

Joint Standing Committee on Migration
Answers to questions on notice
Agriculture, Water and the Environment Portfolio

Committee: Joint Standing Committee on Migration
Inquiry: Working Holiday Maker program
Question No: 1
Hearing Date: 3 August 2020
Division/Agency: Department of Agriculture, Water and the Environment
Topic: Historical trends prior to the Working Holiday Maker Visa Program
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Mr Julian Leaser asked:

CHAIR: What do we know about these workers historically? We've only had the Working Holiday Maker visa program since 1975. There was obviously a time before that when Australians did these jobs. There have been economic difficulties in the past. What has changed, and what incentives in the past to get people to do this work have been successful.

Ms Deininger: To be honest, I'm not sure. I'm happy to take that on notice and see what information the Department of Education, Skills and Employment might be able to provide, because they will understand the job market and the various programs that have existed over a period and the demographic changes, perhaps, that have happened that might have contributed. If, for example, we see a move of people from regional centres or small communities into bigger cities, then maybe there is a lower supply of labour close to these farming enterprises, or maybe it's the case that in periods of low unemployment, which of course Australia has enjoyed until relatively recently, people preferred other work or to live in other parts. We're certainly happy to take on notice and ask the employment department what trends they might have seen over that longer term period of 30 or 50 years.

CHAIR: I'd appreciate that. I would also appreciate if the agriculture department has a view about what it was that got Australians to do this work and what has changed in the industry or in the employment market that saw Australians walk away from this sort of this work.

Answer:

There are no formal historical statistics on the composition of the seasonal horticultural harvest workforce in Australia since 1975. However there have been profound changes to Australian society, the economy and the agricultural industry since then.

Farms have increased in size and scale of production, as well as experiencing improved productivity. For example, large farms have increased from around 3 per cent to around 16 per cent of the farm population over the past 4 decades, while their share of output has increased from 25 per cent to around 60 per cent of the total value of output. According to ABS statistics, the Australian horticultural industry (fruit and nuts, grapes and vegetables) almost doubled in the ten years from 2009-10 to 2018-19.

This transition has seen a dramatic increase in seasonal labour requirements at a time when rural populations were experiencing fundamental changes. These changes include an ageing population, internal migration from rural and regional areas to urban centres and low unemployment rates (prior to COVID-19). These factors contribute to a competitive labour market, making it more difficult for agribusiness and related industries to attract the workforce they need.

Horticultural industries, tend to use more casual and contract labour, given the seasonal and temporary nature of horticultural employment, and tend to rely more heavily on workers from overseas than others. According to the “Demand for farm workers: ABARES farm surveys 2018” report, permanent employees and family members can account for up to three quarters of the workforce in more traditional agricultural industries but as little as one quarter on horticulture farms. These statistics also show that as horticultural farms become larger, employment of permanent employees falls further and the use of contract and casual labour increases. Often these larger horticultural farms are located in remote areas of Australia, far away from Australian workers in our urban centres.

The Working Holiday Maker (417 visa) program, which commenced in 1975, initially included only workers from the UK, Ireland and the Canada. However, from 1980 the program was expanded to include many other countries. In 2005, the option of a second working holiday visa became available to those who had been employed in seasonal agricultural work in regional Australia for three months, effectively extending their stay by 12 months. This increased the supply of workers from 2,690 in 2005-06 to 41,339 in 2014-15, according to the now Home Affairs and Immigration Department. In 2016 these provisions were further amended to include a second working holiday option for the Work and Holiday (462 visa) category if visa holders work in agriculture (or other specified industries).

In 2018 further changes to the working holiday visas (subclass 417 and 462) were announced:

- option of a third year visa for second year visa holders who, after 1 July 2019, undertake six months specified work in a specified region
- expansion of the regional areas where subclass 462 visa holders can work in agriculture to qualify for a second year of stay in Australia
- an increase in the period in which visa holders can stay with the same agricultural employer, from 6 to 12 months
- commencing to offer an increase in annual caps to countries that participate in the subclass 462 visa program

- an increase in the eligible age for subclass 417 visa applicants from Canada and Ireland from 30 to 35.

On 20 February 2020 additional changes to the working holiday visas (subclass 417 and 462) were announced to enable backpackers to help with bushfire recovery efforts:

- the time a working holiday maker can work with the same employer was extended from six months to 12 months for those assisting with bushfire recovery efforts
- the definition of “specified work” was revised to ensure construction work in a disaster declared area counts.

On 4 April 2020 the government announced temporary changes to visa arrangements in response to COVID-19 enable working holiday makers to remain and work in Australia for up to 12 months.

The Harvest Trail Service connects workers with employers in harvest areas across Australia. Reforms to encourage Australian job seekers to take up seasonal work were announced in the 2019–20 Budget, with a \$24.1 million investment over four years aimed at encouraging more Australian job seekers to take-up seasonal work. From 1 July 2020, the Harvest Trail Service was expanded from 11 to 16 regions.