



## **New Inquiry into the Seasonal Worker Program**

### **Growcom Submission**

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Growcom would like to thank the Joint Standing Committee on Migration for the opportunity to provide comment to the Inquiry into the Seasonal Worker Program (SWP).

Growcom is the peak representative body for the fruit and vegetable growing industry in Queensland, providing a range of advocacy, research and industry development services. In Queensland, the production horticulture (fruit and vegetables) is Queensland's second largest agricultural industry in terms of value of production, with a projected farm-gate value of \$2.7 billion. Production horticulture is worth more than twice the value of sugar, almost twice the value of all grains, and almost four times the value of cotton (DAFF 2012). Queensland's 2,800 farms produce more than 120 types of fruit and vegetables and are located from Stanthorpe in the south to the Atherton Tablelands in the far north.

Horticulture is Queensland's second largest primary industry, employing around 25,000 people. The horticulture industry is the most labour intensive of all agricultural industries, with labour representing as much as 50% of the overall operating costs, and sometimes more. With ongoing downward pressure on farm-gate prices from supermarkets, margins are often slim and in bad years non-existent.

### **The role of seasonal workers in the horticulture industry**

The seasonal nature of the horticulture industry places some specific requirements and expectations on its workforce. Workers must be readily available, in the numbers required, at the time and place where they are needed. Climatic conditions may impose additional restrictions or requirements on particular crops - eg harvest before a major weather event may require more workers than initially thought. Market demand and conditions may also impact on needs - flexibility in hiring is imperative.

It is clear that, if implemented properly, the seasonal worker program can deliver significant benefits to the horticulture industry. Horticulture is a labour intensive and physically demanding working environment. Its seasonal nature means that a full complement of staff year-round is neither practical nor necessary, so the ability to address seasonal requirements as they arise is imperative.

Seasonal Worker Program workers come to Australia for one purpose – to work. This distinguishes them from our 'usual' cohort of harvest workers, 417 visa Working Holiday Makers (or 'backpackers'). The key motivation of these travellers for working in Australia is often to get their second WHM visa (which is currently only available to those working in certain industries in regional Australia), and/or to earn sufficient money to get them to their next holiday destination. This does not mean to suggest that there are not good workers amongst our backpackers, but learning about fruit and vegetable growing and harvesting is not the driving force behind their travel or their willingness to work in our industry.

The returning nature of Seasonal Worker Program employees is perhaps one of the clearest and most beneficial aspects of the program. It allows workers to return to a familiar environment with familiar faces, making pastoral care and local community engagement easier. It reduces the time required for retraining a whole set of new workers, and as the visa allows workers for up to 6 or 7 months, it provides a stable and sustainable workforce to even the longest harvest period, when it is required. The workers continue to develop skills and experience which they then take back and share with their home communities.

### **Current and Projected future workforce requirements for sectors that may benefit from seasonal workers**

Over the next five years, horticulture production is projected to increase modestly—with most of the increase in production being absorbed by the domestic market.

In its report *Outlook 2015: Innovation in horticulture key to success*, the Department of Agriculture expects the real value of horticultural exports to increase slowly, perhaps by an average of 1 per cent a year over the next 5 years, to reach around \$2 billion. These figures suggest that, as is, the industry workforce requirements will be relatively stable. However, ABARES Senior Economist, Brian Moir, speaking on horticulture innovation, said the industry would need to continue its focus on developing new products and new markets. *“To ensure the success of horticultural producers, the industry will need to continue to develop cost-saving and product enhancing measures in production and distribution... Australia’s development of a market for oranges in China in the past two years is a good example of innovative marketing to target global markets with premium produce”* Mr Moir said.

Improved market access, new farming technologies (growing, harvesting and packing), and streamlined workplace practices will impact on production and potentially on labour needs. While enhanced technologies may lead to fewer workers (eg mechanical harvesting), a range of new higher level skills will be needed, which is likely to be targeted at local workers. However in the foreseeable future, it is certain that large numbers of seasonal workers will continue to be required.

### **Impact on the Australian labour force of current and projected SWP**

The program must operate on a demand driven approach, with priority given to Australian workers. The labour market testing requirements around the Seasonal Worker Program require potential SWP employers to demonstrate that they have taken steps to fill vacant positions with local/Australian workers. Growers continue to experience a degree of frustration around this ongoing expectation, especially in remote and regional areas and where testing has previously shown a lack of (willing) local or Australian workers. Where local workers are available and willing, growers welcome them with great enthusiasm, however we continue to hear reports that local workers are simply not willing or able to do the work.

Labour market testing, if it involves a local approach either via local advertising or approaches to employment agencies is a given. However lengthy and expensive recruitment programs which deliver little or no applicants is a waste of time. Growers would not be accessing programs such as the SWP if there were not a clear and present need for such programs to complement the workforce. Efforts to work with local employment co-ordinators and job providers to identify suitable candidates often leads to long-term unemployed people attending interviews or starting work to meet their Centrelink expectations rather than being genuinely committed to working on a farm. Despite training, these people rarely last a week. While we need to be vigilant that we are not

completely reliant on 417 visa workers or the SWP, and that we continue to provide opportunities to local workers, the impact on the Australian workforce in any given region appears to be limited.

Growers are largely committed to having the SWP workforce as supplementary to their local workforce which can include permanent employees who take on technical, scientific and management roles. These are further supplemented by backpackers who assist with harvest at peak times as available. In many cases, it is the (returning) seasonal workers who are being trained to oversee the work of the casual backpacker workforce. The combination of workers functions very well and once this information and associated ROI data is promulgated we are positive about increasing numbers of SWP employees into the future.

In terms of industry responses to addressing the growing reliance on international workers, we recognise that it is incumbent on peak bodies such as Growcom to promote opportunities for local workers. One of Growcom's key programs is its statewide Workforce Development program which seeks to work with business owners and supervisors to improve their business and management skills, including a focus on building their own workforces. While we have had some considerable successes in this approach, it is clear that it is not viable to provide formal training to large numbers of transient or short-term workers - and it is difficult to provide ongoing permanent work in a seasonal industry. So alternatives must be developed if we are to continue to grow the industry and enhance productivity and profitability for our growers. The SWP offers a viable alternative to supplementing local and backpacker workforces.

#### **Role of the SWP in supporting development assistance in the Pacific**

Not only does the program provide the workers with transferable and important skills for their own communities and provides employers with a ready, willing and able workforce, many of these workers are skilled to such an extent after one season, that they are brought back in subsequent years to supervise elements of the harvest or run their own teams. This demonstrates a higher level of commitment to the work and the business than is typically shown by 417 visa workers. The skills and experience (and in some circumstances, formal training) gained by the seasonal workers are clearly beneficial to their home communities.

Stories of the return on investment back into Pacific Island communities from remittances are particularly positive, and are at the heart of this program. The benefits flowing to families and communities are tangible and positive, with moneys spent on community development, childrens' education, purchase of tools and equipment, and small business investment. The skills acquired can also be extended further out to those wider communities. In many ways the program is one that keeps on giving long after the worker has returned home.

#### **Legislation/other impediments in attracting seasonal workers**

To date the key issues have been around the administrative requirements, length of time to become an approved employer, excessive labour market testing requirements, and costs. Over time a number of these issues are being addressed by various mechanisms, and we expect will continue to do so. Recent changes include limiting the travel costs for employers to \$500. We would support Madec in their submission to review this amount in light of worker earnings, with the suggestion that a phased approach to retrieving travel costs be considered. We would refer the Committee to the Madec submission for detail.

**Visa regime for seasonal workers, including compliance and related issues**

It would appear that the regulations around the Seasonal Worker Program are robust, although this does not prevent rogue employers/labour hire operators from exploiting these workers in a very few cases. The intersection of vulnerable workers with unethical and illegal labour hire operators has been a major concern. It is positive to note however that the Department of Employment addressed this issue by excluding any business with less than 5 years of 'clean slate' operations. This restriction should see fewer issues of underpayment and exploitation arising in the future.

We would also support the Madec submission around having their visa become active upon arrival in Australia, rather than upon issue. We would refer the Committee to the Madec submission for detail.

Overall we are receiving very positive feedback about the Seasonal Worker Program, but we would like to see the process and paperwork simplified in order to better promote it. Growcom believes the program has the potential to provide a level of workforce security to growers, at least in relation to harvest needs, and the reciprocal benefits to workers, provided they are employed properly, are obvious.

Submitted with respect