



BRIEFING

Ending the RSE group allocation

Date:	23 July 2021	Priority:	High
Security classification:		Tracking number:	2122-0202

Action sought		
	Action sought	Deadline
Hon Kris Faafoi Minister of Immigration	Agree to notify the horticulture and viticulture sector of the end of the RSE group allocation and the Government's intention to open Pacific QFT Refer this briefing to Ministers for COVID-19 Response, Minister of Agriculture and the Minister of Foreign Affairs	26 July 2021
Hon Chris Hipkins Minister for COVID-19 Response Hon Damien O'Connor Minister of Agriculture Hon Nanaia Mahuta Minister of Foreign Affairs	Note the contents of this briefing	

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Privacy of natural persons	Manager, Allocation and Supply, MIQ	Privacy of natural persons	✓
	Manager, Immigration (Skills and Residence) Policy		✓
	Senior Advisor, Allocation and Supply		

The following departments/agencies have been consulted
The Ministry of Foreign Affairs and the Ministry for Primary Industries.

Minister's office to complete:

- Approved
- Noted
- Seen
- See Minister's Notes

- Declined
- Needs change
- Overtaken by Events
- Withdrawn

Comments



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Purpose

This briefing:

- recommends you urgently send a letter to horticulture and viticulture sector bodies informing them that the Recognised Seasonal Employer (RSE) border exception and Managed Isolation and Quarantine (MIQ) group allocation will end on 1 September 2021;
- informs you of the implications of ending the RSE MIQ group allocation and how potential one-way quarantine-free travel arrangements with some Pacific Island countries will affect the RSE scheme.

Executive summary

On 12 July 2021, Border Ministers decided that the MIQ group allocation for RSE workers will end from 1 September 2021. This decision was based on pursuing one-way QFT arrangements with some Pacific Island countries facilitating RSE entry without MIQ, and consequently allowing MIQ space to be used by other priority groups (deep-sea fishing crew). This arrangement will effectively restrict RSE employers from employing workers from non-QFT countries (such as the Solomon Islands).

Officials are continuing work to implement QFT arrangements under a Cabinet mandate to engage with Samoa, Tonga and Vanuatu. International relations

The RSE sector has planned for and made commitments to recruitment and travel up to and beyond 1 September on the basis of the border allocation settings. The sector has repeatedly requested non-MIQ travel options and will welcome progress on the potential introduction of QFT. However, the current uncertainty about QFT timing and arrangements will create challenges for currently planned arrivals through MIQ:

- One flight has been arranged from the Solomon Islands which will not be included in the QFT agreements;
- Flights have been booked for September (approx. \$150,000 each), in particular one from Samoa on 10 September, which may not be covered by QFT arrangements by the planned flight dates;
- Some employers may seek to exit from planned August flights and MIQ usage;
- Ongoing disruption to any QFT arrangements (as seen with Australia) could limit the numbers of workers able to arrive (and return home) in 2021.

Officials recommend that RSE employers should be notified as soon as possible that their MIQ group allocation will be ended from 1 September onwards. A letter is attached to send to Industry, though in person communications are also recommended.

Once QFT arrangements are in place RSE workers will be limited by the 14,400 cap and normal policy requirements to have full time work and pastoral care in place. Officials will provide advice on any transitional policy or operational decisions that are needed as these are identified (for example encouraging repatriation where possible). Details of the border mechanisms for RSE workers to enter will be covered in the August Cabinet report back on QFT progress.

Demand for space in MIQ continues to be very high. There is high demand from New Zealanders seeking to return home for summer and from priority groups. Demand will be further increased due to Government's recent decision to suspend Quarantine Free Travel with Australia. It will therefore be extremely challenging for MIQ to provide space for RSE workers beyond the cessation date or to re-instate the group allocation (unless Ministers were to reconsider other group allocations and recommends against this).

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** Cabinet agreed that officials should work towards one-way quarantine-free travel being operational from at least one of Samoa, Tonga and Vanuatu by 1 September 2021 [CAB-21-MIN-0276 refers] Noted
- b **Note** the Border Exceptions Ministerial Group has agreed to end the RSE group allocation of 150 people every 16 days on 1 September instead of 30 March 2022 as previously agreed [2122-0065 refers] Noted
- c **Note** the Border Exceptions Ministerial Group agreed that ending the RSE group allocation would enable the arrival of deep-sea fishing crew to be accommodated in MIQ during September and October Noted
- d **Note** RSE employers are already incurring costs for RSE cohorts due to arrive after 1 September 2021 and that the government has committed to operating in good faith with the industry Noted
- e **Agree** to notify horticulture and viticulture sector bodies of the end of the RSE group allocation and the government's intention to pursue QFT with selected Pacific Island countries in the near future [draft letter attached at Annex One] Agree / Disagree
- f **Note** there is a risk that QFT implementation will be delayed, leaving RSE employers with no way of bringing workers into New Zealand for a short period Noted
- g **Note** officials will provide advice on any transitional policy or operational decisions that are needed and that details of the border mechanisms for RSE workers to enter will be covered in the August Cabinet report back on QFT progress Noted
- h **Note** MBIE intends to provide the Minister for Covid-19 response with further advice on whether any existing group allocations can be altered (including RSE allocations before 1 September) as part of responding to the suspension of QFT with Australia in week of 26 July Noted

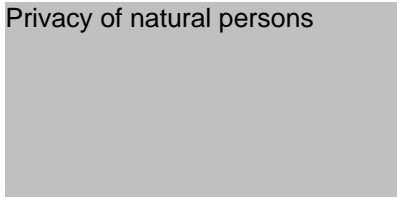
i **Refer** this briefing to the Minister for COVID-19 Response, Minister of Agriculture and Minister of Foreign Affairs

Agree / **Disagree**

j **Agree** that this briefing be proactively released with appropriate withholdings under the Official Information Act 1982.

Agree / **Disagree**

Privacy of natural persons



Manager, Immigration (Skills and Residence)
Labour, Science and Enterprise, MBIE

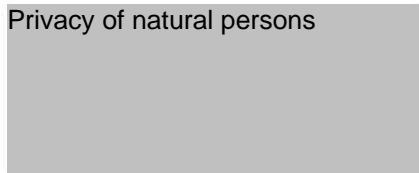
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Hon Kris Faafoi
Minister of Immigration

25 / 7 / 21

Privacy of natural persons



Manager, Allocation and Supply
MIQ Policy, MBIE

23 / 7 / 21

Context

1. Border Exceptions Ministers decided on 12 July to end the MIQ group allocation for RSE workers as of 1 September 2021 [2122-0065 refers]. Cabinet decided on the same day to pursue one-way quarantine-free travel (QFT) arrangements with Samoa, Tonga and Vanuatu [CAB-21-MIN-0276 refers], with the aim of at least one QFT arrangement commencing on 1 September.
2. This follows Cabinet's decision to grant a border class exception and group allocation for RSE workers on 19 April. That arrangement consisted of the rolling entry of 150 RSE workers every 16 days. The first two cohorts arrived from Vanuatu on 4 and 21 July.
3. Due to the additional support needs of RSE workers while in MIQ, Horticulture New Zealand signed a Crown Services Agreement allowing the government to recoup extra costs incurred providing wrap-around services to workers. This contract also sets out deadlines for industry to provide key information and the ability for government to charge industry for changes to information after the deadline.
4. Industry, MBIE and Pacific partner governments have been working to finalise the arrangements for the first eight cohorts of RSE workers (to 21 November). Only four of these flights will be able to proceed before the group allocation finishes [see annex two]. Until Industry is notified of this change, they will continue to recruit workers and make arrangements for RSE workers to come to New Zealand.
5. It is therefore urgent to inform industry that the RSE MIQ group allocation will cease from 1 September onwards, and the Government's intention to replace this with one-way QFT from some countries (noting the uncertainty about the nature and timing of when this will be available). Industry need this information as soon as possible to ensure they can make informed choices about future travel arrangements.


The RSE group allocation is being replaced by Quarantine-Free Travel with select Pacific countries

The RSE group allocation will finish on 1 September

6. Border Ministers' decision to end the RSE group allocation was made on the basis that it would no longer be necessary when QFT from some Pacific countries is implemented. Border Ministers agreed that the RSE allocation would end on 1 September to accommodate another government-priority group into MIQ (such as the deep sea fishers in September and October). Over the summer, these spaces are allocated to other government priority groups including travellers to the Dubai Expo, returning New Zealand sports teams, and the Women's Cricket World Cup.
7. As agreed by the Minister for Covid-19 Response and the Minister for Oceans and Fisheries, deep sea fishers have been informed of their MIQ group allocation in-confidence.
8. Given the complexities of QFT negotiations, there is some uncertainty on exactly when the arrangements will be in place. There may therefore be a 'gap' between the cancelled group allocation and when QFT arrangements are established. This risk was communicated to Border Ministers.
9. MIQ does not have capacity, and strongly recommends against, setting aside rooms in the event of a delay to the implementation of QFT. Demand for space in MIQ continues to be very high. There is high demand from New Zealanders seeking to return home for summer and from other priority groups. Demand will further increase due to Government's recent decision to suspend Quarantine Free Travel with Australia.

10. MIQ's ability to potentially 'restart' the RSE programme is also limited by our ability to provide appropriate services. MIQ has set aside two facilities in Hamilton for the sole use of RSE workers and has arranged wraparound services to support them during their stay, including interpreters, welfare packs and pastoral support from the Pacific Trust. It took around eight weeks of intensive preparations to put these arrangements in place prior to the arrival of the first RSE cohort on 4 July.
11. The bespoke arrangements can be ended relatively quickly, but attempting to put them in place again would be challenging and expensive, particularly for short periods of time. Our key partners, such as the Pacific Trust, are likely to be less willing to reengage on a sporadic or temporary basis.

We are aiming to have QFT with at least one country by 1 September

12. Officials are working at pace to secure arrangements, but the timeframes are challenging. There is no guarantee that QFT arrangements will be secured by 1 September. Initial conversations with both Tonga and Vanuatu's Prime Ministers have been extremely positive,
International relations

13. MBIE officials are working through the right immigration mechanism to allow eligible cohorts, including RSE workers, into New Zealand from QFT countries. Advice on this will be provided in the August Cabinet paper.
14. When QFT is in place, it will enable RSE employers to recruit workers from that country and bring them to New Zealand without needing a group allocation, reducing the cost per worker and removing a significant administrative burden from RSE employers and sector bodies. The number of workers able to enter New Zealand under QFT will be at a much higher rate than the current border exception, though there are a number of unknown factors that may influence the total inflow. These include the speed at which Pacific labour sending units are able to stand up recruitment of workers on behalf of employers and transact the visa requirements; worker availability, given large numbers of former RSE workers have taken up contracts in Australia; and flight availability, noting QFT flights require more complex management. The recruitment of workers will be able to proceed at a faster pace and in larger numbers than through current arrangements.
15. In October-November 2019 (pre-COVID-19) there were approximately 1800 arrivals of RSE workers into NZ. This builds from a low point of only 1,716 workers onshore in September 2019. In their letter to you the sector indicated a plan to bring in approximately 600 workers a week if MIQ requirements were relaxed. At the moment there are about 7,300 RSE workers onshore which is higher than the 5000 in July 2019 (though there are fewer working holiday workers).
16. Samoa (2315), Tonga (2037) and Vanuatu (5130) were the biggest sending RSE countries in 2019. Arrivals normally have a small peak in October and November, and then a lull ahead of higher arrivals in February and March. The sector is assessing available workers, noting Australia is taking some workers with New Zealand experience, but remain confident there is sufficient supply of available workers. The cap limits the total workers for the coming season to 14,400, which includes those currently onshore intending to stay to work through.
17. Repatriation demand among RSE workers in New Zealand is also likely to increase significantly, given a major factor in decisions to remain in New Zealand has been lack of certainty on when they can return. This will also have an impact on overall numbers.

Implications of the changes for the sector and Pacific countries

18. Plans are well-advanced for RSE cohorts 5-8 (who were due to arrive between September and November). The majority of these cohorts are coming from Samoa, but there is one flight arranged to come from the Solomon Islands, a country with which New Zealand is not currently investigating QFT arrangements.
19. The sector has asked for and will welcome progress on a non-MIQ arrangement. They have provided several proposals for such arrangements this year, most recently writing to the Minister of immigration suggestion an option for vaccinated workers to arrive and isolate on the orchards. The QFT arrangements will not require this.
20. While the RSE group allocation is expensive for employers and does not allow the entry of RSE workers at scale, it provides the sector with a degree of certainty about its workforce to enable planning for the upcoming growing season. Removing this certainty, even with the promise of an increase of workers in the future, may be unpopular with the sector in the short term.
21. There are some particular challenges associated with the switch from MIQ to a QFT arrangement that the sector (or Pacific countries) may raise with you:

- a. *Plans are in place for a flight from the Solomon Islands which is not proposed for a QFT arrangement*

In the case of Solomon Islands, the decision to reallocate the RSE MIQ spaces withdraws their current ability to participate in the RSE scheme. The loss of RSE opportunities will hit hard, especially as the planned recruitment was to be their first cohort to depart since borders closed, and the country's low-risk COVID status and serious commitment to repatriation. International relations

- b. *Employers have recruited for and committed to flights in September that may be scheduled before QFT arrangements are in place in the relevant countries*

Officials are aware that RSE employers have already incurred travel and visa costs for RSE workers intending on travelling to New Zealand from Samoa and Vanuatu on two flights in September. Full payment for airline ticketing is due 6 August from Industry with a cost of NZD\$150,000 each flight. These payments could potentially be lost if there are delays with QFT from either country (in particular flight 5 from Samoa departing on 10 September). The employers may therefore ask the Crown to reimburse them for costs incurred. We can provide further advice on this matter if this situation arises (noting many people will have been out of pocket from travel disruption due to border changes.) The pressure is likely to be greater if QFT is not delivered by 1 September.

Payment is also due Monday 26 July for 150 visas, costing approximately NZD\$45,000, though visas will remain valid for later travel if this is only a delay.

- c. *Some employers may seek to exit from planned August flights and MIQ usage*

While it is likely that employers will stay with committed plans pre-September, some may seek to exit and wait for cheaper non-MIQ options. This may lead to room wastage if cohorts arriving in August are smaller than 150 people. We are only able to recover the costs of room wastage if changes occur less than the working days before a flight is due to arrive.

- d. *Ongoing disruption to any QFT arrangements (as seen with Australia) could limit the numbers of workers able to arrive (and return home) in 2021.*

If there are delays in opening QFT, this will leave employers in a difficult position, unable to bring workers into the country and uncertain about when this situation will change. As noted, there is already a substantial number of RSE workers onshore, and September and October are traditionally the lowest months for workforce onshore, so short-term delays are not a problem at an aggregate level.

Limited access from November or in February and March would have a more significant impact on available workforce. The horticulture and viticulture sectors require RSE workers year round, however demand peaks for the summer harvest season and is at its highest in March/April.

Ministry of Primary Industry's view

The Ministry for Primary Industries is particularly concerned about the risk of QFT not being in place by 1 September and the impacts of uncertainty on the sector. MPI considers the decision may result in a serious lack of workers for the 2021/22 season, with negative consequences including lost opportunity for the sector's economic growth with negative flow-on effects for regional employment.

Rather than communicate decisions to the sector now, it would prefer Ministers re-visit the issue and direct officials to explore options for maintaining MIQ contingency of some nature (such as maintaining full or partial MIQ contingency, having lower-protocol MIQ for low-risk Pacific RSE workers, or implementing a QFT arrangement with the Solomon Islands).

MBIE's view

MBIE considers that given decisions have already been taken by Border Ministers, this should therefore be communicated to the sector with urgency. MBIE also strongly advises against holding any rooms aside in contingency given wider demand on the MIQ system and the recent suspension of QFT with Australia.

22. As discussed above, MIQ is not in a position to reinstate the RSE GA if there is a delay in opening QFT. It will be important to keep lines of communication open with the horticulture and viticulture sector so that they have the necessary information to allow them to plan for a range of contingencies (eg delay of one month vs delay of three months). Lines of communication will also need to cover the criteria and likely timeframes for QFTs being in place. However, this may not be confirmed until mid to late August.

Operation of the RSE scheme under QFT

23. The QFT arrangement impacts the operation of the RSE scheme. We are currently considering the following issues and will report in the coming weeks to the Minister of Immigration with recommended positions. Small changes to RSE instructions may be required.
24. **The cap:** You announced your decision to hold the RSE cap at 14,400 at the recent RSE conference. With the opening of QFT and removal of the 150 per fortnight border exception limit, the full cap now becomes available subject to normal policy requirements to demonstrate there are no New Zealanders to fill the roles. We are considering how this will be implemented with respect to the approximately 7,300 workers who are already here. Initial thinking is these workers will be counted within the cap unless they are returning home within a short defined period (e.g. before 1 Nov). This would confirm the 14,400 figure is the total upper limit, not additional to the currently onshore RSE workforce.
25. **Worker allocation:** There are existing allocations in place from the last 'normal' season in 2019. However, with uncertainty around how many QFT arrangements may be opened and when, there will likely be a lower than usual supply of workers. We are considering options

for the allocation of workers, favouring the continuation of the border exception approach whereby Industry takes the lead in co-ordinating the fair distribution of workers to crops and regions needing workers the most. Immigration New Zealand would continue to work with industry and have oversight of this approach.

26. **Transition to normal seasonal repatriation cycles:** In response to COVID-19, the requirement for RSE workers to return home between seasons was lifted, recognising limited repatriation routes and ability to bring in new workers. Recently, officials have noted a drop-off in worker intentions to repatriate when offered the opportunity and there is no way to enforce this cycle. As QFT arrangements open, we consider a transition back to the 'normal' seasonal nature of the role would be desirable, both to mitigate risks of worker oversupply in the low season and enhance worker welfare by maintaining connections to home. Relevant to this consideration will be any constraints on repatriation numbers caused by Pacific country limits on returning travellers (e.g. we understand most Pacific countries will be able to accommodate only small numbers). We will report back on ways to support this transition as QFT arrangements become available.

Next steps

27. Officials are preparing a paper for SWC on 11 August to provide an update on the progress of QFT talks with Samoa, Tonga and Vanuatu.
28. We will report to the Minister of Immigration with any further advice on the operation of the RSE scheme post-QFT if policy or operational changes are needed to return to normal operation.
29. MIQ will notify Hamilton staff and key RSE stakeholders that the group allocation is ending at the same time as you inform industry to ensure that the flow of communications remains coordinated.

Annexes

Annex One: Draft letter to industry notifying them of the end of the GA and the Government's intention to open QFT with the Pacific

Annex Two: Current RSE flight schedule

Annex One: Draft letter to industry notifying them of the end of the GA and the Government's intention to open QFT with the Pacific

Office of Hon Kris Faafoi

Minister of Justice
Minister for Broadcasting and Media
Minister of Immigration



Mike Chapman
Chief Executive, Horticulture New Zealand

Philip Gregan
Chief Executive Officer, New Zealand Winegrowers

Colin Bond
Chief Executive, NZ Kiwifruit Growers Inc

Kate Hellstrom
Chief Executive, Summerfruit NZ

Alan Pollard
Chief Executive, NZ Apples & Pears

Tanya Pouwhare
Chair, NZ Master Contractors Inc

Dear all,

I am writing to inform you that, on an in-confidence basis, the Government has begun talks on one-way quarantine-free travel (QFT) arrangements with some Pacific Island countries. We have not yet made public the details around Pacific QFT and due to the sensitive nature of these talks we are limited in what we can share with you at this stage.

The opening of QFT arrangements will offer your sectors the ability to bring Recognised Seasonal Employer (RSE) workers into New Zealand without undergoing MIQ that negates the need for an ongoing MIQ group allocation.

For this reason, Ministers have made the decision to end the managed isolation group allocation of 150 RSE workers every 16 days from 1 September 2020. The last cohort of RSE workers to enter MIQ will be cohort four on 24 August 2020.

The horticulture and viticulture sectors have worked exceptionally hard in order to bring workers in following the grant of a border class exception and group allocation for RSE workers in April. I understand it may be disappointing to lose the certainty of the group allocation and this is not a decision we have made lightly.

However, quarantine-free travel arrangements will offer you the opportunity to bring in more RSE workers than through the group allocation, without the expense of undertaking MIQ. Officials will continue to engage with you on the progress of these QFT arrangements and what they will mean for your sectors, and how RSE visa applications for the remainder of the 2021/22 year will be managed going forward.

Cabinet will be making final decisions on the detail of the one-way QFT arrangements in mid-August and we will be able to provide more information at that point.

Yours sincerely

Hon Kris Faafoi
Minister of Immigration

Annex two: current RSE flight schedule

Flight	Origin	Departure / Arrival date
1	Vanuatu	Sunday, 4 July 2021
2	Vanuatu	Wednesday, 21 July 2021
3	Vanuatu	Saturday, 7 August 2021
4	Vanuatu	Tuesday, 24 August 2021
5	Samoa	Friday, 10 September 2021
6	Vanuatu	Monday, 27 September 2021
7	Solomon Island	Thursday, 4 November 2021
8	Samoa	Sunday, 21 November 2021

Note: the flights shaded in blue will not be able to be accommodated when the RSE group allocation is suspended.