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RECRUITMENT AND CONSULTING SERVICES ASSOCIATION LTD

Submission to the Senate Employment Workplace Relations and
Education Committee

Regarding Pacific Region seasonal contract labour

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INTRODUCTION

This submission addresses issues related to the use of contract labour for selected rural industries and the viability of drawing on migrant labour from the Pacific region. It is based on the views and experience of interested members of the RCSA.

Selected industry Members would welcome the opportunity of appearing at Hearings with a view to informing the Committee in more detail of specific experiences.

THE RECRUITMENT AND CONSULTING SERVICES ASSOCIATION LTD

The RCSA is the peak body for the recruitment and consulting services industry throughout Australia and New Zealand. It is a not-for-profit association that is managed by a Board of Directors.

The central focus of the RCSA is “to represent and serve the interests of members for the increased profile and professionalism of the industry”. The RCSA has more than 3,600 members in Australia and New Zealand comprising multi-national companies, single consultancies, and individual practitioners operating within a recruitment consultancy.

The association is instrumental in setting the professional standards, educating and developing member skills, monitoring industry participant performance and working with legislators to formulate the future. Members are kept up-to-date on information regarding best practice techniques, resources and technological innovation, along with legislative changes impacting on employment.

The RCSA also acts as a lobbying voice, representing its members on issues that impact upon the industry. It has a strong relationship with the public and private sector.

Members offer the following capabilities:

- On-hired employee services
- On-hired contractor services
- Recruitment services
- Employment consulting services

Key Statistics from the Australia Bureau of Statistics:

- The employment services industry earned a total income of \$10.2 billion in 2001/2002, which is an increase of 31 per cent on the 1998/1999 survey.¹

¹ *Employment Services Australia*, 8558, Australian Bureau of Statistics, August 5, 2003

- \$9.3 billion was received through on-hired employment (formerly known as labour hire), and this can further be broken down into \$879 million from permanent placement and \$8.25 billion from temporary/contract placements.²
- The industry contributes 1.3 per cent to the country's GDP which contributes more to the Australian economy than legal services (1.2 per cent) and accounting (1.1 per cent).³

PACIFIC REGION SEASONAL CONTRACT LABOUR

a. Labour shortages in rural and regional Australia;

Members have different experiences. One national firm notes that it has chronic shortages of labour in all non-metro markets, with major shortages in agriculture along with health workers and problems with professionals of all descriptions.

According to one Queensland office of another member the shortages are not apparent in all regions. Areas such as Bundaberg, Ayr and Ingham for instance do not struggle to find agricultural workers, whereas in areas in the far west of the Eastern States, it is a different situation.

b. The availability and mobility of domestic contract labour, and the likely effects of such a scheme on the current seasonal workforce;

There is concern in some situations that the scheme could have a disastrous effect on current seasonal workforces in areas where this type of labour is known to be in abundance (but only those areas) and is relied on by some locals and others for income.

One member suggested the possibility of attracting retirees who are travelling around Australia to supplement seasonal workforces. However it was also noted that it usually involves hard physical work not suited to older people. In fact one member notes his experience as suggesting that no metropolitan workers are suited or attracted to the type of arduous work involved in seasonal agriculture – “lettuce chipping for a day in the sun at award wages is not attractive.”

However, people with skills are being attracted to mining jobs in remote areas because of the very high wages being offered.

In some areas - Childers in Queensland is one example - the seasonal agriculture based economy is reliant on backpackers who specifically go to the town to work as fruit pickers.

² *Employment Services Australia*, 8558, Australian Bureau of Statistics, August 5, 2003

³ *Employment Services Australia*, 8558, Australian Bureau of Statistics, August 5, 2003

Australia currently gets about 100,000 working holiday makers each year and most of these are from developed and distant countries. A greater number of workers from our own region in the South Pacific could well serve our diplomatic and defence interests as well as having economic benefits – provided the right administrative controls are in place.

c. Social and economic effects of the scheme on local communities;

In areas that have a shortage of labour the scheme would have a positive influence economically; however, the potential impact in other areas could be different.

Accommodation and housing – some towns have very little rental accommodation and what is available is expensive due to demand – could be a major disincentive and a problem for some regions. However, the introduction of workers would put dollars into local economies and could create or increase a market for local rental accommodation.

There is a suggestion that Job Seeker and Job Network incentives be provided for some seasonal labour. Currently Job Networks need to supply 13 weeks' of continuous work to attract a return so there is not enough incentive to supply labour for lesser periods or other kinds of short term assignments. Weather can also be a problem.

d. Likely technical, legal and administrative considerations for such a scheme;

Despite some potential solutions in the Canadian model, the question remains as to how such a scheme could be monitored to ensure labour is directed to regions where it is required. For example how would these workers be tracked to ensure that they don't become illegal immigrants?

One member noted that she was aware of a seafood exporter using imported labour as it is cheaper. This means that pay rates will need to be monitored to ensure that they meet the awards otherwise rural industries will all choose the cheaper option to the detriment of any labour force available in that region. Again the Canadian scheme is reported to have addressed that problem at least in part.

There are also the issues of health and health insurance etc. And finally there is also the question of who would sponsor and fund these workers to come to Australia. The Canadian scheme should be looked at in detail.

Turning specifically to the problems with Pacific labour, these are many and varied. How do you stop them from disappearing, how do you pay them when they don't have a bank account? Do you pay in cash? What are their money management skills like? What happens if they get injured and learn about life on workers comp? How do you get them from the port of entry to the areas of need without cost? What about tax and super? However the Canadian Government seems to have found a way to address those problems and we could learn from their experience.

e. The effects of the scheme on the economies of Pacific nations.

Most of the Pacific islands have serious surpluses of labour and would appear to be better off having its unskilled workers employed here on a temporary basis and sending remittances home. This would be more useful if it were combined with some sort of training before or during any work time spent in Australia

Island countries are recipients of significant development assistance from Australia. Aid funds could usefully be applied to the development of basic skills for workers before they left for Australia.

CONCLUSION

The RCSA is the leading industry body for recruitment and on-hired employment services - that is we are the experts in flexible employment solutions. We would like to thank the Senate Committee for the opportunity to present our views on Pacific contract labour.

Our Members are the main interface between employers and contract labour forces within Australia, and have seen this type of employment grown as the desires for flexible working arrangements have also grown. We are now seeing the drive for flexible workforces becoming internationalised, with workers seeking to cross national borders for employment related reasons.

We are keen to work with the Government on the issue of seasonal contract labour from the Pacific region, and are willing to share our knowledge of managing contingent labour forces with the Senate Committee.