



Voice of Horticulture

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Joint Standing Committee on Migration
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7 August 2015

Dear Committee members,

RE: Inquiry into Seasonal Worker Program

Thank you for the opportunity to provide a submission to the Joint Standing Committee on Migration in its inquiry into the Seasonal Worker Program (SWP).

The Voice of Horticulture (VOH) is a member-based organisation representing horticultural growers and businesses across fruit, nuts, mushrooms, turf, nursery plants and cut flowers. Horticulture is Australia's second-largest and fastest growing industry in agriculture, with some 30,000 businesses nationally, and a farm gate value at \$10 billion.

The role of seasonal workers in the horticulture industry

Horticulture is the largest employer in agriculture – employing one third of all agriculture workers. At August 2014, 61,000 were employed in the sector with a further 6,250 in fruit and vegetable processing. Most horticulture industries remain labour intensive, as is the case with our international counterparts. As such, the availability of a seasonal casual workforce is critical to the industry. Many regional economies and their rural townships are heavily dependent upon their horticulture industries for employment or servicing the seasonal workforces engaged by them.

The commercial realities of the horticultural sector often involve split shifts and constant production during peak periods. Australian workers are not always available to meet the labour demand of the sector due to seasonality, remoteness and relative appeal of urban jobs, and the resultant gaps in the labour market therefore requires the reliance upon foreign workers to supplement labour requirements in peak periods. Particularly, the SWP provides valuable unskilled and low skilled labour to meet short, peak demands.

Currently, the horticultural industry has been engaging their seasonal workforce directly using locals where available and backpackers (417 and 462 Visa workers) through the National Harvest Trail system or through the backpacker hostels which connect labour with growers. A significant portion of these visa workers are women and youth workers. The VOH therefore supports the increased recruitment of overseas workers.

We note the advice from the Department of Employment¹ that some 3000 horticultural workers participated in the SWP in 2015. This is a significant portion of the overall horticulture workforce. We further note that seasonal workers can be highly productive – indeed, new evidence suggests that seasonal workers may be considerably more efficient than working holiday makers (417 and 462 Visa holders) in the horticultural industry² – and horticulture farmers fully benefit from any training they provide due to the workers’ ability to return each year.

The future role of SWP: changes and concerns

The Northern Australia white paper³ included some important changes to the SWP arrangements. In particular, VOH welcomes:

- the removal of the national cap on numbers of workers;
- the removal of the minimum stay requirements for workers; and,
- The expansion to other source countries.

The VOH fully supports the white paper’s proposal to expand the Seasonal Worker Programme, and increase the recruitment of overseas workers.

We do support the joint aims of the SWP - that is, both the international development elements and the support for employers in finding appropriate workers. We also understand the sensitivities that might arise if Australian workers believe they are being displaced.

Labour Market Testing

On behalf of the VOH, we remain concerned that the program administration is still cumbersome and difficult to access. Seeking approved employer status requires employers to apply to the Department of Employment and undertake labour market testing.

The VOH notes that although the financial costs of testing the labour market or for putting out an advertisement may not be significant, there is a significant labour cost involved in reporting back to the Department. As part of the application process, the employers must provide evidence of a positions vacant advertisement, and then provide declarations with regard to the number of Australian applicants and reasons for their unsuitability (generally regarding preparedness to travel and availability for the time required).

The VOH submits that the labour market testing arrangements should be streamlined. The current arrangement requires individual employers to show that they are unable to recruit local workers and this process needs to be repeated each time recruitment is undertaken. The Northern Australia white paper notes that the Government will retain the discretion to review, and exclude, the use of seasonal workers in areas with high unemployment and low workforce participation rates. In line with this approach, VOH suggests that there could be scope for the development of a national process run by the Department of Employment to exclude particular

¹ Joint Standing Committee on Migration, public hearings, 24 June 2015, Hansard, page 6

² ABARES analysis indicated seasonal workers were on average 22% more efficient than their working holiday maker counterparts. See Australian Farm Institutes Farm Policy Journal (Vol 12, No. 2, Winter Quarter 2015).

³ Australian Government (2015), **Our North, Our Future: White Paper on Developing Northern Australia**, accessed at <http://northernaustralia.infrastructure.gov.au/white-paper/>



areas rather than the individual process currently operating where each employer market tests their specific jobs.

Labour Market Testing

The VOH also notes that the labour market testing in its current form is valid for a three month period only. Given that the application process for approved employer status currently takes up to three months, the number of seasonal workers that can be engaged is limited. As some growers prefer to engage the seasonal workers in blocks so that some arrive for winter pruning, and others for summer harvesting, the cycle of labour market testing must be repeated two or three times a year.

The VOH believes that this requirement is extremely onerous on farmers, who already deal with significant red tape around employment in the horticultural sector. **The VOH therefore submits that either the validation period of the labour market testing is extended to at least twelve months, or removed completely.**

Superannuation Payments to Seasonal Workers

Currently, seasonal workers are entitled to a refund of their superannuation contributions once they have left Australia and their visa has expired.⁴ They are able to do this by applying directly to their super fund for a refund of their net contributions (after deduction of tax), however this process is burdensome on the employer, and cumbersome to the seasonal workers. **The VOH believes that the super payments should be made directly to the employees so as to avoid such unnecessary red tape and to simplify the administration of the SWP.**

The VOH is fully supportive of the seasonal worker programme and welcomes the new changes that has made the programme more flexible and consequently more efficient and accessible. The above recommendations have been submitted as suggestions for areas that the horticultural industry believe could be improved.

On behalf of the VoH, thank you again for the opportunity to provide a submission to this inquiry, and thank you in advance for your consideration.

Yours sincerely,



John Dollisson

Deputy Chair
Voice of Horticulture

⁴ Australian Taxation Office, [https://www.ato.gov.au/Business/PAYG-withholding/In-detail/Foreign-resident/Seasonal-Worker-Programme/?page=1#Are seasonal workers entitled to a refund of their super](https://www.ato.gov.au/Business/PAYG-withholding/In-detail/Foreign-resident/Seasonal-Worker-Programme/?page=1#Are%20seasonal%20workers%20entitled%20to%20a%20refund%20of%20their%20super)

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Members:



For general inquiries please contact our Company Secretary, *Leanne Groves* secretary@voiceofhorticulture.org.au

For further information please see our website www.voiceofhorticulture.org.au

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