



ATGA
Australian
Table Grape
Association Inc.

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**Submission to the
PARLIAMENTARY JOINT STANDING COMMITTEE ON MIGRATION, PATHWAY TO NATION
BUILDING INQUIRY**

The Australian table grape industry is collectively valued at around \$900M and is Australia's largest fresh fruit export commodity by value, reaching a peak in 2020 prior to Covid, at \$623M. Table grapes are grown in every state in Australia, except Tasmania, and there are about 800 growers nationally. 75% of national production is grown in Sunraysia and 99% of total exports come from the Sunraysia region.

The Australian table grape industry is made up of family farmers, mostly second, third and some fourth generation with very few corporate farmers. The average size of the family farms being 30 Hectares.

The industry has undergone significant increases in production over the past 12 years. In 2010, only 30,000 tonnes of grapes were exported at a value of \$80m to reach our peak so far in 2020 of 152,200 tonnes valued at \$ 623M. A significant increase in a relatively short period of time.

During the past 10 years all table grape farms invested heavily in infrastructure thus now nearly all farms have extensive cool rooms and packing facilities.

There is very little automation in the industry when it comes to the production, picking and packing of table grapes. Most table grapes are picked and packed in the field by human hand. What the picker takes from the vines and places in the box in the field is what the consumer will eat. Picking and packing requires an experienced skill set and a trained eye to trim the bunches, take out any small or damaged berries, then carefully placed in bunch bags and into the export box without touching the berries themselves. When grapes grow and develop, they produce a natural bloom on the outside of the berries, evidenced by a whitish film of powder. If the grapes are handled this bloom is easily rubbed off and if bunches are presented to importers with no bloom on them, they devalue the product.

The industry is very labour intensive. The Australian Table Grape Association (ATGA) conducted a survey three years ago asking all growers in Sunraysia to state the number of seasonal workers they needed. A large number of growers responded, and the conclusion was the industry in Sunraysia alone required 15,000 seasonal workers from January to end of May. This outcome was an extrapolation of the survey responses received. It was established that farmers need 0.75FTE per acre, and there are around 20,000 acres of production in Sunraysia. Hence the 15,000 seasonal labour requirements.

Prior to Covid, the industry managed to get by with sufficient labour in Sunraysia with resident Asian workers, back packer holiday makers and some international students. As Covid came, the majority of seasonal labour availability dried up to the point that in the last two years of harvest there has been a significant shortfall of labour requirements. Some growers have been forced to drop fruit on the ground.

Covid had the impact of having all international people available to work on farms leave the country and head home. The Australian and Victorian governments were proactive in their response to firstly recognise the shortfall in labour requirements and secondly to offer incentives for resident Australians to take the opportunity to work in regional areas and particularly on farms. Sadly, very few people took up the incentives on offer to work on table grape farms.



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The available labour came from existing residents who have worked on farms over the past years, or from Labour Hire Companies and the Pacific Australia Labour Mobility (PALM) scheme. It is fair to say that there were issues with both.

There were some favourable outcomes and some very adverse outcomes with the PALM scheme. In the main though, these workers seemed not to be suitable for the labour harvest requirements of table grapes. Workers need to be productive and pick and pack a certain number of boxes per day for it to be rewarding for both the growers and the workers. Very few PALM scheme workers managed a productivity level that was satisfactory to both parties. Therefore, in general growers did not see the PALM scheme as a viable option given the capital outlay upfront to bring workers to the farms.

The Labour Hire Companies, knowing that there was a labour shortage, began a bidding scenario to see which grower was prepared to pay the higher prices to attract labour to their farms. Some workers were travelling around taking photos of the farms to determine which farms had the bigger yield thereby making it easier to pick and pack boxes over a shorter time. Others would come to a farm and ignore the correct technique to pick and pack and just “strip” the vine to get the job done. This posed a massive biosecurity risk and risked the shutdown of exports to any protocol country, as well as diminishing the good reputation of the industry. It also had the impact of decreasing the return back to the growers. The industry is well aware of the minimum wage for all employees and is even prepared to pay over and above the award rate if they have productive well trained labour availability.

Attracting labour to rural and regional areas is extremely difficult. There needs to a system that will enable appropriate visas that bring labour to country towns such as Mildura and Robinvale in Victoria.

The ATGA would like the Committee to consider the following solution in the form of undertaking a pilot program with Vietnam international students in the first year to assess the viability of the proposal. If deemed successful, then continue on a larger scale in future years.

- The pilot program would have strict governance, either with the ATGA or with the ATGA controlling and overseeing the program.
- The previous Morrison government signed an MOU with Vietnam which I believe, the Albanese government has stated it will honour.
- The ATGA proposes that we take up the agreement of the MOU and incorporate a pilot program of 500 (or more if agreeable) in the first year of Agricultural Student Visas. These selected students from Vietnam will be bound to selected farms in Sunraysia.
- The ATGA has spoken to several farms who are willing to take 50 or more workers as students on their farms. The ATGA has targeted the larger family farmers for the pilot program for coordination and ease of logistics in the first year.
- Sunraysia TAFE has been in discussions with the ATGA and has agreed on the proposal and is prepared to enrol these international students.
- These students from Vietnam would be enrolled in a Sunraysia Institute of TAFE horticultural program and be trained on the job by Sunraysia TAFE staff.
- The farmers that the ATGA have spoken to are very enthusiastic about this proposal and are prepared to train on the job themselves or by experienced TAFE staff members.
- For this program to work effectively there needs to be consideration by the government to allow the students of the controlled pilot program to have the ability to work up to a minimum of 38 hours per week or more by consultation.



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- The ATGA is willing to have union involvement if they deem that necessary.
- At the conclusion of their work commitments with table grapes they will then be transferred to the Citrus industry, then to the Summerfruit industry and back to table grapes. This will present the students with year round work in regional communities.
- This pilot program goes to solving some of the labour shortages for a number of horticultural commodities.
- They will be involved in horticultural labour in regional towns for the entire duration of their stay.
- If the pilot program is successful, it can then be given consideration to become an on-going program under the governance of the ATGA for larger numbers and into future years.
- If students wish to return to Vietnam, then they will be taking acquired skills and accreditation back to their country which will be a benefit for bilateral relationships between Australia and Vietnam or at the conclusion of their training program, they be given the opportunity to see if they qualify for permanent residency.
- If the pilot program is successful, and there is pathway for on-going migration at the completion of the program, then it will help regional and rural towns build up the labour force with skilled workers over time.
- The ATGA has spoken to the Leader of the National Party, David Littleproud, and he is supportive of the proposed pilot program.

Regards

Jeff Scott
Chief Executive Officer
Australian Table Grape Association Inc.