



SUBMISSION

Senate Inquiry into the Social Services Legislation Amendment (Enhancing Pensioner and Veteran Workforce Participation) Bill 2022

PO Box 370
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AUGUST 2022

Re: Enhancing Pensioner and Veteran Workforce Participation

Thank you for providing the opportunity for Grain Producers Australia to submit our members' views to the Senate Standing Community Affairs Legislation Committee's inquiry into the Social Services Legislation Amendment (Enhancing Pensioner and Veteran Workforce Participation) Bill 2022.

Background

GPA supports the positive intent of this Bill, to introduce changes to the social security entitlements and payments for Australia's veterans and pensioners, to help incentivise greater participation in the agricultural and rural workforce, by introducing more flexible rules and modern arrangements.

Australian agriculture has faced long-term structural challenges with labour supply and whilst these problems are widely recognised, lasting solutions continue to elude policy-makers and governments.

These issues were exposed for the Australian grains industry last year after two years of COVID-19 caused a significant loss in traditional workers sourced from Northern Hemisphere countries, entering Australia on Working Holiday Maker visas. This loss of workers with the skill and experience needed to operate heavy machinery during surge periods, such as harvest and seeding, has caused significant concern and frustrations for GPA's grower members. GPA responded to this serious workforce challenge by developing and advocating a national policy plan, released in August last year, which highlighted these issues and called for government support to implement solutions, in the face of another looming record harvest. This plan highlighted information from the Department of Home Affairs which showed a drop in WHM visa holders from March 2020 to June 2021 of 100,677 (-73.2pc).

These worker shortages were felt across the major grain growing regions, but experienced most acutely in Western Australia. GPA's State Members, WAFarmers and the WA Grains Group, have also vented concerns about the ongoing loss of these workers to the mining sector, and the difficulty of competing with higher wages and fly-in fly-out arrangements. This issue was also exacerbated by two years of COVID-19, combined with the compound impacts on grain farmers and our communities of consecutive large harvests. Whilst a record national crop valued at about \$26 billion was returned last year, we are victims of our own success. But these workforce issues continue to compound and it remains one of the major policy challenges faced by our members and industry. This challenge can't be ignored as we head into what's shaping to be another record harvest in 2022 and action is needed now.

Below is the extract from GPA's national policy and advocacy plan, highlighting our specific policy requests to incentivise pensioners and retirees into the rural and agricultural workforce. GPA wrote to the former Minister for Families and Social Services urging consideration of the adoption of these incentives for pensioners, and also for students. In response, we were informed our letter was referred to the then Treasurer, given tax policy falls within that portfolio's responsibilities. The former Minister's letter in reply to GPA also highlighted the Work Bonus of \$300 per fortnight, available for pensions over the pension age, but did not commit to raising this threshold to support the intent of our request.

"GPA calls for HECS relief/credits to encourage university students to work on farms during peak periods such as harvest or seeding.

(Suggested – for every dollar earned after tax working in regional Australia students should receive a reduction of 50 cents off their HECS debt)

GPA calls for relief/concessions to encourage retired/semi-retired pensioners and 'Grey Nomads' to work on farms during peak periods such as harvest or seeding.

(Suggested – pensioners who undertake seasonal work in regional Australia should not have their earnings classified as income towards threshold levels. They should also be taxed the same as a Working Holiday Maker, which is 15 per cent for the first \$45,000 they earn.

Single pension \$952.70 a fortnight – for every dollar earned above \$180 per fortnight, the single pension is reduced by 50 cents.

Couple pension \$1436.20 per fortnight – for every dollar earned above \$320 per fortnight, the combined pension is reduced by 50 cents.

Earning more than \$2085.40 in a fortnight for a single and \$3,192.40 combined for a couple means the loss of entire pension; including the loss of other benefits such as concession cards."

Whilst GPA recognises successive governments have endeavoured to identify the causes of these long-term structural issues, and they acknowledge and recognise challenges faced by farmers and their

communities on worker shortages, lasting pragmatic solutions continue to elude the sector and this remains a high priority – as outlined in our 2022 Federal Election priorities [document](#).

GPA welcomes the proposed [increase](#) in the Age and Veteran Pension Work Bonus Scheme, for the amount that can be earned while still receiving a maximum pension payment, from \$300 to \$600 per fortnight. Whilst this is a good step in the right direction, we stress more needs to be done in this policy space to create a lasting difference and build a sustainable workforce for Australian businesses and communities battling severe labour shortages, especially in remote and regional areas. Incentivising pensioners to work in rural communities with higher thresholds and limits can help relieve these shortages for grain farmers, and is one part of the overall policy solution.

Any changes to pensioner and veteran entitlements need to recognise farming and rural communities require workers during seasonal peak surge periods. In the grains sector this means a three-to-four-month time-frame during harvest, generally from late September through to late December. Any such payment incentives will need to deliver a realistic capacity to attract workers to remain on-farm, and commit to the hours required for the task, and to be paid accordingly.

The benefits of retaining these workers and incentivising them to return in future seasons, after providing initial training and gaining initial experience, also needs to be recognised in any durable policy response. These arrangements should also recognise this work has the potential to be made more attractive to retirees as a shared opportunity, with social and economic rewards. Whilst machinery operation/driving is not physically strenuous, the hours required for the job are demanding and require fatigue management. Therefore, this work could be divided/shared among 'teams' of retirees, rotating in shifts. This approach may incentivise retirees as a 'lifestyle' opportunity and experience, working and collaborating with like-minded Grey Nomads, in these regional communities/economies.

In addition to the various support requests submitted in our national policy and advocacy plan, Grain Producers Australia also implemented Operation Grain Harvest Assist last year, which was a self-help initiative collaborating with former ADF members. Retired Lt Col Garry Spencer, AM, led the coordination of volunteers, to direct former veterans onto grain farms after connecting via social media, to support farmers with the delivery of last year's record harvest. These former ADF members provided complementary skills and personal capabilities, in their employment requirements. Mr Spencer and his team have estimated 200-300 veterans answered the call to assist grain producers throughout Australia last harvest and he's continuing to shape the program to deliver longer-term outcomes.

GPA's national plan also called for support with delivering training programs specific to the grain sector's needs, in the operation of heavy machinery. We believe there may also be a way to further incentivise retirees and veterans with related training which provides skills relevant to the changes this legislation seeks to implement.

If you would like to discuss any of these comments and suggestions further in detail, please contact me on .

Yours sincerely

Colin Bettles

Chief Executive
Grain Producers Australia

GPA's Representative Roles and Responsibilities

Grain Producers Australia represents the interests of an estimated 22,500 grain producers who grow broadacre, grain, pulse and oilseed crops throughout Australia, contributing to the economic strength of their communities, and an industry valued on average at an estimated \$13 billion.

GPA advocates national policy outcomes with benefits for grain producers and to deliver a more profitable, sustainable and globally competitive Australian grains industry.

As a not-for-profit company limited by guarantee, GPA is governed by a board that's elected by producer members, representing the major grain producing regions. GPA's membership comprises direct producer members and producer members of the Grains Councils of State Farming Organisations. The elected leaders of these groups – backed by professional staff – also represent their members' interests, via the GPA Policy Council.

GPA's State Members include:

- Agforce Grains
- Grain Producers SA
- NSW Farmers Association
- Victorian Farmers' Federation Grains Group
- Tasmanian Farmers and Graziers Association
- WAFarmers Grains Council
- WA Grains Group

This robust representative process also engages and enables producers to advocate their views and deliver policy outcomes via various GPA Sub-Committees and Taskforces; such as the GPA Biosecurity Committee and GPA Pesticides and Technology Sub-Committee.

GPA's objectives are to:

- Provide a strong, independent, national advocate for grain producers based on a rigorous and transparent policy development process.
- Engage all sectors of the Australian grains industry to ensure operation of the most efficient and profitable grain supply chain.
- Facilitate a strategic approach to research, development and extension intended to deliver sound commercial outcomes from industry research.

GPA's responsibilities representing the interests of Australia's 22,500 levy-paying grain producers are legitimised under federal legislation.

This includes; managing biosecurity for the Australian grains industry through Plant Health Australia as a signatory to the Emergency Pest Plant Response Deed (EPPRD); as a joint Representative Organisation responsible for overseeing the Grains Research and Development Corporation's performance and strategic investment, with matching Federal Government funding, in RD&E activities, under the PIRD Act; and managing the risk of chemical residues and environmental contaminants in grain products, to help facilitate access to domestic and export markets and protect product integrity and export reputation, via the National Residue Survey.

Grain growers contribute 1.02 per cent of their net crop sales toward levies comprising the GRDC the EPPRD responsibilities, Plant Health Australia membership, National Residue Survey testing. Of that, the vast majority (0.99pc) goes to the GRDC, with PHA receiving 0.01pc, the NRS 0.015pc and emergency plant protection response the remaining 0.005pc.

According to the latest report (Report to levies stakeholders 2018–19, Appendix B) grower levies to GRDC (97% of levies paid by grain growers) were at least \$110 million for each of the 5 years reported. The average between 2014-15 and 2018-19 of grower levies to GRDC was about \$120m, ranging from \$100m to \$139m. The corresponding average paid to all bodies is about \$124m.

Further information: <https://www.grainproducers.com.au/>