



Inquiry into the Value of Skilled Migration to Australia

Submission

December 2025



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Vegetable Industry Insights



Gross value of Australian vegetable, potato and onion Industry is **\$5.8B**



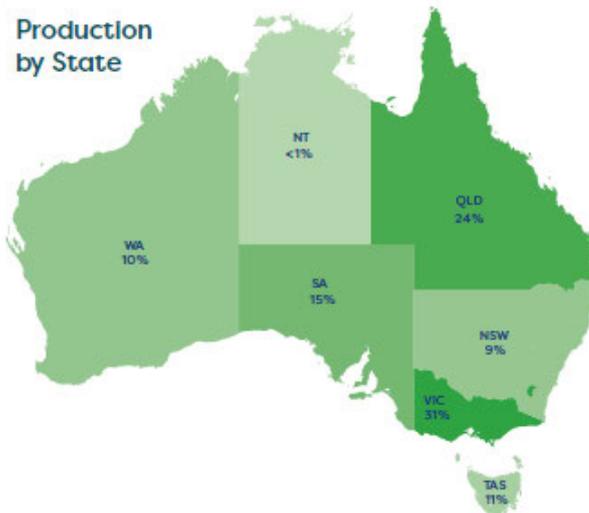
3,600+
vegetable
businesses
in Australia

3.6M →
tonnes of fresh
vegetables grown
in Australia

48B
serves of
vegetables

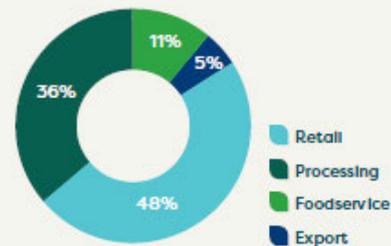


Production
by State



98%
of fresh vegetables
sold in Australia are
grown in Australia

SUPPLY CHAIN DESTINATION



over 50
international
markets.



The top 5 export
commodities are:

carrots, potatoes, onions,
brassicas, and lettuce



34% of growers are considering leaving
the industry in the next 12 months

50% of vegetable enterprises rate their business
outlook as either very poor or poor

The top 5 export
destinations are:



Singapore, United Arab
Emirates, Malaysia,
Thailand, South Korea.

About AUSVEG

AUSVEG is the prescribed Peak Industry Body representing the interests of the Australian vegetable, potato and onion industry. AUSVEG is a not-for-profit, member-based organisation that is run by growers, for growers.

AUSVEG represents over 3,600 vegetable producers that account for 3.8 million tonnes of vegetable production worth \$5.8 billion in farmgate value. This accounts for one third of Australia's \$17 billion horticulture industry.

AUSVEG is a nationally federated body with the following members: AUSVEG VIC, AUSVEG SA, Queensland Fruit and Vegetable Growers, vegetablesWA, NSW Farmers, NT Farmers, WA Potatoes, and TasFarmers.

AUSVEG advocates on behalf of industry at local, state, and federal levels with the core purpose to enhance the economic, social, and commercial environment for growers so that the industry can continue to produce outstanding vegetables and potatoes for local and international consumers.

AUSVEG delivers projects for growers around Australia in the areas of extension, communication, environmental sustainability, biosecurity, export development and market access. We work closely with Australia's growers to ensure their needs are reflected in this work.

AUSVEG also hosts Hort Connections with the International Fresh Produce Association. This annual event is the largest conference in Australian horticulture and brings growers, supply chain and industry members together to increase awareness and uptake of the latest industry innovations and research, facilitate industry networking and recognises the industry's leading contributors through the National Awards for Excellence.

For more information about the details in this document, please contact the following:

Lucy Gregg
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Background

AUSVEG welcomes the opportunity to contribute to this submission on the value of skilled migration to Australia. Skilled and semi-skilled migrants play a critical role in underpinning Australia's food security, regional economies, and broader economic resilience, particularly within labour-intensive sectors such as horticulture.

Australia's vegetable, potato and onion industry has a gross value of \$5.8 billion and comprises more than 3,600 businesses nationwide, supplying approximately 98 per cent of fresh vegetables consumed domestically. The industry is highly decentralised, regionally based, and characterised by seasonal and cyclical labour demand, making access to a reliable and flexible workforce essential.

Workforce shortages remain one of the most persistent and acute challenges facing Australian vegetable growers. The most recent AUSVEG Industry Sentiment Survey (July 2025) found that 60 per cent of vegetable growing businesses are currently experiencing workforce shortages, a figure that has remained stubbornly consistent across multiple surveys since 2023. Critically, only 2 per cent of growers expect workforce shortages to improve, while 64 per cent expect conditions to remain unchanged and 33 per cent expect them to worsen over the next 12 months.

Despite sustained recruitment efforts, domestic labour supply is not meeting demand. Growers consistently report difficulty attracting Australian workers into vacant roles, particularly in regional areas, even when wages and conditions are competitive. Broader demographic and labour market trends are compounding this challenge, including an ageing workforce, declining regional population growth, and increasing rates of early workforce exit.

At the same time, research indicates a significant intergenerational transfer of wealth over the coming years¹, which is expected to reduce labour force participation among some cohorts, while existing income support settings provide important social protections but can also reduce immediate incentives to take up physically demanding or seasonal regional work. These structural factors mean that reliance on domestic labour alone is insufficient to meet industry needs, reinforcing the importance of well-designed migration pathways to maintain workforce capacity.

Workforce shortages are not confined to low-skilled or seasonal roles. Growers report shortages across skilled, semi-skilled and entry-level positions, including supervisors, machine operators, managers, forklift drivers, tractor drivers, food safety and Quality Assurance (QA) staff, and harvest workers. This underscores the importance of skilled migration pathways that extend beyond purely seasonal labour models and support the development of a stable, capable regional workforce.

Labour constraints are having material economic consequences. Workforce shortages are consistently cited by growers as a key barrier to business expansion and productivity, and as a significant factor influencing decisions to exit the industry altogether. The July 2025 Sentiment

¹ James Gruber, 'Australians unprepared for \$3.5 trillion wealth transfer', *Firstlinks*, October 25 2023, <https://www.firstlinks.com.au/australians-unprepared-35tn-dollar-wealth-transfer>, accessed 15 December 2025.

Survey found that two in five growers are actively considering leaving the industry within the next 12 months, with labour costs and workforce availability among the top drivers of this. A further 40 per cent indicated they would exit if a viable pathway were available, highlighting the fragility of the sector's labour base.

The nature of vegetable production amplifies these pressures. Harvest labour demand fluctuates in response to weather, varietal timing, market specifications and consumer demand, often requiring growers to scale their workforce up and down quickly and efficiently. While programs such as the Pacific Australia Labour Mobility (PALM) scheme provide an important source of labour for some growers, increased compliance and increasing administrative complexity have limited the scheme's flexibility, affordability, and accessibility for many businesses, particularly SMEs.

As a result, migrant workers, including skilled and semi-skilled migrants, Working Holiday Makers, and other temporary visa holders, remain a crucial component of the workforce mix. These workers not only enable crops to be planted, harvested and packed, but also fill supervisory, machinery operation, logistics and quality assurance roles that are increasingly difficult to source domestically in regional Australia.

Ensuring appropriate protections for all workers must remain a priority. However, AUSVEG strongly emphasises that addressing worker exploitation must be achieved through effective enforcement of existing laws, targeted regulation of rogue operators, and adequate resourcing of regulators, rather than through blunt migration settings that inadvertently reduce access to lawful, skilled labour. Penalising ethical employers through reduced visa flexibility or restricted pathways risks exacerbating workforce shortages, increasing production costs, and undermining Australia's domestic food supply.

Skilled migration settings that are responsive to regional labour market realities are therefore essential. Improved access to skilled and semi-skilled migrants supports productivity, enables technology adoption and skills transfer, stabilises regional businesses, and underpins long-term industry viability. In a sector where labour costs already average 38 per cent of total production costs, and can reach as high as 67 per cent for some businesses, workforce constraints directly limit investment, innovation and growth.²

A well-designed skilled migration framework is not a substitute for domestic workforce development, but a necessary complement. Without it, Australia risks reduced domestic production, increased reliance on imports, higher food prices, and the erosion of regional economies that depend on horticulture as a cornerstone industry.

² [Vegetable Industry Sentiment Report](#), AUSVEG, September 2025, p. 6.

Terms of Reference

a) The ongoing economic, social and cultural value of skilled migration to Australia

Skilled migration delivers enduring economic, social and cultural benefits to Australia, particularly in regional and labour-intensive industries such as horticulture. In the vegetable, potato and onion industry, migrant workers underpin production continuity, business viability, and regional economic activity across the full skills spectrum, from entry-level and seasonal roles to skilled technical, supervisory and managerial positions. The AUSVEG Industry Sentiment Survey (July 2024) confirms that Working Holiday Makers and PALM workers account for 65 per cent of farm workers.

The Australian vegetable industry produces approximately 98 per cent of the fresh vegetables consumed domestically and contributes \$5.8 billion in farmgate value annually, supporting thousands of regional businesses and jobs. Maintaining this level of domestic production relies on a workforce that is sufficiently large, skilled and flexible to respond to seasonal and weather-dependent production cycles.

The most recent AUSVEG Industry Sentiment Survey (July 2025) found that 60 per cent of vegetable growers are experiencing workforce shortages, with shortages reported across skilled, semi-skilled and entry-level roles (see Figure 1). These shortages are persistent and structural, not temporary, reflecting long-standing challenges in attracting and retaining workers in regional areas and in physically demanding, time-critical roles.

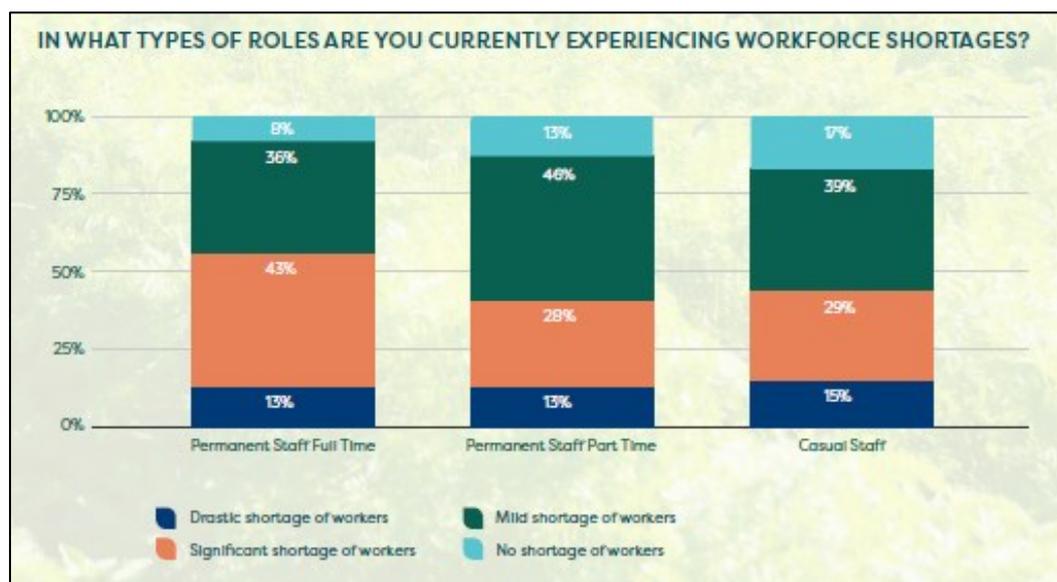


Figure 1. Types of roles experiencing workforce shortages, July 2025; Source: AUSVEG Vegetable Industry Sentiment Report, September 2025.

Skilled migration enables Australian businesses to:

- maintain domestic food supply and price stability;
- operate efficiently during peak production periods;
- retain and upskill local employees by filling supervisory and specialist roles; and
- invest with greater certainty in productivity-enhancing technologies.

Beyond economic contribution, migrant workers play an important social and cultural role in regional Australia. Growers consistently report positive impacts on workplace culture, skills transfer and community engagement. Migrant workers contribute to local economies through spending and participation in regional communities, while fostering cultural exchange that strengthens social cohesion over time.

Importantly, migrant labour in horticulture complements rather than displaces domestic workers. Local labour supply alone has not been sufficient to meet demand, particularly for short-term, seasonal or regionally mobile roles. Skilled migration therefore remains an essential component of a resilient, mixed workforce model that benefits Australian businesses and communities alike.

b) The effectiveness of current skilled migration settings in meeting the current and future needs of the states and territories, while recognising the ongoing need for housing and infrastructure

Australia's skilled and temporary migration framework plays a critical role in meeting workforce needs across regional Australia. In horticulture, current migration settings rely on a suite of complementary pathways, primarily the Working Holiday Maker (WHM) program, the Pacific Australia Labour Mobility (PALM) scheme, and the Horticulture Industry Labour Agreement (HILA). Each pathway addresses different workforce needs, and the effectiveness of the system depends on their combined flexibility and accessibility.

Working Holiday Maker (WHM) program

The WHM program remains the most flexible workforce option available to horticultural businesses, particularly for short, seasonal harvest periods. WHMs are uniquely willing to undertake physically demanding, often shorter-term and geographically mobile work, making them well suited to vegetable production cycles (see Figure 2).

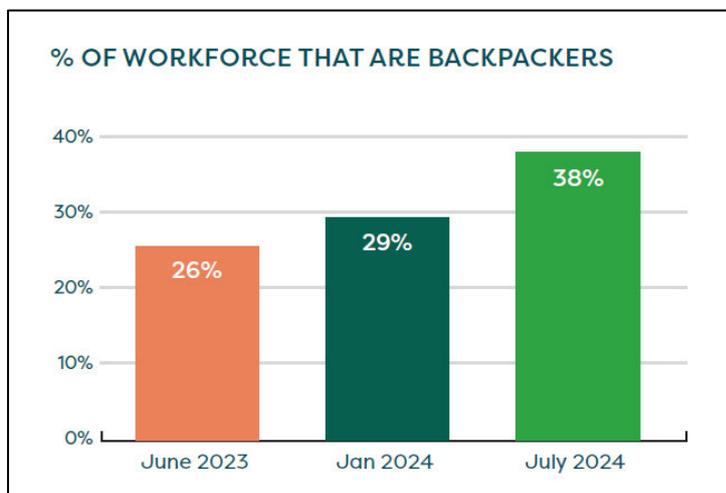


Figure 2. Percentage of workforce that are backpackers (WHMs), July 2024; Source: AUSVEG Vegetable Industry Sentiment Report, September 2024.

Feedback from vegetable growers indicates that WHMs are often highly educated, young and fit, have a work-ready disposition due to their self-sufficiency, highly productive, and keen to earn a wage to support their time in Australia.

Grower feedback consistently demonstrates that the 88-day specified work requirement is the primary driver attracting WHMs into regional horticulture. Previous AUSVEG surveys indicate that limiting access to WHMs would severely disrupt business operations and, in some cases, prevent harvest entirely. As such, the WHM program continues to play a vital role in ensuring short-term labour availability where other visa pathways lack flexibility.

Pacific Australia Labour Mobility scheme

The PALM scheme has been critical in providing growers with access to a reliable and productive workforce, particularly in rural and remote regions where access to WHMs and local labour is limited. Many growers value the continuity provided by returning PALM workers, who often build skills over time and progress into leading hand or supervisory roles, delivering productivity and workplace culture benefits.

However, while the value of PALM workers is widely acknowledged, the administrative and compliance settings of the scheme have become increasingly burdensome and misaligned with on-farm realities. Growers report that PALM-related administration can consume up to 60-70 per cent of management time during recruitment periods, with ongoing compliance demands throughout the season.

Key issues raised by industry include:

- frequent system and platform changes, resulting in delays and duplicated effort;
- inconsistent interpretation of rules between departmental officers, creating uncertainty and risk;
- a rigid, “one size fits all” compliance model that applies the same requirements to experienced, low-risk employers as to new entrants; and
- duplication between PALM requirements and existing compliance frameworks such as Fair Farms and food safety audits, increasing cost without improving worker outcomes.

While safeguards such as pay parity, minimum hours and welfare protections are supported in principle, their current design and implementation are often inflexible and administratively inefficient. Growers report that automatic pay progression rules, overlapping financial safeguards, and prescriptive welfare requirements can create inequities within the workforce, operational disruption, and unnecessary tension between PALM workers and Australian employees.

As a result, many growers have reduced or exited their participation in the PALM scheme, not due to a lack of commitment to worker welfare, but because the cumulative compliance burden has become unsustainable. This trend risks undermining both industry viability and the objectives of the PALM scheme itself.

Horticulture Industry Labour Agreement

The HILA provides an important pathway to address skilled and semi-skilled workforce shortages and offers permanent residency outcomes that support workforce stability and skills retention. However, uptake remains constrained by:

- limited flexibility in the approved occupation list;
- high costs associated with applications and migration agents;
- complex processes that disadvantage small and medium enterprises; and
- English language requirements that can exclude otherwise capable and experienced workers.

While the HILA is an effective tool for some businesses, it doesn't substitute for more flexible workforce options and is best viewed as part of a broader migration framework rather than a standalone solution.

Overall effectiveness

Taken together, current migration settings can meet industry needs only if flexibility, proportionality and administrative efficiency are preserved. Where programs become overly rigid or burdensome, growers are forced to withdraw, increasing pressure on remaining pathways and heightening systemic workforce risk.

For migration settings to effectively meet current and future workforce needs in regional Australia, reforms must focus on:

- reducing unnecessary administrative duplication;
- introducing proportional, risk-based compliance models;
- improving consistency and certainty in program administration; and
- maintaining a balanced mix of short-term, seasonal and skilled migration pathways.

Without these adjustments, the effectiveness of Australia's skilled migration system will continue to be constrained not by a lack of willing workers, but by settings that do not reflect the operational realities of regional industries such as horticulture.

c) The scope to more effectively target skills gaps and shortages in critical sectors to improve services that benefit Australian communities

There is significant scope for skilled migration settings to more effectively target persistent skills gaps in critical sectors such as horticulture, where workforce shortages directly affect food security, regional economies, and the affordability of fresh produce for Australian households.

The Australian vegetable industry faces chronic shortages across skilled and semi-skilled roles, including machine operators, forklift and truck drivers, supervisors, food safety and quality assurance staff, and experienced farmhands. These shortages are structural, long-standing, and not readily addressed through domestic labour supply alone. Despite strong interest in workforce development and training, growers consistently report difficulty recruiting suitably skilled workers in regional locations, even when wages are competitive.

AUSVEG through a levy-funded project has established the India Pilot Program which could provide a practical example of how skilled migration settings can be more precisely aligned with real-world skills demand. The pilot has been designed to test a targeted recruitment and integration pathway for skilled and semi-skilled workers from India into Australian horticultural enterprises, primarily through the HILA and relevant Designated Area Migration Agreements (DAMA).

India presents a strong source market for addressing these shortages due to:

- a large, young workforce with established vocational and technical training systems;
- demonstrated willingness to engage in international labour mobility;
- strong existing diaspora links in Australia; and
- a supportive bilateral policy environment under the India-Australia Economic Cooperation and Trade Agreement (ECTA).

The pilot project adopts a co-designed, evidence-based approach, involving direct engagement between Australian growers, Indian training institutions, and skills assessment bodies. Key features include:

- upfront identification of priority occupations based on industry demand;
- skills verification aligned with Australian standards through VETASSESS;
- collaboration with an internal Indian agency to source and pre-screen candidates; and
- structured matching between verified candidates and Australian employers prior to visa application.

This approach directly addresses several limitations of existing skilled migration pathways, including employers' difficulty verifying overseas skills, high recruitment costs, and lack of confidence in candidate readiness. By improving certainty and reducing risk for employers, the pilot supports greater uptake of skilled migration pathways that are already available but underutilised.

Importantly, targeted programs such as the India Pilot could deliver benefits beyond individual businesses. By filling critical skills gaps, they support continuity of domestic food production, reduce supply chain disruptions, and enable growers to invest in productivity-enhancing technologies and innovation. These outcomes benefit Australian communities through more

resilient regional economies, stable employment for local workers, and reliable access to affordable, domestically grown fresh food.

The India Pilot is intended to demonstrate how skilled migration settings can move beyond static occupation lists and generic visa categories, toward sector-informed, demand-driven models that are scalable, ethical, and responsive to Australia's evolving workforce needs. Lessons from this pilot could be applied to other source countries and critical industries experiencing similar skills shortages, strengthening the overall effectiveness of Australia's skilled migration framework.

d) The scope for skilled migration settings to more effectively support Australian businesses, boost productivity and encourage innovation

There is substantial scope for Australia's skilled migration settings to more effectively support Australian businesses, improve productivity outcomes and encourage innovation by better aligning visa design, program administration and skills targeting with real-world industry needs.

In sectors such as horticulture, productivity growth is constrained not by a lack of willingness to invest or innovate, but by workforce instability, skills deficiencies, and administrative burdens within existing migration settings. Migration policy therefore plays a direct role in determining whether businesses are able to plan, expand, invest, and adopt new technologies and business functions with confidence.

Improving alignment between skills demand and migration pathways

Skilled migration settings can better support productivity by aligning more closely with modern occupation classification frameworks that are evidence-based, regularly maintained and informed by stakeholder engagement. Static occupation lists struggle to keep pace with evolving labour market needs, particularly in regional industries where roles increasingly combine technical, supervisory and operational functions.

More responsive migration settings would:

- enable timely updates to eligible occupations based on demonstrated labour market evidence and industry input;
- better recognition of emerging, hybrid and evolving roles within modern agricultural enterprises; and
- support pathways for semi-skilled workers to progress into higher-skilled occupations over time.

Embedding these principles would reduce skills mismatches and bottlenecks that currently constrain productivity-enhancing investments such as mechanisation, automation and advanced quality and data systems.

Enabling innovation by supporting skills access and reducing administrative burden

Productivity-enhancing technologies require skilled operators, supervisors and technicians to implement and maintain them effectively. Skilled migration settings that facilitate access to these capabilities directly support innovation by enabling adoption of labour-saving technologies and mechanisation, improving data collection, traceability and quality assurance systems, and supporting more efficient production, packing and logistics processes. Where access to skilled labour is uncertain or insecure, businesses are far less likely to invest in capital-intensive innovation due to the risk that systems cannot be operated or maintained over time.

At the same time, excessive administrative complexity within skilled migration programs constrains businesses as they are time poor and lack the appropriate skills to complete the required paperwork. The migration process is often cumbersome and costly, with businesses finding it hard to seek accurate and timely advice. Given the ongoing burden of compliance and competing business functions, growers are discouraged to participate in formal migration pathways as a solution to workforce shortages.

Skilled migration settings could more effectively support innovation by simplifying application and reporting processes, introducing proportional, risk-based compliance models that

recognise experienced, low-risk employers, and improving consistency and transparency in program administration. Reducing the administrative burden would particularly benefit small and medium enterprises, which make up the majority of Australian businesses and often lack dedicated human resources or migration expertise.

For example, AUSVEG have advocated for several years for a step-by-step demonstration video on how to prepare and submit a HILA application. HILA applications are not overly complicated once you understand the questions and the information required. A simple online resource (such as the demonstration video) could potentially save growers the cost of a migration lawyer and significant savings in human resources.

Supporting workforce continuity and skills retention

Productivity gains are closely linked to workforce continuity. Migration settings that enable longer-term employment, skills progression and retention allow businesses to:

- invest in training and upskilling with confidence;
- embed skilled workers in supervisory and leadership roles; and
- build organisational capability over multiple seasons.

Skilled migration pathways that support progression from temporary to permanent roles (where appropriate) help retain experience and institutional knowledge, reducing turnover and training costs while lifting overall workforce capability.

Encouraging experimentation and pilot-based approaches

There is also scope for skilled migration settings to better support innovation through pilot programs and targeted trials, developed in partnership with industry. Pilots allow government to test new approaches to skills matching, recruitment and integration in a controlled, evidence-based way, before scaling successful models.

Industry-led pilots, such as targeted international recruitment initiatives, provide valuable insights into:

- skills verification and recognition processes;
- integration and retention of skilled migrants; and
- cost and productivity impacts at the enterprise level.

Embedding pilot-based learning into migration policy development would improve responsiveness and reduce unintended consequences.

Strengthening business confidence and long-term planning

Ultimately, skilled migration settings support productivity and innovation by improving business confidence and planning certainty. When employers have confidence that they can access the skills they need through clear, predictable and efficient migration pathways, they are more willing to:

- commit capital to long-term investments;
- expand operations or enter new markets; and
- pursue productivity-led growth rather than defensive cost containment.

Key Recommendations

- Maintain a balanced mix of skilled, semi-skilled and seasonal migration pathways to reflect the diverse workforce needs of horticulture
- Retain the 88-day Working Holiday Maker specified work requirement to sustain access to flexible regional, rural and remote labour
- Reduce administrative burden, duplication and inconsistency within the PALM scheme to restore employer participation
- Introduce proportional, risk-based compliance settings that recognise experienced and low-risk employers
- Strengthen enforcement and resourcing of regulators to address worker exploitation without limiting lawful workforce access, including establishing a National Labour Hire Scheme
- Improve the flexibility, usability and uptake of the Horticulture Industry Labour Agreement (HILA), including occupation coverage and process complexity
- Embed demand-driven, industry-informed skills targeting within migration settings, aligned to modern occupation classification frameworks
- Support and scale industry-led skilled migration pilots, such as the India Pilot, to address verified skills gaps
- Align skilled migration settings with productivity, innovation and technology adoption outcomes by improving skills access and workforce continuity