



## BRIEFING

### Meeting Three, Border Exception Ministers – Updated paper

<b>Date:</b>	9 November 2020	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2021-1168

Action sought		
	Action sought	Deadline
Hon Kris Faafoi <b>Minister of Immigration</b>	<p><b>Decide</b> whether to support a critical workforce class exception with associated conditions for up to either 2,000 <u>or</u> 3,500 Recognised Seasonal Employer (RSE) scheme workers</p> <p><b>Agree to</b> a critical workforce class exception for up to 60 shearers</p> <p><b>Note</b> the extension of the critical health worker border exception until 31 March</p>	9 November 2020
Hon Dr Megan Woods <b>Associate Minister of Finance</b>		
Hon Chris Hipkins <b>Minister for COVID-19 Response</b>		
Hon Carmel Sepuloni <b>Minister for Social Development and Employment</b>		
Hon Stuart Nash <b>Minister for Economic and Regional Development</b>		

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Ruth Isaac	General Manager, Employment, Skills and Immigration Policy, MBIE		Privacy of natural persons	✓
Andrew Craig	Manager, Immigration Policy	Privacy of natural persons		
Elizabeth Hocking	Policy Advisor , Immigration Policy		N/A	

The following departments/agencies have been consulted
MPI, MSD, Treasury, DPMC (AOG, PAG), MFAT, MBIE (ED, MIQ, INZ), MOH, MoE

Minister's office to complete:

- |   |  |
|---|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

Comments



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### Purpose

This briefing provides updated advice and supporting documentation for the third meeting of the Ministerial Group to decide class exceptions to border restrictions.

Decisions are sought on two urgent border exceptions for:

- Up to either 2,000 or 3,500 Registered Seasonal Employer (**RSE**) scheme workers
- Up to 60 **shearers**

Ministers are also asked to note an extension to the employment period covered by the **critical health workers** border exception category.

### Recommended action

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

- a **Note** that Ministers with Power to Act have agreed exceptions agreed in principle by the Ministerial Group at the second meeting, including:
- a. up to 250 PhD and postgraduate international students (plus families)
  - b. up to 100 (over a 6 month period) essential travellers transiting New Zealand to and from the Pacific – Samoa, Tonga, Cook Islands, Niue and Tokelau.

*Noted*

- b **Note** that for the third meeting, the Senior Officials Group has reported back on items deferred by Ministers at the previous meeting in relation to two groups of critical workers (shearers and Recognised Seasonal Employer (RSE) scheme workers) where decisions are time critical, but has deferred consideration of international students.

*Noted*

- c **Note** that the Minister of Immigration will take a paper to Cabinet on 16 November to confirm any decisions taken by the Ministerial Group at its third meeting.

Approve  Decline

#### *Managed isolation and quarantine*

- d **Note** that MIQ facilities are operating at near full capacity between now and the end of the year, with returnees having to wait up to seven weeks to secure a place in managed isolation.

*Noted*

- e **Note** that the present strong demand for MIQ places and MIQ capacity constraints are expected to extend into January.

*Noted*

f **Note** that under current settings any groups approved through the class exceptions process would need to complete standard managed isolation in Government facilities as well as wait up to seven weeks in order to secure their place in a managed isolation facility.

*Noted*

g **Note** that the proposal to bring in approximately 2,000 RSE workers is operationally possible from an MIQ perspective as long as the workers' entry is staggered over approximately an eight week period from mid-January to mid-March, and timed to avoid the period of peak pressure on MIQ facilities between December and early January.

*Noted*

h **Note** that MIQ Operations will need to maintain operational flexibility to determine the exact arrival dates for the tranches of RSE workers, working closely with industry stakeholders and INZ and MFAT in order to minimise MIQ system impacts.

*Noted*

i **Note** that given the size of the RSE cohort, places in managed isolation facilities for RSE workers would need to be taken offline from MIAS and ring-fenced for their use, reducing the availability of places online for other travellers to book during January-March, and increasing the risk of displacing returning New Zealanders from MIQ.

*Noted*

j **Note** that the MIQ impacts of accommodating large groups such as RSE workers are much wider than simply taking rooms out of circulation, given the wraparound support services that are required and the lead-time to plan for their arrival.

*Noted*

k **Note** that there will also be a reduction in available MIQ capacity if there is a requirement to accommodate RSE workers in standard government-run managed isolation facilities before returning home, [REDACTED] International relations [REDACTED]

*Noted*

l **Note** that MBIE is currently considering changes that could be made to the fees Regulations, including what critical workers are charged and who pays, and that the outcome and timing of this may impact on the charges for employers of RSE workers as well as other critical workers.

*Noted*

### ***Proposal for a critical workforce class exception for RSE workers***

m **Note** that it is difficult to precisely forecast the number of RSE workers needed for the 2021 March harvest due to a lack of certainty around:

- a. industry demand;
- b. uptake of horticulture and viticulture roles amongst onshore migrants (Working Holiday Scheme workers and Supplementary Seasonal Employment scheme workers);
- c. the available and willing domestic workforce; and
- d. the repatriation rates of RSE workers already onshore.

*Noted*

n **Note** that given the current economic climate in the Pacific, mounting job losses, [REDACTED] International relations [REDACTED] the remittances delivered via the RSE scheme present a tangible mitigation to negative economic impacts for Pacific Island countries.

*Noted*

- o **Note** that in considering a recommended approach to identifying the number of RSE workers for the exception, the Senior Officials' Group has considered the balance of the following objectives:
  - a. supporting success and growth in the horticulture and viticulture sector;
  - b. mitigating labour market risks of displacing New Zealanders and suppressing wages and conditions;
  - c. maintaining sufficient tension to encourage changes in industry behaviours around workforce planning and making jobs more attractive to New Zealanders;
  - d. the RSE scheme's role in delivering New Zealand's foreign policy and development objectives in the Pacific, and the critical role that remittances play in Pacific communities;
  - e. managing risks to RSE worker welfare, exacerbated by border closures and unexpectedly long stays; and
  - f. public health risks, legal risks and MIQ impacts.

*Noted*

**EITHER Option 1** [*recommended by MBIE (Immigration Policy, MIQ and Economic and Regional Development), Treasury, MSD*]

- p **Agree** to approve a total critical workforce class exception for up to 2,000 RSE workers from the Pacific for the 2021 horticulture and viticulture season.

**Approve/Decline**

- q **Agree** to ring-fence 2,000 MIQ spaces for RSE workers from mid-January through to mid-March in the managed isolation allocation system.

**Approve/Decline**

**OR Option 2** [*recommended by MFAT and MPI*]

- r **Agree** to approve a total class exception for up to 3,500 RSE workers from the Pacific for the 2021 horticulture and viticulture season.

**Approve/Decline**

- s **Agree** to ring-fence 3,500 places from mid-January through to April 2021 for RSE workers in the managed isolation allocation system.

**Approve/Decline**

*Conditions attached to the exception*

- t **Agree** that, if approved, a critical workforce class exception for RSE workers will be subject to the following conditions:

- a. RSE workers will only be allowed to enter from Pacific Island countries that have committed to and have a plan agreed with New Zealand to:
  - i. repatriate currently stranded RSE workers who wish to return home; and
  - ii. repatriate all further workers at the end of their contract.

**Approve/Disagree**

- b. Only experienced RSE workers (that is, people who have worked in New Zealand for at least one season as an RSE worker) can enter through this exception, to realise the benefits of an experienced and skilled workforce.

**Approve/Disagree**

- c. Workers will be deployed to and moved around regions and employers where there are the most critical workforce needs to meet harvest requirements that have not been able to be filled despite industry efforts to attract and utilise the onshore workforce.

Agree/Disagree

- d. Only employers who make the following commitments for the upcoming season will be able to access offshore workers through the border exception:
- i. ensure all RSE workers (currently onshore and those arriving through the exception) will be fully employed until they are repatriated;
  - ii. make arrangements to share their RSE workers with another RSE employer growing a different crop or in a different region;
  - iii. cover the cost of managed isolation and quarantine in Government facilities (including for any extended duration) and will not charge this cost to RSE workers, either directly or indirectly;
  - iv. pay workers for 30 hours per week while they are in MIQ;
  - v. not to deduct RSE workers' wages for flights between Pacific countries and New Zealand more than they would in a 'normal' year, or what has already been approved by the Labour Inspectorate as actual, reasonable and verifiable;
  - vi. not to increase deductions for RSE workers for living costs (e.g. accommodation, transport) beyond last season's deductions or what has already been approved by the Labour Inspectorate as actual, reasonable and verifiable; and
  - vii. understand that failure to uphold their commitments may impact future applications to employ RSE workers.

Agree/Disagree

- e. The industry formally commits to produce and report back on, time-lined and action-focused plans to:
- i. Ensure RSE workers (currently onshore and those arriving through the exception) are kept fully employed for the full length of their contracts;
  - ii. Address known barriers to attracting domestic labour supply with a commitment to make their best endeavours to:
    - increase the proportion of their New Zealand workforce, including increasing the number of longer-term sustainable roles for New Zealand workers;
    - increase the provision of accommodation and transport for New Zealand workers; and
    - increase the provision of training to upskill New Zealand workers for horticulture and viticulture work.

Agree/Disagree

- u **Note** that a RSE policy review is underway that will provide further opportunities to improve incentives to employ New Zealanders, lift accreditation and pastoral care standards, and strengthen compliance and enforcement actions.

*Noted*

## Implementation

- v **Note** that if a class exception is approved by the Ministerial Group and Cabinet, MBIE, MFAT, MOH and MPI will work with the industry and Pacific governments to secure commitments and finalise implementation details, including:
- a. formal commitments and agreed plans from individual Pacific island countries to repatriate any RSE workers onshore already or new workers arriving, including the management of risk associated with COVID upon workers' return home (i.e. possible testing and/or some form of isolation that does not materially impact on New Zealand's MIQ capacity);
  - b. allocation of worker places to regions and employers where and when the need is greatest and employers have tried and failed to attract a sufficient number of onshore workers;
  - c. supporting RSE workers already onshore who are willing to move, to take up roles where there are the most critical labour shortages;
  - d. identification and selection of experienced RSE workers only from Pacific countries that have committed to repatriation;
  - e. formal employer declarations that they will meet conditions on quarantine and travel costs without pass through to RSE workers;
  - f. assistance with flights as needed; and
  - g. reporting back on industry plans to fully utilise workers and keep attracting New Zealanders.

*Noted*

## Shearers

- w **Agree** to approve a critical workforce class exception for up to 60 shearers, subject to the following conditions:
- a. continued work on a detailed workforce plan addressing the shortage of local shearers; and
  - b. evidence of continued commitment to training and upskilling New Zealanders.

**Approve/Decline**

- x **Note** that Managed Isolation and Quarantine (MIQ) capacity constraints mean that shearers may need to wait around seven weeks before a place is available in MIQ.

*Noted*

## Other exception items

- y **Note** that officials will extend the employment period covered by the critical health workers border exception category, which is due to expire at the end of December, to 31 March 2021, in order to allow workers to continue to enter New Zealand while a more fulsome review of the exception category is undertaken.

*Noted*

- z **Note** that officials propose to consider applications for three science PhD students under the government-approved programmes critical worker criteria who are working for a Government-supported research programme.

*Noted*

aa **Note** that potential priorities for future consideration will be identified at the meeting.

*Noted*

Ruth Isaac  
**General Manager, Employment, Skills and  
Employment Policy**  
Labour, Science and Enterprise, MBIE

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Hon Kris Faafoi  
**Minister of Immigration**

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Hon Megan Woods  
**Associate Minister of Finance**

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Hon Carmel Sepuloni  
**Minister for Social Development and  
Employment**

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Hon Chris Hipkins  
**Minister for COVID-19 response**

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Hon Stuart Nash  
**Minister for Economic and Regional  
Development**

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## Background

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1. On 21 September 2020, Cabinet considered the paper *COVID-19 Managing Border Exceptions* and agreed to establish group of Ministers led by the Minister of Immigration to consider proposals for class exceptions to border restrictions [CAB-20-MIN-0453 refers]. Cabinet agreed to the following decision-making framework for deciding class exceptions:
  - **Proposals for class exceptions** will be considered by a Ministerial Group led by the Minister of Immigration, comprising the Minister for Economic Development, Minister of Housing, Minister of Health and Minister of Internal Affairs, for agreement by the group of Ministers with Power to Act over the general election and government formation period [CAB-20-MIN-0392 refers].
  - **Decisions on changes to lists, or criteria used to create lists**, for major infrastructure projects, Government-approved events, Government-approved programmes, and Government-to-Government agreements are to be made by the Ministerial Group led by the Minister of Immigration.
  - **Decisions on any other proposals for changes to border entry policies** (such as the expansion of current critical worker exception criteria, or proposals for new categories of exceptions) will be assessed by the Ministerial Group before being put forward for Cabinet approval.
2. All changes to border exceptions will go through the same group of Ministers – this Group will act as a ‘clearinghouse’ to provide a consistent view, to prioritise, and to ensure that the full picture of demand for border entry is visible. The Cabinet paper set out the following expectations for the Group’s work:
  - Identification of needs/proposals, advice on priorities, and assessment of the overall and relative strength of proposals against the agreed criteria by a cross-agency Senior Officials’ Group;
  - Decisions will take into account the key factors set out in the Cabinet paper to ensure that Managed Isolation and Quarantine (MIQ) capacity, economic/social/cultural benefits, and labour market impacts have been adequately considered;
  - Regular reporting of border exceptions granted, and trends and forecast capacity / demand in MIQ;
  - Ongoing engagement by MBIE with industry stakeholders and agencies to ensure that needs are identified as they emerge, and the development of a registration of interest process for relevant requests;
  - Consultation with relevant portfolio Ministers on proposals as appropriate, including the Minister of Social Development (where relevant), and with Ministers with Power to Act on the Group’s decisions; and
  - Bringing all border exception policy decisions through the Group, prior to submission to Cabinet, to ensure that there is visibility and prioritisation across demand for border entry.
3. MBIE have convened a cross-agency reference group, comprising Senior Officials in key portfolio agencies, to support this process. Senior Officials identify proposals and complete an initial assessment of them in order to advise which proposals should be prioritised for presentation to Ministers.
4. On 9 November 2020 Cabinet is considering a paper that will confirm the ongoing role and membership of this Ministerial Group.



### *Decisions taken to date*

5. On 14 September, the first meeting of the Ministerial Group resulted in Ministers agreeing in principle to three workforce class exceptions, which were subsequently agreed by Cabinet on 21 September:
  - Veterinarians for large animal and livestock roles – up to 30 individuals
  - Rural contractors who are experienced horticulture and agricultural mobile plant operators – up to 210 workers
  - Deep-water fishing crew members as a one-off entry, to work on identified fishing ships in New Zealand for up to 6 months – up to 570 crew members.
6. On 30 September 2020, the second meeting of the Ministerial Group resulted in Ministers agreeing in principle to two “other group” class exceptions for:
  - up to 250 returning PhD and post-graduate (defined by MOE as Masters students) international students, plus families
  - essential travellers transiting New Zealand to and from the Pacific – Samoa, Tonga, Cook Islands, Niue and Tokelau – up to 100 for six months.
7. The Ministerial Group also agreed that an exception for halal slaughterers was not necessary and would not be approved.
8. This briefing provides advice and supporting documentation for the third Ministerial Group meeting. This was due to take place before the election, but was deferred to now. This briefing covers the items on the agenda for the meeting, plus some additional items which have arisen since the deferral. Two items in particular are time-critical: **RSE workers** and **shearers**. Decisions on these groups are needed now if they are to arrive in time for peak seasonal demand. Decisions on these exceptions will need to be confirmed by Cabinet on 16 November.

### **Context for advice**

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9. Officials have put together the advice in this paper based on conservative scenario planning for the next few months, assuming that:
  - standard MIQ is the only viable option for incoming travellers; and
  - safe travel zones are not operational in this period.
10. We are conscious that by the time some of these groups arrive, the landscape may have shifted and safe travel zones may be operational, freeing up MIQ capacity. It is also possible that there may be MIQ exemptions for some Pacific nations. If these conditions do shift, we will advise Ministers as to which groups to prioritise next for border entry.
11. Currently one of the strongest border defences New Zealand has to stop the introduction of COVID-19 into New Zealand is the requirement for MIQ. Health officials will continue to monitor the global context and provide Ministers with advice about whether additional criteria need to be considered and how any risks can be mitigated.
12. The recent experience in Christchurch of deep sea fishing crew (one of the class exceptions agreed on 14 September) demonstrates that even with good planning and preparation in their country of origin, including pre-departure testing and self-isolation, workers tested positive with COVID-19 after arriving in New Zealand. Their extended stay in MIQ until free from COVID-19 has been critical to prevent spread of COVID-19 into the community, notwithstanding the two health professionals working in the MIQ that contracted COVID-19 from this group.

13. We have based our analysis on further class exceptions on the assumption that the current pressure on MIQ places out to January will ease early next year and there will be continuing intermittent under-utilisation going forward. (See MIQ update below.)
14. Officials have undertaken initial work on which groups to consider next for class exceptions. We note that any spare MIQ capacity is not going to be filled solely through the other class exceptions on the 'long list'.
15. Any emerging MIQ capacity may be better utilised by adopting a less restrictive approach to the criteria for existing border exception categories for individuals and their employers, such as the 'critical worker' category or criteria for other visa types to support family reunification, those who normally live and work in New Zealand, new residents, or high-value investors. These individual categories may offer greater value in meeting economic and social objectives than further class exceptions. MBIE is developing advice on this matter and in order to fulfil the commitments in the manifesto to review the critical worker criteria and set aside 10% of MIQ places for critical workers.

## MIQ update

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*For more detail please also see the MIQ dashboard (Annex 4) and large group arrival information (Annex 5).*

*MIQ facilities will be operating at near full capacity until the end of the year*

16. Due to unprecedented demand, MIQ will be operating at near full capacity until Christmas<sup>1</sup>. The earliest that travellers can now book a place in MIQ using the online Managed Isolation Allocation System (MIAS) is 26 December<sup>2</sup>. Indicative of this demand, even the allocation set aside for New Zealanders for the purpose of facilitating emergency or urgent travel is heavily oversubscribed for this period<sup>3</sup>.
17. It is uncertain as to when this spike in demand for places in MIQ will abate. Based on current forecasts, it is likely to continue until at least mid-January as returnees, unable to secure a place in managed isolation before Christmas, look to defer their travel until early next year.
18. From an MIQ operational perspective, the present pressure on MIQ facilities means they are unable to facilitate the arrival of any new large groups (those not already planned for) until sometime in January 2021.

*Measures currently being taken to alleviate some of the pressures on the MIQ system*

19. In an attempt to alleviate some of these pressures on the MIQ system (and ensure that they retain resilience to respond to emergencies), all non-scheduled charter flights for the remainder of the year have been suspended and the arrival of the second cohort of Russian and Ukrainian deep-sea fishermen (207 persons) deferred<sup>4</sup> (commercial in-confidence). Airlines were also instructed to voluntarily halt ticket sales for travel between now and 10 November, and again for arrivals from 7 to 10 December. MIQ is continuing to work closely with airlines to ensure that ticket sales do not exceed capacity and that all returnees have an MIQ voucher before boarding their flight to New Zealand<sup>5</sup>.

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<sup>1</sup> Especially for the periods 1 – 12 November, and 23 November – 12 December.

<sup>2</sup> This was current as of 5 November.

<sup>3</sup> Between 30 October and 5 November we received 730 such requests for an emergency allocation.

<sup>4</sup> The first cohort of 242 fishermen entered managed isolation on 15 October and scheduled to leave MIQ on 6-7 November.

<sup>5</sup> Having an MIQ voucher became a legal requirement from 3 November.

20. Additionally, to ensure that we can still facilitate some emergency travel during this period, MBIE has tightened the criteria for accessing the allocation for emergency and urgent travel. This allocation can currently only be accessed by travellers who can show that there is an imminent threat to their life or serious risk to their health that can only be resolved by travelling to New Zealand on a specific date. MIQ officials are considering how these criteria could be widened and when, and will brief Ministers accordingly.

*Why are we seeing this surge in demand and strain on MIQ capacity?*

21. This surge in demand for MIQ is not unexpected. MIQ officials had anticipated high demand over the pre-Christmas and New Year period, with New Zealanders and other travellers attempting to enter New Zealand ahead of the summer holidays. While some of this is likely to be discretionary travel, for a number of New Zealanders this is out of necessity due to visas expiring and/or financial hardship, with wage subsidy schemes in the UK and Australia gradually being phased out.
22. The worsening global epidemiological outlook and steady rise in COVID-19 case numbers particularly in the Americas, Europe<sup>6</sup>, Africa and the Middle East, is acting as a strong push factor for many New Zealanders overseas, with the successful COVID-19 response also playing into the strong demand for entry into New Zealand at this time.
23. Given this increased demand from travellers, a number of airlines during the month of October, in anticipation of the airline quota system being removed following the introduction of MIAS, oversold their quotas. While previously this would not have been an issue, more people than usual who have purchased tickets are now checking in for flights and travelling (i.e. fewer no-shows) contributing to the situation where MIQ on some dates is oversubscribed.
24. A number of sports teams are also scheduled to use MIQ facilities during November and December as well as other groups that are exempt from current border restrictions (eg personnel associated with the summer Antarctic Programme season), adding to the pressure on MIQ facilities (see Annex 5 – MIQ and large group arrivals).
25. The unforeseen extended stay of the first large group of Russian and Ukrainian fishermen in MIQ (due to more than 10% testing positive for COVID-19) has similarly had a negative flow on effect for MIQ capacity.

*The impact of recent immigration setting changes and class exception approvals on MIQ*

26. Changes made to immigration settings in September<sup>7</sup> and previously agreed class exemptions have had an impact on MIQ utilisation. Since mid-October, the cumulative effect of these changes is an estimated additional 150-300 passengers entering MIQ facilities per week, or between 300-600 new arrivals per fortnight (equating to approximately 5-10% of overall MIQ operational capacity<sup>8</sup>).

*Waiting time for New Zealanders wanting a place in managed isolation*

27. Given the legal right of New Zealanders to enter New Zealand under the Bill of Rights Act, a key concern for the MIQ system is whether New Zealanders are being crowded out by other travellers and facing lengthy waiting times when it comes to trying to secure a place in managed isolation.

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<sup>6</sup> With many parts of Europe now being forced to go into a second period of lockdown.

<sup>7</sup> This includes allowing up to 850 temporary work visa holders normally resident in New Zealand and their dependents to return; allowing partners and dependents of New Zealanders from Australia and visa waiver countries who have not held a visa based on their relationship previously to apply to come to New Zealand; recommencing the processing of visa applications of offshore recipients of temporary or residence partnership visas for partners and children of New Zealand citizens and residents, and changes to the 'other critical worker border exception' category.

<sup>8</sup> Total operational MIQ capacity per fortnight is 6,261 places, or approximately 4,500 rooms.

28. As places in MIAS are fully allocated through until 26 December, the current wait time for New Zealanders trying to secure a place in managed isolation is seven weeks. Crown Law advice

Legal professional privilege

Free and frank opinions

*Are there still large numbers of New Zealanders overseas looking to return to New Zealand?*

29. Estimates vary of the number of New Zealanders currently residing or travelling offshore, with some sources putting the figure (pre-COVID-19) at between 600,000 and one million<sup>9</sup>. The greatest concentration of New Zealanders can be found in Australia (700,000), followed by the UK (60,000+) and North America (50,000). A significant number of these would be long-term overseas residents or dual citizens, having strong family or work ties to the country in which they reside. It is therefore hard to know how many have an intention to return to New Zealand. As shown in the MIQ dashboard, since April the proportion of New Zealanders coming through MIQ facilities has been gradually reducing over time. During the recent general election, 66,000 overseas special votes were cast. This is probably the best indicator yet of the number of New Zealanders remaining offshore with strong links to New Zealand, and who may have an intention to return in the future.
30. As more countries relax their border settings, the number of New Zealanders looking to travel offshore will also start to increase, putting pressure on limited MIQ facilities on their return to New Zealand. An example of this is Australia's move to unilaterally allow quarantine-free travel from New Zealand to New South Wales and the Northern Territories from 16 October. While the requirement to pay MIQ fees on return (unless exempted) will act as a disincentive to some, there are likely to be a number of New Zealanders who, for family, business, education or sporting reasons, will nonetheless take up the opportunity to travel abroad in 2021.

*Can we accommodate 2,000 RSE workers in MIQ?*

31. As noted above, accommodating any additional large groups in MIQ before the end of the year is not possible due to current MIQ capacity constraints. Accommodating 2,000 RSE workers between mid-January and mid-March would, however, be operationally doable from an MIQ perspective, if there is enough lead time to plan for their arrival (ideally up to four to six weeks), enabling places in managed isolation facilities to be taken offline from MIAS and ring-fenced for this cohort's use. Operationally, a staggered arrival is preferred with RSE workers coming on charter flights in tranches every two weeks or so. This would enable workers to be accommodated in one or two dedicated facilities, making it easier for MIQ staff to provide wraparound services. MIQ Operations will need to maintain operational flexibility to determine the exact arrival dates for the tranches of RSE workers, working closely with industry stakeholders and officials in INZ and MFAT in order to minimise MIQ system impacts.
32. MIQ Operations assesses that at this stage accommodating an extra 1,500 RSE workers over January-February is probably not going to be manageable, given the cumulative pressures hitting MIQ capacity. Likewise, MIQ officials advise that it would not be possible to also bring in 1,000 international students and their family members any time before February/March 2021.

<sup>9</sup> Source: Statistics New Zealand, 18 March 2020: <https://www.stats.govt.nz/news/about-100000-new-zealand-residents-travelling-overseas>

### *What about alternative MIQ arrangements for RSE workers?*

33. Alternative MIQ arrangements for RSE workers rather than using existing managed isolation facilities could help lessen MIQ impacts e.g. either a bespoke MIQ arrangement that adds to overall national MIQ capacity or MIQ exemptions for some countries<sup>10</sup> due to low risk of COVID-19. Should Ministers wish, officials could work up some options on what these could look like, especially if there is a desire to facilitate a greater number of RSE workers coming through MIQ in early 2021. However, given the lead times for implementation of a border exception for RSE workers, and the time sensitivity for their arrivals, an interim decision will need to be based on the assumption that they will use standard MIQ facilities.

### *Large sports and cultural events scheduled for next year will also have an impact on MIQ*

34. The pipeline of international sports and cultural events included on the list of 'Government-approved events' in Immigration Instructions, includes some events that pre-date COVID-19 and which are also tentatively scheduled to take place in the first half of next year. A number of these have received significant government investment through the Major Events Fund. While some of the events on the list have already postponed or cancelled, MBIE officials are undertaking work to determine which of the remaining events are mostly likely to still proceed and, if so, the likely associated MIQ needs, particularly in the first part of next year.

### **MIQ fees**

35. MBIE is considering changes that could be made to the fees Regulations, including what critical workers are charged, and who pays, to better reflect that they arrive in New Zealand in different circumstances than other people returning to New Zealand. The Minister for COVID-19 Response will receive advice on this in the coming weeks. Changes to the Regulations would likely be made and implemented in the first quarter of 2021.
36. In the interim MBIE is also looking at whether the bespoke fees used for sports teams could be used with other large groups, which would mean employers are expected to pay more. Officials will also consider whether employers can be required to cover the full costs associated with any extended stay in MIQ or other COVID related costs.
37. MBIE is also planning a wider review of the fees system to ensure it aligns with the Government's objectives and is functioning well. Ministers will receive advice on this in the New Year.
38. Should a different cost recovery model be adopted, this may impact on the amount that we charge RSE workers (currently \$3,100 per person) and other critical workers that are accommodated in government-run MIQ facilities.

### **Proposals for discussion and decision – Meeting Three**

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39. This paper provides a report-back on a number of items deferred from the previous meeting. Officials seek Ministers' decisions on these as follows:
- RSE workers
  - Shearers
40. Following the deferral of the third meeting, a number of other proposals have been surfaced for consideration, and it is proposed that the following proposals be further deferred until Ministers' next meeting:
- Returning Bachelors degree and Masters students – class exception (up to 1,000)

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<sup>10</sup> E.g. Samoa and Tonga, which have no reported cases of COVID-19.

- Kāinga Ora infrastructure programme – addition to government-approved programmes list
  - Christchurch Multi-Use Arena – addition to infrastructure list
  - Tourism New Zealand Media Programme – addition to government-approved programmes list
41. Ministers are, however, asked to note that the employment date for critical health workers border exception category is due to expire on 31 December. Given the ongoing demand for health workers the date will be extended until 31 March 2021, providing a window to enable the Ministry of Health to review and propose any changes to this border exception category to ensure it meets the workforce needs within the health and disability sector and for any review of this category to be considered alongside, or in light of, the wider review of the criteria for critical workers.

### **Agenda Item A: We recommend approving an exception request for RSE workers from the Pacific**

42. Following initial advice provided to the Ministerial Group at the second meeting, officials have undertaken further work on the case for a border exception for a cohort of Pacific Recognised Seasonal Employer (RSE) scheme workers. Ministers deferred consideration of an exception for up to 1,000 returning Bachelor degree and Masters international students to consider alongside the RSE workers proposal. Officials' views are that the RSE group is a higher priority for any MIQ capacity in the period required and a decision is needed now to enable the workers to enter ahead of peak harvest months in March and April.
43. All agencies support a border exception for RSE workers. MBIE (Immigration and MIQ), MSD and Treasury support a cohort of 2,000 RSE workers being prioritised for entry through MIQ from mid-January through until mid-March in time for peak sector demand. This option balances supporting the Pacific, while keeping pressure on the sector to fully utilise the potential onshore workforce, and is not likely to put unacceptable pressure on MIQ capacity in light of wider demand.
44. MPI and MFAT recommend a higher cap of 3,500 places be approved. This amount would reduce the size of any remaining labour shortage and provide more support for these exports and for Pacific nations.
45. The Senior Officials' Group considers that a cohort of RSE workers is a high priority for a border exception, primarily from the perspective of supporting foreign policy objectives in terms of our relationship with, and outcomes for, the Pacific.
46. The RSE scheme delivers on important strategic foreign policy and development objectives, and is a central part of our relationships [International relations](#) in the Pacific. Partner governments remain strongly committed to the RSE scheme, and there is an expectation that it will resume shortly. We expect these issues to be raised with the Prime Minister at the Pacific Islands Forum Leaders' Meeting in December. Support of Pacific labour mobility is also an integral aspect of New Zealand's commitments to the Pacific under the PACER Plus architecture.
47. The RSE scheme is a significant contributor to Pacific economies. RSE remittances make a substantial contribution to well-being and livelihoods. These pay for everyday living costs, school (increasing youth participation in secondary and tertiary education), housing, and maintaining land.
48. In 2018/2019 (the most recent 'normal' RSE year) remittances from RSE workers to Pacific countries were estimated at between \$67-101 million (\$6,000-\$9,000 per worker). In Vanuatu remittances from New Zealand and Australia amounted to 10 per cent of GDP. This is a significant economic flow, noting that New Zealand's Official Development Assistance expenditure for the Pacific for the same year was \$423 million.

49. Currently there are over 6,000 RSE workers onshore, who are legally able to remain and contribute remittances – and while this is higher than usual at this time of year, this would be less than half the amount of the usual cohort of workers over a year. Over the coming period, any remittances from RSE workers will play a critical role in buffering the economic hardship families and communities are experiencing because of COVID-19. International relations

International relations

50. International relations

51. An urgent decision on RSE worker access is essential given the complexities involved in selecting workers, making sure that arrangements are made for transportation to New Zealand, access to MIQ and appropriate distribution across regions in New Zealand.

52. International Relations, Free and frank opinions

*Officials recommend a border exception for RSE workers to address a critical workforce gap in the horticulture and viticulture sectors*

53. MPI, MSD and MBIE have undertaken further analysis of the anticipated shortfall in labour supply for the upcoming peak season for the horticulture and viticulture sectors. Further details are provided at Annex Two.

54. The number of RSE visas is capped at 14,400 for the 20/21 season, however, the peak number in country at any time is normally about 10,500 in March. There are currently approximately 6,100 onshore at the moment able to stay for the season, though an unknown number may wish to return home. Policy changes have also allowed many other onshore visa holders to stay and work in the sector. MBIE and MSD also anticipate a larger pool of available New Zealanders if the sector acts to make jobs more attractive. Despite efforts to date, officials consider that the sector can still improve cooperation across employers, as well as accommodation, transport, remuneration and training options.

55. Modelling by MPI forecasts a range of scenarios based on usual rates of New Zealanders employed, uptake by migrants of seasonal visas, and repatriation rates of RSE workers. The moderate scenario assumes a shortfall of almost 3,000 in the peak month of March. The downside scenario that assumes fast repatriation of RSE workers and low uptake of Supplementary Seasonal Employer visas (50%) shows a shortfall of approximately 7,400. Based on this modelling, MPI initially requested an exception of between **3,600–5,000 workers**. However, this is before consideration of additional jobseekers that may be available.

56. MSD is working at pace to help remove any barriers to New Zealanders entering into seasonal work. A report has recently been provided to the Minister for Social Development outlining MSD's plan to help address the seasonal labour shortages and highlighting a number of key work-streams underway. However, despite these efforts there is still likely to be a shortage of domestic labour supply for the upcoming season.
57. MBIE (Immigration, Economic and Regional Development, and MIQ), MSD and Treasury officials are recommending **2,000 workers** be considered for the exception because:
- The 3,600–5,000 figure represents only a middle scenario estimate of the potential difference in the available onshore migrant workforce compared with last season (not total labour shortfall). The critical remaining part of the equation is the extent to which New Zealanders will be available and willing to take up seasonal positions to fill this gap.
  - We want to step up the pressure on industry to offer sufficiently attractive wages and conditions to attract New Zealanders and break down barriers to participation.
  - MIQ advises this level can likely be accommodated in MIQ between mid-January and mid-March, which still gives enough time for the workers to contribute to the peak 2020/21 season.
58. We consider the 2,000 figure reaches a compromise balancing numerous competing objectives, including:
- a) Supporting success and growth in the horticulture/viticulture sector
  - b) Mitigating labour market risks of displacing New Zealanders and suppressing wages and conditions
  - c) Maintaining sufficient tension to force changes in industry behaviours around workforce planning and making jobs more attractive to New Zealanders
  - d) Foreign policy and development objectives to support Pacific relationships and economies via remittances
  - e) Managing risks to RSE worker welfare, exacerbated by border closures and unexpectedly long stays
  - f) Public health risk, legal risk and MIQ impact.
59. MFAT and MPI recommend a cap of up to **3,500** workers, due to stronger emphasis on the objectives of supporting the success of the horticulture/viticulture sector and Pacific relationships and economies. In particular, the 3,500 figure falls at the lower end of the estimated workforce shortfall of between 3,600–5,000 (before taking into account additional New Zealanders), and RSE remittances will likely play a critical role in buffering the economic hardship families and communities are experiencing because of COVID-19.
60. However, it is unlikely that 3500 would be able to arrive by mid-March in time for the peak periods. The key constraint is MIQ capacity. This would mean that 1,500 of these workers would arrive later in the season. This could enable grape and kiwifruit pruners to arrive closer to the pruning peak. Having an additional 1,500 that could arrive in slower time could have welfare benefits. It could, for example, help to facilitate some workers onshore to go home and come back mid-next year.
61. For either cap, the net impact on the overall number of available RSE workers may be less if additional flights put on to bring workers also present an opportunity for faster repatriation of some RSE workers already onshore who wish to return home. A level of repatriation of approximately 200 per month has been built into the workforce shortage scenarios.



## *MIQ arrangements*

62. To accommodate the arrival of 2000 RSE workers in the timeframe proposed (between mid-January and mid-March), operationally, MIQ would prefer that their entry is staggered over the eight weeks, with the workers coming into New Zealand on charter flights in tranches every 17 days<sup>11</sup>. This would enable them to be accommodated in either one or two dedicated facilities set aside for their use.

## *Officials recommend conditions be placed on the horticulture and viticulture sector in return for any border exception approval*

63. As agreed for the deep sea fishing crew exception, there is an opportunity to place conditions on, and seek commitments from, the horticulture and viticulture industry when granting this exception. This would strengthen mitigation of any labour market risks, support RSE worker welfare and further encourage behavioural changes from industry that Ministers have been seeking in recent years (eg the Minister of Immigration's '5 challenges').
64. There is limited time to get a decision on a border exception, communicate this decision and the specific conditions to the Pacific and employers, work through the details of allocation and recruitment, and get workers into the country in time for the peak seasonal points. Therefore any conditions need to be limited to what is simple to implement and administer in the timeframes available. The conditions and mechanisms for providing assurance about these conditions outlined below strike an appropriate balance of mitigating key risks and enabling fast implementation. In addition, MBIE is currently carrying out a review of RSE policy that will provide a medium-term opportunity to strengthen the incentives to recruit New Zealanders, pastoral care requirements and associated compliance and enforcement systems.
65. We propose that Ministers stipulate the following conditions:

- **Repatriation:** Workers will only be allowed from Pacific countries that have committed to and have an agreed plan in place for:
  - i. repatriation of currently stranded vulnerable RSE workers who wish to return home; and
  - ii. the safe and timely return of new workers at the end of their contract

This will ensure that there are no workers coming in from offshore who cannot go home again at the end of the season. It would also encourage Pacific Island countries that have not done so to open regular repatriation routes, helping reduce the number of Pacific nationals stranded in New Zealand.

Selection of workers and granting of individual border entry permission will only commence when a formal agreement is in place with the source country.

Such conditions will need to be carefully worked through with Pacific partners. Australia is seeking similar conditions in respect of the resumption of its Pacific labour schemes. MFAT has already started to sound out some Pacific island countries on this requirement. Agreement from Cabinet to establish the border exception for RSE with specific conditions including repatriation will enable MFAT to start more formal negotiations on specific details. Vanuatu, Tonga and Samoa (the top three RSE sending countries) have indicated that they are ready and willing to send workers for the upcoming season, and could mobilise workers quickly if required.

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<sup>11</sup> This factors in the cleaning time needed between arrivals.

Plans will need to manage risks associated with the return of workers to the Pacific at the end of their contracts. This will require consideration of testing and/or isolation options on exit as well as entry. MIQ notes that there will be significant impact on MIQ if RSE workers need to use standard MIQ facilities for 14 days prior to returning to the Pacific.

International relations

- **Experience:** Only RSE workers who have worked in New Zealand for at least one season as an RSE worker can enter through this exception.

Industry has stated that the RSE workforce is skilled and experienced in the various roles they perform and are therefore more productive than other first season workers. As MIQ capacity constraints and incentives to fully utilise onshore workers first mean numbers will be capped below what industry have asked for, the experience requirement will help ensure the most productive workers are brought in.

Many workers are on piece rates that reward the most productive workers. The experience requirement should therefore mean workers that come are higher earners maximising remittance benefits back to the Pacific countries. Given the short timeframes and potential inequities with onshore workers a higher minimum hourly rate is not recommended as a specific condition. Industry has asserted that experienced workers earn upwards of \$22 an hour on current contracts.

- **Allocation of workers:** Worker places within the exception cap will be allocated to regions and employers where there are the most critical workforce needs to meet harvest requirements.

Employers are normally given a specific allocation of workers within the overall RSE cap based mainly on previous allocations. Officials will work with the sector to formalise where there are the highest priority shortages and match recruitment spots to these areas for specific durations to the extent we can. This will likely mean a greater number of workers moving between employers, crops and/or regions as seasonal peaks move around the country. Consideration will be given to where workers are already onshore and where genuine industry efforts to attract and utilise the onshore workforce have not filled gaps.

There will not be perfect alignment of worker numbers and skills with highest priority workforce gaps. Which countries are willing to sign-up to repatriation will affect who is available to recruiting employers, what skills experience they may bring and how that will complement already onshore RSE workers. Worker willingness to travel to or around New Zealand, and to work for different employers, will also be a factor. This hands on role for Government and for the industry as a whole in deployment is new, and it will present many challenges especially in compressed timeframes.

- **Employer Commitments:** Only employers who make the following declarations to Immigration New Zealand will be able to bring in workers (in addition to the existing RSE requirements on accommodation, pastoral care, and effort to attract New Zealanders):
  - i. **ensure all RSE workers (currently onshore and those arriving through the exception) will be fully employed until they are repatriated.** This makes it clear that it is the employer's responsibility to employ or find alternative employment for the worker, even if the worker is still here over winter.
  - ii. **make arrangements to share their RSE workers with another RSE employer growing a different crop or operating in a different region.** This will help to encourage collaboration between employers at a time when they are incentivised to hold on to their workers.

- iii. **cover the cost of isolation and quarantine alongside industry, and not charge any of these costs to RSE workers, either directly or indirectly.** Some industry representatives have signalled their willingness to meet these costs already.
- iv. **pay workers during their time in managed isolation.** The scheme requires employers to pay RSE workers for an average of 30 hours a week. This will likely mean minimum wage level payments for 30 hours a week during the period in MIQ.
- v. **not to deduct RSE workers' wages for flights between Pacific countries and New Zealand more than they would in a 'normal' year, or what has already been approved by the Labour Inspectorate as actual, reasonable and verifiable.** The RSE policy specifies that RSE employers and workers share the cost of flights. Due to COVID-19, flight options and costs this year are uncertain and vary significantly between countries. Direct charter flights are likely to be arranged by industry for some cohorts, particularly if there are limited or no commercial scheduled options. Further work is needed to determine how the 'normal' flight cost will be set, which may involve establishing a 'cap' based on the average cost charged last season to/from each Pacific country. For employers who have already had costs signed off by the Labour Inspectorate, their commitment would be to not inflate them after signing up for the border exception.
- vi. **understand that failure to uphold their commitments may impact future applications to employ RSE workers.** This ensures there are consequences to not complying with the commitments for border exceptions.

There will not be time or sufficient resources to fully check every detail of these commitments with each employer (eg that charges are not exceeding previous years) before workers need to start arriving. However, a formal declaration to INZ is a significant undertaking that can have serious consequences if found to be false or not carried out, for example being excluded from the RSE scheme. Spot checking of some employers and the actual arrangements in place will be carried out.

- **Industry plan:** Industry agrees to produce a time-lined, action-focused sector-wide plan with set reporting milestones to:
  - i. **ensure that RSE workers (currently onshore and those arriving through the exception) are kept fully employed for the full length of their contracts.** We understand there has been some reluctance amongst employers to 'share' workers, due to the uncertainty of when new workers might arrive, resulting in some underutilisation. A plan would compel a more efficient use of the workforce and ensure RSE workers can maximise earnings and therefore remittances. Officials will support this by sharing more information on where current workers are located and streamlining approval of any joint agreements between employers (and the workers).
  - ii. **address known barriers to attracting domestic labour supply with a commitment and specific actions to:**
    - 1) increase the proportion of their New Zealand workforce, including increasing the number of longer-term sustainable roles for New Zealand workers
    - 2) increase the provision of accommodation and transport for New Zealand workers
    - 3) increase the provision of training to upskill New Zealand workers for horticulture and viticulture work.

Given the amount of work required to get the border exception up and running, we propose that the plan be requested from the sector by the end of January 2021.

### *Implementation*

66. Once a border exception is confirmed by Cabinet, formal agreements with Pacific countries and employers can be developed and other recruitment steps can proceed;
- The Border Exceptions Ministerial Group approves a capped number of RSE workers to be given a border exception for January to March 2021 travel and agrees the terms and conditions of that exception being granted;
  - Border exception decision confirmed by Cabinet (on 16 November);
  - MFAT will formally commence working with the Pacific to put in place formal arrangements outlining the agreed conditions for the resumption of RSE under the border exception. This will include:
    - 1) Pacific governments' agreement to a plan for the ongoing repatriation of workers already onshore-as well as the repatriation of new workers at the completion of their contracts within a specified time period. Supporting the Pacific to remain COVID-free will be a key principle underlying all arrangements. (This will be particularly relevant in the event of any alert level changes in New Zealand or the Pacific); and
    - 2) Working with industry and Pacific governments on operational processes to support the repatriation process, such as the staggered arrival and departure of new workers and the use of charter flights by employers to help manage MIQ capacity.

Selection of workers, and granting of individual border entry permission, will only commence once repatriation agreements are in place with source countries required as a first step. An update on progress on operational repatriation plans and details will be provided to the Ministerial Group before the end of the year.

- Once we know what countries are eligible to send workers, officials will work with industry representatives and employers to determine selection (including workers from those eligible countries who are experienced, have appropriate medical certificates, and who employers wish to recruit) and allocation/distribution (including across multiple employers to try to move this workforce to where it is needed most at given times in light of other labour supply available in different parts of the country).

The industry plan on ensuring workers are utilised, and getting more New Zealanders into roles, will be requested by the end of January 2021.

- Worker arrangements to be made include:
  - obtaining visas, which includes recent medical tests/updates such as chest x-rays for tuberculosis.; and
  - arranging flights (likely to be chartered flights) in line with MIQ capacity.
  - ensuring that workplaces have good health and safety practices and procedures in place, including hygiene measures and information for workers about what to do if feeling unwell, including consideration of contact tracing in the event that a worker were to test positive for COVID-19.

**Table One: Recognised Seasonal Employer Workers**

<b>Proposal: Recognised Seasonal Employer Workers</b>		
<b>Numbers</b>	<b>Timing considerations</b>	<b>Any other relevant information</b>
<b>Option 1:</b> up to 2,000 <b>Option 2:</b> up to 3,500	Arrival from early January.	Peak season is March/April  Approximately 2 months needed between decision and worker arrival.
<b>Assessment</b>		
<b>Mandatory criteria</b>	Critical workforce gap	MPI has assessed the potential difference in available migrant labour this year compared to last to be between 3,600-5,000 workers.  The unknown is the extent to which New Zealanders (likely greater in number than previously due to COVID-19 impacts) may be able to fill that gap.
	Minimal labour market displacement	The recommended number of 2,000 is at the lower end of the potential range to mitigate against possible displacement and keep pressure on the sector to improve wages and conditions.  RSE policy requirements will still apply meaning individual employers must demonstrate they have made genuine attempts to hire New Zealanders] before an "Agreement to recruit" an RSE worker is approved.
	Doesn't undermine workforce improvement	The lower 2,000 number has been chosen to maintain pressure on Industry to improve terms and conditions and make the jobs more attractive for New Zealanders.  The addition of 1,500 would reduce these incentives.  An industry action plan will also be required.
	MIQ manageable	Yes, with caveats – see comments section below. MIQ would only be manageable from late December onwards.
<b>Further strength of case</b>	State which factors: - <i>Support significant jobs</i> - <i>Supply industry critical services</i> - <i>Seasonal, global talent pool</i>	Strongly supports foreign affairs and development goals for the Pacific.  Seasonal workforce historically difficult to source domestically.
<b>Other</b>	Legal risks	Legal professional privilege
	Precedent risk or comparison issue	Legal professional privilege
<b>Other agency views/concerns?</b>  Agencies are all agreed on 2,000 workers.  MPI supports a higher number to support industry growth. MFAT supports a higher number to support foreign affairs/development goals in Pacific.  MSD supports 2,000 workers on the basis that there are significant incentives/conditions to train and recruit New Zealand workers for seasonal roles in the long-term. MSD considers that there is more that can be done by industry to address known barriers to seasonal work such as accommodation, training, and the sustainability of work in the industry.  MOH notes that the workers will likely be coming from lower risk countries in terms of COVID-19 prevalence, and therefore present a lower likelihood of positive cases requiring extended MIQ.		

**MIQ comment**

Yes, with caveats.

Accommodating 2,000 RSE workers between mid-January and mid-March would be operationally doable from an MIQ perspective, if we have enough lead time to plan for their arrival (ideally up to four to six weeks), enabling places in our managed isolation facilities to be taken offline from MIAS (currently at up to 3 months of places are released online at any one time for travellers to book) and ring-fenced for this cohort's use. Operationally, their arrival should be staggered, with the workers coming into New Zealand on charter flights in tranches every 17 days. This would enable workers to twin share rooms and to minimise MIQ system impacts. Sufficient lead-time would also enable MIQ Operations staff to empty out one or two managed isolation facilities for the cohort's dedicated use in advance of the workers coming in (it takes time to take a facility offline and out of MIQ circulation in order to dedicate it for one group's use), and to liaise with industry stakeholders, INZ and MFAT on the timing of the arrival of the charter flights – again with the view to minimising MIQ system impacts.

MIQ Operations assess that at this stage accommodating an extra 1,500 RSE workers, particularly over the January-March period, is probably not manageable given the cumulative pressures hitting MIQ capacity. Accommodating large groups as a single cohort, as we have seen from case of the deep sea fishing crew is very resource intensive from an MIQ perspective, given that these groups often require considerable wraparound support. When MIQ is operating at or near maximum capacity, as we anticipate in January, this can place quite a strain on the system.

**Overall recommendation**

**Agree** to a border exception for EITHER:

- Up to 2,000 RSE workers from the Pacific; OR
- Up to 3,500 RSE workers from the Pacific [MPI and MFAT]

**Agree** to the conditions proposed in this briefing paper for the exception.

**Agenda Item B: We recommend approving the exception request for up to 60 shearers**

67. At the second Ministerial Group meeting, Ministers deferred consideration of an exception for shearers to this meeting and asked officials to work up a proposal. This is provided at Annex Two, with the Senior Officials' Group's assessment of the proposal provided below.
68. While officials initially recommended removing shearers from the long list of requests following an initial high-level assessment, further work with the sector has indicated that there may be a case for a class exception for a small number of shearers.
69. MPI is actively working with the New Zealand Shearing Contractors Association to identify the names of migrant workers. Industry's preference is for all shearers to arrive as soon as possible. However, MPI recognises that there will be a lead time if this border exception is approved. Industry groups will need time to identify individuals (if not already complete), collate the documentation needed to provide the worker's experience, and organise travel arrangements.
70. MPI expected that 20-30 shearers would seek to enter New Zealand during November – December to support peak season in the North Island, before being joined by an additional 10-30 shearers as the season moves south. However, with current MIQ capacity constraints in the pre-Christmas period it is very unlikely any shearers will be able to enter before the January 2021, so the workforce will be to support South Island shearing. Collectively, these shearers will help to maintain national animal welfare standards and ensure farmers' continued compliance with the Animal Welfare Act 1999.
71. Officials recommend that Ministers set the following conditions in return for the border exception request:
  - Continued production of a detailed workforce plan, addressing the shortage of local shearers
  - Evidence of continued commitment to training and upskilling New Zealanders.

**Table Two: Shearers**

<b>Proposal: Shearers</b>		
<b>Numbers</b>	<b>Timing considerations</b>	<b>Any other relevant information</b>
40-60 identified	From early November (but due to MIQ capacity unlikely to arrive until early 2021)	Workers required for peak shearing season (Nov 2020-April 2021) 126 migrant shearers required to supplement local shearers during peak season last year.  Lower-skilled (ANZSCO Level 5) but 2–3 years' experience required to develop skills.
<b>Assessment</b>		
<b>Mandatory criteria</b>	Critical workforce gap	For shearers during peak season
	Minimal labour market displacement	Global talent pool; relatively small group of workers
	Doesn't undermine workforce improvement	Relatively small group of workers. There has been a commitment to developing a domestic shearing workforce. The New Zealand Shearing Contractors Association has received a \$1.8m grant to pilot a training programme. The sector has partnered with providers to: deliver a two-week basic shearing course starting in November; deliver on farm training with a mobile training trailer; and provide free shearing equipment to new starters (valued at \$1,400).
	MIQ manageable	Yes, given the small numbers involved.
<b>Further strength of case</b>	State which factors: - <i>Supply industry critical services</i> - <i>Seasonal global talent pool</i>	Moderate case <ul style="list-style-type: none"> <li>• Direct economic losses to farmers</li> <li>• Deterioration of animal health and wellbeing (eg fly strike, heatstroke)</li> </ul>
<b>Other</b>	Legal risks	None identified
	Precedent risk or comparison issue	Free and frank opinions
<b>Other agency views/concerns?</b>		
MSD comment: Shearing roles are considered to be lower skilled (ANZSCO level 5) and therefore trainable roles. There is a need to ensure that the industry takes active steps to establish adequate training solutions in order to increase the domestic labour supply in the longer-term.		
<b>MIQ comment</b>		
Yes, MIQ is manageable given the small numbers involved. But note that as our MIQ facilities are now almost solidly booked between now and the end of the year, the earliest that the shearers would likely be able to secure a place in managed isolation would be sometime in January.  These workers would need to secure their places in managed isolation using MIAS (no ringfence).		
<b>Overall recommendation</b>		
Moderate case, low numbers, some urgency		
<b>Approve</b> for up to 60 experienced shearers, and require conditions of: continued production of workforce plan, as well as a continued commitment to training and upskilling New Zealanders.		

## **Agenda Item C: Other items for Ministers to note**

### *Critical health workers*

72. An exception category for “critical health and disability workers” already exists in Immigration Instructions. This is time-limited and due to expire on 31 December. There remains an ongoing need to ensure a sufficient supply of critical health and disability workers in the context of delivering ongoing COVID-19 services. There is also extra demand within the system to deliver elective and planned care services that were put in hiatus during the initial COVID-19 response phase.
73. The places of employment, type of health workers and employment period are delegated to senior officials at the Ministry of Health and MBIE. Officials propose to extend the date for this border exception to 31 March and report-back on a more fulsome review of criteria before the end of the year alongside the wider review of critical worker criteria. Ministers are asked to note this decision.

### *PhD students working for government-approved science programmes*

74. Ministers are asked to note that officials propose to approve ‘critical worker’ exception requests for 2–3 PhD students working as part of government-approved science programmes. Their substantive visa will be a student visa. These students meet the high bar under the critical worker exception but are an example of a group which do not neatly fit within current criteria and could be considered in the review of border exception criteria.

## **Priorities for future meetings**

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75. Officials note that if Ministers agree to a class exception for RSE workers, any further group exceptions of significant size, or any expansions of existing exceptions (eg further normally resident temporary workers) for travel in the first quarter of next year may not be viable, unless a Trans-Tasman Safe Travel Zone has commenced (which will free-up some MIQ capacity). There likely remains a large number of foreigners offshore who would be eligible to enter New Zealand under existing exceptions, including critical workers, who may also struggle to book a place.

### *Amendments to Appendix Three – long list of demand*

76. We have amended the ‘long list’ of requests to provide visibility of the groups likely to be proposed for consideration next. Officials seek Ministers’ direction on which proposals should also be surfaced for consideration at the next meeting. Initial discussions indicate that this might include, alongside any further international students, proposals for additions to the major infrastructure projects and Government-approved events lists:
  - Fletcher Construction – for various construction projects, requesting an estimated 1,200 people (600 skilled workers and 600 family members)
  - Nokia – to support the 5G rollout
  - Waka Kotahi – NZ Transport Agency – to support the Auckland Northern Corridor Improvements project
  - Cricket – Australia and Bangladesh men’s international fixtures
  - Cricket – White Ferns women’s international fixtures
  - Cultural events.



### *Additions to the major events list for cultural and sporting events*

77. Over the next few weeks MBIE officials will continue to work with the Ministry of Culture and Heritage and Creative NZ as lead agencies to identify any upcoming cultural events that may require Ministerial consideration. Currently, there are no cultural events on the longlist and no proposals which are ready to be considered/awaiting consideration. Current critical worker exceptions allow for artists, performers and other workers to come to New Zealand and INZ approvals for visas over the past three months include: band musicians and support crew; a band manager for a festival; conductors and classical musicians; ballet dancers; choreographers; a lighting director; and a dance technical director.
78. Sport NZ have already engaged with their sector to provide a clear pipeline of upcoming events for officials and Ministers and these have been added to the long list of requests (see Annex Three).

### *Class exception for crew of cargo ships servicing the Pacific*

79. MFAT officials are continuing to work on a proposal for a class exception for crew of cargo ships servicing the Pacific. This is to maintain reliable supply chains into the Pacific whilst minimising the risk of COVID-19 transmission.
80. To date, the Minister of Immigration has approved Exceptions to Instructions (ETIs) to allow replacement crew for some ships to enter an MIQ facility for quarantine prior to boarding. Officials consider that in future, this cohort be considered as a class exception to give Ministers oversight of numbers and the issue, noting that ETIs carry precedent risk for any future requests and have been made on the basis that a border exception would be considered shortly by Ministers.

## **Next steps**

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81. Agreed proposals for new class exceptions in respect of shearers and RSE workers will be considered by Cabinet on 16 November, and can then implemented by the Minister of Immigration via certifying changes to Immigration Instructions.

## **Annexes**

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Annex One: Agenda for meeting

Annex Two: Detailed proposals for first meeting:

- (A) RSE workers
- (B) Shearers

Annex Three: Significant groups seeking border entry – “longlist”

Annex Four: MIQ dashboard

Annex Five: MIQ Large Group Arrival Information

## Annex One: Agenda

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**Date:** 9 November 2020

**Invitees:** Minister Kris Faafoi (Chair)  
 Minister Megan Woods  
 Minister Chris Hipkins  
 Minister Carmel Sepuloni  
 Minister Stuart Nash

**For Item 3 only:**

Minister Damien O'Connor

	<b>Agenda Item</b>	<b>Lead</b>	<b>Timing</b>
1.	<b>Context setting and background</b> <ul style="list-style-type: none"> <li>• Overview of process</li> <li>• Proposals that have been agreed</li> </ul>	Minister Faafoi	5 minutes
2.	<b>Managed Isolation and Quarantine</b> <ul style="list-style-type: none"> <li>• Update on MIQ forward capacity</li> </ul>	Minister Hipkins	10 minutes
3.	<b>For Ministers' discussion and decisions</b> Discussion and decisions– class exception proposals <ol style="list-style-type: none"> <li>a. RSE workers</li> <li>b. Shearers - deferred from last meeting</li> </ol>	Minister Faafoi Minister O'Connor Minister Hipkins	35 minutes
4.	<b>New proposals: <i>To be noted</i></b> <ul style="list-style-type: none"> <li>• Critical health workers – propose to extend employment date for current border exception to 31 March 2021</li> <li>• PhD students – propose to allow 2-3 PhD students working on government-approved programmes to apply as critical workers</li> </ul>	Minister Faafoi	5 minutes
5.	<b>Review of the longlist - future priorities</b> Discussion on Annex Three (longlist of potential proposals) <ol style="list-style-type: none"> <li>a. Sports and cultural events</li> <li>b. Fletcher Construction</li> </ol>	Minister Faafoi  All Ministers discuss	15 minutes

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### CRITICAL WORKFORCE BORDER EXCEPTION REQUEST

Proposal name:	Recognised Seasonal Employers (RSE) workers for horticulture and viticulture		
Lead agency:	MPI		
Describe this workforce group	This specific exception request relates to the Recognised Seasonal Employer (RSE) workforce, with workers from Vanuatu, Tonga, Samoa, Solomon Islands, PNG, Fiji, Nauru, Tuvalu, Kiribati. Recent data suggests approximately 6,000 Pacific RSE workers are currently in New Zealand. Reports from MBIE suggest a number of RSE workers who have been in New Zealand for many months want to return to their home countries. RSE workers are in NZ on a specific Recognised Seasonal Employer Limited visa. RSE workers make up 33% of horticulture and viticulture's seasonal workforce. Around 46% of the seasonal workforce are New Zealanders. <sup>1</sup>		
Number of individuals sought (including family if relevant):	3,600 – 5,000 (more detail contained in Appendix 1 and 3)	Timing of arrival:	February
Have the individuals that fall under this proposed class exception been identified? (Y/N)	N	Urgency of decision needed:	As soon as possible.
Describe the details of the roles, including skill level (ANZSCO where available), salary, region, and industry	<p>NZ and Australian Standard Industrial Classification codes for RSE workers are contained in Appendix 2.</p> <p>Salary rates for first season RSE workers - \$18.87 (hourly rate)</p> <p>Returning RSE workers usually - \$20.61 (hourly rate)</p> <p>RSE workers must be paid by employers for a minimum of 30 hours per week.</p> <p>There are current and forecasted shortages being faced across New Zealand, in Bay of Plenty, Hawke's Bay, Otago and Marlborough.</p> <p>RSE workers are required in the horticulture and viticulture industries. The specific sub-sectors requiring RSE workers are the apple, kiwifruit, summerfruit, vegetables and wine industries.</p>		
Are there Treaty and/or international obligations which may be a factor in deciding the entry of this group?	<p>Although the RSE scheme dates back to 2007, New Zealand made non-binding commitments to support Pacific labour mobility, including the RSE scheme, through the Labour Mobility Arrangement (the LMA), signed in June 2017. The LMA was signed concurrently alongside PACER Plus agreement and is an integral aspect of New Zealand's commitments to the Pacific under the PACER Plus architecture. It reflects our commitment to ensure that PACER Plus delivers both trade and development outcomes.</p> <p style="text-align: center;">International relations</p> <p>There will be increased expectation on New Zealand to deliver on these commitments given the imminent entry into force of PACER Plus (expected in December 2020). A decision not to resume labour flows risks criticism that New Zealand is renegeing on its commitments at a time when Pacific countries are actively looking to PACER Plus to support their economic recovery from COVID-19.</p>		
Why can't this group enter under current border exceptions?	<p>Non-New Zealanders who do not meet the criteria for 'other critical worker' are currently unable to enter New Zealand. RSE workers who are currently in Pacific Island countries do not meet the critical worker criteria (largely due to skill level required and remuneration) and have not been granted any specific exceptions to enter New Zealand. On 22 September Government announced that RSE workers' rights and ability to work was extended, and those still in NZ on Working Holiday Visas were able to work in both horticulture and viticulture sectors and will be automatically given Supplementary Seasonal Employment visas.<sup>2</sup></p>		
<b>CRITICAL WORKFORCE GAP</b>			

<sup>1</sup> Recognised Seasonal Worker Survey 2020, Industry Report June 2020

<sup>2</sup> Recognised Seasonal Worker Survey 2020, Industry Report June 2020<sup>2</sup> <https://www.beehive.govt.nz/release/seasonal-work-visa-available-more-people>

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<p>How does this request fill a critical workforce gap that cannot be filled domestically? This can include details on:</p> <p><b>Demand for workers:</b></p> <ul style="list-style-type: none"> <li>• proportion of workforce typically comprised of migrant workers, including their main visa type</li> <li>• Deficit of migrant workers due to border closure (assuming demand increased/unchanged) – including number of workers onshore now compared to previous years, and what flexibility is available for other onshore migrant workers to move into these roles</li> <li>• Is the role reliant on a global talent pool where there is typical season demand for the role? If so, at what times in the year is there peak demand?</li> <li>• Is the sector's workforce affected by the stand-down period kicking in?</li> </ul>	<p>Each year, the horticulture and viticulture industries employ significant numbers of seasonal staff from overseas. A large proportion of workers are Pacific workers on RSE visas.</p> <p>RSE workers make up 33% of horticulture and viticulture's seasonal workforce. Approximately 21% of the workforce are usually on Working Holiday Visas, and a significant number of the seasonal workforce are New Zealanders. ii</p> <p>There are current and forecasted shortages being faced across New Zealand; in Bay of Plenty, Hawke's Bay, Otago and Marlborough in particular. We know there are currently approximately 6,000 Pacific RSE workers are onshore, and while this is a higher number than usual for this time of year, in peak periods (March – April) there can be up to approximately 11,200 in-country. Certain regions and sub sectors could be facing RSE workforce deficits of 3,600 – 5,000. There are a number of scenarios that have been forecasted that are based on factors such as pace of repatriation, and uptake of Supplementary Seasonal Employer (SSE) visas).</p> <p>The downside scenario that assumes fast repatriation of RSE workers and low uptake of SSE visas (50%) shows a workforce shortage of approximately 7,400. The moderate scenario assumes a worker shortfall of almost 3,000 in the peak month of March.</p> <p>The upside scenario that would assume very high uptake of SSE visas, high uptake of working holiday individuals and slow repatriation of RSE workers is not outlined as that would suggest a surplus of workers. While not impossible, based on current information, MPI would deem this an unlikely scenario.</p> <p>We are requesting 3,600 – 5,000 and basing this on the lower mid-point (4,500) between the downside and moderate scenarios. Moderate and downside scenarios are explained in more depth in Appendix 3. It is important to note that we have not factored in the growth of the industries, the need and request from Pacific Island countries, or the number of unemployed New Zealanders entering the horticulture and viticulture sectors. Data from MSD (outlined below) suggests that approximately 4,200 New Zealanders have entered the seasonal work between July 2019 and June 2020. While we understand this number is representing workers entering seasonal industries, it may include cancellations of benefits for New Zealanders entering other seasonal work common across the primary industries, including dairy and meat industries.</p> <p>Listed below are the four industries most highly reliant on RSE workers, with their estimates of RSE workers they would employ in a normal year:</p> <ul style="list-style-type: none"> <li>• Apples: 7,000 RSE workers peak at harvest in March;</li> <li>• Kiwifruit: 2,500 RSE workers peak at harvest in April;</li> <li>• Summerfruit: 800 RSE in summer (December – February) for harvesting, and 160 in winter for pruning; and</li> <li>• Wine: 2,780 RSE in winter for pruning, and 1,770 in late summer (March – April) for harvesting.</li> </ul>
<p><b>Supply of available New Zealanders:</b></p> <ul style="list-style-type: none"> <li>• Number of jobseekers with experience in relevant sector and region (and any other relevant information on jobseeker populations/underutilized workforces from MSD)</li> <li>• Number of returning New Zealanders with experience in the sector</li> <li>• Years of training and/or experience required for the role, and the training</li> </ul>	<p><b>MSD input:</b></p> <p>In the 2019 calendar year New Zealand workers make up around 46% of the Horticulture and Viticulture workforce. This includes New Zealanders from a range of backgrounds including permanent staff, students, MSD clients and domestic backpackers.</p> <p>Many Horticulture and Viticulture roles (particularly picking and packing roles) require minimal training, or are easily trainable in a short time period.</p> <p>With unemployment continuing to rise, we anticipate that there will be a significant increase in the number of New Zealanders available to work in horticulture and viticulture roles (when compared to previous years). For example MSD data indicates that at the end of September 2020 there are an additional 52,234 people on a Jobseeker Work Ready Benefit when compared to the same month last year.</p> <p>Benefit data highlights that the number of people on a Jobseeker Work Ready benefit in the key seasonal regions is as below:</p> <ul style="list-style-type: none"> <li>• Bay of Plenty: 13,439</li> <li>• East Coast: 7,781</li> </ul>

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<p>pathways available for New Zealanders</p>	<ul style="list-style-type: none"> <li>• Nelson: 4,295</li> <li>• Northland: 7,485</li> <li>• Southern: 8,530</li> </ul> <p>However, it is difficult to estimate the total increase of unemployed New Zealanders available for horticulture and viticulture roles as these numbers are not necessarily indicative of the total number of people willing and able to participate in seasonal work.</p> <p>For example, in the 2019/20 season (from 1 July 2019 to 30 June 2020) MSD recorded 4,271 benefit cancellations into seasonal work. However, these numbers are likely to be under-represented to actual number of clients exiting under seasonal employment reasons due to operational reporting factors. We expect the actual number of MSD clients entering into seasonal work to be much higher than this, and that there are many other New Zealanders not on a Benefit who take up this work each year.</p> <p><b>Main benefit seasonal work cancellations per region (from 1 July 2019 to 30 June 2020):</b></p> <table border="1"> <tr><td><b>Northland</b></td><td>170</td></tr> <tr><td><b>Auckland Metro</b></td><td>17</td></tr> <tr><td><b>Waikato</b></td><td>21</td></tr> <tr><td><b>Taranaki</b></td><td>70</td></tr> <tr><td><b>Bay of Plenty</b></td><td>1,725</td></tr> <tr><td><b>East Coast</b></td><td>1,128</td></tr> <tr><td><b>Central</b></td><td>72</td></tr> <tr><td><b>Wellington</b></td><td>10</td></tr> <tr><td><b>Nelson</b></td><td>228</td></tr> <tr><td><b>Canterbury</b></td><td>12</td></tr> <tr><td><b>Southern</b></td><td>807</td></tr> <tr><td><b>Other</b></td><td>11</td></tr> <tr><td><b>TOTAL</b></td><td><b>4,271</b></td></tr> </table> <p><i>Please note: these numbers are likely to be under-represented to actual number of clients exiting under seasonal employment reasons due to operational reporting factors, and are a count of cancellations (not people). These numbers may include cancellations to industries other than seasonal horticulture and viticulture sectors.</i></p> <p>A significant amount of work is underway by MSD to support the Horticulture and Viticulture industry address their labour supply needs in the upcoming season.</p> <p>At a regional level MSD provides the following support:</p> <ul style="list-style-type: none"> <li>• <b>Operational management of seasonal vacancies</b> – including job matching, work brokerage and recruitment services, seminars and targeted promotion (call and email campaigns to MSD clients), and wage subsidies and apprenticeship programmes for longer-term roles.</li> <li>• <b>Pre-employment training and pastoral care</b> aimed at preparing MSD clients for horticulture and viticulture work – this includes Skills for Industry contracts with a large number of industry employers to prepare MSD clients for seasonal work.</li> <li>• <b>Support with delivering industry led initiatives</b> – this includes supporting initiatives such as regional seasonal job expos and providing funding for a dedicated recruitment resource.</li> <li>• <b>Strategic engagement with industry</b> – participation with regional governance groups and working with industry to address longer-term barriers to labour supply such as accommodation and transport.</li> </ul> <p>At a national level MSD has a work programme to make changes to key seasonal work products to help remove any barriers to New Zealanders entering horticulture and viticulture roles, which includes:</p> <ul style="list-style-type: none"> <li>• <b>Enhancing the New Zealand Seasonal Work Scheme</b> – the scheme provides support to New Zealanders entering seasonal work by providing</li> </ul>	<b>Northland</b>	170	<b>Auckland Metro</b>	17	<b>Waikato</b>	21	<b>Taranaki</b>	70	<b>Bay of Plenty</b>	1,725	<b>East Coast</b>	1,128	<b>Central</b>	72	<b>Wellington</b>	10	<b>Nelson</b>	228	<b>Canterbury</b>	12	<b>Southern</b>	807	<b>Other</b>	11	<b>TOTAL</b>	<b>4,271</b>
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	<p>funding for transport, relocation and training. Additional changes are also being proposed to support with accommodation costs.</p> <ul style="list-style-type: none"> <li>• <b>Streamlining the Seasonal Work Assistance payment</b> – this payment provides financial assistance to MSD clients entering into seasonal work, when they are unable to work due to wet weather. Changes are being made to streamline operational processes and make the payment more accessible and usable.</li> </ul> <p><b>MBIE input:</b></p> <p>The Minister of Immigration kept the RSE cap at 14,400 for 20/21 (rather than raising as planned) due to the unknown effects of COVID-19 on New Zealanders. The scheme still focuses on individual employers demonstrating they have done everything to recruit onshore before allowing any migrant entry.</p> <p>MBIE has been working with the sector through cap decisions and with the RSE review to improve conditions for workers, and the attractiveness of roles to New Zealanders. Progress has been made, but there are still issues to work through, and performance and effort is mixed across employers. An ongoing sticking point is the attractiveness of jobs the sector acknowledges are “tough”, to first time pickers – this includes accommodation, certainty, transport, and remuneration. While higher rates are available through piece rates, the first season remuneration average was \$18 (close to the minimum wage) making it a less attractive option than retail, hospitality or other roles.</p> <p>MBIE considers any exception should be conditional on further evidence from the sector of changes beyond advertising, to attract onshore workers – including jobseekers. And that the cap on any exception should help maintain this pressure (while allowing some benefit for Pacific nations and helping core crops be harvested.)</p> <p>There is currently a surplus of workers onshore for horticulture and viticulture jobs while some employers have been reluctant to support worker movements. A combined sector plan on where limited workers are needed most will also be needed to support optimal distribution of available workers between regions (recognising the important of RSE worker choice).</p>
<p><b>SECTOR</b></p>	
<p>What commitments has the sector made to training, upskilling and placing New Zealanders into jobs, including improving terms and conditions of jobs?</p> <p><i>This could include providing competitive wages and conditions, or engaging with MSD and others on Active Labour Market policies</i></p>	<p>Sub-sectors of the horticulture and viticulture industries are consistently committing to improving workplace conditions and the following list are just some initiatives underway by industry. The following were taken from Horticulture Supply and Demand report published by the New Zealand Institute of Economic Research in 2018 as well as the RSE Industry Report that was completed in June 2020.</p> <p><b>Horticulture:</b></p> <ul style="list-style-type: none"> <li>• Job sharing and reduced hours have been encouraged in the ‘packhouse’ to attract and retain solo parents, known as the ‘solo parents’ programme. This is enabled by utilising the RSE workforce for the (less desirable) shift shifts, allowing packhouses to run 24/7 (and thus increasing profitability) and creating more roles during the day shifts for New Zealanders.</li> <li>• Establishment of the HUA programme – Wairoa Waikaremoana Māori Trust Board the training board for Ngāti Kahungunu an initiative to encourage young Māori into horticulture using the skills and knowledge to train Māori</li> <li>• MSD works in partnership with employers to support sustainable outcomes for seasonal workers by linking workers across employers, funding employers to achieve sustainable outcomes and into training</li> <li>• SEED Programme (Seasonal Employee / Employer Development) – fully funded six month programme with full training offered to MSD clients. Training includes both professional and personal skill development with some workers becoming permanent employees upon completion.</li> <li>• NZ Corrections and Probation Department involved in the Return to Work (RTW) scheme.</li> <li>• Many employers provide comprehensive pastoral care – administrative support for workers completing applications for housing, family support etc, numeracy and literacy courses to improve skills, motivational and career prospects, health monitoring, counselling.</li> </ul>

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- Online training programmes being developed and made available to the sector to be rolled out this winter, which will encourage more New Zealanders to consider the apple and pear industry and the career opportunities it provides.
- Hawke's Bay Initiative (HBI) which takes MSD clients from outside of Hawke's Bay and offers them full pastoral care including accommodation and employment within Hawke's Bay.
- Facilitation and provision of 'boot camps' for Work and Income clients in the areas of picking, thinning, pruning.
- Apples & Pears have invested in Career Progression Managers who have been employed in key regions to work with employers and MSD, Schools, ITO, Polytechs and Universities to get career seekers into permanent jobs that are supported by skills and development at all levels.
- Strong relationships with local education providers offering employment during holiday periods, facilitating field trips and open days to encourage locals into careers in horticulture. NZ Apples and Pears is a major sponsor of the Hawke's Bay science competition involving 700 school children.
- Many orchards have invested heavily in planting techniques that ensure trees are lower heights, are closer together and are easier to pick. Thus reducing the physicality of the job and making it more attractive as an employment option.

### Commercial Information

- Earlier this year the kiwifruit industry worked closely with MSD, resulting in the industry supporting 843 people on jobseeker benefits into jobs from 1 January to April 2020.
- Kiwifruit industry offer cadet schemes exist with a number of employers to get school leavers into paid employment.
- Many larger employers also offer on the job training through Primary ITO, Polytechs and / or independent training providers.
- NZ Kiwifruit Growers Incorporated (NZKGI) are pursuing opportunities for Recognised Prior Learning and Microcredentials to improve the attractiveness of training options.
- NZKGI has developed a framework to explain the pathways of employment in the industry including the pathway to full time employment, on the job study options and various career progression options.
- NZKGI works locally and through the Horticulture Capability Group to engage with secondary schools to explain the opportunities in kiwifruit and horticulture industries. NZKGI also work through Whenua Ora to attract young Maori to the kiwifruit industry.
- NZKGI provides multiple professional development opportunities for young people through the Bay of Plenty Young Fruit Grower Competition, and the future leaders group.

### Viticulture / Wine Growers

*(NB as 80% of NZ's wine is produced in Marlborough, the initiatives below refer to efforts predominantly undertaken by Wine Marlborough)*

- Wine Marlborough continue to offer one of the longest serving Scholarships to NMIT School of Viticulture participants after year One.
- The Wine industry provides funding for the NZ School of Wine Growing. Between Marlborough Boys and Girls Colleges, Wine Marlborough, NZ Winegrowers and Marlborough businesses, the school offers a one year certificate in viticulture and wine and a second year University entrance programme.
- The industry provides local high schools with opportunities to learn about the wine industry through the GateWay Programme and participates in careers events.
- The wine industry works closely with tertiary providers. Viticulture qualifications and apprenticeships can be provided through NMIT, EIT, Otago Polytechnic, Lincoln University, and Primary ITO. Companies will often reimburse fees upon completion.

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	<ul style="list-style-type: none"> <li>• The wine industry has also worked closely with Primary ITO to clearly identify career pathways through the industry. There are cadet schemes in place with several employers where employees can enter paid employment and receive on the job training and graduate programmes in larger programmes.</li> <li>• The wine industry also provides scholarships (Bragato, Wine Marlborough, Constellation) mentoring (Career Navigator, Women in Wine), and internships.</li> <li>• In Marlborough, the wine industry has partnered with Work and Income and has placed a labour coordinator in their offices to provide pathways into the industry.</li> <li>• The wine industry provides professional development opportunities for young people through the NZ Young Viticulturist and NZ Young Winemaker competitions.</li> </ul> <p><b>Ongoing efforts to combat perceived worker exploitation</b></p> <ul style="list-style-type: none"> <li>• The apple and pear sector is highly engaged on combating exploitation of workers. The industry use GLOBALG.A.P. as its international assurance standard in social practice conformity. New Zealand Apples and Pears Incorporated (NZAPI) has taken international committee positions on the GLOBALG.A.P. Risk Assessment Social Practice (GRASP) stakeholder committee and the overall GLOBALG.A.P. Board.</li> <li>• NZAPI has partnered with business survey company Ask Your Team to survey seasonal workers to gather information on conditions of work, accommodation and exploitation risks. The survey covers baseline employment conditions of NZ Laws and more targeted questions on conditions of work.</li> <li>• Added to these are questions from the United Nations Human Rights Commission on exploitation and modern slavery. These amount to over 20 questions and NZAPI has had them translated into four languages of Bislama, Lea faka-Tonga, Gagana Samoa, and Solomon Island Pijin. The survey is anonymous and is sent via email or smartphone. It can be made part of procurement from third party labour contractors and gives the brand owner oversight of condition in their supply chain but outside of their business.</li> <li>• Five employers based in Hawke's Bay used the tool to survey more than 2,500 RSE and other seasonal workers in two trials throughout 2019. Over 1,500 responses were received. All organisations that participated in the trial received positive responses, with overall scores of 75% or above. Results were consistent over both RSE and New Zealand seasonal workers, suggesting that employees were answering honestly. Due to the success of the pilot, NZAPI and Ask Your Team are encouraging all of the pipfruit industry to become involved. The next survey will run when RSE workers next return.</li> </ul> <p><b>Enhanced care / upskilling for RSE workers in New Zealand:</b></p> <ul style="list-style-type: none"> <li>• The Vakameasina (RSE Worker Training Programme) is an MFAT-funded initiative designed to enable RSE workers to maximise their time in New Zealand through skills enhancement. Workers can undertake courses in literacy, numeracy and budgeting, as well as practical skills such as carpentry, sewing, mechanics and driving.</li> <li>• 4 webinar series have been undertaken for RSE workers from Tonga, Samoa, Tuvalu and Fiji. The webinars provided Pacific Labour Sending Units (LSUs) an opportunity to hear from RSE employers, liaison officers and MBIE on policy/programme updates.</li> </ul>
<p>Has the sector developed a workforce plan?</p>	<p>The sector has not developed one coordinated workforce development plan; however all sectors continue to undertake initiatives as outlined to ensure New Zealanders are attracted to the horticulture industry.</p> <p>Marlborough Contractors commissioned Business and Economic Research Limited (BERL) to develop a 3 year 'Workforce Strategy Paper' to encourage more New Zealanders into the horticulture and viticulture sectors in Marlborough. This was published in April 2020.</p> <p>MPI will undertake a process to establish a workforce development plan in the coming weeks. This will involve industry continuing and bolstering their efforts to attract and retain more New Zealanders in the horticulture and viticulture sectors.</p> <p>MPI will have formal discussions with industry and set criteria for a minimum pay scheme for RSE workers. We would anticipate further conversations with industry on employment standards and conditions in the horticulture and viticulture sectors for all employees in due course. Understanding the critical need for RSE workers has</p>



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	<p>highlighted value of RSE workers. Enhanced working conditions are critical to ensure the sustainability of the sectors, and would ultimately encourage New Zealanders also.</p> <p><b>MSD Input</b></p> <p>Feedback from the five MSD regions is that some employers are improving their practice and taking steps to attract more New Zealanders into seasonal work. However, this is not widespread or consistent. There are a number of examples where employers are waiting for the borders to open rather than changing their practice. Some examples of collaboration are occurring between employers to share resources but again this is not widespread and therefore not standard practice.</p> <p>MSD considers there is more that industry needs to do to attract and retain New Zealanders into seasonal work, including a more widespread willingness to train New Zealanders over time. As demonstrated above, there is an increased pool of potential job seekers available for seasonal work. MSD is of the view that a border exception for RSE works needs to be conditional on employers taking on a proportion of New Zealanders for these roles.</p>
<p><b>ECONOMIC IMPACT</b></p>	
<p>What are the economic benefits of this request, including the impact on the sector's production or productivity?</p>	<p>Estimations for GDP revenue from the horticulture and viticulture / wine making industries are increasing year on year, and some regions are preparing for a bumper crop due to favourable conditions which would boost the export earnings to higher levels still. Without the number of required workers in this sector, export earnings have potential to be affected and productivity reduced.</p> <p><b>Economic benefits as they relate to NZ:</b></p> <p><b>Apples &amp; Pears:</b> Last year, export earnings from apples was \$870m The industry is projected to reach \$1b of exports by 2021 and to reach \$2 billion by 2030, creating an additional 2,159 permanent jobs (currently 3,997), and 11,052 seasonal jobs (currently 20,402). The New Zealand Apples and Pears industry has the highest productivity rate in the world, at 61MT/ha, 48% higher than our nearest competitor and 161% higher than the world average for apples and pears. Industry are highly reliant on RSE workers not only for the economic revenue generated but the high level of productivity that workers bring. At peak harvest, Apples &amp; Pears employ approximately 7,000 RSE workers which is over 50% of the cohort of RSE workers, the largest RSE employer in the horticulture and viticulture sectors. Without RSE workers, the industry would suffer productivity loss due to lack of an experienced and efficient seasonal workforce which would inevitably lead to reductions in economic projections.</p> <p><b>Kiwifruit:</b> Kiwifruit is exported to over 50 countries earning more than \$2.6bn in 2018/19; a 19% increase on the preceding year. Zespri global sales revenue is expected to grow from 3.1bn in 2018/19 to \$4.5bn by 2025. In 2018 the kiwifruit industry brought \$1.82bn to local economies. The total economic impact of the kiwifruit industry for New Zealand is estimated to generate a Revenue of \$4.5bn. 96% of product is exported. Kiwifruit industry relies on the RSE as they comprise 13.2% of the workforce. Without a strong RSE contingent, kiwifruit growers would suffer loss in revenue for the 2020/21 season.</p> <p><b>Wine:</b> \$2.4 billion industry, with \$1.9 billion in export earnings at February 2020, an increase of 8% on the preceding year. Wine is New Zealand's second largest horticultural crop, with 39,935 hectares in production; a 2% increase on 2019 and a predicted growth rate of about 1% for at least the next two years. The largest wine-growing region is Marlborough, with 27,808 ha - 70% of total producing area. The wine industry is the majority employer of RSE workers over winter (75% of RSE workers during non-peak months). However, the wine industry still relies on RSE workers over the summer months, with over 50% of the seasonal workforce being RSE workers. Without this contingent the industry would suffer productivity and thus economic loss for the 2020 / 21 harvest.</p> <p><b>Summerfruit:</b> New Zealand summerfruit is exported to approximately 40 countries, however, market access to many Asian markets is currently restricted to cherries. The New Zealand summerfruit industry is small in relation to the scale of worldwide</p>

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production. However, it is highly regarded for quality, with export sales values at the top of the market. Cherry planting alone has increased by 20% in the last four years to meet international market demand. The percentage of RSE workers of the total seasonal workforce in Central Otago in summer is 16-18%. The industry is usually heavily reliant on Working Holiday Visa holders.

The primary sector represents over 50% of total New Zealand exports earnings and exports of all categories represent about 25% of New Zealand's GDP. With the loss of revenue usually earned from the Tourism sector, horticulture and wine are now crucial to New Zealand's economic recovery, the horticultural industry itself represents about 2.5% of the total primary industry production. While labour markets have shifted and border closures have led to disruptions, the need for experienced RSE workers who are also providing valuable economic returns to their countries of origin is critical.

### **Benefits as they relate to the Pacific:**

The Recognised Seasonal Employer (RSE) scheme and other labour migration opportunities represent a tangible mitigation to negative economic impacts for Pacific Island countries.

#### International relations

2018/2019 (the most recent 'normal' RSE year) remittances from RSE workers to Pacific countries were estimated at between \$67-101 million (\$6000-9000 per worker). With the RSE cap at 14,400 pre-COVID, remittances were on an increasing trajectory. By comparison, New Zealand's Official Development Assistance expenditure for the Pacific for the same year was \$423 million.

The value of remittances, as opposed to other forms of development assistance, is that money flows directly to families and communities. The RSE scheme makes a direct contribution to the economic security of participating households and supports improvements in living standards. Money earned through seasonal work is now factored into the lives of many families. It is relied on to pay for everyday living costs, school (thus increasing the participation of young people in secondary and tertiary education), housing, and maintaining land and plantations. For example, in Vanuatu alone, the contribution of offshore seasonal work in 2019 was estimated at \$27 million, supporting around ten percent of all households. The income is also crucial in supporting recovery from natural disasters (including Cyclone Harold, which caused widespread destruction in Vanuatu, Fiji and Tonga in early 2020).

#### International relations

The [Asian Development Bank](#) (ADB) forecasts a severely negative picture, with economic activity (GDP) expected to fall by greater percentages than predicted earlier in the year (-6.1%). The ADB describes the economic contraction taking place in the Pacific as "crippling", and notes that fiscal balances will be strongly impacted by the substantial economic downturn.

#### International relations

Remittances, predominantly from New Zealand, Australia and the United States, equate to sizable proportions of GDP across the Pacific (for example, comparable to 40.7% of GDP in Tonga), and are increasingly important given the loss of other revenue sources. Remittance flows have to date held up in Pacific Polynesian countries. This is likely explained by wage stimulus packages in New Zealand and Australia enabling money to continue to flow back. The cessation of these measures is expected to reduce the ability of diaspora to continue to bolster families in the Pacific. In addition, seasonal workers stranded in New Zealand and Australia continued to work as "essential workers" throughout lockdown periods, protecting remittance potential.

## Annex 2 (A)

	International relations
How many other jobs will be supported by this workforce?	<p>The horticulture and viticulture sectors employ approximately 13,500 in post-harvest <i>processing</i> roles, the majority of whom are New Zealanders. Having the workforce in place to pick the fruit is essential for securing employment further down the processing chain.</p> <p><b>Participating in the RSE Scheme enables RSE employers to employ local labour.</b></p> <p>The majority of RSE employers stated that employing Pacific RSE workers positively impacted their ability to employ additional New Zealand workers (82%).</p> <p>Overall, 47% stated they were able to employ between one and four more permanent workers, while 51% stated they were able to employ between five and 50 plus more workers. In addition, 41% stated they were able to employ between one and ten seasonal more workers, while 52% stated they were able to employ between 11 and 50 plus more workers.<sup>3</sup></p>
Does the industry supply critical services that will fail without the workforce?	Supply chains would be affected if the horticulture and wine making industries do not have the key links in the workforce they require to ensure production and export can continue. Transport, processing, packing and logistical services would be disrupted should these industries reduce in productivity and output.
Is this a key growth sector that New Zealand wishes to develop, where the workforce is critical to this expansion?	<p>Supplying to both the domestic and international markets, the combined horticulture and viticulture sectors were worth \$8.8 billion in 2017, and at the time growth was expected to reach \$10 billion by 2020.</p> <p>Without the revenue and regional employment from steady and experienced RSE workforce supply, growth may reduce as planting may be hindered by lack of experienced workforce numbers. New Zealand's horticulture and wine exports, like all our primary sector exports, will be a key component of our economic recovery post-COVID.</p>
<b>PRIORITISATION AND RISK</b>	
What is the relative priority of this group compared to others in your sector/portfolio?	<p>Because of the importance of RSE workers to New Zealand's horticulture and viticulture industries, the contribution of these industries to NZ's GDP, and the role the RSE scheme plays in several Pacific economies, MPI rates an exception for RSE workers as a high priority.</p> <p>Conversations with MFAT/DPMC/MoH/MBIE on a 'Pacific bubble' may be useful to inform prioritisation approach as it relates to country need or interest or in fact logistical capability.</p> <p>If an exception is agreed for RSE workers, further implantation plans will need to be established in consultation between MPI and MBIE / INZ. MPI will need to discuss priority groups with industry based on timing and need, and ensure independent employers are incorporated in the prioritisation discussions.</p>
Are there any other risks associated with this request?	<p>The majority of the Pacific Island nations are currently COVID-19 free. The risks associated with bringing in citizens from these countries is lower than any previous or possibly future exception requests. Not only are the majority of Pacific Islands COVID-19 free, the lack of flight connections and isolated nature of the Pacific deem it a very safe option for a class exception to allow citizens from the Pacific to travel to New Zealand.</p> <p>While current MIQ arrangements would be mandatory for citizens from Pacific Islands, there are risks with the entry and management of a large number of people. The staggered approach would be recommended, however even under these</p>

<sup>3</sup> From the 2019 RSE Employer [survey](https://www.immigration.govt.nz/documents/statistics/rse-2019-survey-report.pdf): <https://www.immigration.govt.nz/documents/statistics/rse-2019-survey-report.pdf>

## Annex 2 (A)

	<p>circumstances, enhanced oversight and logistical project management would be paramount to ensure MIQ officials can safely risk manage.</p> <p>As flight connections would be improved should a class exception request be approved, this would allow for RSE workers who have been stuck in New Zealand, away from their communities, a better chance at being repatriated. Some workers arrived earlier this year and have had limited opportunity to return home. Pacific Island Liaison officers have recently stressed the need for mental wellbeing support for partners/families where workers are still stuck in NZ.</p> <p>While we understand there are improvements that could be made to the RSE scheme, we see this exception request and detailed analysis of the need for the RSE scheme as an opportunity to enhance oversight of the scheme. We would encourage the continuation and finalisation of the MBIE policy review and for recommendations for the policy review to be given Ministerial priority.</p> <p style="text-align: center;">International relations</p> <p><b>Timing</b></p> <p>If a decision on resumption of the RSE scheme is not taken by November 2020, there will not be sufficient time to recruit and organise logistics for the RSE workers required for the March 2021 season, with significant implications for the horticulture industry.</p>
<b>MANAGED ISOLATION QUARANTINE</b>	
<p>When does this group need to enter and is there any flexibility on timing of their entry? (Y / N)</p>	<p>The total number of these workers needs to be available to work in time the peak season (February to April 2021). Their arrival can be staggered between now and February.</p>
<p>Will the group enter in cohorts or as a single group?</p>	<p>Given the size of the group, and the fact that workers would be originating from a range of different countries, it would need to enter as multiple cohorts. The timing of entry will be dependent on multiple aspects including but not limited to:</p> <ul style="list-style-type: none"> <li>• Granting of 'Agreement to Recruit' – MBIE / INZ</li> <li>• Prioritisation of RSE workers from individual Pacific nations, including those that held RSE visas prior to the closure of New Zealand's borders – MFAT / MBIE / Industry</li> <li>• Coordination of flights - MFAT / Industry</li> </ul>

## Annex 2 (A)

	<ul style="list-style-type: none"> <li>• MIQ Entry and Management – MBIE / MIQ / MoH</li> <li>• Prioritisation of RSE workers to regions / industries – MPI to provide input and usual INZ / MBIE processes</li> </ul>
Are charter flights a viable option for this group, and if so, what arrangements could be made?	Direct charter flights are likely to be arranged by industry for some cohorts, particularly if there are limited or no commercial scheduled options.
<b>IMPLEMENTATION</b>	
Describe how the individuals within this proposed class exception, if approved, will be identified/selected for entry into New Zealand	<p>Ensuring the benefits of resuming RSE are distributed across participating Pacific island countries is important given the potential economic flows, and our relationship/foreign policy interests. Any process for identifying countries/individuals would need to be made in consultation with PIC governments led by MFAT.</p> <p>MPI, MBIE, MSD and industry would need to consult to ensure the benefits of resuming the RSE scheme are delivered equitably and New Zealand regions facing higher unemployment were taken into consideration.</p> <p>New Zealand (agencies, industry) and participating Pacific countries would also need to agree to set of conditions to facilitate arrangements, including costs, MIQ, and COVID protection/mitigation measures.</p>
<b>CONSULTATION</b>	
Who are the key contacts for the development of this proposal?	<p>Primary Agency: Ministry for Primary Industries (Acting Director, Food Skills &amp; Science Policy, Fiona Duncan)</p> <p>MPI: Senior Policy Analyst, Alice Bourke</p> <p>MBIE: Team Leader, Immigration Policy, Andrew Craig</p> <p>MBIE: Senior Policy Adviser, Nataly Noguera-Blue</p> <p>MFAT: Divisional Manager, COVID Policy Coordination Division, David Taylor</p> <p>MFAT: Senior Adviser, Pacific Labour Mobility, Stacey Kwant</p> <p>MSD: Policy Manager, Megan Beecroft, Ministry for Social Development</p> <p>MSD: Senior Policy Analyst, Samuel Willis, Ministry for Social Development</p>

## Annex 2 (A)

### Appendix 1:

	Jan-2020	Feb-2020	Mar-2020		Sep- 2020	Estimated Gap Sept 2020 To Mar 2021
Auckland	137	166	177		322	-145
Bay of Plenty	209	347	2,272		1,609	663
Canterbury	65	104	99		37	62
Central	69	82	88		174	-86
Gisborne	19	23	39		116	-77
Hawkes Bay	3,273	4,380	4,301		1,151	3,150
Marlborough	794	922	636		1,963	-1,327
Nelson	1,071	1,641	1,800		1,118	682
Northland	114	158	139		174	-35
Otago	507	849	843		171	672
Waikato	102	83	107		68	39
<b>Grand Total</b>	<b>6,360</b>	<b>8,754</b>	<b>10,500</b>		<b>6,903</b>	<b>3,597</b>

*\*The January, February & March 2020 regional figures have been estimated based on 2019 proportions.*

*The table includes all RSE workers of which approximately 850 are from non-pacific countries.*

*The estimated gap between Sept 2020 and March 2021 assumes the March 2020 numbers will prevail for March 2021 given the RSE cap has been held at 14,400.*

#### Notes:

- 1) Due to COVID-19 there are currently more RSE workers in the country than would normally be here in September (in September 2019 there were 2,784).
- 2) The Marlborough figure in March of 636 rises to 2,300 in June, due to increased harvesting in April/May and peak winter pruning period from April to August. However, March/April are the peak RSE requirement months for the entire Horticulture industry as there are offsetting reductions in other parts of the country as pipfruit and summerfruit requirements reduce.
- 3) Of the 6,903 RSE workers currently in the country, it is estimated that around 1,500 of them are wanting to repatriate home. This would make the peak gap rise from 3,600 to around 5,000 RSE workers required.
- 4) For some regions, the current negative gap figure (surplus) is most likely being used to plug gaps that would normally have been filled by working holiday visa holders.

## Annex 2 (A)

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### Appendix 2:

ANZSIC Codes: The following ANZSIC codes were used to identify WHS and Other visa categories working in horticulture and viticulture industries.

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Table 74

#### Horticulture

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##### ANZSIC 2006 Primary Industries

A011100	Nursery Production (Under Cover)
A011200	Nursery Production (Outdoors)
A011300	Turf Growing
A011400	Floriculture Production (Under Cover)
A011500	Floriculture Production (Outdoors)
A012100	Mushroom Growing
A012200	Vegetable Growing (Under Cover)
A012300	Vegetable Growing (Outdoors)
A013100	Grape Growing
A013200	Kiwifruit Growing
A013300	Berry Fruit Growing
A013400	Apple and Pear Growing
A013500	Stone Fruit Growing
A013600	Citrus Fruit Growing
A013700	Olive Growing
A013900	Other Fruit and Tree Nut Growing

##### ANZSIC 2006 Primary Processing Industries

C114000	Fruit and Vegetable Processing
C119100	Potato Crisps and Corn Chips Manufacturing
C121100	Soft Drink, Cordial and Syrup Manufacturing
C121400	Wine and Other Alcoholic Beverage Manufacturing

##### ANZSIC 2006 Other potential value chain industries

F360500	Fruit and Vegetable Wholesaling
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# Annex Two (B)

## CRITICAL WORKFORCE BORDER EXCEPTION REQUEST

<b>Proposal name:</b>			
Lead agency:		MPI	
Describe this workforce group		<b>Shearing contractors</b>	
Number of individuals sought (including family if relevant):	40-60 to prevent critical animal and human welfare issues.	Timing of arrival:	Early November
Have the individuals that fall under this proposed class exception been identified? (Y/N)	No	Urgency of decision needed:	High
Describe the details of the roles, including skill level (ANZSCO where available), salary, region, and industry	<ul style="list-style-type: none"> <li>• Sheep shearing</li> <li>• Level 5, ANZCO code 361211</li> <li>• Pay is piece-rate, between \$2.23 (cross-breed)-\$3.00 (merino) per ewe (which equates to \$600-750 per day for a good shearer).</li> <li>• Nationwide, but majority located in Waikato, Gisborne, Hawke's Bay, Manawatū-Whanganui, Wellington, Canterbury, Otago and Southland.</li> <li>• Food and Fibre Sector/Primary Industries</li> </ul>		
Are there Treaty and/or international obligations which may be a factor in deciding the entry of this group?	<p>Yes</p> <p>The OIE's animal health and veterinary public health standards are the internationally recognised standards for animal welfare (however they are not formally recognised in the WTO SPS Agreement).</p>		
Why can't this group enter under current border exceptions?	<p>Shearers do not qualify as short-term critical workers because their work is seasonal and, while, highly skilled, it is not uniquely specialised. Shearing also does not meet the minimum per-hour rate (of \$25.50) due to the piece-rate remuneration structure.</p>		
<b>CRITICAL WORKFORCE GAP</b>			
<p>How does this request fill a critical workforce gap that cannot be filled domestically? This can include details on:</p> <p><i>Demand for workers:</i></p> <ul style="list-style-type: none"> <li>• proportion of workforce typically comprised of migrant workers, including their main visa type</li> <li>• Deficit of migrant workers due to border closure (assuming demand increased/unchanged) – including number of workers onshore now compared to previous years, and what flexibility is available for other onshore migrant workers to move into these roles</li> <li>• Is the role reliant on a global talent pool where there is typical season demand for the role? If so, at what times in the year is there peak demand?</li> </ul>	<p><i>Demand for workers</i></p> <ul style="list-style-type: none"> <li>• There are around 360 shearing service businesses employing approximately 5000 employees. The location of businesses closely mirrors that of sheep and beef farms, (i.e. Waikato, Gisborne, Hawke's Bay, Manawatū-Whanganui, Wellington, Canterbury, Otago and Southland). This workforce is largely made up of skilled New Zealanders throughout the year and supplemented with migrant workers during the main shear period which runs from November through to April (with regional variation).</li> <li>• These businesses support not just shearers but a range of jobs, such as dagging and crutching gangs, cooks, drivers, and shed hands. While shearers themselves make up only 30-40% of the workforce, all other roles are wholly dependent on shearers doing their work.</li> <li>• Most farmers shear twice a season. The main shearing season begins in the North Island in November, running through to February. In the South Island, main shear begins in January, running through to April. This is followed by pre-lamb shear, which runs from May through July in the North Islands and July through September in the South Island. This border exemption seeks permission to bring in shearers for the main shearing season only. MPI considers that the domestic workforce should be sufficient for the rest of the year.</li> </ul>		



## Annex Two (B)

<p><i>or engaging with MSD and others on Active Labour Market policies</i></p>	<ul style="list-style-type: none"> <li>• Since 2016, there has been no formal shearing training available in New Zealand. The NZSCA has recognised that this is a significant barrier to the industry and have a long-term plan to develop a training course. They have obtained \$1.8 million from the Provincial Growth Fund to pilot a training programme (the Kaiaka Wool Industry Training Programme) and have been in talks with a range of training providers to deliver this activity. In the meantime, the NZSCA has:             <ul style="list-style-type: none"> <li>○ Partnered with UCOL and EIT to deliver a two-week basic shearing and wool handling course to be run through the Taratahi Agricultural Training Centre. The course covers basic woolshed maintenance, first aid, handpiece maintenance, dagging, crutching and basic shearing, and will go live within the next month.</li> <li>○ Partnered with SIT’s Telford campus to equip a mobile wool-handling trailer that will allow SIT to deliver on-farm wool-handlings basics throughout the Southland and Otago region.</li> </ul> </li> <li>• Federated Farmers, through their partnership with MSD, are developing a ‘gear kit’ (normally valued at about \$1400) that will give new shearers basic equipment, ready for their first job.</li> </ul>
<p>Has the sector developed a workforce plan?</p>	<ul style="list-style-type: none"> <li>• Wool Industry Project Action Group report (wool report) was a product formed from the 2018 Wool Summit with the purpose of creating a catalyst for change in the New Zealand wool sector with a particular focus on strong wool. One of the recommendations from the report is to “establish the capability necessary to get the sector match fit and ready for the opportunities ahead. The report explicitly identifies skills training and capability development as a key component of this.</li> <li>• The Strong Wool Working Group (SWAG) is a collaboration of representatives across the industry who have formed to implement the recommendations of the wool report.</li> <li>• A need has been identified to increase the value of strong wool, which will contribute to efforts to build a more attractive industry. For shearing, this effort includes the increase in pay rates for shearers detailed in the section above.</li> </ul>
<p><b>ECONOMIC IMPACT</b></p>	
<p>What are the economic benefits of this request, including the impact on the sector’s production or productivity?</p>	<p><i>Impacts on farm income, supply and value chains, and export returns</i></p> <ul style="list-style-type: none"> <li>• Workers are required in the sector to shear the national flock as we enter peak shearing season prior to the hot summer months. Peak shearing takes place from November to February in the North Island and from January through to April in the South Island. The wool industry contributed \$548m to GDP in 2018. The total value for clean and greasy wool exports for the year ended June 2020 was \$432 million. If wool is not shorn at the right time, the sheep meat industry’s value decreases.</li> <li>• Historically low prices for strong wool mean that most farmers are losing money on shearing – however, shearing must happen for animal welfare reasons. While strong wool prices are low, the price nonetheless goes some way towards offsetting shearing costs.</li> <li>• Until very recently, the price for merino wool has been performing well. For the year ended June 2020 the average price for NZ wool export less than 24.5 microns (includes merino wool) was \$13.95/kg, compared to \$3.48/kg for more than 31.4 microns (includes strong wool).</li> </ul>

## Annex Two (B)

<p>Are there any other risks associated with this request?</p>	<p>Shearing is highly seasonal, and shearing contractors tend to start in the north of the country and move south as the season progresses. This means that shearers can change employers multiple times, creating a risk of breaching visa conditions. To manage the risks associated with this, the NZSCA proposes that migrant shearers are contracted to one employer who is responsible for their overall welfare and ensuring employment conditions are met. The employer will be allowed to sub-contract the employee to another NZSCA member employer, provided that employer has, likewise, signed the NZSCA approved contract and abides by the minimum standards set out in that agreement. This will reduce the number of shearers required for entry into New Zealand.</p>
<p><b>MANAGED ISOLATION QUARANTINE</b></p>	
<p>When does this group need to enter and is there any flexibility on timing of their entry? (Y / N)</p>	<p>Before the end of November for the North Island employers, and January for the South Island employers. The longer the timeframe, the greater the animal welfare risks.</p>
<p>Will the group enter in cohorts or as a single group?</p>	<p>In cohorts, although this will depend where workers are coming from.</p>
<p>Are charter flights a viable option for this group, and if so, what arrangements could be made?</p>	<p>No, because the numbers involved are reasonably small.</p>
<p><b>IMPLEMENTATION</b></p>	
<p>Describe how the individuals within this proposed class exception, if approved, will be identified/selected for entry into New Zealand</p>	<p>MPI would work with NZSCA and their employer base to identify individuals through normal international recruitment channels. Because this workforce is highly mobile, most NZSCA members have standing arrangements with foreign workers and will look to bring in people who are tried and tested in the New Zealand environment.</p>
<p><b>CONSULTATION</b></p>	
<p>Who are the key contacts for the development of this proposal?</p>	<p><u>From Industry:</u>  <small>Privacy of natural persons</small> Chair, NZSCA  <small>Privacy of natural persons</small> Board Member, NZSCA  <small>Privacy of natural persons</small> Board Member, Federated Farmers  <small>Privacy of natural persons</small> Skills Lead, Federated Farmers  <small>Privacy of natural persons</small> Senior Policy Adviser, Federated Farmers</p> <p><u>From MPI:</u>          Fiona Duncan, Acting Director, Food, Skills and Science Policy, MPI          Holly Foran, Manager Animal Sector, Agriculture, Marine and Plant Policy          Melanie Phillips, Principal Adviser, Skills and Regulatory Stewardship, MPI</p>

## Appendix Three: Longlist of exception requests (9-Nov-20)

Significant Group	Agency with responsibility for the sector or group	Numbers (agency estimate)	Timing	Eligible Under Current Border Exceptions	Need or could use bespoke MIQ?	Key update	Comments/next steps
Shearers	MPI	35	October onwards	No	No	Needed to prevent animal welfare issues	Consider at Third meeting
Masters and Undergraduate International Students	Min Edu	1000	Oct-20	No	Maybe	Request for 250 PhD students has been approved. Ministers have requested a deferral for the 1,000 undergraduate and masters students.	Consider at 4th meeting
Recognised Seasonal Employer Scheme	MBIE	Up to Ministers (max 8,000)	November 2020 - February 2021	No	Maybe	International relations Immigration Policy changes have already extended visas for the approximately 6000 RSE workers already onshore. The first Horticulture/viticulture peak is Sept-to November. Labour demand will peak in March 2021 at approx. 11,000.	Consider at Third meeting
Kāinga Ora - Housing and Urban Development Programme	HUD	25	5 urgently and then 20 throughout the year	Likely	No	5 employees are needed urgently. Kāinga Ora recognises that they will need to hire an additional 20 overseas staff throughout the year to support the rapid growth of their teams.	Consider at 4th meeting
Christchurch Multi-Use Arena (CMUA)	Infracom	TBC	Urgently	Likely	No	Commercial Information	Consider at 4th meeting
TNZ/NZ Inc. media programme	MBIE	approx. 200	Initially urgent for November/early December crews, non-urgent after that	Maybe	No	Seek as addition to government-approved programmes list - benefits for Brand New Zealand.	Consider at 4th meeting
Crew on Cargo Vessels based in the Pacific	MFAT	<100	In the next 6 months.	Yes (partially)	No	Crew replacements on cargo ships supplying the Pacific are currently eligible for a border exception but only to enter MIQ for short periods (1-3 days as needed to align air travel and ship departure). Allowing the Pacific-based crew to undertake 14-days managed isolation in NZ protects the Pacific from COVID-19 while preserving the flow of critical supplies. MIQ costs would have to be met by shipping companies. Border exception criteria will need to be agreed by Ministers to enable consideration of requests needing 14-days MIQ (Commercial Information cargo ships).	Consider at 4th meeting
Placeholder: Fletcher Building	Infracom	600 workers + 600 family members	TBC	Likely	TBC	TBC	Still developing proposal
Nokia 5G - Tech Support	TBC	TBC	TBC	No	No	TBC	Still developing proposal
Cricket - Australia and Bangladesh men's international fixtures & White Ferns international fixtures	SportNZ	250 - Based off previous cricket tours that have been approved	February 2021 - March 2021	Likely	Yes	The men's international fixtures have been confirmed with the first game against Australia to take place on the 22nd of February 2021. The Bangladesh team is due to arrive on the 13th of March 2021. NZ Cricket are still in the process of finalising the exact dates for the women's international fixtures (Feb - Mar 2021).	Still developing proposal
Dairy Farm Managers	MPI	35	From now	Yes	No	Some may be eligible under the new 'normally resident' exception category recently agreed by Cabinet. Up to 70 is the total number requested, including dependants.	
Transport Infrastructure	MOT	TBC, low	From now	Likely	No	While many projects are on the list of 'approved major infrastructure projects', some linked projects are not included, in particular projects linked to the City Rail Link and Transmission Gully.	Requires addition to lists
Pork and Poultry Manager Roles	MPI	50	On-going	Maybe	No	Needed to prevent animal welfare issues	
Critical Health Workers	MoH	2000	August to December	Yes	No	'Critical health workers' are a separate border exception category, and 1,453 (includes dependents/partners) have been approved under this category as at end-July 2020. Ministry of Health estimate that 300 additional doctors will enter between Nov 2020 – Feb 2021, as well as large numbers of nurses, midwives and specialist medical workforce. Under current criteria, employment must start before end-December 2020.	Continue to apply under the INZ critical workers process. Propose to re-look at criteria in medium-term to ensure still fit-for-purpose (including the critical health worker list).
Teachers	MoE	TBC	Jan-21	No	No	The Ministry of Education is currently confirming details of numbers of teachers required	
Wine Makers	MPI	20	Feb-21	Unlikely	No	Highly skilled winemakers needed to ensure quality of vintage.	

Significant Group	Agency with responsibility for the sector or group	Numbers (agency estimate)	Timing	Eligible Under Current Border Exceptions	Need or could use bespoke MIQ?	Key update	Comments/next steps
ODA Scholarship students	MFAT	600	mid-2021	No	No	New Zealand ODA Scholarship students - small cohorts arriving later in the year.	If progressed, propose adding other classes of applicants to the "government approved programmes" list so that INZ can approve exceptions.
Creative and cultural event workers	Ministry for Culture and Heritage/MBIE Major Events	TBC	TBC	Maybe	No	Applications were received for the Auckland Philharmonia Orchestra, the New Zealand Symphony Orchestra and the Royal New Zealand Ballet and some have been declined. It is expected that these groups and other creative and cultural events (such as international performing artists) will seek exceptions for workers and performers for future events.	
Energy Sector Workers	MBIE	25	TBC	Likely	No	Commercial Information	
Construction – project managers and engineers	MBIE / MOT	40	TBC	Some	No	INZ is receiving requests (approx 40 to date) for individual project managers and engineers for the construction industry – very few have met the current critical worker criteria for longer term (greater than 6 month) assignments.	
Superyachts	MOT/Maritime NZ	TBC	TBC	TBC	TBC	Rotation of staff. In addition there is a request for owners and passengers to be able to join the America's Cup 'flotilla' to enter NZ to view the race (as tourists), suggesting that MIQ be undertaken on their boats or at bespoke luxury lodges.	Commercial Information

# MANAGED ISOLATION AND QUARANTINE

IN CONFIDENCE  
**Managed Isolation and Quarantine Supply and Demand Dashboard**  
 Up to and including Friday 06 November 2020 unless otherwise noted

Produced by MIQ Intelligence, Data and Insights



MINISTRY OF BUSINESS  
 INNOVATION & EMPLOYMENT  
 HĪKINA WHAKATUTUKI

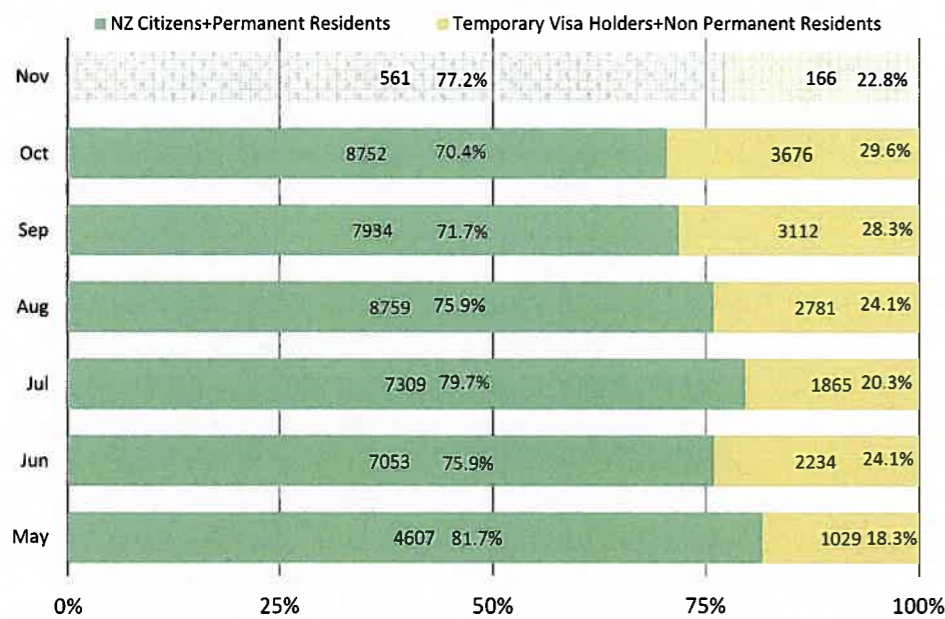
## Managed Isolation Allocation System (MIAS) Vouchers Confirmed

From 1 October 2020 to 15 January 2021



### Arrivals into New Zealand per Month by Type

From 1 May 2020 to 2 November 2020



### Class Exceptions, Large Groups and Major Events

Groups	Approved	Approx. Flow and Method	Estimated dates of arrival
Deep Sea Fishing crew	570	Charter flight – 227 pax	Delayed, dates TBC (likely December)
PhD students and family	375	Approx. 20-25 pax per week	Ongoing
West Indies and New Zealand Cricket (IPL players)	19	Commercial flight	Likely late October 2020 – February 2021
Livestock veterinarians	30	Commercial flights – small groups	Thursday 12 November 2020
Rural Contractors	210	Commercial flights – small groups	Wednesday 4 November 2020 – Saturday 7 November 2020
Aircrew (short-stay)	32	One night – Departing Monday 23 November 2020	Likely throughout November
Pakistan Cricket Team	55	Commercial flight	Sunday 22 November 2020
US Antarctic Programme	100 approx.	TBC – Arrival into Christchurch	Friday, 27 November 2020
Essential transit to/from the Pacific	100	Approx. 3-4 pax per week	Monday 30 November 2020
			Likely from January - June 2021

### CURRENT CAPACITY

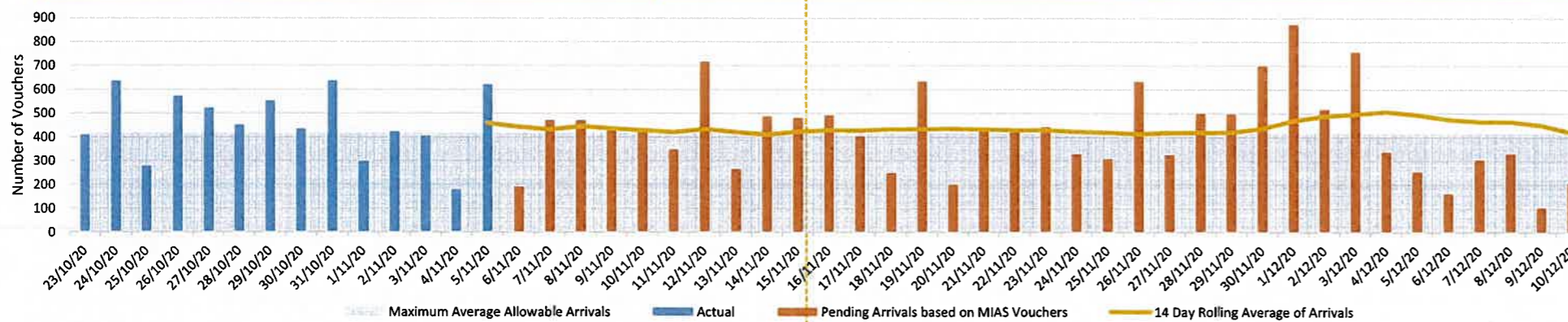


### MI Occupancy by Regional Isolation and Quarantine (RIQ)

As at 2359 05 November 2020



### Pending Arrivals Based on MIAS Vouchers Issued



### THE MANAGED ISOLATION ALLOCATION SYSTEM (MIAS)



# MANAGED ISOLATION AND QUARANTINE

IN CONFIDENCE  
Managed Isolation and Quarantine Supply and Demand Dashboard  
Up to and including Friday 06 November 2020 unless otherwise noted



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI

Produced by MIQ Intelligence, Data and Insights

## Data Sources

Data	Source
Managed Isolation Occupancy	Managed Isolation and Quarantine
Arrivals into New Zealand per Month by Type	Immigration New Zealand
MIAS Bookings per Day and Maximum Average Allowable Arrivals	Managed Isolation and Quarantine
Class Exceptions, Large Groups and Major Events	Managed Isolation and Quarantine
MI Capacity by Regional Isolation and Quarantine (RIQ)	Managed Isolation and Quarantine

## Data Caveats (TBC)

### Managed Isolation Allocation System (MIAS) Vouchers Confirmed

*Reported MIQ occupancy* relates to the total number of people in managed isolation facilities against managed isolation operational capacity.

Managed Quarantine and deportee facilities, staff rooms and rooms in cleaning are not included in operational capacity.

The *Eight Week Rolling Average* is calculated from the previous eight weeks occupancy data points. It does not take into account future events or policy changes.

The number of *MIAS Vouchers Confirmed* may increase closer to arrival time as travel plans are finalised.

### Pending Arrivals Based on MIAS Vouchers Issued

*Maximum Average Allowable Arrivals* is 417 per day. This figure is calculated as one 15th of operational capacity to allow for 14 days of isolation and one day of cleaning.

*14 Day Rolling Average of Arrivals* is calculated from the previous 14 days of arrivals. If this line is above *Maximum Average Allowable Arrivals* for a sustained period of time operational capacity may be exceeded.

### MI Occupancy by Regional Isolation and Quarantine (RIQ)

If operational capacity exceeds 100 percent then contingency rooms are used. If contingency rooms are used this will be shown as a percentage over 100 percent.

### Current Capacity and The Managed Isolation Allocation System

Data dated 28 October 2020.

