

## **Workforce requirements for sectors that may benefit from seasonal workers**

- 4.1 As noted in Chapter 4, a number of submitters recommended expanding the Seasonal Worker Programme (SWP) to industry sectors including: hospitality; accommodation; tourism; dairy; meat and livestock; construction; fishing; and the aged and disability care sectors.
- 4.2 This chapter looks at the labour market conditions of these sectors and the limitations of this data.

### **Agriculture, Forestry and Fishing**

- 4.3 In its submission, the Department of Employment (DoE) provided a number of employment statistics on the Agriculture, Forestry and Fishing industry:
- ranked 14<sup>th</sup> amongst the 19 broad industry groups, the industry employed an estimated 321,300 people, or 2.8 per cent of the total workforce at February 2015;
  - employment in the industry fell to a record low of 291,600 in May 2013 (in trend terms);
  - employment in the industry has increased by 29,700 persons (or 10.2 per cent) between May 2013 and February 2015;
  - employment in Agriculture remains 28,500 (or 9.2 per cent) lower than five years ago;
  - 72.1 per cent of workers in the industry work full-time (compared with 69.3 per cent across all industries);

- The median age of workers in the industry was 49 years in 2014, compared with 40 years across all industries.<sup>1</sup>
- 4.4 The DoE commented that the age profile does vary between occupations:  
 ... with Farmers tending to be older and Farm Workers tending to be younger. The median age of Crop Farm Workers (39 years) is a little lower than the median across all industries (40 years), while the median age of Livestock Farm Workers (30 years) and Mixed Crop and Livestock Farm Workers (31 years) is well below the median across all industries.<sup>2</sup>
- 4.5 Within the broader industry, the agriculture sector is the largest employer 'accounting for 87.1 per cent of employment in the industry (or 280,000 workers).'<sup>3</sup>
- 4.6 Within the agricultural sector, Sheep, Beef Cattle and Grain Farming and Fruit and Tree Nut Growing are the first and second largest employers respectively:
- Sheep, Beef Cattle and Grain Farming – 127,900 workers or 59.5 per cent of Agriculture employment at February 2015;
  - Fruit and Tree Nut Growing – 22,500 workers (10.5 per cent);
  - Dairy Cattle Farming – 20,300 workers (9.5 per cent).<sup>4</sup>
- 4.7 The full-time employment rate varied across the agricultural sector 'from 60.5 per cent in Nursery and Floriculture Production to 87.4 per cent in Other Crop Growing.'<sup>5</sup>
- 4.8 Table 4.1 provides some additional information on the employment level, the proportion of full-time employees and their median age within some sectors of the agriculture industry.

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1 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, pp. 28-29.

2 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 28.

3 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 28.

4 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 28.

5 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 28.

**Table 4.1 Employment characteristics, selected sectors of Agriculture**

Sector	Employment level Feb 15 ('000)	Proportion employed full-time Feb 15 (%)	Median age 2014 (years)
Agriculture, Forestry and Fishing	321.3	72.1	49
Agriculture	280.0	70.7	50
Nursery and Floriculture Production	5.6	60.5	45
Mushroom and Vegetable Growing	11.0	76.8	43
Fruit and Tree Nut Growing	22.5	68.6	48
Sheep, Beef Cattle and Grain Farming	127.9	70.8	56
Other Crop Growing	3.3	87.4	48
Dairy Cattle Farming	20.3	70.0	44
Poultry Farming	6.0	63.3	44
Deer Farming	0.1	-	n/a
Other Livestock Farming	18.2	74.0	42

Source Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 28.

4.9 Of the lower skilled agricultural occupations, livestock farm workers, crop farm workers and a mixture of both:

- employment of Crop Farm Workers has declined by 70.1 per cent over the past 15 years to stand at 16,700 in February 2015;
- employment of Livestock Farm Workers fell markedly between 2000 and 2005 but has recovered strongly in recent years to stand at 41,700 in February 2015;
- employment of Mixed Crop and Livestock Farm Workers has declined by 30.0 per cent over the past 15 years to stand at 4,900 in February 2015.<sup>6</sup>

4.10 The DoE attributed the decline in lower skilled Agricultural occupations to technological advances in the sector.<sup>7</sup>

4.11 In order to collect information on the number of job advertisements for farm workers, the DoE 'counts the number of job advertisements newly lodged each month on three major job boards (SEEK, CareerOne and Australian Jobsearch, including Harvest Trail).'<sup>8</sup>

6 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 29.

7 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 29.

8 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 29.

4.12 Data on the DoE's Internet Vacancy Index shows:

... that the number of job advertisements for Farm Workers (Crop Farm Workers, Livestock Farm Workers and Mixed Crop and Livestock Farm Workers combined) has steadily fallen from 1,740 in February 2007 to 400 in May 2015. This suggests a marked fall in demand for seasonal farm labour.<sup>9</sup>

4.13 The DoE did acknowledge that relatively few lower skilled seasonal jobs were advertised on these major job boards 'because employers advertising for farm labour tend to use other recruitment methods, such as word of mouth, social media, signs in youth hostels or at bus and train stations, or websites aimed at backpackers.'<sup>10</sup>

4.14 According to the DoE's employment projections, seen in figure 4.1:

The Agriculture, Forestry and Fishing industry is projected to record a modest increase in employment over the five years to November 2019 of 12,000 or 3.7 per cent, notwithstanding continuation of the industry's long term trend of a declining employment share reflecting ongoing investment in labour-saving plant and equipment. By comparison, the projected rate of employment growth across all industries is 10.0 per cent over the same period.

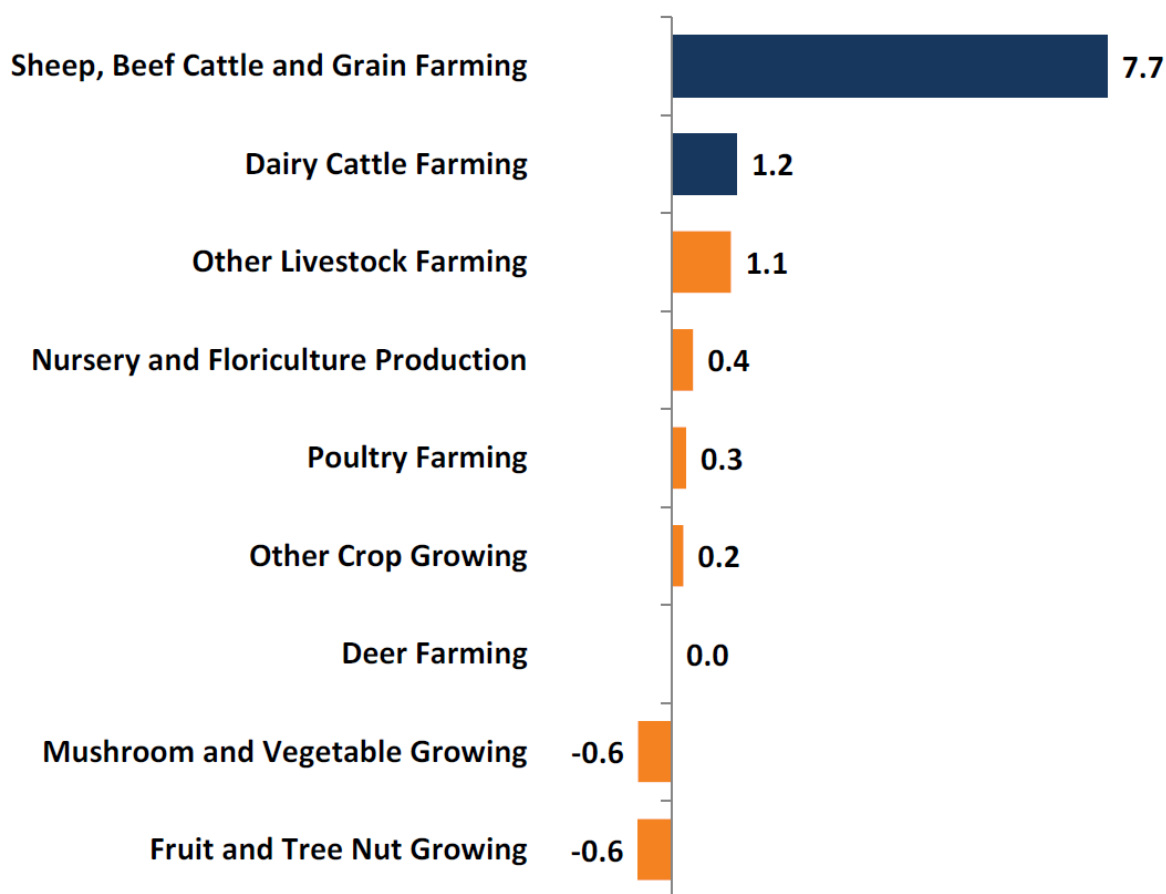
Employment in Agriculture is projected to increase by 11,700 or 4.1 per cent, with seven of the nine sectors within Agriculture expected to grow, albeit at slower rates of growth than the projected rate of employment growth across all industries.<sup>11</sup>

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9 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 29.

10 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 29.

11 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 30.

**Figure 4.1** Agriculture sector projected employment growth ('000) - to November 2019

Source Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 30.

4.15 Of the lower skilled agricultural occupations:

- employment of Livestock Farm Workers is projected to increase by 1,900 or 4.9 per cent;
- employment of Mixed Crop and Livestock Farm Workers is expected to increase (up by 500 or 7.5 per cent);
- employment of Crop Farm Workers is projected to decline (by 3,900 or 19.2 per cent) over the five years to November 2019.<sup>12</sup>

12 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 30.

## Tourism and accommodation

4.16 The DoE also provided employment estimates for the tourism sector which were derived from the Australian Bureau of Statistics (ABS) Tourism Satellite Account (TSA), which are 'based on the proportion of total value added of each industry which is related to Tourism.'<sup>13</sup> The TSA estimates that:

- the tourism sector employed 534,000 people in 2013-14, accounting for 4.6 per cent of total employment;
- over the 10 years to 2013-14, employment in the industry grew by 17.0 per cent, a slightly slower rate of growth than the 21.7 per cent recorded for employment as a whole;
- a large proportion of employment in the industry is part time (45.6 per cent, compared with 30.0 per cent across all industries);
- a higher proportion of employment in the industry is female (53.6 per cent, compared with 45.8 per cent across all industries).<sup>14</sup>

4.17 Within the tourism sector:

- Cafés, Restaurants and Takeaway Food Services employed 144,300 people, Retail Trade employed 101,500, and Accommodation employed 69,700;
- the majority of employment is part-time.<sup>15</sup>

4.18 Table 4.2 provides a breakdown on the employment level and the proportion of full-time employees within the tourism sector.

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13 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 31.

14 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 31.

15 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 32.

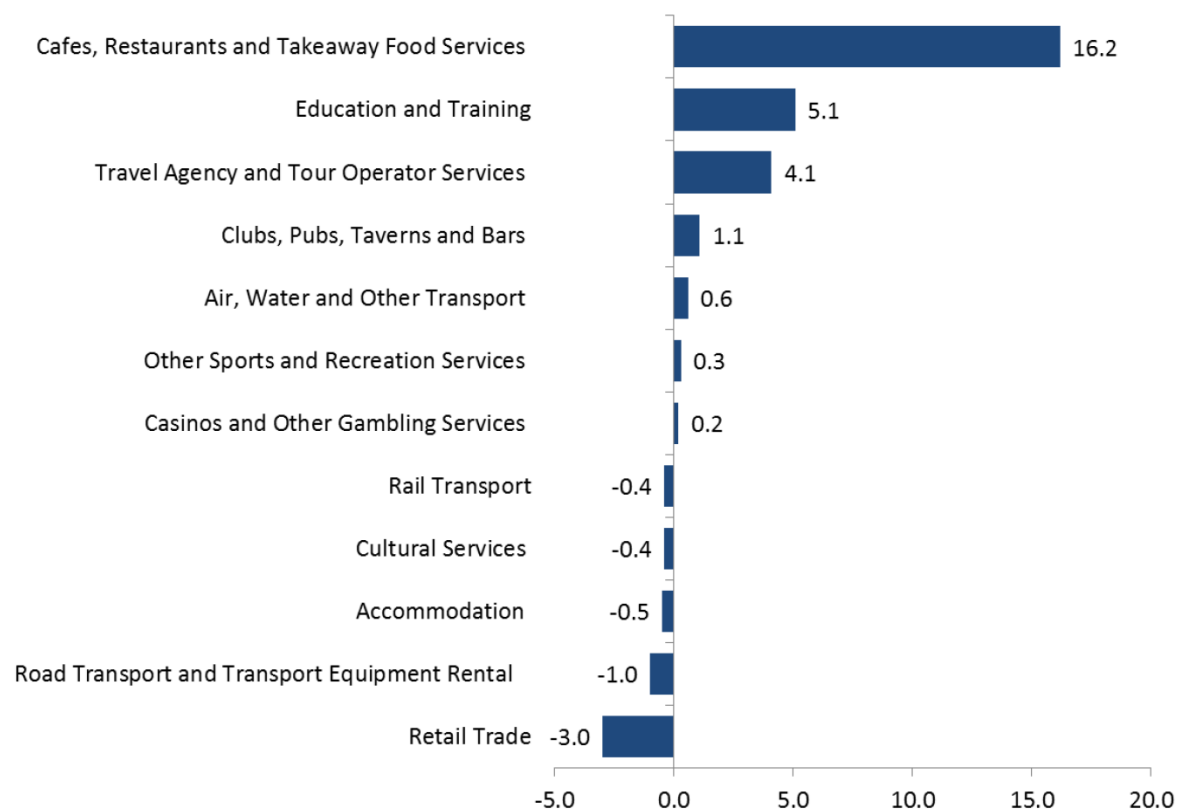
**Table 4.2 Employment level and full time share, Tourism sectors**

<b>Sector</b>	<b>Employment level 2013-14 ('000)</b>	<b>Proportion employed full-time (%)</b>
Cafés, Restaurants and Takeaway Food Services	144.3	38.2
Retail Trade	101.5	51.0
Accommodation	69.7	56.5
Education and Training	37.8	61.6
Air, Water and Other Transport	36.2	75.1
Travel Agency and Tour Operator Services	32.2	75.8
Clubs, Pubs, Taverns and Bars	31.2	46.5
Other Sports and Recreation Services	20.7	43.5
Road Transport and Transport Equipment Rental	19.4	80.4
Cultural Services	10.0	61.0
Casinos and Other Gambling Services	4.0	72.5
Rail Transport	3.2	96.8
All Other Industries	23.8	76.2
<b>Total Tourism employed persons</b>	<b>534.0</b>	<b>545.4</b>

*Source* Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 32.

4.19 According to the statistics provided by the DoE (seen in figure 4.2), the following Tourism occupations recorded strong growth in the five years prior to 2013-14:

- Cafés, Restaurants and Takeaway Food Services increased by 16,200 (or 12.6 per cent);
- Education and Training increased by 5,100 (or 15.6 per cent);
- Travel Agency and Tour Operator services increased by 4,100 (or 14.6 per cent).

**Figure 4.2 Employment change over the five years to 2013-14, by Tourism sector ('000)**

Source Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 33.

4.20 The DoE reported that employment of waiters, bar attendants and baristas, café workers and kitchenhands are all expected to grow:

Looking forward, employment of Waiters is projected to continue to experience robust growth over the five years to November 2019, increasing by 18,600 or 15.3 per cent – around the recent five year trend and significantly above the projected growth rate across all occupations of 10.0 per cent. Other occupations projected to record strong growth include Bar Attendants and Baristas (up by 11,000 or 13.4 per cent), Café Workers (up by 2,900 or 12.0 per cent) and Kitchenhands (up by 14,300 or 11.2 per cent).<sup>16</sup>

4.21 Data from the DoE's Internet Vacancy Index suggests that the number of advertisements for waiters, bar attendants and baristas, café workers and kitchenhands has been relatively low.

4.22 While acknowledging that the DoE's research focus is on higher skilled occupations, it highlighted that some research it undertook in 2011 into lower skilled occupations showed:

<sup>16</sup> Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 36.



... that there was no shortage of workers looking for opportunities to enter these occupations, but employers had a clear preference for experienced workers who already held the necessary licences (such as Responsible Service of Alcohol) and few were prepared to employ inexperienced workers.<sup>17</sup>

- 4.23 The DoE noted it was also undertaking additional research, and while currently incomplete, 'support the earlier findings and indicate that there are generally relatively large numbers of applicants for vacancies in these occupations, but few surveyed employers are willing to provide training for inexperienced workers outside of on the job training.'<sup>18</sup>

## Aged care and disability care

- 4.24 The Australian Government's Job Outlook website states that 141,000 people are employed as Aged and Disabled Carers at November 2014 with 39.6 per cent of those working full-time.<sup>19</sup>
- 4.25 It is estimated that 'the number of job openings for Aged and Disabled Carers is expected to be high (greater than 50,000)' up to November 2019.<sup>20</sup>
- 4.26 The *Third Report on the Funding and Financing of the Aged Care Sector* by the Aged Care Financing Authority (ACFA) reported that there are over 350,000 care workers. Of those, over 76,000 are community care workers and over 100,000 are personal care attendants in residential aged care facilities.<sup>21</sup>
- 4.27 ACFA added that demand was increasing due to 'ageing population and the increased prevalence of dementia and the associated need for higher levels of support and care.'<sup>22</sup>

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17 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 37.

18 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 37.

19 Australian Government, Job Outlook, 'Livestock Farmers', viewed on 8 April 2016, <<http://joboutlook.gov.au/occupation.aspx?search=keyword&tab=prospects&cluster=&code=1213>>.

20 Australian Government, Job Outlook, 'Livestock Farmers', viewed on 8 April 2016, <<http://joboutlook.gov.au/occupation.aspx?search=keyword&tab=prospects&cluster=&code=1213>>.

21 Aged Care Financing Authority, *Third Report on the Funding and Financing of the Aged Care Sector*, July 2015, p. 15.

22 Aged Care Financing Authority, *Third Report on the Funding and Financing of the Aged Care Sector*, July 2015, p. 15.

- 4.28 ACFA estimate that the workforce will need to triple by 2050 to meet demand.<sup>23</sup>
- 4.29 According to the report, the availability of informal carers is also in decline and caring sectors are potentially competing for the same pool of staff, such as aged and disability services.<sup>24</sup>
- 4.30 The average age of new employees aged 34 years or younger increased from 29 per cent in 2003 to 36 per cent in 2012. The median age of the direct care workforce for in home care was 50 years and in residential care was 48 years.<sup>25</sup>
- 4.31 ACFA highlighted that there has been a growth in the number of residential care workers born outside Australia from 25 per cent to 33 per cent (between 2003-07). That number has remained stable up until 2012.<sup>26</sup>
- 4.32 The DoE's report, *Employment Outlook to November 2019*, also projected that the Health Care and Social Assistance sector would 'make the largest contribution to employment growth (up by 258,000 or 18.7 per cent).'<sup>27</sup>
- 4.33 This data is comparable to the DoE's Internet Vacancy Index with carers and aids recording the second largest vacancies over the year to February 2016 (a total of 5,933 vacancies).<sup>28</sup>

## Livestock workers

- 4.34 Livestock workers include a number of farming occupations such as: Apiarists (bee keepers); and beef, cattle, deer, goat, horse, pig, poultry, sheep and livestock farmers.
- 4.35 According to the Australian Government's Job Outlook website, 89,300 people were employed as livestock farmers as at November 2014 with 73.6 per cent of those working full-time.<sup>29</sup>

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23 Aged Care Financing Authority, Third Report on the Funding and Financing of the Aged Care Sector, July 2015, p. 15.

24 Aged Care Financing Authority, Third Report on the Funding and Financing of the Aged Care Sector, July 2015, p. 16.

25 Aged Care Financing Authority, Third Report on the Funding and Financing of the Aged Care Sector, July 2015, p. 16.

26 Aged Care Financing Authority, Third Report on the Funding and Financing of the Aged Care Sector, July 2015, p. 16.

27 Department of Employment, *Employment Outlook to November 2019*, August 2015, p. 3.

28 Department of Employment, *Vacancy Report*, 23 March 2016, p. 3.

29 Australian Government, Job Outlook, 'Livestock Farmers', viewed on 7 April 2016, <<http://joboutlook.gov.au/occupation.aspx?search=keyword&tab=prospects&cluster=&code=1213>>.

- 4.36 Up until November 2019 it is projected that 'the number of job openings for Livestock Farmers is expected to be average (between 10,001 and 25,000).'<sup>30</sup>
- 4.37 Generally, unemployment within this area compared to others is below average while growth is expected to be moderate.<sup>31</sup>

## Construction

- 4.38 Australia's third largest industry, the construction industry, is comprised of over 330,000 businesses and employs over one million people (around nine per cent of the total workforce) as at May 2015.<sup>32</sup>
- 4.39 The Australian Industry Group's research, *Australia's Construction Industry: Profile and Outlook*, provides a number of employment statistics on the industry, including:
- The majority of construction workers (65%) are employed in trade services. 26% are in building construction, 7% are in heavy and civil construction and 2.5% are in general construction services.
  - The largest segment of construction employment is 'Building Installation services', which employed 232,700 workers (23% of industry employment) in February 2015.
  - 85% of construction workers are full-time and 15% were part-time (as of Feb 2015).<sup>33</sup>
- 4.40 Construction employment is projected to grow thirteen per cent over the next five years to November 2019.<sup>34</sup>
- 4.41 Data on the DoE's Internet Vacancy Index shows that at February 2016:
- Construction, Production and Distribution Managers had 9,771 job vacancies; Construction Trades had 4,422; and Construction and Mining Labourers had 1,148.<sup>35</sup>

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30 Australian Government, Job Outlook, 'Livestock Farmers', viewed on 7 April 2016, <<http://joboutlook.gov.au/occupation.aspx?search=keyword&tab=prospects&cluster=&code=1213>>.

31 Australian Government, Job Outlook, 'Livestock Farmers', viewed on 7 April 2016, <<http://joboutlook.gov.au/occupation.aspx?search=keyword&tab=prospects&cluster=&code=1213>>.

32 Australian Industry Group, *Australia's Construction Industry: Profile and Outlook*, July 2015, p. 1.

33 Australian Industry Group, *Australia's Construction Industry: Profile and Outlook*, July 2015, p. 5.

34 Department of Employment, *Employment Outlook to November 2019*, August 2015, p. 3.

35 Department of Employment, *Vacancy Report*, 23 March 2016, p. 7.

## Limitations of labour market data

4.42 While noting that labour market data could be useful, the DoE advised that it should not be the only consideration in determining the source of labour force requirements:

While labour market data can be useful in understanding broad trends, they may not reflect the circumstances of individual employers. For example, even when conditions in an industry or in the labour market as a whole are soft, some employers will have difficulty filling positions with particular requirements or in particular locations. Accordingly, labour market data cannot be the only consideration in government policy decisions about which employers should be eligible for programmes which would assist them to source the labour they require.<sup>36</sup>

4.43 The DoE added that there were gaps in 'measuring seasonal labour demand, recruitment difficulties and labour shortages in Australia'<sup>37</sup>, and highlighted a number of challenges:

The Department's employer surveys do not collect data on seasonal labour and there are challenges in using the data available. For example:

- data collected in one seasonal peak period may not reflect the circumstances in subsequent years (particularly in uncertain economic and variable climatic conditions) and findings can lose their currency before the next peak season commences;
- seasonal labour market conditions can vary considerably by location – data therefore needs to be regionally specific;
- it can be difficult to assemble a sample of employers who use seasonal labour in many regions, which is sufficiently large to produce reliable results; and
- employers in the Agriculture sector have proven difficult to contact because they work long hours outside their home.<sup>38</sup>

4.44 The DoE also claimed that there were limitations to using labour market data sourced from the ABS such as the Labour Force Survey (LFS) and Census of Population and Housing (CPH).

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36 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 14.

37 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 14.

38 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 14.

4.45 The DoE agreed that the LFS understates the 'number of people employed in Agriculture and Tourism, particularly in relation to seasonal work'<sup>39</sup>, adding:

The LFS provides employment estimates for the usually resident population of Australia. People who intend to remain in Australia for less than 12 months are excluded from the scope of the survey. Accordingly, estimates from the LFS exclude Working Holiday Visa holders and other short-term visitors to Australia, who contribute substantially to employment in the Agriculture and Tourism industries.<sup>40</sup>

4.46 Additionally, the DoE advised that:

... data from the LFS are based on the industry of employment in a person's main job. The industries of Agriculture, Forestry and Fishing and Accommodation and Food Services each account for around 9 per cent of secondary jobs, which equates to approximately 60,000 additional workers each.<sup>41</sup>

4.47 The DoE believed that the CPH data held the same limitations with 'employment by industry data relate only to Australian usual residents and to the industry of employment in a person's main job.'<sup>42</sup>

4.48 In order to provide an example of the disparity between workers actually employed in the Agriculture, Forestry and Fishing sectors compared to the estimate, the DoE stated:

To illustrate the extent of undercounting, data from the ABS Economic Activity Survey (EAS) show that as many as 499,000 workers were employed in Agriculture, Forestry and Fishing at the end of June 2013, compared with an estimate of only 299,900 from the May 2013 LFS (in original terms). The higher estimate is influenced by a range of factors, including differences in scope and methodology between the EAS and the LFS. The higher estimate of 499,000 workers likely takes better account of temporary entrants and secondary jobs, as both are conceptually in scope of the EAS.<sup>43</sup>

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39 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 27.

40 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 27.

41 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 27.

42 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 27.

43 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 27.

- 4.49 The DoE also highlighted that the EAS was only an estimate of total employment and provided no employment breakdown characteristics.<sup>44</sup>

## **Committee comment**

- 4.50 The Committee agrees with the Department of Employment's comments on the usefulness of 'undertaking further research into how to make the best use of Australian job seekers, Working Holiday Makers and seasonal workers from a productivity perspective could be useful in being able to better understand regional and industry demand over future years.'<sup>45</sup>
- 4.51 While there is a range of Government departments that collect data and undertake research on Australia's workforce requirements, there are clearly some limitations and shortfalls in the information that is currently collected (as highlighted by the Department of Employment).
- 4.52 Accurate, reliable and timely information is fundamental to effective decision-making.
- 4.53 The Committee therefore recommends that the Australian Government enhance its research on Australia's workforce requirements.

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## **Recommendation 2**

**The Committee recommends that the Australian Government undertake improved qualitative and quantitative research on full-time, part-time and seasonal labour workforce requirements to better inform Government policy.**

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44 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 27.

45 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 11.