



COMMONWEALTH OF AUSTRALIA

JOINT STANDING COMMITTEE ON MIGRATION

Reference: Working holiday visas

MILDURA

Tuesday, 17 December 1996

OFFICIAL HANSARD REPORT

CANBERRA

JOINT STANDING COMMITTEE ON MIGRATION

Members:

Mrs Gallus (Chair)

Senator McKiernan (Deputy Chair)

Senator Stott Despoja

Senator Tierney

Senator Troeth

Ms Gambaro

Mr Holding

Mr Kerr

Mr Martin

Mr Sinclair

Matter referred for inquiry into and report on:

The regulations relating to working holiday visas, with particular reference to:

- (a) the adequacy of the existing working holiday arrangements, including the criteria and conditions relating to the grant of working holiday visas;
- (b) the appropriateness of setting a limit on the number of working holiday visas granted annually;
- (c) the efficiency and effectiveness of the administration arrangements relating to the grant of working holiday visas and compliance with their conditions;
- (d) the impact on the Australian community of the working holiday arrangements, including any impact on the Australian labour force; and
- (e) the adequacy and effectiveness of reciprocal working holiday agreements established with other countries, including any potential for expansion of such agreements.

WITNESSES

ANDERSON, Mr Allan William, Chairman, Robinvale Table Grape Growers Association and Murray Valley Table Grape Growers Council, and Harvest Labour Officer, Combined Growers Association, PO Box 589, Robinvale, Victoria 721

CROUCH, Mr Thomas Charles, Harvest Coordinator, Mildura and District Harvest Labour Committee, PO Box 667, Mildura, Victoria 675

DOLENEC, Mr Victor Ivan, Chairman, Mildura and District Harvest Labour Committee, PO Box 667, Mildura, Victoria 675

MATOTEK, Mr Matthew Victor, President, Sunraysia Ethnic Communities Council, PO Box 1213, Mildura, Victoria 695

McFARLANE, Mr Peter Bernard, Executive Officer, Riverland Horticultural Council Incorporated, 7 Wilson Street, Berri, South Australia 704

TEPPER, Mr Garry Ian, Executive Officer, Economic Development, Swan Hill Rural City Council, and Executive Officer, Swan Hill Rural City Development and Marketing Board Incorporated, PO Box 488, Swan Hill, Victoria 721

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Present

Mrs Gallus (Chair)

Senator Tierney

Ms Gambaro

Senator Troeth

Mr Kerr

Senator McKiernan

The committee met at 10.36 a.m.

Senator McKiernan took the chair.

ACTING CHAIR (Senator McKiernan)—I am pleased to declare open this public hearing in Mildura, which is part of the inquiry by the Joint Standing Committee on Migration into working holiday visas. Australia's working holiday program has been in existence since 1975. The scheme allows young people the opportunity to come to Australia as tourists for up to 12 months and to supplement their travel funds through incidental employment. The intention of the scheme is to enable these young people to appreciate Australia's culture and way of life and to promote understanding between Australia and other countries. The scheme also forms the basis of reciprocal arrangements for young Australians to travel to other countries for an extended holiday and to work.

This year, approximately 50,000 working holiday visas will be issued in Australia. The importance of the working holiday scheme is evident from the many submissions we have received from a cross-section of the Australian community, including the Mildura area. This hearing provides the community with an opportunity to have a say about the way the current working holiday scheme is operating and how it might be improved in the future.

Today the committee will be hearing from a number of organisations from the Mildura area as well as from Berri and Swan Hill. These organisations have a particular interest in the scheme. Before commencing with our first witness, I remind everyone that these are proceedings of the parliament and warrant the same respect which proceedings in the parliament deserve. This committee does not require witnesses to swear an oath or affirmation, but this does not diminish the importance of these hearings. I now call representatives of the Mildura and District Harvest Labour Committee as the first witnesses today.

[10.38 a.m.]

CROUCH, Mr Thomas Charles, Harvest Coordinator, Mildura and District Harvest Labour Committee, PO Box 667, Mildura, Victoria

DOLENEC, Mr Victor Ivan, Chairman, Mildura and District Harvest Labour Committee, PO Box 667, Mildura, Victoria

ACTING CHAIR—Welcome. We thank you for your submission, which we have previously authorised to be published. I now invite you to make a brief opening statement before the committee proceeds to address questions to you.

Mr Dolenec—I would like to point out the Mildura and District Harvest Labour Committee, as it is now known, has been operation for 50-odd years with its main function being the recruitment of labour to the Mildura area for the annual harvest of our fruit crops. Originally, it was called a manpower committee. We then aligned ourselves with the CES, or whatever it was known as in those days. Since those early years, we have worked very closely with them. Over the years, the system of recruiting labour to the area has been streamlined. We now have a very good system.

Years ago, as a lot of people may remember, growers used to round up people to come to the area. They basically went around the parks, picked them off the benches, kicked them out of the bushes and sent them up to Mildura. It certainly was not a very satisfactory arrangement, because those people were really not that interested in the harvest. They might have put in a day or two and the next thing was that they were all hitchhiking back to the cities where they came from.

We now operate a system where vacancies are lodged through the CES. The CES officers are contacted through the network. They endeavour to fill those vacancies for us. That has been extremely successful. The top-up labour that we use if there are shortages are the backpackers. That is why we are here today. We are certainly in favour of maintaining that level of backpacker presence in the country, and the working holiday visa arrangements should not to be reduced in any way.

Mr Crouch—I have nothing to add.

ACTING CHAIR—You mentioned your dependence on the backpackers. We see the backpackers somewhat differently. We see that the working holiday maker visa component represents 15 per cent of the backpacker tourist market. It is a small, significant part, but it is only a part of the total backpacker market. In your submission, you talk about a substantial proportion—15,000 to 20,000—of itinerant employees who come to this region. How many of them would be working holiday maker visa holders?

Mr Dolenec—Five per cent.

Mr Crouch—Probably five to 10 per cent would be working holiday maker visa holders. There is no official record kept of the number who come here with working holiday maker visas, except when they put their taxation forms in. That is about the only way that we could come up with an answer to that.

ACTING CHAIR—So you are not all that reliant on the working holiday maker visa holder when push comes to shove?

Mr Doleneć—Not in the first instance, but they are a very reliable source of backup labour when we are short. We try to fill all our vacancies with Australians first. The backpackers are then used as a backup to fill any remaining vacancies. Sometimes that can be up to 10 per cent.

ACTING CHAIR—How do you recruit backpackers if you are short of Australian labour to fill the requirements?

Mr Doleneć—We advertise through the backpacker magazines and youth hostel magazines along the eastern seaboard. We direct them to approach the CES to ascertain whether there are any vacancies in the area rather than have them just come willy-nilly into the area and find that they have gone to the trouble to come here and there is then no work for them. We try to keep it as closely knit through the CES system as possible.

ACTING CHAIR—Have you ever experienced an over-influx of working holiday makers searching for work when they were not needed for one reason or another because there were enough Australians or the crop was not exactly ready for them?

Mr Doleneć—I do not think it has been a problem. An odd one or two, or a very small number, may have come to the area and found that there was no work. In the main, I am not aware of a problem in that area.

Ms GAMBARO—We have read a number of submissions that suggest that a cap should be put on the scheme. The current level is 50,000 for 1996-97. What are your views on putting a cap on the working holiday maker scheme?

Mr Doleneć—Personally, I am not in favour of a cap. A lot of the backpackers who come into the country are more inclined to stay along the coastal areas. Only a smaller percentage of them come inland to the harvest areas. The more there are available, the better it would possibly be.

Ms GAMBARO—So you are not in favour of a cap as such?

Mr Doleneć—Not really, no.

Ms GAMBARO—In your submission, you mention tax rates. I think you have advocated a lower tax rate. Seasonal workers are paid 15 per cent, while 29 per cent is the rate for working holiday makers. You have said it causes confusion among working holiday makers. Can you expand on those areas of confusion. What difficulties might employers face?

Mr Dolenec—The confusion or dissent occurs with the picking of fruit, when you might get a couple working together. One might be an Aussie, so to speak, and the other a backpacker. At the end of the day, they may reveal their earnings for the day or the week. One is taxed at 15 per cent and the other is taxed at 29 per cent. That then causes a fair bit of discussion. In a lot of cases, the backpackers will leave because they are not really happy with doing the same amount of work and being taxed differently.

Ms GAMBARO—It is only when they are talking to each other that the working holiday makers feel they are disadvantaged?

Mr Dolenec—Yes.

Mr Crouch—One of the important things relating to the tax rate involves a bit of worry about the Sydney and Gold Coast areas taking jobs away from other unemployed Australians. If the backpackers or the working holiday maker visa holders were to have an itinerant rate of 15 per cent, that might entice them to come from those areas that are taking jobs away from the harvest areas. That would be if they were getting a 15 per cent tax rate instead of the 29 per cent tax rate. We have never had an over-influx of people coming to pick grapes in our area. We are always out there looking for people.

Ms GAMBARO—I saw your folder with the CES. How many people would you recruit from the drives? Can you expand on the drive you have been on to CES offices around Australia and its success rate. What happened before you did it? Did you have problems recruiting people?

Mr Crouch—I will go into what we currently do with the CES. With the CES, we have taken over the role of running a harvest office in the Mildura area. Before that, in the November-December period, we run a campaign. That campaign includes going to Melbourne and Adelaide CES offices through to Whyalla and then Sydney, Wollongong, Parramatta and Liverpool. We go to the regional CES offices, which then bring outlying CES harvest offices into the meeting. We then give out some of the information that we have handed around here today regarding our harvest. When people come into their office, they can send those people down to us for the harvest. That system has taken 10 years to refine.

In conjunction with that, for two weeks at the beginning of February, we begin an advertising campaign through the local media. Last year, we spent approximately \$30,000 on advertising. We would not spend that kind of money if we did not need the people here. About three years ago, we had problems. This was not just in our area but also in the Shepparton area.

Ms GAMBARO—What do you think that was attributed to?

Mr Crouch—There was not that much support towards the harvest areas from the government, with the unemployment rate dropping. People would not move from their area and come down to pick grapes for a six- to eight-week period. They did not know about the harvest period because we did not have the funds to get out and tell people. Since then, we have got support through DEETYA, which provides funds to us. It has supported us and we are able to get our message out to the general public. Industry is taking over the role of running the harvest as opposed to the CES doing it by themselves.

Ms GAMBARO—Are you on line with the touch screens in the CES?

Mr Crouch—Our vacancies will be lodged on them this year. This is the first year that the touch screen system will be available. They were not in place when the harvest was on last year.

Ms GAMBARO—This is the first year that you are coming on line?

Mr Crouch—Last year, we had vacancies with the CES, but the screens were not in at the offices. This year, they will be. The posters we have handed out have a sticker on them. They will be put up with the touch screens. It makes it easier for people to not use the resources of the CES. They can go to the touch screens, find the vacancies and then ring through to our harvest offices.

Senator TROETH—You have said that working holiday makers do not have an impact on the opportunity for Australians to find employment in Mildura at harvest time. From that, I take it to mean that everyone who is normally living in Mildura who wants to work at harvest time can get a job. Is that right?

Mr Dolenech—They are encouraged to do so. The CES writes to them and gives them the opportunity to find work during the harvest. There are a few tests they apply. It works very well.

Senator TROETH—Are there still people who do not take up that opportunity and remain on the unemployment benefit?

Mr Dolenech—Only if they produce a medical certificate.

Senator TROETH—To say that they are unfit to work?

Mr Dolenech—I do not know whether what they are doing is all that legal, but they are doing it. The local CES and Social Security are very supportive. Years ago, they used to leave Mildura and head to Surfers Paradise. That does not happen any more.

Mr Crouch—It is an age old problem. If the unemployed do not want to work, it is very hard to be able to make them work. Social Security works well with the CES and our harvest office. The medical certificates are brought into the harvest office. Social Security sends those people to the harvest office. We have to stamp their form to say that we have given them a job. Social Security also has a mobile review team that comes here during the harvest. The local unemployed are encouraged to work in that way.

Mr Doleneć—They even check to see which medical practitioners are signing the medical certificates.

Mr Crouch—We have problems with the medical fraternity giving out many medical certificates. It seems exorbitant sometimes.

Senator TROETH—How long does the harvest season last?

Mr Doleneć—We generally start about mid-February. In full swing, there is a bit of a lead-up prior to that, particularly with some of the early table grape varieties, et cetera. They go for six to eight weeks. Eight weeks would see it out pretty well.

Senator TROETH—So there would be about two months of solid work for anyone who wants it?

Mr Doleneć—That is right.

Senator TROETH—When non-local harvest workers come in, how are they accommodated?

Mr Doleneć—Generally, there are two ways. The growers provide what we call a pickers' hut or barracks for them, which are generally given to the pickers free. They also have camping facilities and shady lawns, ablution blocks and that type of thing, where they can put up a tent or park a caravan. Otherwise, the pickers stay in one of the caravan parks. There are quite a number of them scattered throughout the district. In some cases, the growers will assist with site fees, but that is generally negotiated between the pickers and the employer.

Senator TROETH—Of those who stay in the pickers' huts, do the growers charge for that accommodation?

Mr Doleneć—In the main, they do not. Occasionally, you hear of some who might charge a few dollars to contribute towards the cost of power. But it is not a money making exercise, no.

Senator TROETH—But it is mainly sleeping accommodation and cooking facilities?

Mr Doleneć—Yes. In the main, most accommodation areas are pretty good.

Senator TROETH—Given that it is warmer weather, they would be really comfortable.

Mr Doleneć—That is right.

Mr Crouch—Most of the picking quarters are older houses that have kitchens, laundries and so on. Usually the camping facilities include power and toilets. The grower will have somewhere where they can do their laundry and so on. Up to 50 and 60 per cent in this area would have hut style accommodation. In many of the other areas, it is probably a lot less than that. The big plus for people who stay in that accommodation is that it is for free. That adds to their wages during the year for the six weeks.

Senator TROETH—With this cooperative approach in working out how many pickers you will need and where they will go, could you go through the way you meet with DEETYA and the CES and your own harvest council to decide what you will need for the picking season. Have you got a good idea at the start of each picking season how many pickers you are going to need for those six to eight weeks?

Mr Doleneć—We meet with DEETYA prior to harvest. We have an estimate as to what we think the crop will be. We go from there as to the numbers that we estimate we will require.

Senator TROETH—Have pickers ever arrived in Mildura and found that there was not work for them and that they were stuck and unable to go anywhere else?

Mr Doleneć—It has happened in the past. That is why we stress that we try to operate through the DEET system. We direct every potential grape picker to the CES so that they can then contact our local harvest office to ensure that there is work available. From time to time, you get people who come up on spec. We have had problems in the past with the welfare agencies, such as St Vincent de Paul and the Salvation Army. These people have come into the area and had no money or anything. They have been a burden on those welfare services. We have endeavoured to try to rectify that by going through the CES as much as possible. You cannot stop them. If they come of their own free will, there is not much you can do.

Senator TROETH—Do the working holiday makers comprise any part of that group of people?

Mr Doleneć—Not that I am aware of.

Mr Crouch—The system we have put in place has taken 10 years to refine. Ten years ago we had problems with people coming a month before the harvest began. That

caused a lot of social problems in this area. Because of the current network system with the CES, we can memo out to people exactly what is going on in the area. Advertising does not start until 1 February. That makes sure that people do not come up early and see advertising before that time. The CES offices advertise from the day the harvest office opens, which is about mid-January. We send out notices to the CES offices telling them not to send people until one to two weeks before the harvest begins.

That has changed things considerably. We now do not have the social problems we used to have in the past. That is one reason why we like the working holiday maker visa people to go into the CES office. We do not want them to turn up in Mildura on spec and then have to go through the social security system and so on.

Senator TROETH—Is there any local resentment of people who arrive here for eight weeks at a time and then vanish, never to be seen again? Is there any local resentment of those people using the local CES office or other town facilities?

Mr Crouch—There is the opposite effect. This area looks forward to having people from overseas come to the area. It brings culture to the area and makes the harvest a time when people come here and talk to people of different cultures. It is no burden to the CES any more because the industry runs the harvest office. The only way the CES gets used now is when they contact the CES office in the area that they are coming from. That might be in Sydney or the Gold Coast.

Senator TROETH—In your opinion, would it be useful to have a special harvest labour visa that would target specifically who would like to come to Mildura or other harvest areas to work in those specific industries?

Mr Crouch—I am a little worried about that. If you bring in that sort of thing, you will have to set up a bureaucracy to police it. I would rather see information sent out with the working holiday maker visas. These people can then plan their working holiday around the harvest areas rather than just going to the traditional Sydney and Gold Coast areas. If this information is made available when they are applying, they would be able to set up their work way around Australia much better than they can now, because now they only know that they can go to Sydney and the Gold Coast. Our industry would like more support by the government in showing these people that there is work in the harvest areas, such as Mildura.

Mr Dolenc—A lot of the backpackers have found that at the time they want to do a harvest, their visa has run out. Probably an extension of their visa—

Senator TROETH—To cover the extra months or wherever else they want to go?

Mr Crouch—At the moment, it is one year, unless they want to get it extended. Most people who come here will go to Sydney, the Gold Coast and the traditional tourist

areas. That will take them up to 12 months. A lot of them would like to continue and go into the country, but they do not have the time. By the time that one-year period is up and they are thinking about doing it, they have to go back to their own country. An extension to two years, where they can get out into the country areas, would be advantageous to our area. A lot of the time, the harvest is over by the time they work out that the harvest is on. It is then not on again until next year.

Senator TROETH—We had some discussions yesterday with some other witnesses. All of us agreed that 20, 30 and 40 years ago, many Australians would work their way down a harvest trail, starting in Queensland and going through to New South Wales and then Mildura, for example. It was also agreed that probably there are less Australians doing that now than there have been in the past. To some extent, the working holiday makers have come in and filled that vacuum to provide you with the labour you need. If the working holiday maker visa did not exist, how would you go about filling your labour needs for the harvest here?

Mr Dolenec—With difficulty, I would imagine. A lot of mechanisation has taken place up north with cane, tomatoes and potatoes. It was all manual, and now it is machine driven. There are fewer going through who are available down this way.

Mr Crouch—The culture of Australia has changed as well. Most people are used to working in an office environment. They are not used to the labouring jobs. People have the view that it is hard work picking grapes. They would rather stay in their own area and see whether they can pick up something there than go from place to place not knowing from day to day what sort of work they will be doing. The whole of Australian culture has gone away from that. However, working holiday maker visa holders want to do that. They want to be able to go from place to place and get a bit of culture. The harvest trail would be advantageous to those people. It gives them that experience of what Australia is all about once they are here.

Senator TIERNEY—Mention was made earlier of the cap. What impact, if any, has that had on your recruitment of labour in these seasons?

Mr Crouch—We cannot really say how big a difference it has made. The only difference it will have is if we get to the cap, such as 50,000 visas, and it then stops. If the visas stop in December, that will have a significant impact.

Senator TIERNEY—If they get to that quota by that point and you need the people by February, March or April—

Mr Crouch—That would be a problem. I am not too sure about the figures and how many visas were given out last year. If it gets to the cap, it will only cause us more problems. There will not be that number of people coming through.

Senator TIERNEY—Roughly, what percentage of the work force would be working holiday makers as opposed to Australians?

Mr Crouch—Five to 10 per cent. As I said before, we do not have any real figures on how many working holiday makers come into the area. A lot of them come here on spec. They do not come through our harvest office. Many of them might make phone calls to our harvest office. We then direct them directly to the grower. Until they get to the grower, we do not know whether they have working holiday maker visas.

Senator TIERNEY—What percentage are itinerant holiday makers out of the region?

Mr Crouch—About 15 per cent. Out of the local unemployed, you might get 4,000 or 5,000. We have to get the rest of them from the other parts of Australia. We are in a unique position in Mildura, if you look at Shepparton, the Riverland and the Murray irrigation area. The Murray irrigation area in New South Wales is closer to Sydney. If people come from Sydney, they have to get through that area before us. If they come from Melbourne, they come through Shepparton. From Adelaide, they have to get past the Riverland before they get to us.

Senator TIERNEY—Are you at the end of the trail?

Mr Crouch—We are at the end of the trail. That is why we need one of the best organised harvest recruitment exercises in Australia. We have to get them past those areas to get them here. We have the biggest recruitment exercise with the CES in Australia. In six weeks last year, the harvest office alone took 5,000 vacancies. In the Shepparton area, it took 3,000. The Riverland did not have a harvest office. I am not too sure whether the MIA did. As you can see, we always get the tail end of the people who come through. We have to make sure there is a good influx of people going to different areas.

Senator TIERNEY—Earlier you mentioned that the harvest office was driving all this vis-a-vis the CES office. Could you explain the relationship between the harvest office and the CES office. How does it work?

Mr Crouch—In the past, the CES ran the harvest office. They would be in direct contact in setting up a harvest office with the other CES offices. Their people would work in the harvest office. Our role would be to tell the CES offices about our harvest, such as whether it was going to a large crop or a small crop, and how many people we would need. We would go along on the recruiting trips to the CES offices. Last year, there was a bit of a change. The government saw fit to let industry take over the role of the harvest office. They saw that industry organisations would probably run the harvest office a touch better and be more in contact with growers. Growers would be more conversant with people in their own industry. That has taken away the CES's role in sending people to work in the harvest office.

Senator TIERNEY—In your view, is that an improvement?

Mr Crouch—It is a large improvement.

Senator TIERNEY—It is working better?

Mr Dolenec—Yes. It has allowed us to do a few things that the CES was not able to do through regulation.

Senator TIERNEY—What can you do that is different?

Mr Dolenec—We can refuse to supply if we hear some growers are not quite up to scratch. The CES were obliged to supply pickers. Not all areas of the industry support the harvest office. This year, for the first time, we will charge some of those growers for the use of the harvest office to help offset some of the costs involved.

Senator TIERNEY—In what way were the growers not up to scratch? What does that mean?

Mr Dolenec—They were just bad employers. They treated their pickers badly. You get reports back. Pickers complain.

Senator TIERNEY—And that did not concern the CES?

Mr Dolenec—It did. They were not able to do anything about it. They were not able to refuse the supply of labour if it was available.

Mr Crouch—They were obligated to supply labour to the vacancies lodged. As an industry organisation, we can look at these people. If they are not doing the right thing by their pickers, word of mouth can be a big thing. It will destroy what we are trying to set up, which is getting people to the area. We try to talk to bad employers if their accommodation or pay is not right; it usually involves something along those lines. We will refuse to supply them with any labour unless they come up to industry expectations.

Senator TIERNEY—During that high demand time from February to April, what is the local unemployment level? Presumably, there is enough work around for anyone who wants it.

Mr Crouch—Only people who can get medical certificates can stay on the unemployment benefit.

Mr Dolenec—We are not privy to the actual numbers or percentage.

Senator TIERNEY—The CES office would take the view that everyone who can

work should be working?

Mr Crouch—That is right.

Senator TIERNEY—What percentage cannot work and do not work?

Mr Crouch—Last year, we only got 600 medical certificates out of probably 4,000 or 5,000 unemployed people.

Senator TIERNEY—Do you know whether there are backpackers who do not have working holiday visas? Does that surface as a problem?

Mr Crouch—It has never been a problem to our growers. They seem to get past that if there is that situation. We do not see it, because the harvest office does not ask to see the working holiday visas. We leave it to the employer.

Senator TIERNEY—You also mentioned earlier that people were turning up early in the past and that that created social problems. Could you explain what you meant by that.

Mr Dolenech—Basically, they had no money or accommodation. They were then relying on welfare agencies within the town to feed and accommodate them.

Senator TIERNEY—They were turning up on spec, not realising that the harvest did not start for another month?

Mr Dolenech—That is right. In some cases, when the harvest started, they moved on.

Mr Crouch—That was mainly because the system was not refined enough. We probably did not advertise at the right time of year. The way that we advertised was probably not giving them the right message. As I said, over the last few years, with the refining of the organisation and so on, we have been able to see the problems that have been occurring. Last year was probably one of the best years that we have had since the inception of the scheme.

Mr Dolenech—We are highlighting a lot of the negatives. The negatives are very few in comparison with the positives. They involve both the holiday maker and the Australian picker.

Senator TIERNEY—Have you ever had any years when you were seriously short of labour and could not fill vacancies?

Mr Crouch—Two or three years ago there was quite a shortage of labour. That is

what brought the changes through from the government. Industry took over the harvest office, and the role that we played in the whole recruiting exercise. Every year, we have the problem of getting people to the area. It is a matter of our organisation working out some tack to get the people here. We never have a problem with too many people coming here.

Mr Doleneć—We also have problems with the press. If there is rain, they blow the story out of proportion. It is amazing how it travels through the country. It may be only a minor bit of rain, but the story can cause a few problems.

Mr Crouch—The press sensationalise a lot of the things that go on. If one backpacker turns up to get some free handouts, the press seem to highlight that situation rather than relay stories about the other 4,500 people we have in the area. If frost damage occurs early in the season, there seems to be a lot of press over it. When that happens, we do not seem to get the people here, because they think they will not be able to find work.

Mr Doleneć—In terms of the overall percentage, it is only a small percentage. We still need the volume of labour into the area.

Mr KERR—Obviously, your relationship with the working holiday visa people depends on a good relationship with the CES. Have you had any discussions regarding the proposed restructuring of the CES and how that will continue into the future?

Mr Crouch—We put a submission in regarding that situation and the privatisation of the CES. We are very concerned about the network that will be set up for us to use in the future. With PEPE—the private employment and placement enterprise—we would like a system similar to the CES system so that we can get people to the area. If all the organisations are privatised, we may have to go from office to office to office in every capital city. The private enterprise will want money or look for funds from each person they send to the area. At the moment, the CES does that as a community exercise or obligation.

Mr Doleneć—Not all the people who come to the area are good pickers or workers. With this new system, people will get paid. If their work is no good, the grower will complain. It certainly becomes quite a difficult thing to manage.

Mr Crouch—We are hoping that the government will come up with a special harvest strategy. They are currently talking about it. At this stage, the writing is on the wall. We just do not know what is going to come into place next year and how we will operate if the system is not there. Hopefully, we might be able to use these new touch screen systems, which are said to be placed in the new shopfront style social security offices. We do not have any real answers on what will change there.

Mr KERR—If the government is looking at a harvest strategy, that might be a

very interesting one to develop. It is difficult to attract casual labour because if you think you are only going to get work for four or five weeks, it is hard to leave everything behind. For young people who want to save money, take a year off, travel around Australia and work on a reasonably well-known harvest trail, it could be quite exciting. Australian teenagers and young people would discover their country. It could be sold to them in the way that it is sold to overseas people. But you cannot do that if you are only offering five weeks in one place and no continuity. I wonder whether you have had any discussions in that area. We picked up that idea from the Northern Victoria Fruitgrowers' Association in the Riverina area.

Mr Doleneć—When we visit the CES offices, we state the type of people are looking for. We suggest people on a working holiday, long service leave or even people taking an early retirement; you find that these guys get their new four wheel drives and caravan and come to work. They use the harvest areas to earn a few dollars and generate some dollars to pay for their trip around the country. They are a very good source of labour as well.

Mr Crouch—One of the big things that we do on these recruiting trips is not just highlight the Mildura area. It is an Australia wide thing. We take along a CES person from the Mildura area. They highlight all the other harvest areas that need people, including the MIA, the Riverland and the Shepparton area. The Shepparton people come on some of the recruiting trips with us. We do not go into Queensland and so on. We have in the past, when there has been low employment. We have had to go there to get people to come down. We promote the whole of the fruit picking area rather than just this area. We centralise around this area to get people.

Mr KERR—I think it is very interesting. I am sure you are right in talking about a change in culture. Essentially, lifetime employment in rural labour is probably a thing of the past. With the new culture, I would have thought that for one or two years you could see your own country and support yourself through this. It is almost an adventure holiday or working holiday around Australia.

Mr Crouch—I am not so sure that a lot of younger people want to travel around their own country. They seem to want to go overseas a fair bit. We still promote the harvest areas in the colleges and things like that. The only problem we have with the colleges is that, because our harvest starts in February, few of the younger ones get here. They work for two weeks and then have to go back and sign up for the colleges and so on. We still encourage them to come along and pick grapes, as they might want some funds to get them through the year.

Mr Doleneć—The colleges require them to be physically there to enrol. They cannot do it by phone or mail. A lot of growers get these people started and then they have to go away for a few days. In a lot of cases, it is not worth their coming back to the area, even if they would like to do so.

CHAIR—Mr Kerr and I share enthusiasm for the harvest trail idea. As Mr Kerr said, as a year-long adventure, it would require a colourful map that would show you where to start. Mildura would be featured on it. When you talk to other areas, do you have an agreement with them about forwarding on workers to Mildura when they finish with them?

Mr Crouch—It is pretty hard. We compete with some areas. We want people at the same time of year. A lot of fruits come into production around the same time of the year. In an ideal world, crops would finish at the end of the month in one area and then another crop would come up in another area. The workers could then move from one area to the next. They happens to some extent in some of the areas. However, a lot of the crops overlap each other. That is where the harvest trail may not work. There may be a period when people have to travel from Victoria to Queensland for a month of work. They then have to go back to Victoria. When the crops cross over, there is competition. We have an agreement with the Shepparton area, which has stone fruits. If we are starting to run out of work, we will refer people to the Shepparton area. When they have too many people coming in, it is vice versa.

CHAIR—I take your point about the overlap. I looked at this in one of our earlier hearings. In one backpacking book, they put all the harvest areas and where they were picking. From looking at it, I found that you could work around Australia all year except January. January seems to be the poor month. It could be fairly continuous, but, but the problem was the overlap. I did not take it any further than that then. It seemed to be attractive. In your brochure, you say that an average picker gets \$80 per day. Over six days a week for 50 weeks, that means only about \$24,000 per year. It is a lot of very hard work over six days a week for 50 weeks. Do you think they would be earning more than \$80 per day?

Mr Crouch—That is an average picker. It does not matter which area they go to. The AWU sets minimum picking rates each year. That goes up, depending on what is set each year. If they can pick more, they make more money. People who only want to work five hours a day can, but they have to be prepared not to make as much money. They get paid per bucket. People who want to make a lot more money can pick up to 600 buckets per day.

CHAIR—How much do they get?

Mr Crouch—It is \$80 to \$90 per day for 200 buckets. You could calculate it. Six hundred buckets is probably someone who has been doing it for 10 years and is quite a good picker. Two hundred buckets per day is for an average person who would work an eight-hour day. From that, you have to take out 15 per cent tax.

Mr Dolenech—People who are earning that sort of money are also living on properties free of rent and all that sort of thing. That would also come into savings for

them. They would not have to pay that.

Mr KERR—You could be \$10,000 or \$15,000 ahead.

Mr Dolenec—A lot of them eat the fruit.

CHAIR—You guess you have no shortage of fibre in your diet.

Mr Crouch—We really want to encourage the harvest trail idea. It can only bring more workers to our area. As a harvest area, Mildura would like support from the government in promoting the harvest trail to people who apply for working holiday maker visas. That would highlight to them that there is work in our area. Our biggest problem is getting the message out that work is available not just in Sydney and the Gold Coast.

CHAIR—Sometimes your season is delayed. If you are going to work out a harvest trail, it would have to be fairly well locked in. You could not have much variation. How much out would it be if we promoted a harvest trail, given the vagaries of time within this industry?

Mr Crouch—You are talking about different times. That might be a week.

CHAIR—So it is not huge?

Mr Crouch—No. The crop may be a week late or early.

Mr Dolenec—It depends on the weather leading up to the maturing of the crop.

Mr Crouch—The harvest always starts between 12 February and 18 February every year. It is within a week. All growers start at different times within that week.

CHAIR—You mentioned bad employers. How many bad employers would you have? Roughly how many employers do you have?

Mr Crouch—Around 3,000 and 3,500 in this area. We are a little different from other areas, where there are large properties and they may have 300 workers on their property. The average would be between five and 10 people on a property. That would be the number that most growers would have picking their fruit. They only have small gangs because their properties are probably between 25 and 50 acres. They do not want to pick too quickly, because they want the crop to mature as they go through the season. Most property owners would have between five and 10 employees.

CHAIR—Of your 3,000-odd employers, how many would be bad?

Mr Crouch—One per cent.

Mr Doleneć—If that. They seem to be the ones who are highlighted. You might have 50 growers today with one crook one. There might not be any more for a few days.

CHAIR—Once you lean on them, do they come back into line?

Mr Crouch—Last year was our first year operating the harvest office. This year we may be leaning on them.

Mr Doleneć—In the past, we used to suggest that the picker had the right to approach the Department of Labour and Industry. In a lot of cases, that seemed to sort out the growers. We would tell the growers that they would go through their books and tip them upside down. They would come good then.

CHAIR—They sound like good tactics.

Mr Crouch—We work in conjunction with the AWU as well. They provide material in our office. If employees come into our office with complaints, we refer them on to the AWU. They then take it up with the grower. A lot of the time, it is worked out fairly quickly once the AWU gets involved.

CHAIR—Do you know about an employer awareness campaign to make employers aware of working holiday makers?

Mr Crouch—No, in short.

CHAIR—What percentage of working holiday makers make up your labour force?

Mr Crouch—Five to 10 per cent.

CHAIR—Yesterday, we were told that it was 20 per cent in northern Victoria.

Mr KERR—Everyone guesses.

Mr Crouch—The figures are fairly rubbery. With a lot of the people who come through, you do not know they are here. It is about 15,000 and 20,000. A lot of people come here on spec. They come back because they have been here the year before. They go straight to the same grower. That figure is based on people who come through the harvest office.

Senator McKIERNAN—That will not happen with a working holiday maker turning up year after year.

Mr Doleneć—A person will go home and give out the address where he was two years ago. When his friends arrive in February, they make immediate contact with a job at

that address. A bit of that goes on as well.

Mr Crouch—We have a site on the Internet, which is the latest, greatest media push. We started it this year. We get a lot of e-mail through the Internet system from people overseas who want to know how to come here and work. We have a link on that to the immigration department so that they can get a working holiday maker visa through the Internet.

Ms GAMBARO—That is very innovative.

Mr Crouch—It works. The only trouble is answering all the e-mail.

CHAIR—The CES sends you poor workers. How many of those workers would there be?

Mr Dolenc—It is nowhere what it used to be. It is almost negligible today compared with what it has been in years gone by. The people now want to come. Some are encouraged a little, but not to the extent they were years ago, where they were put on a train and sent here en masse.

Mr Crouch—The biggest problem we have is our local unemployed, who have to go out and work. They are the ones who tend to go off after two to three days. They live here and know what the work is like. They tend to not want to do that sort of work. People who travel long distances usually stay.

CHAIR—The motivation is different. If you are local, you are looking for a permanent job, not a seasonal job.

Mr Dolenc—A lot of growers need extra labour now in comparison with the old days, where a picker would start at daylight and go until dark. Today, they do not want to do that any more. It does not matter what they are; it is about the way they work.

Mr Crouch—Most people who start early in the morning work until 2 p.m.

Mr Dolenc—‘Early’ means daylight. We encourage them to go out because it is the cooler part of the day. They will only go to 2 or 3 o’clock, so you have to start increasing your numbers.

CHAIR—Do you ever work European hours? Do you go from 7 a.m. until midday, take a couple of hours off and then work in the evening again?

Mr Dolenc—Some growers work like that.

Mr Crouch—You have to look at the way the itinerant labour forces work and

how they are paid. They are paid by the bucket. The growers will let them work any time they like. Most people will go out in the early morning and work through until 2 p.m. Because it is too hot, they will then go in; they have done their eight hours and they are fine with that. Some people will go out when it gets cooler at night and do some work then. It is really up to the individual.

Senator McKIERNAN—This map I have is only for grape picking. Who produced it?

Mr Crouch—I got it from a backpacker magazine. We put this in to give you a bit of an idea.

Senator McKIERNAN—You are talking about a map being produced. There are quite a number of national and state horticultural organisations which the government has set up. Why do they not take the initiative for producing that type of information?

Mr Crouch—It is not so much about the map and so on. That information is probably widely available. We want that sent in some form with the working holiday maker visa when the application goes out. When they apply for their visa, they would have this material in front of them. They can then work out a trail of work in harvest areas when they get here.

Senator McKIERNAN—You are acting on the assumption that the working holiday maker comes to Australia to work rather than travel?

Mr Dolenec—I would not say that.

Senator McKIERNAN—You have quoted extensively from Ms Murphy's research, yet you still will not say that.

Mr Dolenec—They have come to work, but not necessarily on grape picking. They may wish to work in bars.

Senator McKIERNAN—That is not what I asked. They come to Australia as tourists in the first instance. It is a tourist visa. Work is ancillary to the tourist. You are operating on the assumption, both in your submission and on your presentation here this morning, that they are coming here to work.

Mr Crouch—They have to work to be able to get around the country for a start. They will not be working the whole time that they are going around Australia. Mildura is into tourism. A lot of those people will come here and work. They will spend their money on house boats and things like that on the tourism side of Mildura. That is another reason why the backpackers are quite good for this area.

Senator McKIERNAN—There are two areas where we might be able to help people. You have not told us of any difficulties in ascertaining whether a person has the right to work. That involves backpackers as opposed to working holiday makers working legally in the country. Has that not been a problem for you?

Mr Dolenec—Not that we are aware. That is included in your taxation pack each year. They issue you with information on visas and passports and that sort of thing. There is a brochure in the tax pack.

Mr Crouch—We do not police it as an industry. We mainly leave it up to the employer. Overseas backpackers can check it.

Senator McKIERNAN—Have employers told you of any difficulties they have had? We have had evidence in other parts of the country that immigration officials have gone looking for illegal workers and raided premises and checked books. There is some disruption to the employer.

Mr Dolenec—It has happened in Robinvale.

Mr Crouch—It has not happened very much in Mildura. It happens mainly in the Robinvale area. I cannot tell you why it happens in Robinvale.

Senator McKIERNAN—You mentioned tax. I will not be accepting your recommendation about bringing the level down to 15 per cent. You need government to provide some services. They can do that if they get taxes coming in. Working holiday makers know the rates before they come to the country. They are a very privileged group in being able to come here and work. Apart from dropping the rates of tax, is there anything else you could suggest that could simplify the system for employers or industry as a whole?

Mr Crouch—In terms of the harvest trail, we should make sure they have the information about where to go when they get here.

Mr KERR—Is it good fun to come and work here?

Mr Crouch—It is one of the best areas of Australia to come to work.

Mr KERR—My brother went on a working holiday to Europe, where he did grape picking in France. They had festivals there.

Mr Crouch—A lot of people who come here enjoy it because of the multiculturalism. There is a fairly good festival. At the end of March, when everything is finished up, we have some good parties in Mildura.

CHAIR—What do you do at night in Mildura for fun?

Mr Crouch—We have a lot of nightclubs that people can go to.

Mr Dolenech—There is also the river and camping.

Mr Crouch—We have clubs in town with poker machines.

Senator McKIERNAN—You recommended the expansion of reciprocal arrangements with Greece, Italy, Spain, France, Germany, Denmark and the US. Why pick those countries and exclude other areas?

Mr Crouch—It was only an example of other countries. I was looking at places where there may be a culture of outdoor work rather than office work. I am not sure of the percentage who are mainly from the UK. There is not a lot of heat and outdoor work there. There is mainly office work in the UK.

Senator McKIERNAN—Do not believe it.

CHAIR—Thank you for your attendance here this morning and the assistance you have given the committee in our deliberations on the working holiday visa scheme.

[11.44 a.m.]

MATOTEK, Mr Matthew Victor, President, Sunraysia Ethnic Communities Council, PO Box 1213, Mildura, Victoria

CHAIR—Welcome, Mr Matotek. Would you like to make a brief opening statement to the committee.

Mr Matotek—Yes. My response to this inquiry has arisen through comments made to me by some members of the ethnic communities here. We have ideas about the way we should be treating visitors to our country, those who wish to stay for a longer time and working visa permits. We are interested in the effects they are having on our youngsters who travel overseas and reciprocal arrangements that other countries put on us because of the standards that Australia puts on visitors to Australia.

The Sunraysia Ethnic Communities Council plays an advocacy role for migrants who have come to Australia over the years and now reside in Sunraysia. I have been the chairman for 10 years. I see myself as a spokesman for those migrants. I express any concerns they bring forward through the council. The Sunraysia Ethnic Communities Council looks after the needs of migrants in not only Mildura and its surrounding districts but also Robinvale. We have an outreach program in that area. The concerns of those in Robinvale more or less follow on from what was discussed with the last witnesses, which has to do with those employed in the fruit picking area.

The Federal Police swoop on communities and then send people home. I have put this concern to various ministers of immigration when I have met them at different conferences. I have asked why they swoop at that time. Being a fruit grower some years ago—I am no longer a fruit grower—I can understand what happens when your entire work force is depleted at a time when you really need it. I have put my concerns to those ministers. The federal government should be getting more people in to fill the vacuum they have caused, but it has not been looked upon too favourably.

CHAIR—Why are the Federal Police swooping and taking these people away? If they are on a working holiday visa, they have a right to work. Are they illegal workers?

Mr Matotek—That is right. When they come in, they are illegal.

CHAIR—Why are they illegal?

Mr Matotek—They are involved in the fruit harvest.

CHAIR—Why they are illegal?

Mr Matotek—Because their working visa has expired.

CHAIR—Because they have been here longer than 12 months?

Mr Matotek—Possibly. They get involved in trying to support themselves while they are still in Australia.

CHAIR—Do you think these are people who have been on working holiday visas and who have decided to overstay their visas? Are they illegal immigrants who are trying to disappear and who have no rights of residency?

Mr Matotek—They would have been allowed to come into the country in the first place. They would have been legal at that point.

CHAIR—I am making a distinction between a working holiday maker visa holder and a tourist visa holder.

Mr Matotek—That could be the point that might not be terribly clear. It could be people of that group.

CHAIR—Would many of these people be relatives or come from areas that the employer knows overseas?

Mr Matotek—Yes. They would probably be relatives. They would probably be working together with the employers.

CHAIR—Are these people intent on staying here and living here permanently, or have they stayed a bit longer than they should have?

Mr Matotek—They have stayed a bit longer than they should have.

CHAIR—If some of them are tourists who have stayed longer than they should have, does that mean they do not know about the working holiday maker visa, or are they older than that age group?

Mr Matotek—They are not teenage backpackers. They would be people who have come over to visit their relatives and who have taken the opportunity to pick up a bit of money to sustain themselves while they are here. Because they are staying with their relatives, who are employed during the fruit harvest, they tag along. They take part and share in the harvest.

CHAIR—Would any of those employers have tried to obtain visas for them by nomination?

Mr Matotek—I am not aware of that.

Senator McKIERNAN—Is it any particular group or nationality?

Mr Matotek—Yes. One in particular is the Tongan group.

Senator McKIERNAN—Very few Tongans come in on working holiday maker visas. They would be visitors in whose passport the words ‘no work’ would be stamped. It would be a condition of their arrangement that they did not work. It may not be a factor of overstaying; it may be a simple factor of working whilst they are here when they should not.

Mr Matotek—I am not aware of that.

CHAIR—You say in your submission that the present arrangements are draconian and that a whole revamp of the process should be made.

Mr Matotek—Not about this. That comment concerns our people going overseas and any standards or limitations that Australia puts on visitors coming into Australia. The other countries should reciprocate. It limits the chances of Australians going overseas.

CHAIR—I am not sure whether you are aware that Australia is seeking many more bilateral relationships with other countries on the working holiday visas. In many instances, it is the reluctance of the other country to agree to having the working holiday makers in their country that has prevented the setting up of those bilateral relations. We are very keen to extend the program.

Mr Matotek—I am very pleased to hear that.

CHAIR—We have been working on it.

Senator McKIERNAN—Do you have any suggestions about countries that ought to be approached for bilateral arrangements? We only have seven countries at the moment.

Mr Matotek—Stronger links and representations in the United Kingdom would be a start.

Senator McKIERNAN—The vast majority of the working holiday makers who now come to Australia on working holiday maker visas come from the United Kingdom. It is almost 50 per cent.

Mr Matotek—And a lot of Australians go over there too.

Senator McKIERNAN—The figures are roughly the same. That is for the United Kingdom. There are arrangements in place with them. Do you have suggestions about other countries?

Mr Matotek—There are a lot of German youngsters coming to Australia. Germany would probably be another country that we should make stronger representations to.

Senator McKIERNAN—There have been throughout the inquiry some concerns about the impact of the scheme on the Australian labour force. The ACTU, which we met in Melbourne yesterday, is supportive of the overall working holiday maker scheme. However, it has some concerns about mainstream labour effects, because the numbers have increased. Are you aware of the increasing number of visas that have been issued in recent years?

Mr Matotek—I am not aware of the increase in numbers.

Senator McKIERNAN—There was some controversy about the previous government putting a cap on the number of visas issued in the last financial year. Were you aware of that? If so, have you any concerns?

Mr Matotek—I cannot see why there should be any cap. Why should there be a cap? Once again, in anything that Australia does, the other countries should reciprocate. It will only disadvantage our own who are seeking to go overseas and see what other countries do.

Senator McKIERNAN—The cap put on visas then has since been twice increased. They were not reducing them. The numbers have been increasing by roughly 20 per cent over the last three to four years.

Mr Matotek—Why have a cap? It is a limiting agent. Why have one?

Senator McKIERNAN—There is a cap on every part of our migration program.

Mr Matotek—I am aware of that.

Senator McKIERNAN—Migration is reducing, whereas the working holiday maker program is increasing.

Mr Matotek—It is a process that Australia is going through at the moment. Australia is a vast country and we should be encouraging people to come not only for holidays but to live here. I agree with a high immigration policy.

CHAIR—You are a proponent of it?

Mr Matotek—That is right.

Senator McKIERNAN—We get little controversy about the Canadians who come to Australia on the working holiday maker visa system. It is the same for Australians

going to Canada. In turn, we reciprocate and have a cap on each of those visitors. It seems to work well. We know at the beginning of the year what the outcome will be at the end of the year.

Mr Matotek—You put limits on each other.

Senator McKIERNAN—It is working well.

Mr Matotek—There is always room for improvement.

Senator TIERNEY—You are arguing for no cap. You asked why there should be a cap. The usual argument—I would like to hear your response to it—is that there are high levels of unemployment in the country, particularly long-term unemployment. There are over 800,000 unemployed people. People feel that it might be depriving local people of employment opportunities if we have unlimited arrangements, as you are suggesting. You do not see that as an argument for putting a cap on it?

Mr Matotek—If there are more people in the country, be it temporarily or permanently, that in itself provides employment. You still have to feed and clothe them. You have to provide them with some sort of accommodation, be it temporary or permanent. Why should not we encourage more people to come over as migrants, visitors or even as workers? It will create employment. I cannot see how it will create an unemployment problem.

Senator TIERNEY—You say in your submission that the working holiday arrangements are draconian and need to be revised.

Mr Matotek—They need improving.

Senator TIERNEY—In what way are they draconian?

Mr Matotek—In the limits that have been put on them. It needs revising. We are living in a modern world. People are moving about. Australian youth are going to see what the rest of the world is like. It is so much easier for them to do so. Some of my thoughts on that might have been influenced by my son, who went to Scotland. They threw him out because his work visa had expired, yet he loved the country. He wanted to stay there. He would like to have migrated there. We fought with the United Kingdom during the war. They limited Australians in going there and working. Those in the European common market can walk in there with no limit.

Senator TIERNEY—When you say ‘draconian’, you are not just referring to caps; you are referring to the length of time people can stay?

Mr Matotek—Yes.

Senator TIERNEY—Would you put any limits on that?

Mr Matotek—For Australia?

Senator TIERNEY—For people who come here on working holiday arrangements?

Mr Matotek—If they want to come to Australia and work here, why put any limits on the time they can stay here and work? If they have worked here for a long time, they might like the place so much that they want to stay. We should let them stay.

Senator TIERNEY—Would that not be just a back door immigration policy? What you are proposing is that people could come in and stay without restriction.

Mr Matotek—Australia is a big country. It needs filling up. People create employment. At the moment, when you look into our newspapers, there are houses and houses for sale. The market is not moving because nobody is coming into our regional areas. Whenever I talk to the Minister for Immigration and Multicultural Affairs, Mr Ruddock, I am very pleased to find that he has a policy of encouraging people to come into regional areas instead of filling up the metropolitan areas.

Senator TIERNEY—About 40 per cent stop at Sydney and do not go any further.

Mr Matotek—This area, being an isolated regional area, needs a higher population if we are going to create the employment that we would like for our people. The housing industry has slowed down because there are no other people coming. A lot of older people are coming here. We are an ageing population. We need a younger population. We need more people coming here. Maybe it could occur if we get people to come here on working visas. If they like the place, we should not restrict their stay.

Senator McKIERNAN—Do not build your hopes.

Mr Matotek—They are only my comments and views. That is all I can express. We will not be able to go and change the bureaucrats who run the country.

Senator TIERNEY—You also state that the administration of the scheme needs overhauling. Could you explain that.

Mr Matotek—Comments have been put to me that some staff take a very authoritarian view and are very rude. At that point of contact, people coming into Australia feel it. There should be some improvement in that area.

Mr KERR—What you draw attention to is a very distinct perception about the issue of settlement in regional and urban areas of Australia. I come from Tasmania, where

many people echo your sentiment.

Mr Matotek—That is exactly right.

Mr KERR—There has been a steady decline. There has been an increase in migration out of Tasmania. If you had this hearing in Sydney or some of the metropolitan centres, people would be less enthusiastic about more people arriving. Putting that general issue to the side, do you think that the working holiday makers make a difference to the economy of regional areas? Do you think they tend to stay longer? In some submissions, we have heard that they penetrate the regional areas much more significantly than most short-term stayers. They are quite important in tourist industries in places outside metropolitan areas. Is that your impression?

Mr Matotek—For sure. Once again, the increased numbers coming into our area certainly help the economy of our area. Whether they are here on a working holiday or whatever, they are spending money that they have managed to generate somewhere else. They bring it into our area. Our area must benefit from people moving about Australia.

Mr KERR—What about the other side of the working holiday program, which is about Australians leaving to take advantage of reciprocal arrangements overseas? Do you think that we sufficiently advertise the availability of working holiday schemes in other countries to Australians?

Mr Matotek—The youngsters are taking up that opportunity. They are very well aware. They are usually taking time off university. They may feel that they have studied for a while and need a break. They want to see the rest of the world. Four of my five children have done exactly that.

Ms GAMBARO—What is the ethnic composition of the people in this area? What nationalities have we tended to attract to the Mildura area?

Mr Matotek—The Greek community is our strongest community, with something like 1,000 families here. The Italian community is also very strong. The Italians would probably equal the number of Greeks. There is then those who made up the former Yugoslavia. We do not like to say which ones are which, because we get in a lot of trouble from the ethnic communities. We cannot call a Croatian a Yugoslav. One of the fastest growing communities is the Turkish community. We have Tongans coming into Mildura. There are a lot of them in Robinvale. We have got quite a few Filipinos, but they are only women. There are not too many Filipino males. There are some Hungarians and Germans. When we ask the Germans to be involved with our ethnic activities and festivals, they say that they would rather be left alone. We do not have any German ethnic communities as such.

Ms GAMBARO—Do they have their own festivals? Why do they want to be left alone?

Mr Matotek—I do not know why. Every time we approach them, they say that they do not want to be part of it. There are not very many Germans in our community. There would probably be about two or three families. They do not really have the community structure, like the Greek, Italian and Turkish communities. We do not have any Asian communities. I do not know why they do not come to Sunraysia.

Ms GAMBARO—You mention extending the working holiday maker scheme. We spoke about the UK. What about for Germany, Italy and Greece? Do you think there would be any benefits in that?

Mr Matotek—For sure. We seem to have a lot of German backpackers come through. We have quite a few Greek ones too.

Ms GAMBARO—The community is pretty integrated. Another feature of a working holiday maker coming to this region is the diversity of the cultures here.

Mr Matotek—For sure.

Ms GAMBARO—The tourism aspect of it is a good drawcard.

Mr Matotek—That is right. I am involved in tourism now, so I can really appreciate those comments.

Senator TROETH—You say in your submission that other countries will reciprocate if we free up some of the arrangements.

Mr Matotek—I feel that they would.

Senator TROETH—Do you have any evidence to support that?

Mr Matotek—How do you get evidence like that?

Senator TROETH—I thought you might have known from some sources.

Mr Matotek—I have no statistical evidence.

Senator TROETH—You said you were a fruit grower at one stage.

Mr Matotek—For 35 years. I am now into holiday accommodation.

Senator TROETH—It is a much more restful way of doing things, perhaps. During recent hearings, we have had claims that employers exploit working holiday makers by paying under-award wages, which then puts pressure on locals to accept similar wages if they get a job. Are you aware of that?

Mr Matotek—When I was a fruit grower, I was not aware of it, no.

Senator TROETH—And you are not now aware of it?

Mr Matotek—No.

Senator TROETH—Have you ever experienced working holiday makers arriving in Mildura without adequate money, where they need to rely on welfare organisations to exist?

Mr Matotek—Yes. There is evidence of that every year. I had somebody like that dump on my doorstep. This was a real experience, because this fellow was 7'3". He came about two or three weeks before the harvest started. I had engaged him when we were having an area promotion at the Melbourne show. He came up to me. He knew I came from a regional area. He was looking for work. I said that there would be work available with us at a particular time. He came a week early. We put him up for that week. He was very fair skinned. Once he got out into the sun, he did not take to it. He did not last for more than two weeks. He had to go back to a cooler climate. He went back to Tasmania. Fair-headed people find it a bit hard.

CHAIR—Is there anything you would like to add before we close?

Mr Matotek—No. I think I have said everything I had to say.

CHAIR—Thank you very much for appearing before us today. If we think of any more questions, the secretary will write to you.

Mr Matotek—As I am in the tourism industry, I welcome you to Mildura. We have put on the best of weather. Enjoy your stay.

Luncheon adjournment

[1.34 p.m.]

McFARLANE, Mr Peter Bernard, Executive Officer, Riverland Horticultural Council Incorporated, 7 Wilson Street, Berri, South Australia

CHAIR—Would you like to make a short opening statement as an adjunct to the submission you have already given us.

Mr McFarlane—There are two or three points I would like to make. The first is that the horticultural industries are a fairly vibrant sector of the economy, particularly the fresh fruit and vegetable domain. There are increased export opportunities, so we are clearly seeing growth in that area. We cannot pretend that we do not have to address the issue of horticultural labour, even while there has been some changes in processing crops with the increased mechanisation of harvesting. When it comes to fresh fruit and vegetables, there clearly has to be hand picking. Therefore, there is a continuing high demand for labour. There is a continuing demand for some degree of skill in that labour to avoid damage to the crop and the downgrading of that crop to processing or an overrun to processing. We therefore see increased sources of demand for labour in the horticultural industries.

By their very nature, horticultural crops are the start of the very large agrifoods industry. It is not as though we stand alone. A lot of other people in the economy make money as a result of horticulture. Horticulture is characterised, as you can see from this chart I have distributed, by peaks and troughs in terms of its seasonal demands. The chart represents approximately the situation in the Riverland.

A very big peak of labour demand early in the year is associated with the conclusion of the stone fruit harvest, table grapes, wine grapes and some residual hand picking. There is also the cartage of the crop and the demand for winery staff and so on. It then drops away until we get into the May-June period, when the naval orange crop starts. There is the pruning of the deciduous crops as well. We get a winter peak, which then drops away again in the late winter, only to start again in October-November, when the summer stone fruit crops start again. We have a couple of distinct peaks. We have to recognise that there will be peak demands for labour.

Most of the horticultural regions have had a pretty good look at where that labour comes from. We have identified several key sources of labour. The first one is the families in the industry, where people work longer and harder. That is pretty typical during the harvest people. People do not work eight-hour days but 16- to 20-hour days. Secondly, you will get people on some sort of benefit who will come out into the work force, such as sole supporting parents or retired people. They are able to top-up their income within Department of Social Security guidelines. They declare that as per the normal arrangement. They represent an important source of harvest labour.

We also have the unemployed, who have really been a chequered lot in terms of their acceptance. In areas such as the Riverland, people have been referred by the CES when they have not really wanted to do the work. That has led to a churning situation, where it has only diminished the standing of the CES and the people who are sent there. It is really not a preferred option by growers. They have found it to be most unsatisfactory and time wasting. There has to be a better way. There is a better way, and that has been explored to some extent in the Sunraysia. With the MIA and the Goulburn Valley, joint partnerships have been explored between industry and the CES. There is a high level of industry input. Therefore, industry has greater confidence in the process. That appears to be quite successful. But there are inconsistencies. For example, to date, we have been unsuccessful in obtaining any support funding from the federal government to have that kind of a system operate in the Riverland. There appear to be some state inconsistencies.

Another area of labour that is becoming increasingly important is the working holiday maker. There is no doubt that there is a steady growth in all regions in the use of that labour because it is flexible. The people tend to be young, fit, pretty highly motivated and pick up on the job fairly quickly. In all the areas that I am aware of around Australia where there is a fresh crop involved, there appears to be the increasing use of backpackers. In the Riverland at this time of the year, there are about 200 backpackers. There is a variety of hostels in the Riverland. The supply of backpackers is pretty much dependent on the work available.

I know the local manager of the Berri backpacker hostel fairly well. He provides fairly accurate feedback on inquiries about the level of work available. Essentially, he allows his numbers to build up in response to local labour demand. At the end of the day, most of those working holiday maker visa holders want to work. They are not going to come to an area unless there is work there.

Their ability to come is also regulated by the facilities available to them. They are not prepared to come, generally speaking, and sleep on the riverbank and what have you. They require some sort of infrastructure. That acts as a bit of a natural break anyway in the sense that they have to fit in with the facilities that exist in the area. The local managers will not increase the capacity of those establishments if they cannot keep the occupancy rate up for a fair period of the year, because it is not viable for them as a business. From our point of view, we would like to see a steady increase in the availability of backpackers. We are not opposed to there being some limitations. But we believe that it needs to rise progressively. It represents a pool of fairly flexible labour that can match the peak seasonal demands of horticulture.

CHAIR—You are quite unequivocal about it in your submission. You make it very clear that you are dependent on the working holiday makers. I think you refer to them as backpackers. Do you distinguish between Australian backpackers and backpackers who are overseas holiday makers on a working visa?

Mr McFarlane—There is probably no basis to distinguish other than at a local level, where the backpacker establishments make that distinction. They have a preference for foreign passport holders; that is about all.

CHAIR—Do you know why?

Mr McFarlane—They do not like the people who turn up with bull terriers, basically. They feel that the international backpackers mix better, socialise better and create a better atmosphere.

CHAIR—If I interpret you correctly, the Australians who backpack tend to be a bit rough. Is that it?

Mr McFarlane—That is an observation, but it is only second-hand on my part. That is certainly the feeling of the local manager.

CHAIR—Do the Australian backpackers look for work in the horticulture industry?

Mr McFarlane—They are around, but they may be more inclined to go to youth hostels and caravan parks. They would be less discriminatory in the sort of accommodation that they would seek. International backpackers appear to be far more selective in where they will stay. They will look for safe and familiar environments and environments with an international flavour.

CHAIR—Are many of the workers recruited out of those hostels?

Mr McFarlane—Absolutely. An overwhelming proportion—95 per cent—of the people staying in those places have working holiday maker visas. The phone goes all day. It operates as a semi-formal employment agency.

CHAIR—Do the international backpackers come through the CES, or do they just turn up at particular hostels where they know the hostels will refer them on to work?

Mr McFarlane—There is a brochure put out by Harvest Oz called 'From the grapevine'. It is available in all the backpacker hostels. It has information on employment opportunities around Australia. There is a backpacker network and grapevine.

CHAIR—Could you table it.

Mr McFarlane—The backpacker system works independently of the CES. They have their own system. They will move around and ring the hostels and find out where there is employment and accommodation. It is independent. Growers are called by the backpackers. They do not ring the CES.

CHAIR—What products do you cover?

Mr McFarlane—It is a peak umbrella structure. The citrus growers are members of that council. There are also almond growers, stone fruit growers, vegetable growers, dried fruit growers, canning fruit growers and wine grape growers. There are also a couple of specialist groups, such as Women Agriculture and the Renmark Agricultural Bureau. There are some associated rural groups.

CHAIR—Where is your overlap with the Mildura and District Harvest Labour Committee?

Mr McFarlane—The council has a slightly broader charter. We take on a similar role in the sense that the council looks after some industrial issues. The Mildura structure has always been involved in harvest recruitment. We have never done that. It is an area that we have looked to get involved in. We got very close to it a year or so back. We were about to embark on a partnership arrangement with the CES under an OLMA project. There was then a federal election and everything went into limbo, so we missed out.

We were going to go down that path, as Mildura has for some time. Bear in mind that the Mildura situation is a bit different from the Riverland in that they have a far more acute need for labour. It is very concentrated program. Our labour needs are stretched more across the season.

CHAIR—Do you integrate so that the Riverland can be serviced through Mildura and Mildura through the Riverland, passing on people who are working in one area into the next area?

Mr McFarlane—Not in any formal sense. I am sure it goes on informally. There would be people who have contacts in both areas. That was an issue we took up last year with DEET. There was a national harvest meeting in Wagga Wagga in October last year and that was one issue we took up there. There ought to be more coordination. It is happening informally with the backpacker network, but it is not happening in the CES network to any great extent other than a harvest labour guide is circulated. It does not happen in any managed sense of coordination between the regions. If each region had a similar partnership program, the potential for a coordinated national approach to the harvest would exist.

CHAIR—How short do you fall in using Australian labour? Australian labour takes up what percentage of your workers?

Mr McFarlane—It is really hard to measure that. Some figures came out last year related to vacancies under the CES. In 1990 in the Riverland, there were 9,000 vacancies. This declined to 4,200 in 1995 and was expected to decline to 2,500 in 1996. That decline

is partially due to the mechanisation of the grape crop and the fact that people are bypassing the CES. It is very hard to say. When I spoke to the backpacker manager the other day, he thought that this time there would be about 200 backpackers in the Riverland. He has about 50.

CHAIR—By backpackers, do you mean WHMs?

Mr McFarlane—No. This would be the lot. That would be all vacancies that would take up the youth hostels.

CHAIR—For international WHMs, you would be looking at five to 10 per cent; it is a top-up?

Mr McFarlane—It is a top-up at this stage.

CHAIR—You are very strong in saying this:

What has become clear is that WHM Visa holders will in future need to assume an even greater role in meeting peak harvest labour requirements.

Why do you say that when there is greater mechanisation?

Mr McFarlane—Because there is growth in the fresh fruit industries. At that stage, until then, there was some ambiguity. That may change now with the new government in terms of what labour market programs it puts in place. We have a bit of a problem in that we have been in the grey over the last 12 months as to what the new government will do about casual employment. I will digress for a moment; that was another issue I wanted to raise with you.

One reason we have not been able to progress the OLMA project in the last 12 months—it was a partnership with DEET—is that it appears that harvest and casual employment is not really regarded by the new government as an employment outcome. Employment outcomes mean full-time employment, traineeships, apprenticeships and what have you. The advice we have from DEET is that, because of this lack of clarity about where casual and seasonal type work will fit in the new scheme of things, there are no funds available. Only existing programs are being maintained. That is why the Mildura program exists and so forth.

I suppose that I have to qualify what was written in the submission. It depends on the government's attitude. If the government does not have positive programs that address the availability of local unemployed people in relation to seasonal and casual employment, we will have to use alternatives such as backpackers. That is not to say you cannot. I have a little anecdote that is quiet encouraging. In the last couple of weeks, the council ran a very short program funded by kickstart, which is a South Australian state government

program. We put 16 people—there was a mixture; some were older—through a two-day classroom session on fresh stone fruit packing and sorting with a local person experienced in the industry.

They were then taken out for a further 15 hours supervised work experience in small groups in a packing shed. There was then a further 15 hours of training so that they knew what the job was. They were all then placed in a packing shed for a further week of work experience with an employer. At the end of that week's work experience, 13 of the 16 remained. Three dropped out; it was their choice, not the employer's. The remaining 13 have all been placed in ongoing employment in those packing sheds.

This seems to indicate that employers are very suspicious and reticent about some local labour, particularly that provided through the CES and various programs, because they see workers as an investment in their time that may or may not be worthwhile. With a program such as kickstart, somebody brings them in, trains them and supervises them. The employer can see that they are keen enough to do the training and that they have done the basics. They have also not had to do it at the employer's expense. As such, the employer is prepared to carry the cost from that point on and put them on as employees.

Bringing someone off the street is seen as a poor investment in time and money for training, even though it is only minimal training. They would rather go for someone safer, such as an older person who has come back from retirement or a backpaker. There seems to be a fine line between being employable and unemployable. The irony is that many of the people placed in the sheds had already put their names down at the packing sheds for employment and been rejected. It is a very fine line.

CHAIR—So the industry is not so desperate that it rejects people on paper criteria.

Mr McFarlane—Based on previous experience.

CHAIR—What sort of people are likely to be rejected?

Mr McFarlane—Anything from school leavers.

CHAIR—If you are an employer looking for somebody to pick or sort, for what sort of reasons would you not take someone on? What characteristics are bad news?

Mr McFarlane—That is probably be very individual. General attitude and presentation is obviously the first thing. Another is where a referral comes from.

CHAIR—I am interested in these people you had in the shed. You said they had originally been rejected. Why had they been rejected?

Mr McFarlane—In many cases, they had not even got an interview. The CES would have sent them and then they would have been dismissed out of hand because the employer decided that it was not worth his or her while.

CHAIR—Do they live locally?

Mr McFarlane—They are the local unemployed. They do not they have a job because they have a poor history of employment.

CHAIR—Statistically, the local unemployed have a poor history, so if you are going to employ the local unemployed, we need these kickstart projects.

Mr McFarlane—They may be known. It could be a neighbour's kid. If they do not come with a particular recommendation from somebody in the industry, they are behind the eight ball. There are mechanisms that we can use to improve local labour participation, such as the kickstart program, which are proving to be very successful. In the interim, unless we have some specific programs to address it, employers will be looking for labour that they consider to be more reliable. In that regard, the backpackers are reliable. At the end of the day, they are here for a short duration. They are not going to stay on. Therefore, any investment in their training is only very short. That is probably the major disadvantage in using backpackers. They are so mobile. They can only stay with an employer for a few months anyway.

Senator McKIERNAN—What is your distinction between a backpacker and a WHM?

Mr McFarlane—One would hold a foreign passport and have come under a scheme from overseas. Other backpackers are Australians who are travelling around.

Senator McKIERNAN—That is the only distinction?

Mr McFarlane—I think so. I do not seek to make that distinction.

Senator McKIERNAN—Does the Riverland ever experience any difficulties with the Department of Immigration and Multicultural Affairs visiting the area to look for people who should not be in Australia in the first instance or who are working when they do not have a right to work?

Mr McFarlane—Every year.

Senator McKIERNAN—Do they find many in the Riverland?

Mr McFarlane—Yes, they do. There was one infamous raid where they found 17 at one property, which was a fairly large company. It is fairly well known amongst those

who use the backpacker network that they are required to have a working holiday maker visa if they are from overseas. The local manager assures me that the overwhelming majority of his guests are there to work and will hold visas. I do not know where the other ones stay. I really do not know whether they are staying at caravan parks.

Senator McKIERNAN—The evidence we have got at other places is that the majority of working holiday maker visa holders stay in the eastern states and do not get to Western Australia or South Australia. Even fewer go to Tasmania.

Mr McFarlane—The ones from the Riverland come from Adelaide. There are quite a few backpackers in Adelaide.

Senator McKIERNAN—We are talking about tourism visas when we are talking about WHMs. Only 15 per cent of the backpacker market is made up of working holiday maker visa holders. The backpacker market is much larger than the working holiday maker visa market. About 80 per cent of the backpacker market is not entitled to work. That is the real distinction in law. Are you aware of the Department of Immigration and Multicultural Affairs employer awareness program?

Mr McFarlane—Yes. We have had those information brochures around. They put out a brochure a year or so ago.

Senator McKIERNAN—In the chart you gave us, is that peak in the January period the 4,000 vacancies you were talking about?

Mr McFarlane—The vacancies would be for the duration of that summer season. They run a harvest program, which would really start with the stone fruit period in about November. It would run through the grape picking season, which finishes in about the end of March. That is what that period of vacancies refers to.

Senator McKIERNAN—It is a sliding graph. Would it be 4,000 in January and 2,000 in March?

Mr McFarlane—No. That would be collective. I do not believe those vacancies quoted by the CES represent it. At the end of the day, we know of about 2,000 to 2,500 irrigated properties in the Riverland that would range from as little as 15 acres up to several hundred acres. Those people, we know from experience, each would require, depending on their crop mix, 10 to 20 or maybe even more casual employees at one period in time. They might even have people come and go and then come back again later for a different variety. A given employer during the year could end up processing a large number of group certificates, such as 20, 30, 40 or 50. If they went through the CES, they would each register as a labour vacancy. When the CES says that they only have 4,200 recorded vacancies, that must be a fairly small proportion of the total number of vacancies filled in the Riverland.

Mr KERR—Does it represent a vote of no confidence in the CES?

Mr McFarlane—It does in that area. We know what the answer is. The answer is for partnerships to be formed between the CES and industry, as has been the case in Mildura, the MIA and the Goulburn Valley. They have all worked very well.

Senator McKIERNAN—Would it need to go beyond that now? Shortly, there will be no more CES. Your submission to the committee today has argued very strongly that you are becoming more and more dependent on WHMs for an increasing part of your labour force.

Mr McFarlane—Yes. A whole complex of things has to be done to address the issue. There is infrastructure, accommodation and transport for a start. That is a whole area of regional development. If you want mobility of labour, those points have to be addressed. That could be in the form of hostels or on-block accommodation. That is tending to decrease rather than increase for a variety of reasons. That is worth looking at again. We need to see what we can do to encourage employers to invest in their own accommodation infrastructure, as was once the case. Maybe it has to do with taxation policy and things like that.

There are issues of training that have to be addressed in terms of the proper orientation of employees for jobs so that the job gets done. There are issues of articulation and working opportunities so that we can create greater continuity of labour. There is a whole series of points. On that sheet I gave out, there is a 10-point plan which sets out some of the issues that we have identified in the Riverland as being relevant to creating a sustainable employment situation for horticulture. Those issues are not really any different from those in Mildura, the Goulburn Valley or anywhere else. They are the same sort of things. At the end of the day, if we do not address those issues, we will have problems attracting and retaining labour.

Senator McKIERNAN—What you have identified in the narrow confines of this inquiry is a labour market problem in your region.

Mr McFarlane—Yes.

Senator McKIERNAN—How would you respond if I put it to you that the best way of addressing a labour market problem is with a labour market program?

Mr McFarlane—Yes.

Senator McKIERNAN—We are here about a tourist visa program.

Mr McFarlane—That program meets part of our needs as well.

Senator McKIERNAN—Do you know what the objectives of the working holiday maker program are?

Mr McFarlane—Yes. Cultural exchange.

Senator McKIERNAN—Work is a smaller part of it than the cultural exchange.

Mr McFarlane—I would have thought that work was a very important part of culture.

Senator McKIERNAN—That is what one would have thought. I put it to you that it is not what you think it is. Your organisation is identifying the working holiday maker program as a labour market program when it was never intended to be such.

Mr McFarlane—I am sure that you are right. That is not to say that it could not be.

Senator McKIERNAN—It depends on the recommendations this committee might be able to put forward and how you are able to convince us on the way through.

Mr McFarlane—The manager of the local backpacker hostel also said that he and other proprietors have noticed increasing numbers of working holiday maker visa holders from the Netherlands. Apparently the Netherlands has a very active program of tour packages. That is also starting to distort the cultural aspect of it. Apparently, the high proportion of Dutch backpackers in hostels is diluting some of the benefits of the program.

Mr KERR—We have noticed that.

Senator McKIERNAN—They are coming on a more organised basis than WHMs from other countries. It is interesting that they are getting to this region. The evidence we have received from at least one organisation is that Dutch WHMs do the eastern seaboard and do not get beyond Melbourne to this area. That was the evidence we were given.

Senator TIERNEY—You state in your submission that the cap is likely to impact more on the inland regions. Why would it have such an impact on your area, given that it is only five to 10 per cent of the work force and that mechanisation is increasing rapidly and you are not too far from Adelaide? Why would the cap have such a great impact on your area?

Mr McFarlane—For the reasons Senator McKiernan has pointed out. We recognise that the major points of entry are along the east coast. That is where we will only ever get the overflow. We need an active campaign to try to increase that number. If you have a cap which is lower than the level that the market can withstand, the

backpackers will very quickly identify the best opportunities. They will fill up the best opportunities; that is the nature of the beast. Therefore, if there are attractive work opportunities on the east coast, they will go there.

Senator TIERNEY—But that would have been the case in the past as well. You have that competitive disadvantage with the east coast, regardless of caps or anything like that.

Mr McFarlane—All I am arguing is that the cap would accentuate that.

Mr KERR—The cap was only introduced 12 months ago.

Senator TIERNEY—Given that we are talking about only five to 10 per cent, will that not be balanced by mechanisation?

Mr McFarlane—To some extent. It depends on whether the region predominantly produces a crop that can be mechanised. Certainly a fair bit of the Sunraysia and Riverland can be with wine grapes. There is also this counter-process whereby more and more crops are going into the fresh market. We have that in the citrus industry with the progressive changeover from valencias to naval oranges. You have it now with the reduced demand for dried tree fruit. Areas that might have been potentially mechanised are contracting. The areas that are expanding are those involving fresh fruit. What the balance is would vary from area to area.

Senator TIERNEY—Senator McKiernan asked about the break-up of the labour market in terms of overseas backpackers who are working holiday makers and Australians. I do not think we got the break-up between locals and itinerants for your area in the Riverland.

Mr McFarlane—I cannot give you that kind of a break-up. The numbers of beds in local establishments is increasing. A number of new backpacker establishments have started up. They are all full. They are all being actively sought after by local employers. The only figure I can give you is that something like 200 of those beds are now available in the Riverland.

Senator TIERNEY—I refer you to the graph you have given us. I want to know about the permanent labour force and the seasonal one. When you hit those high seasons, which seems to be a fair bit of the year in the case of the Riverland, you only seem to have about three months or so where there is not excess demand. Does that tend to soak up the local unemployment? What bedrock of local unemployment do you get down to when you hit those high points?

Mr McFarlane—Certainly that is the process with the CES and the DSS in combination. People are referred on to any vacancies that they have. The local

unemployment rate would certainly go down during that period, although apparently it is fairly mobile and moves up and down to try to escape those vacancies. Nevertheless, it would certainly go down. You are seeing a far higher participation rate. For example, the wives, husbands, fathers-in-law and mothers-in-law would come out of the home and work a certain number of hours per week on an almost traditional basis. You are getting greater work force participation plus increased working hours per week by those people who are in employment.

Senator TIERNEY—The Sunraysia people were telling us this morning about their local harvest labour committee and how, in relation to DEET or the CES, they had in the last year or two more or less taken over most of those functions. Have you a similar set-up in your area?

Mr McFarlane—That is what we were attempting to negotiate.

Senator TIERNEY—It looked like a proposal to do it. You have not had it to this date?

Mr McFarlane—No.

Senator TIERNEY—Do you have a local harvest committee?

Mr McFarlane—We have a local harvest committee, which met very actively over the last two years or so in the planning stage. We were unable to take it to fruition because of a change in government programs. The difficulty—I am sure the Mildura people would support this—is that you need industry input and some government resources. If you do not have any government resources, it is very difficult to get those kind of coordinated programs off the ground.

Senator TIERNEY—You said earlier that the shift in the new arrangements had created problems. Why does that create problems in getting support for setting up such a committee?

Mr McFarlane—Basically because all government resources went on hold. No new contracts could be written. All programs in the pipeline were frozen. Ours was in the pipeline.

Senator TIERNEY—Do you not see any likelihood of setting up new arrangements as they have been revealed to date?

Mr McFarlane—No. The other areas have to address it as well. It is about sustainability in their present programs. A national approach and some kind of consistency across the horticultural regions in response to a specific government policy and program is needed. I do not think there is one. I take Senator McKiernan's point on board. We are

attempting to be fairly creative in meeting our labour needs. I am sure that we have hit upon programs that were never intended to do that. I do not have any dispute at all. The facts of the matter are that we have to identify them. You can see that the proof is in the pudding. Industry has gone to whatever areas it can go to in order to find the labour. The alternative is to have fruit fall on the ground, and you cannot have that.

Senator TIERNEY—Do you have any national umbrella organisation that might be pushing that problem with the government?

Mr McFarlane—No. Only informally. The horticultural industries are slowly getting organised. A number of those organisations are now associated with the Australian Horticultural Corporation in terms of market development programs. A large number are involved with the Horticultural Research and Development Corporation in terms of R&D programs and national levies. That provides us with an opportunity to come together more frequently and have a parallel meeting to discuss some of these issues. We are only in the very early stages of that. We certainly do not have a formalised process of doing that. We have held the occasional summit or conference on this issue, but we do not have a formal structure at a national level that would run across all crops and deal with this issue in a systematic way.

Mr KERR—Have you discussed this with Mr Forrest and the local members?

Mr McFarlane—Yes. He would be acutely aware of these issues.

Mr KERR—Have you got a formal submission to government that has gone forward which we might be able to access? If it is confidential, so be it. Is one available?

Mr McFarlane—A whole lot of information went forward in the dying days of the previous government.

Mr KERR—We might disregard that.

Mr McFarlane—That is part of the problem. We have these changes, and we disregard all that has gone before.

Mr KERR—I was being cynical.

Mr McFarlane—That is part of the problem. It is very hard to maintain momentum when policies and programs change. It is very time consuming. Your point is taken. It is an issue that has to go forward yet again. Our member is Neil Andrew. John Forrest is the other one. They have constituents in horticultural areas.

Mr KERR—I met both of them in the main street. They were down for a Murray River salinity meeting.

Senator TROETH—From your description of the available accommodation, I note that your submission says that in the Riverland there is only one 60-bed backpacker hostel. Your submission is dated as of last July. I think you mentioned that there is now more than one.

Mr McFarlane—A Waikerie one has started up with about 40 beds. There is a youth hostel that operates in the Loxton area. One of the hotels is also now advertising itself as having a backpacker wing.

Senator TROETH—They are all private enterprise?

Mr McFarlane—All private enterprise, yes.

Senator TROETH—With your comments on the need for infrastructure, the impetus for accommodation would probably come from the private sector rather than government. I was also interested in your comments that a cap on the program impacts hardest on inland regions. Could you expand on that.

Mr McFarlane—That was the point Senator Tierney made before. Because the major points of entry are the easiest, we will only ever get the overrun from them. I guess there are two ways of addressing that issue. One is to pour so many into the bucket that it overflows and we get plenty any way. The other would be to have a specific interception program as people arrive, as is being done in, for example, the Goulburn Valley. They have a leaflet which goes around all the backpackers directing people to employment opportunities in the Goulburn Valley.

There are ways that we could put our foot in the door. In the absence of those active programs, any limitation on numbers coming in is likely to lead to less of an overflow. Further opportunities will be generated on the east coast, which will hold them there.

Senator TROETH—Have you ever heard any working holiday maker visa holders comment on difficulty in getting the visa overseas and in using it when they get here to Australia? Have they commented on any other difficulties with the procedural arrangements?

Mr McFarlane—No. I have no knowledge of that.

Senator TROETH—During recent hearings, we have heard claims that some employers exploit holiday makers by paying under-award wages, thereby putting pressure on locals to accept such wages. In the Riverland, are you aware of any such exploitation?

Mr McFarlane—No. It appears to be the opposite. The backpackers are very quick to realise that they are being exploited and will gravitate to the best paying positions fairly

quickly. That might change. If there were an oversupply, the potential is there for that. Under the current arrangements, the information we are getting is that there are not so many available that it is creating that effect. In fact, the reverse is the case. They take the best available positions and will very quickly drop something once they find something else available at a higher level. They network extremely vigorously. It is not currently a problem.

Senator TROETH—Word would soon get around.

Mr McFarlane—Absolutely. You will see in that magazine I tabled before that they have little black lists as well. They will tell people not to go to certain places.

Senator TROETH—They get a tick or a cross.

Mr McFarlane—Yes.

Senator TROETH—We also have evidence that some working holiday makers arrive in Australia without adequate funds and that when they get to a centre such as Mildura or the Riverland they are forced to rely on welfare organisations for handouts. Have you been aware of that?

Mr McFarlane—I am not aware of that, no.

Ms GAMBARO—You mentioned in your recommendations that the working holiday visa tax rate should be harmonised with the one of the other workers at 15 per cent. What are your reasons for that?

Mr McFarlane—Basically, it is an unworkable situation. In the horticultural industries, there is a flat tax rate. If the employer seeks to differentiate between those who are working holiday maker visas and those who are not, effectively it means that you are paying two separate rates of pay for the same work. That is seen to be untenable in a workplace situation. You will not hold labour on that basis. That is the bottom line. Whilst in theory they can apply to have the money refunded, in reality they do not.

Ms GAMBARO—They go back to their country of origin and get a refund.

Mr McFarlane—Do they?

CHAIR—No.

Mr McFarlane—My information is that they do not. On that basis, 15 per cent sounds fair. If it is fair for an Australian who has the long-term benefits of the taxation system—

CHAIR—Of the 15 per cent that you take off Australian workers, do you make any allowance for other deductions, such as whether they have seven children or anything? Is it a straight 15 per cent?

Mr McFarlane—If they are paid by the hour, it is a straight 15 per cent.

CHAIR—The Australian workers do their own tax return at the end of the year, where they list all these other things under the tax free threshold which our WHMs would not be getting. They have a distinction in other countries such as Japan. The tax rate on the foreign workers is much higher than on the local workers there.

Senator McKIERNAN—If they are paid by the hour. Few workers are paid by the hour.

Mr McFarlane—By the hour or piecework as opposed to by the week.

Senator McKIERNAN—The 15 per cent applies if they are paid by piecework?

Mr McFarlane—Yes.

Mr KERR—The Australian Taxation Office negotiates that as a special arrangement. We legislated it.

Senator McKIERNAN—I wanted to clarify that.

Ms GAMBARO—In your submission, you mention that horticultural employers are frustrated with having to devote precious time during the harvest to comply with the works test. Would you expand on that and how they are churning over people who simply do not want to be there. Is that a common comment?

Mr McFarlane—Yes. During the harvest, registered unemployed people who turn up at the Department of Social Security are referred straight on to the CES. The CES then send them out to any vacancies they have. Social Security sends them to the CES to have their papers stamped to say that they have been seeking employment. During the harvest, that means that those people are automatically referred on to various vacancies. If that person does not really want that job, they will turn up for a couple of hours and then disappear. Once that happens, the employer has to fill in paperwork and do a group certificate at the end of the year and so on. It artificially inflates the administrative load on those employers.

That issue has come up in previous inquiries. A husband and wife small business team working in horticulture might have to process 30, 40 or 50 group certificates. Most firms that have that number of group certificates would have their own accountant on the staff to do that kind of book work. That is the difference. It is an absolute pain for an

employer to receive people who really have no interest in the position but who are merely going through the process to satisfy the government department rules for the payment of benefits.

CHAIR—We have been joined, almost on cue, by the federal members for Mallee, Mr Forrest, and Wakefield, Mr Andrew, and the state member for Chifley, who is also Mr Andrew. I welcome them to the hearing.

Senator McKIERNAN—Does the situation you described about the employment of labour apply to working holiday makers in the same vein?

Mr McFarlane—Not to the same extent. I am sure that is why they ring them up. If they ring up the local backpackers, they know they will turn up. They will most likely stay for the duration of the job, unless they determine that they will be ripped off or some other extraordinary circumstances apply. If it is a bona fides situation, they will stay.

Senator McKIERNAN—Are there any problem with fair-skinned people having to move to places such as Tasmania?

Mr McFarlane—No. Only in Port Lincoln.

Senator McKIERNAN—At some time in the future we will be tabling this report in the Senate.

CHAIR—Are there any comments that you would like to make at this stage?

Mr McFarlane—No. We have had a good hearing.

CHAIR—Thank you for appearing before us today. If we have any more questions, the secretary will write to you.

[2.33 p.m.]

ANDERSON, Mr Allan William, Chairman, Robinvale Table Grape Growers Association and Murray Valley Table Grape Growers Council, and Harvest Labour Officer, Combined Growers Association, PO Box 589, Robinvale, Victoria

TEPPER, Mr Garry Ian, Executive Officer, Economic Development, Swan Hill Rural City Council, and Executive Officer, Swan Hill Rural City Development and Marketing Board Incorporated, PO Box 488, Swan Hill, Victoria

CHAIR—Would you like to make a short opening statement as an adjunct to your submission?

Mr Tepper—With our economic development advisory board and through council, we are very keen to promote economic development right throughout the municipality of Swan Hill. It covers an area of over 6,000 square kilometres fronting the Murray River and extending all the way from Swan Hill in the south through to Robinvale. It has significant horticultural development. It is conservatively valued at about \$200 million per annum, and has a full-time equivalent work force of about 2,000 people and 600 horticulturalists.

We are very keen to promote economic development. That means that we are also keen to reduce any impediments that may be in the way. We see the shortage of labour in our horticultural industries as one of those impediments. That forms the basis of our submission. In preparing our submission, we spoke to some horticulturalists, including Allan. Allan can expand on how the industry views the whole idea of working holiday visas.

Mr Anderson—I would like to give the hearing an insight into the value of the table grape industry as a whole. Nationally, its export earnings are worth \$45 million. Domestically, they are worth \$100 million. For the Robinvale area, they are worth between \$40 million and \$50 million. It is terribly important that we get good labour and plenty of it to get these valuable crops off in time. I would also like to give a bit of an insight into the number of people required in the Robinvale district. In the table grape industry, in the vicinity of 2,000 people are required for picking and packing purposes. For the grape industries in Robinvale, about 4,000 are required. The influx of workers is important to the economy in Robinvale. If each person spends between two to three months here, they can earn \$5,000 to \$10,000. Most backpackers come into the area with no money and leave with about the same amount, so it is all basically injected back into our area.

CHAIR—Thank you. In your submission, you said that 70 per cent of the staff of one grower are working holiday makers. That is, 60 or 70 per cent of the packers were on working holiday visas.

Mr Anderson—That is correct.

CHAIR—Does he have a special arrangement with the hostel, or is that by word of mouth? How come he has so many working holiday makers at this place?

Mr Anderson—By word of mouth and contacts through the backpackers association.

CHAIR—Does he differ in any way from the others? He is obviously an extreme example.

Mr Anderson—In our area alone, which is the Robinvale area, the major producers of table grapes would be very similar.

CHAIR—That is a very big proportion of your labour force to get from working holiday makers. That is higher than in any other areas. We have been asking people and they have been giving guesstimates. The guesstimates have been five per cent, 10 per cent and 20 per cent. You are looking at much higher than that. Why does your area have a higher use of WHMs than other areas?

Mr Anderson—Basically, because of the table grape industry. Someone asked whether we have a problem with fair-skinned people. The table grape industry employs a lot of its workers indoors. That has something to do with it.

CHAIR—You do not have so much of a problem with people fainting in the midday sun, then?

Mr Anderson—That is correct.

CHAIR—So mad dogs and Englishmen can work with you?

Mr Anderson—That is an influencing factor.

Mr KERR—What work is indoors?

Mr Anderson—Packing table grapes.

CHAIR—What about in the fields? Is it done mechanically?

Mr Anderson—That is hands-on work.

CHAIR—Is there a difference between the labour force in the packing rooms and the one out with the vines?

Mr Anderson—Yes. You usually find that a lot of the work carried on in the field is done by the Asian types, who are used to working in the fields. You get some backpacker types, but they are mainly seasonal workers from Australia and Asian types.

CHAIR—Are the Asians Australian, or are they working holiday makers?

Mr Anderson—Most of them are Australian citizens.

Senator TROETH—Are they resident in the district?

Mr Anderson—No. A lot of them come from the capital cities for the harvest.

CHAIR—You have an interesting working mix. People from overseas are in the sheds and Australians are in the fields. Does your district have problems that other districts do not have? How would your district differ from others strictly around Mildura?

Mr Tepper—For a start, we are smaller. The Robinvale-Euston area is a lot smaller than Mildura. We have a smaller population base. We are also a fair way away from the capital cities, given the small population base. Perhaps that is another reason for the reliance on the working holiday visa people. Another characteristic of the area that is important to note is that we have shortages of labour right across a number of industries, not just in horticulture but also in some of the skilled areas.

From figures provided to us from the Department of Social Security mid year, our unemployment rate in the Swan Hill area was seven per cent. At the time, the national unemployment rate was nine per cent. We were around two percentage points below the national average. We have shortages in engineering jobs and automotive jobs and in some of the professional areas, such as medicine and municipal work. They occur across a broad area, and cover accountants and solicitors.

Mr KERR—Do you have enough lawyers?

CHAIR—Is that because people are moving out of the regional areas or because you are a fast growing area that as yet does not have that sort of population to feed those jobs?

Mr Tepper—I would not say that we are a fast growing area. Our population is projected to the year 2020. We currently have a population of 21,700 in the whole municipality. It is projected to grow to 23,000 in that period. We have a fairly stable population. The rural areas and the Mallee grain growing areas are shrinking in population. Townships such as Robinvale and the city of Swan Hill are growing to the detriment of the more rural areas. Robinvale is seen as one of the fastest growing towns of its size in Victoria. It has a population of less than 2,000. It is growing. We have some growth.

The basic reason for shortages is our relative low population. Therefore, we do not have the services that are demanded by some families to move into a rural area. We have satisfactory services to a certain level. It is those extra services that we do not have to attract the families.

CHAIR—Do the WHMs take jobs other than harvesting jobs? When they come here and find that the local accountant needs assistance, are they likely to plug in for three months or so?

Mr Anderson—Not that I am aware.

Mr Tepper—I do not have any evidence of that.

Senator McKIERNAN—I was interested in what you said in your submission about your intention to develop strategies to encourage further backpacker travel to the region. The backpacker tourist market is a very important market in Australia. A lot of effort has been put into it by industry, with some government assistance over the past few years. It is really targeting people who want to come to Australia for adventure holidays. Is that what you are looking at here in this region of Swan Hill?

Mr Tepper—Allan can answer this, because I know that they are looking at some strategies in their local harvest committee. We have applied to DEETYA to obtain harvest officers in both Robinvale and Swan Hill. We have been granted funding to do that. A part of those people's job description will be to develop some innovative strategies to attract all kinds of labour into the area in horticulture. One strategy that we hope they will be working on will be to attract so-called backpackers into the area. We would like to see them work here and participate in our fairly significant tourism industry. We have some activities that they may be willing to participate in.

Senator McKIERNAN—Is that a labour market initiative or a tourism initiative?

Mr Tepper—I would describe it as both.

Senator McKIERNAN—The difficulty with that—you may not be aware of it—is that the working holiday makers comprise only 15 per cent of the backpacker tourism market.

Mr Tepper—Yes.

Senator McKIERNAN—The backpacker market is obviously a much broader field. You could be looking at it from a tourism point of view. If you are simply looking at solving labour market initiatives, you are looking at labour market programs, are you not?

Mr Tepper—That is right. Our intention in the submission would be to target backpackers who are keen to undertake some casual labour positions in the area.

Senator McKIERNAN—Another statistic jumped out at me from your submission. Only one per cent of the visitors to the region are international travellers, yet in the area 60 per cent of the work force with one employer involves working holiday maker visa people. I find that extraordinary. That is taking account of the fact that we have been told that very few of those carrying working holiday maker visas leave the eastern seaboard of Australia or that they go on adventure holidays to the north of Australia.

Mr Tepper—That one per cent claim is from the official figures. We do not count the number of backpackers working in the horticultural establishments throughout the region. I expect that at a certain time of the year, probably in the harvest period, the number of international visitors into the area would be fairly high. There is no way known of counting those people. We do not do it.

Senator McKIERNAN—You do not do it, but surely there is a way of doing it.

Mr Tepper—I am sure there is. You could do a survey of the establishments.

Senator McKIERNAN—As this inquiry has progressed, we have more and more been directed towards a labour market problem. When we ask for details of how the working holiday market scheme is minimising the impact of the labour market problem, we have no statistics. I find that amazing. We are with people at the heart of the matter, and they cannot give us facts about it.

Mr Anderson—If you ask us the same thing next year, we could probably give it to you then. The harvest labour committee has just taken over from the CES. We have found that none of these statistics have been kept. One of our aims this season is to keep that sort of information.

Senator McKIERNAN—Has the person who has had so much success with the working holiday makers talked about providing additional accommodation and reimbursing travel costs? Has anybody thought of recruiting overseas?

Mr Anderson—It has been suggested, perhaps not with backpackers.

Senator McKIERNAN—With whom?

Mr Anderson—Perhaps more with the Asian type of people.

CHAIR—Any specific Asian countries that you think lend themselves to that?

Mr Anderson—We have Chinese, Vietnamese, Cambodians and Laotians.

Senator McKIERNAN—Has a guest worker system been looked at?

Mr Anderson—It has been suggested. I do not believe it has been looked at, only because there is a major shortage of labour in our region.

Senator McKIERNAN—Do you think people could follow a harvest trail around parts of Australia on a harvest visa? I am reluctant to use the term ‘orange visa’, even in an area like this. It would be for the purpose of going through the harvest. With money in pocket, those people would then go back to where they came from. Could that work?

Mr Anderson—It could work. There could be communication problems with certain nationalities.

CHAIR—What would be your reaction? If that idea was followed up, as Senator McKiernan suggested, what areas would be looked at? You would lose the tourism element. Working holiday makers not only come to an area to work but to enjoy it. Would that be a significant loss? Do you think what you would gain in having that work force guaranteed would be better?

Mr Anderson—I do not believe so. What we pick up from tourism occurs at exactly the same time that they are here to work. They do not stay an extra month to see the sights.

CHAIR—They work, on average, six days a week, I believe. On the Sunday, do they take a boat down to the Murray or enjoy Swan Hill and Robinvale and spend their money?

Mr Anderson—I think they do that any way.

CHAIR—If they are guest workers, they are less likely to do it. They save every penny they can to take home. Working holiday makers come here to enjoy the country and spend while they earn. There is a difference.

Mr KERR—Maybe an alternative would be to maintain the working holiday program but allow all the backpackers to do harvest work. That would be one way that you could do it if there is a labour market requirement that genuinely cannot be filled by Australians. The Riverland Horticultural Council states at page 2 of its submission: With changing community expectations, DEET case managers also find it increasingly difficult to justify moving the unemployed away from their family support mechanisms for a short period of employment in horticultural districts . . . One thing we were talking about earlier was the idea of developing a harvest trail. We found a booklet today setting out the possibility of getting year-round employment on the harvest industries. What work, if any, has been undertaken by the horticultural industry to popularise this, particularly with the singles and childless couples who cannot find work

but who, after one or two years, might save \$20,000 or \$30,000 from horticultural work with a year-round program of work available? Has a real effort been put into developing a way of passing between one district or another so that we can try to generate genuine interest from those Australians who would probably not want to go for five weeks knowing that there is nothing after that but to return to a flat they have probably had to pay to keep? They may have left their flat and then had to go back and find another one and pay another bond. There are all those sorts of problems. If they knew there was a year or 18 months in which they could work and save, they might be quite attracted to it.

Mr Anderson—I do not believe anything is being done on it. But it is possible, because the work is there. It is being done unofficially with Australian backpacker guides. I believe they have a list showing where work is at particular times of the year.

Mr KERR—What worries me is that we have about 800,000 unemployed. I am a bit reluctant to see a solution to your labour market problems in the expansion of the working holiday visa system when, with a bit of creativity and coordination, this might well be a fairly attractive area for some of those people—I concede not all—to put in a year or two travelling around Australia and saving some money. I do not think it has ever been marketed in that way since the old days. We have all been doing the nostalgia trip. I certainly remember when I was young that that was not uncommon. In earlier evidence, we were told that it stopped because the cane cutting went. There was no winter season. It then became peaks and troughs and you could not get year-round horticultural employment.

We are now told that that has changed because of the new species of vegetables, fruits and the like. You can again get year-round employment. Nobody has regenerated that itinerant labour market that used to once exist. My hesitation about following your prescription is simply that you will not have to put that work into developing a domestic labour market if you can top it up easily with a continual stream of overseas workers.

Mr Anderson—While it is being implemented, what we can do? We need people in the interim period.

CHAIR—Are you short at the moment?

Mr Anderson—It varies from year to year.

CHAIR—What about this year?

Mr Anderson—There was a shortage last month. We have not started our grape harvest.

CHAIR—Was anything left on the trees?

Mr Anderson—There is employment in our industry besides picking and packing table grapes. There is probably six months work for those who are interested. There is the thinning and trimming of bunches two or three months prior to harvest so that we can pick a quality crop. That is where we have found a shortage this year.

CHAIR—How did you deal with the shortage?

Mr Anderson—We worked longer. The season runs a bit longer and the quality did not end up as good. The same goes for harvest periods. It always gets harvested, but not at the optimum times.

CHAIR—You need that really sharp peak.

Ms GAMBARO—I want to return to the economics of the region. You said that you have seven per cent unemployment. How many young people are out of work in raw numbers? What would that amount to?

Mr Tepper—I do not have those figures. I would be happy to provide them to you.

Ms GAMBARO—Certainly the number of unemployed young people would not be able to fill the vacancies for the 2,000 people you need on a full-time basis. Is that correct?

Mr Tepper—Swan Hill is a stone fruit production area similar to the table grape industry. It is very quality conscious and has the same processes of thinning and pruning. There is labour there for about six months of the year. There are numerous opportunities available for young people to take up those jobs. There are always vacancies. At this time of the year, we find that a lot of university students travel back to the area and quickly find work. They are usually snapped up. Anyone who is available is always earmarked and snapped up. They usually go to where the highest wages are and where the best conditions are. They can set their own price.

Ms GAMBARO—We have talked about this trail of people travelling around. You said you have a chronic shortage of engineering, automotive and other technical tradespeople. Could you look at multi-skilling—I do not know whether this has been tried—where people in the trades could help out with the seasonal peaks and troughs of the harvest? You said to me a little while ago that you could go for six months. There is guaranteed work for six months in this field, depending on what is happening. Could multi-skilling work? You came up with some labour program.

Mr Tepper—The engineering and automotive jobs are full-time positions. Those employers are looking for full-time people. A lot of on-the-job training goes into those positions. They would not like to see people disappear into horticultural areas.

Ms GAMBARO—When you said mechanical, I thought you meant farm mechanics.

Mr Tepper—No. It is all types of automotive work. A lot of it involves farm mechanics. However, there is normal vehicle work as well.

Ms GAMBARO—From what you have been saying to us, you will always have a shortage in the peak seasons and you rely heavily on the working holiday makers for that?

Mr Tepper—They are an important source of labour. I want to go back to a point that was made about continuous employment. It is certainly something we have been looking at. In this area, stone fruit is harvested for about six months of the year. For about another two or three months of the year, there is pruning, so there is close to eight months of work there. Vegetable production comes on stream here in winter. This area grows two crops per year. In this area alone—there is not enough work to cover all the peak harvest period—there is a lot of work. A person could move to this area permanently and probably find almost a year's work doing casual labour. They would need to move from one area to another, but perhaps they would only need to move from Swan Hill to Robinvale to Mildura to the various crops.

Ms GAMBARO—What is the distance from Swan Hill to Robinvale?

Mr Tepper—It is about 130 kilometres, and it is another 100 kilometres to Mildura.

Mr KERR—On your figures, the total population is 23,000 and there is seven per cent unemployment. With the adult population, you would have total unemployment of less than 1,000. You certainly would not be able to meet your peak labour demands from that.

Mr Tepper—No. That is exactly right, unless we can attract people into the region to live here permanently and join casual jobs together into a mini labour trail in the area.

Ms GAMBARO—What is your projected growth? You gave those figures when you started.

Mr Tepper—I understand that the projected population growth is a lot higher in the Mildura area. I have not quite worked it out in annual growth terms. In aggregate terms, we have now have a population of 21,700. By the year 2020, it is projected to be 23,000. We firmly believe at the board level that it should be higher than that. Those figures are based on the past performance of population growth. The horticultural expansion that is occurring is quite significant. For instance, the stone fruit industry in Swan Hill has grown by 50 per cent in the last two or three years. That has produced an increase in labour. We believe that a projected population of 23,000 is fairly conservative.

Senator TROETH—The bottom of the first page of your submission states:

. . . usually every suitable local person able and willing to work on horticultural properties is quickly offered employment.

You go on:

It is argued that the current welfare system deters other locals from taking up employment opportunities . . .

If every suitable person who is offered employment takes it, that means that other locals are unable and unwilling to work; that is, the ones who are involved in the welfare system. Is that a valid point?

Mr Tepper—That is a fair assumption, yes.

Senator TROETH—Therefore, you have probably reached saturation point in offering work and having it taken up. You also mention that there is the involvement of Asian people from capital cities. Do they come up on a weekly basis, a monthly basis or on a three-month contract?

Mr Anderson—You would not say on a three-month contract. They come for the season.

Senator TROETH—And they stay?

Mr Anderson—They will stay anywhere from one to four months.

Senator TROETH—Where are they accommodated?

Mr Anderson—The Robinvale area is a bit unique in that it houses most of its workers on the farms. Some of them rent houses in the township, but a lot of them live on the farms.

Mr Tepper—There is a similar case in Swan Hill. A large fresh tomato producer uses Vietnamese labour. They are housed in caravans on the farm.

Senator TROETH—That would assume that those people are unemployed in Melbourne if they are able to take up that work opportunity.

Mr Tepper—Yes.

Senator TROETH—Would there be a case for targeting employment opportunities at Asian people from the Melbourne or Sydney suburbs on a permanent basis to attract a viable source of labour to the region?

Mr Anderson—It is one of the plans of the new harvest labour office in Robinvale to do that.

Senator TROETH—What stage have they reached with that?

Mr Anderson—I am not sure. The office has just started.

Senator TROETH—I know for a fact that the level of unemployment among many ethnic communities in Melbourne is very high. That may be one source. I know there is no magic solution to all of this. I hope that that is something they go on with.

Mr Tepper—That is an important point. We are aware that there are people in those communities who broker labour into the area. They organise the labour and bring the labour in. It is a fairly tight network. If those communities are aware of employment, they come into the area. That is one of the strategies that we will be looking at.

Mr Anderson—One problem with that is the language barrier. They seem to be more suited to outdoor work. The English speaking people are better for indoor work. It is a lot easier to communicate.

Senator TIERNEY—In the Swan Hill area, what percentage of your work force would be working holiday makers?

Mr Anderson—I cannot answer that.

Mr Tepper—We have a problem with a lot of the numbers provided to us through official sources. That cannot be verified with our agricultural figures for a start. The survey work that is done by ABARE and the ABS is not always accurate. We did a census of the horticultural industry around Swan Hill. That census went around to about 300 different horticulturalists and analysed the labour. In terms of hours of casual employment per week, it worked out to a full-time equivalent rate of about 1,000 to 1,500 people per annum. On that census form, no question was asked of the source of that labour.

Senator TIERNEY—Others have said between five and 10 per cent in other regions. We have capped that working holiday scheme. I am just trying to work out whether you feel that will have some detrimental effect on the recruitment of labour for Swan Hill.

Mr Tepper—The board—I think the horticultural industry would back this—is a strong believer in free markets. Therefore, it should be demand driven and not have any caps or other restrictions on the labour.

Senator McKIERNAN—But it is not a labour program. It is a tourism visa. It is

the individuals who apply overseas for tourism to come on adventure holidays to Australia. It was never intended to be a labour market program.

Mr Tepper—With all respect, I understand that one of the objectives of the program is to fill casual vacancies as they appear in some peak periods.

Senator McKIERNAN—Do you have the objectives with you? If so, can you point that part out to me?

Mr Tepper—I refer to the submission by the department.

Senator McKIERNAN—Does it talk about work being incidental to the visa?

Mr Tepper—I can point it out. I refer to page 2 of a submission by the Department of Immigration and Multicultural Affairs. The objectives of the working holiday maker program are listed. It states other objectives of that scheme. It is to supplement the work force, particularly in industries of peak seasonal needs, but without limiting opportunities for unemployed Australians.

Mr KERR—Certainly the minister, in his press release announcing the increase in the cap, drew on the shortage of labour in agricultural industries as one of the reasons. This is off the top of my head, but I do recall that.

Senator TIERNEY—When you get to your peak times, what is the effect of that on your local unemployment rate? Do you know what it gets down to?

Mr Tepper—At this time of the year, our unemployment rate is falling. Our employment levels have increased significantly. At this time of the year, university students come into the area. They bring their friends with them. That increases the employment levels. Traditionally, this is our low unemployment time of the year.

Senator TIERNEY—How low is that? What does it get down to? We are used to unemployment rates in country areas of up to 20 per cent. What does it get down to here in the peak times?

Mr Tepper—Our unemployment rate mid-year was seven per cent. I do not have the numbers now. There is usually a lag period of about three months before they come through to our area. I would be surprised if it got any lower than seven per cent. Again, I can obtain that information.

Senator TIERNEY—In your submission, you suggest that the government rather than the horticultural industry should actively promote the availability of horticultural job opportunities for working holiday maker visa holders. Why should not the industry do that rather than government, given your obvious vested interest?

Mr Tepper—It is a good point. I think perhaps there should be a partnership between the two. I agree that it should be industry driven. Government, obviously through its overseas agencies and embassies and whatever, may be able to use that facility to promote opportunities for work in certain areas of Australia.

Senator TIERNEY—I believe you have in Swan Hill some strategies for promoting more working holiday makers to come to the region. Could you outline what they are. How do you intend doing that?

Mr Tepper—Again, we have just obtained funding to support a project officer to develop strategies to attract all types of horticultural labour in. We do not yet have any particular strategies as such. However, we are discussing those at board level.

Senator TIERNEY—So there is nothing specifically related to backpackers on working holiday maker visas who are touring the country?

Mr Tepper—One of the key things to look at is their accommodation. We have a facility in Swan Hill attached to our Pioneer Settlement, which is a tourist attraction that brings in 50,000 tourists per annum. Attached to that settlement are some lodges with very simple accommodation similar to backpacker accommodation that you would find in other areas. Over the summer period, that is not utilised to any extent. During the year, it is used for school groups coming to visit the settlement. We have thought about using it for backpacker labour. We also have some motels in the smaller towns and caravan parks that are not fully utilised. We are looking at developing some strategies with that industry to reduce their rates to get the occupancy levels up and, therefore, increase their general revenue.

Senator TIERNEY—In Mildura, they have a harvest labour committee, which is more or less taking over from the CES. Do you have a similar thing in Swan Hill? If so, where is that up to?

Mr Tepper—Yes. We have just applied to DEETYA in the last month or so to obtain some funding to employ harvest officers, who will look at some innovative strategies. The local Sun Centre Horticulture Development Association will be responsible for that officer. They will form themselves into a harvest committee. Robinvale has also gone through a similar exercise.

Senator TIERNEY—What will be the relationship with the CES?

Mr Tepper—The CES is supporting that position through funding. There will also be a close relationship between the harvest officers and the CES, where they can go to that office to use the computer equipment and the networks that it has. There will be some very close links.

CHAIR—I return to the WHMs or anybody who comes here casually to work. I gather from the fact that you are short in your peak period of picking that people who rock up at that stage could get jobs. They do not need to arrive at the beginning of your season. Is that right?

Mr Anderson—If there are job opportunities, they can start at any time.

CHAIR—Do you prefer them to start at the beginning of the season and work right through your season?

Mr Anderson—Not necessarily. Not within the table grape industry, because it is such a long season. We are quite prepared to train people for limited seasons, such as eight weeks.

CHAIR—So you would see eight weeks as a good stint of employment, from your point of view?

Mr Anderson—Yes. The longer, the better. We have done it for less than that, if the need arises.

CHAIR—Do you have the remotest idea of how long international people on working visas stay on average?

Mr Anderson—For employment?

CHAIR—Yes. I am not asking you for facts and figures but your own gut feeling.

Mr Anderson—On average, six to eight weeks. They want to get going again after that.

CHAIR—From your own impression, do you feel that they go on to work in another area or go back to the cities to spend the money?

Mr Anderson—In a lot of cases, they head off to see the sights or go back to the cities.

CHAIR—Is there anything else you would like to add that has come out of our conversations?

Mr Tepper—No.

CHAIR—I thank you very much for coming here today. If we have any more questions, the secretary will write to you. This inquiry is adjourned until a time and date to be fixed. Resolved (on motion by Ms Gambaro):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 3.24 p.m.