE workers either met expectations most of the time or exceeded expectations *(R = 22)* as did 90% of permanent workers *(R = 31)*, 75% of locals / other casuals *(R = 28)* and 71% of backpackers *(R = 31)*.

Sixteen growers rated the productivity of suitable Jobseekers referred by Work and Income. Of these, 56% felt Jobseekers had met expectations some of the time and 44% felt they had been unproductive.

Four growers made specific comments regarding the productivity of the RSE workers. Comments are as follows: without the RSE scheme there would be no growth in the cherry or pipfruit industries; increasing the number of RSE workers would increase productivity and ease pressure on accommodation; there is increased productivity that comes from RSE workers returning for multiple seasons as skills are retained.

10 Accommodation Demand

10.1 Current Demand

Growers were asked if they think there is a shortage of accommodation in their area. 85% of respondents think there is a shortage.

Figure 24: Accommodation shortage in respondent’s area (R = 40, DNR = 3)

Response	**% of respondents**
Believe there is a shortage of worker accommodation in their area	85%
Do not think there is a shortage of worker accommodation in their area	15%

Of those who believe there is a shortage, 71% think there is a shortage of campsites, 52% dormitories and backpackers, 42% houses and 29% chalets.

Figure 25: Perceived shortage of accommodation by type (R = 31, DNR = 12).

Type of accommodation	% of respondents who think there is a shortage
Campsites	71%
Dormitories / backpackers	52%
Houses	42%
Chalets	29%

In Alexandra, growers also highlighted the needs for dormitories with separate rooms, serviced campervan sites, cheap camping sites (since Fraser Domain closed), rental houses and private accommodation blocks. A few growers mentioned that an Alexandra backpackers had turned away 60 people in one day in January.

In Cromwell, growers highlighted the need for campsites with ablution facilities, roofed accommodation, rentals for families, basic hostels and reasonably priced accommodation. In Roxburgh and Ettrick growers highlighted the need for camping facilities since the Roxburgh and Ettrick camping grounds have closed, as well as the need for permanent rentals.

10.2 Future Demand

Growers were asked to indicate by how many beds their demand would increase or decrease each year over the next 5 years. Results show there will be an increase in demand for 307 more beds by 2018/19 *(R = 34, DNR = 9)*.

11 Accommodation Supply

11.1 Current Accommodation by Type

This section of the survey was filled in only by growers who provide accommodation. These growers were asked how many beds of each type of accommodation they provide. The horticulture industry in Central Otago provides accommodation for 2015 workers at any one time. Of this capacity, 1365 beds are backpacker style, or RSE approved accommodation rather than camping capacity.

Figure 26: Grower's accommodation capacity 2014/15 (R = 37, DNR = 6).

Accommodation Types	Capacity	# of businesses providing this accommodation
Backpacker	929	24
Camp Capacity	650	25
RSE Accommodation	436	20
TOTAL	**2015**	**69**

Business owners were also asked what other facilities they provided, with many offering kitchens, ablution blocks and toilets for workers to use.

Figure 27: Other facilities provided by growers (R = 24, DNR =19)

Type of facility	Number of respondents
Ablution / Toilets	21
Kitchen	19
Showers	7
TV Room / Lounge	4
Campervan / Caravan sites	2
BBQ's	2

Washing Machine	2
Power for motorhomes	2
Other	3

11.2 Change to Accommodation Supply

The survey asked if growers were planning to change their bed numbers over the next five years and to indicate by how many. The results show that there are plans for 266 more beds to be added in the period to 2018/19.

Figure 28: Planned change to bed numbers in the next five years (R = 24, DNR = 19).

Year	Number of additional beds planned
2014/15	60
2015/16	132
2016/17	29
2017/18	45
2018/19	0
TOTAL	**266**

11.3 RSE worker accommodation

Nine growers make a distinction between the accommodation they provide for RSE workers and other workers, while 14 do not. Of those that do make a distinction five indicated they do so to meet Ministry of Business, Innovation and Employment regulations for RSE workers. Other comments were that sleeping bags, blankets and eating utensils were also provided for RSE workers and that RSE are often accommodated on the orchard rather than offsite. The comment was also made that backpackers are usually happy to stay in cars and tents. *(R = 23, DNR = 20).*

11.4 Other Accommodation

When asked what types of accommodation workers stay in not provided by the respondent, 12 indicated that workers use camping grounds, 11 backpackers, 10 freedom camping in tents or vans.

Figure 29: Types of accommodation used by workers – not provided by the grower (R = 25, DNR = 18).

Other types of accommodation used	Number of respondents
Camping Grounds	12
Backpackers	11
Freedom Camp Tents or Vans	10
Chalets	4
Homestays	3
Own Homes	3
Private Homes	2
Rental Houses	2
Other orchards	1

11.5 Ministry of Business, Innovation and Employment Guidelines

Respondents were asked if they have any issues complying with the Ministry of Business, Innovation and Employment Guidelines for RSE accommodation. Of the 27 who answered the question, three identified issues complying with the size requirements for RSE accommodation. No other growers had issues complying with the guidelines. *(R = 27, DNR = 16)*

11.6 Council requirements

Nineteen respondents have had no issues complying with Council requirements for accommodation, while 9 do *(R = 28, DNR = 15).* Of those who have had issues three do not agree with Council insisting on toilets and showers for people with disabilities on orchards. Another three would like to see a conversation between the Council and growers regarding Council requirements for camping facilities. Two growers believe that mobile accommodation units are the answer to any issues as they do not need permits. There were a number of other issues as listed below:

Figure 30: Issues complying with Council requirements for accommodation

Issues *(R = 28, DNR = 15)*	**Number of respondents**
Do not agree with Council insisting on toilets/showers for people with disabilities	3
Conversation needed between Council and Orchards regarding camping facilities	3
Need mobile accommodation units so not permits required	2
Issue with closing of camping ground in Ettrick and Roxburgh due to Council requirements	1
Accommodation shortage now Fraser Domain has closed.	1
Building inspectors get carried away	1
More assistance needed from Council when applying for accommodation consents	1
Council rules regarding accommodation are not clear	1
Council fluctuates on development and subdivision policies	1
Need to ensure there is not too much red tape as orchards provide employment	1

Viticulture Labour Survey Results

12 Area in Production

12.1 Central Otago

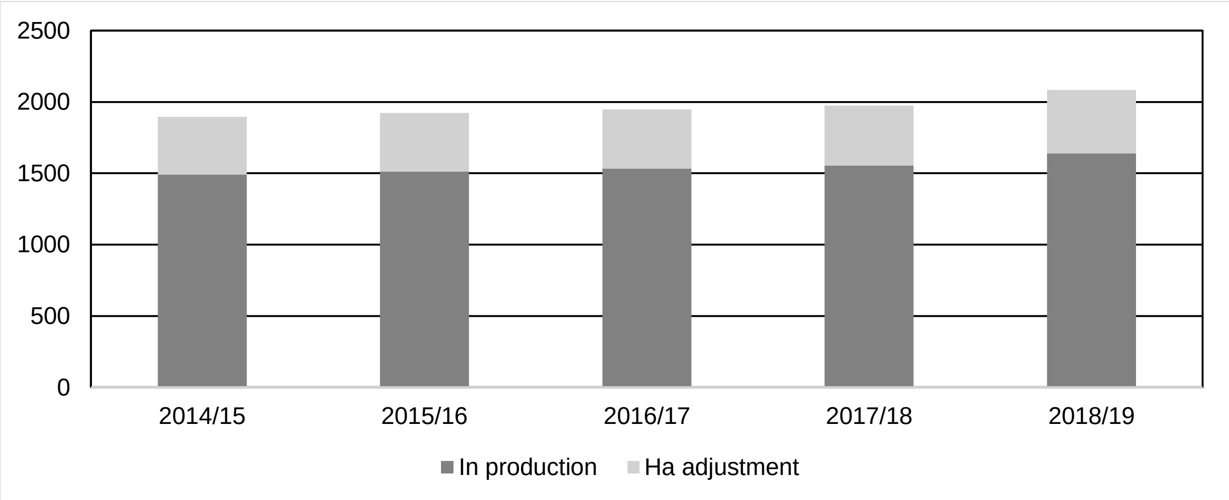
Grape growers were asked to indicate how many hectares they currently have in production and how many they expected to have planted by 2018/19.

The data shows very modest increases in area planted over the next three years of the order of 1.3% but with growth predicted to increase in year four (+5.6%). New plantings totalling 134 hectares are predicted over the time frame with a total of 88 hectares of new plantings occurring in the 2015/16 and 2016/17 years.

The “non-returned” hectares referred to in the methodology total 404 hectares in the current year, rising after applying the year on year growth factor, to 443 hectares in 2018/19.

These data indicate that the current size of the vineyard estate is approximately 1901 hectares, rising to 2102 hectares in 2018/19. The current hectares accord fairly closely to the survey data of New Zealand Winegrowers.

Figure 31: *Grape plantings in Central Otago 2014/15 (ha) (R = 56, DNR = 0)*



Area Planted (ha)	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
In production	1492	1513	1533	1554	1641
Planned plantings	5	50	38	23	18
Sub total	1497	1563	1571	1577	1659
Ha adjustment	404	409	414	420	443
Total	**1901**	**1972**	**1985**	**1997**	**2102**

Contractors

The role of contractors in the Central Otago wine growing industry is significant. We interviewed all the major contractors who between them manage about 705 hectares across the region, corresponding to about 37% of the total area. Services provided range from full management of a vineyard to undertaking a variety of other tasks such as mechanised vine management, spraying, irrigation and harvesting (either mechanically or by hand).

Between the contractors we estimate that some 99 vineyards (or about 80% of the total number of vineyards in the region) use some form of contractor input. The majority of vineyards so serviced are in the greater Cromwell basin (about 66%), with the balance split between Gibbston Valley (30%) and Alexandra (4%).

Some caution should be used when referring to these figures as multiple contractors often work on the same vineyard, for example there may be a lead contractor who performs all of the tasks except for spraying for which a second contractor is employed.

The Dolan report of 2006/07 estimated an area under production in 2005/06 of 2000 hectares rising to 2300 hectares in the following year and then increasing progressively to 2,750 hectares in 2010/11. Back then the difficulty of interviewing vineyard owners was acknowledged (many were absentee owners) and as the focus of the report was on the labour requirements a rule of thumb measure was adopted based on then best practice for labour units per hectare and using what hectare survey data was available at the time.

The global financial crisis of 2008 had a significant impact on the industry in Central Otago and predicted growth rates have clearly not been achieved. In fact, one could speculate that the winegrowing industry has basically stood still over the intervening years and it is only now that modest growth is being undertaken.

It is not a straightforward matter to identify accurately hectares by sub region due to historic disagreements regarding these boundaries, the fact that a significant number of entities straddle different sub regions, difficulty in easily allocating contractors managed hectares across sub regions, and also the fact of the “non-returned” hectares constituting a reasonably significant (21%) proportion of the total area.

Growers were also asked to identify if they currently used mechanical harvesting, if they were planning to and if so whether this was likely to increase. Eleven respondents (of whom three were contractors) indicated that they used mechanical harvesting. These data, shown below, show only a modest increase over the time frame. Areas picked mechanically ranged in size from two hectares to 113 hectares with an average of 29 hectares.

Figure 32: Area mechanically harvested 2014/15 to 2018/19 (R = 11, DNR = 45)

	2014/15	**2018/19**
Area mechanically harvested	317 ha	364 ha
Percentage of total area	16.7%	17.3%

Number of vines per hectare averaged 2933 with a high of 4500 and a low of 1200 and row spacings averaged 2.15 meters.

13 The Viticulture Labour Force

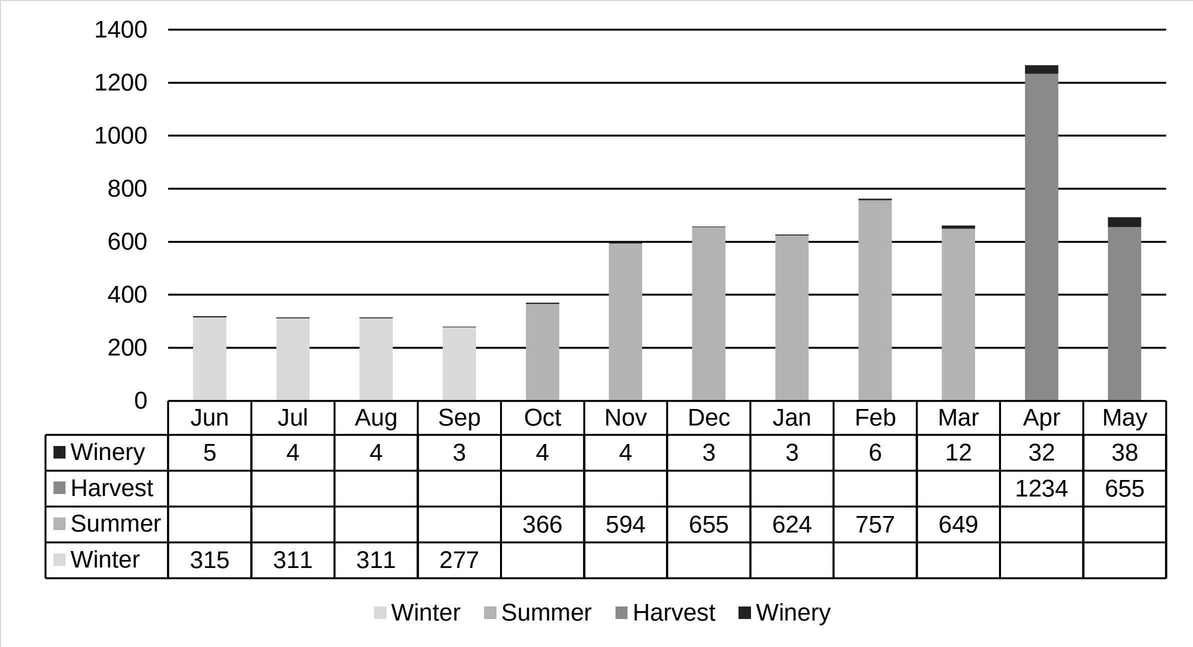
Vineyard owners were asked to indicate how many workers they currently employ for winter work, summer work and harvesting periods. They were also asked to estimate how many workers they will be employing by 2018/19. It is important to note that some of the same people may work during more than one period so may be represented in more than one category.

13.1 Seasonal Variation in Labour Demand

The viticulture industry in Central Otago employs a base load of between 277 and 315 during the winter months, mainly employed on pruning duties. This rises to between 366 and

655 during the summer months, mainly employed on vine training and irrigation duties, rising during the harvest months of April and May to a maximum of 1234 workers. It is likely that the number of winery workers is understated.

Figure 33: Number of workers employed by Job Type 2014/15 (R=36, DNR=20).



	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Winery	5	4	4	3	4	4	3	3	6	12	32	38
Harvest											1234	655
Summer					366	594	655	624	757	649		
Winter	315	311	311	277								

13.2 Labour Demand by Job Type

Little growth is expected over the next five years except for the winter period where a growth of 9% is anticipated.

Figure 34: Viticulture Labour Requirements 2014/15 to 2018/19 (R=38, DNR=18).

	2014/15	2018/19	Change	% change
Winter	358	392	34	9%
Summer	772	806	34	4.4%
Harvest	1250	1292	42	3.3%
Winery	45	50	5	11%

The Dolan report indicated that the number of vineyard jobs needed in 2006/07 was of the order of 1650 based on an estimate of one vineyard worker for every five tonnes of grapes produced and working on the assumption that the “tonnes per hectare” ratio would rise from 3.6 to a ratio of 4.8 in 2010/11. Dolan also suggested that the number of jobs in the winegrowing industry is more or less equal to the number of hectares in production.

By comparison, the current survey data indicates a peak labour requirement in 2014/15 of 1250 workers during the harvest period. Looking at these numbers in more detail gives some overall "rules of thumb" for the guidance of the industry. During the winter months (June to September) an average of 303 workers are employed at a ratio of 1 worker for every 6.3 hectares. For the summer season (October to March) an average of 607 workers are employed at a ratio of 1 worker to every 3.13 hectares and during the harvest months (April and May) the ratio is 1 person to every 2 hectares. So a 10 hectare vineyard (about the average size in Central Otago) would need about 1-2 staff during the winter, 3-4 during the summer months and around 5 at harvest time. Of course it doesn't necessarily work this way in practice, particularly over harvest where often a picking crew will come in over a very short period of time.

One of the contractors interviewed used an estimate of one worker to every 2.6 hectares in production for highly labour intensive tasks and one worker to every five hectares for less labour intensive tasks. So on this measure, and based on current hectares one would expect a low number of about 400 workers to a high of 770 at peak times. These numbers accord reasonably well with the numbers for winter and summer work in the table above but fall short of the number estimated during harvest no doubt due to the intensive nature of the work and the short time frame over which it is conducted.

Further anecdotal evidence suggests that the impact of RSE workers from Vanuatu has resulted in significant increases in productivity.

As a possible new rule of thumb, the ratios above of 1 worker to 2.6 ha (intensive) and 1 workers to 5 hectares (less intensive) could usefully be adopted by the industry.

13.3 Source of Labour by Worker Type

Growers were asked to indicate how many workers of each worker type they employed over the 2014/15 year. In contrast to section 13.2 above, these results show the number of people employed in each category, as opposed to jobs that were filled (where more than one worker can fill a position as a result of worker turnover).

The viticulture industry employed a total of 1463 workers in the 2014/15 year. Backpackers made up 43% (or 632) of these workers, 20% were RSE workers, 20% were locals and students, 16% were permanent workers and less than 1% were Jobseekers referred by Work and Income.

Figure 35: Source of Labour by Worker Type 2014/15 (R= 36, DNR= 20)

Type of Worker	**No. Employed**	**Percentage**
Backpackers	632	43%
RSE workers	299	20%
Seasonal locals / Students	293	20%
Permanent workers	229	16%
Jobseekers referred by Work and Income[2]	10	<1%
Total	**1463**	

13.4 Backpackers by Source Country

Vineyards were asked to indicate where their backpacker workers came from by ranking 1 to 3. Most workers came from “Other Europe” in particular Germany, France and the Czech Republic. Second was the United Kingdom followed by South America and Asia *(R=34, DNR=22).*

Respondents were asked if they had a preference for taking workers from any particular country. 14 respondents (40%) indicated that they did and 21 respondents (60%) had no preference *(R= 35, DNR = 20)*. Those who answered yes, when asked why pointed to a

[2] Figure 35 shows Jobseekers identified through this survey and interview process. Ministry of Social Development statistics indicate that a total of 174 people sought Jobseeker support in Central Otago in December 2014 and 160 in March 2015.

strong work ethic particularly among many of the “Other Europe” workers who also demonstrated a generally good command of English.

14 Recruitment and Retention

14.1 Methods of recruitment

Vineyards were asked to indicate the methods of recruitment they found most useful in securing the workers they require. Casual walk-ups, followed by returning workers from previous years followed by local referrals were the top three methods.

This methods vary from those found useful by the horticulture industry where RSE though Seasonal Solutions Ltd, online recruitment and casual walk-ups are the top three methods in order of value.

Figure 36: Value of Methods of Labour Recruitment (R = 24, DNR = 32)

	Rank
Casual walk ups	1
Previous years workers returning	2
Local referrals	3
Advertising	4
Casual workers from Seasonal Solutions	5
RSE through Seasonal Solutions	6
Social media	7
Online	8
Direct recruitment/use of agencies	9
Direct RSE	10
Referrals from Work and Income	11

14.2 Length of employment

Respondents were asked the average length of time that their workers stay in their employment. Many had difficulty responding to this question and responses varied widely. There were a wide range of values with permanent workers displaying both the highest average as well as the greatest range. The following table sets out averages and ranges.

Figure 37: Average length of employment (R= 32, DNR=24)

Type of workers	**Range**	**Average**
Permanent workers	<1 year to 15 years	6.2 years
NZ Seasonal workers	2 weeks to 6 months	4.3 months
Backpackers	10 days to 4/6 months	2.5 months
RSE workers	3 months to 7 months	5 months
Jobseekers referred by Work and Income *(R=3)*	3 days to 3 months	Only 3 respondents so not calculated

14.3 Retaining Jobseekers

Respondents were asked if they thought there was anything the government could do to assist growers to retain workers from Work and Income. 21 responses were received with six respondents indicating that no assistance was required. The following table sets out the comments in ranked order.

Figure 38: Suggestions for Government to help growers retain Jobseekers referred by Work and Income (R =21, DNR =35)

1. Ensure job seekers are trained and ready for work; promotion in schools of viticulture and horticulture as a career; government assistance to facilitate worker training.
2. Have the NZ equivalent of the RSE scheme set up for short term jobs
3. Provision of transport and accommodation
4. Having a sensible cap on minimum wages
5. Ability to easily vary VOCs on student visas to allow holiday work
6. Identifying potential labour shortages earlier
7. Have a relocation allowance from South Auckland

14.4 Incentives

A wide range of incentives were offered by the majority of respondents. Only two of the respondents offered no incentives of any form. A common feature of many responses was the provision of an excellent working environment with a range of social events provided. Particular responses are ranked below.

Figure 39: Incentives offered by businesses to encourage staff retention (R=33, DNR=23)

Incentives Offered	**No. of responses**
Celebration of achievements with bbq's and other social events	13
Provision of or use of a vehicle	9
Paying reasonable hourly rates, including piece rates	9
Provision of a wine allocation	5
Provision of affordable accommodation including dormitories, campsites, ablution facilities etc.	5
Provision of free clothing/work gear	3
Payment of a proportion of Polytechnic fees	1
Use of Wi-Fi and internet	1
Provision of pigs and other meat	1

Respondents were also asked if there were any further incentives they felt could be utilized. Of the 13 respondents who answered this question, responses included provision of accommodation, warm jackets for winter, free firewood, general welfare support when needed, flu injections for permanent staff, provision of free meat and wine allowances *(R=21, DNR=35).*

14.5 Information on Government Requirements

Respondents were asked if they needed help with, or more information on government requirements in relation to the employment of staff. 71% of those who responded indicated that they did not, with the other 29% indicating a requirement for assistance principally in the area of health and safety, employment contracts and ACC. Particular responses are given below.

Figure 40: *Types of Government assistance required by growers in relation to the employment of staff (R=35, DNR=21).*

Type of Government Assistance Required	**Number of responses**
Health and safety legislation and practice	8
ACC	3
Employment Contracts	3
Holiday Pay Legislation	1

14.6 Factors affecting recruitment or retention

The highest ranked factor of concern was that of accommodation provision, followed by location of work and language issues.

Figure 41: Factors affecting recruitment or retention *(R=39, DNR=17).*

Factors affecting recruitment or retention of staff	**Rank**
Availability of suitable accommodation	1
Location of work	2
Language barriers	3
Lack of working holiday visas etc.	4
Availability of transport	5
Incorrect paperwork (IRD, bank a/c etc.)	6
Provision of childcare	7
Work placement of spouses	8

In attempting to solve some of these issues, respondents have looked to their permanent staff to provide rooms for rent in their own houses, trying to find local rental accommodation and letting casual staff camp on site in either tents, camper vans or caravans.

Where language was seen as a barrier, responses varied between not employing anyone whose English language was poor to proposing to develop an English language phrase book that covered many work place requirements.

15 Variability / Predictability of Labour

15.1 Labour Supply

This question asked if the labour was there when required in the current year. Of those who responded, 84% replied in the affirmative and 16% responded no. There were very few labour shortages in viticulture in the 2014/15 season. The seasonal variation is set out in Figure 42.

By comparison, the horticulture sector was short 106 casual workers in January 2015.

Figure 42: *Labour shortages in the viticulture sector 2014/15 (R=38, DNR=18)*

Month	**Permanent staff shortages**	**Casual staff shortages**
October	0	2
November	0	0

December	6	20
January	7	32
February	4	2
March	1	4
April	1	3
May	1	3

16 Upskilling

16.1 Upskilling Managers and Supervisors

This question asked what initiatives had been undertaken in the past 12 months to upskill managers and supervisors. Of those who responded 38% identified Growsafe courses as the most common form of training. The results are set out in the table over.

Figure 43: Initiatives undertaken to Upskill Managers and Supervisors in the last 12 months (R=21, DNR=35).

Managers and Supervisors	**Number of Responses**		**Number of Responses**
Growsafe	21	Approved handler courses	13
Health and Safety	18	Quality control training	9
Machinery Operation	18	Vit Courses by Correspondence	7
Conferences	15	Heavy Traffic Licence	6
Irrigation training	14	Supervisor Training	6

Plans for future training included health and safety and first aid training (5 respondents), ongoing general training (4), Growsafe courses (3), viticulture and irrigation courses (3), management/leadership/supervision courses (3), COWA seminars etc. (1) and branding/marketing and distribution training (1).

16.2 Upskilling Other Staff

This question asked what initiatives had been taken in the last 12 months to upskill other staff. Of those who responded, 25% identified health and safety training as the most common form of training. The results are set out in the following table.

Figure 44: Initiatives undertaken to upskill other staff in the last 12 months (R=14, DNR=42)

Other Staff	**Number of Responses**		**Number of Responses**
Health and Safety	14	Irrigation	4
Machinery Operation	8	Supervisor’s Training	2
Quality control training	5	Heavy traffic licence	2
Approved handler courses	5	Conferences	1
Growsafe courses	5		

Plans for future training included health and safety and first aid (3 respondents), irrigation and tractor handling (1), COWA seminars etc. (1), biodynamics training (1).

16.3 Upskilling Yourself (Owners / Operators / Managers)

This question asked owner operators what initiatives they had undertaken to upskill themselves. This question produced a relatively small number of responses with the majority identifying health and safety courses and conference attendance as the most utilized. The results are set out in the following table.

Figure 45: Initiatives undertaken to upskill yourself (R=11, DNR=45)

Yourself	**Number of Responses**		**Number of Responses**
Conferences	11	Viticulture Course by correspondence	4
Health and Safety	11	Irrigation	4
Growsafe	7	Supervisor’s Training	2
Approved Handler	5	Management Training	2
Machinery Operation	5		

Plans for future training included governance and leadership courses (2 respondents), health and safety and first aid (2), study towards a Diploma in viticulture (2), marketing and winemaking (1), Growsafe courses (1), biodynamics training (1), COWA seminars (1), attendance at conferences (1), accountancy training (1), mentor training (1) and certificate in chemical handling (1).

16.4 Supply of Training Courses

This question asked if there was felt to be a shortage of suitable training courses. Of the respondents *(R=37, DNR=19),* 43% replied in the affirmative and 57% responded no. There was a clear preference for the provision of short term Polytechnic or equivalent courses, lasting perhaps a few days at a time, in areas such as pruning, vine training and health and safety practice (4 respondents), with other areas including supervisor training in areas such as conflict management and performance management (2), and machinery operation and tractor driving (2).

16.5 Time Spent Training

Growers were asked how much time they spend training both permanent and seasonal workers over a year. Many had difficultly responding to this question and responses varied widely.

On average however it was found growers spend an average of 4.4 days per year training permanent staff. Seasonal workers are trained an average of 13.8 hours per year.

Figure 46: Time spent training workers (R = 19, DNR =37).

Type of worker	**Average time spent training**	**Range of responses**
Permanent workers	4.4 days / year	1 – 20 days
Seasonal workers	13.8 hours / year	0.5 hours to 21 days

17 Matching

This question was included to give respondents the opportunity to make a range of unscripted responses without any prompting. The following table ranks these responses.

Figure 47: Challenges faced by growers in finding employees with the right skills and attributes (R=24, DNR= 32).

	Number of respondents
Lack of practically trained workers in Central Otago	5
Need tractor drivers with spraying experience	4
Finding people with the right attitude	3
Finding supervisors	2
Finding skilled walk-up labour	1
Intelligence and competence in English	1
Getting the right cultural mix of Vanuatuans	1
Hard to meet the higher wages of other sectors, e.g. hospitality	1
Need for a central training day for backpackers	1

18 Productivity

18.1 Barriers to increasing productivity

This question asked growers what the barriers were to increasing their productivity. The largest barriers are a lack of suitably trained staff and the availability of accommodation. Underutilisation of expensive capital investments due to seasonality and a shortage of labour when required were also highlighted.

Figure 48: Barriers to increasing productivity (R=21, DNR=35)

Lack of suitably trained staff	21
Availability of suitable accommodation	17
Shortage of labour when required	8
Lack of technical knowledge	7
Availability of finance for purchasing equipment	7
Availability of transport for staff	7
Shortage of nursery stock	6
Underutilisation of expensive capital equipment	6
Other:	5
Inhibiting effect of the climate	
Only having one shower to 20 people	
Lacks of sales	
Compliance costs for exporting	

18.2 Worker Productivity

Growers were asked on a scale of “Unproductive” to “Exceeded Expectations” to rate the productivity of each type of worker.

100% of permanent workers either met expectations most of the time or exceeded expectations as did 83% of seasonal and RSE workers, 78% of locals / other casuals and 71% of backpackers. Four out of five Jobseekers referred by Work and Income were either unproductive or did not meet expectations some of the time, with one of the five meeting expectations. *(R=21, DNR=35)*.

19 Accommodation Demand

19.1 Current Demand

Respondents were asked if they thought there was a shortage of accommodation in their area. 86% of respondents thought there was a shortage (R=37, DNR=19). Of these 47% think there is a shortage of houses for rental, 38% think more serviced campsites are required, 34% think more dormitory and chalet type accommodation is required and 16% see the need for provision of specific backpacker type accommodation.

It was acknowledged by many of the respondents that there was a region wide shortage of most types of short stay accommodation. A number of respondents identified the Gibbston region as being particularly short of facilities resulting in many workers having to either camp in less than suitable locations or else try to find somewhere to stay in either Arrowtown or Queenstown (both expensive and with limited supply and with significant travel costs) or in Cromwell which while less expensive also has an acute shortage of accommodation with the costs of travel also a factor.

Many respondents felt that provision of cheaper campsites within the region with basic cooking and ablution facilities, either on private properties or on Council land would be a suitable solution. Other options mentioned were the provision of self-catering type chalets with 1-2 people per room, use of short term rental housing and the provision of lower value accommodation in general including purpose built dormitories which provide warm group accommodation with cooking facilities.

19.2 Future Demand

Respondents were asked to indicate by how many beds their demand would increase each year over the next 5 years. The increase in demand points to an additional 300 beds required by 2018/19 even though the predicted increase in the number of, for example, harvest workers between 2014/15 and 2018/19 is only an additional 42 workers. (See Figure 33). This disparity could be explained by the comments of many respondents that many of their current seasonal staff were already living in unsuitable locations. This is particularly the case in Cromwell where many workers have been camping informally around the region

Figure 49: Planned change in bed numbers (R=23, DNR=33)

Year	Planned change in bed numbers	Cumulative total
2014/15	109	109
2015/16	32	141
2016/17	37	178
2017/18	33	211
2018/19	89	300

20 Accommodation Supply

20.1 Current Accommodation by Type

This section of the survey was filled in only by vineyards that provide accommodation. These were asked how many beds of each type of accommodation they currently provide. The survey data indicates that the industry provides accommodation for 122 workers at any one time. Of this capacity, 51 are RSE approved accommodation, 51 are campsites and 38 beds are backpacker style, Numbers of those responding to this question are, however, low.

Figure 50: Grower's accommodation capacity 2014/15 (R=7, DNR=49)

Accommodation Types	Capacity	# of businesses providing this accommodation
Camp Capacity	51	7
Backpacker	38	3
RSE Accommodation	33	7
TOTAL	**122**	**17**

Respondents were also asked what other facilities they provided to campers. These included showers, toilets and cooking facilities, provision of caravans and use of own home.

20.2 Change to Accommodation Supply

Only two responses were received to this question with a planned addition of 8 beds in 2016/17.

20.3 RSE worker accommodation

Only four responses were received to this question all indicating that they made no distinction between the accommodation provided to RSE workers and others.

20.4 Other Accommodation

When asked what types of accommodation workers stayed in that was not provided by the respondent, 5 were freedom camping out of the back of vans, 4 indicated that workers used camping grounds and 4 used backpackers.

Figure 51: Types of accommodation used by workers – not provided by the grower

Other types of accommodation used *(R=14, DNR=42)*	**Number of respondents**
Freedom Camp Tents or Vans	5
Camping Grounds	4
Backpackers	4
Chalets	2
Flat	1
Parents Farms	1
Rental Houses	1

20.5 Ministry of Business Innovation and Employment Guidelines

Respondents were asked if they have any issues complying with the Ministry of Business Innovation and Employment Guidelines for RSE accommodation. Of the 12 respondees, none identified any issues complying with the guidelines for RSE accommodation.

20.6 Council requirements

Respondents were asked if they had any difficulties complying with District Council requirements for worker accommodation. Of the 16 responses, 14 indicated that they did not. Of the two who responded 'yes' one identified the need for campervans to be able to stay on private property. The other asked why the Queenstown Lakes District Council did not make the Gibbston domain available (it has toilets but no camping). One respondent mentioned that the Gibbston Valley Community Association would not be supportive of providing worker accommodation in the valley.

21 Annexes

21.1 Horticulture Mail Survey

Central Otago Labour Market Survey
Horticulture Sector Mail Survey 2015

Privacy Statement - Under the provisions of the Privacy Act 1993

Thank you for taking the time to fill in this survey. The purpose of collecting this information is to measure the labour requirements in the horticulture and viticulture industries. Its use is to support discussions in relation to labour demands, job seekers and seasonal labour shortages. The data is collected at an individual business level and will be aggregated so that all published information will never disclose an individual entity.

The data and information will be stored securely. We will ensure that there are safeguards against loss, misuse or disclosure. You have the right to access and correct any of the individual information you provide. You may request that the individual information be removed. Individual information will not be kept for longer than needed for the purpose for which it was collected. You may request a copy of the aggregated information.

1. **Business Details**

Business Code	Your position	Date of completion
(Office use only)		

2. **Grower Fruit Details -** In order to estimate labour demands for the future we need to understand current production and planned developments. Please fill in the sections below that relate to the fruit types you grow.

Cherries	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Area in production (ha)					
Area planted but not yet in production (ha)					
Planned new plantings (hectares)					
Planned removals without replanting (ha)					
Apricots	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Area in production (ha)					
Area planted but not yet in production (ha)					
Planned new plantings (hectares)					
Planned removals without replanting (ha)					
Peaches & Nectarines	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Area in production (ha)					
Area planted but not yet in production (ha)					
Planned new plantings (hectares)					
Planned removals without replanting (ha)					
Pipfruit	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Area in production (ha)					
Area planted but not yet in production (ha)					
Planned new plantings (hectares)					
Planned removals without replanting (ha)					
Other *(Specify)*: ____________________	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Area in production (ha)					
Area planted but not yet in production (ha)					
Planned new plantings (hectares)					
Planned removals without replanting (ha)					

3. Please estimate your labour requirements for the current and upcoming seasons.

Number of workers required for:	2014/15	2015/16	2016/17	2017/18	2018/19
Non Harvest (pruning, thinning, development and maintenance)					
Picking					
Packhouse					
Total Number of Workers (Estimate)					

4. Please detail below your seasonal labour requirements for the current season.

Number of workers required for:	June 14	July 14	Aug 14	Sept 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar15	April 15	May 15
Non Harvest (pruning, thinning, development and maintenance)												
Picking												
Packhouse												
Total number of workers												

5. How many of the following types of worker do you expect to have employed or managed for the 12 months from June 2014 – May 2015? Please include owner/operators.

	Number of workers
Permanent workers (part-time and full time)	
Seasonal workers under the RSE scheme	
Backpackers - Seasonal workers under other schemes (eg, WHS, SSE, VOC etc)	
Seasonal workers from Work and Income	
Local and other casuals (seasonal workers and students)	

6. Please indicate where your backpacker workers come from by ranking 1-3. (1 being the most prevalent source country or region).

	Rank
United Kingdom	
Other Europe	
South America	
Asia	
Other (please specify)	

7. Do you have a preference for taking backpackers from certain regions?

Yes / No (Please circle)

If Yes, please explain why?

____

____

____

RECRUITMENT AND RETENTION

8. Rank the top three methods of recruitment that you find the most useful for securing the workers you require.

	Rank top three 1 = Most useful
Casual walk-ups	
Direct recruitment / Use of recruitment agencies	
RSE workers from Seasonal Solutions service	
Casuals from Seasonal Solutions service	
Online recruitment (Seek, TradeMe Jobs)	
Direct RSE – engaged by yourselves	
Social Media (Facebook, Twitter etc)	
Work and Income NZ	
Advertising (e.g. newspapers)	
Previous year's workers returning	
Local Referrals	
Other (please specify)	

9. What is the average length of time an employee stays with you?

	Days	Months	Years
New Zealanders – Permanent			
New Zealanders - Seasonal			
Overseas backpackers			
RSE workers			
NZ Jobseekers (Seasonal workers from Work and Income)			

10. Do you think there is anything the Government can do to assist you to retain Jobseekers from Work and Income?

____

____

____

11. What incentives do you currently offer staff to encourage retention?

____

____

____

12. What further incentives do you think could be employed?

____

____

____

13. Do you need help with, or more information on Government requirements in relation to the employment of staff?

Yes / No (Please Circle)

If Yes, please indicate the areas in which you need help or support?

	Tick
Employment contracts	☐
Health and Safety	☐
Holiday Pay	☐
Parental Leave	☐
Privacy matters	☐
ACC	☐
Other (Please specify)	

14. Please indicate how the following factors have affected your ability to recruit or retain suitably trained staff?

	Not affected at all (Tick)	Somewhat affected (Tick)	Affected (Tick)	Significantly affected (Tick)
Availability of transport	☐	☐	☐	☐
Availability of childcare	☐	☐	☐	☐
Work placement of spouses	☐	☐	☐	☐
Availability of suitable accommodation	☐	☐	☐	☐
Location of work	☐	☐	☐	☐
Language barriers	☐	☐	☐	☐
Incorrect paperwork (IRD, Bank a/c)	☐	☐	☐	☐
Lack of working holiday visa or VOC	☐	☐	☐	☐

15. Have you found any solutions to the issues identified above?

____

____

____

VARIABILITY / PREDICTABILITY OF LABOUR

16. In the season from June 2014 to May 2015 was the labour there when you needed it?
Yes / No (Please Circle)

17. If No, how many workers were you short or expect to be short in each month?

	June 14	July 14	Aug 14	Sept 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar15	April 15	May 15	TOTAL
Number of permanent workers short													
Number of casual workers short													

UPSKILLING

18. In the last 12 months what initiatives have you taken to upskill your managers and supervisors?

	Tick		Tick
Growsafe courses	☐	Supervisors' training	☐
Approved handler courses	☐	Health and Safety training	☐
Courses by correspondence	☐	Machinery operation (eg. Tractor, chainsaw, forklift, quadbike)	☐
Nat Diploma in Hort (NCEA level 5)	☐	Heavy Traffic licence (Class 2+)	☐
Nat Certificate in Hort (NCEA level 4)	☐	Irrigation training	☐
Quality control training	☐	Conferences	☐
Other: *Please specify*			

19. In the last 12 months what initiatives have you taken to upskill your other staff?

	Tick		Tick
Growsafe courses	☐	Supervisors' training	☐
Approved handler courses	☐	Health and Safety training	☐
Courses by correspondence	☐	Machinery operation (eg. Tractor, chainsaw, forklift, quadbike)	☐
Nat Diploma in Hort (NCEA level 5)	☐	Heavy Traffic licence (Class 2+)	☐
Nat Certificate in Hort (NCEA level 4)	☐	Irrigation training	☐
Quality control training	☐	Conferences	☐
Other: *Please specify*			

20. In the last 12 months what initiatives have you taken to upskill yourself?

	Tick		Tick
Growsafe courses	☐	Supervisors' training	☐
Approved handler courses	☐	Health and Safety training	☐
Courses by correspondence	☐	Machinery operation (eg. Tractor, chainsaw, forklift, quadbike)	☐
Nat Diploma in Hort (NCEA level 5)	☐	Heavy Traffic licence (Class 2+)	☐
Nat Certificate in Hort (NCEA level 4)	☐	Irrigation training	☐
Conferences	☐	Management Courses	☐
Quality control training	☐		
Other: *Please specify*			

21. What plans do you have for further training for:

Managers / Supervising Staff:____

Other Staff____

Yourself____

22. Is there a shortage of appropriate training courses for upskilling your staff?

Yes / No (Please circle)

If yes, in what area?

____

____

____

23. On average, how much time would you spend training both permanent and seasonal workers over a season?

	Permanent	Seasonal
Hours		
Days		

MATCHING

24. Can you explain the challenges in finding employees with the right skills and attributes to fill your vacancies?

____

____

____

____

____

____

PRODUCTIVITY

25. What are the barriers to increasing your productivity? Tick as many as are relevant.

	Tick
Shortage of labour when required	☐
Lack of suitably trained staff	☐
Availability of suitable accommodation	☐
Availability of transport for staff	☐
Availability of finance for purchasing equipment	☐
Shortage of nursery stock	☐
Underutilization of expensive capital investments due to seasonality (eg. Packing / grading equipment)	☐
Lack of technical knowledge	☐
Other – please specify	

26. On the scale of "Unproductive" to "Exceeded Expectations", please rate the productivity of each of the following groups:

	Unproductive (Tick)	Met expectations some of the time (Tick)	Met expectations most of the time (Tick)	Exceeded expectations all of the time (Tick)
Permanent workers	☐	☐	☐	☐
Seasonal workers under the RSE scheme	☐	☐	☐	☐
Backpackers - Seasonal workers under other schemes	☐	☐	☐	☐
Seasonal workers from Work and Income	☐	☐	☐	☐
Local and other casuals (seasonal workers and students)	☐	☐	☐	☐

ACCOMMODATION

27. Is there a shortage of worker accommodation in your area?

Yes / No (Please circle)

In yes, please describe the type of accommodation that is lacking eg. Houses, dorms, chalets, campsites____

____

____

28. By how many beds (in houses, dorm units or chalets) will your demand for worker accommodation increase or decrease each year over the next five years.

	2014/15	2015/16	2016/17	2017/18	2018/19
Change in number of beds required (+ or -)					

If you also provide accommodation for workers, please fill in the following six questions. Otherwise, thank you for taking the time to fill in the survey. Please post it back to us in the pre-paid envelope provided.

FOR ACCOMMODATION PROVIDERS ONLY

29. How many beds of each type of accommodation do you provide?

	Number of Beds
Backpacker house beds	
RSE certified accommodation beds	
Campsite capacity (number of workers)	
Other types of accommodation - Please specify:	
Please also indicate what facilities you provide campers. e.g. ablution, kitchen:	

30. If you plan to change your bed numbers over the next 5 years then please indicate by how many (+ or -) each year. If no change, please indicate this with a zero.

Accommodation	2014/15	2015/16	2016/17	2017/18	2018/19
Change in planned bed numbers					

31. Do you make a distinction between the accommodation you provide for RSE workers and other workers?

Yes / No (Please circle)

If Yes, please state what the differences are:

____

____

____

32. What other types of accommodation do your workers stay in (not provided by you)?

____

____

____

33. Do you have any difficulties complying with the Department of Labour guidelines for RSE accommodation? (RSE employers only)

Yes / No (Please circle)

If Yes, in what areas?____
____
____

34. Do you have any issues complying with Council requirements for worker accommodation?

Yes / No (Please circle)

If Yes, in what areas? ____
____
____

Please put the survey in the prepaid envelope provided and post it back to us.

We appreciate you taking the time to fill in the survey and
thank you for your involvement.

21.2 Viticulture Mail Survey

Central Otago Labour Market Survey
Viticulture Sector Mail Survey 2015

Privacy Statement - Under the provisions of the Privacy Act 1993

Thank you for taking the time to fill in this survey. The purpose of collecting this information is to measure the labour requirements in the horticulture and viticulture industries. Its use is to support discussions in relation to labour demands, job seekers and seasonal labour shortages. The data is collected at an individual business level and will be aggregated so that all published information will never disclose an individual entity.

The data and information will be stored securely. We will ensure that there are safeguards against loss, misuse or disclosure. You have the right to access and correct any of the individual information you provide. You may request that the individual information be removed. Individual information will not be kept for longer than needed for the purpose for which it was collected. You may request a copy of the aggregated information.

<u>SECTION A: All grape growers to please complete</u>

1. **Business Details**

Your position	Date of completion	Business Code
		(Office use only)

2. **Grower Fruit Details -** In order to estimate labour demands for the future we need to understand current production and planned developments. Please fill in the sections below regarding the grape crops you own or lease.

	2014/15	2015/16	2016/17	2017/18	2018/19
In production (ha)					
Planted but not yet in production (ha)					
Planned plantings (new hectares)					
Planned removals without replanting (ha)					

3. What percentage of your grape crop is mechanically harvested? ____________________%

4. In 5 years' time what percentage of your grape crop do you think will be mechanically harvested? ____________________%

5. Please estimate your average number of vines per hectare?____

6. Please estimate your average row spacing in metres?____

<u>If you use all contract labour or if your vineyard is leased to someone else then the remaining questions are not relevant to you. Please post us Section A in the envelope provided. Thank you for your time.</u>

<u>If you employ any workers (including yourselves) please continue to Section B.</u>

SECTION B: If you employ any workers (including yourselves) please complete this section.

YOUR LABOUR FORCE

7. Please estimate your labour requirements for the current and upcoming seasons (including yourselves).

Number of workers required for:	2014/15	2015/16	2016/17	2017/18	2018/19
Winter – pruning etc					
Summer work					
Harvesting					
Vintage labour (winery)					
Total Number of Workers (Estimate)					

8. Please detail below your seasonal labour requirements for the current season.

Number of workers required for:	June 14	July 14	Aug 14	Sept 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar15	April 15	May 15
Winter – pruning etc												
Summer work												
Harvesting												
Vintage labour (winery)												
Total Number of Workers (Estimate)												

9. How many of the following types of worker do you expect to have employed or managed for the 12 months from June 2014 – May 2015? Please include yourselves.

	Number of workers
Permanent workers (part-time and full-time)	
Seasonal workers under the RSE scheme	
Backpackers - Seasonal workers under other schemes (eg. WHS, SSE VOC etc)	
Seasonal workers from Work and Income	
Locals and other casuals (seasonal workers and students)	

10. Please indicate where your backpacker workers come from by ranking 1-3. (1 being the most prevalent source country or region).

	Rank
United Kingdom	
Other Europe	
South America	
Asia	
Other (please specify)	

11. Do you have a preference for taking backpackers from certain regions?

Yes / No (Please circle)

If Yes, please explain why?

____

____

____

RECRUITMENT AND RETENTION

12. Rank the top three methods of recruitment that you find the most useful for securing the workers you require?

	Rank top three 1 = Most useful
Casual walk-ups	
Direct recruitment / Use of recruitment agencies	
RSE workers from Seasonal Solutions service	
Casuals from Seasonal Solutions service	
Direct RSE – engaged by yourselves	
Online recruitment (Seek, Trade Me Jobs)	
Social Media (Facebook, Twitter etc)	
Work and Income NZ	
Advertising (e.g. newspaper)	
Previous year's workers returning	
Local Referrals	
Other (please specify)	

13. What is the average length of time an employee stays with you?

	Days	Months	Years
New Zealanders – Permanent			
New Zealanders - Seasonal			
Overseas backpackers			
RSE workers			
NZ Jobseekers (Seasonal workers from Work and Income)			

14. Do you think there is anything the Government can do to assist you to retain Jobseekers from Work and Income?

15. What incentives do you currently offer staff to encourage retention?

16. What further incentives do you think could be utilised?

17. Do you need help with, or more information on, Government requirements in relation to the employment of staff?

Yes / No (Please Circle)

If Yes, please indicate the areas in which you need help or support?

	Tick
Employment contracts	☐
Health and Safety	☐
Holiday Pay	☐
Parental Leave	☐
Privacy matters	☐
ACC	☐
Other (Please specify)	

18. Please indicate how the following factors have affected your ability to recruit or retain staff?

	Not affected at all (Tick)	Somewhat affected (Tick)	Affected (Tick)	Significantly affected (Tick)
Availability of transport	☐	☐	☐	☐
Availability of childcare	☐	☐	☐	☐
Work placement of spouses	☐	☐	☐	☐
Availability of suitable accommodation	☐	☐	☐	☐
Location of work	☐	☐	☐	☐
Language barriers	☐	☐	☐	☐
Incorrect paperwork (IRD, Bank a/c etc)	☐	☐	☐	☐
Lack of working holiday visa or VOC	☐	☐	☐	☐

19. Have you found any solutions to the issues identified above?

____

____

____

VARIABILITY / PREDICTABILITY OF LABOUR

20. In the season from June 2014 to May 2015 was the labour there when you needed it?
Yes / No (Please Circle)

21. If No, how many workers were you short or expect to be short in each month?

	June 14	July 14	Aug 14	Sept 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar15	April 15	May 15	TOTAL
Number of permanent workers short													
Number of casual workers short													

UPSKILLING

22. In the last 12 months what initiatives have you taken to upskill your managers and supervisors?

	Tick		Tick
Growsafe courses	☐	Supervisors' training	☐
Approved handler courses	☐	Health and Safety training	☐
Viticulture courses by correspondence (e.g. EIT or NMIT)	☐	Machinery operation (eg. Tractor, chainsaw, forklift, quadbike)	☐
Irrigation training	☐	Heavy Traffic licence (Class 2+)	☐
Quality control training	☐	Conferences e.g. Bragato, Organics	☐
Other: *Please specify*			

23. In the last 12 months what initiatives have you taken to upskill your other staff?

	Tick		Tick
Growsafe courses	☐	Supervisors' training	☐
Approved handler courses	☐	Health and Safety training	☐
Viticulture courses by correspondence (e.g. EIT or NMIT)	☐	Machinery operation (eg. Tractor, chainsaw, forklift, quadbike)	☐
Irrigation training	☐	Heavy Traffic licence (Class 2+)	☐
Quality control training	☐	Conferences e.g. Bragato, Organics	☐
Other: *Please specify*			

24. In the last 12 months what initiatives have you taken to upskill yourself?

	Tick		Tick
Growsafe courses	☐	Supervisors' training	☐
Approved handler courses	☐	Health and Safety training	☐
Viticulture courses by correspondence (e.g. EIT or NMIT)	☐	Machinery operation (eg. Tractor, chainsaw, forklift, quadbike)	☐
Quality control training	☐	Heavy Traffic licence (Class 2+)	☐
Conferences e.g. Bragato, Organics	☐	Irrigation training	☐
Management Courses	☐		
Other: *Please specify*			

25. What plans do you have for further training for:

Managers / Supervising Staff:____

Other Staff____

Yourself____

26. Is there a shortage of appropriate training courses for upskilling your staff?

Yes / No (Please circle)

If yes, in what area?

____

____

27. On average, how much time would you spend training both permanent and seasonal workers over a season?

	Permanent	Seasonal
Hours		
Days		

MATCHING

28. Can you explain the challenges in finding employees with the right skills and attributes to fill your vacancies?

____

____

____

____

____

PRODUCTIVITY

29. What are the barriers to increasing your productivity? Tick as many as are relevant.

	Tick
Shortage of labour when required	☐
Lack of suitably trained staff	☐
Availability of suitable accommodation	☐
Availability of transport for staff	☐
Availability of finance for purchasing equipment	☐
Shortage of nursery stock	☐
Underutilization of expensive capital investments due to seasonality	☐
Lack of technical knowledge	☐
Other – please specify	

30. On the scale of "Unproductive" to "Exceeded Expectations", please rate the productivity of each of the following groups:

	Unproductive (Tick)	Met expectations some of the time (Tick)	Met expectations most of the time (Tick)	Exceeded expectations all of the time (Tick)
Permanent workers	☐	☐	☐	☐
Seasonal workers under the RSE scheme	☐	☐	☐	☐
Backpackers - Seasonal workers under other schemes	☐	☐	☐	☐
Seasonal workers from Work and Income	☐	☐	☐	☐
Local and other casuals (seasonal workers and students)	☐	☐	☐	☐

DEMAND FOR ACCOMMODATION

31. Is there a shortage of worker accommodation in your area?

    Yes / No (Please circle)

    If yes, please describe the type of accommodation that is lacking eg. Houses, dorms, chalets campsites:____

    ____

    ____

32. By how many beds (in houses, dorm units or chalets) will your demand for worker accommodation increase or decrease each year over the next five years.

	2014/15	2015/16	2016/17	2017/18	2018/19
Change in number of beds required (+ or -)					

If you also provide accommodation for workers, please fill in Section C. Otherwise, thank you for taking the time to fill in the survey. Please put the survey in the prepaid envelope provided and post it back to us.

Section C: FOR ACCOMMODATION PROVIDERS ONLY

33. How many beds of each type of accommodation do you provide?

	Number of Beds
Backpacker house beds	
RSE certified accommodation beds	
Campsite capacity (number of workers)	
Other types of accommodation - Please specify:	
Please also indicate what facilities you provide campers. e.g. ablution, kitchen:	

34. If you plan to change your bed numbers over the next 5 years then please indicate by how many (+ or -) each year. If no change, please indicate this with a zero.

Accommodation	2014/15	2015/16	2016/17	2017/18	2018/19
Change in planned bed numbers					

35. Do you make a distinction between the accommodation you provide for RSE workers and other workers?

Yes / No (Please circle)

If Yes, please state what the differences are:

____

____

____

____

36. What other types of accommodation do your workers stay in (not provided by you)?

____

____

37. Do you have any difficulties complying with the Department of Labour guidelines for RSE accommodation? (RSE employers only)

Yes / No (Please circle)

If yes, in what area?____

____

____

38. Do you have any issues complying with Council requirements for worker accommodation?

Yes / No (Please circle)

If yes, in what area?____

____

____

Please put the survey in the prepaid envelope provided and post it back to us.

We appreciate you taking the time to fill in the survey and thank you for your involvement.