

Impact on the Australian labour force

- 6.1 Approved employers are required to provide evidence that they have tried to recruit Australian workers to fill job vacancies before they can seek to recruit seasonal workers.
- 6.2 Many submitters stated that the Seasonal Worker Programme (SWP) would have minimal impact on the Australian labour force. This was primarily attributed to local job seekers being unwilling to work in these sectors and the prevalence of Working Holiday Maker (WHM) visa holders.
- 6.3 Owen Pacific Workforce Pty Ltd (OPW) stated that Australians were absent from this sector of the labour market:
- Since the lack of a reliable Australian harvest labour force lead to the adoption of the Seasonal Worker Programme it seems self evident that Australians by and large are absent from this segment of the labour market. Therefore the impact of Seasonal Workers on Australian workers is likely to be minimal.¹
- 6.4 Mr Paul Casey, a berry farmer, commented that not many Australians were willing to undertake unskilled work:
- In Australia, we have the expertise, the land, climate, water and capital. The one ingredient missing is a basic workforce. All berries because of their nature are hand picked. Not many native borne Australians are willing to pick and pack berries, it is regarded as 'unskilled labour'.²

1 Owen Pacific Workforce Pty Ltd, *Submission 1*, p. 2.

2 Mr Paul Casey, *Submission 3*, p. 1.

- 6.5 Momack Produce Pty Ltd provided an example of how they try to recruit Australian labour, noting that they received one application in reply to an advertisement for 70 workers in their local paper.³
- 6.6 Deep Creek Organics also provided an example where:
... 70 available positions were posted only 4 Australian local people replied to the positions, 2 of which did not even read the description clearly outlining what was required for the job, an interview was not granted as they were no longer interested.⁴
- 6.7 Vernview Pty Ltd commented that it did have local people applying for jobs at their packing facility but that only WHM's sought work in their orchard. Vernview Pty Ltd observed that local labour did not want to engage in seasonal work for other reasons:
Local labour looking for work did not want to engage in seasonal work but quite rightly looked to full time employment in the local environs, to secure financial support for themselves and their families. We could only offer seasonal work, with breaks of a number of months. Apple harvest does not coincide with summer university holidays and this removes another valuable source of local labour. In addition we can only offer a few full time positions and there is little ability to offer career advancement, an impediment to sourcing local labour.⁵
- 6.8 Apple and Pear Australia Limited (APAL) agreed that university students' schedules did not coincide with harvest times and that finding full-time work was a greater priority:
APAL understands that university students often seek the work but are unavailable during the whole harvest (late January through to June) which cuts through the university timetable. In most cases though there is simply a lack of a seasonal local workforce, with the local unemployed more interested in permanent work to sustain mortgages and family living expenses. There are also some comments from growers that advertisements often attract New Start allowance candidates who are obliged to demonstrate that they have applied for work whilst receiving benefits, but have little interest in or ability to undertake the physically demanding seasonal orchard work.⁶

3 Momack Produce Pty Ltd, *Submission 4*, p. 2.

4 Deep Creek Organics, *Submission 12*, p. 1.

5 Vernview Pty Ltd, *Submission 13*, p. 2.

6 Apple and Pear Australia, *Submission 33*, p. 3.

- 6.9 TAFE Queensland made similar observations about a lack of career pathways in agriculture and tourism:
- Lower skilled jobs can often be filled with Australian labour, but key industries, like agriculture and tourism have difficulty attracting and retaining the workforce as a result of poor industry perceptions, lack of visible career pathways and understanding of the role of transferable skills development through training.⁷
- 6.10 NT Farmers advised that it was difficult to retain local labour for seasonal work.⁸
- 6.11 Australian Dairy Farmers held the view that unemployed Australians did not seek short-term job prospects as they would lose unemployment benefits:
- The other problem with the gaps are the unemployed or long-term unemployed. The situation there is that they do not want to come off unemployment benefits. If they have a short-term job, they then have the situation where they have to wait a period to go back onto unemployment benefits if they cannot find another role. So there is a real issue there as well.⁹
- 6.12 Gracekate Farms said that the SWP was not, in their experience, affecting the local labour market.¹⁰
- 6.13 Abbotsleigh Citrus stated that it had become more challenging to source reliable and productive local labour as well as WHMs.¹¹
- 6.14 Growcom described that it heard reports that 'local workers are simply not willing or able to do the work',¹² adding:
- Growers would not be accessing programs such as the SWP if there were not a clear and present need for such programs to complement the workforce. Efforts to work with local employment co-ordinators and job providers to identify suitable candidates often leads to long-term unemployed people attending interviews or starting work to meet their Centrelink expectations rather than being genuinely committed to working on a farm. Despite training, these people rarely last a week.¹³

7 TAFE Queensland, *Submission 27*, p. 10.

8 NT Farmers, *Submission 41*, p. 1.

9 Mr Campbell, Australian Dairy Farmers, *Transcript*, 28 October 2015, p. 76.

10 Gracekate Farms, *Submission 14*, p. 2.

11 Abbotsleigh Citrus, *Submission 15*, p. 2.

12 Growcom, *Submission 16*, p. 3.

13 Growcom, *Submission 16*, p. 3.

- 6.15 The National Farmers' Federation (NFF) repeated the view that Australians 'are not looking for jobs that involve hard, physical work in rural, regional and remote areas.'¹⁴ The NFF called for greater visibility of job opportunities:
- Employers and the job opportunities they offer need to be more visible to local workers so that they are encouraged to seek employment.¹⁵
- 6.16 MADEC Australia remarked that the seasonal work, or unskilled manual labour paid at the minimum wage, did not provide 'continuity or job security desirable to the Australian labour force.'¹⁶ MADEC agreed with the view that the current and projected SWP would not significantly impact the Australian labour force adding that 'the program is demand driven and priority given to available and willing Australian employees.'¹⁷
- 6.17 Connect Group Pty Ltd stated that Australian labour did not want to undertake seasonal types of work and therefore would not compete with SWP participants and provide little impact on the Australian labour force. Connect Group Pty Ltd also provided a personal example, adding:
- A case in point is where we have advertised for up to 200 workers in an area that bordered outer edge suburban Melbourne and two centres of high unemployment, especially youth unemployment. After two weeks of advertising for local jobseekers first (as is a natural requirement under the SWP) we received only 13 responses. 6 were backpackers. Most others were not suitable to the difficult physical work or resided too far away to be practical or relied on public transport (Impossible with most work starting at night at varying times).¹⁸
- 6.18 AUSVEG commented that it received anecdotal evidence suggesting that local workers did not like work in the horticulture sector.¹⁹ AUSVEG also did not believe that current or projected SWP would 'have a meaningful impact on the Australian labour force.'²⁰

14 National Farmers' Federation, *Submission 21*, p. 16.

15 National Farmers' Federation, *Supplementary Submission 21.1*, p. 1.

16 MADEC Australia, *Submission 17*, p. 2.

17 MADEC Australia, *Submission 17*, p. 2.

18 Connect Group Pty Ltd, *Submission 18*, p. 5.

19 AUSVEG, *Submission 25*, p. 5.

20 AUSVEG, *Submission 25*, p. 5.

- 6.19 The Voice of Horticulture asserted that Australian workers were not available to meet labour demand in the sector 'due to seasonality, remoteness and relative appeal of urban jobs, and the resultant gaps in the labour market therefore requires the reliance upon foreign workers to supplement labour requirements in peak periods.'²¹
- 6.20 The Office of the Chief Trade Adviser (OCTA) referred to a report on the Final Evaluation of the Pacific Seasonal Worker Pilot Scheme which suggested 'that Australian unemployed youth are not prepared relocate and do not have an interest in the jobs, which has necessitated the hiring of backpackers.'²²
- 6.21 The OCTA added that the SWP would not impact the Australian labour force significantly:
- From the foregoing, there would be an insignificant impact on the Australian labour force as a result of an increase in the number of seasonal workers from the FICs, especially considering that the scheme is subject to labour market testing. Employers can recruit Pacific workers only when they can demonstrate their inability to fill the positions with Australian citizens or permanent residents. In effect, there is no competition between Pacific workers and Australian citizens or permanent residents.²³
- 6.22 Mossmont Nurseries Pty Ltd agreed that the SWP would not impact the Australian work force, particularly in the stone fruit industry.²⁴
- 6.23 The Democratic Republic of Timor-Leste's Secretary of State for Professional Training and Employment Policy noted that the SWP would most likely not impact on the Australian labour force as they only perform work in Australia when there is a demand or shortage of Australian workers.²⁵
- 6.24 The Australian Council of Trade Unions (ACTU) put forward the argument that Australian workers were being excluded in favour of WHM visa holders, highlighting a number of advertisements targeted at recruiting WHMs.²⁶

21 Voice of Horticulture, *Submission 34*, p. 1.

22 Office of the Chief Trade Adviser, *Submission 5*, p. 10.

23 Office of the Chief Trade Adviser, *Submission 5*, p. 10.

24 Mossmont Nurseries Pty Ltd, *Submission 8*, p. 1.

25 Secretary of State for Professional Training and Employment Policy, Democratic Republic of Timor-Leste, *Submission 6*, p. 2.

26 Australian Council of Trade Unions, *Supplementary Submission 19.1*, p. 1.

- 6.25 The ACTU suggested that ‘employers who use seasonal labour from Pacific Island countries should have obligations to be employing and training Australian workers at the same time.’²⁷
- 6.26 The Golden Mile No.1 Pty Ltd advised, however, that their local labour supply was sufficient and that they were ‘getting job searchers coming through the company and people adequately equipped for positions within the company will get employment in case of vacancies.’²⁸
- 6.27 The Department of Employment (DoE) stated that it believed that the expansion of the SWP would have little effect on the Australian labour force:
- The Department of Employment expects the expansion of the Seasonal Worker Programme to the broader agricultural sector across Australia and also the accommodation sector in eligible locations will have a very limited effect on the Australian labour force. This is because before seeking access to seasonal workers, employers must first test the local labour market and offer vacant positions to any suitable local jobseekers.²⁹
- 6.28 On the labour market testing requirements, the DoE reported that:
- During 2014-15, approved employers reported 329 Australian job seekers were found suitable to undertake seasonal work through the labour market testing undertaken by approved employers.³⁰
- 6.29 The DoE added, however, that the demand for labour exceeded local availability:
- The labour market testing results under the programme demonstrates the demand for labour by approved employers in the agriculture and accommodation industries exceeds that available locally.³¹

Committee comment

- 6.30 Based on the evidence provided by submitters, it appears as though the horticulture sector places a significant reliance on working holiday visa holders to fill labour shortages within the industry.

27 Australian Council of Trade Unions, *Submission 19*, p. 2.

28 Golden Mile No.1 Pty Ltd, *Submission 20*, p. 1.

29 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture, Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 15.

30 Department of Employment, *Supplementary Submission 2.2*, p. 17.

31 Department of Employment, *Supplementary Submission 2.4*, p. 5.

- 6.31 The seasonal worker programme would impact marginally on the Australian labour force at most, in part due to the relatively small size of the programme and the industry's current reliance of working holiday makers.
- 6.32 The Committee acknowledges that the working holiday maker and seasonal worker programmes have separate objectives. However, it is apparent that the working holiday maker programme impacts on both the local labour force and seasonal workers.
- 6.33 The Committee urges the Government to closely monitor the recently announced changes to both programmes and, as recommended in Chapter 3, conduct a review on the impact of these changes by the end of next year to ensure that the working holiday maker programme does not continue to unduly impact on local labour and the seasonal worker programme.
- 6.34 Providing job opportunities for Australians, particularly in areas of labour shortages, is fundamentally important. Additionally, agriculture is central to Australia's economic growth and food security.
- 6.35 The agriculture and horticulture industries compete for labour against many industries. Attracting, employing and retaining local labour is vital to ensuring that the industry remains sustainable in the long term.
- 6.36 Currently, there appears to be a poor perception surrounding the industry and in particular, that it lacks viable career pathways. More needs to be done to change this misconception and to support youth employment pathways.
- 6.37 The Committee notes the success of the Green Army programme: a six month programme for 17-24 year olds to train and work in the environment. Programme participants receive an allowance during their placement and gain hands-on, practical skills, training and experience in environmental and conservation fields.
- 6.38 The Green Army is estimated to have up to 15,000 participants by 2018-19, making it Australia's largest-ever environmental workforce.³²
- 6.39 The Committee believes that the agricultural industry would greatly benefit from establishing a similar programme.
- 6.40 The Committee therefore recommends that the Government allocate funds to establish a three year pilot programme, a 'Future Force', similar to the Green Army model with appropriate adjustments.

32 Department of the Environment, Portfolio Budget Statements 2015-16, Budget related paper No. 1.7, p. 25.

Recommendation 4

The Committee recommends that the Australian Government allocate funds to establish a three year pilot programme for 17-24 year olds to train and work in the agricultural sector, a 'Future Force', similar to the Green Army programme model with appropriate adjustments.