



AUSVEG Agriculture Visa – Briefing Document

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SUMMARY

This paper aims to clarify the labour issues which exist within the Horticulture sector and also outline industry proposed solutions.

AUSVEG is regularly updated from its membership throughout Australia about the significant difficulties growers face in fulfilling their labour needs on farm.

A recent survey by the National Farmers' Federation found that 65% of grower respondents ranked labour issues in general in their top three concerns during the next 12 months. While almost 50% of respondents ranked a shortfall in workers as their principal labour concerns.

There are also a number of government-initiated documents and academic reports which support and highlight the significant labour issues in the sector including, but not limited to, *Hidden in Plain Sight* (December 2017), *A National Disgrace: The exploitation of temporary Work Visa Holders* (March 2016) and *Sustainable Solutions: The Future of Labour Supply in the Australian Vegetable Industry* (February 2017).

These reports and surveys are consistent with the feedback that AUSVEG and its national membership receive from its growers on a regular basis and highlights the need for the issue to be addressed.

There are a range of issues with the current visa framework which are outlined in this paper and include, but not limited to, cost, portability, length of stay, administration, number of people and management issues.

There are essentially three main visas which are utilised by growers currently in an attempt to fill the labour gap which exists – Working Holiday Maker (WHM) – subclasses 417 and 462, Seasonal Worker Program (SWP) – subclass 403 and Pacific Labour Scheme (PLS) – subclass 403. Student Visa's are also commonly used by migrant workers as a pathway to work in agriculture.

While these visa streams do have their advantages for industry, they have not been a whole of industry solution for the labour issue.

The flow-on impacts of not addressing this issue will lead to greater industry inefficiency, significantly increases the potential to push growers towards an unethical source of labour and an increase in food production waste.

ISSUES WITH CURRENT VISA ARRANGEMENTS

Working Holiday Maker (WHM)

The Working Holiday Maker Visa is designed for young 'backpacker' travellers aged 18-31 to holiday and work in Australia for up to a year, with the option of receiving a second-year extension once they have worked in a regional area for a minimum of 88 days.

This Visa has its advantages, particularly for commodities with a need for seasonal workers and for farms in regions that are 'tourist destinations', usually coastal locations. It was



initially designed as a 'cultural exchange' exercise and not created to solve an agricultural labour issue.

One clear advantage from this Visa has been its ability for portability and mobility of the workforce. Allowing workers the ability to 'follow the work' has been a key advantage for many growers and workers, and something which would be a key concept in an Agricultural Visa as well. The feedback from growers has also been that the WHM is much less burdensome in terms of the administration process, in comparison to other visas.

The Visa though has significant disadvantages in that the 88-day component, while set with the right intention, has unintended consequences. Essentially it forces backpackers to do work in agriculture, something which they may not want to do, or have little motivation to do, other than reach their 88-day requirement. This can often result in major managerial imposts to businesses, as they have no choice but to keep backpackers, who don't want to be there, employed because there is no other reasonable option available.

The age restriction also creates a number of issues particularly for employers who are looking for a more mature and experienced workforce.

It also creates issues for farms in areas who are not listed as being in a regional postcode. Given the vast spread of locations of horticulture growers, particularly with many close to urban centres, backpackers are unable to work in those areas as the location is not classed as regional. This means growers in close proximity to urban centres are unable to utilise this labour pool. This in itself creates more managerial issues for growers, not just in productivity terms, but also in terms of the social issues related to receiving applicants for low skilled roles from generally low socio-economic backgrounds. Drug and alcohol affected workers are regular issues that arise and there is no guarantee that worker will show up for the work the next day. There are countless cases where horticulture growers have looked to employ locals, who have worked for 1-3 days, then did not return, significantly impacting the business once again.

Another disadvantage to the WHM visa is the lack of visibility and traceability, meaning backpackers are severely vulnerable to exploitation.

Seasonal Worker Program (SWP)

The SWP allows people from Pacific nations and Timor-Leste to work in low-skilled agricultural jobs for up to nine months. This program has some advantages, as it provides continuity of a workforce and generally seasonal workers are seen to be good workers. But the program in essence was designed as a foreign aid project for developing nations, as opposed to fulfilling a need for Australian agriculture.

A significant gap in the SWP though is its accessibility, particularly for small and medium sized growers, as the process to become an 'approved employer' is a significantly burdensome administratively, as well as costly. We estimate a grower's non-wage costs, as well as upfront costs (airfares, accommodation etc) to be about \$5000 per worker. This is significant when the majority of horticulture growers operate on tight margins, as well as the high labour intensity of the sector.



The high cost of \$5000 is also significant when growers are essentially 'hoping with their fingers crossed' that they are going to get a good employee. If they receive a worker who they see is unfit for the role, a grower then has to make the business decision as to whether to send them back and go through the burdensome and costly process again, or persist with an unreliable employee, which again creates further managerial issues on farm.

To also put the cost into perspective, many small to medium sized businesses employ 5-30 people, meaning it would cost a small to medium business \$25,000-\$150,000 upfront and before seeing any productivity or return on investment. Larger businesses are more likely to have the capability to manage the onerous administrative process but still struggle with the upfront costs, sometime employing 150-200 workers (\$750,000-\$1,000,000) for no return on investment.

The approved employer aspect of the program is also significantly problematic. It is an onerous process that is overseen by the Department of Jobs and Small Business, who will assign growers a small allocation of workers, then increase it each year they were involved in the program. This becomes frustrating for a grower, as if they have a need for a workforce, and meet all the requirements to become an approved employer, then the grower should be eligible to receive the number of workers they submit for. The onerous nature of the approval process, and subsequent need to be able to manage the bureaucracy mean only the larger growers (including corporates) have the capacity to be eligible. Smaller growers wishing to access the SWP can only practically do so via an accredited labour hire firm.

Because the workforce is being brought in specifically to work on farm, there is a requirement that they be properly housed and fed, and that all their pastoral care needs are met. This is as it should be, but again means, practically, that many small or medium sized growing operations that do not have the capacity to provide this extra level of care, are precluded from the scheme.

The program is growing but more numbers are required. There are estimated to be about 8,500 workers on the program in 2018.

Given that these workers come for a minimum of 6 months, and it is difficult for them to move from one property to another, this labour force is only really suited for farms with a long period of demand. Highly seasonal crops, such as annual tree crops are not able to access these workers as a consequence of the duration of the work.

Portability is an important aspect which is missing from the SWP. For example, onion growers offer a harvest period of three to four weeks, meaning they are unable to offer six months of work for a worker. But giving the worker the ability to work on neighbouring farms, or 'follow the work', would be hugely beneficial for industry.

The types of workers it attracts is also problematic for the horticulture industry, as the type of work can vary. A significant portion of the SWP workforce come from Tonga, who are regarded as hard workers, but not physically suited for some picking and packing roles, particularly for vegetables. Having a large male over 6'2" bending over picking the crop out of the ground is, practically, a task that many of those from the Pacific nations are not well suited.



The preference from industry is to have greater access to South East Asian nations, who are more suited for roles requiring agility and dexterity.

Pacific Labour Scheme (PLS)

While this scheme is open to low-skilled and semi-skilled roles, this scheme is at a higher level of worker than the SWP. This scheme focused on ANZSCO level 4 roles, which and is single entry for up to three years.

Industry sees this scheme as not meeting the needs of a low-skilled workforce which the horticulture industry requires.

Student Visas

There are also an increasing number of workers on 'student visas' who are here to work in agriculture and want to work 'off the books', so they do not breach the work limit of 20 hours. These workers are particularly vulnerable to exploitation and are recruited 'in country' by unethical labour hire firms.

PROPOSED SOLUTIONS

The Agricultural Visa

The Agricultural Visa which AUSVEG has proposed, in conjunction with the National Farmers' Federation Horticulture Council, is designed to compliment the existing visas which, as described above, are primarily focused to serve benefits for foreign aid and cultural exchange.

The agricultural visa is designed to be a dedicated tool to assist growers access a reliable, stable and efficient workforce to help grow the industry.

Significant features of the proposed agricultural visa, which at this stage, are not available from existing visas, are flexibility and portability, an improved traceability through an industry led accreditation which links to a government register, expanded access for neighbouring nations particularly in South East Asia, continuity of a workforce for growers and access to a dedicated labour pool who want to work in agriculture.

Additional benefits of the agricultural visa are increased productivity and improved confidence of the horticultural industry, greater economic benefits for regional communities and increased presence of Australia delivering more quality, fresh and safe produce on a global scale.

The visa itself is proposed to include a stream which allows low-skilled migrant workers to stay for at least two years, and the flexibility to stay for up to four years. It is proposed that the visa would only be available to accredited agricultural employers, potentially through an industry led initiative such as Fair Farms (an initiative by Growcom, to educate and accredit growers to ensure they understand and adhere to their legal obligations as employers, and



which AUSVEG is assisting to take national) which then could also link to a government register for traceability purposes and to remove the risk of absconding.

That connection would also provide the opportunity for workers to be mobile, so that once they finish at one farm, or region, they can move to another Fair Farm accredited farm or location to continue to work - all while fully traceable and trackable back to government.

The register, together with Fair Farms, could also work assist with executing effective labour market testing which could be collaborated in real time given the request for labour, and the data on the number of workers applying for the agricultural visa.

There would be a greater vetting process for applicants for the visa, as the name would suggest, they are applying to come to Australia to work in agriculture. This is an important component. The name of the visa needs to be directly connected to the role they will be doing in Australia, so the workers themselves are prepared for the work and deliver confidence for the grower that they are there with the right intentions, to work on a farm.

It is proposed that the visa would also need to have a re-entry or multiple entry component, therefore allowing workers and growers to continue a beneficial working relationship if they wish. Again, increasing the efficiency and productivity of the grower business.

Given there is fear that the agricultural visa could unintentionally take away from existing visas. That fear could be removed, particularly with the SWP, by allowing the agricultural visa to only be open to countries which the SWP is not. Removing any opportunity for crossover or cannibalism between existing visas.

Changes to existing visas

While our priority is to get a dedicated agricultural visa in place to have a long term, changes to existing visas could assist growers in the immediate term.

Backpacker Visa

- Raising the age restrictions (increasing to 35 years of age)
- Expanding the number of countries whose nationals can apply (particularly through South East Asian nations)
- Increasing the cap of allowable backpackers, particularly from South East Asian nations
- Expanding the number of postcodes listed (this would need to be done in consultation with industry on a case-by-case basis, in order to not remove the benefits many regions get from this initiative)
- Lengthening the stay (eg. Allow a 3rd year working in any regional postcode)

Seasonal Worker Program

- Increase the number of SWP migrant workers available
- Providing funding for infrastructure to support the program (eg. Short term accommodation) in the regions



- Assisting with upfront costs (eg. Airfares, accommodation)
- Streamlining application and registration process
- Facilitating a transition between approved employers to allow portability and mobility
- A more accommodating, transparent and accessible agency/unit with links to the agricultural sector (eg. The Department of Agriculture and Water Resources) to manage the program.

*It should be noted that the existing Visa programs are a critical part of how the industry currently operates. While industry supports changes and improvements to existing programs, new programs must be in place and operational before removing or changing any existing visas.

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