

Submission on the Impact of Temporary Migration

INTRODUCTION

The Rural Jobs and Skills Alliance (RJSA) offers the following responses to the inquiry into the impact temporary migration has on the Australian economy, wages and jobs, social cohesion and workplace rights and conditions.

The RJSA developed from the agricultural sector's need to engage more with the education and training sectors, and the Queensland Government's commitment to create and support jobs across the state. Industry members of the Alliance are (in alphabetical order): AgForce; CANEGROWERS; Cotton Australia; Growcom; Nursery & Garden Industry Queensland (NGIQ); Irrigation Australia; Queensland Chicken Growers' Association; Queensland Farmers' Federation; and Timber and Building Materials Association; and it is supported by Department of Agriculture and Fisheries.

The RJSA's purpose is to address mutual goals for our member organisations that focus on the attraction, development and retention of new entrants and existing workers to underpin the prosperity of Queensland's agricultural sector now and into the future.

The RJSA provides advice to government, service providers and other organisations with respect to employment, skills, industry training and workforce planning on behalf of Queensland's agriculture and related industries. Given our scope of work, our responses to the inquiry relate to Queensland Agriculture but believe they may reflect similar issues from the national perspective.

RESPONSES TO THE INQUIRY

The government has implemented several visa changes over the past 18-24 months that accommodate the needs of agriculture, particularly concerning access to workers. A suite of visa arrangements and programs do exist that allow for overseas immigrants to work in agriculture and fill short term, low skilled labour and long term and higher-skilled positions, where locals are not able to fill these positions.

Overseas workers contribute significantly to the workforce in some of the agriculture industries such as horticulture, intensive livestock, broadacre cropping and meat processing industries. Visa policy settings are important to meet the needs of Queensland's agricultural industry.

Changes to visa programs are dynamic and evolving to meet the industry's demands. However, it takes time for the effect of the changes to be known. In relation to the Temporary Skills Shortage (TSS) visas, the industry had expressed concerns about the pathway to residency for the occupations under the Short-Term Skills Occupation Lists (STSOL). In March 2019, a number of farming occupations were moved from the STSOL to the Regional Occupations List. The specific occupations affected were cotton grower; deer farmer; fruit or nut grower; grain, oilseed or pasture grower; mixed crop farmer; goat farmer; sugar cane grower; crop farmers; beef cattle farmer; dairy cattle farmer; mixed livestock farmer; pig farmer; sheep farmer; livestock farmers; mixed crop and livestock farmer. The change has meant that foreign skilled farm workers can now access four-year visas which can be renewed and provide pathways to permanent residency. Changes to the Working Holiday Maker visa arrangement in recent times can also potentially increase industry access to the workforce.

These adjustments broaden the options for many primary producers, RJSA welcomed these changes.

INDUSTRY ISSUES

Whilst it is reassuring that the Government has moved towards an improved regional development strategy, the workforce issue remains a significant limitation at a time of planned industry growth.

Queensland Australia's agriculture industry is diverse, covering a multitude of food and fibre sectors. The industry has highly skilled operational staff and technicians backed by a range of specialist sectors such as agronomy and irrigation. Over the past few decades, the industry has undergone substantial development with the adoption of advanced technologies. The skill levels have increased over time to cover a broad range of technology, quality and bio-security skills and modern farm management systems exhibit high-level leadership skills combined with value chain approaches (AUSVEG, 2019; Queensland Farmers' Federation, 2018).

The horticulture industry, for example, has been growing steadily but it is now entering a new growth phase with several sectors forecasting growth in excess of 25% over the next 4-5 years whilst most are looking at a more modest growth forecast around 10% (AUSVEG, 2019). The Department of Education, Skills and Employment has identified 5% growth (rounded) for mushrooms and vegetable growing crops by May 2024, the highest growth employment sector within the agriculture industry (Department of Education, Skills and Employment, 2019).

Much of the current demand falls within the protected cropping sector and with several large-scale corporate businesses, which have experienced a range of shortages over several years. The horticulture industry requires access to a reliable, competent and skilled workforce to service current and higher industry growth. Recent developments such as the potential effects of a pandemic scare such as coronavirus can also pose a challenge for the industry.

The Australian agriculture industry has been experiencing labour and skill shortages for the past two decades, and the development of the industry on-farm has led to increased demand for skilled labour. The industry has a variety of demand requirements from short term labour for crops harvested annually to 12 months of the year for crops which are harvested continually throughout the year. The recent ABARES Survey on Farm Workers reported that Horticultural farms had the most use of workers on a visa to help meet seasonal needs. The dependence on overseas workers in these industries exposes farms to changes in visa arrangements. Across agricultural industries, farms have experienced increased difficulty in recruiting higher-skilled positions. The survey also highlighted that larger businesses require more workers, particularly in the semi to the high-skilled range. The regionality issue continues to be a major factor in sourcing personnel at all levels of these businesses and covers management (and middle management), administration, grower and technician roles as well as quality, production facility management and others (ABARE, 2019).

The seasonal and casual demand requirements, especially during peak harvest periods, vary significantly depending on climatic factors, the specific crops and the locations of the businesses but have been largely satisfied by the Working Holiday Maker (WHM) program, the Seasonal Worker Program (SWP) and Pacific Labour Scheme (PLS). In 2018-19, a total of 209,036 working holiday

maker visas were granted (Department of Home Affairs, 2019). The number of SWP has also increased annually to 12,200 in 2018-19 (Dufty, Martin, & Zhao, 2019).

Even with these programs in place, there have been some continuing issues with adequate deployment to regions resulting in some cases of crops not being fully harvested. One of the concerns raised by the industry for the SWP has been the difficulty that smaller farm enterprises have in accessing the scheme. This is because of the difficulty in providing enough demand for the minimum hours required. To address this, a pilot program commenced on the 1 May 2019 to streamline arrangements for approved seasonal workers between farm placements. Results of the pilot are expected in June 2020. Various changes have been made to the program to streamline the administrative arrangements and make it easier to access, but there are still concerns about the administrative requirements and administrative burden imposed.

Many agriculture industries clearly require a stable, reliable and competent workforce, especially in the higher-skilled occupational roles for at least 12 months.

Immigrant communities have played a central role in the development of Australia's agricultural sector especially in horticulture – filling labour shortages, introducing new agricultural commodities and practices, innovation and knowledge transfer (Collins, Krivokapic-Skoko, & Monani, New Immigrants Improving Productivity in Australian Agriculture, 2016). Their workforces are comprised of migrant workers who have joined them from a variety of different entry visas including skilled nominated, temporary visas, refugee visas and study visas.

Various visas are available to individuals who are qualified to work or train in an eligible skilled occupation in Australia (subclass 186, 187, 189, 190, 407, 482, 485, 489, 491 494). Two main visas allow firms to access skilled visas the Temporary Skill Shortage (TSS) visa (subclass 482) and the previous Regional Sponsored Migration Scheme (subclass 187). Temporary Skills Shortage (TSS) visa arrangements allow employers to fill skill vacancies where the local labour market cannot meet demand. Although the number of these visas is lower than other schemes. These visa holders can be of significant value, and particularly as technology continues to advance, management skills increase and enterprise-scale grow. Finding workers with the required skills can be limited as there is a competitive market for talent ((Dairy Australia, Victorian RDP Regions, Gardiner Dairy Foundation & Regional Development Victoria, 2019).

The current nomination arrangements for skilled migrants requires the businesses to demonstrate that no local workers with the skills are available to undertake the positions. While accessing a local workforce for skilled roles is a priority, there are numerous examples where horticulture businesses across Australia have continued to advertise – often for more than 12 months - for skilled people, with good incentives, but have been unable to fill the roles (AUSVEG, 2019).

Some of this is due to regional locality and it is also due to an extreme reluctance by urban-based workers to obtain the skills needed or be sufficiently interested in taking up these job offers. The Regional Skills Mobility Program funded by the Commonwealth demonstrated the difficulty of securing domestic labour market workers for regional Agribusiness industry positions (AUSVEG, 2019).

Whilst some of these issues can also be linked to the lack of Australian training opportunities for those positions, urban lifestyle also have an effect on attracting working populations to regions, resulting in very limited numbers of people expressing an interest in working in the industry.

Eligible occupations for TSS are listed in the short-term skilled occupations list (STSOL); medium- and long-term strategic skill list (MTSSL) and regional occupation list (ROL). These lists are agreed by the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs based on advice from the Minister of Employment, Skills, Small and Family Business (lit review). The RJSA has been consulted by the Department of Employment, Skills, Small and Family Business on the appropriateness of the list (RJSA meeting of the 24 October 2019 with Department of Employment, Skills, Small and Family Business).

Australian and New Zealand Standard Classification of Occupations (ANZSCO)

The process of securing skilled labour from the general skilled system has proved extremely difficult due to the occupations not being identified within Australia and New Zealand Standard Classification of Occupations (ANZSCO). This classification is used by the Department of Immigration and Citizenship (DIAC) to capture information in all visa, settlement and citizenship programs.

In Australia, the classification of occupations is handled by the Australian Bureau of Statistics. ANZSCO is simply a statistical classification designed to aggregate and organise data collected about jobs or individuals. The classification definitions are based on the skill level and specialisation usually necessary to perform the tasks of the specific occupation, or of most occupations in the group. The definitions and skill level statements apply to the occupation and not persons working in the occupation.

RJSA shares the frustration expressed by our members and by the National Farmers Federation (NFF) at the continued reliance on ANZSCO. The current ANZSCO Skilled Occupations List has continued to disadvantage, where roles listed on the ANZSCO either do not exist or do not match industry needs.

RJSA want to see consideration of ANZSCO and solutions to the following problems under the current classification:

- Since 2010 the list does not feature **mid-level management occupations**, such as leading hand or farm overseer, and other farm jobs except for owning and running the farm, which is the highest skill level. This is an issue as the unavailability of mid-tier managers has repeatedly been highlighted as a skills gap in many agriculture industries.
- The current visa system does not recognise Production Horticulturalist or Senior Production Horticulturalist, both of which are not listed on ANZSCO. Similarly, the different levels of irrigation workers are not in any way differentiated on ANZSCO or even listed. Clearly, the industry has had to employ more irrigation system designers to minimise water usage in a changing climate as well as meeting new regulatory requirements. These are examples of occupations that are central to the efficient operation of the industry and are central to the efficient operation of an Industry Labour Agreement.
- The list is too closely linked to formally awarded qualifications. Given that most farmworkers acquire most of their skills through on-the-job practice, learning is typically incremental, socially embedded, and occurs over a lifetime, and this is to the detriment of the sector.

- The list is not updated with industry consultation frequently enough to keep abreast of changes in roles and the impact of technological and scientific advancements. Given that agriculture is an incredibly dynamic industry with research and development frequently resulting in a significant evolution of business practices, the mechanisms which establish an agricultural workforce needs to be equally agile.

The Temporary Skilled Migration Income Threshold (TSMIT)

There is a need for concessions to the Temporary Skilled Migration Income Threshold (“TSMIT”) for it to meet with the industry’s expectation for a skilled workforce. It needs to recognise the difficulties industry currently has in-terms of margins for growers as they compete against growers who are constantly ‘under-cutting’ them via labour costs.

The industry is also working with the Federal Government around improving compliance within the sector through industry-led programs such as Fair Farms, as well as working towards dealing with wage theft and labour-hire licensing to remove labour contractors who are operating outside the system.

Work is also being done by the Fair Work Ombudsman following its Harvest Trail Report to improve industry compliance.

Having an Approved Employer process similar to what is currently utilised under the SWP, would be recommended to ensure the industry has the right employers utilising accessing workers via an Industry Labour Agreement. This will also play an important role in rebuilding the industry’s image that it is a quality employer and provides excellent opportunities for skilled people.

Visa costs

The costs and administrative burden of accessing the skills visa arrangements are substantial and may act as a barrier to sourcing labour (Duffy, Martin and Zhao 2019). The government’s reforms required employers to pay a levy for some of the visas including TCC (subclass 482), The levy is tax-deductible and its aimed to require employers accessing overseas workers to contribute to the skill development of Australians. This levy started in November 2019, and it is too early to assess its impact.

Integration of overseas migrants into the workforce is also a challenge and an opportunity

In the past decade, the Australian Government has encouraged permanent and temporary migrants to settle and work in regional Australia. A recent report on migrant employment in regional Australia (Samad, Teicher, Akbar, & Kinnear, 2018)states that there is also a common view among employers, industry peak bodies, government departments and other key stakeholders interviewed, that there are significant social and economic benefits of having permanent migrants in regional industries. Migrant workers often bring skill sets that are beneficial for agribusiness employers.

Despite this, the report found that there are barriers to migrants settling and working in regional areas. They include issues such as language proficiency, overseas skills/qualification recognition, not having the right skills for the job, lack of knowledge about jobs in regional areas, lack of communication between employers and migrants, the lack of facilities and infrastructure (transport,

access to quality education, network and communication infrastructure) to support their integration and willingness to work in regional or rural areas, and social isolation or lack of community with shared cultural, language and ethnic background in regional areas.

Skills recognition appears to be a barrier to employing migrants in the rural and regional industries (Queensland Treasury and Trade, 2013). The system of skills recognition provides insufficient consideration to recognising and converting skills that are necessary for agriculture, manufacturing and food and meat processing industries.

SOLUTIONS THAT ARE WORKING

The industry is supportive of the existing visa settings (WHM, SWP and PLS) and the continued growth of those programs but considers the Industry tailored agreements to provide an industry-based solution.

Industry Labour Agreements

Industry labour agreements enable businesses to sponsor skilled overseas workers here there is a demonstrated need that cannot be met in the Australian labour market, and visa programs are not available. There are five labour agreements covering agriculture industries (dairy, meat, fishing, horticulture, pork).

The Industry Labour Agreement covering the National Horticulture industry that has been recently approved provides benefits for the horticulture industry. The need for an industry-wide Labour Agreement came from widespread concerns expressed across States and Territories about ongoing skill shortages across a range of occupations and continuing difficulties sourcing labour, especially skilled labour. This labour agreement will provide greater surety in relation to skill and labour demand, as the industry requires a more managed process which is framed by a National Industry Labour Agreement.

An industry labour agreement is an important step in the right direction for the industry as it continues to compete on a global scale not only in terms of cost of production but ensuring the level of skills required for technology adoption and innovation. Many of these advancements require a particular skills-set to be able to efficiently manage and operate the machine, which leads to a greater reliance and needs for high skilled roles.

The Horticulture Industry Labour Agreement will help the industry gain greater and simpler access to the reliable, competent and skilled workforce it needs to continue to develop. Through this agreement, the horticulture industry would need to seek concessions to the Temporary Skilled Migration Income Threshold ("TSMIT") for it to meet with the industry's expectation for a skilled workforce. The disparity that the TSMIT creates especially in remote regional settings is a factor in effectively managing migrant labour in regional settings and avoiding loss of existing workers. The Horticulture Industry Labour Agreement needs to be matched with the Horticulture Award, as opposed to the TSMIT.

Designated Area Migration Agreements (DAMA)

A Designated Area Migration Agreement (DAMA) is an agreement between the Australian Government and a Designated Area Representative (DAR) that is an employer-sponsored visa

program. There are examples of how it is being used in agriculture areas such as that is Regional Development Australia (RDA) Orana in New South Wales.

The Orana DAMA utilises the labour agreement stream of the Temporary Skills Shortage visa (TSS subclass 482) and the Employer Nomination Scheme (ENS subclass 186). Following endorsement from RDA Orana, businesses apply for and enter into a labour agreement with the Department of Home Affairs. Endorsed employers then lodge a nomination for the position required, and workers then apply for and may be granted a TSS Subclass 482 or ENS Subclass 186 visa.

These examples demonstrate the essential elements that should be included in a temporary arrangement to have value for the industry:

- It is a pathway to permanent residency for visa holders.
- It caters for a broad range of occupations that reflect skilled and semi-skilled shortages
- It offers English language concessions for some occupations.
- It offers salary concessions that reflect the regions market rates, ensuring that local worker terms and conditions of employment are not eroded.
- It incorporates a range of risk and integrity actions to ensure that the rights of both employees and employers are protected.
- Approved Employer process and labour market testing provided it is in line with that of the Seasonal Worker Programme (SWP) in order to minimise supply issues and confusion within the industry.
- It is a five-year agreement.

SUMMARY POINTS

In summary, the aspects that need addressing are:

- The appropriate and definitions of the ANZCO codes.
- Appropriateness of the labour testing requirements.
- The lack of a residence pathway for those that are in the Short-term Skilled Occupation Lists (STSOL).
- The increasing costs of the visa programs, including the imposed wage rates set by the Temporary Skilled Migration Income Threshold (TSMIT), the Skilling Australian Fund Levy impositions and other associated costs.
- A system that recognized previous experience and skills is needed.
- There is also a need to identify the actual skill-shortage depending on the emerging demands on agribusiness industries so that skill matching can occur more effectively. Understanding the requirements of the industry, where shortfalls exist and where migrants can add value is very important.
- The actual skills shortage in regional Queensland should be assessed in collaboration with the industry bodies and that training programs be developed to train or upskill people (including the migrants) and to facilitate clear career pathways.
- Specific employment-focused training for the regional industries should be developed in collaboration with stakeholders, including employers, community groups, Registered Training Organisations (RTOs), higher education providers, and industry peak bodies.

- To maximise the benefits of attracting immigrants to regional areas, there is a need for infrastructure such as communication networks, transportation and government services (specifically health and education) as well as empowering local communities.
- The need for a tailored solution for the agriculture sector to source temporary skilled workers to solve their labour shortages (such as the Ag visa previously suggested by NFF). A report led by University of South Australia associate law professor Dr Joanna Howe, Towards a Durable Future: Tackling Labour Challenges in the Australian Horticulture Industry, found there was a chronic shortage of legitimate, willing and capable workers within certain growing areas (Howe, Clibborn, Reilly, van den Broek, & Wright, 2019). A tailored solution would ensure workers have entered Australia via legal and legitimate means; are working in accordance with visa conditions, and that their presence in the Australian workforce is transparent. Importantly, it would protect against exploitation.

If you have any queries about this submission, please do not hesitate to contact Dr Diana Saunders at diana@qff.org.au.

Yours sincerely

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