



Auckland feijoa grower. Paul Goldsmith, used to work in marketing management for The Warehouse and so is happy to admit that he likes to get a bargain as much as the next person.

But when it comes to the wages he pays his workforce, he's recently had a mindset change and now regards keeping them to the minimum possible as a false economy.

"These people have lives to live," he said.

"Wages are not just an expense line to minimise all the time."

He now pays the living wage of \$20.55 an hour which, with eight percent holiday pay added, brings the total up to \$22.20 compared with the recently increased minimum wage of \$17.70.

Paul grew up in the Oratia area, west of Auckland, where his stepfather Rusty Gash had been growing a range of pipfruit and summerfruit crops, as well as feijoas since the 1950s. Together with his son, Graeme, Rusty supplied the local and export markets, but as he moved towards retirement most of the fruiting trees on the four hectare property in Parker Road were removed.

Paul and his wife, Katherine, bought the land early this century and started planting feijoas in 2005 on two hectares. There were a number of reasons for their choice of crop, Paul said, with the most important being market conditions.

"While the market was mature in New Zealand it was in its infancy overseas."

The crop was already a good fit with the area; their neighbours were successfully cropping 500 feijoa trees.

"We knew they would grow well and the climate was right."

The Waitakere Ranges provide a high rainfall and a nearby bush block attracts an abundance of birdlife for pollination.

There's no risk of frost damage; there can be an odd one in the middle of winter. "But that's long after harvest has finished," he said.

"And we weren't competing with a lot of other growers on a worldwide stage."

After three years they were harvesting "a handful of crates" of fruit which has now grown to over 20 tonnes. Some early plantings of Unique, a self-pollinating variety, remain while other trees have been taken out to be replaced by new varieties such as Kakariki and Anatoki which produce larger fruit earlier in the season. A 260-gram feijoa harvested a few years ago has this season been bettered by a 290g monster. But California, which buys 60 percent of exports, prefers a smaller size. Fresh Produce, which handles Paul's export fruit, sent some to Australia some years ago but now all his fruit goes to the United States. Local fruit sales are handled by MG Marketing.

Paul, who was still in the corporate world, soon found that his "big hobby" was getting too large. He'd completed a commerce degree and worked in London before returning to New Zealand to spend 10 years at The Warehouse before working for World Vision.

"Four years ago we decided the hobby was too big and Katherine wanted to get back into her career."

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After raising their three children, now 15, 13 and 11, they decided it would be a good time to make the transition. Katherine is now acting principal at a local school and Paul is more hands-on with their children, with orchard work taking up about half his time. He also works part-time as an environmental consultant.

Crunch times are mid-March through to early May when picking occurs then immediately following that there's pruning which can last until September.

Paul got in contact with a fellow feijoa grower in Hobsonville, to the northwest of Auckland, who had employed a number of Tuvaluans. The grower was ready to leave growing with the land being used to fuel urban expansion, so was happy to recommend three of their workers, who Paul was quick to employ.

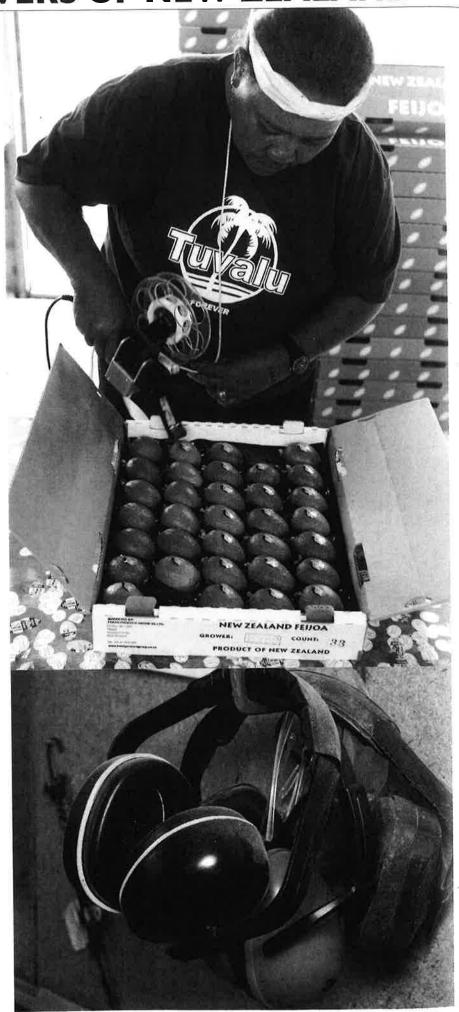
"They're great workers and beautiful people," he said.

"They're hard working, reliable and flexible, which is very important as we don't always know when the crop will come on."

Heavy rain can interrupt harvest, but they will continue picking if it's not too heavy.

Paul initially approached Lafonga Sadler about working on his orchard. She's been in New Zealand since 1995 and works as a cleaner four days a week while her husband is a bus driver. Her work for Paul during the harvest season enables payment of bills for them and their four children.

She, in turn, put Paul in touch with Seilona Liseta who came to New Zealand in 2003 and had also picked feijoas at the Hobsonville orchard. She now works grading and packing fruit for Paul while Lolo Iapo tackles



picking, usually on her own, but at the peak of the harvest with another helper. She can average between 20 to 30 crates on a good day. Before coming to Paul she works picking strawberries in Tauranga then grapes at Kumeu. Once the feijoa harvest is over she tackles pruning his trees for the following four months.

Neighbour, Dale Campbell, makes up the fourth member of the team, taking turns at grading and packing fruit for export. Air guns remove pests from the fruit and then they're sized to fit into trays. From time to time Katherine, their children and sister Margaret help out as well, not to mention other neighbours.

"So it's a real family and community affair," Paul said.

"Our focus is on producing a premium quality product that is free of any insects to satisfy the demands of the American market and their biosecurity requirements. If they find one insect, they will destroy the whole consignment, so it definitely comes with its risks."

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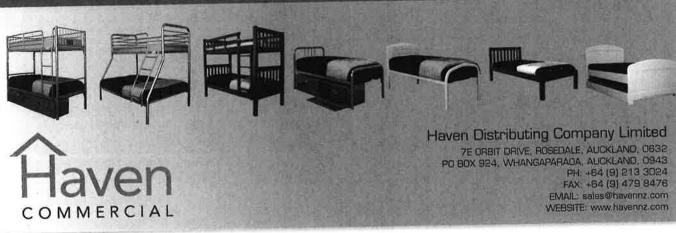
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With this in mind Paul always carries out a final check so each piece of fruit is inspected three times overall.

He said that paying the living wage to his workers required some planning, so he began four years ago, when the minimum wage was \$15.75 an hour.

"I told them at the outset and they were incredibly grateful and humbled by it," he said.

He started them off on \$17 then gave them a \$1 an hour increase every year to reach his goal a few weeks ago. He's now accredited with the Living Wage Movement as being an employer who pays this amount, a process which can be completed online. He needed to produce evidence that he was paying the living wage, that any contractors would also be paid on that basis and his workers had access to a union.

Paul had three reasons to pay the living wage.

"New Zealand is a place where we value giving people a fair go."

"In my view if you are prepared to work hard you should be able to earn enough not only to meet the cost of living, but participate in society as well. Their wages aren't just an expense line to be minimised all the time."

"But it's not sustainable to view workers just as a cost. They're people just like us."

His second reason was what he sees as rising inequality in this country.

"It's well documented that income inequality has increased significantly in New Zealand since the 1980s, and all the local and global research shows that the more inequality a society has, the more social problems you have as a result," he said.

"So for me there was a sense of just\_ wanting to do something. It's a very small thing but we can all play our part."

And thirdly he believes that from a business point of view it makes sense.

"They work well and the horticultural industry has a labour shortage at present. There's no point in working all year to produce a crop if you can't get the workers to pick it. It all comes down to the harvest and you've got to have workers who are reliable."

He readily concedes that other horticultural businesses may not be in his position, and might say that doing the same could put them out of business.

"I get that. While this is right for our business, it may not be right for all businesses. They're all different and have different capabilities. But it is possible to slowly work towards it. One thing business people are great at doing is making things happen. They set goals, they make a plan and then execute it. For me it just required a mindset change. I like a bargain but if you have a goal you can achieve it if you work towards it."

His decision challenged his thinking, which dated back to his commerce degree studies, that to make a profit prices need to be maximised and costs minimised.

"While business economics are still important, at the end of the day we are all paddling in the same waka aren't we? After the tragic events of March 15 the nation responded loudly by saying we are one, we're all in this together," he said.

"If we can make life a bit better for our workers, then everyone is better off including ourselves and the wider community, in my view."

The extra expense means reducing personal spending in other areas such as paying off less of their mortgage, or not upgrading his old car.

"But it's not sustainable to view workers just as a cost. They're people just like us."

His hope is that other businesses would look at the benefits of paying the living wage and consider whether it is an appropriate goal for them.

"In my opinion we all have an opportunity to make a difference, even in a small way," he said.

"I think what I have shown is that with the right mindset and planning, it is actually possible."

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