

## CHAPTER 4

### **Impact of the Working Holiday Maker (417 and 462) visa program on the employment opportunities and entitlements of Australian workers**

#### **Introduction**

4.1 The Working Holiday Maker (WHM) (417 and 462) visa program (and the international student visa program) differs markedly from the 457 visa program. These differences have impacts on the labour markets in which the WHM (and international student) visa holder works and on the visa holder themselves. In particular, WHM visa holders and international students:

- do not need to be paid market wages;
- are not limited to employment in specified industries with labour shortages; and
- their employers are not required to demonstrate that they have attempted to fill the position with Australian workers.<sup>1</sup>

4.2 Concerns about these differences between the WHM visa program and the 457 visa program were expressed by a number of submitters and witnesses. The key issues raised were:

- the critical dependence of Australian agriculture on the WHM visa program;
- the impact of the WHM visa program on the opportunities for locals to secure jobs;
- the lack of data about the WHM visa program;
- the impact of the WHM visa program on the opportunities for locals to get training and up-skilling (see chapter 5); and
- the exploitation of WHM visa holders (see chapter 7).

4.3 The committee received little evidence on the impact of the international student visa program on employment opportunities for Australians (although it received a large body of evidence on the exploitation of international student visa holders in the workforce—see chapter 8). However, the committee did receive some evidence relating to the Seasonal Worker program, and that is considered in this chapter.

4.4 The chapter begins by exploring the nature of the WHM visa program, including general concerns about the scale and growth of the program, the lack of accurate data about the program, its overall purpose, and the actual uses to which it is

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1 Dr Joanna Howe and Professor Alexander Reilly, *Submission 5*, p. 5.

being put. This is followed by a brief consideration of issues raised in relation to the Seasonal Worker Program.

4.5 The rest of the chapter considers two vital industries located in rural and regional Australia: horticulture and meat processing. The first part explores the critical importance of the WHM program to the horticulture and orchard sectors. The second part examines labour agreements, enterprise agreements, and the role of WHM visa holders in the meat processing sector, including the impact of 417 visa holders on enterprise agreements, and evidence that 417 visa holders are reducing the opportunities for Australian workers to get work in the meat processing industry.

### **The nature of the Working Holiday Maker program**

4.6 As noted in chapter 2, the Working Holiday Maker (WHM) (417 and 462) visa program allows young adults (18 to 30) from eligible partner countries to work in Australia while having an extended holiday. Although the Department of Immigration and Border Protection (DIBP) states that 'work in Australia must not be the main purpose of the visa holder's visit', the visa allows work for the full 12 months of the visa, with the sole restriction being that a WHM visa holder cannot work for the same employer for more than six months.<sup>2</sup> In sum, the WHM visa program is a lightly regulated program with the ostensible aim of facilitating cultural exchange.

4.7 However, the rapid expansion of the WHM program and changes to the work rights associated with the program, including the incentives to work in regional Australia to secure a second year visa (see chapter 2), have fundamentally changed the nature of the WHM visa. Indeed, Dr Joanna Howe and Professor Alexander Reilly pointed out that the WHM program is no longer merely a cultural program, but is better understood as 'a labour market program, used to fill perceived labour shortages in specified industries'.<sup>3</sup>

4.8 A similar view was put forward by Ms Carla Wilshire, Chief Executive Officer of the Migration Council of Australia. She emphasised the need to address, in holistic policy terms, the labour market needs of regional Australia, and also pointed to the dangers of relying on a poorly regulated program to address those needs:

The original intention of the working holiday program was very much around cultural exchange. One of the things that has started to happen is that it is increasingly being used as a mainstay, particularly within regional areas. What that actually points to—and it is something which I think would be very beneficial for the committee to look at—is that in a sense we have not properly looked at a migration program that meets the needs of regional Australia; it has been done on an ad hoc policy basis. We think this is something that desperately needs attention. You need to look in a systematic policy way at the increasing needs of regional Australia around labour. How do you resolve that? It is either through the movement of

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2 Department of Immigration and Border Protection, What is the Working Holiday Maker program?; Migration Regulations 1994 [F2015C00584], regulations 417.611, 462.611 (by operation of mandatory visa condition 8547).

3 Dr Joanna Howe and Professor Alexander Reilly, *Submission 5*, p. 5.

domestic labour internally within the country or through migration solutions. If you look at it in a very comprehensive systematic policy way you will find that, increasingly, regional Australia will need to turn to aspects such as the working holiday-maker program, which does not have the proper regulatory supports in it.<sup>4</sup>

4.9 The views put forward by academics and the Migration Council on the changing use of the WHM visa reflect the bulk of the evidence received during the inquiry, namely that the WHM visa is now being used primarily as a working visa.

4.10 The substantial growth in the WHM visa program was of great concern to several unions, particularly given the significant levels of domestic youth unemployment in Australia. The ACTU pointed out that the total number of WHM visa holders in Australia is now equivalent to around 7.7 per cent of the total Australian labour force aged 15–24 years.<sup>5</sup> These concerns are covered in greater depth in the section on the meat processing sector.

4.11 In addition, several unions expressed concern about the way in which the WHM visa program was being abused by labour hire agencies. In particular, unions noted that labour hire companies in Australia used their links to labour hire agencies in overseas countries to line up full-time work for overseas nationals before those nationals even entered Australia.<sup>6</sup>

4.12 The ACTU made several recommendations regarding the WHM visa program including that the DIBP conduct an assessment of the WHM program with oversight from the Ministerial Advisory Council on Skilled Migration (MACSM).<sup>7</sup>

4.13 The ACTU further proposed the working rights attached to the WHM visa be 'reviewed and remodelled so that it operates as [a] genuine holiday visa with some work rights attached, rather than a visa which in practice allows visa holders to work for the entire duration of their stay in Australia'.<sup>8</sup>

4.14 The ACTU also argued that labour market conditions in Australia should be the factor that determines that determines the quantity of WHM visas made available in any given year. Noting that Canada currently sets a cap on the number of WHM visas it grants,<sup>9</sup> the ACTU recommended the Australian government have the ability to cap numbers for the WHM visa program.<sup>10</sup>

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4 Ms Carla Wilshire, Chief Executive Officer, Migration Council of Australia, *Committee Hansard*, 17 July 2015, p. 7.

5 Australian Council of Trade Unions, *Submission 48*, p. 42.

6 Australian Council of Trade Unions, *Submission 48*, p. 42.

7 Australian Council of Trade Unions, *Submission 48*, p. 43.

8 Australian Council of Trade Unions, *Submission 48*, p. 43.

9 Government of Canada, International Experience Canada – travel and work in Canada, available at <http://www.cic.gc.ca/english/work/iec/> (accessed 25 August 2015).

10 Australian Council of Trade Unions, *Submission 48*, p. 43; Ms Gerardine Kearney, President, Australian Council of Trade Unions, *Committee Hansard*, 26 June 2015, p. 1.

4.15 The ACTU was highly critical of the scant data on the WHM visa program and requested that the DIBP publish the following:

- the number of working holiday visa holders that do exercise their work rights;
- the duration of their employment;
- the number of employers they work for; and
- their rates of pay, and the locations, industries, and occupations they work in.<sup>11</sup>

4.16 With regard to data collection, Mr David Wilden, acting deputy secretary at the DIBP, noted that the WHM visa program is created by the Department of Foreign Affairs and Trade under a Memorandum of Understanding with respective partner countries. He pointed out that, unlike the sponsorship process in the 457 visa program, the DIBP has no control points to collect the data proposed by the ACTU. Establishing the requisite control points would require changing the WHM visa conditions. This would in turn require changing the nature of the WHM visa program which would require renegotiating all the memorandums of understanding.<sup>12</sup>

4.17 The Australian Chamber of Commerce and Industry (ACCI) emphasised both the economic benefits to Australia of the WHM scheme, in particular the money spent by Working Holiday Makers (WHMs) on accommodation, transport and education, as well as the reciprocal cultural exchange between Australia and partner countries.<sup>13</sup>

4.18 ACCI quoted the following statement from the Joint Standing Committee on Migration inquiry into WHMs, arguing that the sentiments remain true today:

The working holiday program provides a range of cultural, social and economic benefits for participants and the broader community. Those benefits show that the program is of considerable value to Australia and should continue to be supported.

Young people from overseas benefit from a working holiday by experiencing the Australian lifestyle and interacting with Australian people in a way that is likely to leave them with a much better understanding and appreciation of Australia than would occur if they travelled here on visitor visas. This contributes to their personal development and can lead to longer term benefits for the Australian community.<sup>14</sup>

4.19 In terms of reciprocal arrangements between countries party to the WHM program, the committee notes the Fair Work Ombudsman (FWO) reported that

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11 Australian Council of Trade Unions, *Submission 48*, p. 43.

12 Mr David Wilden, Acting Deputy Secretary, Department of Immigration and Border Protection, *Committee Hansard*, 17 July 2015, p. 47.

13 Australian Chamber of Commerce and Industry, *Submission 10*, pp 8 and 15.

14 Joint Standing Committee on Migration, *Working Holiday Makers: More Than Tourists*, Parliament of the Commonwealth of Australia, August 1997, p. xv, in Australian Chamber of Commerce and Industry, *Submission 10*, p. 15.

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31 Australians were granted a Taiwanese WHM visa in 2013 compared to 15 704 Taiwanese granted an Australian WHM visa for the same period.<sup>15</sup>

### **The Seasonal Worker program**

4.20 The Migration Institute of Australia pointed out that the Seasonal Worker program is a strictly regulated program that provides benefits to both Pacific Island workers and farmers (the employers):

In contrast the Seasonal Worker visa programme for Pacific Islanders, a seven month temporary worker visa, successfully protects their working terms and conditions of employment and safety through the strict regulation of sponsoring employers and labour hire companies and the banning of those that do not abide by the required conditions of the programme. These temporary visa holders are paid award wages and are provided with suitable accommodation, health care and transport to and from their homelands.

This programme has been successful in providing both a steady temporary workforce for farmers at harvesting times when an Australians labour force has been either unavailable or unwilling, and jobs and income that do not exist on their home islands. Many Australian growers now employ the same workers year after year, having successfully trained and 'acclimatised' them to the Australian working environment.<sup>16</sup>

4.21 Ms Sarah McKinnon, Manager of Workplace Relations and Legal Affairs at the National Farmers' Federation (NFF) stated that the NFF were 'huge supporters' of the Seasonal Worker program and 'have been seeking to have it expanded to the broader agriculture sector for some time'.<sup>17</sup>

4.22 The NFF was also of the view that the changes to the Seasonal Worker program announced in the Northern Australia White Paper (see chapter 2) would particularly benefit the dairy industry and the wool industry and would enable the greater attraction and retention of reliable seasonal workers.<sup>18</sup>

4.23 While Ms Donna Mogg from Growcom, had a positive view of the Seasonal Worker program, she noted that it was an expensive program to begin with.<sup>19</sup> The cost of the program was confirmed by Ms McKinnon who noted that, aside from the regular wages and conditions, it cost approximately \$2000 to bring a worker to

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15 Fair Work Ombudsman, *A report on the Fair Work Ombudsman's Inquiry into the labour procurement arrangements of the Baiada Group in New South Wales*, Commonwealth of Australia, June 2015, p. 13.

16 Migration Institute of Australia, *Submission 40*, pp 11–12.

17 Ms Sarah McKinnon, Manager, Workplace Relations and Legal Affairs, National Farmers' Federation, *Committee Hansard*, 26 June 2015, p. 32.

18 Ms Sarah McKinnon, Manager, Workplace Relations and Legal Affairs, National Farmers' Federation, *Committee Hansard*, 26 June 2015, p. 32.

19 Ms Donna Mogg, Commercial Services Manager, Growcom, *Committee Hansard*, 12 June 2015, p. 22.

Australia and support them under the Seasonal Worker program.<sup>20</sup> However, Ms Mogg stated that there were clear benefits for growers who were involved with the Seasonal Worker program for a few years:

We had one citrus grower from Gayndah reporting savings of around 22 per cent to her total wage bill. That has nothing to do with underpaying people; these people were being paid very well. This has to do with the efficiencies of a well-trained, returning workforce. So we have actually heard very good things.<sup>21</sup>

4.24 Despite the benefits the program offers to both growers and workers, the World Bank has drawn attention to the slow uptake of places in the Seasonal Worker program, noting that, on average, only 65 per cent of the available places had been filled.

4.25 The World Bank attributed the low uptake of the program to 'the prevalence of illegal workers and backpackers in the horticulture industry' and that this remained 'the key constraint on employer demand for the Seasonal Worker program'<sup>22</sup>

### **Agricultural labour markets and the role of WHM visa workers**

4.26 As noted in chapter 2, the committee heard evidence from a range of farmers and their industry organisations that despite high rates of unemployment in general, and youth unemployment in particular, the agricultural sector experienced ongoing difficulties in recruiting willing and able local workers. The difficulties in finding suitable local labour were particularly apparent where growers were seeking casual short-term employees for intensive periods during the picking season.

4.27 Growers and their representative associations warned that without the additional labour supplied by the WHM visa program, many rural industries were at risk of a contraction in production, and some businesses simply could not continue to operate. The following section presents evidence on the labour force dynamics of the horticulture and fruit picking sectors.

4.28 However, the committee notes evidence it received that seasonal labour shortages extend far beyond the horticulture sector in other regional and rural areas. The NT government noted that many NT employers relied heavily on the WHM visa program to meet customer demand in peak season:

In the Northern Territory's hospitality, primary and construction sectors, these visa holders, in peak season, can account for more than 50% of some employers' workforces. Without access to this workforce source,

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20 Ms Sarah McKinnon, Manager, Workplace Relations and Legal Affairs, National Farmers' Federation, *Committee Hansard*, 26 June 2015, p. 34.

21 Ms Donna Mogg, Commercial Services Manager, Growcom, *Committee Hansard*, 12 June 2015, p. 22.

22 Mr Jesse Doyle and Professor Stephen Howes, *Australia's Seasonal Worker Program: Demand-side Constraints and Suggested Reforms*, Discussion paper, World Bank Group and Australian National University, 2015, p. 1.

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particularly in high demand seasons, many Northern Territory employers would struggle to meet customer needs and maintain their operations.<sup>23</sup>

### ***The importance of WHM visa worker to the horticulture industry***

4.29 The committee heard evidence about the labour market requirements in the horticulture industry from Ms Mogg of Growcom. Growcom is the peak industry body for fruit and vegetable growers in Queensland. The committee also heard from strawberry growers on the Sunshine Coast in Queensland, Mr David Fairweather and Mrs Laura Wells from Tastensee Farms.

4.30 Ms Mogg noted that the Queensland horticulture sector contributes around \$2.7 billion per annum to the state's economy and that the horticulture industry in Queensland is larger than cotton, dairy and grains. She outlined the number of businesses and the seasonal nature of employment in the Queensland horticulture industry:

We estimate that there are some 2 700 farms in Queensland and probably—although it is hard to estimate because statistics are not good—around 25 000 workers in this industry. The majority of them would be seasonal, casual, transient and/or backpackers. Production in horticulture is the most labour intensive of all the agricultural industries, often requiring large numbers of employees for relatively short periods of time. Labour costs represent up to 60 per cent of overall operating costs for many businesses.<sup>24</sup>

4.31 Ms Mogg observed that there was intense competition within and amongst horticulture production regions, and that growers are price takers rather than price makers because of the dominance over the retail trade for horticulture produce exerted by Australia's two major supermarkets.<sup>25</sup>

4.32 Ms Mogg also explained the challenges in attracting local labour to remote rural locations for short intensive periods, as well as the competition for labour posed by the resource sector:

Horticulture businesses are usually located in regional and/or remote regions, where demand for labour is high during peak seasons, but this kind of temporary labour, and the volume and availability of this temporary labour source, is limited. The seasonal nature of the industry poses significant constraints in terms of attraction, career development and continuity of skilled labour. Increasing competition for labour from the higher paying LNG and coal seam gas sectors, and previously the mining

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23 Northern Territory Government, *Submission 39*, p. 10.

24 Ms Donna Mogg, Commercial Services Manager, Growcom, *Committee Hansard*, 12 June 2015, p. 19.

25 Ms Donna Mogg, Commercial Services Manager, Growcom, *Committee Hansard*, 12 June 2015, p. 19.

sector, particularly machinery operators, continues to be a drain on our industry and a high concern to our producers.<sup>26</sup>

4.33 The committee notes certain similarities between the challenges faced by producers in the pork industry and those in the horticulture industry. However, there are key differences, in particular the nature of the employment requirements. The pork industry requires permanent long-term employees, while the horticulture industry relies on casual short-term employees (who may return on an annual basis).

4.34 These differences manifest in the type of visa workers that the two industries seek to attract. As noted earlier, the pork industry relies heavily on the 457 visa program. By contrast, the horticulture sector has a heavy reliance on the WHM (417 visa) program.

4.35 Similar to the pork industry, growers and their industry associations in the horticulture sector asserted that the industry was utterly reliant on temporary visa labour to harvest the produce:

Working holiday makers, 417 visa holders, are the lifeblood of our industry. We would like to make that really clear. Without those workers this industry would be in dire straits indeed. The large, flexible labour force ensures that the harvest gets in and that the product is in fact sold. Without them, much product would be left to rot or perish, to the clear detriment of growers, communities, consumers and the Australian economy.<sup>27</sup>

4.36 Once again, the committee was keen to understand why the horticulture industry experienced difficulties in attracting local workers. Mr Fairweather stated that their strawberry farm required up to 140 people over a six month season.<sup>28</sup> Ms Mogg emphasised that the nature of the supplementary labour force required in the industry was unattractive to most Australians:

I think the point has to do with the large numbers of short-term employees. If you are operating out of Caboolture, for example, and you need 250 or 300 workers for a period of six to eight weeks, that workforce is not easy to recruit within the local area. We need to accept that what we have is an ongoing need for supplementary labour. That is important. The anecdotal evidence that we get a lot of is that Australian workers do not want to do this job.<sup>29</sup>

4.37 Mr Fairweather stated that, as manager at Tastensee Farms, they 'always give preference to Australian workers, but we do not always get Australian workers'.<sup>30</sup> Ms

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26 Ms Donna Mogg, Commercial Services Manager, Growcom, *Committee Hansard*, 12 June 2015, p. 19.

27 Ms Donna Mogg, Commercial Services Manager, Growcom, *Committee Hansard*, 12 June 2015, p. 19.

28 Mr David Fairweather, Tastensee Farms, *Committee Hansard*, 12 June 2015, p. 20.

29 Ms Donna Mogg, Commercial Services Manager, Growcom, *Committee Hansard*, 12 June 2015, p. 20.

30 Mr David Fairweather, Tastensee Farms, *Committee Hansard*, 12 June 2015, p. 20.



Mogg stated that despite Growcom working with local employment providers, Australians were simply unwilling to do the work:

As I said, one of our programs is focused on workforce planning and working with business owners to talk to them about how they better plan their workforce. That includes working with particularly local employment coordinators and local job providers around getting these guys on. What we consistently hear is: 'You'll get 10 who turn up and three days later you'll have one left.' They do it because they have a requirement to comply with Centrelink reporting obligations or, in truth, this is hard yakka, this is hard work, and not a lot of people are prepared to spend six or seven hours outside bending, lifting, pulling, tugging, pushing et cetera. It can be difficult work. I consistently hear from our growers that they will employ local workers and they would prefer to employ Australian workers, but the source of that labour is not there.<sup>31</sup>

4.38 Mrs Wells agreed with the position put by Ms Mogg. She noted that while they always preference Australian workers, the combination of hard labour, and unstructured, insecure part-time work through the planting period followed by long hours of intense work during the two month picking season, was unappealing to most Australians:

We always give preference to Australian workers. We do all our hiring through our Facebook page. I look for them, I search for them. Essentially last year we had 10 people, out of 200, that were Australian. One, Andrew, ended up staying for the entire season. I trained every single one of them, but one out of that 10 stayed.<sup>32</sup>

4.39 Mrs Wells did, however, point out that Tastensee Farms had a few veteran Australian workers that had returned to work on their farm over a twenty year period:

We have a lot of returning Australians who work for us in that period. They wait for the season to commence. They work for us and a lot of them have for 20-plus years, but finding new recruitment of Australian people has been difficult, essentially because there is no structured time of employment and that kind of thing.<sup>33</sup>

4.40 Given the nature of the work, the 417 visa workers were both a good fit for Tastensee Farms and essential to the business continuing:

I guess that is why the 417s for us in the strawberry industry are vital, because they do not have families here. They do not have lifestyle; they have the idea to work hard for a short period of time, earn some good money, travel and spend it in our country. For us it has worked. It came

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31 Ms Donna Mogg, Commercial Services Manager, Growcom, *Committee Hansard*, 12 June 2015, p. 21.

32 Mrs Laura Wells, Tastensee Farms, *Committee Hansard*, 12 June 2015, p. 21.

33 Mrs Laura Wells, Tastensee Farms, *Committee Hansard*, 12 June 2015, p. 21.

about five years ago and it was a godsend, really. It was a lifeline to our industry.<sup>34</sup>

4.41 The South Australian Wine Industry Association (SAWIA) noted that temporary work visa holders 'are not used on a regular basis in the wine industry'. However, WHM visa holders have been used in situations where an insufficient number of local applicants apply for casual vineyard or crushing work during the vintage (harvest) period.<sup>35</sup>

4.42 SAWIA pointed out that WHM visa workers were well-rewarded for short intensive bursts of work:

Casual vintage workers performing largely unskilled work who are prepared to work long shifts during a condensed period of time (3-10 weeks) can expect to earn an income of approximately \$1600-\$1700 per week taking, shift loadings, weekend and overtime penalties under the Wine Industry Award 2010 into account.<sup>36</sup>

4.43 The committee received similar evidence about the problem of getting workers for short intensive periods from New South Wales (NSW) orchardist, Mr Guy Gaeta, who stated that despite workers on his farm being able to earn between \$200 and \$600 a day during the fruit picking season, there simply were not enough local workers willing to do the work:

We have been orcharding since 1986. To tell you the truth, we had never used any backpackers till the year 2000. We always had enough travelling people around the countryside. But, since 2000, they have either got too old or they have died. If we did need anybody, we used to go to the unemployment service, when it was run by the government, and we used to get people. But now we cannot get any. We desperately need the backpackers, because, out of about 40 people during our cherry harvest, which only goes for a maximum of five weeks—that is maximum—we employ four Australian citizens. Nobody else wants to come and pick cherries. I would never turn away an Australian for a backpacker, but we cannot do without them. They are a vital part of our business now. We still employ Australians but, like I said, it is four out 40.<sup>37</sup>

4.44 The difficulties in obtaining seasonal labour were corroborated by Mr Justin Roach, a cattle and poultry farmer from Tamworth NSW. He stated that his business did employ three permanent Australian workers in key positions on the farm, and they had been there for five years.<sup>38</sup> However, the business also needed a lot of casual staff to do two to three weeks work on a two month cycle. After experiencing significant

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34 Mrs Laura Wells, Tastensee Farms, *Committee Hansard*, 12 June 2015, p. 21.

35 South Australian Wine Industry Association, *Submission 5*, p. 4.

36 South Australian Wine Industry Association, *Submission 5*, p. 4.

37 Mr Guy Gaeta, *Committee Hansard*, 26 June 2015, p. 36.

38 Mr Justin Roach, *Committee Hansard*, 26 June 2015, p. 37.

difficulties in recruiting local labour, Mr Roach had used 417 visa workers and this had 'been a really positive experience'.<sup>39</sup>

4.45 The committee heard similar evidence about labour recruitment from Mrs Roma Britnell, a dairy farmer from south-west Victoria and chair of the markets, trade and value chain policy advisory group with Australian Dairy Farmers Ltd. Mrs Britnell recounted that their business employed permanent staff, and that while they could retain staff in higher level jobs, they were unable to retain local staff for milking and feeding the cows. They have therefore resorted to training and employing a 417 visa worker for a period of a year at a time to assist with milking and feeding.<sup>40</sup>

### **Meat processing labour markets and the role of WHM visa workers**

4.46 At hearings in Brisbane, Sydney and Adelaide, the Australasian Meat Industry Employees' Union (AMIEU) painted a picture of the sweeping changes in the meat processing sector in terms of the growth in the hiring of WHM visa workers and the consequent declining employment prospects for local workers.<sup>41</sup>

4.47 Mr Grant Courtney, Branch Secretary, Australasian Meat Industry Employees' Union (Newcastle and Northern NSW) noted that when Steggles owned the chicken processing plant in Beresfield (Newcastle), the workforce of 700 was 'predominantly Australian citizens'. Since Baiada took over, the plant has increased in production by about 30 per cent. Yet while the permanent local workforce is about 600, there are now about 700 visa workers on site.<sup>42</sup>

4.48 At the Thomas Foods International sheep processing facility in Tamworth, in the New England region of NSW, the AMIEU estimated that about 70 per cent of the workforce was temporary visa workers.<sup>43</sup>

4.49 Miss Sharra Anderson, Branch Secretary of the AMIEU (South and Western Australia) described what had occurred at Thomas Foods International site at Murray Bridge, a regional centre about 70 kilometres from Adelaide. The Thomas Foods site is one of the largest processing companies in the industry, employing between 1000 and 1100 workers. Miss Anderson stated that between 500 and 600 WHM visa holders were employed by five different labour hire companies at the Thomas Foods site.<sup>44</sup>

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39 Mr Justin Roach, *Committee Hansard*, 26 June 2015, p. 36.

40 Mrs Roma Britnell, Chair, Markets, Trade and Value Chain Policy Advisory Group, Australian Dairy Farmers Ltd, *Committee Hansard*, 26 June 2015, p. 39.

41 See also Name withheld, *Submission 46*; Ms Lisa Chesters MP, *Submission 45*.

42 Mr Grant Courtney, Branch Secretary, Australasian Meat Industry Employees' Union (Newcastle and Northern NSW) *Committee Hansard*, 26 June 2015, pp 13–14.

43 Mr Grant Courtney, Branch Secretary, Australasian Meat Industry Employees' Union (Newcastle and Northern NSW) *Committee Hansard*, 26 June 2015, p. 14.

44 Miss Sharra Anderson, Branch Secretary, Australasian Meat Industry Employees' Union (South and Western Australia), *Committee Hansard*, 14 July 2015, pp 12 and 15–17.

4.50 Mr Courtney did not accept that there was currently a genuine need to access workers on temporary visas to fill the less skilled positions, mainly because the unemployment rate is so high in the regional centres where abattoirs are located. Furthermore, Mr Courtney pointed out that the less skilled entry level jobs provide a career path to the higher skilled occupations, and the increasing reliance on temporary migrant workers has reduced the opportunities for local employment.<sup>45</sup>

4.51 As an example of the potential for the employment of local workers in meatworks, Mr Courtney told the committee that the Northern Co-operative Meat Company in Casino NSW directly employed about 1200 workers, employed no more than 20 backpackers on 417 visas, and had training programs in place to engage most of the local school leavers through career paths. He said that the loyalty between workers and the business could be measured by the longevity of the workforce, with over 250 people with 25 years or more of service to the company and the union.<sup>46</sup>

4.52 The committee received conflicting evidence from unions and employers over the need to employ temporary visa workers in skilled operations such as boning, and the actual qualifications or skills that temporary visa workers require in order to perform that work. This is a key point of contention, and it intersects with both the labour agreements and the enterprise agreements in the industry. In particular, the AMIEU drew attention to the negative impact that the extensive hiring of WHM visa workers was having on the operation of union-negotiated enterprise agreements with major industry employers.

4.53 The next section therefore looks at labour agreements in the meat processing sector and the history around the use of 457 visa workers in the industry. This is followed by a look at the labour procurement arrangements of two chicken processing companies, Hazeldene's and Baiada.

4.54 The final section presents two case studies from Queensland where the extensive hiring of WHM visa holders has diminished the employment prospects of local workers.

### ***Labour agreements and enterprise agreements in the meat processing industry***

4.55 Mr Courtney noted that a registered labour agreement for the meat industry was negotiated in 1998 and that the AMIEU was part of the process that implemented the 457 visa program. He stated that the AMIEU had 'no problem with accessing international labour when there is a genuine need for it' and that in 2001–02, many larger employers accessed skilled boners, slicers and slaughtermen from South America.<sup>47</sup>

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45 Mr Grant Courtney, Branch Secretary, Australasian Meat Industry Employees' Union (Newcastle and Northern NSW) *Committee Hansard*, 26 June 2015, p. 14.

46 Mr Grant Courtney, Branch Secretary, Australasian Meat Industry Employees' Union (Newcastle and Northern NSW) *Committee Hansard*, 26 June 2015, p. 21.

47 Mr Grant Courtney, Branch Secretary, Australasian Meat Industry Employees' Union (Newcastle and Northern NSW) *Committee Hansard*, 26 June 2015, p. 14.

4.56 Mr Matthew Journeaux, Assistant Branch Secretary of the AMIEU (Queensland) noted that around 2005, many meat processing companies started sponsoring 457 visa workers from Brazil, China, the Philippines, the United Kingdom and Vietnam to perform the skilled roles.<sup>48</sup> He acknowledged there was a need for 457 visa workers in 2005 when the resources boom was in full swing. However, he also pointed out that the AMIEU was active in instigating, and supportive of, the meat industry labour agreement, under which, an employer is required to reduce its reliance on 457 visa workers, and therefore has to prioritise upskilling local workers.<sup>49</sup>

4.57 Mr Journeaux also noted the AMIEU had enterprise agreements at most of the meat processing sites in Queensland. The agreements had both similarities and differences:

There are different systems of work within meat processing, whether it is paid by a piecework type of arrangement, whether it is kilos or bodies or units, but there are some that are time based arrangements as well, with quantum of work and that attached.<sup>50</sup>

4.58 Under the enterprise agreement, Mr Journeaux noted that a skilled worker such as a boner or slicer would typically earn \$32 an hour, while the award rate is \$19 an hour. This represents a rate of pay approximately 30 per cent higher than the award. A labourer such as a packer would typically earn \$24 or \$25 an hour under the agreement while the award rate is \$17.20 an hour. This represents a rate of pay approximately 20 to 30 per cent higher than the award.<sup>51</sup>

4.59 The differential for skilled meatworkers in South and Western Australia is comparable to the Queensland figures, but the differential for labourers is much less with labourers under the agreement receiving just over \$19 an hour compared to the award rate of \$17.20 an hour.<sup>52</sup>

4.60 The significant difference in wage rates between union-negotiated enterprise agreements and the award, particularly for the skilled operations such as boning, provides a strong incentive for employers to source contract labour to perform the skilled operations.<sup>53</sup>

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48 Mr Matthew Journeaux, Assistant Branch Secretary, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 10.

49 Mr Matthew Journeaux, Assistant Branch Secretary, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, pp 12–14.

50 Mr Matthew Journeaux, Assistant Branch Secretary, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 12.

51 Mr Matthew Journeaux, Assistant Branch Secretary, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 12.

52 Miss Sharra Anderson, Branch Secretary, Australasian Meat Industry Employees' Union (South and Western Australia), *Committee Hansard*, 12 June 2015, p. 15.

53 Mr Matthew Journeaux, Assistant Branch Secretary, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 12.

4.61 The committee was therefore keen to understand the proportion of temporary visa workers employed in skilled operations such as boning, the skills that the visa workers in the boning rooms had, and the difficulties that employers experienced in getting suitably skilled local labour.

*Hazeldene's Chicken Farm*

4.62 The committee heard evidence from Hazeldene's Chicken Farm Pty Ltd (Hazeldene's) about its business model, and in particular, its employment practices in terms of direct employment versus labour contractor arrangements.

4.63 Hazeldene's is a family owned and operated poultry business located in Lockwood, 14 kilometres from Bendigo in Victoria. Incorporated in 1957, the business began as a hatching and egg-producing operation. In 1972 the family business started slaughtering chickens for the growing chicken meat market at the rate of 400 chickens per week. By 1984 the business was processing 20 000 chickens per week. The business currently processes 550 000 chickens per week, holds around six per cent of the national poultry market, and has contracts with Coles, Aldi and Woolworths.<sup>54</sup>

4.64 Hazeldene's has an enterprise agreement and directly employs 720 people across farming, processing and administration. Direct employment is up from 480 five years ago, an increase of 50 per cent. Of the 720 direct employees, four are 457 visa holders from South Africa employed in highly technical farming roles in the business. There are no 417 visa holders in direct employment. Hazeldene's noted that, as a family business, it has close contact with its employees and prefers to employ directly rather than use labour hire contractors.<sup>55</sup>

4.65 Mrs Ann Conway, People and Performance Manager at Hazeldene's advised that Hazeldene's also uses a labour hire company, Drake International, to supply some of its process workers. The process workers are on the enterprise agreement.<sup>56</sup>

4.66 Two labour hire contractors, ENB Enterprises and Stanley Corporation supply boners to Hazeldene's. While many of the approximately 130 boners are permanent residents, about one third is 457 and 417 visa workers. Hazeldene's outsourced the boning work about 15 years ago due to both a shortage in skilled boners at that time and the growth in the company business.<sup>57</sup>

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54 Mrs Ann Conway, People and Performance Manager, Hazeldene's Chicken Farm, *Committee Hansard*, 19 June 2015, p. 37.

55 Mrs Ann Conway, People and Performance Manager, Hazeldene's Chicken Farm, *Committee Hansard*, 19 June 2015, p. 37; Hazeldene's, *Response to submission 45*, pp 1–2 and covering letter from John Hazeldene.

56 Mrs Ann Conway, People and Performance Manager, Hazeldene's Chicken Farm, *Committee Hansard*, 19 June 2015, p. 38

57 Mrs Ann Conway, People and Performance Manager, Hazeldene's Chicken Farm, *Committee Hansard*, 19 June 2015, pp 39–40; Hazeldene's, *Response to submission 45*, p. 2.

4.67 All the boners are paid according to a services agreement based on the Poultry Processing Award 2010. Boners are classified as Level 5 under the Poultry Award (\$18.66 an hour as at 30 June 2015). Hazeldene's does not directly employ boners, but under the Enterprise Agreement, a Level 5 employee would get \$21.79 an hour. In answer to a question on notice, Hazeldene's advised that the boners were paid an above award entitlement that includes piece rates, but did not specify what that entitlement was.<sup>58</sup>

4.68 One of the key issues that arose during this inquiry was the accountability mechanisms that lead firms had in place to ensure that the workers being supplied to the lead firm by labour hire contractors were receiving the correct rates of pay. Many witnesses (including the regulator) identified cash payments and the failure to maintain accurate employment records as a major problem. These matters are covered further in chapters 7, 8, and 9.

4.69 Hazeldene's advised that one of the boning contractors paid their employees by electronic funds transfer and the other paid by cash, but that the second boning contractor would also be paying by electronic funds transfer by the end of July 2015. In terms of checking that contracted employees were paid correctly, Hazeldene's advised that prior to 9 June 2015, it had conducted ad hoc payslip checks. After 9 June 2015 Hazeldene's advised it would conduct sample checks on a quarterly basis.<sup>59</sup>

#### *Baiada*

4.70 The committee received evidence from the Baiada Group (including both Baiada Poultry Pty Ltd and Bartter Enterprises Pty Ltd) about its business model, and in particular, its employment practices in terms of direct employment versus labour contractor arrangements. The majority of this evidence is contained in chapter 7 as it pertains to the employment conditions of temporary visa workers employed at Baiada.

4.71 Mr Grant Onley, Human Resources Manager at Baiada, provided the committee with some information relevant to the employment of workers in the boning rooms. Mr Onley stated that of the 6000 workers employed by Baiada, about 13 to 14 per cent were contract workers, and that nearly all the contract workers were employed in the boning rooms.<sup>60</sup>

4.72 According to Mr Onley, Baiada did not have within its permanent directly-employed workforce, people with the necessary skills to perform boning work.<sup>61</sup>

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58 Mrs Ann Conway, People and Performance Manager, Hazeldene's Chicken Farm, *Committee Hansard*, 19 June 2015, pp 39–40; Hazeldene's, answer to question on notice, 19 June 2015 (received 16 July 2015).

59 Hazeldene's, answer to question on notice, 19 June 2015 (received 16 July 2015).

60 Mr Grant Onley, Human Resources Manager, Baiada Poultry Pty Ltd, *Committee Hansard*, 20 November 2015, pp 34–35.

61 Mr Grant Onley, Human Resources Manager, Baiada Poultry Pty Ltd, *Committee Hansard*, 20 November 2015, p. 38.

4.73 Over 90 per cent of the employees in the boning rooms were contract labour on a piece rate under the award.<sup>62</sup> Under the Poultry Processing Award, Mr Onley advised there is:

- Level 1: induction;
- Level 3: processing functions like packing of chickens, packing of tray packs; and
- Level 5: boning and filleting.<sup>63</sup>

4.74 In this regard, the committee notes the FWO has stated that where a modern award or enterprise agreement provides for piece rates, 'there remains a requirement to ensure workers receive wages that equate to award minimums'.<sup>64</sup>

### ***Impact of WHM visa holders on local employment opportunities in Queensland***

4.75 This section presents evidence from the AMIEU at the Brisbane hearing into the impact of WHM visa workers on the employment opportunities for local workers in meat processing plants in regional and rural Queensland.

4.76 Mr McLauchlan, Branch Organiser for the AMIEU (Queensland) recounted his experience from Wallangarra Meats, a small plant owned by Thomas Foods on the NSW-Queensland border. The plant employs between 180 and 200 employees, and 220 at peak times of the year.<sup>65</sup>

4.77 In 2013–14, the AMIEU received complaints from workers that the sons and neighbours of existing workers could not get a job at the plant at the same time the union observed an increase in the number of 417 visa workers being employed there.<sup>66</sup>

4.78 At a meeting with the company on 12 February 2015, the production manager and the works manager told Mr McLauchlan that the company could not find 'suitable locals'. On 19 February, Mr McLauchlan visited three employment service providers, Campbell Page and Mission Australia in Stanthorpe and BEST Employment in Tenterfield. Every provider stated in very similar terms that they had local workers ready and willing to start work immediately:

I could send 12 suitable employees down there now, and eight of them have had Q fever needles and are right to start.

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62 Mr Grant Onley, Human Resources Manager, Baiada Poultry Pty Ltd, *Committee Hansard*, 20 November 2015, pp 34–35.

63 Mr Grant Onley, Human Resources Manager, Baiada Poultry Pty Ltd, *Committee Hansard*, 20 November 2015, p. 46.

64 Fair Work Ombudsman, *A report on the Fair Work Ombudsman's Inquiry into the labour procurement arrangements of the Baiada Group in New South Wales*, Commonwealth of Australia, June 2015, p. 9.

65 Mr Ian McLauchlan, Branch Organiser, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 16.

66 Mr Ian McLauchlan, Branch Organiser, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 16.



...

We do have suitable people for the meat industry. We supply labour to Canterbury Meats at Warwick, so we know what is suitable for your industry.

...

Thank God someone is going to do something to help our locals. It takes the union.<sup>67</sup>

4.79 On 4 March 2015, Mr McLauchlan organised a meeting at Stanthorpe RSL with Campbell Page, Mission Australia, the AMIEU, management from Wallangarra Meats, and 15 jobseekers. While the 15 jobseekers were told at the meeting that they would be offered a job, Mr McLauchlan was only aware of three jobseekers that were subsequently taken on at the meatworks.<sup>68</sup>

4.80 Mr McLauchlan organised a similar meeting on 18 March 2015 at Tenterfield Bowls club with BEST Employment and 30 jobseekers, of whom 26 to 28 were suitable to be employed at the meatworks. On 24 March 2015, Mr McLauchlan visited the plant again and saw numerous 417 visa workers. He estimated that 417 visa workers make up about 70 per cent of the workforce at Wallangarra Meats. Concerned that there did not appear to have been any action on employing local people, Mr McLauchlan invited the media and the employment service providers to tour the plant. Subsequently, Mr McLauchlan estimated that between eight and 12 local people got work.<sup>69</sup>

4.81 Mr Brunjes, a Shed Secretary with the AMIEU (Queensland), relayed a very similar story from Mareeba on the Atherton Tableland. He had worked at the same poultry processing plant for almost 21 years. The plant was previously owned by Australian Poultry and then Bartter brothers. Mr Brunjes told the committee that the plant 'ran for probably 15 years on a totally local workforce'. Following its acquisition by Baiada Poultry, in the last five years, he suggested that there were only about 86 locals in a total workforce of about 200. The rest were overseas workers.<sup>70</sup>

4.82 Following efforts by the AMIEU in collaboration with various employment agencies, Mr Brunjes told the committee that 12 to 15 locals have been employed in the last six to eight months at the Baiada plant in Mareeba. However, he submitted that Baiada 'is very reluctant to change' and that the labour hire company that Baiada use, AP Global, 'just deals with visa holders'. By contrast, the previous labour hire company used by Baiada, QITE, dealt 'totally with locals'. In terms of the labouring

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67 Mr Ian McLauchlan, Branch Organiser, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 16.

68 Mr Ian McLauchlan, Branch Organiser, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 16.

69 Mr Ian McLauchlan, Branch Organiser, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, pp 16–17.

70 Mr Frederick Brunjes, Shed Secretary, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 17.

jobs at the meatworks, Mr Brunjes stated that the temporary visa workers are recruited in Asia and have already been allocated jobs before they arrive in Australia. Meanwhile, school-leavers in a regional area are unable to get work at the plant.<sup>71</sup>

4.83 Mr Brunjes outlined for the committee how the labour hire subcontractors supplying workers to the Baiada site had also replaced long-term skilled Australian workers with temporary visa workers. The plant previously employed 16 to 18 Australian boners over a period of 15 years, but Mr Brunjes stated that since AP Global had taken on the contract to supply labour, there were now four local boners and 28 overseas boners. Furthermore, the overseas boners did not have the requisite skills, and had to be trained on-site.<sup>72</sup>

### **Committee view**

4.84 Evidence to the inquiry indicated that regional and rural Australia has particular labour market needs that have not been properly addressed, either through internal migration, or through adequate training. The committee received a large amount of evidence that the nature of the employment requirements in the horticulture and orchard sectors meant that growers were unable to source sufficient casual short-term labour, particularly during the picking season, from the local labour market. Growers and their representative associations warned that without the additional labour supplied by the WHM visa program, many rural industries were at risk of a contraction in production, and some businesses simply could not continue to operate. To be clear, the committee did not receive any evidence that indicated that the reliance of the horticulture sector on the WHM visa program was having a negative impact on employment opportunities for Australian workers in that sector.

4.85 The committee notes that the changes to the Seasonal Worker program announced in the White Paper to reduce costs to business, increase worker numbers and allow more countries and industries to participate should encourage the growth of the program. Although there was no direct evidence to the inquiry about a negative impact from the program on employment opportunities for local workers, the ACTU was critical about the lack of consultation over the government's decision to expand the Seasonal Worker program. The ACTU also cautioned that the use of labour hire companies and similar intermediaries in the Seasonal Worker program could increase the risks of workers under the program being exploited.

4.86 With the above caveats in mind, evidence to the inquiry therefore supports the view that the Seasonal Worker program is an adequately regulated program that offers benefits to employers and to the workers in the program. Nevertheless, the committee is of the view that a more prudent approach would be to include the Seasonal Worker program within the remit for review of a re-constituted MACSM.

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71 Mr Frederick Brunjes, Shed Secretary, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 17.

72 Mr Frederick Brunjes, Shed Secretary, Australasian Meat Industry Employees' Union (Queensland), *Committee Hansard*, 12 June 2015, p. 17.

4.87 However, the committee also notes the heavy reliance of the horticulture industry on the WHM visa program to address supply gaps in the rural labour market. The committee is disturbed by reports that the Seasonal Worker program is under-subscribed and is being undercut by the WHM visa program. The WHM visa program is a poorly-regulated program, and the bulk of the evidence to the inquiry showed that the WHM visa program has been abused by unscrupulous labour hire companies in Australia with close links to labour hire agencies in certain south-east Asian countries.

4.88 The ostensible basis of the WHM visa program is to provide a cultural exchange and to allow visa holders the opportunity to work during their holiday in Australia. The committee is therefore concerned that the rhetoric of the previous Abbott government in the White Paper on Northern Australia flies in the face of the supposed aims of the program by blatantly stating that potential changes would allow a WHM visa holder to work an entire year for the one employer and to work for the entire two years of their visa. In effect, the government clearly views the WHM visa as a de-facto working visa to bring low-skilled labour into the country.

4.89 It is clear from the evidence received by the committee that labour hire companies and certain employers already view the WHM visa program in these terms and are in fact not only using the program to fill potential shortfalls in labour, but also to gain access to cheaper labour.

4.90 The committee acknowledges, as did the meatworkers union, the AMIEU, that there may have been instances in the early 2000s when there was a shortage of skilled labour. However, that is no longer the case, particularly if appropriate training and upskilling was occurring within meat processing sites.

4.91 The boning room in a chicken processing site is staffed by skilled labour paid at a higher rate, either under an enterprise agreement, or under the award. The committee received evidence from one chicken processor that the majority of the labour in their boning rooms was in fact permanent residents (employed under contract), and that about a third was made up of visa workers. On the other hand, the committee received evidence from another company that suggested that while almost all of the labour in the boning room was on contract, very little of it was local labour.

4.92 The large-scale hiring of temporary visa workers in skilled positions points to a lack of commitment by employers to upskilling suitable local workers from within the pool of lower-skilled labourers, particularly given evidence that local workers have had to train visa workers to perform skilled tasks. In this regard, the committee is concerned about evidence suggesting some employers are hiring unskilled 417 visa workers to perform skilled tasks. The lack of commitment to training local workers contrasts markedly with what the committee understands to be the historical method of recruiting skilled boners, slicers and slaughterers, namely upskilling local workers from within the existing pool of labourers (this matter is covered in greater detail in chapter 5).

4.93 In addition to the impacts on training and upskilling, the committee is concerned that the use of labour hire companies to provide contract labour to fill skilled positions within meat processing plants puts downward pressure on wages. In a situation where all the labour in a skilled area such as a boning room is on contract

and paid according to the award, then if the remainder of the workforce is on an enterprise agreement, the use of contract labour undercuts the enterprise agreement and the wages of Australian workers in what is already a comparatively low-paid industry.

4.94 In light of the issues discussed above, the committee can understand that a business would want to have the agility to respond to either upturns or downturns in demand by having a certain amount of flexibility in its labour hire arrangements. However, it is not clear to the committee why two-thirds of the skilled labour force could not be employed permanently with flexibility being provided by sourcing the remaining third on contract as required, unless the overall intent is to lower labour costs even further.

4.95 In this regard, the committee concludes that the use of labour hire companies to supply contract workers to a meat processing site is a deliberate strategy to cut labour costs above and beyond any legitimate need for a certain degree of flexibility in the numbers of meatworkers employed at any one time.

4.96 The committee acknowledges that this strategy may be pursued in response to business pressures brought to bear either by cost-cutting by competitors or the pressures brought to bear by the purchaser, including the major supermarket chains. The committee is therefore of the view that workers supplied to a workplace by a labour hire company should be bound by the enterprise agreement at the site and not by the award.

4.97 Furthermore, as evidence to the committee has demonstrated, the large scale and widespread hiring of 417 visa workers severely curtails the employment prospects of local workers in rural and regional areas of Australia, areas that are already suffering from higher than average levels of unemployment and youth unemployment in particular.

4.98 In terms of labouring positions within meatworks, one of the questions that arose for the committee was whether it was possible for meatworks located in rural and regional Australia to fill all or most of their labouring positions with local workers. Of course, these questions cannot be answered definitively, but the committee heard from the AMIEU that most meat processing plants used to employ their labour directly. The committee also heard that a farmers' cooperative in northern NSW continues to employ about 1200 workers directly, employs no more than 20 WHM visa holders, and has training programs to provide local school leavers with a career entry path into the meatworks.

4.99 In contrast to the evidence from the horticulture sector, the committee therefore finds it difficult to believe that there is a genuine shortage of unskilled labour in the vicinity of most of the meat processing plants in regional Australia. The committee has received numerous examples of local workers being willing and able to work but unable to obtain employment. Further, the committee has heard that when an existing business is sold, the new owners use labour hire companies that source most of their labour internationally through the 417 visa program. Evidence to the committee has demonstrated that this was the dominant business model in the sector.

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**Recommendation 10**

**4.100** The committee recommends that the reconstituted MACSM review the Working Holiday Maker (417 and 462) visa program. The review should include, but not be limited to, an examination of the costs and benefits of the continued operation of the optional second year extension to the visa, and the costs and benefits of providing government with the ability to set a cap on the numbers of Working Holiday Maker program visas issued in any given year.

**Recommendation 11**

**4.101** The committee recommends that the Department of Immigration and Border Protection be sufficiently resourced to allow it to pursue inter-agency collaboration that would enable it to collect and publish the following data on the Working Holiday Maker visa program:

- the number of working holiday visa holders that do exercise their work rights;
- the duration of their employment;
- the number of employers they work for; and
- their rates of pay, and the locations, industries, and occupations they work in.

**Recommendation 12**

**4.102** The committee recommends that the reconstituted Ministerial Advisory Council on Skilled Migration (MACSM) review the Seasonal Worker program to ensure the program is meeting its stated aims.

