

Expanding the Seasonal Worker Programme

- 5.1 The Committee received evidence both in favour and against expanding the Seasonal Worker Programme (SWP) to other countries or other industry sectors. This chapter has been structured based upon these divergent views.
- 5.2 Some witnesses supported expansion into agriculture, though did not necessarily support allowing SWP access for service-related industries. The Committee was also apprised of issues witnesses believed may arise as unintended consequences of expanding the SWP. This chapter outlines:
- the overall benefits of employing seasonal workers;
 - views in favour of expanding of the SWP into Asia and expanding into other industries;
 - views with a preference for limiting the SWP to the Pacific and Timor-Leste and limiting the scope of industries to horticulture or agriculture; and
 - views on the implications of expanding the SWP.

Benefits of employing seasonal workers

- 5.3 Several witnesses and submissions referred to the benefits of employing seasonal workers, particularly due to their productivity, reliability and overall work ethic. A selection of these views is provided below.
- 5.4 Gracekate Farms commented on the differences in working styles between SWP participants and working holiday makers (backpackers):

We are a small farm, by farming standards, so we need 100 per cent from our workers. With these boys, you only need to show them once how to do something and you go back an hour later

and they are still doing exactly the same thing. We find that backpackers... get side-tracked; they are not as motivated... and they state that they are leaving at the drop of a hat.¹

- 5.5 Vernview Pty Ltd also commented on the differences and in particular that seasonal workers stayed for a whole season:

The seasonal workers tend to be there for the whole season, and if you have backpackers they are there to get sufficient money to then go on to the other place, because that is what it is all about. It is a working holiday visa; it is not a working visa.²

- 5.6 Golden Mile No. 1 Pty Ltd said that seasonal workers were at least twice as productive as backpackers:

The fact that you are comparing a 416 visa person to a 417 backpacker person certainly brings a lot more efficiency into our system. If I had to employ a crew of similar capacity to our employees from Tonga, I would probably have to employ at least twice as many, which administratively would obviously put a lot more burden on our staff here.³

- 5.7 Apple and Pear Australia Limited (APAL) said that the SWP provided stability and that the workers were more productive:

Apple and Pear Australia is fully supportive of the Seasonal Worker Program for two main reasons. The first is that the Seasonal Worker Program allows workers year-in year-out to return to the same property, or at least the same industry, and that gives growers comfort and stability. Those people are already trained. They know the orchards. They know that crop. Secondly, and more importantly, the seasonal workers have been found to be more productive than working holiday-makers.⁴

- 5.8 TAFE Queensland also asserted that seasonal workers were more productive:

Seasonal workers are regarded as more productive than working holiday maker visa holders, ... the alternative labour market used by the horticultural industry. Further, seasonal workers tend to return to the region and their productivity increases with each

1 Mrs McCarthy, Gracekate Farms, *Transcript*, 13 November 2015, p. 45.

2 Mrs Finger, Vernview Pty Ltd, *Transcript*, 28 October 2015, p. 26.

3 Mr Peterson, Golden Mile No. 1 Pty Ltd, *Transcript*, 13 November 2015, p. 3.

4 Ms Farrow, Apple and Pear Australia Limited, *Transcript*, 28 October 2015, p. 1. See also Australian Bureau of Agricultural and Resource Economics (ABARES), 'Measuring the Effectiveness of Horticultural Labour', December 2013.

return visit, improving their job readiness and negating the need for induction.⁵

5.9 The Development Policy Centre (DPC) said:

There is no doubt on average the seasonal workers are more productive and they are more reliable. There are some limited studies in Australia showing that, but there is also extensive evidence from New Zealand.⁶

5.10 In New Zealand, the introduction of the Recognised Seasonal Employer scheme (equivalent to the SWP) resulted in production increases. New Zealand's Deputy High Commissioner said 'we have seen, since the RSE scheme was implemented, a 32 per cent increase in production that has been attributed to RSE.'⁷

5.11 The Australian National University's State, Society and Governance in Melanesia (SSGM) Program submitted that the SWP provided a valuable labour source:

Research conducted both in Australia and New Zealand indicates that Pacific seasonal workers provide a valuable labour source where there are verifiable shortages. Pacific seasonal worker programs facilitate labour supply that suits growers' expectations and demands. They are a captive, immobile (cannot change employers, therefore bound to an employer by contract and visa), organised and reliable work force that ensures growers will have crops harvested on time.⁸

5.12 A witness from the SSGM Program said that an Australian Bureau of Agricultural and Resource Economics study on seasonal worker productivity had been based on the experience at one farm, adding that there 'needs to be a much more comprehensive study done'.⁹

Expanding the Seasonal Worker Programme into Asia

5.13 Some witnesses favoured expansion of SWP participation into Asian countries, primarily to provide more labour for the horticulture industry and to provide economic development opportunities.

5 TAFE Queensland, *Submission 27*, p. 6.

6 Professor Howes, Development Policy Centre, *Transcript*, 9 September 2015, p. 2.

7 Deputy High Commissioner Roberts, Ministry of Foreign Affairs and Trade, Ministry of Business, Innovation and Employment, New Zealand, *Transcript*, 13 November 2015, p. 30.

8 State, Society and Governance in Melanesia Program, *Submission 38*, p. 6.

9 Dr Ball, State, Society and Governance in Melanesia Program, *Transcript*, 15 October 2015, p. 6.

- 5.14 AUSVEG supported expanding the SWP to countries in south-east Asia.¹⁰ AUSVEG's submission noted that workers have 'significant experience in the jobs that growers need filled' and could 'easily integrate into communities'.¹¹ In addition:
- These proposed expansions would also fit the aid objectives of the SWP. The program's aim is to contribute to the economic development of participating countries, and expanding it to the Southeast Asian region would provide significant economic benefits to these developing nations.¹²
- 5.15 Mossmont Nurseries supported expansion into Asia:
- ... the Seasonal Workers Programme [should] be extended to other countries particularly in the Asian region such as Indonesia, Malaysia and the Philippines to name a few.¹³
- 5.16 Connect Group Pty Ltd submitted that subject to participation from existing countries being increased, expansion to other countries 'must be considered in due course.' The submission suggested that Indonesia, Malaysia, Vietnam, Cambodia, Thailand and the Philippines could be included in the SWP.¹⁴ Connect Group's submission stated:
- With due respect, they are nations that should receive initial consideration due to our ties to those neighbours, their suitability for much of these types of work and the relative economic disadvantage that many in those nations experience.¹⁵
- 5.17 The National Farmers' Federation (NFF) said there is 'support... within parts of our industry' for expanding the SWP into south-east Asia. The NFF added:
- We are not opposed to it but we think it is something that needs to be approached in a consultative fashion, because the fundamental win-win of this program is the aid based nature of the program. It is a goodwill program as much as it is a labour-shortage solution.¹⁶
- 5.18 Apple and Pear Australia Ltd submitted that expanding the SWP into Asia could be used as leverage, over time, to negotiate greater market access for Australia fruit exporters:

10 Mr Mulcahy, AUSVEG, *Transcript*, 28 October 2015, p. 12.

11 AUSVEG, *Submission 25*, p. 4.

12 AUSVEG, *Submission 25*, p. 4.

13 Mossmont Nurseries, *Submission 8*, p. 1.

14 Connect Group Pty Ltd, *Submission 18*, pp. 4-5.

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

16 Ms McKinnon, National Farmers' Federation, *Transcript*, 16 September 2015, p. 8.

An expansion of the seasonal worker program to Asian countries could be of benefit to the Australian horticulture sector. There are many Asian markets for which Australian fresh fruit and vegetables, including apples and pears, are currently prohibited.¹⁷

5.19 The submission continued:

It could be possible to encourage these markets to act upon market access and protocol improvement requests more speedily if relationships were developed through goodwill. Access to the Seasonal Worker Program might be one such measure, particularly for countries such as China, Taiwan, South Korea, Vietnam, Indonesia and Thailand.¹⁸

5.20 The Tourism and Transport Forum supported the option of expansion to other countries:

There is also a case for making additional changes to the program to provide greater flexibility and opportunity, including expanding the program to other countries, increasing the tenure of worker visas and including additional eligible locations in the accommodation extension.¹⁹

5.21 Dr Joanna Howe and Associate Professor Alexander Reilly supported expanding the SWP beyond the Pacific and Timor-Leste:

We submit that reform of the program should consider expanding the program to a wider range of source countries for workers. We submit that as well as considering an expansion of the SWP to other countries in the Pacific, the government should consider a more general expansion of a horticultural visa to nations in the South East Asia region.²⁰

5.22 The submission added that more labour would assist the Australian horticulture industry:

There are other countries in the region that have similar development needs to the Pacific, that rely heavily on remittances, and that have a ready supply of agricultural labourers. These countries also have a strong tradition of horticulture work and possess individuals with both aptitude and experience for the types of jobs in severe shortage within the Australian horticulture industry, namely, picking, packing and grading.²¹

17 Apple and Pear Australia Limited, *Submission 33*, p. 6.

18 Apple and Pear Australia Limited, *Submission 33*, p. 6.

19 Ms Tomanovic, Tourism and Transport Forum, *Transcript*, 13 November 2015, pp. 41-42.

20 Dr Howe, *Submission 36*, p. 3.

21 Dr Howe, *Submission 36*, pp. 3-4.

5.23 The Committee notes that additional seasonal labour can be sourced into Australia from Asia via the working holiday (subclass 417) ‘backpacker’ visa. According to the Department of Immigration and Border Protection’s annual report, South Korea and Taiwan were leading contributors to the pool of backpacker labour available in Australia.²² The DIBP’s annual report also stated:

New Work and Holiday visa arrangements were signed with Spain and Portugal in September 2014, Israel in October 2014, Vietnam in April 2015, Slovakia in May 2015, and Slovenia and China in June 2015. The arrangements with Spain and Portugal were implemented in November 2014 and the other arrangements are expected to come into effect during 2015–16. The Department also continues to explore options to expand the programme to other countries.²³

5.24 In contrast to some evidence above, the Committee was informed that overall, there is not a shortage of horticulture workers. The DPC, whilst not having a view on whether to expand into other countries, said that ‘there is no aggregate labour shortage in the horticulture sector’ because ‘there has been a massive growth in backpackers working in horticulture... That has solved the labour shortage.’²⁴

Expanding the Seasonal Worker Programme into agriculture, tourism, hospitality, accommodation and other sectors

5.25 While not supporting major changes, some witnesses proposed adjustment to the SWP’s rules to allow seasonal workers to undertake a broader range of work in agriculture.

5.26 MADEC Australia explained that there were ‘some anomalies’ created by the scope of work able to be carried out by seasonal workers.²⁵ MADEC said:

For instance, there are people who grow strawberry runners... but they are classified as a nursery operation so, even though they are in an area surrounded by strawberry growers, they cannot access

22 Department of Immigration and Border Protection, *Annual Report 2014-15*, pp. 88-89.

23 Department of Immigration and Border Protection, *Annual Report 2014-15*, p. 87.

24 Professor Howes, Development Policy Centre, *Transcript*, 9 September 2015, p. 2; see also *Exhibit 6*, ANU/World Bank, *Australia’s Seasonal Worker Program: Demand-side Constraints and Suggested Reforms*, February 2015, p. 15.

25 Mr Hayes, MADEC Australia, *Transcript*, 28 October 2015, p. 60.

seasonal workers whereas all of their neighbours who are physically picking strawberries can. ... Some growers, I think, are disenfranchised because they cannot access the program.²⁶

- 5.27 Australian Dairy Farmers (ADF) said that as of October 2015, the dairy industry was not listed as a seasonal industry.²⁷ ADF explained that seasonal workers would be suited to the dairy industry:

The Seasonal Worker Program would be of value to our industry, as well as providing valuable employment opportunities to the workers. Owners, their families and others could be working between 50 and 70 hours per week during these peak periods. This takes an absolute physical and mental toll on these individuals over this particular period. It is extremely difficult to find local workers to fill these short-term roles, which has a negative impact on our small businesses.²⁸

- 5.28 A submission from the National Farmers' Federation supported expanding the SWP to other agricultural industries:

Extensive labour market testing in a number of agricultural and related industries, including pork, dairy and meat ... continues to demonstrate that for much of agriculture, there is a demand for workers that cannot be met domestically. There is capacity for uptake of the Program within all industries in the agriculture sector, who each face the dilemma of how to meet labour shortages at peak times of the year, every year.²⁹

- 5.29 APAL submitted:

APAL is not, at this stage, in favour of expanding the seasonal worker program to other sectors beyond currently approved industries, other than agriculture.³⁰

- 5.30 There was concern that expansion of eligible industry sectors may dilute the development assistance objectives of the SWP. Dr Joanna Howe and Associate Professor Alexander Reilly submitted:

We have concerns over the expansion of the SWP to other industries. There is a particular identified need for workers in horticulture, and work in horticulture has specific characteristics that make a seasonal worker visa an appropriate response. The expansion of the SWP to other industries places a greater emphasis

26 Mr Hayes, MADEC Australia, *Transcript*, 28 October 2015, p. 60.

27 Mr Campbell, Australian Dairy Farmers, *Transcript*, 28 October 2015, p. 71.

28 Mr Campbell, Australian Dairy Farmers, *Transcript*, 28 October 2015, p. 71.

29 National Farmers' Federation, *Submission 21*, p. 13.

30 Apple and Pear Australia Ltd, *Submission 33*, p. 6.

on its role as a labour market program, and less on the role of assistance to Pacific nations which arises from the special relationship between Australia and Pacific nations.³¹

- 5.31 A submission from the Labour Mobility Unit of the Solomon Islands' Ministry of Foreign Affairs and External Trade supported expansion into agriculture:

...the LMU recommends that animal farms and abattoirs be included as part of the expansion. ... Currently, however, animal farms and animal processing plants are sectors not available to seasonal workers. We accept that animal farms are not strictly 'seasonal' in nature. However, there are numerous examples where horticulture farms using greenhouse and hydroponic schemes operate year round, and are available to seasonal workers. In addition, we believe that this form of employment is ideally suited to the skills and experience of rural workers in Solomon Islands and other Pacific Island countries.³²

- 5.32 The Committee received evidence in favour of expanding the SWP into additional industries: tourism and accommodation, childcare, aged care, disability care, construction, mining and fishing. This evidence is discussed below.

- 5.33 The Tourism and Transport Forum (TTF) submitted that analysis of tourism employment requirements showed that 'labour and skills shortages are prevalent' in parts of Australia and are 'most acute in regional and remote destinations'.³³ Tourism Accommodation Australia (TAA) and the TTF cited research estimating a current shortage of 38,000 tourism workers and predicting that by 2020 an additional 123,000 workers would be required.³⁴ The TAA's submission stated that 'this situation has been further exacerbated for the accommodation sector by the current growth in supply in all capital cities.'³⁵

- 5.34 The TTF's submission stated:

It is critical that these labour and skills shortages are addressed in order to enhance the visitor experience and increase the global competitiveness of Australia's tourism industry. TTF believes that one way of addressing this, within a wider mix of solutions, is to

31 Dr Howe, *Submission 36*, p. 3.

32 Solomon Islands' Ministry of Foreign Affairs and External Trade, *Submission 7*, p. 1.

33 Tourism and Transport Forum, *Submission 26*, p. 2.

34 Mr Crowe, TAA, *Transcript*, 13 November 2015, p. 24; Mr Koek, TTF, *Transcript*, 13 November 2015, p. 41.

35 Tourism Accommodation Australia, *Submission 28*, pp. 1-2.

expand the Seasonal Worker Programme to the full spectrum of the tourism and hospitality industry, beyond just accommodation.³⁶

5.35 The TAA similarly supported expanding the SWP:

National accommodation providers support the concept of the Seasonal Worker Programme being expanded across Australia. It would increase available talent, the ability of businesses to plan ahead of time, and it presents the opportunity to attract candidates from other hotels and other regions and build on their capabilities and training.³⁷

5.36 The TAA's submission added:

... the industry would see the Programme as primarily meeting the need for entry level positions in areas of seasonal demand and in regional communities.³⁸

5.37 The TTF said:

In providing its suggestions, TTF has maintained that the two outcomes of the program, which it sees as foreign aid and labour accessibility, should be balanced and not in conflict. The program and any changes made to it need to be mutually beneficial to workers and employers. In that regard, TTF believes that following a successful trial in the accommodation sector there is a strong case for expanding the program's accommodation extension to all locations in Australia.³⁹

5.38 The TTF continued:

The government reforms announced as part of the northern Australia white paper are applauded by TTF. Following a successful northern Australian tourism pilot, TTF supports the pilot being made a permanent extension of the program and extended to all of Australia.⁴⁰

5.39 The TTF said that more than half of tourism businesses identify as being seasonal. The TTF said eight tourism regions out of the top eleven that experience seasonality 'do not fall within the eligible location for the accommodation extension nor the northern Australia tourism pilot.'⁴¹

36 Tourism and Transport Forum, *Submission 26*, p. 2.

37 Tourism Accommodation Australia, *Submission 28*, p. 4.

38 Tourism Accommodation Australia, *Submission 28*, p. 5.

39 Ms Tomanovic, Tourism and Transport Forum, *Transcript*, 13 November 2015, p. 41.

40 Ms Tomanovic, Tourism and Transport Forum, *Transcript*, 13 November 2015, p. 41.

41 Ms Tomanovic, Tourism and Transport Forum, *Transcript*, 13 November 2015, p. 43.

- 5.40 Austrade submitted that there is 'a case for expanding the SWP to the broader tourism industry across Australia on an ongoing basis.'⁴² Austrade noted that a trial had been successful:

During the accommodation sector trial, seasonal workers could be employed as bar attendants, baristas, food and beverage attendants/waiters, café workers, garden labourers, housekeepers, kitchen hands, public area cleaners in the trial locations of the Northern Territory, Tropical North Queensland, the Whitsundays, Kangaroo Island and Western Australia. Throughout the accommodation trial, seven approved employers employed 99 seasonal workers from three participating countries: Timor-Leste, Papua New Guinea and Vanuatu. The tourism industry reported that the trial had a positive effect and is a meaningful initiative to support the industry.⁴³

- 5.41 A submission from TAFE Queensland noted that agriculture and tourism were sectors identified as being suitable to replace the decline of economic activity associated with mining and gas. The submission stated:

From TAFE Queensland's perspective, the industries that particularly benefit from the programme are characterised by:

- High workforce needs during peak periods of seasonal activity;
- Repetitive but highly a-synchronous skills capability for functions that cannot be automated;
- Lower entry level wage rates; and
- Industries associated with perceptions of poor career options by Australian citizens.

Agriculture, food processing and tourism reflect these workforce characteristics and collectively, these features place challenges on the recruitment of suitable workers.⁴⁴

- 5.42 The submission added:

Industries that may benefit from an extension of the programme include meat processing and the broader tourism and hospitality industries.⁴⁵

- 5.43 TAFE Queensland did, however, believe that the accommodation industry already relied on working holiday makers, which in turn negatively impacted on the SWP:

42 Austrade, *Submission 24*, p. 2.

43 Austrade, *Submission 24*, p. 2.

44 TAFE Queensland, *Submission 27*, p. 8.

45 TAFE Queensland, *Submission 27*, p. 9.

It has been identified that this industry particularly relies on Working Holiday visa holders, an initiative that undermines the SWP by supplying up to 136,593 Working Holiday visa holders into the employment market that are more cost effective and with a more simplified system for workers and employers to navigate than the SWP. As such, this is open to abuse by all parties and is an area for reform. Regional areas in particular are not able to recruit workers and rely to a large extent on WHMs. Informal feedback with respect to WHMs suggest reliability is a key issue not experienced with seasonal workers, probably because the motivation for working is different.⁴⁶

- 5.44 The Department of Foreign Affairs and Trade (DFAT) supported expanding the SWP into other sectors outlined in the *White Paper on Developing Northern Australia*, as well as aged care and disability care:

DFAT supports proposals set out in the White Paper to expand the SWP into the broader agriculture industry, to include the accommodation sector on an ongoing basis and to invite the Northern Australia tourism industry to apply to join on a trial basis. ... DFAT assesses that countries participating in the SWP are also well placed to help meet the labour and skills shortages identified in the White Paper in the aged and disability care sectors.⁴⁷

- 5.45 DFAT's submission added that expansion of the SWP would be supported by vocational training and qualifications for prospective workers:

The DFAT-funded Australia-Pacific Technical College (APTC) has been providing technical and vocational training to Australian standards in the construction, tourism, hospitality, health and community sectors across 14 Pacific Island Countries since 2007. While in some cases APTC qualifications have not satisfied skilled work visa (457) requirements, they suit positions that require a lower level of certification, including aged and disability care and childcare.⁴⁸

- 5.46 The Office of the Chief Trade Advisor (OCTA) supported expansion of the SWP into several other industry sectors:

From the perspective of the FICs [forum island countries], the ideal scenario would be to open the SWP to all sectors where the skills of FIC workers can be used. However, the priority for the

46 TAFE Queensland, *Submission 27*, p. 9.

47 Department of Foreign Affairs and Trade, *Submission 38*, p. 5.

48 Department of Foreign Affairs and Trade, *Submission 38*, p. 5.

FICs is the expansion of the programme to cover sectors such as construction, health care and social assistance, where they can provide workers with relevant skills immediately. Expanding the scheme to cover these occupations would align with the projected employment growth in these occupational areas in Australia.⁴⁹

5.47 The Timor Leste Government also supported broad expansion:

Expanding the Seasonal Worker Programme to other sectors such as road and building constructions, industries, mining and fishing are important because at present and in the future the Australian companies involved in these sectors may face shortage of workforce. ...it might not have [a] negative impact on the Australian labour force because the seasonal workers only perform work in Australia when there is demand or shortage of [an] Australian workforce in the country.⁵⁰

Limiting Seasonal Worker Programme to the Pacific and Timor-Leste

5.48 The Office of the Chief Trade Adviser (OCTA) (formed by Pacific Island countries to provide independent advice on PACER-Plus negotiations⁵¹) said that Pacific Island countries would oppose any moves to allow other countries outside the region to join the SWP. The OCTA submitted:

In terms of countries covered by the scheme, we would want to stress that the FICs [forum island countries] would be strongly opposed to an expansion of the scheme beyond themselves and Timor-Leste. The FICs see the SWP as an essential part of their relationship with Australia and associate the programme with Australian influence in the region.⁵²

5.49 The OCTA submission also stated:

49 Office of the Chief Trade Adviser, *Submission 5*, p. 7.

50 Timor-Leste Secretary of State for Professional Training and Employment Policy, *Submission 6*, pp. 1-2.

51 The OCTA's submission stated (p. 2): 'The Office of the Chief Trade Adviser (OCTA) was established on 29 March 2009 after Forum Leaders agreed to launch negotiations for a reciprocal trade arrangement with Australia and New Zealand - PACER Plus [Pacific Agreement on Closer Economic Relations]. PACER Plus is oriented towards the economic growth and sustainable development of Forum Island Countries (FICs).' The OCTA has fourteen members: Cook Islands, Federated States of Micronesia, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Fiji, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

52 Office of the Chief Trade Adviser, *Submission 5*, p. 8.

Priority should be put, in our view, on incorporating those FICS that are currently excluded from the scheme, and also on ensuring that the programme is used to its maximum potential by all participants. ... Expanding the scheme to include countries outside the Pacific would obviously erode its benefits to FICs, which are much more dependent on such opportunities, and would defeat Australia's objectives of advancing economic development in the region.⁵³

5.50 The Australian Council of Trade Unions said that SWP expansion would be optimistic:

...the proposed expansion of the Seasonal Worker Program appears to be a little optimistic given, first of all, that it has a history of falling short of the existing caps that have been set and also in light of the fact that the government at the same time is proposing to expand the Working Holiday Maker Visa Program.⁵⁴

5.51 MADEC expressed reservations regarding expansion to other countries, noting that Pacific workers would have to compete with workers from Asia for access to the SWP:

MADEC believes adding countries other than Pacific Nations to the Seasonal Worker Program would have a significant negative impact on the involvement of Pacific nations in the program. This is due to perception within the industry of workers from other countries, in particular South Eastern Asian countries, being better, faster workers than workers from Pacific Nations.⁵⁵

5.52 A submission from the Development Policy Centre and World Bank stated that capacity in the Pacific is currently under-utilised:

There is an almost infinite amount of labour that would be willing to come from the Pacific to work on the SWP. Various studies have shown that the scheme is hugely beneficial for the Pacific labourers who get to participate in it. The key challenge is to grow the size of the scheme.⁵⁶

5.53 Seasonal Labour Solutions said that growing the numbers of seasonal workers from Pacific Island nations ought to be achieved before the range of participating countries could be expanded.⁵⁷

53 Office of the Chief Trade Advisor, *Submission 5*, p. 8.

54 Mr Shipstone, Australian Council of Trade Unions, *Transcript*, 28 October 2015, p. 52.

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

56 Development Policy Centre and World Bank, *Submission 22*, p. 1.

57 Mr Fankhauser, Seasonal Labour Solutions, *Transcript*, 28 October 2015, pp. 36-37.

Limiting the Seasonal Worker Programme to horticulture

5.54 Witnesses who did not support expanding the SWP were mostly concerned that this could reduce labour supply for the horticulture sector.

5.55 AUSVEG did not support expanding the SWP to other sectors, stating that seasonal workers provide a 'uniquely valuable labour source.'⁵⁸ AUSVEG said:

We would strongly caution against expanding the Seasonal Worker Program to allow other industries, such as tourism, to participate. The value of the Seasonal Worker Program to the horticulture industry is shown by the strong uptake of the program within the horticulture industry, relative to other sectors. Permitting workers to move into other industries which may present more appealing work environments, such as tourism, risks diluting the value of the program as a potentially vital labour source for horticulture in the future.⁵⁹

5.56 Growcom, the peak industry body for fruit and vegetable growing in Queensland, also cautioned against expanding into other industries. Growcom said:

... if you were to expand second working holiday visas into the hospitality sector, then our industry would suffer greatly from that. It has to do with the nature of the work. If you ask a backpacker whether they would rather make the minimum wage picking strawberries in a hot field or serving beer in a cold pub, I suggest the answer to that is pretty obvious. We want to try and protect, to some extent, a labour source that is so important and vital to the industry and, therefore, the economic contribution it makes to the country.⁶⁰

5.57 Gracekate Farms noted that other industries would create competition for available seasonal workers:

My only concern is that it is working so well for us (the horticultural workplaces) that we would not wish for our farm to be competing for a limited number of 416 seasonal workers with other industries. (As opposed to labour hire companies who would be unemotional about who would receive the workers as long as they could get their books filled).⁶¹

58 AUSVEG, *Submission 25*, p. 4.

59 Mr Mulcahy, AUSVEG, *Transcript*, 28 October 2015, p. 12.

60 Ms Mogg, Growcom, *Transcript*, 13 November 2015, p. 52.

61 Gracekate Farms, *Submission 14*, p. 1.

5.58 The Committee heard concerns that expanding eligible industries could encourage seasonal workers to prefer jobs perceived to involve the least effort. The Victorian Farmers Federation submitted:

The VFF is concerned that extending the program beyond its existing scope will mean the labour pool for the horticulture industry will be much smaller. Extension to the accommodation industry for such work as bar attendants, baristas and food and beverage attendants could mean that potential farm employees will move to these seemingly more attractive jobs that are not weather dependent and could be construed as 'easier'.⁶²

5.59 Apple and Pear Australia Limited (APAL) added:

Low skilled work in the horticulture sector is perceived as physically hard, particularly when harvest can take place in the height of summer... APAL is concerned that there will be leakage from the horticulture sector if workers are able to readily access jobs in less physically demanding jobs in say, tourism and hospitality. We do not support any further expansion of the program beyond agriculture until there is evidence to show that there remains a sufficient supply of workers for the horticulture sector.⁶³

5.60 The Australian Council of Trade Unions (ACTU) stated that expanding into other sectors, as proposed in the *White Paper on Developing Northern Australia*, could deny employment opportunities to unemployed Australians:

Youth unemployment in some regions is up to 20% or more. This suggests the need for some caution before expanding the program further. ... This is particularly important when one considers that seasonal workers under the program can take up work in occupations such as bar attendants, waiters, café workers, garden labourers, kitchen hands and cleaners – occupations that unemployed Australians could readily fill without the need for formal qualifications or long lead-in training times.⁶⁴

62 Victorian Farmers Federation, *Submission 9*, p. 3.

63 Apple and Pear Australia Limited, *Submission 33*, p. 7.

64 Australian Council of Trade Unions, *Submission 19*, p. 10.

Implications of expanding the Seasonal Worker Programme to new sectors

- 5.61 The Committee was provided with some information regarding the design of the SWP and, in particular, the types of implications that might arise from expanding the programme to new sectors.
- 5.62 The International Labour Organization's (ILO) submission, while not commenting on 'particular sectors to which the SWP... could be extended', nevertheless offered some general observations:
- Expanding to other sectors can also provide benefits in terms of increasing accessibility to under-represented groups. For example, expanding into manufacturing or services could increase opportunities for Pacific Island women; while migration in the fisheries or seafaring sector could open up jobs for workers from microstates such as Kiribati and Tuvalu.⁶⁵
- 5.63 The ILO added:
- One key area that would, however, also need to be considered as part of any expansion, is coherence with other migration programs such as the Working Holiday Making scheme as the operation of other schemes may limit the potential expansion opportunities.⁶⁶
- 5.64 The State, Society and Governance in Melanesia Program (SSGMP) cautioned against expansion:
- [The] SWP should be well established and stabilised in the agriculture sector before ongoing and further expansion into other industry sectors such as tourism, and the establishment of further trial industries and sectors.⁶⁷
- 5.65 Furthermore:
- The appropriate areas of the Department of Employment [DoE] and the Department of Foreign Affairs and Trade be sufficiently well resourced to facilitate the efficient expansion of the SWP for both Australia, Australian industry and partner Pacific nations.⁶⁸
- 5.66 Dr Howe said that the key consideration for determining whether to expand the SWP is evidence of labour shortages:
- If we expand the seasonal workers program, I think what we are really talking about there is the presence of labour shortages. It is
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65 International Labour Organization, *Submission 31*, p. 4.

66 International Labour Organization, *Submission 31*, p. 5.

67 State, Society and Governance in Melanesia Program, *Submission 38*, p. 10.

68 State, Society and Governance in Melanesia Program, *Submission 38*, p. 10.

not so much the skilled work; it is the low skilled and unskilled work. But what we are saying if we expand it is that there are not sufficient workers in Australia to do these kinds of jobs or they do not want to do these kinds of jobs and therefore we need to go overseas.⁶⁹

5.67 Dr Howe added:

If we do not have that evidence based approach, what will happen is: we will expand the Seasonal Worker Program into other sectors and employers will use these workers as a way of cutting labour costs because these workers are less aware of their workplace rights, they are not going to be unionised and they are in remote locations. The problem is that, when this then gets blown open or exposed... then public confidence in the system will get diminished, and I think there would then be greater calls for reregulation.⁷⁰

5.68 The ACTU stated that 'appropriate safeguards and oversight' should be developed before the SWP is expanded.⁷¹

5.69 As noted in Chapter 4, the DoE provided the Committee with background information on labour market characteristics and trends for several industry sectors, advising that this information should be applied carefully in the context of the SWP.⁷²

5.70 Additionally, the DoE noted that whilst the literacy skill of seasonal workers is not formally assessed, these skills would be 'varied'.⁷³

5.71 On 8 February 2016, the Minister for Agriculture and Water Resources and the Minister for Employment announced that the scope of the SWP would be expanded. A media release stated that there would be:

... expansion of the Programme from primarily horticulture to the broader agricultural sector, increasing the types of low and unskilled jobs included under the Programme.⁷⁴

69 Dr Howe, *Transcript*, 13 November 2015, p. 16.

70 Dr Howe, *Transcript*, 13 November 2015, p. 16.

71 Australian Council of Trade Unions, *Submission 19*, p. 10.

72 Department of Employment, Department of Immigration and Border Protection, Department of Agriculture and Fair Work Ombudsman, *Supplementary Submission 2.1*, p. 14.

73 Ms Smith, Department of Employment, *Transcript*, 24 June 2015, p. 4.

74 Senator the Hon Michaelia Cash, Minister for Employment and The Hon Barnaby Joyce MP, Minister for Agriculture and Water Resources, 'Seasonal Workers Expanding to Greener Pastures', Joint Media Release, 9 February 2016.

Committee comment

- 5.72 The Committee received varied opinions both in favour and against expanding the Seasonal Worker Programme to other countries.
- 5.73 The Committee notes submitters' suggestions that the Australian Government facilitate interested Asian countries who wish to participate in the Seasonal Worker Programme.
- 5.74 The Committee is of the view, however, that the focus of the Seasonal Worker Programme should remain on the Pacific Islands and Timor-Leste. Evidence suggests that the Seasonal Worker Programme has yet to reach the full potential of available workers from the Pacific and Timor-Leste. The Seasonal Worker Programme ought to reach a point of capacity within its existing scope before expansion to other countries is considered.
- 5.75 The Committee also heard contrasting views on whether to expand the programme into other industries and sectors.
- 5.76 The Committee notes the announcement in the *White Paper on Developing Northern Australia* to:
- allow employers in the Northern Territory to sponsor temporary workers including chefs, child care and aged care workers, office managers, and truck drivers⁷⁵
 - allow both Working Holiday Maker visa holders to work an additional six months with one employer in northern Australia if they work in high demand areas such as agriculture, forestry and fishing, tourism and hospitality, mining and construction, disability and aged care.⁷⁶
- 5.77 The Committee believes that there would be additional benefits to expanding the seasonal worker programme to these high demand areas of aged, child and disability care, such as enhanced participation of women.
- 5.78 The Seasonal Worker Programme could advance beyond the level of an unskilled labour migration scheme to address long-term labour shortages in these additional industry sectors.
- 5.79 The Committee recommends the Australian Government consider expanding the Seasonal Worker Programme to include the aged, child, and disability care sectors, which have already been included in the *White Paper on Developing Northern Australia*.

75 Australian Government, *Our North, Our Future: White Paper on Developing Northern Australia*, p. 111.

76 Australian Government, *Our North, Our Future: White Paper on Developing Northern Australia*, p. 112.

Recommendation 3

The Committee recommends the Australian Government consider expanding the Seasonal Worker Programme to include the aged, child, and disability care sectors, which have already been included in the White Paper on Developing Northern Australia.