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Inquiry into temporary business visas

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SUBMISSION

To

Joint Standing Committee on Migration

Prepared by:-

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Background

The Western Australian Farmers Federation (Inc) (WAFarmers) is WA's largest and most influential rural lobby and service organisation.

WAFarmers represents Western Australian farmers from a range of primary industries including grain growers, meat and wool producers, horticulturalists, dairy farmers and beekeepers.

It is estimated that collectively our members are major contributors to the \$5.6 billion gross value of production (2005/06 – ABS, WA Agri-Food Industry Outlook – December 2006) that agriculture in its various forms contributes to Western Australia's economy.

Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.

Introduction

WAFarmers welcomes the opportunity to provide comment on the inquiry into temporary business visas.

WAFarmers is not actively involved in employee recruitment, however, our members are increasingly impacted by the dire shortage of skilled labour in regional areas of Western Australia and the inability of the agricultural sector to compete with the resources sector in attracting prospective employees.

Improvements to 457 visa and labour agreement guidelines to cater specifically for farm workers and easing of financial and training expectations in an environment where there are no Australians available for training will go some way to address the current skills shortage.

Western Australia's current unemployment rate is in the vicinity of 2.5% and this is widely considered as being the equivalent of full employment and in WAFarmers view demonstrates the need for changes to 457 visa and labour agreement guidelines.

Terms of Reference

WAFarmers understands that 457 business sponsored visas have been successful, however is concerned that sponsor conditions for these visas, already considered to be onerous are likely to be increased, potentially making them financially unviable for potential employers to utilise.

Whilst all agricultural sectors are affected by the current skills shortage, broadacre cropping enterprises are particularly disadvantaged due to the seasonal nature of the industry.



Full time employment is available for the 6-8 weeks of seeding (May to July) and harvesting (October to December). During the interim periods, the workforce required during seeding and harvesting is not required in its entirety.

By way of improvement, WAFarmers considers that an extension to the regional migration centres to enable guidance through the sponsorship process for permanent employees and assistance to recruitment agencies to provide affordable alternatives to employers requiring experienced seasonal workers where local and New Zealand workforce numbers are now exhausted.

WAFarmers has sought input for this submission from Western Australian based recruitment specialists, Rural Enterprises. Representatives from Rural Enterprises will address the Committee at the Perth public hearing on Monday 30th April. The following areas of concern have been identified with suggested improvements and will be expanded upon at the hearing.

Direct employers (farmers) of 457 visa holders

- Closing of the Superannuation Holding Account Reserve
- Possible addition of paying airfares on behalf of applicants
- Possible addition of paying educational fees of dependants
- Possible addition of paying medical insurance for employees
- Evidence of training Australians when there are no longer Australians to train in regional WA
- Tax rate for non-residents

Labour Agreement holders (Rural Enterprises)

- Passing on to client payroll tax costs not usually incurred by them
- Airfares (pending)
- Educational fees for dependants (pending)
- Medical insurance for employees (pending)
- Proof of training Australians (no direct agricultural employees at Rural Enterprises). The company has purely administration staff
- Trade recognition
- Difficulty in addition of Australian Standard Classification of Occupations to the Labour Agreement to encompass trades in new areas in Regional Australia where shortages have been identified.

Possible areas for improvement

- Reintroduce a Superannuation holding account for seasonal employees
- Revise tax rate for seasonal horticultural non-residents
- Review Office of State Revenue ruling on payroll tax for host employees
- Consider separately seasonal and long-term employees visa terms and conditions
- Review costs of medical cover for non reciprocal country's citizens on 457 visas



- Review tax on seasonal employees superannuation contributions on withdrawal
- Review trade recognition process for seasonal employees prior to entry into Australia
- Revise training requirements for employers in current labour market.

Conclusion

Representatives from Rural Enterprises have the full support of WAFarmers in addressing the Joint Standing Committee during their forthcoming visit to Perth.

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