



Submission

Joint Standing Committee on Migration

Inquiry into the Working Holiday Maker program

July 2020

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About Growcom

Growcom is the peak representative body for the fruit, vegetable and nut growing industries in Queensland, providing a wide range of advocacy, research and industry development services. We represent the second largest and fastest growing agricultural sector in Queensland. And as a state, we deliver approximately one third of all horticultural value of production nationally.

We are the only organisation in Australia to deliver services across the entire horticulture industry to businesses and organisations of all commodities, sizes and regions, as well as to associated industries in the supply chain. We are constantly in contact with growers and other horticultural business operators. As a result, we are well aware of the outlook, expectations and practical needs of our industry.

The organisation was established in 1923 as a statutory body to represent and provide services to the fruit and vegetable growing industry. As a voluntary organisation since 2003, Growcom now has grower members throughout the state and works alongside other industry organisations, local producer associations and corporate members. To provide services and networks to growers, Growcom has 30 staff located in Brisbane, Bundaberg, Townsville, and Toowoomba. We are a member of a number of state and national industry organisations and use these networks to promote our members' interests and to work on issues of common interest.

Response to the Inquiry Terms of Reference

Terms of Reference

The Joint Standing Committee on Migration is inquiring into and reporting on the Working Holiday Maker program.

In particular, Growcom is responding to those terms of reference of the Joint Standing Committee concerning the potential economic impacts on regional economies due to the disruptions of access to Working Holiday Makers relied upon especially for the agricultural and tourism sectors, and the capacity for Australian's to fill any labour shortages.

Also, the extent to which existing visa criteria and conditions related to Working Holiday Makers are still adequate and appropriate to address the purpose of this program, and the extent to which the program can support economic recovery in regional Australia.

Response

Finding the right labour and skills at the right time and in the right place has always been a challenge for the horticulture industry. And coronavirus has only added an additional level of difficulty.

At the beginning of the pandemic, when international travel was restricted, the view amongst the horticulture industry was that we were looking down the barrel of a labour shortage, as fewer overseas workers would be coming to Australia. But as borders became even more rigid and the tourism and restaurant sectors experienced a rapid downturn, we found ourselves with what is thought to be a surplus of labour.

However, as restrictions on domestic movement are relaxed, and restaurants, resorts, cafes and hotels are reopened, we can expect the pool of labour available to horticulture to shrink. And when international travel gets going, backpackers and seasonal workers who've already stayed far longer in Australia than they planned will likely start booking flights. Our labour pool is going to shrink again, and possibly quite quickly.

At the first signs of disruption, Growcom began work on establishing a detailed forecast of labour demand across Queensland until September. We've shared results with the Queensland Department of Agriculture and Fisheries (QDAF) who've lent their expertise and

own data to develop a detailed roadmap of the Queensland harvest trail. As a result we have confidence in our labour situation for the time being.

Growcom is now collaborating again with QDAF and other agencies and fellow industry bodies to develop a level of confidence in project labour demand across horticulture past September, through spring, and into summer and next year.

Demand however is only one side of the labour equation. Securing a sufficient supply of workers through significant COVID-19 disruption is essential to ensure both business continuity in our industry and the supply of fresh food for the Australian public.

There are many unknown factors that will ultimately determine whether there is enough willing labour in Australia to harvest our food. Given what is at stake, and that we are currently attempting to develop policy responses with far from perfect information, Growcom has advocated with relevant Federal Ministers a precautionary approach that includes preparing a range of policy levers, all ready to be pulled subject to the labour supply conditions in which we find ourselves.

These levers may include facilitating entry to Australia for those living overseas and willing to work in our industry, and creating further freedoms and inducements for those overseas workers already in Australia to stay and work in harvest roles.

For these reasons we supported the Federal Government decision in April to extend relevant visas for those overseas workers to remain in Australia to assist in critical sectors including healthcare, disability and aged care, childcare and agriculture during the COVID-19 pandemic. We recommend the Federal Government continue to assure these workers of their freedom to remain in Australia to complete these essential roles.

Backpackers, and those utilising the benefits of the Working Holiday Maker program, make up a significant and sizeable proportion of overall labour supply. A recent national-scale survey covering labour issues, led by Growcom in collaboration with other industry bodies, found that more employers use backpackers for at least part of their labour mix than any other source. Refer to figure 1 below for detail.

A more recent survey of employers by Growcom of COVID-19 impacts on the workforce in Queensland horticulture determined that a greater proportion of growers (20%) rely entirely on backpackers for all their labour needs than any other labour source. Refer to figure 2 below for more detail. Nearly 200 responses were received to this survey from

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Queensland employers who collectively had an average monthly workforce demand of 10,000 to 13,000 skilled and unskilled workers through until September. The full report on survey results, completed by QDAF, is available here:

<https://www.growcom.com.au/services/news-information/industry-reports/>.

Figure 1: Horticulture workforce, all labour sources (National).

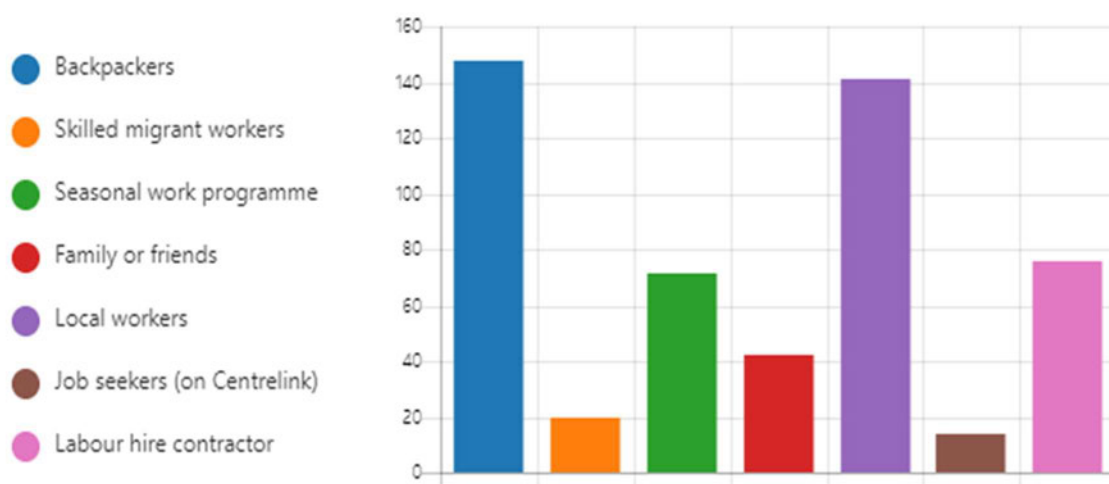
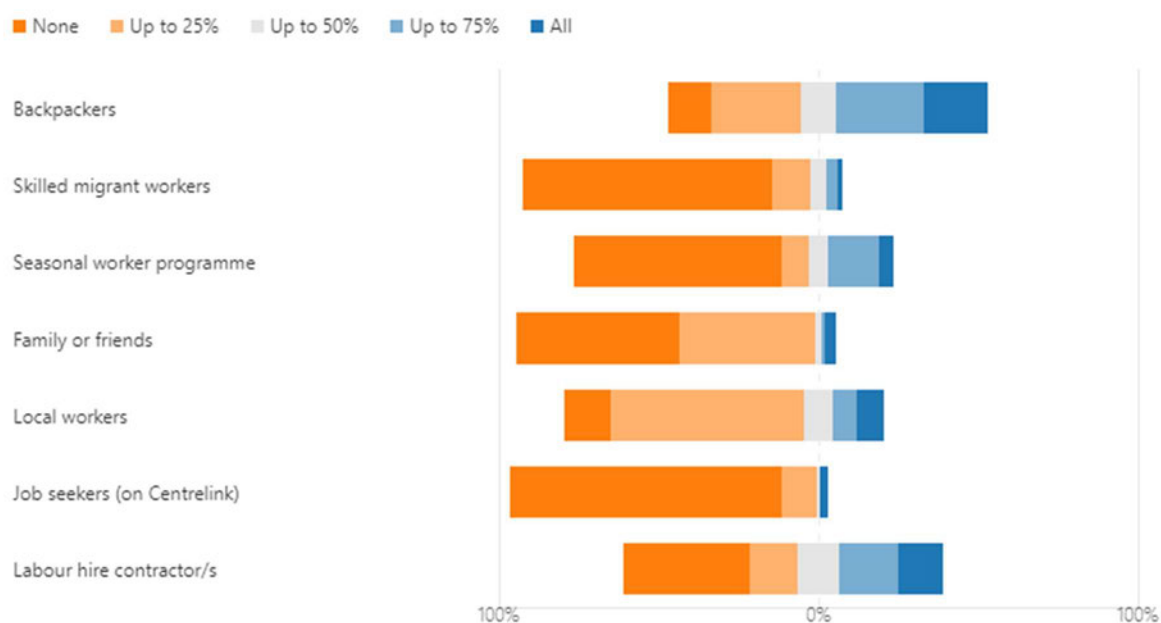


Figure 2: Proportion of farm level workforce by labour source (Queensland).



As ever however, our preference is to provide employment and career opportunities for Australians. So we believe it is essential as part of a precautionary approach that consideration be given to changing those incentives available to encourage more Australians to work in horticulture.

We have submitted to the relevant Federal Minister a range of modest and practical changes to employment programs and services, recommended by industry and designed to provide Australian workers the reason and motivation to take up and stay engaged in harvest roles.

While we believe giving consideration to these changes is essential, we must state clearly that our industry and Australian consumers cannot risk relying solely on untested initiatives for recruiting unemployed Australians to fill any shortfall in labour supply. And in particular relying on Australians to fill roles in regions where they are required to move away from home. Other policy levers must also be in place.

As an example, the horticulture industry requires a more stable, reliable and competent workforce, especially for our longer-term and higher-skill roles. Currently, for businesses requiring a workforce for at least 12 months, there are few, if any, options. This creates serious inefficiencies and administrative issues for a range of businesses as they instead look to use WHM workers to satisfy their needs.

A solution to this particular issue is to extend the recent Horticulture Industry Labour Agreement (HILA) to include 'Horticulture Process Worker' and 'Horticulture Field Worker' as two new Skill Level 5 occupations to the agreement. This would allow growers to be able to access a consistent workforce for longer-term, higher-skilled roles while leaving those WHM workers to meet requirements for lower skilled labour.

Working Holiday Maker criteria and conditions

As a matter of equity within our industry, and of simple administrative efficiency, Growcom recommends the Federal Government urgently reviews the scope of postcodes defined as regional and eligible under the Working Holiday Maker program.

In particular, and as an example, the postcode of 4306 takes in mostly horticultural and agricultural production areas of the Fassifern Valley and Brisbane Valley regions of South East Queensland yet remains ineligible.

We are aware of instances where employers are finding it difficult to source local Australian workers, are therefore reliant on backpackers, but find themselves mere hundreds of metres beyond the limits of an eligible postcode. In these instances, these ineligible employers are effectively competing with eligible neighbours for the same, already small labour pool and are at an unfair disadvantage.

Recommendations

In summary, Growcom recommends:

- The Federal Government takes a precautionary approach that includes preparing a range of policy levers, all ready to be pulled subject to the labour supply conditions in which we find ourselves during the COVID-19 pandemic;
- The Federal Government continue to assure overseas workers of their freedom to remain in Australia to complete essential roles in critical sectors including healthcare, disability and aged care, childcare and agriculture;
- The Federal Government considers a range of modest and practical changes to employment programs and services, designed to provide Australian workers the reason and motivation to take up and stay engaged in harvest roles;
- The Federal Government extends the Horticulture Industry Labour Agreement (HILA) to include 'Horticulture Process Worker' and 'Horticulture Field Worker' as two new Skill Level 5 occupations; and
- The Federal Government, as matter of equity between employers in horticulture, urgently reviews the scope of postcodes defined as regional and eligible under the Working Holiday Maker program.