

MADEC SUBMISSION

TO

SENATE STANDING COMMITTEE ON FOREIGN AFFAIRS DEFENCE AND TRADE

Inquiry into the main economic and security challenges facing Papua New Guinea and the Island States of the Southwest Pacific

ABOUT MADEC

MADEC is a not for profit organisation established in 1970 as an alternative education provider, during the 1980's this was expanded to include a diverse range of projects and programs including Commonwealth Employment Service funded initiatives, such as Skillshare and a wide range of other labour-market programs. MADEC has continued to grow providing services to its expanding communities, further consolidating its position as a major provider of community services in Australia. MADEC now operates a range of programs through its core business units of Employment Services; Education and Training, and Community Development, throughout the Sunraysia & Mid Murray regions of Victoria, the Riverland in South Australia and Wentworth and Balranald, in New South Wales.

For the past eleven years MADEC has held Federal Government contracts for Harvest Labour Services in Wentworth NSW and Mildura, and Swan Hill and Robinvale in Victoria and Berri in South Australia since July 2003. The Harvest Offices work closely with local Growers to supply all their harvest labour needs. In July of 2003 MADEC commenced the inaugural National Harvest Labour Information Service (NHLIS).

The NHLIS is a federally funded government initiative which is contracted to MADEC, to match an itinerant pool of workers with a range of seasonal work Australia wide. This free of charge service mobilises people from areas which have finished harvest, to regions where harvest work is available thereby, alleviating the harvest labour problems of horticulturalists.

The NHLIS uses three key links to support the Harvest Trail;

The National Telephone Service which has a freecall number 1800 062 332. This service runs from 8am to 8pm (est) weekdays throughout the year. Call Centre Operators take calls relating to harvest labour and connect callers to appropriate Harvest Labour Offices or whoever has lodged a vacancy on the Harvest Trail Website, we currently field over 1,000 calls every week. During busy harvest times we support the local Harvest Offices by opening on weekends to encourage callers to their harvest.

The Harvest Trail Website, www.jobsearch.gov.au/harvesttrail is part of the Commonwealth Government's job search website and has been significantly expanded and improved, providing comprehensive information about harvest opportunities in all states of Australia. The website enables jobseekers to look to certain states or towns, for harvest work opportunities and important information on the areas they are considering.

The National Harvest Guide, provides comprehensive information about harvest work opportunities and locations, working conditions, transport options and accommodation arrangements. This harvest guide is available free of charge, and is distributed nationally to itinerant workers, eligible jobseekers, backpackers (Working Holiday Visa holders) and "grey nomads" (a term given to retirees, holidaying around Australia). It is also available electronically on the Harvest Trail website and has become the "bible" for harvest workers throughout Australia. Included with the harvest guide is a "business card" which fits neatly in a wallet and gives jobseekers instantly, the 1800 062 332 phone number to call or the website address for the Harvest Trail.

To support the three above links MADEC has three State Co-ordinators who are responsible for liaising with growers, grower associations, government agencies and Harvest Labour Providers to ascertain demands for harvest labour, and any issues which may affect the horticulture industry, in regard to employment. In order for the service to operate effectively, the NHLIS relies on receiving regular and up to date advice on how the season is progressing, when harvest is likely to begin and how many workers will be required. The state co-ordinators travel to all harvest regions annually and attend various Field Days, Conferences, Expo's.

The NHLIS has proven to be an excellent resource for anyone looking to travel around Australia by working in the harvest labour industry. There are a number of Harvest Trails that can be followed, which can result in employment all year round.

EXECUTIVE SUMMARY

Calls for the introduction of a Guest Worker Scheme to alleviate perceived harvest labour shortages in the Australian horticulture industry and address economic and security challenges in Papua New Guinea and the Island States of the Southwest Pacific, have been around for some time. Issues of concern in Australia include: infrastructure to support foreign sourced employees; working conditions and pastoral care; economic and social costs to regional communities in Australia and the Pacific Islands; administration costs; logistical support and labour mobility.

It is MADEC's view that the National Harvest Labour Information Service (NHLIS) and Harvest Offices have effectively addressed any perceived shortage of unskilled harvest workers in the horticulture industry. That said we recognise the potential for harvest labour requirements to increase as the effects of the drought ease and horticulture production levels intensify. As the availability of backpacker labour is discretionary and subject to the conditions of the international economic and political climate, the NHLIS is willing to be part of a pilot program to test the value of a Guest Labour Scheme to Australian and Pacific Island communities.

MADEC is in a position to offer experienced logistical support, training and skilling to workers from the Pacific Islands and if a pilot was to be trailed in Australia we would welcome the opportunity to be involved.

INTRODUCTION

The introduction of a Guest Labour Scheme has been proposed to assist Papua New Guinea and the island states of the southwest Pacific overcome economic difficulties. Prior to the introduction of such a program to the Australian Horticulture Industry careful consideration of the social and economic costs of administration are vital. The following paper highlights the potential implications for Australia and examines employment opportunities in the Australian horticulture industry.

IMPLICATIONS FOR AUSTRALIA

There are a number of issues to be considered prior to the introduction of a Guest Labour Scheme into Australia. The major implications to stakeholders in Australia are outlined below:

Infrastructure

A shortage of affordable accommodation in Australian regional centres, and the scarcity of transport to regional properties, currently impacts the ability of Australian growers to attract workers at harvest time. Only a small percentage of Australian growers have onsite accommodation and very few have the capacity or level of sophistication to cater for large groups of workers at the one time. Caravan Parks are often reluctant to accommodate harvest workers because they receive a higher dollar from the leisure tourism market and accept advanced bookings from Australian holiday makers. Accommodation options in Backpacker Hostels are also limited during peak harvest times with the demand for beds far exceeding the supply in key harvest regions around Australia.

The provision of quality accommodation in towns or on farms, and sufficient transport for Pacific Island Workers is vital to the success of a Guest Labour Scheme. As this infrastructure does not currently exist in many harvest regions, growers will be required to locate or build suitable accommodation for foreign sourced employees. In reality, the initial outlay of expenses will preclude many employers from participating in a Guest Labour Scheme.

Pastoral Care

With any group or team of workers, transport, supervisor(s), interpreter(s) are relatively easy to organise. What is difficult is the provision of low cost accommodation, meals, and the welfare of workers after hours. A united effort from employers, religious groups and community organisations will be required to engage workers and encourage social interaction with the local community. In the absence of support services for workers, there is a risk of developing a subclass of seasonal employees which may inturn jeopardize the long term future of a Guest Labour Scheme.

Duty of Care

The exploitation of harvest workers by unscrupulous operators is a leading cause of why Australian employers cannot attract and retain staff during peak harvest periods. The mistreatment of harvest workers from Papua New Guinea and the Island States of the Southwest Pacific has the potential to impact on the success the Scheme and affect Australia's relationship with the Pacific Island countries. Employers must be subject to rigorous screening and at a minimum demonstrate their ability to provide a safe working environment; suitable accommodation; pay workers at market rates and cover the upfront costs of transport, airfares and pastoral care for workers.

Economic Impact to Operators in Regional Australia

Pacific Island countries have long wanted the Australian Government to offer guest worker visas, hoping workers would return their wages to their home nations and boost local economies. Leading stakeholders in the Australian horticulture industry support this proposal believing it will deter workers from escaping from the program and seeking refuge in Australia. Unfortunately the impact of such a proposal could be financially devastating to retail outlets, pubs, tourism operators, clubs, transport and accommodation providers in regional areas. As Pacific Island workers gradually replace working holiday makers in key harvest regions, local operators will no longer be guaranteed income from backpackers that spend the majority of their savings on food, accommodation and entertainment as they travel around Australia. Additional pressure will be placed on service providers in surrounding towns as backpackers relocate to source work opportunities in a neighbouring harvest region.

Labour Mobility

Pacific Island workers who leave their families and communities will expect to be working as often and as long as they can. Unfortunately due to the nature of harvest work, inclement weather and unfavourable market conditions can lead to workers being forced to stop work at short notice and for extended periods at a time. To minimise downtime and keep the workers employed, experienced logistical support will be essential. The appointment of a government authority to provide information and coordinate the movement of labour will reduce the risk of workers being exposed to a poorly programmed timetable. Rather than creating new infrastructure, the NHLIS can be used to provide harvest information and link employment opportunities between farms and key harvest regions.

Costs

The administrative costs of establishing a guest labour program in Australia will be substantial and private sector funding will be essential to cover the costs of recruitment and selection, visa's, airfares, travel within Australia, accommodation, food, protective clothing, supervisor(s), training, interpreter(s). This is a significant shift for many growers who are not willing to provide this level of support to attract transient workers already travelling around Australia on the Harvest Trail. Many of the harvest positions currently listed on the Harvest Trail Website require workers to have their own accommodation and transport and purchase snips, picking bags and protective clothing prior

to the commencement of work. Again, the initial outlay of expenses for employers will exclude many from participating.

The costs to all levels of Government will also increase with the requirement for additional administrative staff to oversee the implementation of the scheme. Specialist staff will be required to process visa applications, conduct medical and police checks, provide logistical support and conduct monitoring to ensure compliance. In addition, medical staff will be required to evaluate the health of prospective guest workers.

Social Costs to Pacific Island Communities

The social costs to the Pacific Island families must be considered when workers have to leave their home, their village for a lengthy period of time. The impact of the separation on children and the burden on people left behind in the village are costs the governments must address.

EMPLOYMENT OPPORTUNITIES

Renewed calls for the introduction of a Guest Labour Scheme have come at a time when Australian Growers have improved access to a large pool of itinerant labour including Australian citizens and residents and young international backpackers. In recent years there has been a resurgence of interest in the horticultural sector from jobseekers, with an increase in enquiries from semi-retirees that travel Australia as 'Grey Nomads'. Many of these people are interested in working as a casual or seasonal worker in the horticulture industry to supplement their superannuation and pay for the rising costs of fuel. Grey Nomads are particularly attractive to growers because they provide a ready pool of skilled workers and they generally have their own transport and accommodation, both of which are reported as major issues throughout Australia.

In addition to the Grey Nomads, the horticulture industry depends on a large labour force of international backpackers that enter Australia on a Working Holiday Visa. In 2005 the Department of Immigration and Multicultural Affairs (now known as the Department of Immigration and Citizenship) changed the laws governing the Working Holiday Visa's. For the first time, international travellers entering the country on a Working Holiday Visa were able to apply to extend their stay in Australia for a second year provided they had completed three months 'seasonal work' in 'regional Australia'. As a consequence of these changes the NHLIS registered an increase in the number of harvest labour enquiries from Working Holiday Visa Holders. These transient workers were no longer satisfied by opportunities to work in one place for one or two days and sought employment opportunities in key harvest regions for the duration of the harvest. In excess of 145, 000 Working Holiday Visas were issued in 2007/08.

Whilst working holiday makers are meeting much of the current unskilled harvest need, they are discretionary workers. The NHLIS acknowledges the horticulture sector is competing with other industries such as tourism, retail, mining, construction for labour. Changes to the Working Holiday Visa from 1 July 2008, whereby applicants for a second Working Holiday Visa must have carried out three months 'specified work' rather than 'seasonal work' in regional Australia have the potential to cause a negative impact on the ability of growers to attract and retain horticultural workers at peak harvest times. The cause for concern amongst farmers is that construction/mining now qualifies under the definition of 'specified work'. This change comes at a time when growers are transitioning from the drought and there has been a substantial investment into large scale horticulture plantations. As production intensifies there will be and increased demand for unskilled and skilled workers in the industry.

In recent years growers have benefited from the introduction of the National Harvest Labour Information Service, and network of Harvest Offices around Australia. This system has ensured a

better coordination of labour, as workers are provided with the latest information on harvest labour opportunities and mobilised from areas that have finished harvest to regions that require workers.

Given that the NHLIS has proved to be an excellent resource to help connect growers and jobseekers at peak harvest times in Australia, it is a matter of considerable frustration to read reports of harvest labour shortages when vacancies have not been lodged with the Service. If jobs for both skilled and unskilled workers are not listed on the Harvest Trail Website there is no record of unmet need and NHLIS Call Centre staff cannot refer workers to the area.

When investigating the claims by farmers of labour shortages, Department of Education, Employment and Workplace Relations (DEEWR) and other government agencies would no doubt look at various sources of data such as the Harvest Trail, to ascertain the gap between vacancies and available workers, presently they would conclude 'where is the shortfall, the data does not indicate any significant unmet need'.

CONCLUSION

It is MADEC's view that through the combined efforts of the NHLIS and Harvest Offices to attract workers to the horticulture industry, along with the impact of changes to the Working Holiday Visa, we are meeting the current demand for unskilled labour with the exception of those harvest regions that have a shortage of infrastructure to support a mobile workforce. That said, we acknowledge that horticulture is a labour intensive industry and future demand for harvest workers in Australia is likely to increase as the effects of the drought ease and large scale commercial plantations reach full maturity. As the availability of backpacker labour is discretionary and subject to the international economic and political climate the NHLIS supports a trial of a Guest Labour Program under a stringent set of conditions. At a minimum, harvest regions must be able to highlight a shortage of available labour and demonstrate their ability to provide services and infrastructure to support workers from Papua New Guinea and the Island States of the Southwest Pacific. In addition, employers must be scrutinized, accredited and monitored to avoid the exploitation of workers by unscrupulous operators.

The NHLIS is in a position to offer experienced logistical support to workers from the Pacific Islands and if a pilot was to be trialled in Australia we would embrace the opportunity to be involved. We thank the Committee for this opportunity to make a submission and look forward to continuing our work with the agricultural industry to help resolve labour supply issues.

Yours sincerely

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