Building a More Sustainable Kiwifruit Workforce

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The Government has announced a significant package of proposed reforms to New Zealand’s Recognised Seasonal Employer (RSE) Scheme, aimed at simplifying the scheme while strengthening protections for workers. The changes are intended to provide greater clarity for employers and workers, and to support the long-term success of New Zealand’s horticulture, viticulture and agriculture sectors, including the kiwifruit industry. The changes are expected to be introduced in stages, with implementation beginning from early 2027.

Commercial implications for kiwifruit growers

While much of the discussion surrounding the reforms has focused on worker protections, there are also important commercial implications for kiwifruit growers and post-harvest operators.

The RSE scheme plays a critical role in supporting New Zealand's kiwifruit industry. Access to a reliable seasonal workforce underpins labour-intensive activities such as pruning, thinning, harvest operations and post-harvest processing. Where labour is not available at the right time, the consequences can be immediate and material. Fruit quality, harvest timing, packhouse throughput and profitability can all be affected.

One of the most significant proposed changes for employers is the extension of accreditation periods. Employers with a strong compliance history may become eligible for longer accreditation periods, while new employers or those with compliance concerns will remain subject to shorter periods. For established growers and post-harvest operators, that distinction is important. Good compliance systems may translate into lower administrative burden, greater workforce planning certainty and a more stable platform for investment.

The reforms therefore reinforce a practical commercial message. Compliance is not just a regulatory obligation. For RES employers, strong employment practices, reliable record keeping and effective pastoral care may become part of the business case for greater operational certainty.

The proposed simplification of the Agreement to Recruit process will also be welcomed by employers. Reducing administrative requirements and streamlining approvals should assist businesses to secure labour more efficiently during critical seasonal periods. In an industry where timing is critical, a more streamlined recruitment process may help reduce delays, protect production schedules, and improve operational efficiency.

More broadly, the reforms recognise that workforce availability is fundamental to the success of New Zealand's horticulture sector. For growers, the changes are not simply about compliance. Greater certainty in relation to labour access will support investment decisions and future business growth.

Employment law implications

The reforms also signal greater transparency around the recovery of costs from RSE workers.

The Employment Court's 2025 decision *in Soapi v Pick Hawke's Bay Inc[1]* created uncertainty for some RSE employers regarding the circumstances in which costs can be recovered from workers and how those arrangements interact with minimum employment standards.

Much of that uncertainty has centred on deductions and cost recovery arrangements relating to accommodation, airfares, transport, and meals. The decision is currently under appeal, with a Court of Appeal judgment expected later this year.

Against that backdrop, many RSE employers are likely to welcome the Government's proposal to introduce a clear list of costs that may be recovered from workers, together with a standard cost recovery agreement that workers can review and agree to before travelling to New Zealand.

While the exact detail of the reforms remains to be seen, they should provide greater certainty around how cost recovery arrangements operate in practice and how they interact with obligations under the Minimum Wage Act 1983 and the Wages Protection Act 1983. Employers should continue to exercise caution when making deductions from wages and ensure any deductions are properly authorised and compliant with existing legal requirements until the new framework is implemented.

In practical terms, employers should not treat the proposed reforms as permission to change deduction practices immediately. Until the new framework is in force, employers should continue to ensure that any deduction or cost recovery arrangement is expressly authorised, transparent, reasonable, and capable of being justified against existing minimum employment standards.

Other proposed changes include:

- Improved complaints and supports processes, so workers can more easily raise concerns and access assistance.
- Greater flexibility in the tasks RSE workers may undertake, including incidental

duties that support their primary role.

- Enhanced pastoral care expectations, including continued focus on accommodation standards, wellbeing and maintaining connections with family and community.
- Greater worker mobility within the RSE scheme, including easier movement between accredited employers in appropriate circumstances.

Although the detailed rules are still to follow, the direction of travel is clear. RSE employers should expect a scheme that is more flexible in some respects, but also more transparent and compliance-focussed. For kiwifruit growers and post-harvest operators, the proposed changes are a timely reminder to review workforce planning, accommodation arrangements, deduction practices, employment documentation and pastoral care systems before the new framework takes effect.

If you would like to discuss how the proposed reforms may affect your business, please contact a member of CLM’s Employment or Corporate & Commercial team.

[1] *Soapi v Pick Hawke’s Bay Inc* [2025] NZEmpC 208.