

Submission to Senate Employment, Workplace Relations and Education References Committee Enquiry on Pacific Region Seasonal Contract Labour

Swan Hill Rural City Council

The Swan Hill Rural City stretches for over 200 kilometres along the Victorian side of the Murray River and is one of Australia's fastest growing irrigated horticultural regions. In the past decade well over \$500 million of investment in horticulture has taken place resulting in a 12 000 ha expansion of high value export crops such as almonds, olives, winegrapes, tablegrapes, stonefruit and vegetables. This expansion has led to the creation of hundreds of direct and indirect jobs and has seen the local unemployment rate fall from 13.5% to around 5%, to the point where local industries have to look elsewhere for their labour supply of willing workers.

The Swan Hill Rural City can only reach its potential and continue to grow if its businesses are able to attract an appropriate level of human resources. The Economic Development Unit of Council has identified twenty-two major private industry projects that have commenced (since July 2005) or are likely to commence in the next two years.

These projects investing almost \$850 million are principally large-scale horticultural production activities (taking up an additional 23 000 hectares) but also include three major agriculturally related manufacturing projects. In total these projects have the potential to create around 1000 direct full time equivalent jobs and over 800 indirect jobs over the next four years. These 1800 new jobs greatly exceed the existing unemployment level in the region of over 650 persons. As such the region recognises that its continued growth will be dependent on the attraction of outside employees to fill the majority of new jobs being created.

To this end Swan Hill Rural City Council, with the support of the wider community and local businesses has developed a Regional Employment and Migration Strategy. Council, utilising partial government funding, has also employed dedicated officers to assist business in our region to address labour shortages and facilitate settlement of new arrivals with assistance from community groups. Council also works closely with other employment and education organisations to ensure that appropriate mechanisms are in place to 'up skill' the local population for current and future skilled positions.

The Swan Hill Rural City Council is also a participating partner in the Australian Research Council Linkage Project " Pacific Labour and

Australian Horticulture". This research project is being undertaken by Peter Mares and Nic Maclellan from the Institute for Social Research at Swinburne University in Melbourne. Our participation in this project is in response to the increasing pressure on our expanding horticulture industry and its inability to source adequate labour at peak periods, particularly during the orchard development stages and, when in full operation, the harvesting and pruning seasons.

As part of the project's research an initial survey of 176 growers in the Swan Hill and Mildura regions was undertaken. More than half rated the availability of seasonal workers in their area as inadequate or extremely inadequate. One in ten growers indicated that a shortage of labour was currently preventing expansion of their enterprise and more than a quarter anticipated that labour shortages would restrict future expansion. (See Attachment 1.)

The seasonal labour program being proposed in this research would bring agricultural workers from Pacific Island nations to the Swan Hill Rural City for temporary employment during periods of peak labour demand. Some of the other benefits of this proposed model would be:

- Savings and skills of the Pacific Islanders employed would be invested back in their home country with beneficial social and economic outcomes (such as improved health, nutrition, employment and increased education opportunities for their children.
- The access to available labour would allow the primary producers to further expand their business with confidence.
- The guaranteed access to labour would provide a mechanism for the reduction of illegal labour currently being utilised in some areas of the industry.
- The program would be a co-ordinated and guaranteed scheme with all levels of government and other relevant bodies both in Australia and in the Pacific monitoring the implementation.
- A structured program would enable the protection of workers rights to award wages and conditions.

A common criticism of this type of program (and in deed all migration programs) is that it would reduce the opportunities for the existing Australian population to take up employment opportunities in the horticultural industry. This argument has been used for some time and we believe lacks credibility because while the job opportunities remain open for the existing Australian population our local horticultural businesses have not seen any lessening of the shortage of employees, including lower skilled positions. If the Australian Government is keen to see available jobs first go to the unemployed before it supported an Overseas Contract Labour Scheme then we would suggest that the

Government immediately develop a program which would ensure that willing workers in the ranks of the unemployed be relocated to areas of high labour need as there is obvious market failure in this regard. If the Government committed to this type of program then this region would support it. However in the likely event that it was not politically expedient then the Government, if it wishes to support local exporting industries to maintain their viability and competitiveness, has no choice but to introduce an Overseas Contract Labour Scheme.

The Swan Hill Rural City has an existing strong connection to the Pacific Island communities. Many families from these communities have been settled and working in the Robinvale and Swan Hill area for well over a decade and provide benefits in both an economic and social context. In the findings of the recent report commissioned by the Swan Hill Rural City Council to estimate the population of the Robinvale region it was found that the Polynesian/Tongan/Islander/Tokleauan population to be between 600 - 700.

The Pacific Island communities are very much part of the social and economic fabric of our region and are respected for the contributions they have and are making. The Tongan community in Robinvale has established a number of churches as well as specialist businesses to serve their needs. The Robinvale Health Service also employs a Tongan/Polynesian Cultural Liaison Worker who assists with the social and recreational activities for the community.

With our shortage of workers and our already strong connection to the Pacific Island communities we believe that a Pacific Region Seasonal Labour Scheme, based on well-researched best-practice principles and supported across all levels of government (in Australia and from the labour-source countries) and industry, would be workable and should be developed as soon as practical with a possible pilot program in our region.

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Attachment 1. Media Release – Swinburne University “Growers struggle to find local workers to pick their crops”