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Official Committee Hansard

SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE

Reference: Pacific region seasonal contract labour

THURSDAY, 23 MARCH 2006

ROBINVALE

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SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE Thursday, 23 March 2006

Members: Senator Marshall (*Chair*), Senator Troeth (*Deputy Chair*), Senators Barnett, George Campbell, McEwen and Stott Despoja

Participating members: Senators Abetz, Bartlett, Boswell, Brandis, Bob Brown, Carr, Chapman, Colbeck, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Fielding, Fifield, Forshaw, Humphries, Hutchins, Johnston, Joyce, Lightfoot, Ludwig, Lundy, Ian Macdonald, Mason, McGauran, McLucas, Milne, Moore, Nettle, O'Brien, Payne, Polley, Robert Ray, Santoro, Sherry, Siewert, Stephens, Sterle, Stott Despoja, Trood, Watson, Webber and Wong

Senators in attendance: Senators Barnett, McEwen, Marshall and Troeth

Terms of reference for the inquiry:

To inquire into and report on:

The viability of a contract labour scheme between Australia and countries in the Pacific region, for the purposes of providing labour for selected rural industries. In doing so, the committee will take account of the following:

- a. labour shortages in rural and regional Australia;
- b. the availability and mobility of domestic contract labour, and the likely effects of such a scheme on the current seasonal workforce;
- c. social and economic effects of the scheme on local communities;
- d. likely technical, legal and administrative considerations for such a scheme; and
- e. the effects of the scheme on the economies of Pacific nations.

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Committee met at 9.26 am

CHAIR (Senator Marshall)—I declare open this public hearing of the inquiry into Pacific region seasonal contract labour. On 7 December 2005, the Senate referred to this committee an inquiry into the need for new measures to meet the seasonal labour needs of the horticultural industry, with particular reference to the feasibility of meeting this need through the use of labour from Pacific island nations. The inquiry follows renewed interest in this proposal by the rural industry.

Senate—References

During the 2005 Pacific Islands Forum, renewed pressure was put on Australia and New Zealand from Pacific nation leaders to accept seasonal agricultural workers to help their struggling economies. The Senate inquiry will examine whether a seasonal work program can meet labour shortages in rural Australia and, at the same time, advance the economic development of Pacific nations. It will consider the likely effects of such a policy on the current seasonal workforce and the likely social effects on regional cities and towns.

The committee is visiting the Murray centres of Renmark, Mildura and Robinvale and will also visit Shepparton. Next month the committee will visit centres in Queensland. The committee will report to the Senate by 17 August this year.

I remind all witnesses that in giving evidence they are protected by parliamentary privilege. This gives special rights and immunities to people who appear before committees. People must be able to give evidence to committees without prejudice to themselves. Any act which disadvantages a witness as a result of evidence given before the Senate or any of its committees is treated as a breach of privilege. I welcome all observers to this public hearing.

[9.27 am]

GABY, Mr Tony, Private capacity

QUIN, Ms Deborah Susan, Employment and Settlement Facilitation Officer, Swan Hill Rural City Council

CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Ms Quin—I am also the regional migration coordinator for the rural city of Swan Hill.

Mr Gaby—I am an ex-Tongan worker of 10 years. I have come to share something of my knowledge with you.

CHAIR—The committee prefers to take evidence in public. It will, however, consider any request for all or part of evidence to be given in camera. I thank you for your submission and I now invite you to make a brief opening statement before we begin our questions.

Ms Quin—Thank you, and welcome to Robinvale. It is my pleasure to be here on behalf of the Swan Hill Rural City Council who have, for some time, been working very closely with developers in the horticulture industry. As stated in our submission, over the past decade \$500 million of investment has been put into our region with significant development totalling probably around \$850 million intended to be put into predominantly horticulture, and predominantly almonds, in the next few years. With that, one of our biggest issues is obviously the securing of secure labour. Since my appointment 12 months ago to the rural city as a regional migration coordinator, the biggest issue I have faced and my biggest work area has been working with production horticulturists. I suppose their biggest task across the peak seasons of their production is securing labour.

As you will have read in the report that was submitted, with the developments our local unemployment rate has reduced significantly. Therefore, we are not able to source the labour locally. Therefore, with the other suite of programs in existence, together with sponsored skilled migration, a lot of horticulturalists have taken up and are sponsoring all sorts of people from source countries—predominantly the Asian, Indian and Pacific island countries. We see that the other suite of programs—skilled migration, the working holiday maker visa and the new trade training visa—will go some way to assisting our region in the workforce issues that we have. But we very much support the idea of the Pacific region seasonal contract labour scheme. This has been brought about by our work over a number of years with developers such as Timbercorp and other major investors that are putting significant amounts of dollars into our region.

Therefore, we submit our report, and hopefully you will see, as we have outlined, what we believe to be some of the significant positives of introducing a scheme such as this. We believe it will be a win-win situation for both the employees that come from the Pacific islands together with the employers based in our region. We believe that we already have the infrastructure to cope with this sort of seasonal labour program. For the past decade, Tongans who have been in

our community for some time have set their businesses up and have become very respected workers within our communities. The other thing it brings which I think is very beneficial is that you have people coming and earning money in our community and then having the opportunity to go back and invest in their own community, which we all know is probably not in as good shape as our region here.

One of the other things we would like to highlight is that sometimes there is a common criticism of this type of program bringing people in. As we have pointed out in our submission, we believe that looking at the unemployed pool across Australia compared to bringing in labour from another country is a difference between willing workers and unwilling workers. In my job talking to a lot of growers and production horticultural developers, that is the biggest issue they have. They do not have problems going through the unemployment pool across Australia, which is certainly not in our region, and bringing them from other parts; the difference is the willing versus the unwilling. With this sort of scheme you have people who are willing to come here and work hard because they are taking something back and investing in their own community. I will leave it there and we can go into questions and answers, because most of our issues are covered in the short submission that we put forward.

CHAIR—Thank you. Mr Gaby, do you have something to add at this point?

Mr Gaby—Perhaps I could give a general background to how I am involved with the Tongan people in this community. I am the son of a dairy farmer from Tasmania. I had the privilege of going to Tonga in 1972 where I worked as an agriculturalist with the church until 1982. The first five years was at the Hango Agricultural College, which is on the most southerly island of 'Eua. We imported cattle from Australia and New Zealand and set up beef and dairy herds. I was teaching there for five years. The second five years that I was in Tonga I went to the northern island group, the Vava'u islands, and imported more cattle from New Zealand and set up a farmer training centre there.

Since coming back in 1982, I have been very much involved with the Tongan people within this community and have encouraged the adults to teach their children traditional dance and song. I have had the privilege of taking a group to Tasmania in the early 1990s and then another group of 82 to Tasmania in 1999, where they travelled around the state performing in different towns and cities. We have travelled often for weekend and day trips here in Victoria and into New South Wales celebrating different events. One example would be the township of Deniliquin's 150th anniversary, where we went in and provided a typical Tongan meal for 150 people, having had a concert the night before with dance and song.

So I have been very much involved with trying to retain village life for the people here, if you like to put it that way, because they are very much village and family oriented people, to encourage them to use the skills that they have outside the workplace but within the community. Talking about the community, if you read the newspapers you will know that we are a very violent community here in Robinvale. We continually fight each other—that is, if you listen to the media. There have been some slight disruptions in the community from a minority group of people. I hope that you have not taken that on board as being a problem, because we genuinely do not see that as a problem at all. The Tongan people contribute a lot to the community here and I have found it a privilege to work with them and promote their skills within the community. One of our members is now working in the school and has set up a community and school brass band.

His skill has been recognised in that the secondary college and community brass brand has been invited to Sydney later this year and, while in Sydney, they will be performing at the Opera House. So that is an indication of some of the work that the Tongan people have provided and injected into this community.

CHAIR—Thank you. Ms Quin, in your submission you identify a future potential need for 1,800 workers in the agriculture area industries.

Ms Quin—Yes.

CHAIR—That is a future prospect and I will go to that in a minute. But you have identified that there are 650 people presently unemployed in the region. Can you give me a breakdown of what percentage of those unemployed would be suitable, either with or without training, to work in the agriculture industry as it is now?

Ms Quin—No, I probably cannot give you a definitive answer on that but, if you wish, I can certainly get that information for you—the breakdown on ages and skill levels.

CHAIR—Thank you. What is the shortage at the present time in this region for seasonal agricultural workers?

Ms Quin—It varies from time to time. The stone fruit industry in our region has just finished and the table grape is just commencing. It varies from community to community. A lot of contractors have now been working across our region, which was not the case quite a few years ago, so you have contractors from out of town who are bringing in workforces of Sydney based people, and I think we allude to that there. The fact that growers are having to rely on that type of labour being brought in also opens the door, as you would know through the press and probably through the government, to illegals. It is much harder for growers to vet people on their premises if they have to source contractors to get their product off.

CHAIR—During the peak periods do we eat into the 650 unemployed people in the region at the moment?

Ms Quin—We would, yes.

CHAIR—Perhaps you could break some of that down. I suspect that a proportion of the 650 are people that would not be suitable in any case to work in some of these industries.

Ms Quin—That is right.

CHAIR—One of the things we have to grapple with is a view that would be expressed in the general community that we ought to be providing every opportunity for Australian workers to participate in the workforce prior to bringing in any immigration schemes. So that would help us. The 1,800 jobs which have been identified—you talk about them being full-time equivalents or 1,000 direct and full-time equivalents and 800 indirect jobs over the next four years: how is that broken down and what percentage of those 1,000 direct full-time equivalents is actually broken down into seasonal workers and how many will be permanent full times?

Ms Quin—I think the breakdown would be probably 40-60—probably 40 per cent on a permanent basis and then the 60 per cent seasonal.

CHAIR—So we are looking at about 600 full-time permanent jobs in the region.

Ms Quin—Yes.

CHAIR—How do you intend to source that now?

Ms Quin—That is a good question. Obviously it will be up to a lot of marketing of the region and the opportunities that exist. It is all about the lifestyle choices. Through my project, we are very much aware of the people-rich communities of Melbourne, especially the western suburbs and the Dandenong area, and we are job rich. So it is a matter of trying to attract people to our region. That is part of my brief in working with the council. But it is not easy and it does not happen overnight. They have to take into consideration education, housing and things like that. But we will certainly have to source outside people to come in and assist in that area.

CHAIR—Even if we had a seasonal workers scheme in operation that would not assist you with those 600 full-time jobs. It would assist you with the other 400.

Ms Quin—Yes.

CHAIR—Have the companies making these investments worked with you in developing strategies to attract people to the area to fill this obvious need? I am a little surprised that people are obviously making \$500 million investments with, I think you have indicated, a 12,000-hectare expansion. I have not really seen any serious evidence of a workforce planning program to actually support such an investment.

Ms Quin—I suppose that is also part of the role in assisting business in that workforce planning, and I think Wayne in the next presentation may be able to speak more on that from a developer's point of view.

CHAIR—You have made reference to the ability of this community to support a larger population, but surely with 600 potential full-time workers over the next four years and another 400 and potentially more on a seasonal basis for up to half a year that will put some significant pressure on the local community in terms of housing, sewerage and all sorts of other infrastructure. Are we able to cope with those issues?

Ms Quin—It is certainly something that the Rural City of Swan Hill is starting to address and that is part of a brief that the senior executive officer based here in Robinvale is now starting to work on with other partners looking at the housing issues and future accommodation in relation to the proposed development in our region. So, yes, it is being addressed. We are fairly confident that in partnership some of the major growers and developers have seen that some of their social responsibility is investing in appropriate housing for their workers and that is also part of the message that we are trying to get across as well. It is not just all local government or federal or state governments' responsibility. It is the responsibility of the whole community.

CHAIR—Mr Gaby, can I ask you what is potentially a bit of a sensitive question but I think it needs to be asked. Assuming that we have a seasonal migration scheme that has gone beyond a pilot and is in full operation and that this region has identified 400 jobs of a seasonal nature over the next year and also identified that those jobs cannot be filled by Australian workers—so let us assume that there will be 400 coming—there is a no guarantee that they would be from Tonga or that they would be from a similar ethic background as well. What will be the dimensions of having a significant ethnic based community here and potentially bringing in 400 people from a very different ethnic based community?

Mr Gaby—I am not sure where you would find that different community. If you spent a little time here in Robinvale, you would find that there are not many ethnic backgrounds that are not already here. They may not be in the significant numbers that we have with the Pacific islanders, but every Asian nation is here, every Pacific island nation is here. I think we boast something like 50 nationalities here in Robinvale. I think we would be the most multicultural place in Australia outside of Sydney and Melbourne. I think the community has handled these issues very well. From a social point of view, the cultural activities that have happened where you get all sorts of cultures performing on multicultural days and activities and so on is a reflection of some of the great things that Robinvale has to offer not only to itself but to the rest of Victoria and, indeed, to Australia.

CHAIR—Would the local community here prefer to source any seasonal labour from the largest group, the Polynesian Tongan group, which is already 600 to 700 people in the region?

Mr Gaby—I think there is no doubt about that. We all feel more comfortable with our own, don't we? I think there is no doubt that they would prefer those that are in leadership positions within the Tongan community to see a significant number of those jobs go to Pacific island people and significantly to Tongan people. I mean, that is just a reasonable preference. Before the hearing this morning you saw how a couple of Tasmanians got excited here. We are a bit like that. We tend to stick with our own, don't we? It is a human nature thing.

CHAIR—We could go there, but we will not. I am interested in how it would work and how the community would see it working too. I guess there would be a lot of relationships back in Tonga and I am interested in how they may actually see a system working where there is not permanent migration but rather a purely seasonal arrangement and how the community may assist in actually managing a seasonal scheme for this area and how that may interact with connections in Tonga. One of the things I am generally concerned about is the potential for too many middle people skimming off—or without good governance processes—actually using the scheme for something that is a money making venture and really defeating some of the purposes of the scheme in the first place.

Ms Quin—I suppose that goes back to our concerns as we have seen them arise about how you standardise or professionalise the contractors in that sense as well. There are some similarities there—those middle men making the dollars while the people out in the fields are not. But I think if it is well governed, as you say, and well monitored with those direct links that our community here has already made with a community like Tonga, you have a much better chance of success.

Senator BARNETT—Thank you, Mr Gaby. It is good to hear that you were as excited as I was to meet a fellow Tasmanian here in Robinvale. Thank you for having us here today. Thank you very much for your submission, Ms Quin, on behalf of the council. Just to clarify: your position at the council is to help and assist with these types of issues. You are the employment and settlement facilitation officer manager. Is that right?

Ms Quin—That is right. It is a state government project. It has been funded across 11 local government areas in rural and regional Victoria in response to the labour shortages across a whole range of professions that have been identified—the skill shortages across the Victorian country areas. A lot of my work, certainly in the first 12 months, has been working within the production horticultural area. Out of that I suppose there have probably been over 15 businesses in our region that have sponsored people under the temporary business visa.

But also in Swan Hill, as a reflection—and I would like to table that—we have now begun to establish an international school which will focus on production horticultural certificate and diploma courses and also commercial cookery. That is, in a sense, a reflection of the urgency and the issue that production horticulturalists feel they face in the future in that they have prepared a training organisation in Swan Hill to set up this international college which will attract both students in Australia, but primarily international students, that want to get certificates and diplomas that will allow them then to go into more the middle management in the production horticultural field here in our region.

Senator BARNETT—It sounds like a visionary project and I hope it goes well. You have mentioned business migration. Also in your presentation earlier you mentioned the skill migration program. Is that working for you? Are you involved in that? How is that benefiting the community?

Ms Quin—Certainly. I think a lot of industry groups face skill shortages. For instance, we cannot get welders in our community or electricians, and there is a shortage in health services that we well know, and there has been a shortage across rural Australia for some time. Now businesses with the project that I am involved with—the marketing of the options of bringing in skilled migrants from overseas or some that have already arrived in Australia who are underemployed and are not employed there their profession—are actually seeing that as the only way forward. For instance, some businesses in Swan Hill spent \$20,000 trying to get a power linesman but cannot get one. We are currently in the process of bringing someone out from Zimbabwe. Even though it is probably a very conservative community that would not have looked at those options once, they are now being forced to because of the skill shortage, and skilled migration is an option.

Senator BARNETT—Is it happening? Are you getting skilled migrants coming to your community?

Ms Quin—Yes.

Senator BARNETT—Looking at the program, and you obviously know some of our migration laws and how they work: do you think that if we extended the definition of skilled migrant to include unskilled or experienced workers—the sorts of people you need during those peak seasons or times—that that would solve the problem?

Ms Quin—That certainly would go one way to it. Certainly from a region's point of view and from my program's point of view we have had a lot of healthy debates with the Department of Immigration on the fact that a production horticulturalist is not classified, if you like, as a skilled person yet it is a skill in demand on the state government list. A nursery person who has very similar modules in their certificate courses is on the immigration list classified as a skilled occupation. It is about the industry pushing that it is a skilled occupation. No longer is it just a matter of someone going onto a farm and doing the picking or the pruning. They have to have that skill level.

Senator BARNETT—Some would argue that you have had this \$500 million investment and you have others on the drawing board—\$850 million over the next few years. There would be an argument to say that, if all that investment is going ahead, what is the problem? Obviously they have confidence that this business will work well and that they are going to make some money and the returns on their investment will be adequate for them as investors and so on. Really, are we just talking about topping that up and making it more profitable or are you also saying that the current arrangements are impeding growth and development in your community?

Ms Quin—I think that if we do not look at some further options to source labour at peak and seasonal times it will impede further developments, yes.

Senator BARNETT—What is the break-up in percentage terms of your workforce at the moment in horticulture? That is what we are looking at because that is where the need is. Can you give us a breakdown? We have been told by a government department that it is roughly 50 per cent working holiday makers and roughly 20 to 25 per cent grey nomads or the itinerant workers, and the other portion is the unemployed or local members of the community. What is your understanding of the break-up in Robinvale?

Ms Quin—It is hard to put a definite definition on the numbers. We do rely on the working holiday makers. There are the university students that tend to come back to our regions that provide a resource at that particular time. Contractors, as I said before, are providing a major source of labour.

Senator BARNETT—Use the contractors as an example. Whom do they use—what sorts of people?

Ms Quin—People out of Sydney and Melbourne predominantly from Asian communities, I believe.

Senator BARNETT—And they are labour hire companies?

Ms Quin—Yes.

Senator BARNETT—What has changed in 10 years to bring about this shortage?

Ms Quin—I suppose it is just the enormity of how the developments and the export market put pressure on the ability of growers to have skilled people that know what they are doing at different times of the seasons. I suppose the other thing to keep in mind is that when talking to growers certainly it is about having that secure workforce that will be there for the three or the

six months. They are happy enough with working holiday makers, but they come and go. They do not come back the next year so they are not building up their skill base. They can be there for a week and then, 'Sorry, I have made enough money; I am off,' in the middle of it. It is the frustration of that I think versus this type of project that we are talking about that would have a secure labour force there for the season.

Senator BARNETT—That is consistent with the evidence we have had the last couple of days which has highlighted two obstacles: (1) is labour shortage and (2) is continuity of employment. Would you agree with that?

Ms Quin—Absolutely. And I think this type of scheme allows that skill development both here and, maybe, back in the home country that the guest worker comes from.

Senator BARNETT—And would you see them coming back the following year and so on?

Ms Quin—Definitely. And that is the research evidence that I have read about the Canadian model. They are actually bringing back the same people; so they actually become part of the community for the period of time that they are there.

Senator BARNETT—Firstly, looking at the model, can you just drill down a little and help us as a committee look at it. There is the possibility of a pilot program or what have you—how would it work? Who would be the employer, for example? Would it be the council, a skilled labour organisation or one employer, such as one big farm? Who would it be? Secondly, we are looking at the Pacific islands, but do you think it should be Pacific islanders and only restricted to them, or could we look more globally and include China and wherever else?

Ms Quin—I am only speaking personally at this level because I think it has a global ramification and that we could certainly look at Asian source countries as well. But, in particular, I suppose where we are coming from and the support that we would look at in a pilot project would be with our Pacific neighbours. They are the closest. We give aid to them. We could look at it as a win-win situation. So, certainly from our point of view as a council, we feel we have a ready made pilot project waiting to happen here in Robinvale.

Senator BARNETT—Who would the employer be? Have you thought about that?

Ms Quin—We have had some loose discussions and I think your next presenters probably have some thoughts about that too. The organisations that we have closely linked together working in Robinvale at the moment might be in a prime position to do that. They already have the links with the Tongan government and things like that, so it is virtually ready to go, in my opinion.

Senator BARNETT—Mr Gaby, in terms of the Tongans, can you tell us how they came to be here in the first place? Are they all Australians citizens and settled into the community? Do you think they are an appropriate community and that perhaps this program could work well with Tongans?

Mr Gaby—When I came back in 1982 to settle here in Robinvale, I found that we had a group of single Tongan men, basically, who came here and worked hard, drank hard and fought

hard. That slowly changed and we had families settling here. These were people coming in from Wollongong, Sydney and Melbourne just for the grape harvest.

Senator BARNETT—So they were Australian residents who were settling in Robinvale?

Mr Gaby—Yes. Gradually more families came out of the cities and realised that Robinvale was almost like a village back in Tonga. So they created the village type life here and gradually we had a build-up of young families here. But we lacked grandparents and skilled leaders. We struggled for a while, but gradually we got, and now we have, grandparents here, so we have that extended, normal family life happening, compared to what it was.

Senator BARNETT—How many are there of Tongan descent in this community, roughly?

Mr Gaby—I do not know, but I think we would be into four figures now.

Senator BARNETT—A significant number?

Mr Gaby—Yes, a significant number. I did a project on the feeder schools into the Robinvale secondary college and it varied from 20-odd per cent Tongan in the school down to as low as three per cent. But it is significantly higher.

Senator BARNETT—And they work well in horticulture?

Mr Gaby—They work very well in horticulture. You talk about skilled migrants, but Tongans do not know a thing about almonds. There are no almonds grown in Tonga. Why would you source almond workers from Tonga? I have thought about that a lot. Their hands are in the soil continually over there. They are very much hands-on people and so the planting and propagation of the almond is very much a part of their skilled background.

Then I thought about pruning. Pruning is also very much a part of their background. Although they do not have any almond trees, they have designed and put together a house that will withstand a hurricane. The coconut fronds will blow off it, but the framework will stay there. So design is very much a part of their culture. It is a skill they have picked up very quickly. They have learnt it here and been able to adapt to that type of work. It is having that nucleus of Tongan people here now that I think lends itself so well for a pilot project, if it ever were to go that way—because we have the structure of Tongan support here within the community.

Senator BARNETT—Do you believe there is a demonstrated need during those seasonal times of three months with the almonds or citrus or whatever it is and a labour shortfall?

Mr Gaby—Yes, there is no doubt that there is a demonstrated need all right, but you might get me going on my hobbyhorse and saying, 'If governments had the courage to cut out the dole, maybe we would suffer pain for a period of time in Australia and then our unemployed would be skilled and come into the workforce,' but that is not a reality, is it?

Senator BARNETT—What would happen if we had half a dozen unemployed people saying that they wanted a job and you had just started this program and were one week into a three- or six-month program? What would you say to those local people who needed a job?

Ms Quin—There are opportunities for them. Speaking to a lot of growers who have had people sent to them through the job networks, some are very good, but most of the stories are not so good. In 45-degree heat—

Senator BARNETT—So you are telling me that is a hypothetical situation and those young people—let us say that they are young people—from the local community who are on the dole or whatever and they wanted a job, you think there would be a job for them?

Ms Quin—Yes.

Mr Gaby—I can give an example of that. There is a court order on a young fellow in Mildura at the moment, a 17½-year-old who is mentally disabled and he was allowed a six-month good behaviour bond if he stayed with me and worked. I was able to get him a job on the almonds, and he is supported and looked after by the contractor he is working with.

Senator BARNETT—Your unemployment rate here—I think you have said in your submission—has come down a lot. Is it about the state or national average? The national average is 5.3 per cent. What is it around Robinvale?

Ms Quin—I am not sure. We were talking about our region in our submission and it was about 6.5 per cent, I think.

Senator BARNETT—Do you think that is as low as it can go or do you think it can go lower?

Ms Quin—It could probably go lower just depending on the ability and the skill level of those people sitting in that pool.

Senator McEWEN—Thank you for your presentations today. Following on from that discussion about unemployed Australian workers, I note in your submission, Ms Quin, that you say, if the Australian government wants those unemployed Australians—willing workers; we will take the willing workers—to take up these jobs before they are offered to overseas workers that the government will have to do something to facilitate that happening. What exactly do you mean by that?

Ms Quin—Primarily, when we are talking about a job pool or an unemployed pool that might be outside our region how we actually encourage or what incentives would the government give for them to relocate for three or six months—is it something that can actually happen? That is what we were, I suppose, identifying there—that we would not have a problem with that as long as they were skilled enough. We have had many stories about people coming onto properties who have not had the skill or the desire to be there and, especially in pruning time, they can do significant damage to crops. That is why we want to define the willing versus the unwilling worker—someone who I suppose is being forced to be there, and it is not a choice—and the damage that they can do and the cost to the grower.

Senator McEWEN—Assuming they were skilled and willing but that they lived in Sydney or somewhere like that, what would they need to get here and what support services would they

need to take up work here? I am trying to cover off criticism that may come from people who say that the government is not doing enough to help the unemployed.

Ms Quin—I suppose it is when you look at the infrastructure costs. They may be in public housing in, say, Melbourne or Sydney. Do they give that up for three months or six months; do they move the whole family, or is it a single person; are they able to live in a caravan park? It is that sort of situation. How do you balance that out from what they are receiving in their housing benefits to maybe having to move to a region and having to live in a caravan park for three or six months or temporary accommodation or transitional type accommodation? All those things have to be taken into account when you talk about moving an unemployed pool of people into regions that have work opportunities.

Senator McEWEN—In evidence we have had from people who have appeared previously before the committee, there has been some discussion about the skilled migration program and also about the program that enables backpackers to extend their visas. People have said that that is fine, but there is a lot of paperwork involved and there is also a significant cost to the individuals concerned. Even if we extended the skilled migration program to unskilled workers or adjusted the backpacker thing so that they could work longer for an employer that the administrative nightmare that goes with it would dissuade people from doing that. Do you have any comment on that?

Ms Quin—I think some of that is correct. The other thing with the backpackers, as I have alluded to before, is that there is no commitment for them to stay in our region or for a period of time. They can work for multiple employers for about three months of the first 12 months of their visa. With the second extension, they do not have to stay in a region and work; they are free to go anywhere. The majority would be heading for the east coast or somewhere like that. While we have them predominantly for the first three months out of their first visa, it is fine, but again it is that commitment, that security and that continuity. Will they be there for three months full-time or will they be there for two weeks and then off they go to Byron Bay and then come back? That is the common element I am getting back from growers.

Senator McEWEN—What if the visas became skilled and unskilled?

Ms Quin—I suppose there is a way of doing it and that is looking at what the workforce issues are and being very careful about what you include and whether you include it for a set period of time and introduce some unskilled—certainly, the ASCO code allows for that. It is just that within the immigration department's skill level it is 1 to 4. Now you have 1 to 9 or something. So it is a matter of maybe looking more broadly Australia-wide at what some of those skill efficiencies are.

Senator McEWEN—But if you just change the definition from inclusive of skilled and unskilled, would that solve the problem in terms of the administrative arrangements and the cost of the individuals concerned? If we are trying to get, say, 300 workers into Robinvale quickly, would it work using the existing system?

Ms Quin—I do not believe so, because you have to do them individually. So there needs to be some system where they can do it on a group basis because the paperwork would have to be done individually as it is now for each visa. You can do your sponsorship, but there is a little

paperwork to be done. I suppose it needs some other type of arrangement where you can bring in groups of people under one sponsorship.

CHAIR—We talked about your future need. What is the current need? Do we have figures on that?

Ms Quin—As it stands today?

CHAIR—Yes. Assume that the industry—depending on where we are in the cycle, and I cannot say that I am an expert on that—for next year had an opportunity to say how many people you would need for a five-month period in the peak of the season, how many roughly would it be? The figure itself does not really matter; the question is: would council, local industry and local community be prepared to participate in a pilot program that delivered, say, 50—and let us assume that they are not from the Tongan community—to this particular area? How are we going to accommodate these people; where will they be accommodated; how will we service their community needs during that period of time; how will we feed them, how will we manage all that; and how will we get them to the workplaces? Participating in this pilot may be quite an expensive exercise. So I guess a question for you, which you may want to take on notice is: would the council be prepared to participate in a pilot—not necessarily run it but participate in it—and provide some of that infrastructure and cost to support such a program in the first place? You may want to go away and get some advice formally and not commit the council yet.

Ms Quin—I will take it on notice and I will not commit the council. But I am sure in my discussions with the economic development manager we would certainly be willing to work in partnership with the groups that we are already in contact with. We are doing that with another major organisation at the moment that is having to bring in skilled labour who are setting up their own infrastructure and building housing for them on their property. So it is not something that is out of the realms of possibility.

CHAIR—Would you be keen to do so? One of the questions we have to ask ourselves is: if we, after looking at all the evidence, recommend that there ought to be a pilot, we actually need some people willing to make that happen.

Ms Quin—Definitely. I think I can categorically say that our council would be very supportive and very willing to work in a pilot with partners within our region.

CHAIR—Thank you both for your presentation and your submission to this inquiry.

[10.11 am]

TURNER, Mr Wayne, General Manager, Almond Division, Select Harvests Ltd

CHAIR—Welcome. The committee prefers to take evidence in public; however, it will consider any request for all or part of your evidence to be given in camera. Thank you for your submission. I invite you to make an opening statement to be followed by questions from the committee.

Mr Turner—Thank you for the opportunity to present. Just a quick overview: Select Harvests is an emerging agribusiness company. We are Australia's largest almond grower. We are in excess of 60 per cent of Australian almonds. Just to give you an overview of the almond industry worldwide, Australia supplies less than three per cent of the world market; well over 80 per cent is supplied by the Americans. So we are a very small player on the world stage. Select Harvests is also a leading manufacturer, processor and marketer of a range of nuts, fruit based and associated products to the Australian retail industry. We are the Lucky brand in the Coles and Woolworths area and we also do a lot of no-name brands and everything within the retail business. Select is separated between the almond division, which is the industrial division, which I am in charge of, and then we have the marketing division, which does the value added to all the nuts and fruit and everything out to the retail industry.

Predominantly, our orchards are all based here in Robinvale. We have 12 orchards currently under operation, which totals about 25,000 acres. Apologies for 'acres', but I need a calculator to give you hectares. Forty per cent of our almond production is exported, the majority through India, Asia and some of the European nations. After all our plantings for this year, we will be probably the number one or two largest almond grower in the world and we will be in one of the top five almond processors in the world.

Within the Robinvale area, we have assisted our investors to invest significantly in the area. Select Harvests own and manage about 15 per cent of our total orchards. The remainder of the orchards have the infrastructure owned by a number of investors. We then supply a managed service to those investors, which includes establishment of the farm, managing the farm, harvesting, processing and marketing all the almonds for the investor.

Significantly, we are probably one of the largest employers in the area. We are up to about 160 permanent and permanent part-time employees and we also use contractors to supply our seasonal contract labour. We have a significant relationship with a Tongan based contractor here in Robinvale, which is Tree Minders Pty Ltd. Over the last few years, we have developed a model where we have both grown as a business and both improved our skills with respect to the horticulture business. Basically, we supply the farm labour and the permanent part time, and then the seasonal businesses of pruning, harvesting and planting are supplied by our Tongan contractors. Harvesting and pruning have become a very skilled issue at the moment with respect to the technology, the horticulture and also the harvesting and how we harvest, obviously with maximum input to get maximum output of almonds and yields and maximum benefit back to the investors.

That is a quick overview of where I sit in the business. I am happy to answer any questions with respect to the skilled labour shortage that we have in the area.

CHAIR—Thank you. In their submission, the council talked about \$850 million being invested over the next number of years. What percentage do you make up of that?

Mr Turner—Our investors will probably make up a significant amount of that at the moment. There are ideas that there will be further establishments in the next two, three, four and five years. Again, because it is an investor process, it all depends on demand and supply. The almond industry worldwide is meeting demand, and demand is increasing. Almonds have become one of the new health products—they are high in omega 3 and high in vitamin E—and the emerging markets of India and China have further established the almond industry worldwide, and it is increasing at quite a big expansion.

CHAIR—And your expansion will be in almonds?

Mr Turner—Yes.

CHAIR—We went to Simarloo yesterday and had a look at some of their processes. When we compare that to citrus, for instance, it is actually quite low labour intensive and, even in the peak periods for almonds, it is not the same sort of demand for seasonal work that some of the other rural industries have. I am trying to get a picture of what sort of demand you will have.

Mr Turner—At the moment we are harvesting probably 50 per cent of the orchards we have in the ground. Obviously, for the last two or three years we have been growing new orchards. We have a process similar to Simarloo. We currently employ about 40 to 45 people for a three- or four-month process just for the cracking season. We employ upwards of 20 permanent part-time people over a six- to nine-month period at our processing plant. We have upwards of 160 permanent people who run our orchards. Our contractors vary between 80 and 300, depending on the seasonality. During harvest this year, we are probably employing about 80 skilled harvest contractors. Then we do a summer and winter pruning, which can be upwards of 100 people. Then, when we get to planting—and we have some significant plantings this year—we could be upwards of 200 people just in a process of planting our trees.

CHAIR—What do you see your unmet labour need to be? I am expecting that, obviously, you have an understanding, given some of the investments, of what it is and what you are potentially able to source. So I am not looking for the figure of new employment; I am looking for the figure of what you may need to source from a seasonal migration scheme. I am probably after all the figures, really.

Mr Turner—We have a twofold issue. We also have our skilled permanent employment base, which is becoming an issue, because as we are expanding we need more horticulturists, more irrigation specialists, more mechanics—more everyone to give us a viable process. We have developed a really good relationship with our Tongan based contractor where our skills have expanded and they supply skilled short-term labour. As we expand, we are probably looking at a 50 to 80 per cent increase in our permanent requirements in not only this area but other areas where expansions may or may not happen. That would then need an increase of maybe 50 to 80 per cent of skilled seasonal labour in the harvest and pruning area—

CHAIR—Which is roughly what number?

Mr Turner—At the moment we probably have upwards of 80 skilled harvest people. Depending on how we harvest—and we usually increase our machinery as we increase our harvest acres—we may get to double that, and then we may need to double our pruning processes as well.

CHAIR—Who would you rely on now if there were no assistance with overseas labour?

Mr Turner—We now rely on Tree Minders.

CHAIR—I know that they are appearing before us later, but who do they rely on? Do they use backpackers?

Mr Turner—They rely totally on Pacific islanders who live in Australia. As I said, over the last few years we have developed a fairly good relationship where Tree Minders have supplied us with skilled permanent employees. We are at a stage now where we can offer Tree Minders a pretty well set nine-month, maybe even 12-month, employment with seasonal labour through harvest, winter pruning, planting, summer pruning and then back to harvest. But they are obviously all different skills and different numbers. That is why we are here to try and answer questions. As we develop our increasing business, we are also here assisting Tree Minders—or a contractor—to develop their business. We are not actually offering to put our hand up to say that we need three-month short-term people now. We can actually offer maybe three or four periods of employment during the year for short-term or long-term visas.

We have been doing some work with Tree Minders over the last 12 months with the introduction of the two-year skilled visa process. We have dealt with the immigration department and Tree Minders have dealt with the Tongan government in trying to develop where we go with training.

Senator BARNETT—Which program is the training program?

Mr Turner—It is the two-year training visa. We have assisted Tree Minders in putting in an application for 20 as a pilot scheme. How far down the track that is, I dare say that Tree Minders would be better placed to answer that. As I said in our submission, we have looked at training schemes in Tonga with respect to equipment usage, pruning techniques and all that with the government and with Tree Minders. So we are reasonably set up so that, if a short-term pilot program is to go down, we would be pretty well set up with sponsorship and various processes on how we would guarantee three months here and people going back. I thought I had better put that on the table. We have done a lot of work in that.

Senator McEWEN—How can you do that when there are no almond trees in Tonga? What are they training on?

Mr Turner—Running harvest machinery is a bit of an art. Whilst you are not actually harvesting, it is about how you drive the machine, how you run up and down rows, how you shakes trees and how you pick up. It is all those skills about running the machinery. For pruning, I think we have set up some tree plantations over there so we can do some trial work on pruning

and those sorts of things. We have tried to anticipate, if things were going to come down, how we would control those sorts of short-term visa and skills issues with us moving forward as we expand our businesses.

CHAIR—Given that you will be the recipient of the labour but not actually the employer under the current arrangements that you have, would your company be prepared to contribute to a pilot? How would you see it operating in terms of airfares over, assisting in accommodation and so on?

Mr Turner—We have had discussions with Tree Minders and the council and all that. As I said, we would be happy to look at any assistance that we could supply, bearing in mind that we are obviously going to get the benefit of any pilot scheme or any processes moving forward. So we are happy to look at any process or any assistance that Tree Minders as the sponsor would need from an employer.

CHAIR—You appear to me to be the least needy of all the people who have appeared before us. You actually have a company that provides the labour that you require and has been doing that already, whereas others just are not meeting their needs at all in some respects. It does not seem to gel with me that you would want to participate in a scheme when your labour needs on the whole are being met.

Mr Turner—But we know where we will be in 12 months and two years time. That is the problem. We have pretty well worked our way into being where we are now. But, knowing what the future holds, we need to be pretty well set up so that we are not putting our hand up. As you have just said, we have some significant investment from investors wanting to put money into developments. As you have quite rightly said, if people are putting all this money up and then all of a sudden there is no infrastructure and no employment and no skilled employees to grow their business or grow their investment, then everyone will be in a bit of a pickle.

CHAIR—I must say that I have been a little surprised—we have only just started this inquiry this week in a public sense—with the organisations that have told me about the levels of investment and the incredible growth that it looks like is going to happen, which makes me think that the labour issues are going to be more and more important. I am a little surprised—not with what you have told me, because you have obviously done some work—but others do not seem to have put a lot of thought into where the labour will come from. When we are talking about hundreds of millions of dollars of investment, that surprises me. I guess the other issue is water itself, given that it is no only you who are looking at expansion. How much water does an almond plantation take?

Mr Turner—We work on between about 11 and 12 megalitres per hectare. At the moment, we probably have about 10,000 hectares under—and that is mature orchards, not as we are growing.

CHAIR—How much have you got under plantation?

Mr Turner—About 25,000 acres.

CHAIR—And you plan to extend that by—?

Mr Turner—We have not identified that. That is all.

CHAIR—For what you have on the drawing board, do you have the existing water rights to manage that?

Mr Turner—Yes, we do. The majority of that is the investors' responsibility. They own the infrastructure; they will own the water and own the orchards. We are basically a managed service for them. But any new developments would not actually happen if the water was not available and they had not done all the right works with all the authorities and the water authorities. On the issues with the Murray River now or wherever a plantation would be developed, there are two or three things: soil, water and labour. They would be the three areas that you would look at before you would—

CHAIR—So the water will not be your responsibility.

Mr Turner—The use of the water will be our responsibility. That is the big issue—that we make sure that we have the technologies in place that the water is used as efficiently as the technology will allow.

CHAIR—This is more of a general question for the industry as a whole: is there the ability to keep increasing water rights to manage some of these potential growth issues?

Mr Turner—As I understand, there is. That is just general information from the authorities.

Senator BARNETT—Are you are a privately owned company?

Mr Turner—We are a publicly listed company.

Senator BARNETT—When you talk about your investors, are you talking about your shareholders?

Mr Turner—No. I am talking about investors like Timbercorp and those sorts of managed investment schemes.

Senator BARNETT—What is your relationship with Timbercorp or a managed investment scheme?

Mr Turner—We are a managed service. We own and operate our own orchards but we are also a managed service where Timbercorp would contract us to deliver a tree, help establish the orchard, grow the orchard, harvest it, process and market. So we are sort of an integrated business that will do all the work and then supply a result back to the investor.

Senator BARNETT—So the hundreds of millions of dollars that we are talking about—is this investment from Timbercorp or managed investment?

Mr Turner—Yes.

Senator BARNETT—Then they contract with you to manage it for them?

Mr Turner—Correct.

Senator BARNETT—How long have you been listed?

Mr Turner—That is a good point. I can get back to you on that.

Senator BARNETT—Has it been a few years?

Mr Turner—Yes, it has been a few years.

Senator BARNETT—Are you only into almonds?

Mr Turner—From an orchard management process, yes, we are. As I said, our other division is the marketing division, which is retail; they trade in nuts and fruits and value-add for the retail industry.

Senator BARNETT—But your experience that you are sharing with us today relates to almonds?

Mr Turner—Predominantly, yes.

Senator BARNETT—In terms of the community—we probably could have asked the council and what have you—there are citrus and other products. Do you see there being similar issues for them?

Mr Turner—There are similar issues there, especially in the table grape and wine grape industries, which are predominantly around here. The other two major investments are in potatoes and carrots. Again, whilst horticulture is developing at a great rate with technology skills and grapes, carrots, potatoes—while the city folk might think you just stick a seed in the ground and the next minute you have potatoes, you pick them up and they are in the supermarket, there is a lot of technology involved now with soil technology and in irrigation because of the water issues and efficiency rates and the like.

CHAIR—We have seen the 'dry state' ads.

Mr Turner—They do it well, don't they? So it is an industry that is now becoming more and more reliant on technology and skill.

Senator BARNETT—And that is my supplementary question. Do you think that technology and the 21st century mechanisation—the shaking of the trees, for example, where you used to have to pick them previously—is not going to solve the labour shortage problem?

Mr Turner—You still need people to drive the machines, you still need people to drive the irrigation computers and you still need people to prune a tree by hand—because it is a living organism. We just cannot get a couple of chainsaws and a robot; that just does not sort of gel at the moment.

Senator BARNETT—Based on, let us say, last year, did you have a labour shortage problem?

Mr Turner—No, we were pretty well right last year. We are probably at the cusp of where we are now. We know where we have to be and we know that we need to look ahead and make sure that we can deliver what we say we will do with respect to our contracts—community and social.

Senator BARNETT—So you cannot sort of give us a little picture 12 months out. I know you go through Tree Minders and I guess the question is better for them, but in 12 months time what sorts of needs do you think there will be?

Mr Turner—That is a twofold question. We will have needs for increased permanent skills and we will also have an increased need for skills with respect to harvest equipment, pruning and planting.

Senator BARNETT—Can you give us a breakdown of your workforce in terms of working holidaymakers? I know it is through Tree Minders, but you must have an understanding of that with itinerant workers and so on.

Mr Turner—For our cracking season, we probably employ 40 to 50 people, who are made up of backpackers and the grey army.

Senator BARNETT—In what proportion?

Mr Turner—For that 40 or 50?

Senator BARNETT—Yes.

Mr Turner—Probably about fifty-fifty. We are finding, just for our cracking process, it is more difficult to get return labour. Because of the increased improvements in quality control, HASAP accreditation and all that, we really like to have people who have worked there before so that we have people who can test for microbe properly, people who can do our quality control properly. But it is becoming more and more difficult to find that return backpacker-grey army area just specifically in our processing plant. But, with purely horticulture practices, as I have said, we have the required labour now, but next year will put pressure on our contractors and that then will put pressure on us to either assist our contractor in gaining skilled employees or we go and find some other skilled people.

Senator BARNETT—Do you see the problem as being labour shortage or continuity of labour?

Mr Turner—Both.

Senator BARNETT—Do you think they are intertwined or are they separate problems?

Mr Turner—Yes, they are intertwined. If you have a labour shortage, you cannot develop continuity as we move forward and increase our reliance on seasonal labour.

Senator BARNETT—So you are Australia's largest almond grower and manufacturer?

Mr Turner—Yes, we are Australia's largest almond grower and largest processor.

Senator BARNETT—Do you have an almond grower association?

Mr Turner—Yes. It is the Almond Board of Australia, which is the ABA.

Senator BARNETT—Do they have a similar view to yours, with respect to your submission to our committee?

Mr Turner—I could not answer on their behalf. We have specifically looked at our pie, what we need to do to move forward and what we need to do to offer—

Senator BARNETT—I will check with our secretariat to see whether they have put in a submission. That would be of interest. You are not aware of whether they have?

Mr Turner—I am not aware of whether they have put a submission in.

Senator BARNETT—In terms of the concerns about accommodation and water and looking after these people if they did come in, do you think the community infrastructure is there to meet the needs?

Mr Turner—We have been talking with the council for probably on two years now trying to project where we would be and what facilities and social infrastructure would be needed to accommodate any increase in personnel, whether it be short term or long term. As I have said, we still have some issues with bringing permanent skilled employees into the area and we are looking at a lot of processes and variables to try and attract people to the area—on a permanent basis and not only short-term seasonal.

Senator McEWEN—I am interested in what you are doing or what the industry is trying to do in Tonga to prepare people by training them and looking at those opportunities.

Mr Turner—I would probably hand-pass that question to our next speaker, who has had a really good relationship with the Tongan government. He would probably be able to answer that much better than I could.

Senator McEWEN—There is also the long-term future of the almond industry in Australia. I understand that the other major almond grower is America—California. Is that right?

Mr Turner—Yes.

Senator McEWEN—Are there any other threats? Are they likely to start growing almonds in China or somewhere like that where there are reduced labour costs or a labour cost differential to ours?

Mr Turner—Almond growing is obviously due to the right soil, the right weather, a water source and those sorts of things. In the short-term future, we do not see any road blocks to this business still improving. The almond industry in America—it is their biggest horticultural export industry and they are well over 80 per cent and fairly entrenched in that. As I said, we are below

three per cent and all our new developments would not affect the world market price or the world issues. Our research shows that supply and demand are increasing at an equivalent rate.

Senator McEWEN—Are labour costs here an issue for you? Other growers of other products have said to us that labour costs are one of the significant issues, but you do not have such a labour intensive industry.

Mr Turner—Costs are always an issue. But we believe that, if we need to get the labour, we need to pay what the correct amount is for the labour to get here. So it is not a matter of trying to get as much labour for the lowest cost. We are after skilled labour and, if we need to make sure that we pay the right price, we pay the right price. We are pretty well comfortable with that.

Senator BARNETT—There would be additional costs, though, if they come in from overseas—travel costs and so on.

Mr Turner—I understand that, yes.

Senator BARNETT—Do you think you can meet those costs?

Mr Turner—It would be in partnership with the sponsor. We would sit down and work out what was viable for the contractor and ourselves to make sure that those costs would be comparable and moving on. But costs for labour, to me, is that, if you do not have it and you cannot do the development and you cannot increase your business, what is it worth?

Senator BARNETT—What proportion of your cost of business is labour, roughly?

Mr Turner—That is a good question. I would have to get back to you on that. It is some prep work that I have not done for this. It would be split up between permanent and contract and there are seasonal issues. I could get back to you, if you would really like that.

Senator BARNETT—Thank you.

CHAIR—The American industry effectively sets the world price for almonds?

Mr Turner—It is supply and demand; yes, effectively.

CHAIR—I just wonder whether that determines our price too, or do we have our own markets that we are able to set? I am interested in what happens if the world price drops significantly. Does that automatically flow on to our industry? We have seen and heard evidence over the last few days about the peaks and troughs in the wine industry and citrus and a whole range of other areas. I wonder what sort of protection or expectations and the level of peaks and troughs you may have in the almond industry or expect to have.

Mr Turner—We have just come off record prices and they have come off a little bit. There are peaks and troughs like any commodity or value-added product. But at the moment, we foresee that, because the world demand is where it is, there should be some fairly solid and stable prices in the foreseeable future.

CHAIR—Thank you very much for your submission and your presentation to us today.

Mr Turner—Thank you for the opportunity.

Proceedings suspended from 10.41 am to 11.02 am

FANGALOKA, Mr Alf, Director, Tree Minders Pty Ltd

FANGALOKA, Mr Sioeli Heilala (Joe), Director, Tree Minders Pty Ltd

FANGALOKA, Mr Sam, General Manager, Tree Minders Pty Ltd

CHAIR—Welcome. The committee prefers all evidence to be given in public; however, it will consider any request for all or part of your evidence to be given in camera. I now invite you to make an opening statement to be followed by questions from the committee.

Mr Sam Fangaloka—Tree Minders is a labour contractor that supplies labour for Select Harvests when they are doing almonds. We are a contractor that supplies labour for almonds only. We have been with Select Harvests for the past nine years, and we deal with all their labour needs, supplying labour to do their harvesting, pruning and planting.

Over the past five years, they have been talking of expanding their business, and we have experienced a shortage of labour. So for the past five years we have been talking with the Tongan government to see if there is any chance of negotiating with Australia for some casual workers to help. That has been going on for the past five years. During that time, some officials from Tonga visited Australia to see what we are doing here. This year we have tried to pull labour from everywhere—Sydney, Melbourne and locally—and we have found that there are a lot of shortages everywhere. That is why we thought of trying to look outside to get some more labour to help.

Last year we, with the government of Tonga, started to train some people, hoping that there would be a chance for those people to come to Australia. They are being trained in horticulture, health and safety, budgeting and living in another cultural environment. We hope there is a chance for us to have some labour here to help us in dealing with the problem of labour in Australia.

CHAIR—Thank you. You obviously have worked fairly closely with Select Harvests to determine their future labour force needs. Can you give me an indication of the extra numbers you may require? I guess that, by necessity, will be broken down into two groups. One will be a permanent workforce to assist in the ongoing expansion of Select Harvests' business. That would not be sourced from the scheme that we are talking about today. Then there would be a seasonal component, which may be sourced from the scheme we are inquiring into today. Can you give me some figures about what you believe to be the labour force requirements into the future?

Mr Sam Fangaloka—I will hand over to Joe to answer that question.

Mr Joe Fangaloka—Currently we employ about 50 full-time employees trained in all aspects of almond processing and production; that is harvesting and pruning as well as planting. With that group, they all have the necessary skills to do all those jobs. When it comes to harvest, we probably need to double that this year, so that is another group of people we need to train up. For the planting, last year we employed about 150 people, which we sourced from local sources as well as from out of town, like holidaymakers and so on.

With all the developments that Select Harvests have been discussing with us, this year all those figures need to be doubled for planting. So, instead of the 150 we needed last year, this year we need probably 300 people straight up to get the work done in the time frame in which it is required. We have been looking—it is as though we have not been looking—to source the labour from the local labour force, but it seems that available people are not there. Within the next couple of years, we will also have to double the 50 core staff that we have. This group of people are those who help us to train and look after the new and inexperienced workers that we put on throughout the year as they are required.

CHAIR—Up until now, have you been successful in sourcing all your labour requirement?

Mr Joe Fangaloka—To the moment, yes, we have been. But looking to this year's planting season, for example, we know that we will not have the numbers to complete the task, because the work has doubled in size. We have only a certain time frame in which to plant the trees, and the doubled acreage means that we have to employ twice as many people to get it done in time. So just for this year alone we will have a shortage.

CHAIR—Again, this is a bit of a sensitive issue, but I think it needs to be asked and asked publicly. The council has estimated that there are 650 unemployed people in this region. You would have been here when I spoke to the council about that. It is accepted that people are unemployed for various reasons and not all of those 650 people may be capable, for a whole range of reasons, of providing the labour that you are talking about. I understand and accept that. But if, for instance, we had a seasonal labour scheme—and I am making an assumption here; you would for obvious reasons prefer that to be sourced from Tonga for your company—what do we say to people who say, 'Here is a Tongan owned company working for Select Harvests that predominantly employs Tongans in a large Tongan community and that sources Tongans from overseas on a seasonal basis. Doesn't that simply give them a preference against an Australian citizen who may be seeking work in the same environment?' These are some of the public perceptions that, if such a scheme were to be accepted by the Australian public, we would have to get over. It has some sensitive overtones, but I would like to hear a frank response on how that may be managed.

Mr Joe Fangaloka—Some of the unemployed just would not want to do the type of work we do—outdoors with a lot of heavy manual work. We have Pacific islanders who were on the dole who have been sent out to work for us; some of them last and some do not. It is just that some people are suited to the type of work we do—there is a lot of physical work—and some just are not.

CHAIR—Do you have any relationship with the council or Centrelink in providing any sort of work—I am loath to use the words welfare to work—training programs or assistance to locally unemployed people to get them into work that your company provides for Select Harvests?

Mr Joe Fangaloka—Not so much Centrelink, but we have done a lot of work over the years with MADEC, another employment organisation, and Employment Works. They are all trying to get people jobs and we have worked with them in the past, and it has been successful in some cases and not in others.

CHAIR—Could you explain to me how you manage your employment relationship? Do you negotiate an agreement across the board, or do you pay not necessarily casual but piece rates? How do you standardise that within your company?

Mr Joe Fangaloka—Within Tree Minders?

CHAIR—Yes.

Mr Joe Fangaloka—We do a lot of piece rate work. There are jobs that we do on an hourly basis, which we make sure is always above the award wage for our industry. The same goes for piece rate work, but most people prefer to do that because they make way above award rates doing that sort of work. It all comes down to what you can do. If you go out there and play around, you will be paid for playing around. Many people like to get in there and put in the extra effort for that extra bit of money. That is another reason why I think some of the unemployed do not like going to work out there. For some reason a lot of them—not all of them—just do not want to put in that extra bit of effort.

CHAIR—Just assume for a moment that there is a seasonal labour scheme in place and come back to the issue of whether or not it is people from Tonga. Would that create any problems for you? I do not think any scheme would necessarily guarantee that people would be sourced from a particular area. It may well do, but assume that they were not people who fitted particularly well in the existing Tongan community. Would that still be a problem?

Mr Joe Fangaloka—Do you mean, would we have a problem having other nationalities working with us?

CHAIR—Yes.

Mr Joe Fangaloka—If the work ethic is there, if they want to work, then it is fine with us; it does not matter. We do employ Caucasian Australians out there as well as Pacific islanders and people from all different countries, not just Tonga. If they are willing to work, we are willing to train them and give them the work. That is our position anyway.

Senator TROETH—Are the people that you employ there largely out here on temporary or permanent visas or do they live in Australia permanently?

Mr Joe Fangaloka—Most of them live in Australia permanently in the Robinvale area. There are those who come in from the cities, but they are all permanent Australian residents; they are citizens.

Senator TROETH—So none of them is brought out by you from Tonga to work and then goes back to Tonga?

Mr Joe Fangaloka—Not at the moment. That is what we are trying to work on.

Senator TROETH—With the people who you have permanently here, then, have you found that there is adequate accommodation, transport and other services in the region for your workers to take advantage of?

Mr Joe Fangaloka—I know overall that there is a problem with housing in the area, but we have managed to find our workers accommodation. A lot of them have family here, so we have not had that problem yet, but we have been in discussions with Select Harvests and council about putting in the infrastructure if this all goes ahead, so I do not see any problems there.

Senator TROETH—Would that be in the town or out on the properties?

Mr Joe Fangaloka—Within the town.

Senator TROETH—You would then be providing transport to get the workers to the properties?

Mr Joe Fangaloka—Yes.

Senator TROETH—If any of your workers get sick, how do they access health services? Is that as a permanent citizen with a Medicare arrangement?

Mr Joe Fangaloka—Currently?

Senator TROETH—Currently.

Mr Joe Fangaloka—Yes.

Senator TROETH—What about temporary residents or people who come out from Tonga and go back to Tonga?

Mr Joe Fangaloka—People who will be coming over?

Senator TROETH—Yes. How would you imagine their health aspect would be covered?

Mr Joe Fangaloka—I think there would have to be some sort of health insurance that they would need to take out before coming over. We will make sure that everything is paid up and ready before any workers come over here. The accommodation side of things and the health side of things would have to be taken care of before they got on the plane to come over here.

Senator TROETH—How many are in your workforce at the moment? How many are you employing at the moment or did you employ in the last season?

Mr Joe Fangaloka—Right now?

Senator TROETH—Yes.

Mr Joe Fangaloka—At the moment we have about 100 people working out here.

Senator TROETH—I know that you mentioned this in passing, but do you have any projections for the sort of labour force you would need if the projected plantings in the area go ahead?

Mr Joe Fangaloka—Our permanent staff of 50 would double in the next couple of years and probably triple in the next five years, and it would be about the same for our casual staff—double and triple.

Senator TROETH—Thank you.

Senator McEWEN—Thank you for your presentation and attendance today. Can you tell me roughly what the income would be for someone, say, planting trees if you averaged it out as a 38-hour week? I know they are paid piece rates, but what would you pay an average worker?

Mr Joe Fangaloka—We have a base rate of \$15 an hour, which we start on. According to the amount of work they do, it goes up to anywhere between \$20 and above. But the lowest rate we have for the simplest of tasks is \$15 an hour.

Senator McEWEN—I am trying to work this out. If a scheme went ahead where we were able to import labour from overseas countries—for example, from Tonga—what could they be expected to earn and how much is that relative to what they could be earning in Tonga?

Mr Joe Fangaloka—They would be expected to gross about \$700 a week, which is about 1,000 times what they would be getting if they were employed in Tonga. In Tonga, at the moment, \$40 a fortnight is their minimum wage—and that is \$40 Tongan, which is about \$A30. That is a lot of the reason that we are trying to push all this through: to help out the people back home as well as the local community. With the investments coming into the area, if we can supply the labour, there will be a lot of other jobs that some of the unemployed can do, as well as local businesses being helped out with the extra money in the area, not only from the workers but also from the investment alone.

Senator McEWEN—Are you saying that if the people come over to do the actual orchard work that will have a flow-on effect, in that other services will have to be provided and unemployed Australians who are unable to do the orchard work for whatever reason could be doing that sort of service work in shops and retail stuff?

Mr Joe Fangaloka—Yes, pretty much.

Senator McEWEN—Seven hundred Australian dollars is a significant amount of money. How would you see it working? Would the workers, if they came over under that temporary employment scheme, repatriate most of that money back to Tonga? How would you see that working? What portion of it would go back to Tonga? Would you be deducting the cost of accommodation, transport to and from Australia and transport while they were here from that wage? How have you thought about that?

Mr Joe Fangaloka—In past discussions we have discussed accommodation. They would have to pay for that as well as their airfare over here. With transportation, we supply our employees with transportation at the moment anyway, so we are still going to look into that.

There have been discussions about the issue of them not returning when they are supposed to. We have discussed with the Tongan government having agreements on titles of their land back home in Tonga: if they do not come back then the government will confiscate it, or whatever.

That would be some sort of collateral for their coming over here and returning. So that it is not a waste of time, they will get a percentage of their wage here to support them while they are here and working, but most of it will be paid so that it goes back to their community in Tonga. As soon as they hopped off the plane they would have access to those funds.

Senator McEWEN—How do you think would that sit with those workers? They would come over here and work alongside you, who are an Australian resident. You earn \$700 a week or whatever and are allowed to spend it on whatever you like, and you can go wherever you like. Will it cause an issue that people who come over here and earn that money are not allowed to spend some of it because it has to be repatriated?

Mr Joe Fangaloka—It is not something that will be sprung on them when they get here. They would have known about it in Tonga and have agreed to come over here under that scheme, so I think they would be fine with it. Being given the chance to come over here is a big thing for them. I do not think they would mind at all. It is not like we are keeping the money; it is going to help their families back home anyway.

Senator McEWEN—What sort of selection procedures would you see us applying in Tonga, for example? It could be a contentious issue as to how it affects the community back there. One of the things that this committee has to look at is the effects of the scheme on the community from where the work is being brought. Will it be problematic about how people are chosen to come here?

Mr Joe Fangaloka—With the two-year trade skills visa we have been in discussions. We have a committee in Tonga that are selecting. People put in an application and the committee look at things like whether they have a family home to return to, how well they get on in their community, whether there is any reason why they would not return home after coming to Australia and how well they would adapt—English is one of the criteria of selection—to living in an Australian community.

Senator McEWEN—Some of the other growers that we have spoken to said that their optimum picker, if you like—and this might be different in the almond industry—is a couple working together, such as a husband and wife. Do you have a view about what kind of person should come or what kind of family responsibilities people should have if they were to come over? Is it better to bring single men, single women, a mix of both, couples or families with children? What would work best, in your view?

Mr Joe Fangaloka—With respect to the temporary visa, we feel that a married male is best, because with his family at home, there is more reason why he would go back home instead of taking off here in Australia and ruining the chances for everybody else. Having a family would also give him more motivation to work while he is here and to make better use of his time—not just come here for a holiday and go home.

Senator BARNETT—Thank you for your presentation and for being here today. In terms of your current workforce, during the peak season—when you have all these extras, like, let's say, the last season—what is the make-up? Can you give us a summary in terms of the ethic backgrounds, as in Tongan descent or other backgrounds, and secondly in terms of holidaymakers, grey nomads and local people?

Mr Joe Fangaloka—Probably last season we had an 80 per cent Tongan workforce and 20 per cent of other Pacific islanders as well as other races. It is not just limited to Tongans. We have had Iraqis working for us. Probably 10 per cent would be holidaymakers—or people on holidays from the cities just coming out here to make a bit of extra money.

Senator BARNETT—And 90 per cent are local?

Mr Joe Fangaloka—Yes. When we need workers the most, which is for planting, there is not much work around in the area. So in the past that is how we have been able to source—

Senator BARNETT—What time of the year is planting?

Mr Joe Fangaloka—Winter.

Mr Alf Fangaloka—June-July.

Senator BARNETT—You are saying that you can get people at that time of year.

Mr Joe Fangaloka—We have been able to for that reason, in the past. But looking to this year's season, we will not be able to get the people.

Senator BARNETT—June, July and August is not far away. It is unlikely we will have a scheme up and running by then—even a pilot program—so what will you do?

Mr Joe Fangaloka—We will just have to try with what we have at the moment. We are still trying to get more. The word has been out there in the cities, amongst the Tongan community, that there is work here. A lot of them come over; they take holidays and come over. We will just have to wait and see. I think that is one of the reasons why we want this to go ahead so much—so that uncertainty is not there any more.

Senator BARNETT—What about your piecemeal rates or your casual rates? If you put them up, do you think you would get more people?

Mr Joe Fangaloka—If we put them up?

Senator BARNETT—Yes.

Mr Joe Fangaloka—I do not think so.

Senator BARNETT—Often the argument is put that it is the law of supply and demand and that sort of thing, and, if you pay more, you will attract more people. You do not think that follows?

Mr Joe Fangaloka—Yes, if we paid a substantial amount more. But for the task that is required, that is where we work out what we pay people and what we require them to do. At the moment we think it is substantial. I do not think any minor increase would attract anybody—unless we doubled or tripled what we are paying.

Senator BARNETT—And obviously that increases the cost of production at the end of the line as well. I realise that, coming from a small business background.

Mr Joe Fangaloka—Yes.

Senator BARNETT—You say that in the last few years the demand has been steady increasing, and you have met it this year, but in the coming months and years, you think there will be a serious shortage.

Mr Joe Fangaloka—For us, from our point of view, yes.

Senator BARNETT—We have a had a view put to us that continuity of labour is a problem because the working holidaymakers, who form up to half of the workforce in other parts of this area, are here for a week or two or three and then they disappear. Do you think that is a problem?

Mr Joe Fangaloka—For us, yes. We have had that happen. People come over, and you get a month off work so train them up to do the job, which takes two months, and then they leave after a month and we are stuffed for that month.

Senator BARNETT—You mentioned your relationship with the Tongan government. Can you describe that relationship for us? What is the government doing? Do you think the Tongan government would support this pilot program or this proposal?

Mr Joe Fangaloka—Dad could probably tell you more about that, but the minister for agriculture was out here last year having a look, and he has taken back some trees to plant there. We will be working together with him just to get an idea of the sort of work that is needed here, so that people do not come here with absolutely no knowledge of an almond tree, that is actually grown in Tonga. They see it growing and we show them what to do with the tree. We have had discussions with Select Harvests about getting some old machinery over there so that they could train on that. From all the feedback we have had, they are willing to help out with anything to help the people.

Senator BARNETT—That is the question: would the Tongan government be fully supportive of this program?

Mr Sam Fangaloka—Yes, they are.

Senator BARNETT—You have a two-year training visa. How does that work and what do the people involved do? How does that work?

Mr Sam Fangaloka—I cannot really understand that question.

Senator BARNETT—There is a visa.

Mr Sam Fangaloka—Yes, two-years.

Senator BARNETT—How does that work? It is a training visa, I understand, for training purposes.

Mr Sam Fangaloka—Yes. The government is allowing Select Harvests to run some courses, as I said before, on health and safety, budgeting and other things to support those people who are selected to come. Plus the government have agreed to the short-term visas to hold their passport when they arrive in Australia.

Mr Joe Fangaloka—With the two year-training visa, because our industry has been classed as semi-skilled now, they allow a sponsor such as Select Harvests or Tree Minders to sponsor people to come over here specifically to train in horticultural production. They are given a two-year visa to get a certificate by the end of that. After they get their qualification, there is a view to gaining Australian residency, which I think is what the government wanted in the first place—migration to Australia rather than just bringing over casual workers.

Senator BARNETT—Does Tree Minders get people under the skilled migration program?

Mr Joe Fangaloka—We are in the process at the moment. We have not put in our application yet, but we are looking into it.

Senator BARNETT—What sort of people are you talking about? What skills are we talking about?

Mr Joe Fangaloka—A lot of them have a qualification in horticulture; they have studied it. But there are not any almonds in Tonga, so they have studied it for other crops. A lot of them have that qualification and they are coming here to train specifically for production horticulture. It is not like they do not have any qualification in horticulture; a lot of them do have it. I do not think it is necessary as long as they come here to train.

Senator BARNETT—How have you found the process to get a skilled migration visa, to date? Is that a 457? Do you know which one it is? How have you found it so far in terms of doing the application? Is there a lot of paperwork and a lot of red tape? Is it difficult for you, or are you finding it easy and there are no problems at all?

Mr Alf Fangaloka—That is pretty much why we have not lodged the application yet. We are still in talks with Mr Dale, in the immigration department.

Senator BARNETT—He is part of the department?

Mr Alf Fangaloka—Yes. We are in talks with him. We have to have had various correspondence with him before we lodged an application.

Senator BARNETT—One of the issues for our committee is designing a program—hypothetically, if we go down the path of having a pilot program—where this can be done reasonably simply, quickly and efficiently, if you are going to have 50 or 100 or whatever people coming from Tonga or wherever it is. At the moment you are talking about a visa for one person. So we need to design a system that deals with all the security issues, health and travel arrangements and so on so, that you can get those forms done.

Mr Joe Fangaloka—We are trying to get 20 people over on the training visa.

Senator BARNETT—On the two-year training visa?

Mr Joe Fangaloka—Yes—to start with, to see how things will go. We are still in discussions with the immigration department and that is why nothing has gone through with that yet.

Senator BARNETT—That has been very helpful. Thank you very much.

CHAIR—Is there anything else that you want to talk to the committee about? If not, I thank you very much for your presentation today and for your attendance.

[11.37 pm]

FIFITA, Mrs Lilian Rose, Quality Manager, Occupational Health and Safety Convenor, Pickering Transport Group

HARRIS, Reverend Evan Bradley, Chief Executive Officer, Robinvale Uniting Church

MARTINUSSEN, Mrs Carolyn Grace, Coordinator, Robinvale Network House Incorporated

TUCKER, Mrs Valma Phyllis, Committee Member, Robinvale Network House Incorporated; and Coordinator, Family Services, Murray Valley Aboriginal Co-op

CHAIR—I welcome representatives of the local Tongan community and also Network House. Are there any comments you wish to make about your appearance here?

Mrs Tucker—The Murray Valley Aboriginal Co-op runs a generic program and about 30 per cent of our clients are of Tongan descent.

Mrs Fifita—I am here firstly to support the Pacific island aspect, but I am also a quality manager, occupational health and safety convener and assistant development manager for the Pickering Transport Group. We employ 400 employees over nine depots in four states. So, as an extension of this, we are probably caught up in the chain of events, which does affect all of us.

Rev. Harris—I am a Uniting Church minister and a project worker for the Uniting Church in this area, following our concerns about local issues, heavily supported here. I have a background in farming, horticulture, cross-cultural community development and agricultural engineering. I am presently a troubleshooting chaplain for the Uniting Church.

Mrs Martinussen—I am a community development worker. In recent years I have developed the multicultural festival that we normally have here, so I have had quite a bit of contact in that capacity with the various islander communities. Apart from that, part of my role in Network House is referral for people in crisis.

CHAIR—Thank you. The committee prefers all evidence to be given in public; however, it will consider any request for all or part of your evidence to be given in camera. I am happy to invite each of you in turn to make an opening statement to the committee. That will be then followed up, after all the opening statements, by questions from the committee. Would you like to go first, Mrs Fifita?

Mrs Fifita—I have been in front of committees similar to this in the past, firstly to represent the Pacific islands. I feel sometimes that because the Pacific islands do not fall into the category of refugee country and because they are not an equivalent of Australia, as are the United States and England, it sometimes appears that it is very difficult for Pacific islanders to get to Australia with or without qualifications.

I have worked together with Deborah in the past to try and bring people in on the two-year temporary visa with a view to giving them permanent residency. We have been to a couple of meetings and, in a meeting like this, you are given the understanding that, if a person is qualified—that is, a fully qualified doctor with five years experience—that would be sufficient to support the infrastructure up here, which is lacking. I will give an example. The dental service for the public in Swan Hill has an eight-month waiting period. I have been trying to get a niece, who is fully qualified—she has a staff of five other dentists—here and with the loops that have been put in front of her I have just given up. She qualified at the University of the South Pacific, which is not recognised in Australia. However, the curriculum from that university comes from Australia and New Zealand. Then you still hear, 'There is a shortage; there is a shortage.'

People put up their hands to come over. I support the two-year plan because you will be bringing the family as opposed to bringing people for a short-term visit, as such. I am also working very closely with our growers in Swan Hill. There was an attempt by one particular farm to take in 10 people. They would house them. They had the housing. Any training requirements would be provided either overseas or here. But, every time we get to a stage where we know the obstacle course, something pops up. It is very disheartening.

I feel the term 'seasonal' needs a new definition. In a farming industry like ours, we are caught up in this chain of events. Our company becomes 'seasonal' because the people that we service are seasonally driven. However, when you talk to the growers around Swan Hill—the biggest one is Sicilianos—they have a two-week window of rest between the end of harvest, of picking, and the beginning of pruning. So really that is almost a normal working year. That is when you take your holidays, and most of them do. So the term 'seasonal' has gone out the window. It is not just about picking the fruit; you have to prune it, irrigate it and train your workers. You have to work in the environment to suit whatever haps, whether it is raining or whether it is overcompensating with drought—it depends on what it is—but at the end of the day they thin the fruit. By the time you finish all those processes you are back to picking again.

There are the growers—I will only speak about Swan Hill because that is what I know—and their demand for workers is getting more and more difficult. The immigration act has been reinforced so that, starting on 1 July, if a grower, a subcontractor or, for that matter, a contractor are found to be using an illegal immigrant, they will be fined \$10,000. The contractors use some of 'these people' when they have nobody else. They do not demand at the beginning, 'Can I look at your passport?' because what do they do then? When they need 20 people and 10 of them cannot provide passports, they will only have 10.

The industry in this area is very time driven. If you do not prune the trees at the right time, they will not grow as well. If you do not pick them at the right time, the fruit will rot. It is time driven and weather driven. I have been trying to support getting people over on a longer term. They will contribute more to the community because, if you come in with your family, you have an infrastructure—the children go to school and the parents, the mother and father, are both around. They can both work in the same environment, which is better for the family structure than if the husband comes here and the children and the mother are overseas.

It takes practically eight weeks to skill a person to firstly know their obligations. We all know that WorkCover laws are becoming prevalent, even up here. To get a person fully operational in a farming environment, to multiskill them, takes eight weeks. Unless they are desperate, farmers

really do not like backpackers, because they are only here for their two weeks pay, to be quite honest, and then they will move on. They could not care. They throw the fruit into the bin and it gets bruised—'Who cares? I get my \$15 an hour.'

I also hear, spoken politically and publicly pushed, that overseas people will take away Australian work from Australian workers. Deborah touched on it earlier. You cannot get around the unwillingness of the Australian unemployed. They are ineffective. They do not want to be out there. Let us face it: we are talking about extreme conditions. When you start to hit the 30-degree mark, an unemployed person will say, 'Stuff this; I'm going home,' or they will sit under a tree. I speak having personally watched it, seen it and heard the farmers' frustrations. Why would they work? They will get the dole anyway. There are no consequences, whether they work or not.

We have had many pools of refugees through this area. Again it comes back to the same mentality: why would they work? They have already been granted permanent residence, so what are the consequences if they go and sit under a tree or walk around having a couple of cigarettes? The need for willing effective workers is definitely there. This area will suffer greatly. You cannot expect businesses like Select Harvests, Sicilianos and all the peak businesses in this area to operate; neither can businesses like ours, for that matter.

I would like to defer from the terms 'skilled' and 'unskilled'. Take my industry for example. Driving used to be the job you took when you could not find a job. Let me tell you that we are more accredited than probably any other business. A driver now has to get a licence to carry ammonium nitrate for Select Harvests. Training for our drivers is no longer, 'Yes, there's your heavy combination licence. Get into our truck.' No. He has so many hoops to jump through. He is no longer just a licensed driver. He is a qualified driver because he has to pass a test to say that he has trained in all the occupational health and safety issues. I have to walk him through equality. We have to do HASAP because we carry food. The National Heavy Vehicles Accreditation Scheme says that we have to be mass managed—you name it. Sometimes drivers carry year 10 education. I have to get through to such a guy, and then he puts a dangerous goods diamond on and carries something that can make a bomb.

We have to make this area attractive. We have to build the area. You cannot do that; it is too labour driven. You cannot do that by just manufacturing more machinery to take over. It cannot be done. I will be biased and recommend my people. We are very family orientated. They are very hard workers. I spoke with Sam about this not long ago: the difference between a Tongan and several of the other races—I will try not to be racist by naming any of them—is that you can tell a Tongan to go and hop in there and drive that tractor, get off there and cut that tree, go over there and sweep the floor or go inside and make the food. You multiskill people so that they are useful in any aspect of the business. The Tongan will just go and do it. The others will say, 'Hang on a minute; you're making me drive the tractor. Please put \$2 more there because I'm driving heavy machinery,' or 'I can't go and do that, because it's too hot and it's in the sun.'

We have a huge need in Swan Hill. If you were to ask the growers, I would say that 95 per cent of them would say that their preference is for Pacific islanders. Unfortunately, if they do not come here legally and do the work and grow the country—I am almost pulling the flag out here—if they do not do that and come in and become part of the community, some of these businesses will suffer and the vicious cycle of using illegal workers will not stop. I think I am

getting a bit animated, but I see this all the time. I go through it. We lose workers all the time. You bring in drivers—a guy who has just left school. You put him through a traineeship, train him up and give him his B-double licence and where does he go? He goes to Melbourne or Sydney, because they have a shortage too. So then you bring in the next lot. It is a vicious cycle.

Nobody stays because they do not have a commitment to the community. That is why I feel that we should commit to encouraging people to come and to do it in groups. The paperwork that goes into it is just extraordinary. Doing it in groups of 20 or more also gives you the ability to gain discounts from airlines. Bringing them in groups means that you can get housing in a group situation. These people will come in and pay for their rent or buy a home, as opposed to people using Housing Commission situations. I think Australia can only gain from this. It is a win-win situation.

CHAIR—Thank you.

Mrs Tucker—My concerns are mainly with the infrastructure of the town as it is. My job is working with housing and it would be okay for people to buy their own homes, if the homes were available to buy. The Office of Housing—the ministry—is in a deplorable state at the moment. There are waiting lists. I will give one as an example. There are 32 families currently on the waiting list that have been waiting since 1999. Some of them will never be housed, because those who need urgent housing can go ahead of those on the general waiting list. There is no public housing possible for a single person under 55. It is just not possible, because single housing is only available for people who are over 55. As for the state of quite a few of the houses, I am embarrassed when I take people to see them. This is really my concern: we need to make provision for any newcomers to have decent housing.

CHAIR—Thank you.

Rev. Harris—In view of the committee's time pressure, I think perhaps the best thing is that I refer to the piece of paper, which I think you have been given. I will mention housing again. I do not want to go back over things that have already been said, but I will try to emphasise that and also the question of relationships with the community. I am in and out of a variety of houses and I see a great many people, especially the contract and seasonal workers, some of whom come to me looking for urgent assistance of one kind or another. My primary task that I have seen in the community is educational because in the end that is the sort of profile that the Uniting Church takes in such a community. We cannot fix the problems but we can try to facilitate and coordinate within the communities within which we work to try to optimise the rates at which we improve the circumstances of ordinary people who live in the communities.

I go back to something that has already been said—and that is the sense of urgency that exists in horticulture. You will realise that that sense of urgency translates in getting up at 4.30 or 5.30 am on the right days and being there, having to be there, having to fit your work in around health needs and so forth. The sorts of pressures that I see put on families from circumstances they are living in Robinvale are quite worrying to me.

I heard one of my colleagues before talking about how good it is here in Robinvale and I wonder whether I am living in the same town. I think it depends on what sort of thing you are trying to say. The pressure on families is very great and it is partly to do with undereducation,

partly to do with them being fairly recently arrived here and partly to do with their difficulties with English, difficulties with understanding the culture and the communication levels. It is wide open to exploitation by the employer and the middle people, and that happens. This generates tensions within the community, and those tensions tend to come up in racial lines exacerbated by alcohol and the overcrowding in the houses, which I would describe—I have used the word quite often—as squalid housing for many people. It looks like they are housed, and they go to work and so forth. Many of them are living two or three families in a three-bedroom house.

The pressure on space is so serious that we have tried to come up with a figure of an estimated shortfall of houses in the place. Probably 200 homes could be used up very quickly in this area and probably 100 single-person accommodation spaces. I know you do not like to use the word 'backpacker', but those places would be quickly filled and probably more caravan park space would be—not that I am very happy with that. We have looked at other issues to do with freeing up some of the housing existing in Robinvale by the building of aged residential facilities in the town, which we are not seeing any sign of at this stage.

I am very concerned in terms of community relationships by what we already see in the town. However, I feel quite committed to the idea that it is very profitable for everybody to bring people into the community as guest workers. I am caught with the problem that separating a person off from their community and from their family and from their home produces significant social and educational disadvantage. For the kids living in Melbourne with relatives and so forth or living in Tonga or in various other places—I hear about it all the time—the men folk go off from here to chase work at Emerald and are off for six or eight weeks and then come back again.

Senator BARNETT—What sort of work at Emerald?

Rev. Harris—Vines—wine grapes. It is a community that is under stress already. Lifting the community through education and better housing will help us quite a bit. The thought that we might have any additional strain on our services and accommodation is quite worrying to us. Some of us met to see whether we could come up with some hard stats to help you to see this. They are very hard to get because people move quickly. Work comes up. They hear of work 500 kilometres away. A few of them get into an old Valiant and off they go. They are very responsive to opportunities like that, and it seems to me it must be invaluable for the employer. But I ask myself: what are they living in when they get there? I know what some of them are living in when they come here. It is tight. I think it can be addressed.

When talking of the unemployed, we recognised that many of the unemployed are unsuited and we wanted stats on that, but again they are pretty elusive. We think among the unemployed, inadequate communication skills, illiteracy especially, probably presents 10 or 20 per cent of the people. As far as health issues relating to disability such as needing psychiatric or counselling services amongst those people, I could say that well over 20 per cent of them have unfilled needs in those services in the community. This is fairly well known and not new, but it impacts on me because I am trying to think of ways in which we could enhance community capacity amongst families to get help with their kid who is ill or whatever.

We appear to have good health services and so forth, but a certain level of the community, because of their disability in communication, their background and cultural freshness have the problem you have been hearing about in accessing those basic skills. So the answer is partly in

the area of enhancing our service provision and partly in the area of enhancing our housing provision. I am talking about our existing population. I am amazed to think that it is thought that the community is adequately housed or that people who come here can be housed: it is simply not so.

Mrs Martinussen—When we gathered together to talk over this issue, knowing that the Senate hearing committee was on, we were all dealing with the social issues because they are what we deal with every day here in Robinvale. Largely all our agencies in this regard—family support, ourselves, Reverend Harris and so on—are chronically underresourced. There have been well publicised racial tensions here in town. Unfortunately they do reach flashpoint. We come into this equation at Network House in that we are the safe turf in town when these things happen—and unfortunately they do. It does not look like it will finish any time soon.

We did have a Living in Harmony officer here in Robinvale who was doing a credible job, but unfortunately the attitude was that Robinvale always gets money for that sort of position. That person was invaluable in trying to sort out some of the tensions that do exist in the town. But for at least 12 months we have not had a person to assist in that role, which puts pressure on the rest of us who are trying to deal with some of the crises here.

We typically see coming through Network House for referral on to other agencies people who are working poor. It is a great concern to us. What is also a concern to us is that some of these islander families are, in moments of stress where they cannot pay their various rentals or different other accounts—unfortunately, the former principal is no longer available to confirm this—have been known to pull their children out of school to assist in the fields at that particular time. That is contributing to another generation of these people who are trying to make a life for themselves in this country but who will be underresourced in terms of education. So it is a real concern. Those people will be down here instead of making the most of their opportunities.

We typically hear of housing, and housing able to be accessed typically tends to be at a fairly expensive level. I have anecdotally heard that one family was paying \$180 a week of what they were earning. That has implications for what goes on the table and what they can afford in terms of money for their children. Typically, on a Friday afternoon those people send money home to their families, and they also give money to their churches, so they are working poor the whole time.

Also of concern to us here were the apparent language barriers in this town. There is a federal program of ESL which our immigrants can access for five years. We discovered there are a lot of people in this town that do not speak English. In response to that, five years ago we brought in a program of ESL that is non-accredited, and the funding for that comes through Adult Community and Further Education. It was initially for those who had been here for longer than five years. If language barriers can be lowered, it means that people are better informed and better able to access services.

In the last few years we have taken on board those who have come out of some of the detention centres as well because none of those people are eligible for the federal government funded English classes that are held at the TAFE up here. Unfortunately, we do not get a lot of money to be able to do that. That one is under-resourced, so we do what we can.

From our point of view we want to reiterate that we are doing the best we can with what we have to deal with here in town, but it is a case of chronic under-resourcing of a lot of the agencies. The illiteracy and language barrier problems flow on to some of the other agencies, whose reports go through to state government and so on. They reflect that some of these people—who do not know what services are available in this town, what agencies are available to help them or how to go about accessing them—fail to access these services. So that is the area in which we work.

CHAIR—Thank you all for your contributions. Much of what you have said is technically outside the terms of reference that this committee is looking at. But I can say that, as federal representatives, we are all interested in and thankful for the information you have provided to us. It does overlap with and impact upon our inquiry directly in looking at the social impacts and some of the general immigration and assimilation issues for the terms of reference that we are specifically looking into the seasonal nature for immigration. So some of those issues are important, and I will say it is pleasing that we do get a contrary view from time to time because, in answer to a lot of the infrastructure issues which we have been asking various witness about, the responses have been somewhat more glowing than you have presented. So it is something we need to consider, and you will have heard us ask previous witnesses about some of the infrastructure issues if we were going to have such a scheme in place. If those infrastructure issues are not being met under normal circumstances, it is unlikely that they would be able to meet a potentially significant influx for a period of time. Thank you for that. I do not really want to get into too much detail in terms of questioning about some of the broader issues that are outside of our remit, because some of those issues alone could go on for a long time.

Mrs Fifita, I am sorry that you feel that Australia is not paying enough attention to the South Pacific region and our relationship. I can say that the foreign minister, Mr Downer, I know, has elevated the status of the South Pacific region in terms of government policy and has done a lot of work in that. I have accompanied him to the South Pacific and I know of his commitment to doing that. There is also a shadow minister for the Pacific islands, but we will not go into a lot of that detail. Some good work is being done and I will certainly give this government credit in terms of that aspect of the South Pacific.

There are probably only two questions I have that relate back to our inquiry. The first is probably to you, Reverend Harris. I did not have an opportunity to read your submission prior to you submitting it today, but you have talked about the well-documented tensions and violence within the Robinvale community. It was something that a previous witness mentioned, somewhat in passing. I am not aware of that documented evidence; perhaps you could give me some detail about your view of that.

Rev. Harris—Yes. It is a view that Robinvale people are quite ambivalent about—and I appreciate that we are in privilege here. One of the very difficult things about community development in Robinvale is the perception from the outside that it is a train crash—a train wreck, socially. Efforts have been made to talk up the virtues, and there are plenty of them and marvellous things about the town.

We have in the age group 15 to 25 about 51 per cent of the population and an overrepresentation of groups of people who tend to be disadvantaged or not very well up the social ladder, if you like. Anecdotally, most mornings you can fill a utility truck with cans and

bottles off the streets. The incidents involving violence in town which tend to be seen as interracial have been dealt with in part in the school system by the appointment of an ethnic relations officer—I am not sure of his exact title—who has done some extraordinary and outstanding work in helping the community to come to terms and be harmonious.

It is all very well to blame alcohol for exacerbating the tensions, but the tensions do exist. At a time we have seen tensions erupt in other parts of Australia—it gets a bit of news attention—we shudder a bit to think that we have more work to do in our town. I notified my church that I had grave concerns about the possibility of an outbreak of violence in Robinvale, and I have not said that publicly.

CHAIR—I am particularly interested in your statement that, with the introduction of inducted labour—which is not the word I would use and I hope we are not going to recommend an inducted labour program—from the Pacific islands the potential is there for more of such tension and violence, and that increased competition for housing and jobs may tip the balance. They are some of the social aspects that are well within the committee's remit.

Rev. Harris—That is not to be construed as any racial group being the cause of the problem; that is not the cause of the problem. The cause of the problem is the competition for space and the tensions over missing out on opportunities and those sorts of things, in my view. There may be other views here. Val, for example, has been here for a long time and could comment on that.

I would have thought that there are tensions arising from a sense that 'they' are taking our jobs and our space and that we cannot get room or accommodation and have waited forever for housing. There is a recognition of friction between the Koori and islander communities. That is not the only friction. I think that Robinvale is potentially a very well-integrated society which needs a fair bit of TLC—it needs a fair bit of care.

My colleagues here will disown me for saying this, but I think that the idea of a guest worker program is good, provided we can be pre-emptive and overcome the space problems first, and visibly overcome them—even if we make an exemplary effort to overcome the housing problems, so there can be no question about us ill-advisedly and precipitantly going into a guest worker program without seeing that we have the health service and the housing situation in hand. Two hundred houses—even if that is not the right figure—is a lot of money, and it is a lot of legislation to free up some land around here. I am not saying that the commercial realities do not warrant it. It is clear that there is a great demand for horticultural development and for labour.

What I did not have a chance of saying is that a lot more skilling will be needed in the horticulture community than we have even begun to see. It will be a much higher skilled community and, therefore, local educational facilities and a mentality of training and learning have to go along with this. It cannot happen in isolation. You cannot dump us with an extra couple of hundred people and say, 'Educate them as best you can.' We need more planning and integration than that.

CHAIR—Thank you. Rest assured that these are the issues that have been occupying our minds during the course of the inquiry. Thank you for that.

Senator TROETH—In your written statement, which I have had a brief opportunity to look at, you mentioned health services. Perhaps you could describe to us the existing state of the health services, particularly with respect to the number of doctors and the position of accident and emergency facilities. I notice you mention that there is no hospital midwifery, and obstetrics have to be accessed in Mildura. What is the existing state of health services here in Robinvale?

Mrs Martinussen—Currently we do not have any community nurses, which we have had in the past. The one that was working on the child immunisation program and so on is currently on leave. There were three of them a few years ago, but unfortunately that has sort of diminished over time. One of the great things that the hospital has up there, or they have had, is a Tongan liaison person to assist, along with a Koori liaison person. Unfortunately, the Tongan lady has left and been replaced by, I believe, an Indonesian—which does not help with cultural issues. They are doing the best they can. As far as I am aware, they have quite a good allied health service. But of concern to us is that, given the number of children we have in town, there is no longer an immunisation program and nobody else has been skilled up to do this. There are three doctors here in town at the moment.

Senator TROETH—How many beds are there in the hospital?

Mrs Martinussen—I could not answer that question.

Senator TROETH—That is all right. You can often judge by the number of doctors.

Mrs Martinussen—Anything that is serious tends to be sent to Mildura from here by ambulance.

Senator TROETH—Are there accident and emergency facilities here at the hospital?

Mrs Martinussen—There are emergency facilities here and, if it is serious enough, they tend to take them through to Mildura.

Senator TROETH—That would be the nearest base hospital?

Mrs Martinussen—Yes.

Senator McEWEN—Mrs Fifita, were you saying in your submission that you are supportive of the proposal to bring in labour from overseas, particularly from Tonga, for a short period of time? I have a sense that you were talking about two years being better, for all of the reasons you outlined, and that the work is available for two years. Is it your view that, at the end of the two years, people would go back to the country from where they have come, or would you attempt to integrate them and they would become citizens of Australia?

Mrs Fifita—The program that is going at the moment is with a view to their becoming permanent residents, provided that the monitoring and reviewing visits by immigration show that a person is assimilating into society. I very much respect the problem that is happening here. Even though I do not live here, I hear of it.

One of my biggest concerns is that in a short-term visit—if you are talking about three, four, five or six months—unless you own something, you cannot possibly integrate properly, unless you come here to live. I understand all the housing issues. One of the things that I put into place was that the sponsor has to demonstrate to immigration that they have housing for the people who are coming on this sort of program. There will be nothing drawn from local resources. These people will not be allowed to gain Housing Commission accommodation. They will not be able to access Medicare. They will have to have their own medical insurance ready. The idea is to bring them in and for them to be self-sufficient, so they are not a drain on the already strained resources, as my colleague said. If you bring them in for a short-term stay, let us say that it is a six-month program, it will take them two months to be socially aware of where they are.

We mentioned wages before. One of the biggest problems that I have had—and I have put up a model—is the huge impact for people who are used to earning less than \$50, when you hand them \$400 or \$500. We hear of a huge gambling problem in this town, and that is because they do not know what to do with that money; they have no idea. Then you have the freedom to do things with all this money. They might say, 'I will have a couple of beers,' and therefore you have your social economics of alcohol. I am not blaming alcohol totally. They come from a country where even shopping is very restricted to a few things. You cannot bring them in without socialising them. You need to do that.

Senator BARNETT—Thank you very much for your submissions and for giving us a good overview and feel of the economic and social environment in which we are today. I get the sense that you are saying that, before any program like this got under way, there would need to be agreed terms and conditions in place in terms of housing, health, accommodation and travel arrangements. That would all need to be in place before it is all signed off.

Mrs Fifita—Absolutely. I can also tell you, from an Islander's point of view, that if a two-year program is put in place, it will be an incentive for me to be well behaved, to look after my finances, to bank my money, to school my children, and to be proactive in the community. That is because, at the end of the two-year period, I can become a citizen, because I have demonstrated that I have joined socially into this country.

Senator BARNETT—Sure. This is obviously a different type of policy to a program, where they would not be becoming citizens, would they?

Mrs Fifita—You would apply. You would still have to apply and be able support the permanent residence application.

Senator BARNETT—Okay. But under the proposal put to us, we are looking at a minimum period of time. Do you have a view as to whether there should be a minimum period of, say, three or four months work here in Australia? In Canada I think it is about eight weeks and a maximum of eight months. Do you have a view on that?

Mrs Fifita—If it takes a person eight weeks to learn to understand what they do, to do what they do, and to be aware of their environment, then I think the very minimum would have to be four, because they will have just become proactive and understood what they need to do.

Senator BARNETT—In the past few days we have had some evidence that there is a number—I am not saying it is a significant number—of illegal, undocumented workers here, particularly during the high season, when people are required to work. So you can understand businesses basically getting anybody who is out there. Do you know how many there would be? Have you got a feel for that?

Mrs Fifita—I will just gauge it on Swan Hill. Since September last year, which is almost prepicking time for Swan Hill—which is the time of maximum need—to February, Immigration has taken 119 people out of the circle. That would be including Robinvale. That is a huge draw.

Senator BARNETT—So those people obviously have overstayed their visas or—

Mrs Fifita—There are various reasons, such as overstaying a visa or working on a non-working visa—

Senator BARNETT—That is quite a high number, wouldn't you say?

Mrs Fifita—Absolutely. That is irreplaceable labour, though. I have to say that 80 per cent of that was Asian.

Senator BARNETT—What does that mean?

Mrs Fifita—It has been brought to light recently that some contractors are bringing in people on visiting visas for just that bracket of time and they use the people. Sadly, the mindset is, 'Oh well, if they get picked up, we'll get more people.' The only way you can stop these sorts of dealings is to provide the area with a better continuity of skilled workers.

Senator BARNETT—What do you think, Reverend?

Rev. Harris—There are very bad consequences from this disadvantage and exploitation that is inherent in people being here and furtively here. However valuable they may be and so forth, they are open to exploitation and overcharged for space. They are rorted and it is a bad thing.

Senator BARNETT—You have examples in your submission under point 1—the accommodation charges you are talking about.

Rev. Harris—That is the glaring one, and the transporting of people to and from places. This is Robinvale talk and you will not find any stats on it, but we have all heard of these incidents. If Tony were here, he could give you a little more—Tony the Tasmanian—of this because he circulates it in the bus and so forth. We are very concerned about that and I think that is one of the primary reasons we need to expedite your work.

Senator BARNETT—Ms Martinussen, do you want to make a comment?

Mrs Martinussen—Just to back up what Reverend Harris has said. We hear anecdotally some of these stories around the place. Part of it is due to ignorance of these culturally and linguistically diverse communities, the cultural and language barriers. We fear that some of them may be exploited.

Senator BARNETT—You fear or you know?

Mrs Martinussen—There is no doubt about it. Some of them come in and tell you that they have earned a couple of hundred dollars for the week and they have been working six days and they are trying to source some sort of assistance. We do not know where to start.

Senator BARNETT—In your submission at point 2, under 'Relationships within the community', you say that Tongans coming into the community from Sydney leave their kids at home. What example are you referring to there?

Mrs Martinussen—Family separation.

Senator BARNETT—Are we talking about both parents coming up or one parent and the kids being at home with the other parent?

Mrs Martinussen—Anecdotally, both parents may be here in Robinvale and the children are left behind with other relatives. This has got to lead to separation anxiety and be a cause for real problems further down the track.

Senator BARNETT—Over what period of time are we talking?

Mrs Martinussen—They could be working here for several months, who knows, because they seem to move. Because we do not have child-care services that start at 7 o'clock in the morning, or something like that, they have had to leave their children behind at home. The schools will say they have not had itinerant children in the last few years.

Senator BARNETT—That is helpful and anecdotally it gives us a bit of a picture of what is happening in your community. Thank you for your presentations today.

CHAIR—Thank you all for your efforts today and for your presentations to us. They have been important contributions to our inquiry.

Committee adjourned at 12.30 pm