



Riverland Development Corporation

Submission to Senate Inquiry into Pacific Regions Seasonal Contract Labour

Proposal for introduction of a Seasonal Harvest Workers Visa.

January 2006

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Introduction

The Riverland Development Corporation Inc covers the Riverland region of South Australia including the Councils of Berri Barmera, Loxton Waikerie and Renmark Paringa. The represented region incorporates large rural towns, as well as the rural community. The economy can be considered to be underpinned by two separate segments – the high growth area of viticulture/wine and horticulture, and the non-irrigated areas with more traditional dryland farming. Tourism is the other “export” generating sector, with the remainder of the economy providing services based on these segments.

The region has experienced significant growth. Agricultural/Horticultural production in the region has grown by 55% over the four years to 2001 (to reach \$682 million).

The region has experienced a 48% increase in irrigated area over the four years to 2001, mainly in wine grapes, but also in citrus, vegetables, almonds and other fruit and nuts.

The Riverland provides 39% of South Australia’s Horticultural/Viticulture production (\$500 million)

The Horticultural industry has experienced difficulties in attracting sufficient labour to meet harvest demands for a number of years and in the last five years these shortages have become critical with considerable loss of production.

After consultation with industry groups the following recommendations have been highlighted.

- The current difficulties attracting harvest labour are likely to continue
- There will be considerable cost to industry and loss of export income due to weather damage and over ripening of produce from not being able to complete harvest in a timely manner

The Demand for Pickers & Packers

Over 50% of The State’s Horticultural production is currently not able to be machine harvested and therefore requires to be harvested manually.

Horticultural crops like citrus, apples, pears, stone fruit, tomatoes and melon crops are all manually harvested with most tree crops being manually planted as well.

The Horticultural industry has experienced difficulties in attracting sufficient labour to meet harvest demands for a number of years and in the last five years has relied very heavily on the use of working holiday visa labour to address these shortages. This trend is likely to continue as few resident Australians are willing to perform this type of work.

Through consultation with industry and employment agencies within the region it has been established that approximately 500 picking positions could not be filled through the prime-picking season.

Industry has also highlighted that there are shortages in areas other than pickers and packers. The pruning and planting of stone fruit, vines, citrus and almonds is still a partly manual task. Some of this is now not being done because of the labour shortages. Deferred pruning will lead to lower production and shorter plant life both of which will seriously affect profitability.

A major project commencing 2007 will need 30 extra casuals to plant 300 Ha of trees per year for 4 years. These trees then need to be pruned, staked and guarded. Prior to planting this number of casuals will be needed for the installation of irrigation. That is one project will need 30 casual for 4 months per year.

The Shortage in Supply of Pickers & Packers

The Federal governments decision to change the working holiday visa program to allow for a second 12 month visa if a working holiday visa holders works for a least three months in regional Australia is to be commended as it will assist with meeting harvest labour demands. Unfortunately this measure alone will not provide sufficient numbers to meet demand during peak periods.

The Riverland Development Corporation has conducted consultation with a number of the regions horticultural producers and packers, key industry representation and providers of labour hire.

It was established that in 2000 on average less than 10% of harvest labour was preformed by working holiday visa holders. In 2005 in excess of 50% of harvest labour was preformed by working holiday visa holders with some operation reporting more that 90% reliance on this labour source. There has been a much higher reliance on working holiday visa holders for picking work that packing operations. Some packing operations have reported as high as 80% reliance on this labour source but generally the figure is below 20%.

Although this source of labour is being utilized extensively it does not provided sufficient numbers to cover the harvest requirements. Almost all operations indicated that they have not been able to fully meet their labour requirements in the 2005 season and believe they will face similar difficulties in the 2006 season and beyond.

It has also been stated that this is not the ideal solution as training is required for workers to meet a reasonable standard of work with many workers moving on after only a couple of weeks in the job requiring the recruiting and training process to commence again. It also means it is very difficult to plan harvesting operation with no continuity of labour supply as these people have a tendency to move on with either no or very little notice given. Difficulties also arise with adverse harvest conditions with working holiday visa holders moving on to other regions if work is held up for anything more that a day or two and generally not returning.

Impacts of The Shortage in Supply of Pickers & Packers

Much of the horticultural production of the region goes to the highly lucrative export markets generating valuable income for Australia. Many of these export markets have a very narrow window of opportunity with tight time restriction applying. Failure to harvest crops in a timely manner may see these markets missed and indeed see them disappear altogether as other competitors seize the opportunity.

As it becomes increasingly difficult to meet the harvest labour needs there will potentially be a trend to move away from crop types that require manual harvesting. This has the potential to see producers moving into other crops that may create an over supply of some types of produce placing pressure on returns.

Recommendations

The Australian Horticultural Council has advocated the Federal Government to further explore the option of making provision for a guest worker visa allowing unskilled workers into the country on a temporary basis to perform harvest labour duties.

Guest worker programs are used in many countries to address seasonal labour shortages, Canada and the United States use Mexican guest workers for harvesting fruit crops; Japan has a program utilising Chinese workers to pick apples. In fact Australia and New Zealand may be the only developed nations that do not import seasonal labour for agriculture.¹

It has been suggested by industry that the Federal Government through the Department of Immigration, Multicultural and Indigenous Affairs would make provision for a suitable visa class to allow the temporary entry of seasonal harvest workers.

Considering that the Canadian model is generally looked upon as a best practice model it would be of considerable value to closely examine the processes, policies and functions of this model and establish an Australian pilot program based on any such studies. Although the Canadian program has been studied in some depth by a number of groups from numerous countries it would not appear that no such study has been undertaken by Australia. It would be of considerable benefit for such a study to be commissioned.

The Proposal

Canada has used their Canadian Seasonal Agricultural Workers Program (CSAWP) since an initial pilot program between Canada and Jamaica in 1966. The CSAWP program has expanded to include Mexico, Barbados, Trinidad, Tobago and the eastern Caribbean States of Dominica, Grenada, St. Kitts/Nevis, St. Lucia, and St. Vincent & the Grenadines.ⁱⁱ

This program has helped maintain Canada's economic prosperity and global agricultural trade competitiveness through timely planting, harvesting, processing, and marketing of fruits, vegetables and horticulture crops, and expand job prospects for Canadian citizens dependent on agriculture and agriculture-related employment opportunities.

It has also improved the economic welfare of the migrant workers by providing them with temporary full-time employment in the labour-intensive commodity sectors of the fruit, vegetable & horticulture industry at relatively higher wages than they could obtain from similar or alternative activities in their home countries.

Australia has a number of neighbouring Pacific nations that could supply a suitable workforce to address harvest labour shortages. Most of our Pacific neighbours have relatively small economies and would benefit considerably through a structured program of Pacific Island workers coming to Australia for seasonal employment and returning with the income gained through this employment. Many Pacific Island countries already have a heavy reliance on overseas remittances to support their economy.

The Challenges

There are a number of issues that need to be considered for any successful seasonal worker program to be implemented. The provision of suitable accommodation will provide challenges for many rural communities. It would be envisaged that suitable accommodation would need to be developed through a partnership of industry and government to facilitate seasonal workers, as very few horticultural growers would have this type of infrastructure in place.

Labour Rights and working conditions would need to be in accordance with the current horticultural award to ensure the guest workers rights were protected.

The experience in Canada suggests that problems will arise when migrant workers are tied to a specific employer, especially if there is no ability for them to organise collectively. Any seasonal labour scheme in Australia needs to have safeguards built in to protect workers' rights, and guarantee freedom of association.ⁱⁱⁱ

A major concern with a seasonal worker program is that workers will fail to return home once their seasonal work is ended.

The Australian Department of Immigration, Multicultural and Indigenous Affairs (DIMIA) have already told the 2003 Senate inquiry into Australia's relations with the region that without "very strong enforcement", the non-return of seasonal workers would incur significant expenses for government:

"Overstay issues associated with low-skilled guest worker schemes also cannot be underestimated, given the experience in other places. It is certainly true that overstay rates, non-return rates and the rates of protection visa applications from visitors from the South Pacific are quite high. They would be amongst the factors that we would need to take into account in considering any guest worker scheme."^{iv}

An essential part of any proposed scheme would be a considerable percentage of wages would be paid into a trust fund for each worker which would be released in their home country upon satisfactory completion of the labour contract and return of the worker. It could also be a requirement that workers return home before they can access any refund for taxes paid in Australia and access to any superannuation contributions made on their behalf

It would also be important that workers involved in the program would have the opportunity to return to Australia in the following season to perform further seasonal harvest work. This would reduce the cost of training and orientation to employers and provided an incentive for the guest worker to comply with their visa requirements rather than run the risk of deportation and loss of the opportunity to participate further in the program.

Conclusion

If Australia is to pursue a temporary entry seasonal harvest worker program then the starting point should be a series of small-scale pilot projects. Any program may not necessarily be limited to our Pacific Island neighbours but could also incorporate other countries that we have established relationships with.

In Australia we envisage building on the model of "Sister City" relationships that exist between some regional municipalities and similar jurisdictions in other nations. Under this scenario, a particular region might be twinned with a horticultural area in regional Australia. In addition to recruiting seasonal workers from this region to work in horticulture, associated educational activities could be devised for schools and community organisations who could take a lead role in organising social events and cultural activities to welcome the workers into the community.

There are currently a numbers of industry groups and regional bodies seeking to initiate seasonal work programs. For a successful program to be initiated there would need to be considerable government-to-government liaison to create a framework for a pilot project.

It is essential that any program has the capacity to deliver benefits for all parties concerned and provided adequate security against any exploitation of workers and erosion of worker benefits established under Australian awards.

The harvest labour shortage problems will only continue to increase as fewer resident Australian's are willing to perform this type of work and it is unlikely that we will see any rapid changes in the ability to utilise greater levels of mechanization within these industries in the near future.

The outlook for horticultural harvest operations will remain bleak and will potentially lead to the loss of production and revenue unless we are willing to pursue alternative labour sources to address the problem.

Prepared by

Riverland Development Corporation

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Appendix A

Simarloo (Aust) Pty Ltd
Seasonal Labour Shortages – Fuxin Foreign Affairs Department (FFA) Liaoning
Province

Appendix B

Yandilla Park Pty Ltd
Migration Options to resolve labour shortages

Appendix C
Riverland Horticultural Council

Industry Consultation

Simarloo (Aust) Pty Ltd (Grower &
Packer)
Yandilla Park Pty Ltd (Grower &
Packer)
Riverland Horticultural Council
(Industry Body)
BP Fruits Pty Ltd (Grower & Packer)

Amaroo Pty Ltd (Grower & Packer)
Nippy's Pty Ltd (Grower & Packer)
Gillainey Orchards (Grower & Packer)
Lindsay Point Almonds (Growers)
PA & CA Walker (Growers)
IW & MA Gent (Labour Contractors)
Australian Citrus Growers Association

ⁱ Sue Pickering and Helen Barnes: "Towards a sustainable workforce across horticulture", *The Orchardist* (New Zealand) May 2005 pp30-34

ⁱⁱ Canada' Seasonal Agricultural Workers Program as a Model of Best Practices in Migrant Worker Participation in the Benefits of Economic Globalization Executive Summary Prepared for The North-South Institute by Veena Verma, LL.B.
Cavalluzzo Hayes Shilton McIntyre & Cornish
Barristers & Solicitors

ⁱⁱⁱ Labour mobility in the Pacific:
creating seasonal work programs in Australia by Nic Maclellan and Peter Mares

^{iv} Senate Foreign Affairs, Defence and Trade References Committee: *A Pacific Engaged - Australia's relations with Papua New Guinea and the islands of the south west Pacific* (Canberra, August 2003), p74.