



DISCUSSION PAPER

# Australia's Seasonal Worker Program: Demand-side Constraints and Suggested Reforms

Jesse Doyle, World Bank

Stephen Howes, Australian National University



## Acknowledgements

Jesse Doyle is a Labor Migration Specialist in the Social Protection and Labor Global Practice of the World Bank and Professor Stephen Howes is Director of the Development Policy Centre of the Crawford School of Public Policy, Australian National University. The authors would like to thank Manohar Sharma of the World Bank for his guidance, and also the numerous employers, industry bodies and government officials who assisted in this research. In particular, the authors would like to thank: the Seasonal Worker Program team at the Department of Employment for providing statistics on annual arrivals and facilitating contact with Approved Employers; Alexandra Meyer from the Department of Immigration and Border Protection; and Stacey Ford from the Fair Work Ombudsman. The authors are also grateful to the peer reviewers for this paper - Susannah Smith from the Department of

Employment, Manjula Luthria, David McKenzie and Leitumai Malaulau from the World Bank, and Richard Curtain from Curtain Consulting. The views expressed in this paper are those of the authors alone and do not necessarily reflect the opinions of the World Bank or the Australian National University. The authors alone bear responsibility for the content of this paper, including any remaining errors.

This study is one part of a broader World Bank work program looking at labor migration in the Pacific. In order for both labor-sending and receiving countries to realize the full gains from seasonal migration, labor markets have to function effectively on both the supply and demand sides. This study complements the World Bank's work on building institutional capacity to manage labor supply in Pacific Island labor-sending countries.

---

## Summary

Australia's Seasonal Worker Program (SWP) permits workers from eight Pacific Island countries and Timor-Leste to work in Australia for a period of fourteen weeks to six months. The program centers on the horticulture sector, but is currently being trialed in four other sectors that were also perceived as suffering from labor shortages: accommodation, aquaculture, cotton and sugar cane.

The number of Pacific seasonal workers in Australia has progressively increased since 2008, but remains small in comparison both to the overall number of foreign workers operating in these sectors, mainly backpackers, and to New Zealand's equivalent Recognised Seasonal Employer (RSE) Scheme.

In 2011, Stephen Howes and Danielle Hay carried out a survey examining employers' views of the Pacific Seasonal Worker Pilot Scheme (PSWPS), which preceded the SWP. Since this survey, there has been no further examination of why take-up remains low. This paper reports on the results of a comprehensive survey of employers and industry bodies across the horticulture sector. The findings confirm that the lack of an aggregate labor shortage due to the prevalence of illegal workers and backpackers in the horticulture industry remains the key constraint on employer demand for the SWP. In addition, there is still a

lack of awareness of the scheme. This is particularly acute in states and territories with few Pacific seasonal workers. Growers who are aware of the scheme feel that its costs and risks need to be reduced. The reputation of the SWP is still poor amongst non-participating growers, but moderately positive amongst Approved Employers and participating growers, though these latter groups find the scheme's administrative requirements burdensome. Encouragingly, one in four non-participating growers express an openness to taking on seasonal workers.

Based on these findings, the report recommends a series of reforms to lift employer demand. Key recommendations include: increasing funding for compliance activities to reduce the number of illegal workers in horticulture; either removing or reducing the second-year visa extension for backpackers working in horticulture, or generalizing it to all sectors; removing the upfront costs for returning workers and covering those for new workers through a revolving fund; reducing the minimum fourteen week work requirement; giving employers a greater role in worker selection; advertising the SWP through a targeted group of horticultural industry bodies; streamlining reporting requirements to government; and easing labor market testing requirements for participating growers.

## 1. Introduction

The misalignment between labor-sending and-recipient country objectives has long proved a barrier to international labor mobility. Developing countries are reluctant to see their most skilled workers emigrate, but typically welcome ‘the remittances and job opportunities that migration provides for less-skilled workers’ (Gibson and McKenzie 2011a). On the other hand, developed countries are wary of the sociocultural and economic impacts of low-skilled immigration, while broadly supportive of the arrival of high-skilled workers. There are also a heterogeneous set of non-government stakeholders trying to influence outcomes on labor mobility, including unions and industry bodies. In this environment competing objectives often prove to be barriers to achieving the intended outcomes.

It has been estimated that eliminating all barriers to labor mobility would ‘amount to large fractions of world GDP – one or two orders of magnitude larger than the gains from dropping all remaining restrictions on international flows of goods and capital’ (Clemens 2011). Their removal depends largely on finding an arrangement acceptable to all. Temporary or seasonal migration offers a compromise, which addresses both labor-sending and receiving country concerns and provides clear benefits for both.

For labor-sending countries there are sizeable remittance flows, which contribute to increased income and consumption at the household level and ‘help finance trade deficits and bolster financial reserves at the macroeconomic level’ (World Bank 2014, p. 2). Remittances are also often invested in education and health, thus having positive flow-on effects for human capital development. This aside, migration generates critical employment opportunities for the migrants themselves and the possibility of transferring skills and knowledge upon return (Dos Santos and Postel-Vinay 2003). For labor-receiving countries seasonal workers fill gaps in particular industries that are experiencing labor shortages, enabling them to raise output (World Bank 2014).

Whilst empirical evidence is limited, recent international experiences with seasonal migration programs have been largely positive. In Korea’s Employment Permit System (EPS), participating Filipino households had higher spending on health, were more likely to put children into private schools and borrowed less from their extended family (Clemens and Tiongson 2012). Meanwhile, the Recognised Seasonal Employer (RSE) Scheme in New Zealand increased the per capita incomes of participating households by over 30 percent, allowed households to accumulate more assets, and increased subjective standards of living (Gibson and McKenzie 2010).

The Seasonal Worker Program (SWP), which was informed by the Pacific Seasonal Worker Pilot Scheme (PSWPS), represents the first effort by an Australian government to explicitly open low-skilled work opportunities to Pacific Islanders since Federation. The PSWPS was largely modelled on the success of New Zealand's equivalent RSE scheme. The PSWPS ran over a four year period in the horticulture sector (2008-2012) and had a total cap of 2,500 workers. Despite the widespread success and rapid expansion of the RSE, the PSWPS got off to a slow start and never managed to reach its full potential. Over the entire duration of the PSWPS there were 1,623 arrivals, 65 percent of the total cap (DIAC 2012b).

In response to evidence of low take-up in the PSWPS, researchers at the Development Policy Centre of the Australian National University conducted an employer survey. Hay and Howes (2012) determined that three factors limited demand for Pacific seasonal workers: the lack of an aggregate labor shortage, a lack of information about the PSWPS, and the perceived level of risk and costs. This survey was carried out between May and June, 2011. Since these employers were surveyed, the PSWPS has finished and the SWP has been introduced. It differs in both structure and scale. Along with accommodation, which was already being trialed, three new trial sectors have been added (aquaculture, cotton and cane). Four new countries have sent workers (Nauru, Samoa, Solomon Island, and Tuvalu) and the cap has increased nearly fivefold.

The demand for Pacific seasonal workers in the SWP has improved relative to the PSWPS, but still remains weak. In FY 2012-13 there were 1,473 arrivals against a total cap of 2,000 workers. In FY 2013-14 there were 2,014 visas granted up against a cap of 2,500 workers (DOE 2014). This number remains insignificant for the Australian horticulture industry, which employs approximately 75,000 – 175,000 workers annually, and in comparison with New Zealand's RSE scheme, which started with a cap of 5,000 workers, expanded to 8,000 workers the following financial year and the new cap is now up to 9,000 workers (NFF 2008b; Gibson and McKenzie 2014; Trevett 2014). The SWP's small size means that its overall development impact remains limited for participating countries (Gibson and McKenzie 2011b).

This paper aims to determine whether the factors constraining demand have changed since the PSWPS and what reforms could help lift employer demand. It does so through assessing the views of a sample of employers and industry bodies across the horticulture industry. The trial sectors are not covered. The study is divided into five sections. Section 2 describes the origin, design and features of both the PSWPS and SWP. Section 3 provides a brief overview of the survey. Section 4 presents the key results and discusses how these compare with those collected by Hay and Howes (2012). Section 5 explores a possible way forward by suggesting a series of reforms based on the core set of findings.

## **2. The Seasonal Worker Program**

### **2.1 Origins**

A labor mobility initiative for the Pacific had been widely considered for several decades before the PSWPS was introduced in 2008. As early as 1984, the first major review of Australia's aid program (The Jackson Report) recommended that Australia adapt its assistance to the special circumstances of the South Pacific through a special immigration program (Senate Foreign Affairs Committee 2003). Whilst there was periodic mention of labor mobility in each review of the aid program thereafter, it was widely recognized that it would be difficult to implement. In addition to concerns about domestic unemployment, the Government was also concerned about its potential to undermine 'the integrity of Australia's largely non-discriminatory aid policy' (The Simons Review 1997).

In 1992 the unemployment rate in Australia reached a high at 11 percent and then trended downwards over the subsequent decade, dropping as low as 6.1 percent by 2002 (ABS 2014). That same year Australia experienced a debilitating drought with 56 percent of the country suffering from severe rainfall deficiencies for the 11 months from March 2002 to January 2003 (Treasury 2004). This drought led to the largest decline in employment on record across the agricultural sector, with 100,000 jobs estimated to have been lost (Houston 2004; Treasury 2004). The rapid loss of agricultural workers who permanently relocated to other sectors led to concerns of future labor shortages (NFF 2005). These concerns were particularly acute in the horticulture sector, which is highly labor intensive.

In a 2003 inquiry into Australia's relations with Papua New Guinea and the island states of the south-west Pacific, the idea of a seasonal worker scheme for the horticulture sector first officially surfaced. The Committee received 'several submissions from enterprises in Australia and PNG requesting the Committee seriously consider such a scheme' (Senate Foreign Affairs 2003). Based on these submissions, the Committee recommended the Australian Government 'develop a pilot program to allow for labor to be sourced from the region for seasonal work in Australia' (Senate Foreign Affairs Committee 2003). The Government issued a one-line response to the recommendation stating 'it has traditionally not supported programs to bring low-skilled seasonal workers to Australia' (Maclellan & Mares 2006).

In 2005, the National Farmers Federation (NFF) released its labor shortage action plan, highlighting the issues the industry was facing and recommended actions. This plan recommended that the NFF ascertain feedback from farmers on the potential for a seasonal worker scheme (NFF 2005). In October of that year, the Pacific Islands Forum was held in Papua New Guinea. Despite the issue of labor mobility being high on the agenda for several

Forum members, the Pacific islands were offered the Australia-Pacific Technical College (APTC) instead – a regional technical college with the primary intention of creating skills (Clemens and others 2014).<sup>1</sup> The horticulture industry was offered greater access to backpackers through an amendment to the Working Holiday Maker visa, which allowed for a second-year visa extension conditional on carrying out 88 days of specified work in regional Australia (DIBP 2013).<sup>2</sup>

In the face of firm opposition, multilaterals and academics continued to pursue the case for seasonal migration, with the World Bank releasing its seminal *'At Home and Away'* report shortly thereafter. This report examined the economic arguments – analytically and empirically – in favor of a seasonal worker program for the Pacific. In December 2005, the Government launched an inquiry into the potential of a seasonal worker program titled *'Perspectives on the Future of the Harvest Labor Force'* (Senate Employment 2006).

The inquiry received submissions from a wide array of industry bodies, independent growers, labor hire companies, unions, domestic and regional governments as well as NGOs. The majority of these submissions suggested widespread labor shortages in the horticulture industry were the underlying justification for such a scheme, but according to the Committee, evidence of these purported shortages was largely anecdotal. As a result the Committee was not 'prepared to recommend that such a scheme should proceed' (Senate Employment 2006, p. 7).

In New Zealand, the debate around seasonal workers had taken a distinctly different turn. By October 2006, the Cabinet had 'agreed to a temporary seasonal work policy called the Recognised Seasonal Employer (RSE) work policy' (McKenzie and others 2008, p. 4). The policy set a limit of 5,000 workers to match seasonal labor shortages in the horticulture and viticulture industries. Encouraged by the progress across the Tasman, several Pacific Island governments continued to pressure the Australian Government by 'pursuing the issue of labor mobility at every opportunity in regional and bilateral meetings' (Senate Employment Committee 2006, p. 45).

Following the 2007 Australian federal election, the newly elected Government of Prime Minister Kevin Rudd said 'it will closely monitor New Zealand's experience of seasonal employment of workers from the Pacific, to decide whether Australia should create its own seasonal worker program' (Maclellan 2008). A paper released by the NFF suggested an implementation framework, which would start with a pilot program (NFF 2008b). This

---

<sup>1</sup> APTC was also intended to foster labor mobility though it struggled to deliver on this with only 2.6% of graduates moving to Australia or New Zealand (Clemens and others 2014).

<sup>2</sup> Specified work remains confined to the agriculture, mining and construction industries.



combined with the early success of the RSE in New Zealand led the Australian Government to decide in favor of trialing a seasonal worker program for the Pacific.

## **2.2 Pacific Seasonal Worker Pilot Scheme**

“Australia’s Pacific Seasonal Worker Pilot Scheme will operate on a smaller scale than the New Zealand RSE scheme, but we are determined to ensure it works well from the outset, in the hope that it will be expanded in future years.”

Duncan Kerr, former Parliamentary Secretary for Pacific Island Affairs; 2008

The Pacific Seasonal Worker Pilot Scheme (PSWPS) was announced in the lead up to the Pacific Islands Forum in August 2008. It was trialed over three years, from February 2009 to June 2012 in the horticulture industry, initially being confined to Swan Hill-Robinvale in Victoria and Griffith in New South Wales. The Pilot was divided into two phases. Phase I was from 2008-09 and had a cap of 100 workers. Phase II was from 2009-12 with a cap of 2,400 workers (Gibson and McKenzie 2011b). Initially one Pacific country from each of Micronesia, Polynesia and Melanesia was selected based on prior experience in New Zealand’s RSE (Luthria and Malaulau 2013).

In November 2008, the Australian Government signed Memoranda of Understanding (MOU) with the governments of Kiribati, Tonga and Vanuatu (TNS Social Research 2011). Whilst Papua New Guinea was invited at the outset, it joined the PSWPS later in July 2010 (Luthria and Malaulau 2013). In September 2011, at the Pacific Islands Forum in Auckland, Prime Minister Julia Gillard announced that Nauru, Samoa and Solomon Islands and Tuvalu would also be invited to participate in the final stages of the PSWPS (Maclellan 2012).

The design of the PSWPS designated Approved Employers (AEs) as responsible for the recruitment of Pacific seasonal workers. In order to become an AE, an expression of interest needed to be submitted to the Department of Education, Employment and Workplace Relations (DEEWR, now the Department of Employment). Initially this opportunity was reserved for labor hire companies. If found suitable to become an AE, labor hire companies were offered a Special Program Agreement from the Department of Immigration and Citizenship (now the Department of Immigration and Border Protection) and a Deed of Agreement from DEEWR. In turn, they were able to contract out the recruited Pacific seasonal workers to growers. The costs and requirements borne by AEs under the PSWPS are shown in Table 2.1 below.



**Table 2.1 Additional costs and requirements for Pacific seasonal workers under the PSWPS**

Additional cost/ requirement	
<b>Additional costs for Pacific seasonal workers</b>	<ul style="list-style-type: none"> <li>▪ 50 percent of the return airfare for each worker regardless of sending country</li> <li>▪ All domestic transfer costs</li> <li>▪ Organizing accommodation*</li> <li>▪ Private health insurance*</li> <li>▪ Visa fees*</li> </ul>
<b>Additional requirements for Pacific seasonal workers</b>	<ul style="list-style-type: none"> <li>▪ Six months work at a minimum of 30 hours per week</li> <li>▪ Labor market testing (by lodging vacancies with Australian government employment services for a period of two weeks)</li> <li>▪ Engagement according to Australian working standards (wages according to the award rate, superannuation, work cover etc.)</li> <li>▪ Assistance in accessing health care</li> <li>▪ Arranging for personal protective equipment</li> <li>▪ Ensuring access to onsite facilities and on-farm induction, including Occupational Health and Safety (OH&amp;S) matters</li> <li>▪ Appropriate pastoral care</li> <li>▪ Support to ensure compliance with all visa conditions</li> <li>▪ Cooperation with the Fair Work Ombudsman and state authorities in monitoring the work standards of workers</li> </ul>

**Note:** Those marked with \* signify costs that could be recovered through wage deductions.

**Source:** TNS Social Research (2011)

Despite earlier complaints of labor shortages from the NFF (estimated at 22,000 workers), the first two years of the PSWPS saw only 123 arrivals (NFF 2005; NFF 2008a). The limited scope of the PSWPS and lack of flexibility proved to be a deterrent. In addition to this, growers voiced concerns about the need to hire through labor hire companies and the associated mark-up on labor costs. The Chief Executive of the Horticulture Australia Council highlighted this as ‘the most significant issue constraining demand’ (Robinson 2010). In late 2009, the first of several parameter changes aimed at lifting employer demand was introduced.

**Table 2.2 Parameter changes under the PSWPS**

Date	Parameter change
<b>November, 2009</b>	<ul style="list-style-type: none"> <li>▪ Horticultural contractors and growers permitted to become AEs along with labor hire companies</li> <li>▪ Geographical restrictions removed, opening the PSWPS up to horticultural regions beyond Robinvale-Swan Hill in Victoria and Griffith in New South Wales</li> </ul>

## December, 2010

- Variable rate introduced for employer contribution to return airfare (35% for Kiribati, 50% for Tonga, 55% for PNG, 80% for Vanuatu)
- Employers provided three options for minimum amount of work required to guarantee Pacific seasonal workers (1. Six months at 30 hours per week, 2. Five months work at 35 hours per week, 3. Four months' work at 38 hours per week)
- Domestic transfer costs reduced by allowing employers to recoup up to \$100 from the point of entry to the place of employment

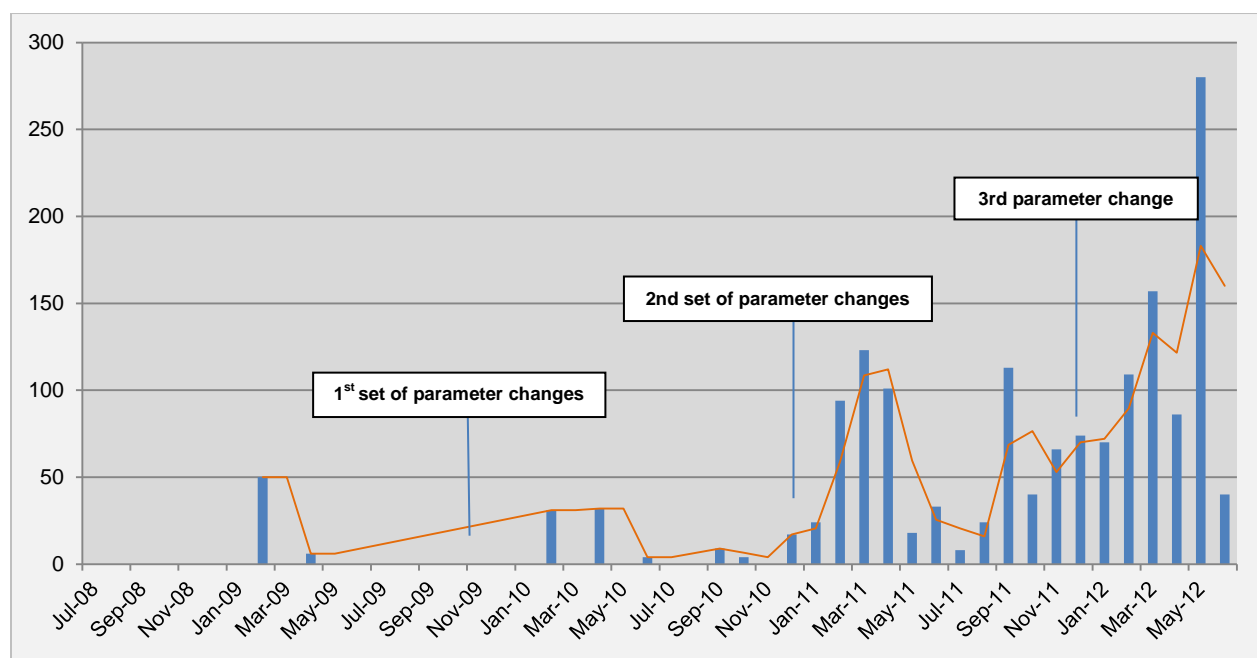
## December, 2011

- Reduction in the tax rate for Pacific seasonal workers from 29% to 15% for their first \$37,000 of taxable income

Source: TNS Social Research (2011)

These reforms gradually helped improve take-up the following year, but the PSWPS still had a low participation rate. In 2010, an Interim Evaluation Report was released. It outlined some of the design features that continued to affect the take-up of Pacific seasonal workers. Largely as a result of this evaluation, three key sets of reforms to the Pilot parameters were introduced aimed at improving take-up in the PSWPS (Table 2.2). These changes had a marked effect on demand for Pacific seasonal workers (Figure 2.1). Whilst demand had flat-lined in the first two years, FY 2010-11 witnessed an increase in arrivals to 392. FY 2011-12 saw a similar increase with 1,074 arrivals (DIAC 2012b). Despite the reforms to existing cost-sharing arrangements and improvements in flexibility, the PSWPS was still falling consistently short of the cap (Table 2.3).

**Figure 2.1** Moving average of monthly visas granted under the PSWPS



**Source:** DIBP (2014)

Hay and Howes (2012) found that a key reason for this shortfall was the lack of an aggregate labor shortage. They also found a distinct lack of information about the PSWPS in the horticulture sector. Whilst it was initially anticipated that employers would take ownership of the pilot, as the PSWPS progressed, it became increasingly apparent that government-led marketing would be required to increase industry awareness and interest (TNS Social Research 2011).

Finally, there was the perceived level of cost and risk associated with the PSWPS (Hay and Howes 2012). As the final evaluation of the PSWPS highlighted, convincing growers of the value of seasonal workers and encouraging acceptance of the higher cost per hour balanced with other savings remained a considerable barrier to participation in the PSWPS (TNS Social Research 2011).

### **2.3 Seasonal Worker Program**

The final evaluation of the Pacific Seasonal Worker Pilot Scheme was completed in September 2011. Despite the considerable barriers the PSWPS faced, the evaluation suggested that it had demonstrated ‘it can meet the needs of the horticulture industry for seasonal labor’ (TNS Social Research 2011). It recommended the roll out of a low-skilled seasonal labor mobility program as preferable to extending the PSWPS, as this would ‘generate a lack of confidence and inhibit uptake by industry’ (TNS Social Research 2011).

On 18 December 2011, the Government announced their decision to introduce an ongoing fully-fledged scheme, the Seasonal Worker Program or SWP (FMFA 2011). Whilst most of the existing cost-sharing arrangements and requirements carried on from the PSWPS, there were changes to both the structure and scale of the SWP. Three new sectors were added for a three year trial: aquaculture, cotton and cane. Furthermore, the cap on the number of workers was expanded to 12,000 workers over the four year period, 2012-13 to 2015-16.

Annual caps were also put in place. These increase year-on-year with 80 percent of places allocated to the horticulture sector and 20 percent to the four trial sectors. In FY 2012-13, the cap was 1,600 in horticulture and 400 for the trial sectors. In 2013-14, this increased to 2,000 for horticulture and 500 for the trial sectors; and, in 2014-15 to 2,600 for horticulture and 650 for the trial sectors. The 2015-16 cap is 4,250. The three-year trial for the expansion sectors comes to an end in 2014-15. These sectors have attracted few takers, and it is not expected that a separate reservation for these sectors will continue after 2014-15. This slowly expanding cap is in stark contrast to the RSE in New Zealand – its cap

started at 5,000 workers in 2007-08, immediately expanded to 8,000 in 2008-09 and is now at 9,000 workers.

There were two reforms implemented with the introduction of the SWP aimed at reducing the administrative requirements of AEs. The first was dropping AE reporting requirements from monthly to twice (on-arrival and pre-return) over the duration of a Pacific seasonal worker's stay. The other was providing a single point of contact in Government for AEs.

Arrivals under the SWP have been increasing steadily. In 2012-13 there were 1,473 visas granted. In 2013-14 there were 2,014 visas granted (DOE 2014). The figures are a steady improvement on the PSWPS, but the number of visas granted under the SWP have still been below the cap (Table 2.3). It should also be noted that the cap is small relative to both the number of other workers in the horticulture industry and to the RSE in New Zealand. For the horticulture sector, many of the factors constraining demand in the PSWPS continue to affect the SWP. These will be discussed in detail in Section 4.

**Table 2.3 Comparison of visas granted as a percentage of the cap under the Australian and New Zealand schemes**

		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>PSWPS/ SWP (all sectors)</b>	<b>Cap</b>	-	100	2,400			2,000	2,500
	<b>Visas as a % of cap</b>	-	56%	64%			74%	81%
<b>PSWPS/ SWP (horticulture)</b>	<b>Cap</b>	-	100	2,400			1,600	2,000
	<b>Visas as a % of cap</b>	-	56%	63%			91%	99%
<b>RSE</b>	<b>Cap</b>	5,000	8,000	8,000	8,000	8,000	8,000	8,000
	<b>Visas as a % of cap</b>	90%	85%	85%	95%	97%	100%	100%

**Note:** Years are from July to June.

**Source:** DIBP (2014); Immigration NZ (2014b)

The election of the Coalition Government in September 2013 has led to a new impetus for reform, with an election undertaking to examine the case for expanding the SWP (Coalition 2013a) and a more general focus on reducing regulation (Coalition 2013b). The Department of Employment (formerly the Department of Employment, Education and Workplace Relations) and the Department of Immigration and Border Protection (formerly the Department of Immigration and Citizenship) have been in the process of identifying further options to reform the administrative requirements within the program.

### **3. Survey**

To identify and evaluate reasons why employers are not participating in the Seasonal Worker Program, a survey of both horticultural employers and industry bodies was undertaken. The survey was carried out between February and April 2014. It covered growers from all states and territories, including all of the major horticultural regions across Australia. Given the minimal take-up in the four expansion sectors, they were not included. There was a great deal of variation in the farm sizes of survey respondents ranging from family-run farms with less than a hectare and one seasonal worker, to corporate holdings with 1,700 hectares and over one thousand seasonal workers. All of the major crop types were covered including bananas, berries, canned fruits, citrus, dried fruits, flowers, melons, nuts, pome fruits, stone fruits, table grapes, vegetables and wine grapes.<sup>3</sup>

The total size of the survey was 217 employers and 43 industry bodies (Table A.1). This compares well with any previous survey of horticultural employers. 183 out of the 191 employers who participated in the 2011 survey were re-contacted. Many were unavailable, but 101 answered the survey. They are referred to as the primary sample. A secondary sample of 200 randomly selected horticultural employers from across Australia were also contacted. 76 of those responded. In addition, 40 Approved Employers and participating employers were surveyed. Finally, the horticultural industry bodies representing various crops and regions across Australia were surveyed. Given there is no single horticultural peak body in Australia, a wide array of 43 industry bodies were surveyed to gain an overarching reflection of the industry. More information about the sample can be found in Appendix A, and the survey instruments in Appendixes D and E.

### **4. Results and discussion**

This section summarizes the results, and presents a few key graphs. The full set of results can be found in Appendix B. To maximize comparability over time, we sometimes compare only the same growers from the primary sample. Analysis utilizing the 2014 survey only uses the full sample.

#### **Lack of awareness**

The underlying lack of awareness of the SWP across the horticulture industry is an ongoing source of concern. Half of the growers surveyed in 2011 (48 percent) were unaware of the PSWPS (Figure 4.1). Recognizing this issue, the final evaluation of the PSWPS

---

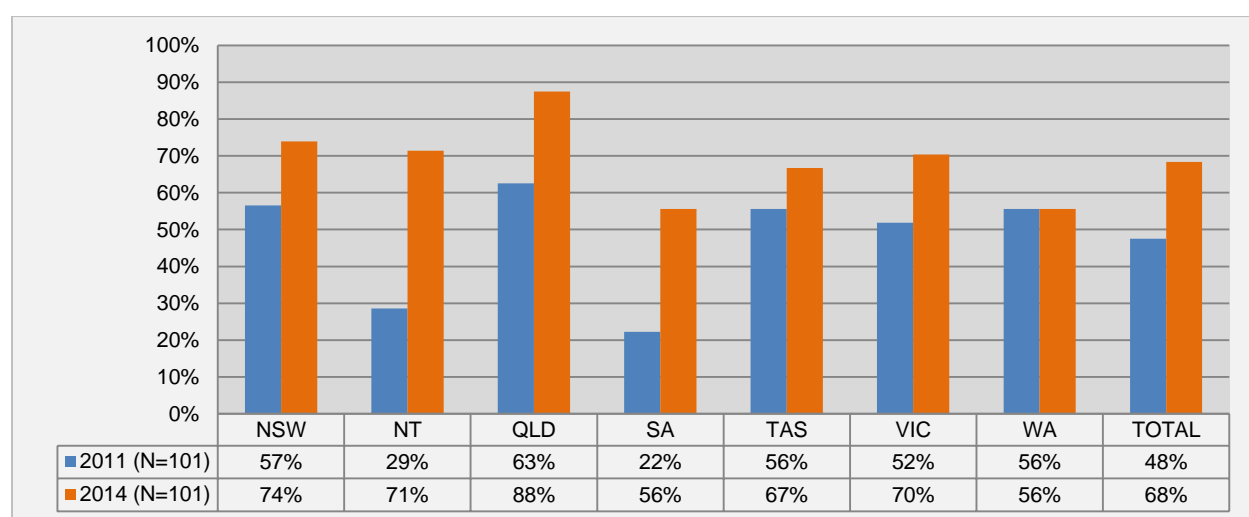
<sup>3</sup> For the purpose of this survey, pome fruits refers to apples, pears and quinces.

recommended ‘funding a specialist agency to deliver a targeted communications campaign to comprehensively and consistently market a low-skilled seasonal mobility program to the horticulture industry and other community based stakeholders’ (TNS 2011, p. 69).

Despite this recommendation, the government-led approach was continued. The results of this method have delivered modest improvement with only two in three (68 percent) growers now aware of the SWP (Figure 4.1). A larger increase was expected, given those who were previously unaware should at least have found out through the 2011 survey. By contrast, in New Zealand 84 percent of non-participating growers had heard of the RSE in the last employer survey that covered awareness (DOL 2011).

Amongst those who had heard of the SWP there were also misconceptions about both the costs and requirements that AEs are responsible for. Several growers thought it was still compulsory to recruit through labor hire companies. Others believed that six months was the minimum period of time that Pacific seasonal workers could be recruited for. This was possibly due to a lack of information – many growers felt the SWP had not been clearly communicated to them by Government. Of those that were interested in receiving information about the SWP, ‘e-mail’ and ‘through industry bodies’ were cited as the most effective means of communication.

**Figure 4.1 Percentage of growers who have heard of the SWP (primary sample)**



The Government’s marketing approach thus far focused predominantly on the larger regional and national bodies such as the National Farmers Federation, the Victorian Farmers Federation, and Growcom. For certain horticultural industry bodies they have sent out detailed information packs on the SWP for each member. For other industry bodies, there has been little or no contact. A total of 28 out of the 43 associations surveyed had not

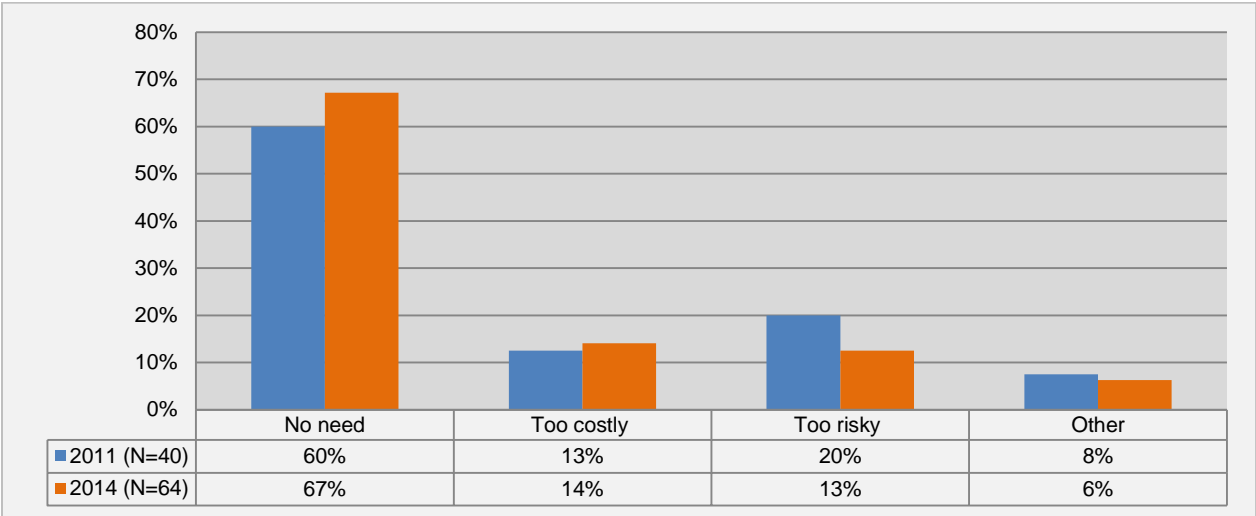
received any information about the SWP from Government. Collectively, these 28 associations represent 8,364 members. This is an opportunity missed.

**Lack of an aggregate labor shortage**

The key factor deemed to be preventing higher take-up of Pacific seasonal workers under the PSWPS was the lack of an aggregate labor shortage. A clear majority (60 percent) of growers suggested the reason they were not using the PSWPS was because there was ‘no need’ (Figure 4.2). This trend largely continues to affect the SWP with 67 percent of growers saying they had ‘no need’ for it in 2014. A higher percentage of growers said that they had experienced difficulties finding sufficient seasonal workers, but this figure still remains low at 18 percent, compared to 9 percent in 2011 (Figure B.4). As expected, these difficulties were particularly acute in more remote horticultural regions, such as those in the Northern Territory.

The prevalence of illegal workers and practices in the industry continues to weaken prospects for Pacific seasonal workers. Four out of five (79 percent) growers recognized that undocumented workers were used to at least some extent in the horticulture industry, much higher than the 16 percent in 2011 due to a change in question wording (Figure B.5). Awareness of the presence of illegal workers in the horticulture sector was particularly acute amongst AEs and participating growers – 60 percent suggested that illegal workers were either used ‘to a moderate extent’ or ‘to a large extent’, whilst only 3 percent believed that they were ‘not used at all’ (Figure B.22).

**Figure 4.2 Main reason for not participating (primary sample)**



**Note:** The sample in this figure only includes those who had heard of the scheme.



The majority of AEs and participating growers indicated that the prevalence of illegal workers was having an impact on demand for legal workers, such as those from the Pacific. There is no reliable estimate of the number of undocumented workers in the horticulture sector. However, the Department of Immigration and Border Protection does collect data on the number of unlawful non-citizens located annually. These have increased steadily since the introduction of the PSWPS, along with the number removed (Table 4.1).

**Table 4.1 Prevalence of illegal workers in Australia**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Unlawful non-citizens located</b>	11,428	14,169	13,831	15,477	15,077	17,185
<b>Notices issued to employers of illegal workers</b>	597	609	515	397	302	N/A
<b>Removals and assisted departures</b>	6,818	8,825	10,175	10,785	9,012	10,585

**Source:** DIAC (2009-2011); DIAC (2012a); DIBP (2013 -14)

This is contrast to New Zealand, where a crackdown on illegal labor was initiated before the introduction of the RSE. In order to create labor demand for the RSE from the outset, ‘the New Zealand government conducted immigration raids to deport undocumented workers’ (Ball 2009, p. 116). According to Immigration New Zealand (2014a), as a result of these actions immigration fraud in the horticulture and viticulture sectors has fallen significantly.

Despite the prevalence of illegal workers, many growers suggested that the larger issue at hand was the underpayment of documented workers. This involves both growers who are recruiting directly and knowingly underpaying workers, as well as those using dishonest contractors. This further undermines prospects for Pacific seasonal workers. For FY 2012-13, the Fair Work Infoline received over 6,000 enquiries in relation to agriculture, forestry and fishing. There is no disaggregation on the proportion of these enquiries that were in the horticulture sector.

The most common complaints received related to ‘wages and conditions, non-payment for time worked and underpayment matters’ (FWO 2014). The widespread availability of backpackers from developed countries on Working Holiday (subclass 417) visas also continues to plug any potential shortages of seasonal workers. This is a result of the 2005 amendment allowing for a second-year visa extension, conditional on undertaking 88 days of specified work in a rural area (DIBP 2013b).

For FY 2013-14, there were 45,950 second-year visa extensions in Australia, up from zero prior to the introduction of this option in 2005 (Table 4.2). Nine out of ten (90 percent) of second-year visa holders had obtained the extension by working in agriculture, forestry and fishing, which incorporates horticulture. 7 percent obtained it through work in construction, 1 percent through the mining industry, and 2 percent were unclassified. The survey results accord with these figures – across all samples nearly half (46 percent) of growers indicated that backpackers were the main category of worker employed (Table B.2), though note that this is down from 73 percent in 2011.

**Table 4.2 Comparison of visa-extensions granted under the Working Holidaymaker schemes of Australia and New Zealand**

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Australia</b>	25,315	22,500	30,501	38,862	45,950
<b>New Zealand</b>	1,163	1,475	1,963	2,127	2,911

Source: DIBP (2014b); Immigration NZ (2014b)

In New Zealand the same extension is available for backpackers who undertake seasonal work in the horticulture or viticulture industries (Immigration NZ 2014c). However, successful applicants are only to stay for an additional three months. The shorter extension period makes it a less attractive option with only 2,911 backpackers being granted the extension in FY 2013-14. As a result, it does not pose a threat to take-up in the RSE.

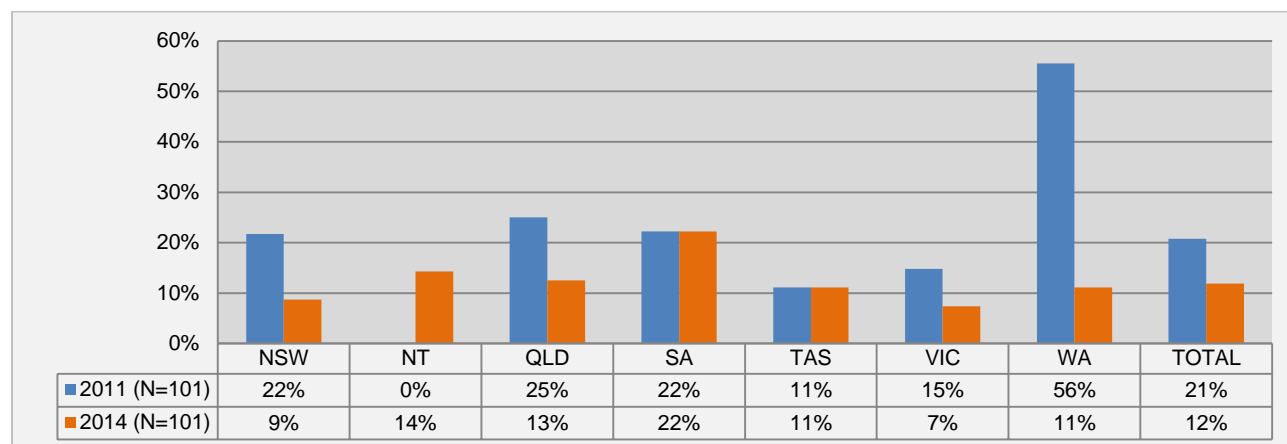
The widespread availability of backpackers in Australia undermines prospects of employment for Pacific seasonal workers. Many of the growers surveyed complained that there were too many backpackers contacting them in search of work. Despite these complaints, it was evident that the overabundance of backpackers was preferable to not having enough.

The majority of industry bodies surveyed said they would actively oppose any reform to the second-year visa extension for backpackers. This is widely recognized as a crucial element of the industry. In 2013, the tourism sector attempted to join those qualifying for ‘specified work’, but the horticultural industry bodies lobbied strongly against it and ultimately prevented its inclusion.

Whilst the abundance of illegal workers and backpackers appears to have become a structural feature of the industry, not all growers were satisfied with the quality of their existing workforce. From the primary sample, 12 percent of growers suggested they were dissatisfied, slightly lower than the 21 percent that held the same view in 2011 (Figure

4.3). Of those growers who were dissatisfied the majority employed backpackers and cited frustration with a lack of dependability, lack of enthusiasm and poor productivity.

**Figure 4.3 Percentage of growers who are unsatisfied with the quality of existing workers (primary sample)**



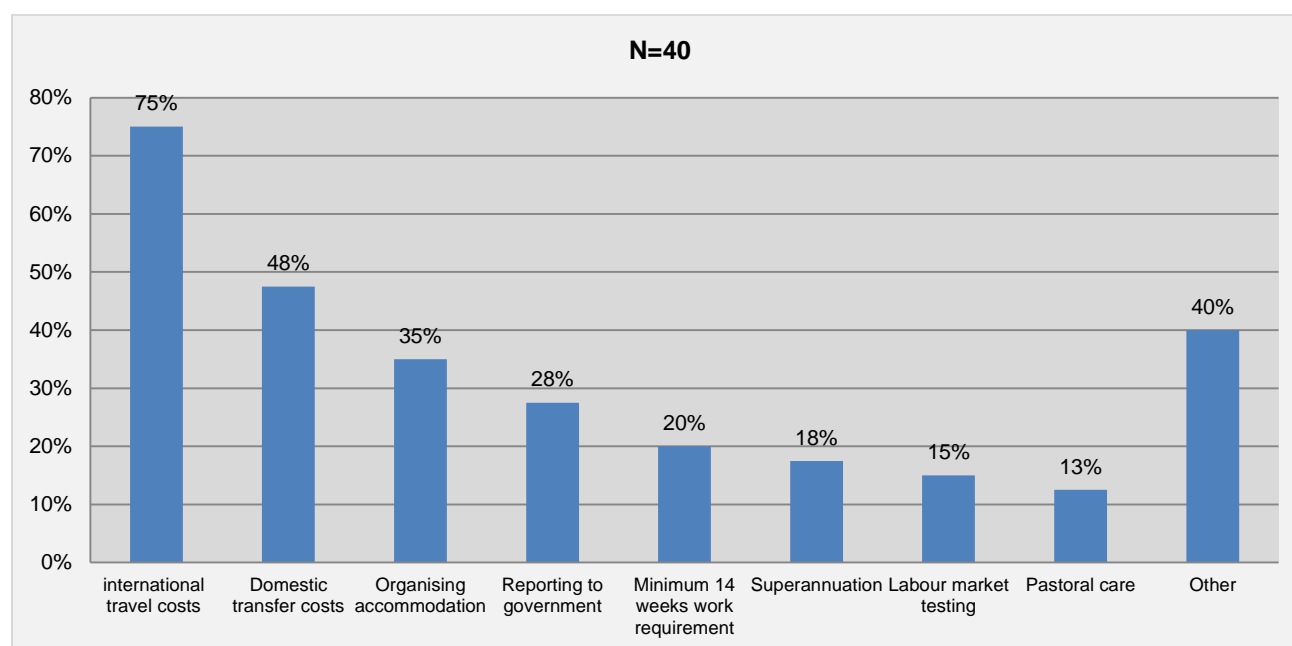
### Additional costs

The costliness of the SWP remains a key barrier to entry. It was the second most cited reason (14 percent) for not hiring Pacific seasonal workers after having ‘no need’ (Figure 4.2). The higher costs incurred for Pacific seasonal workers make them uncompetitive against backpackers and other categories of workers. The main cost concerns revolve around transporting and accommodating the workers, and administration. Non-participating growers were generally unable to suggest specific changes to the SWP that would make it more attractive, given their lack of knowledge of the program parameters. However, 17 percent suggested ‘reducing the cost’ would make it more attractive, whilst 9 percent stated that ‘removing the accommodation requirement’ would achieve this end (Figure B.15).

For AEs and participating growers, the costs involved also continued to determine the viability of the SWP. The majority of AEs involved (53 percent) with the SWP said that it was not financially attractive (Figure B.21). The key changes that AEs and participating growers felt would make the SWP more attractive revolved around reducing the cost. Three out of four (75 percent) cited the international travel cost, which included both having to pay the international airfare upfront and also the need to make a \$500 contribution (Figure 4.4). Many were content to cover the airfare for first time workers, but complained about having to cover it for returning workers.

Half of AEs and participating growers (48 percent) cited the need to change the domestic travel cost arrangements (Figure 4.4). At present, AEs are only able to recoup \$100 of this cost from the closest port of entry. For AEs in close proximity to airports with direct routes to Pacific Island countries, this was not an issue. However, for those employers situated in remote areas, particularly of Western Australia and South Australia, this arrangement increased costs significantly. Some of these growers have been paying more for the domestic travel component than the international.

**Figure 4.4 Key changes that would make the SWP more attractive to growers (AEs and participating growers)**



Furthermore, 35 percent suggested that the cost of organizing accommodation is currently a deterrent (Figure 4.4). This was of particular concern for growers in more remote areas where accommodation is scarce and costly to set up. In New Zealand, RSEs are also responsible for covering a proportion (50 percent) of the return international airfare, domestic travel costs and the costs associated with organizing suitable accommodation (Immigration NZ 2012). Despite having to cover similar costs as AEs, in the 2012 employer survey all RSEs suggested that the 'benefits of participating in the RSE outweighed the costs' (MBIE 2012, p. 4).

### Excessive risk

The perceived level of risk involved with the SWP has decreased, possibly as a result of reforms to program parameters. For the PSWPS, 20 percent of non-participating growers

cited risk as the key reason for not participating. For the same primary sample in this survey the figure had decreased to 13 percent (Figure 4.2). There are many sources of risk that stem from the SWP. Those outlined by growers included needing to guarantee a minimum period of work, not being able to directly select the workers in the same way as backpackers, and having to pay upfront costs before testing them out.

The largest perceived risk for AEs and participating growers was the need to provide a minimum period of work. This is despite reforms reducing this period to an average of 30 hours per week for a minimum of 14 weeks. This concern was particularly acute for growers of fruit and vegetables with harvest seasons that lasted for less than or close to the 14 weeks, though it extended right across the board. Horticulture is an inherently volatile industry where labor needs are often determined on a day to day basis. By comparison, in New Zealand the minimum period of work that Recognised Seasonal Employers need to guarantee Pacific seasonal workers is 6 weeks at 40 hours per week (Immigration NZ 2012).

#### **BOX 1 Case study – non-participating grower**

**Company:** Stothart Family Farms

**Location:** Bellmere, Queensland

**Size:** 20 hectares/ 120 seasonal workers

**Crop:** Strawberries



The strawberry industry in Australia is spread throughout most states and territories. There are over 300 growers producing in excess of 72,000 tonnes. As with most fruit varieties a few large players dominate the industry. Stothart Family Farms is one of the larger strawberry producers in Australia, operating out of South East Queensland and regularly employing up to 120 seasonal workers. They had considered participating in the Seasonal Worker Program when they first discovered it, but decided

not to after learning of the minimum work requirement. According to Jane Stothart “it was simply not possible to commit to offering 38 hours of work per week for the four months we needed them for. We also have an oversupply of Asian backpackers that we find to be outstanding workers for the strawberry industry.” Jane has stated that she would reconsider taking on Pacific seasonal workers if the minimum work requirement was reduced.

The second largest risk for growers was not having the same degree of control in worker selection. Initially, the responsibility of selecting workers lay largely with labor-sending countries. Potential workers were selected and placed in a work-ready pool. More recently, sending countries have also offered the option of direct recruitment. Despite the fact that employers can choose the recruitment method, many still feel that the SWP affords them less control over the workers they hire compared with other types of workers. In New

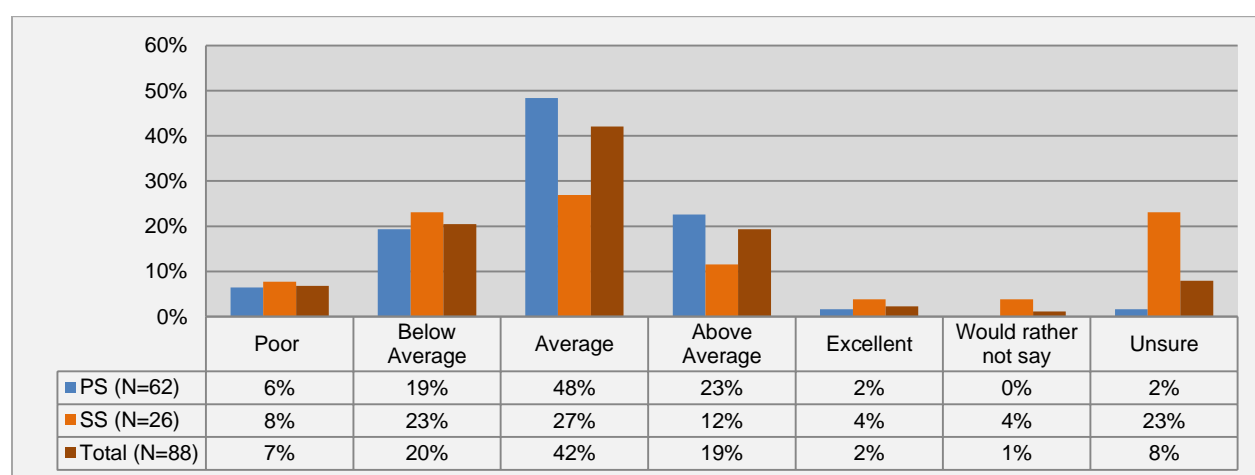
Zealand, this perceived risk is minimized through a trial period agreement where if the worker is dismissed before 90 days they cannot take a personal grievance for unfair dismissal (DOL 2014).

The upfront costs in the SWP also magnified the risk of taking on untested workers. These costs included visas, health insurance, airfares, domestic travel, cash advances and allowances for appropriate work clothes. Growers suggested these costs could range from \$1,500 - 3,000 per Pacific seasonal worker. The majority of upfront costs can be recouped through wage deductions; though in the case that workers are unsuitable or abscond, this may not be possible.

## Reputation of the SWP

The reputation of the SWP continues to affect demand for Pacific seasonal workers. For the PSWPS, 27 percent believed it had a good reputation, 23 percent felt it had a poor reputation, and the remaining 50 percent were unaware of its reputation (Hay and Howes 2012, p. 29). This survey revealed large differences between the attitudes of non-participating growers and participating growers. 62 percent of non-participating growers who were aware of the scheme suggested its reputation was either 'average' or 'below average' and 7 percent suggested it was 'poor' (Figure 4.5). Just one-in-five (19 percent) of non-participating growers thought the SWP's reputation was 'above average' and only 2 percent believed it was 'excellent' (Figure 4.5). On a more positive note, one-in-four (24 percent) non-participating growers suggested that they were willing to take on Pacific seasonal workers in the coming 12 months (Figure B.14). This suggests that there is significant potential for the SWP to expand if the conditions are right.

**Figure 4.5 Reputation of the SWP (primary and secondary samples)**



**Note:** The sample in this figure only includes those who had heard of the scheme.

AEs and participating growers held the SWP in higher regard with 66 percent of growers stating that its reputation was either 'above average' or 'excellent', compared to just over 20 percent for non-participants. However, 10 percent of AEs and participating growers thought that the reputation of the scheme was 'average', 15 percent 'below average' and 5 percent 'poor' (Figure B.18). The fact that 30 percent of those involved with the SWP are not impressed is unfortunate.

AE's and participating grower's perceptions of Pacific seasonal workers were also positive. They were viewed as significantly more dependable (mean 8.7 out of 10), enthusiastic (mean 8.5) and productive (mean 8.7) than other categories of seasonal workers (Figure B.20). These findings are echoed in the RSE Employers' Survey in New Zealand where Pacific seasonal workers were also rated as more dependable (mean 9.1 out of 10), enthusiastic (mean 8.8) and productive (8.9) than other categories of seasonal workers (MBIE 2012). A 2013 study carried out by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) supports their views. The study estimated the relative efficiency of workers under the SWP against backpackers using payroll data. The results of the analysis indicated that Pacific seasonal workers were on average 22 percent more efficient than backpackers (ABARES 2013).

It is clear that there is a significant gap between participating and non-participating growers' perceptions of both the SWP and Pacific seasonal workers themselves. Bridging this gap will require eliminating widespread misconceptions about the SWP and further promoting the gains of hiring Pacific seasonal workers. In order to achieve this end, the Department of Employment may need additional resources to be allocated to the SWP, which will be difficult in the current funding environment.

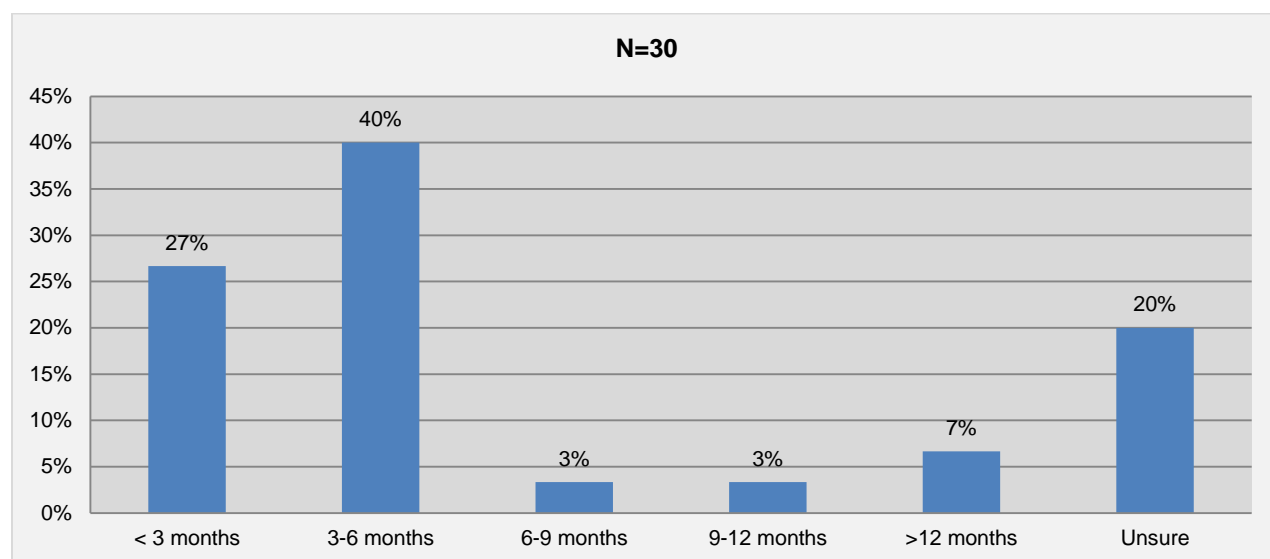
### **Administrative requirements**

The high administrative costs continue to affect the reputation of the SWP. In relation to the PSWPS, 88 percent of AEs said 'the red tape is too cumbersome and costly' and there were complaints of 'repetitive paperwork, reporting and monitoring' (Hay and Howes 2012, p. 31). These concerns have carried over to the SWP. The average amount of time taken for the Government to process the paperwork required to become an AE was 4.6 months.

For the majority of AEs (67 percent), the processing time was less than six months. However, for 13 percent of growers it took longer than half a year for the paperwork to be processed. This reflects the fact that several growers had their initial application rejected and hence experienced significant delays (Figure 4.6).



**Figure 4.6 Time taken to become an Approved Employer (AEs)**



The three administrative requirements of most concern for AEs and participating growers were 'reporting to government', 'superannuation', and 'labor market testing' (Figure 4.4). Reporting to government incorporated the need for a recruitment plan, on-arrival and pre-departure briefings, along with other periodic paperwork requirements. In New Zealand, whilst many of the same reporting requirements are in place, the Department of Labor has been commended for taking a more facilitative approach and 'only using compliance as a measure of last resort' (DOL 2012, p. 66).

The paperwork associated with Pacific seasonal workers' superannuation was also a source of discontent. Many growers highlighted the efficiency gains that could be realized if the administrative requirements around the 9.25 per cent super contribution could be streamlined. In New Zealand, RSEs are not required to make superannuation contributions. Finally, the labor market testing requirement was suggested as a potential area for reform. Participating growers wasted significant periods of time responding to e-mails from applicants, who were only applying to ensure they would receive their unemployment benefits. In New Zealand, the labor market testing requirement is also in place and RSEs appear to be experiencing many of the same issues (DOL 2012).

It should be noted that whilst administrative requirements were a concern amongst AEs and participating growers, they were of minimal concern to non-participating growers. Only 2 percent stated reforms to administrative requirements would make the SWP more attractive (Figure B.15). This result suggests that though reforms in this area may satisfy existing AEs and participating growers, they are unlikely to have a large impact on bringing non-participating growers into the SWP.

## What type of growers use the SWP?

Understanding why AEs and participating growers are involved with the SWP is as important as determining the factors constraining demand. The most pronounced difference between growers that employ Pacific seasonal workers and those who continue to rely on backpackers and foreign contractors is size. The average property size of AEs and participating growers is 385 hectares, compared to 68 hectares for non-participating growers (Table 4.3). The average number of Pacific seasonal workers employed per season was 142 for those involved with the SWP, compared to 26 for non-participating growers (Table 4.3).

**Table 4.3** Key differences between AEs / participating growers and non-participating growers

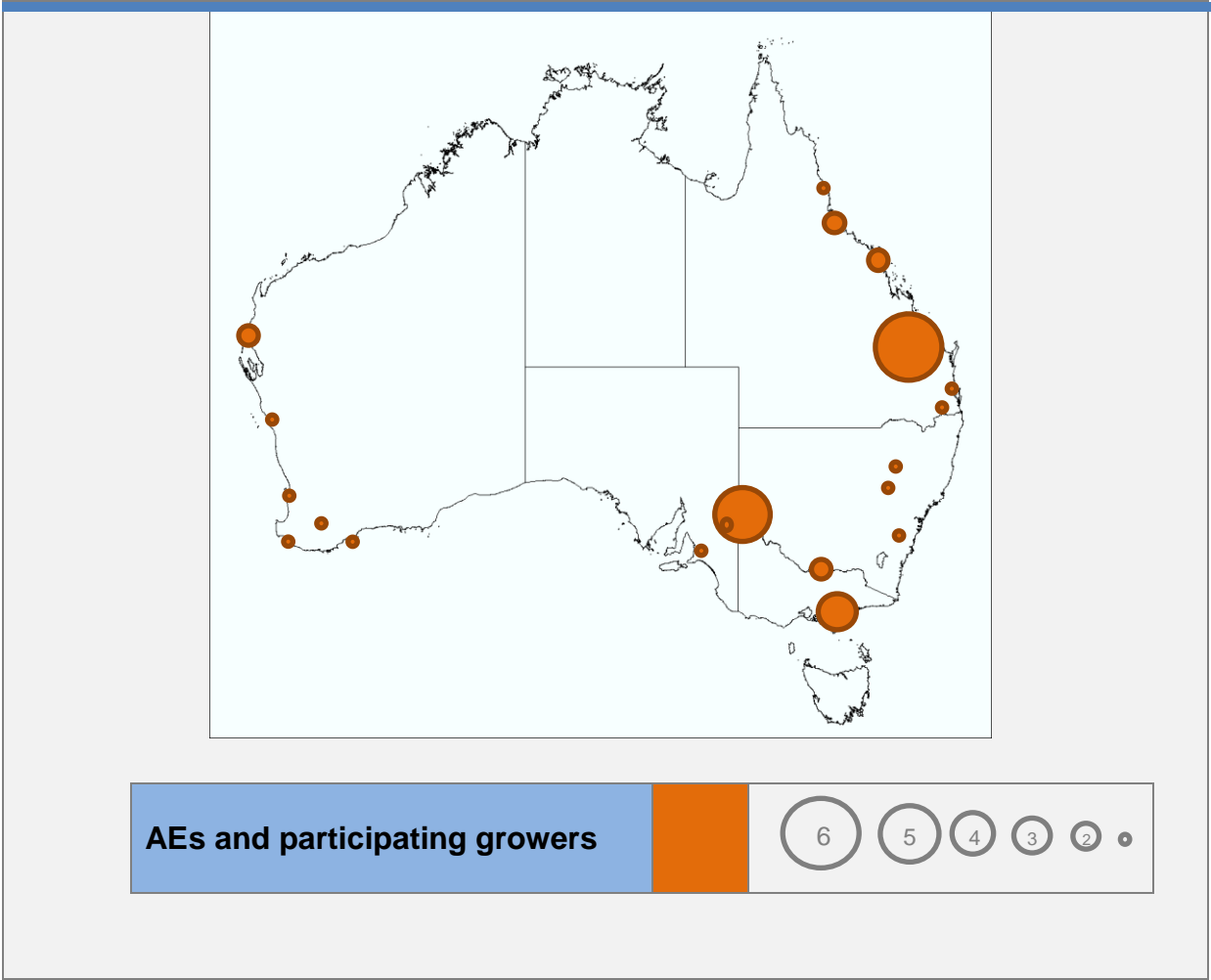
	AEs / participating growers	Non-participating growers
<b>Average property size</b>	385 hectares	68 hectares
<b>Average no. of seasonal workers</b>	142	26
<b>Primary location</b>	QLD (30%) WA (25%) VIC (24%)	VIC (29%) NSW (20%) SA (19%)
<b>Primary crop</b>	Citrus (30%) Grapes (16%) Pome fruit (14%)	Pome fruit (23%) Stone fruit (21%) Berries (14%)
<b>How growers first found out about the SWP</b>	Other employers (38%) Word of mouth (13%) Conference (13%)	Media (37%) Industry bodies (25%) Other employers (12%)
<b>Difficulty sourcing workers</b>	45%	16%
<b>Communication from Government</b>	Clear (68%) Unclear (33%)	Clear (22%) Unclear (69%)
<b>Primary method of payment</b>	Hourly rates (38%) Piece rates (63%)	Hourly rates (64%) Piece rates (36%)

The majority of AEs and participating growers (79 percent) are in either Queensland, Western Australia or Victoria, states that are only home to 45 percent of non-participating growers (Table 4.3). Labor shortages are reported to be especially high in Victoria (Figure B.4). These states are also ones where clusters of AEs have formed (Figure 4.7).

In the cases of Mildura/ Robinvale in Victoria and Mundubbera/ Gayndah in Queensland, many growers have taken on Pacific seasonal workers as a result of learning of the positive

experiences of others involved with the SWP. A large portion (38 percent) of AEs and participating growers first found out about the SWP through other employers, which suggests that the positive experiences of those involved with the SWP has a large impact on take-up more broadly (Table 4.3).

**Figure 4.7 Map of AE and participating grower survey respondents**



The type of crop grown is also a determining factor for participation. The three primary crops amongst AEs and participating growers all have harvesting seasons that, reliably last longer than the minimum 14 weeks required in the SWP (Table 4.3). Communication also matters. The majority of AEs and participating growers (68 percent) felt that the SWP had been clearly communicated to them. By contrast, most non-participating growers did not feel the Government had achieved this end (Table 4.3). A final difference is the payment method. AEs and participating growers have mainly adopted piece rates (63 percent), whereby seasonal workers are paid per bucket or bin picked, as opposed to a flat hourly rate (Table 4.3). For non-participating growers, only 36 percent are using piece rates.

## BOX 2 Case study - participating grower

**Company:** Vizzarri Farms

**Location:** Koo Wee Rup, Victoria

**Size:** 1,900 hectares/ 300-350 seasonal workers

**Crop:** Asparagus



The asparagus industry in Australia is highly concentrated in Victoria with over 90 percent of production occurring in Koo Wee Rup and Dalmore – peri-urban areas of Melbourne. The growing, harvesting and packing of asparagus is a labor intensive process and once harvested, asparagus is a highly perishable product. As such, the reliability and quality of labor supply is of chief concern. Joe Vizzarri is one of the largest asparagus producers in Australia overseeing 26 properties totaling 1,900 acres with 350 seasonal workers. The Vizzarri Packhouse processes on average 4,000 tonnes of asparagus annually, predominantly for the domestic market. Joe decided to get involved with

the PSWPS initially to avoid the wastage that accompanied a high turnover of staff. “Pacific seasonal workers cost 20-25 percent more, but I am happy to pay this given the loss in produce these workers help me avoid.” Joe employs approximately 80 workers from Vanuatu and rates them as more dependable, productive and enthusiastic than the backpackers and local workers that he has had experience with. Despite being one of the few asparagus growers involved with the SWP, he believes asparagus is perfectly tailored for the Seasonal Worker Program and that more growers will sign on once they realize the productivity gains.

## 5. A possible way forward

“The private sector has to be at the heart of it [the SWP] to ensure that it is operating the way that it is intended. If there are bottlenecks, if there’s an excess of regulation around it that’s preventing it from achieving its purposes, well then we certainly want the Government to change that.”

The Hon Julie Bishop MP, Minister for Foreign Affairs; 2014

Despite various changes to the Seasonal Worker Program, it appears many of the key factors constraining demand remain unchanged. There are a clear set of reforms that, if implemented would lift employer demand in the Seasonal Worker Program. These are discussed in this section and explored in greater detail in Appendix C.

The main constraint remains the lack of an aggregate labor shortage due to the prevalence of illegal workers and backpackers in the industry. Whilst compliance activities by the

Department of Immigration and Border Protection have led to the removal of up to 10,585 illegal workers from Australia annually, the use of illegal labor still seems to be widespread in the horticulture sector. Four out of five growers (82 percent) recognized that it was prevalent to at least some extent in the industry. The number of backpackers pursuing a second-year extension has also increased substantially since the PSWPS and the vast majority of these continue to work in horticulture (Table 4.2).

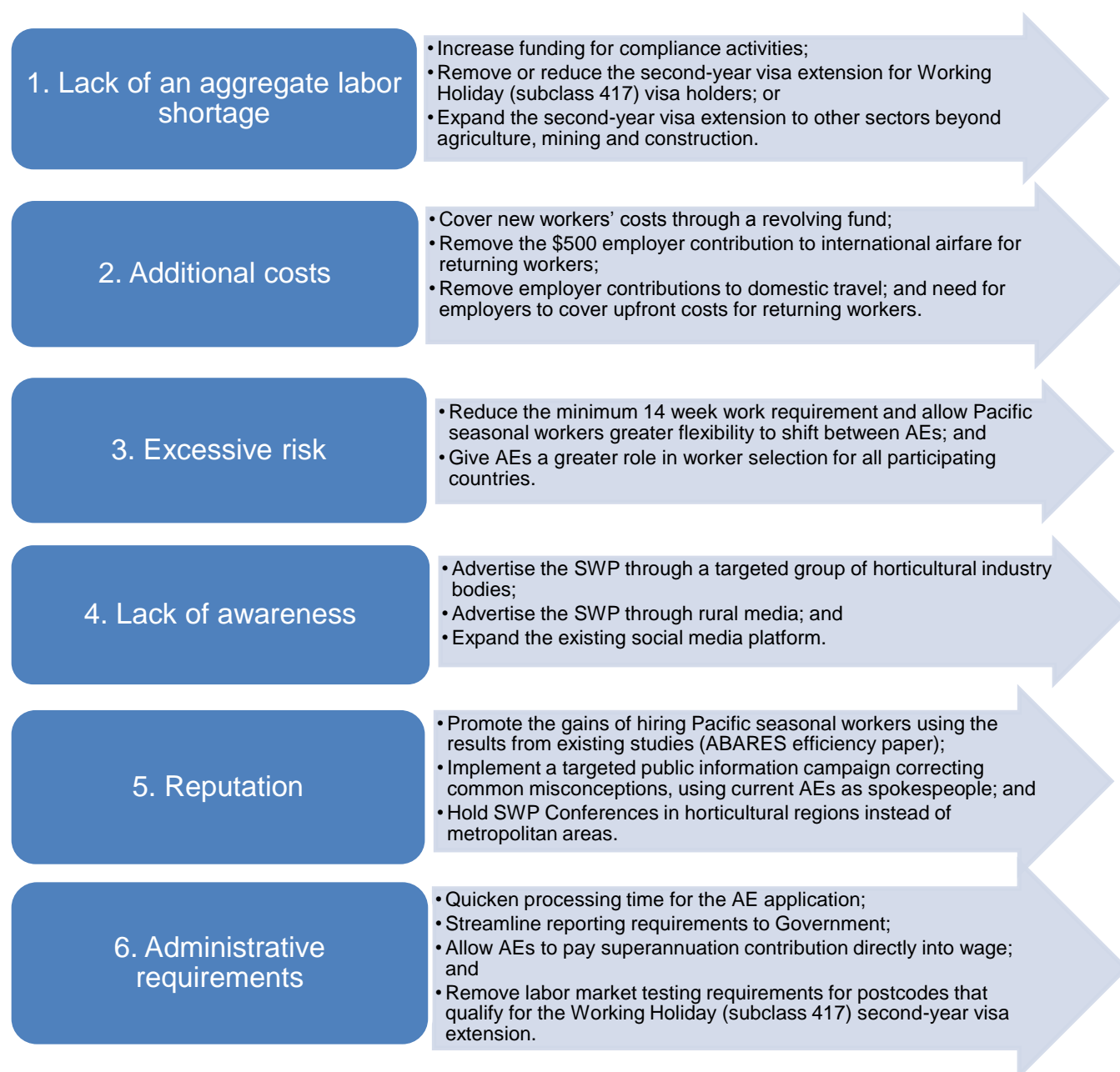
Increasing funding for the compliance activities undertaken by both the Department of Immigration and Border Protection and the Fair Work Ombudsman would help remove the remaining illegal workers in the horticulture industry. Furthermore, eliminating the second-year visa extension for Working Holiday (subclass 417) visa holders would remove up to 45,950 backpackers from rural areas, who predominantly work in horticulture. A softer option would be to adopt the New Zealand practice of providing only a three-month extension or broadening it to incorporate all sectors (Figure 5.1).

Additional costs that currently make Pacific seasonal workers uncompetitive against other categories of workers are another key constraint. The main parameters that need to be altered are the upfront costs, along with employer contributions to international and domestic travel costs. These could be removed for returning workers and covered by a revolving fund for new workers (Figure 5.1). The reforms would help to level the playing field for Pacific seasonal workers and allow them to compete on a cost basis with backpackers and other categories of workers.

The level of risk incurred by AEs and participating growers could also be reduced. The largest risk AEs currently face is the need to guarantee Pacific seasonal workers a minimum of 14 weeks work. Horticulture is an inherently volatile industry and growers need flexibility. The minimum 14 week work requirement could be reduced and new measures introduced that allow Pacific seasonal workers greater flexibility to shift between AEs. Growers could also be given a greater role in worker selection for all participating countries, instead of having to use licensed agents or recruit through work-ready pools for certain countries (Figure 5.1).

Awareness of the SWP could be raised. Despite Government's best efforts, more than one in three growers still remain unaware of the existence of the SWP (Figure 4.1). Whilst the current Government's marketing approach focuses predominantly on the larger regional and national horticultural bodies, their engagement could be targeted more effectively through some of the smaller crop-specific industry bodies. Targeted advertisements through rural and social media could also help reach those growers that are currently unaware of the SWP (Figure 5.1).

**Figure 5.1 Suggested reforms**



Improving the reputation of the SWP is another area that could be addressed simultaneously. There is currently a large divide between non-participating growers' perceptions of the SWP and those of AEs and participating growers. Bridging this gap would serve to bring more employers into the scheme. There are several measures that could be taken. The business case for hiring Pacific seasonal workers could be made more effectively and promoted using the proof of efficiency gains (ABARES 2013). Current AEs could be used as spokespeople to correct common misconceptions about the scheme. The

annual SWP Conferences could also be held in horticultural regions rather than metropolitan areas to encourage attendance from non-participating growers (Figure 5.1). These efforts should be focused on those types of growers most likely to use the SWP, that is, on larger growers, with longer harvesting cycles.

A final area of consideration could be reforming the existing administrative requirements. The Government is already considering measures in this area. Reforms that could serve to lessen the administrative burden could include: quickening the processing time involved with the AE application; streamlining the reporting requirements and paperwork around superannuation; and easing the labor market testing requirement. As the SWP is a temporary migration scheme, all returning workers claim their superannuation upon return. Streamlining the associated paperwork, by allowing employers to pay workers their super directly, would deliver efficiency gains for both AEs and Pacific seasonal workers. Meanwhile, removing the labor market testing requirement for postcodes that qualify for the Working Holiday (subclass 417) second-year extension would also be an efficiency driver. Pacific seasonal workers should not be subject to different restrictions than backpackers, especially given the justification for this requirement is preventing the displacement of Australian workers.

As highlighted by growers across the horticulture industry, these reforms have the potential to transform the SWP. The four trial sectors face their own set of constraints. As it stands, take-up of the SWP, though increasing steadily, remains very low. The biggest risk the SWP faces is one of irrelevance. The implementation of these reforms would remove the Seasonal Worker Program from the periphery, and make it central both to the future of horticulture in Australia and to the development of the Pacific.



## References

- ABARES (Australian Bureau of Agricultural and Resource Economics and Sciences). 2013. *Measuring the efficiency of horticultural labour – Case study on seasonal workers and working holiday makers*. Canberra: ABARES.
- ABS (Australian Bureau of Statistics). 2014. *Labor force Australia Feb 2014*. Canberra.
- Ball, Rochelle. 2010. "Australia's Pacific Seasonal Worker Pilot Scheme and its interface with the Australian horticultural labor market: is it time to refine the policy?" *Pacific Economic Bulletin* 25 (1): 114-130.
- Banham, Chris. 2005. "Seasonal worker entry not on." The Sydney Morning Herald (online edition). March 17. <http://www.smh.com.au/news/world/seasonal-worker-entry-not-on--pm/2005/10/26/1130302840472.html>.
- Clemens, Michael. 2011. *Economics and Emigration: Trillion-dollar Bills on the Sidewalk*. Washington, DC: The Centre for Global Development.
- Clemens, Michael, Colum Graham and Stephen Howes. 2014. "Skill development and regional mobility: lessons from the Australia-Pacific Technical College", The Australian National University, Canberra.
- Clemens, Michael, and Erwin Tiongossin. 2012. *Split Decisions: Household Finance When a Policy Discontinuity Allocates Overseas Work*. Washington, DC: The Centre for Global Development.
- Coalition 2013a. "The Coalition's policy for Foreign Affairs." Federal Government of Australia. March 30.  
<http://lpawebstatic.s3.amazonaws.com/Coalition%202013%20Election%20Policy%20%E2%80%93%20Foreign%20Affairs%20-%20final.pdf>.
- \_2013b. "The Coalition's policy to boost productivity and reduce regulation." Federal Government of Australia. March 28.  
<http://lpawebstatic.s3.amazonaws.com/Policies/ProdPolicy10Jul13.pdf>.
- DIAC (Department of Immigration and Citizenship). 2009. *Annual report 2008-09*. Canberra: DIAC.
- \_2010. *Annual report 2009-10*. Canberra: DIAC.

\_2011, *Annual report 2010-11*. Canberra: DIAC.

\_2012a, *Annual report 2011-12*. Canberra: DIAC.

\_2012b. *Pacific Seasonal Worker Pilot Scheme Data Summary*. Canberra: DIAC.

\_2013. *Annual Report 2012-13*. Canberra: DIAC.

DIBP (Department of Immigration and Border Protection) 2013. *Temporary work (subclass 457) visa*. Canberra: DIBP.

\_2014a. *Temporary entrants and New Zealand citizens in Australia*. Canberra: DIBP.

\_2014b. *Working Holiday Maker visa programme report 30 June 2014*. Canberra: DIBP.

DOE (Department of Employment) 2013. *DEEWR Budget Statements 2013-14 – Outcomes and performance – Outcome 3*. Canberra: DOE.

\_2014. *Internal meeting*. Canberra: DOE.

DOL (Department of Labor) 2010. *RSE monitoring: Key findings from the 2010 employers' survey*. Wellington: DOL.

\_ 2011. *RSE monitoring: Key findings from the 2011 employers' survey*. Wellington: DOL.

\_2012. *Final Evaluation Report of the Recognised Seasonal Employer Policy (2007-2009)*. Wellington: DOL.

\_2014. *RSE Seasonal Employer (RSE) Policy: Employer Fact Sheet*. Wellington: DOL.

Dos Santos, M.D., and F. Postel-Vinay. 2003. "Migration as a Source of Growth: The Perspective of a Developing Country." *Journal of Population Economics* 16 (1): 161-75.

FMFA (Former Minister for Foreign Affairs) 2011. *Pacific and East Timor workers helping Australian farmers and tourism industry*. Canberra: The Hon Kevin Rudd MP.

FWO (Fair Work Ombudsman) 2014. *FWO complaints filed in the horticulture industry, personal communication*. Canberra: FWO.

Gibson, J., and D. Mckenzie. 2010. "The Development Impact of a Best Practice Seasonal Worker Policy." Policy Research Working Paper 5488, World Bank, Washington DC.

\_2011a. "Eight Questions about Brain Drain." Policy Research Working Paper 5668, World Bank, Washington DC.

\_2011b. "Australia's Pacific Seasonal Worker Pilot Scheme (PSWPS): Development Impacts in the First Two Years" Working Paper in Economics, University of Waikato, Waikato.

\_2014. Development through Seasonal Worker Programs: The Case of New Zealand's RSE Program, Discussion Paper Series, Centre for Research and Analysis of Migration, London.

Hay, D, and S. Howes. 2012, "Australia's Pacific Seasonal Worker Pilot Scheme: why has take-up been so low?" Discussion Paper 17, Development Policy Centre, Canberra.

Houston, B. 2004. "Drought costs 100,000 agricultural jobs", *Farm Weekly*.

Howes, S. 2012. "Why there isn't a labor shortage in horticulture: an industry perspective on backpackers and the Pacific Seasonal Worker Program." *Devpolicy Blog*, October 16. <http://devpolicy.org/why-there-isnt-a-labor-shortage-in-horticulture-20121016/>.

Iarossi, G 2006. *The power of survey design: A user's guide for managing surveys, interpreting results, and influencing respondents*. Washington DC: World Bank.

Immigration NZ (Immigration New Zealand) 2012. *Guide to Working for a Recognised Seasonal Employer*. Wellington: Immigration NZ.

\_2014a. *Immigration fraud*. Wellington: Immigration NZ.

\_2014b. *Immigration New Zealand statistics*. Wellington: Immigration NZ.

\_2014c. *Working Holidaymaker Extension Visa*, Wellington: Immigration NZ.

Luthria, M, and M. Malaulau 2013. "Bilateral labor agreements in the Pacific: A development friendly case study." In *Let workers move: Using bilateral labor agreements to increase trade in services*, edited by S. Sáez, 129 – 147. Washington DC: World Bank.

Maclellan, N 2008. *Workers for all seasons? Issues from New Zealand's Recognised Employer (RSE) program*. Hawthorn: Swinburne Institute of Technology, Institute for Social Research.

\_2012. "Australia extends seasonal worker program: Now it also wants islanders to work in tourism." Islands Business (online edition), March 13.  
<http://www.islandsbusiness.com/2012/1/business/australia-extends-seasonal-worker-program/>.

MacLellan, N, and P. Mares 2006. "Labor mobility in the Pacific: Creating seasonal work programs in Australia" In *Globalization and Governance in the Pacific Islands*, edited by S. Firth, 137 – 171. Canberra: The Australian National University.

Mares, P 2006. *Labor shortages in Murray Valley horticulture: A survey of growers' needs and attitudes*. Hawthorn: Swinburne University of Technology, Institute for Social Research.

McKenzie, D, Martinez, P and L. Winters 2008. "Who is coming from Vanuatu to New Zealand under the New Recognized Seasonal Employer Program?" Policy Research Working Paper 4699, World Bank, Washington DC.

Masanauskas, J 2013. "Threat to Australian jobs with foreign workers on the rise." Herald Sun (online edition). October 31. <http://www.heraldsun.com.au/news/threat-to-australian-jobs-with-foreign-workers-on-the-rise/story-fni0fiyv-1226750764863>.

MBIE (Minister of Business, Innovation & Employment) 2012. *RSE Monitoring: Key Findings from the 2012 Employers Survey*. Wellington: MBIE.

NFF (National Farmers' Federation) 2005. *Labor Shortage Action Plan 2005*. Canberra: NFF.

\_2008a. *Labor Shortage Action Plan 2008*. Canberra: NFF.

\_2008b, *Proposed pilot programme: Workforce from abroad employment scheme*. Canberra: NFF.

Robinson, R 2009. "The harvest is ready and so are the Tongan workers." The Australian (online edition). February 17. <http://www.theaustralian.com.au/archive/news/tongan-workers-ready-for-harvest/story-e6frg6of-1111118873463>.

Senate Employment Committee 2006. *Perspective on the future of the harvest labor force*. Canberra: Parliament of Australia.

Senate Foreign Affairs Committee 2003, *A Pacific engaged: Australia's relations with Papua New Guinea and the islands of the south west Pacific*. Canberra: Parliament of Australia.

The Simons Review 1997. *One Clear Objective – poverty reduction through sustainable development*. Canberra: The Australian Overseas Aid Program.

Treasury 2004. *The impact of the 2002-03 drought on the economy and agricultural employment*. Canberra: Treasury.

Trevett, C 2014. "Cabinet considers lifting number of Islanders in seasonal work." The New Zealand Herald (online edition) June 3.  
[http://www.nzherald.co.nz/business/news/article.cfm?c\\_id=3&objectid=11266526](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11266526).

TNS Social Research 2011. *Final Evaluation of the Pacific Seasonal Worker Pilot Scheme*. Canberra: TNS SR.

World Bank 2006. *At Home & Away: Expanding Job Opportunities for Pacific Islanders Through Labor Mobility*. Sydney: World Bank.

\_2014. *International Migration and Development in East Asia and the Pacific*. Washington, DC: World Bank.

## Appendixes

### Appendix A. Survey Respondents

The survey was carried out between February and April 2014 and covered growers from all states and territories, including all of the major horticultural regions across Australia. There was a great deal of variation in the farm sizes of survey respondents ranging from family-run farms with less than a hectare and one seasonal worker, to corporate holdings with 1,700 hectares and over one thousand seasonal workers. All of the major crop types were covered including bananas, berries, canned fruits, citrus, dried fruits, flowers, melons, nuts, pome fruits, stone fruits, table grapes, vegetables and wine grapes.

The employers who participated in the 2011 survey were the primary sample for this survey. 183 out of the 191 employers who participated in the 2011 survey were re-contacted. Of these 101 answered; 25 declined; 45 were either no longer in the telephone directory, had an invalid phone number or had sold the farm; and 12 were unable to be contacted (Table A.1).

**Table A.1 Breakdown of survey respondents**

	Answered	Declined	Invalid	Unavailable	Total
<b>Primary Sample</b>	101	25	45	12	183
<b>Secondary Sample</b>	76	27	58	39	200
<b>Additional participating growers</b>	9	0	0	0	9
<b>AEs</b>	31	0	0	3	34
<b>Industry bodies</b>	43	7	0	2	52
<b>Total</b>	<b>260</b>	<b>59</b>	<b>103</b>	<b>56</b>	<b>478</b>

**Source:** Own calculations

A secondary sample of 200 randomly selected horticultural employers from across Australia was also contacted. These employers were randomly sourced from the telephone directory and mailed the survey with reply-paid envelopes. For those who did not return the survey, follow-up telephone calls were made. Of the group of 200 employers from the secondary sample; 76 answered; 27 declined; 58 either had an invalid address, invalid phone number or had sold the farm; and 39 were unable to be contacted (Table A.1). In addition, 40 Approved Employers and participating growers were surveyed. The size of the full sample of employers was thus 217.

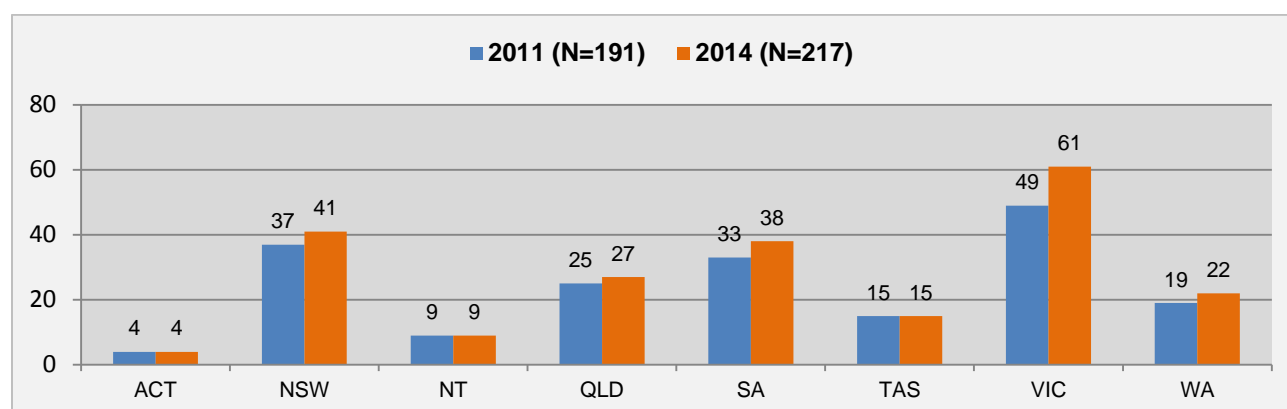
Finally, the horticultural industry bodies representing various crops and regions across Australia were surveyed. Given there is no single horticultural peak body in Australia, a

wide array of 43 industry bodies were surveyed to gain an overarching reflection of the industry.

Overall, there were 260 survey respondents incorporating all growers, AEs and horticultural industry bodies. This number compares favorably with surveys of horticultural employers that preceded the SWP – Peter Mares’ 2006 survey in the Murray Valley received 176 valid replies (Mares 2006). It also compares well with the number of respondents in the RSE’s annual employer surveys across the horticulture and viticulture sectors in New Zealand, which received 214 replies in 2010, 251 in 2011, and 262 in 2012 (DOL 2010; DOL 2011; MBIE 2012). Finally it compares favorably with Hay and Howes’ (2012) survey, which had 191 respondents in total.

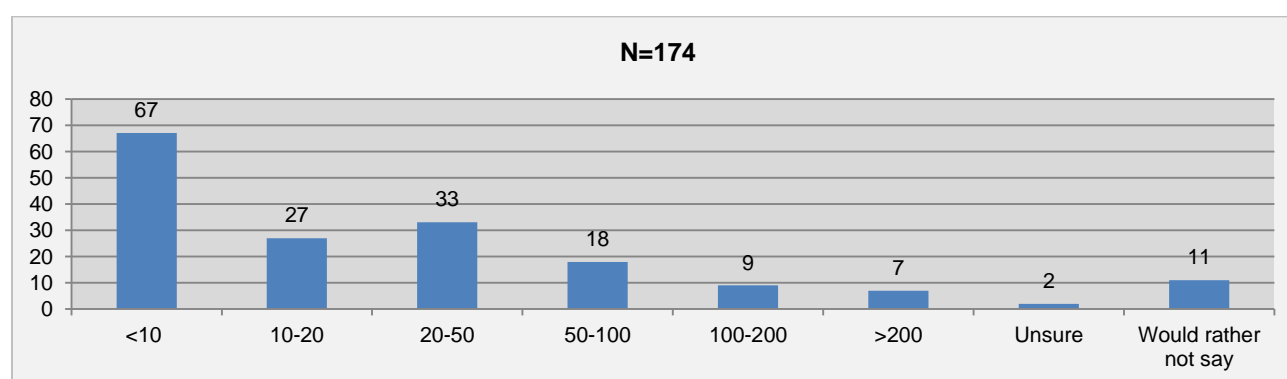
## Appendix B. Results

**Figure B.1 Breakdown by state**



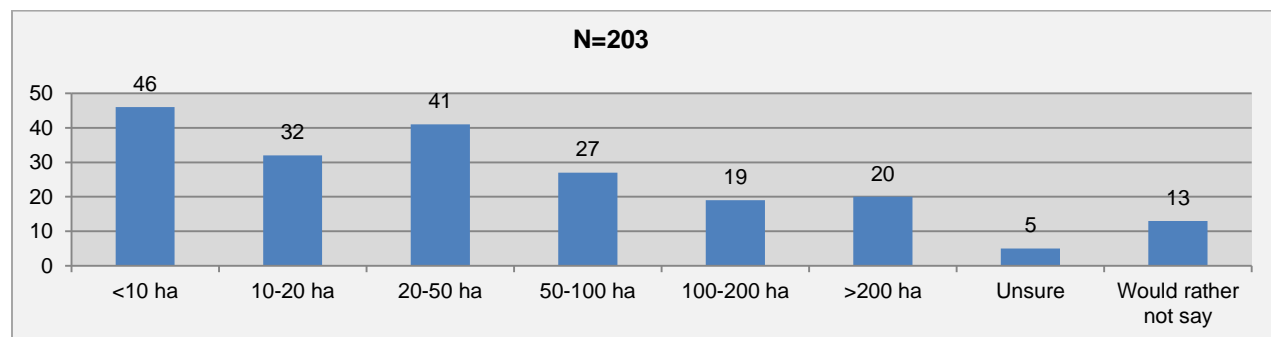
**Note:** From this point onward ACT is included with NSW in all graphs.

**Figure B.2 Breakdown by number of seasonal workers employed annually**



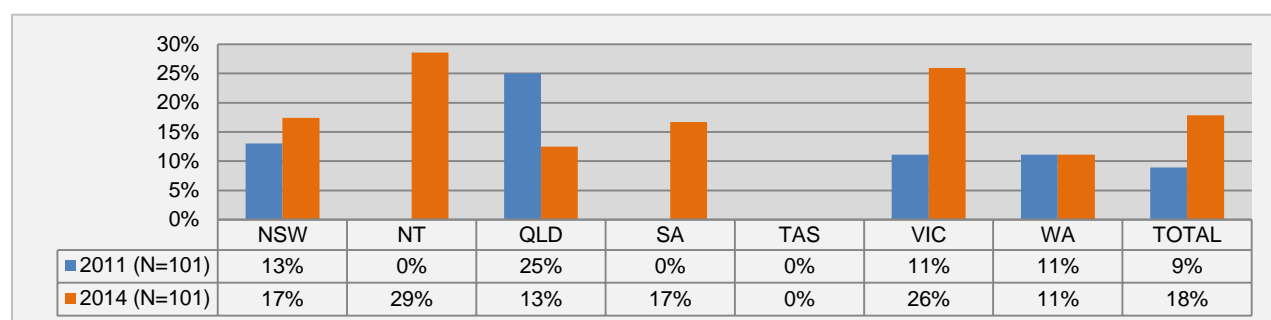


**Figure B.3 Breakdown by property size**



## Primary sample

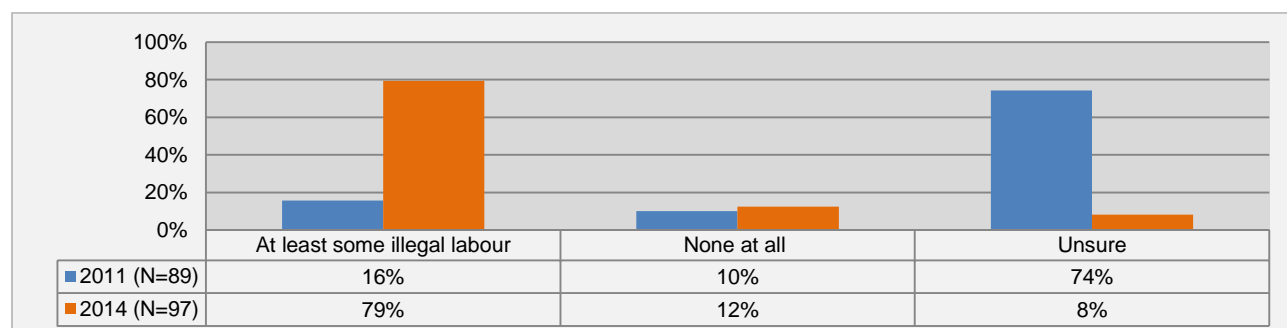
**Figure B.4 Percentage of growers who had difficulty finding workers (primary sample)**



**Table B.1 Main category of worker employed by growers (primary sample)**

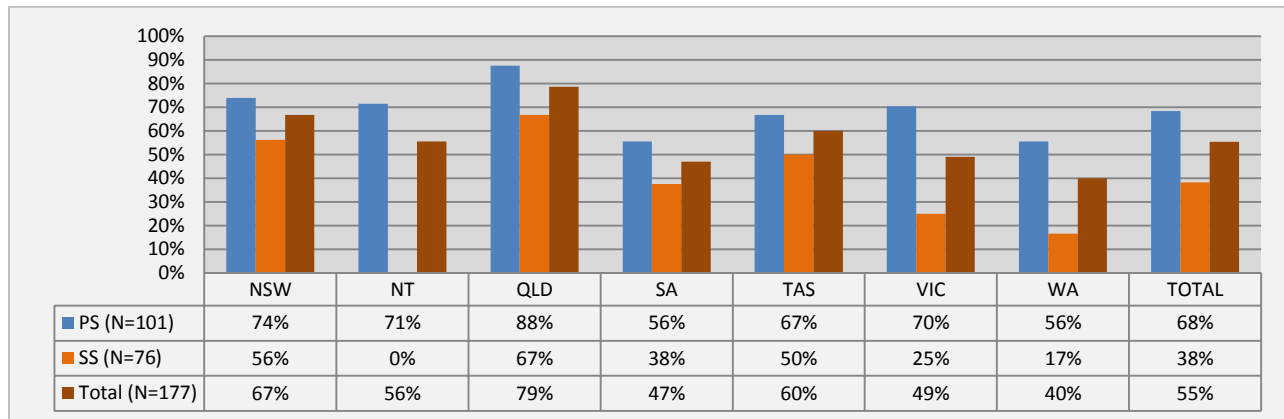
	Backpackers	Locals	Students	Grey Nomads (Australians over 55)	Unspecified or unknown	Contractors (Non-local Australians)
2011 (N=101)	65.8%	13.4%	7.4%	3.0%	5.0%	5.4%
2014 (N=101)	54.0%	31.2%	2.5%	0.5%	1.0%	10.9%

**Figure B.5 Perceptions on the use of illegal workers in horticulture (primary sample)**



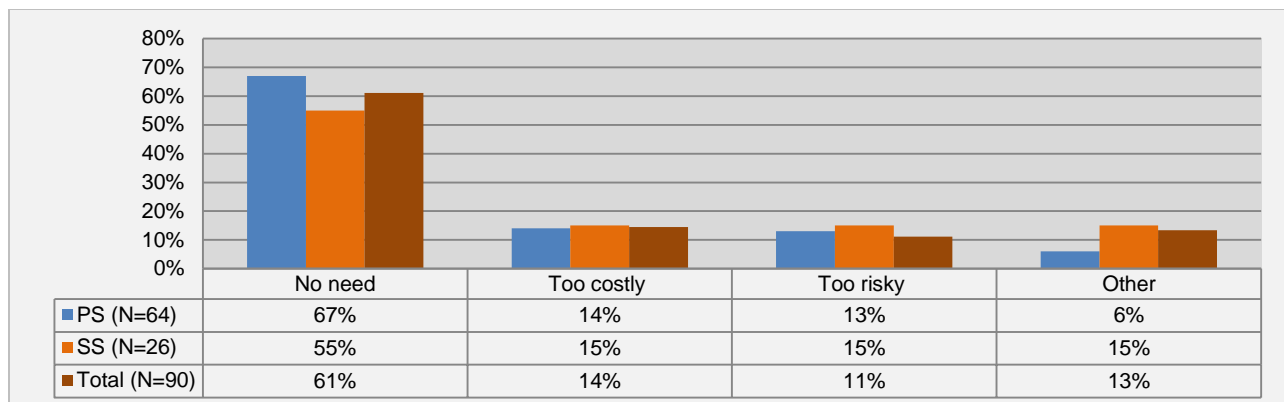
## Primary and secondary samples

**Figure B.6** Percentage of growers who have heard of the SWP (primary and secondary sample)

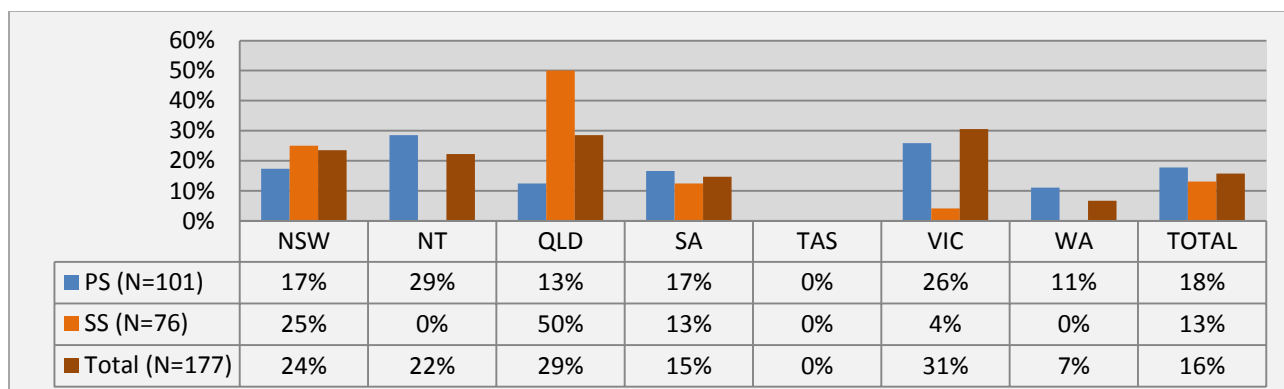


**Note:** PS refers to the primary sample and SS refers to the secondary sample.

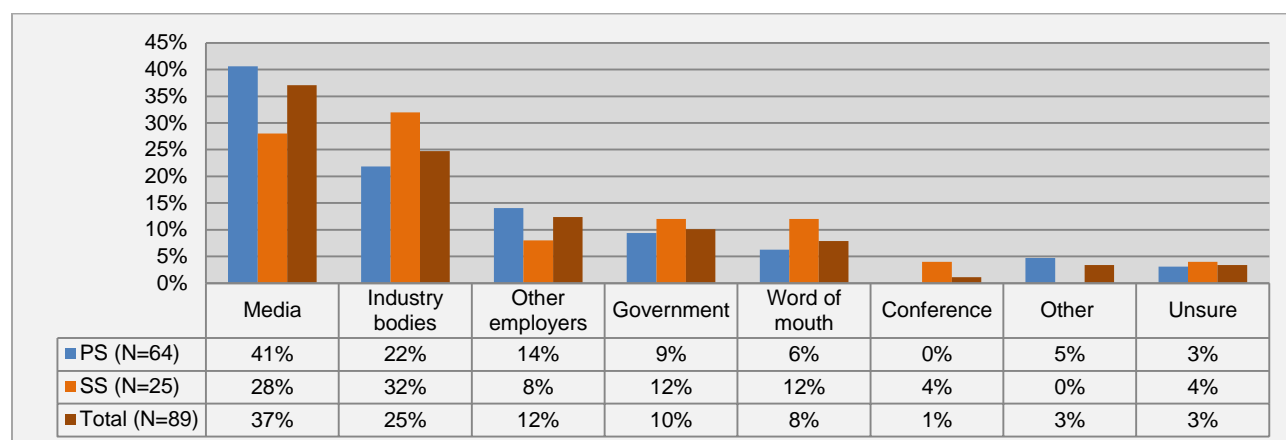
**Figure B.7** Main reason for not participating in the SWP (primary and secondary sample)



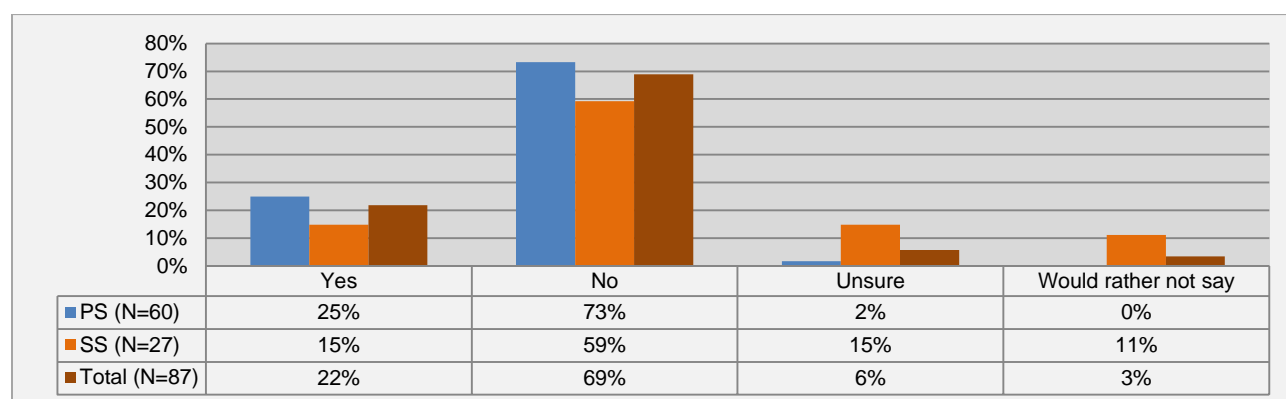
**Figure B.8** Percentage of growers who had difficulty finding workers (primary and secondary sample)



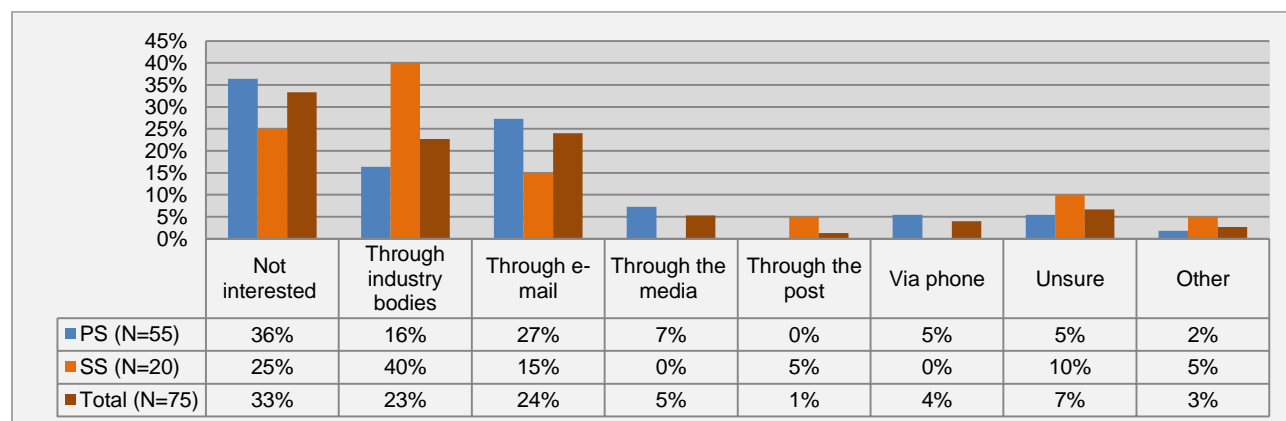
**Figure B.9** How growers first found out about the SWP (primary and secondary sample)



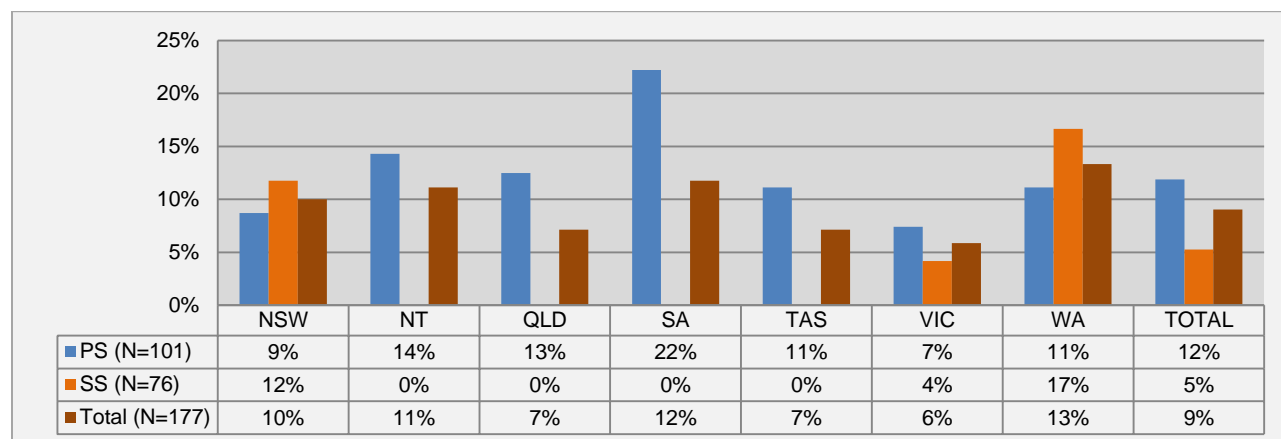
**Figure B.10** Whether the SWP has been clearly communicated to growers by Government (primary and secondary sample)



**Figure B.11** How growers feel the SWP could be better communicated to them (primary and secondary sample)



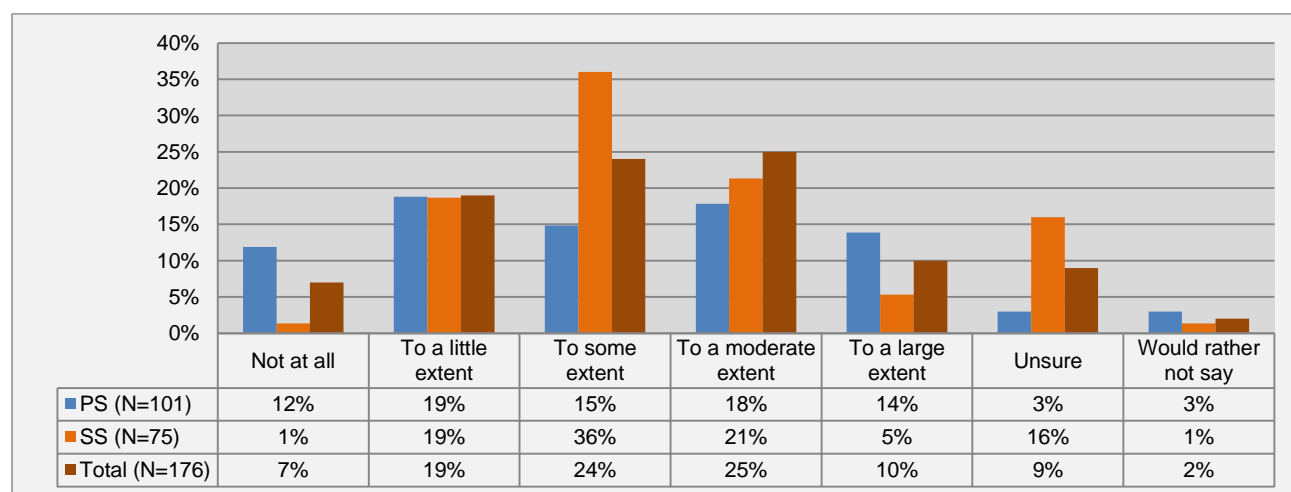
**Figure B.12** Percentage of growers who are unsatisfied with the quality of existing workers (primary and secondary sample)



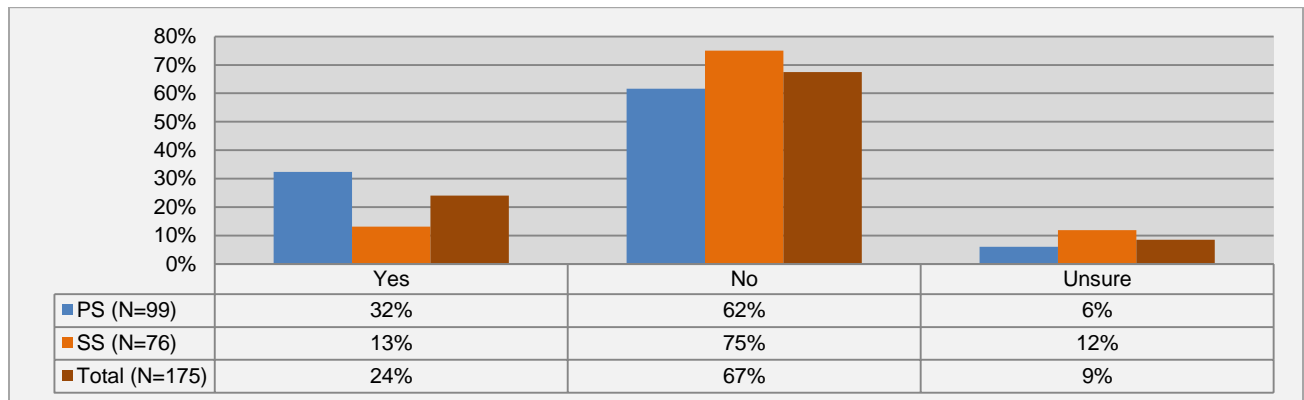
**Table B.2** Main category of worker employed (primary and secondary sample)

	Backpackers	Locals	Students	Grey Nomads (Australians over 55)	Unspecified or unknown	Contractors (Non-local Australians)
PS (N=101)	54.0%	31.2%	2.5%	0.5%	1.0%	10.9%
SS (N=76)	34.2%	39.5%	3.9%	0.7%	0.0%	21.7%
Total (N=177)	45.5%	34.7%	3.1%	0.6%	0.6%	15.5%

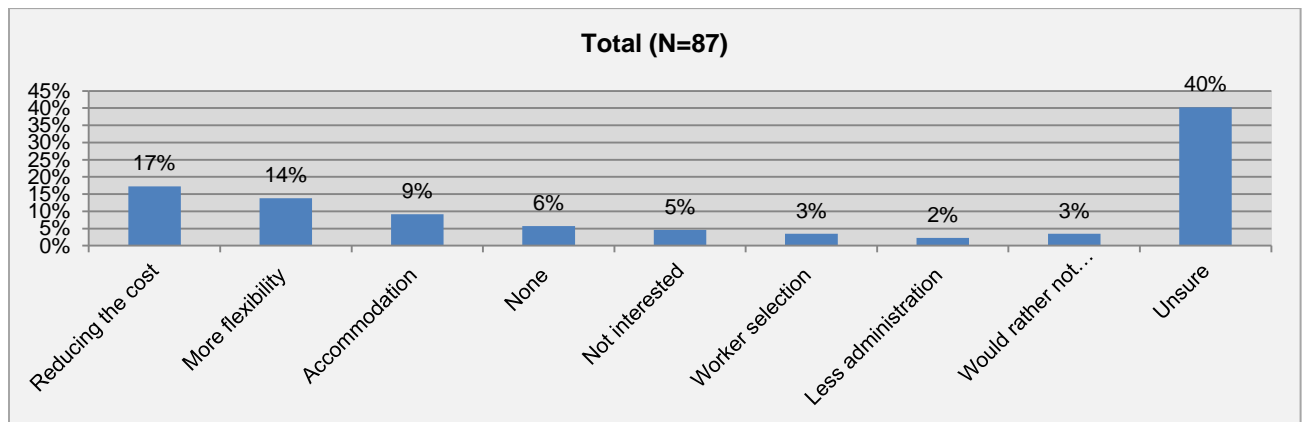
**Figure B.13** Perceptions on the use of illegal workers in horticulture (primary and secondary sample)



**Figure B.14** Whether growers would be open to taking on Pacific seasonal workers in the next 12 months (primary and secondary sample)

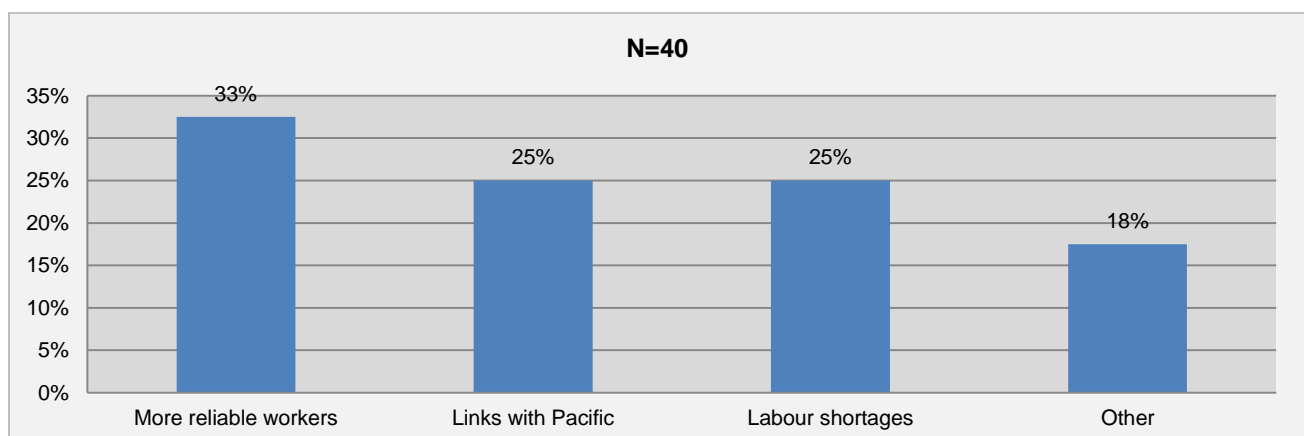


**Figure B.15** Key changes that would make the SWP more attractive to growers (primary and secondary sample)

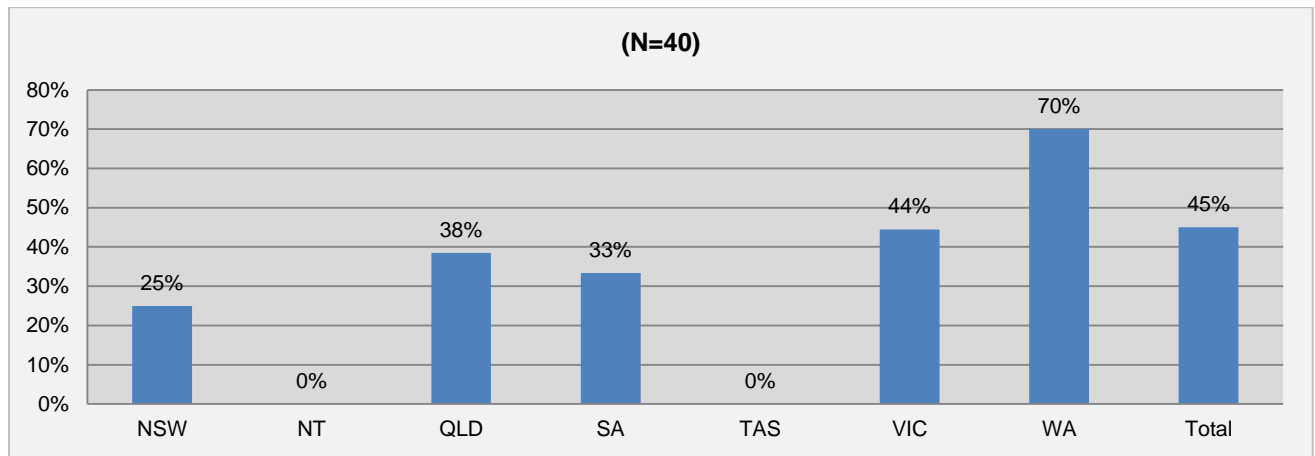


## Approved Employers and participating growers

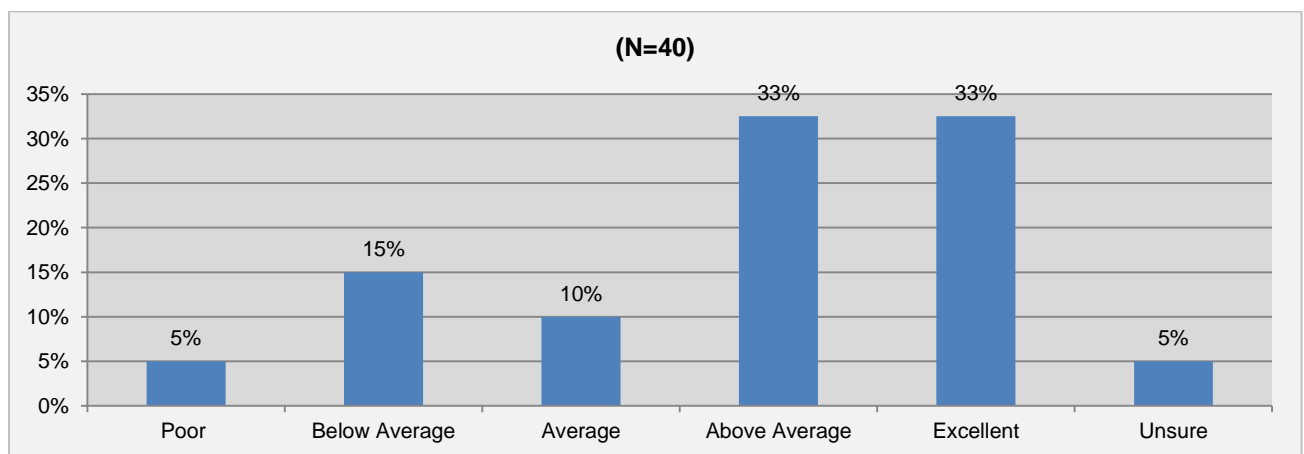
**Figure B.16** Main reason for participating (AEs and participating growers)



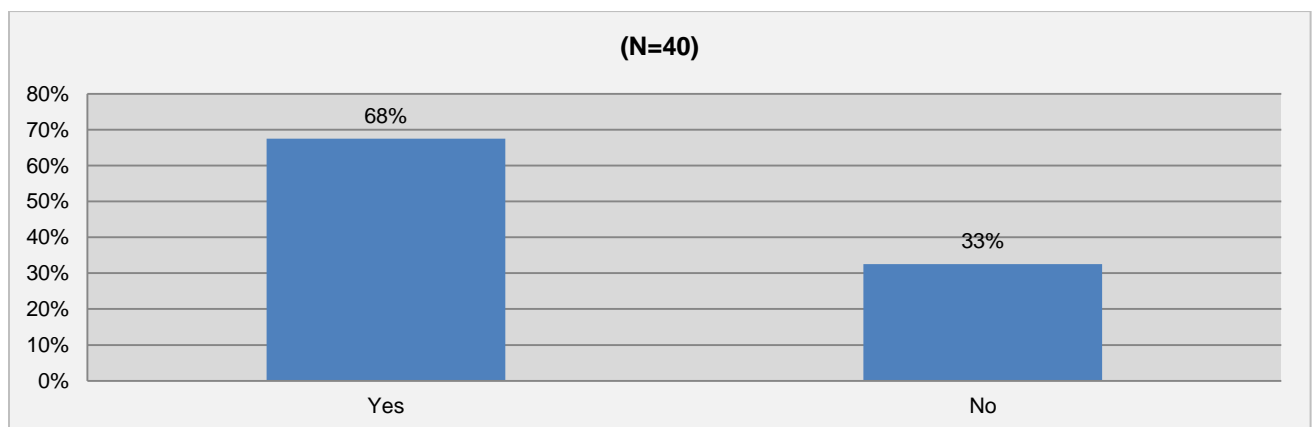
**Figure B.17** Percentage of growers who had difficulty finding workers (AEs and participating growers)



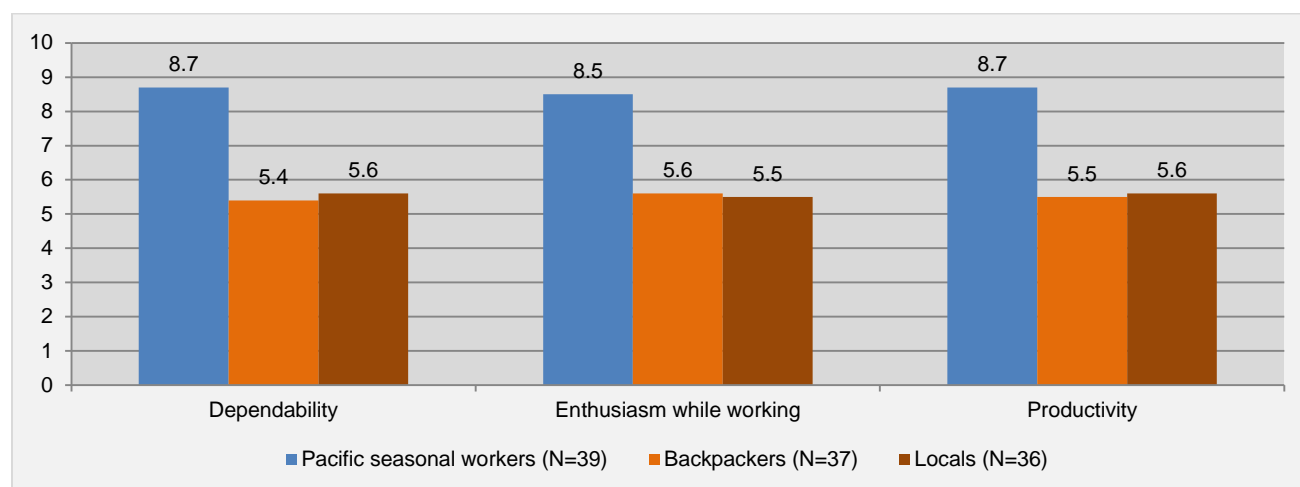
**Figure B.18** Reputation of the SWP (AEs and participating growers)



**Figure B.19** Whether the SWP has been clearly communicated to growers by Government (AEs and participating growers)

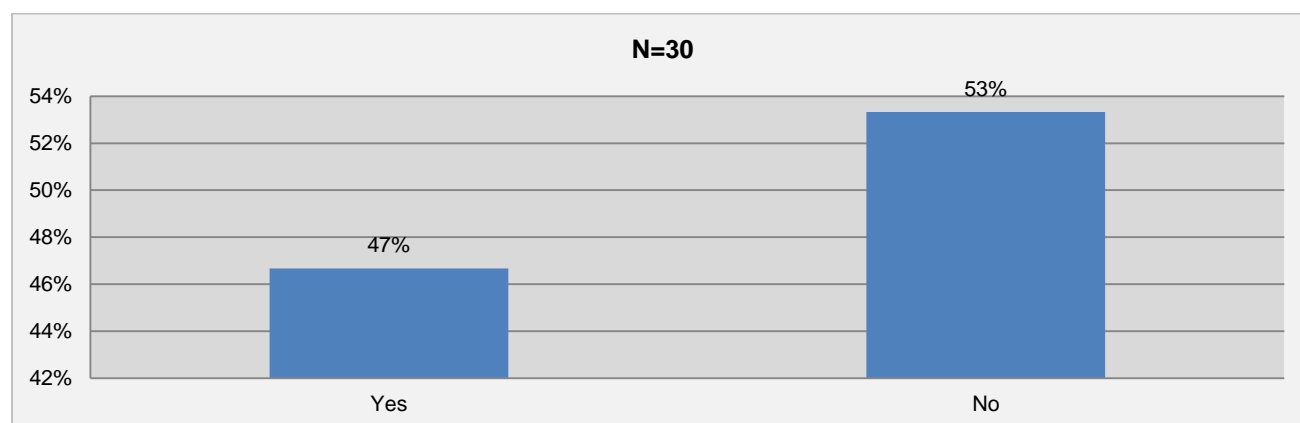


**Figure B.20 Perception of workers (AEs and participating growers)**

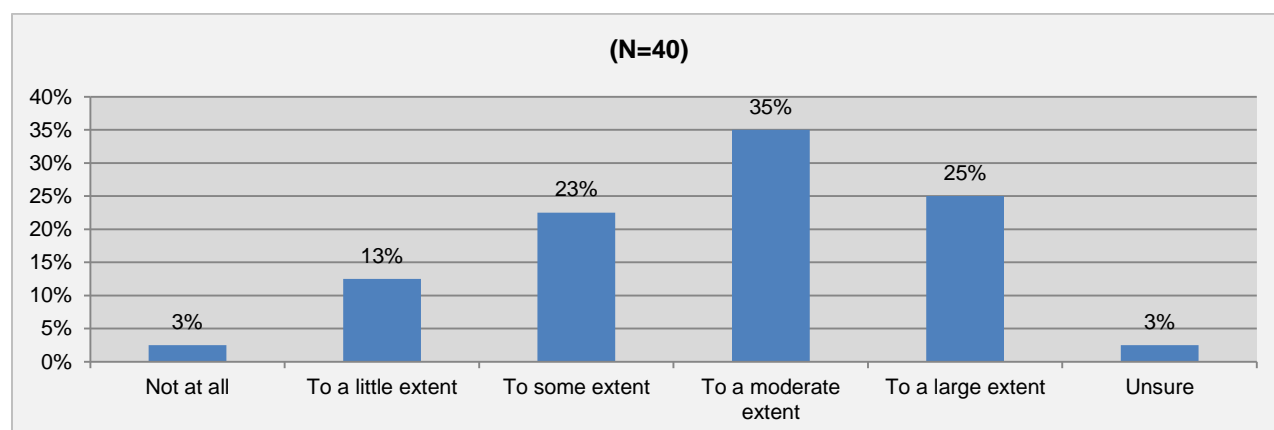


**Note:** This is on a ten-point scale

**Figure B.21 Whether the SWP is financially attractive to Approved Employers (AEs)**



**Figure B.22 Perceptions on the use of illegal workers in horticulture (AEs and participating growers)**



## Appendix C. Policy reform

Suggested Reforms	Constraints	Required action
<b>1. Lack of an aggregate labor shortage</b>		
<ul style="list-style-type: none"> <li>• Increase funding for compliance activities for both the Department of Immigration and Border Protection (DIBP) and the Fair Work Ombudsman (FWO);</li> <li>• Remove or reduce the second-year visa extension for Working Holiday (subclass 417) visa holders; or</li> <li>• Expand the second-year visa extension to other sectors beyond agriculture, mining and construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Locating additional funding for compliance activities would be difficult in the current budget environment.</li> <li>• Horticultural employers and industry bodies currently support the prevalence of backpackers in the industry and the incentives keeping them there. Any reform in this area would be strongly lobbied against.</li> </ul>	<ul style="list-style-type: none"> <li>• The Australian Government would be responsible for increasing funding for DIBP and the FWO, as well as reforming the second-year visa extension for the Working Holiday (subclass 417) visa.</li> </ul>
<b>2. Additional costs</b>		
<ul style="list-style-type: none"> <li>• Cover new workers' costs through a revolving fund;</li> <li>• Remove \$500 employer contribution to international airfare for returning workers;</li> <li>• Remove employer contribution to domestic travel for returning workers; and</li> <li>• Remove need for employers to cover upfront costs for returning workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Reforms to the existing cost-sharing arrangements may be opposed by both Pacific seasonal workers and labor-sending governments who would need to contribute additional funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Labor-sending governments would cover the revolving fund.</li> <li>• The Department of Employment would be responsible for reforming cost-sharing arrangements.</li> </ul>
<b>3. Excessive risk</b>		
<ul style="list-style-type: none"> <li>• Reduce minimum 14 week work requirement and allow Pacific seasonal workers greater flexibility to shift between AEs; and</li> <li>• Give AEs greater role in worker selection for all participating countries.</li> </ul>	<ul style="list-style-type: none"> <li>• The minimum 14 week requirement was created based on Government modelling to ensure that Pacific seasonal workers' earned at least \$1000 savings. Any change that is seen to jeopardize their potential to do so would be resisted.</li> </ul>	<ul style="list-style-type: none"> <li>• The Department of Employment would be responsible for reducing the minimum work requirement.</li> <li>• Labor-sending governments would drive reforms regarding worker selection methods.</li> </ul>



4. Lack of awareness		
<ul style="list-style-type: none"> <li>• Advertise the SWP through a targeted group of horticultural industry bodies;</li> <li>• Advertise the SWP through rural media; and</li> <li>• Expand the existing social media platform.</li> </ul>	<ul style="list-style-type: none"> <li>• Certain industry bodies are not interested in advertising the SWP.</li> <li>• Funding constraints may preclude advertising in rural media and dedicating staff hours to expanding the social media platform.</li> </ul>	<ul style="list-style-type: none"> <li>• The Australian Government would be responsible for providing the funding, but a greater level of industry involvement in advertising and awareness raising would be critical.</li> </ul>
5. Reputation of the SWP		
<ul style="list-style-type: none"> <li>• Promote the gains of hiring Pacific seasonal workers more widely, using the results from existing studies (ABARES efficiency paper);</li> <li>• Implement a targeted public information campaign aimed at correcting common misconceptions about the SWP, using current AEs as spokespeople;</li> <li>• Encourage greater engagement from non-participating growers in SWP Conferences; and</li> <li>• Consider holding SWP Conferences in horticultural regions instead of metropolitan areas.</li> </ul>	<ul style="list-style-type: none"> <li>• The ABARES study is currently the only quantitative study examining the efficiency gains of Pacific seasonal workers in Australia.</li> <li>• Funding constraints may preclude the implementation of a public information campaign.</li> <li>• Many non-participating growers are reluctant to consider the SWP, let alone attend a conference.</li> </ul>	<ul style="list-style-type: none"> <li>• The Australian Government would be responsible for providing the funding for promotional activities/ any public information campaign, but a greater level of industry involvement would be essential.</li> <li>• The Department of Employment would be responsible for encouraging greater engagement from non-participating growers and holding SWP Conferences in horticultural regions.</li> </ul>
6. Administrative requirements		
<ul style="list-style-type: none"> <li>• Quicken processing time for the AE application;</li> <li>• Streamline reporting requirements to Government;</li> <li>• Allow AEs to pay superannuation contribution directly into wage; and</li> <li>• Remove labor market testing requirements for postcodes that qualify for the Working Holiday (subclass 417) second-year visa extension.</li> </ul>	<ul style="list-style-type: none"> <li>• Allowing the payment of superannuation directly into wages may be opposed by unions, such as the Australian Workers' Union (AWU), given locals would not be able to access this benefit.</li> <li>• The removal of the labor market testing requirement would face firm opposition from unions who may see it as an attempt to bypass Australian workers seeking employment in the industry.</li> </ul>	<ul style="list-style-type: none"> <li>• The Department of Employment would be responsible for reforming administrative requirements - a process, which is already underway.</li> </ul>

## **Appendix D. Employer survey**

**Q1)** What is your family and/or company name?

**Q2)** Which state/ territory are you located in?

**Q3)** What is your postcode?

**Q4)** Have you heard of the Seasonal Worker Program?

*(The Government scheme that allows seasonal workers from Pacific Islands and Timor-Leste to work in the Australian horticultural industry)*

*If you answered 'Yes' to Q4, please skip to Q5*

*If you answered 'No' to Q4, please only complete Q4.1 – Q4.12*

---

**Q4.1)** Did you have difficulty finding sufficient seasonal workers over the last 12 months?

**Q4.2)** Are you satisfied with the quality of the workers you employed over the last 12 months?

**Q4.3)** What type of workers do you mainly employ?

**Q4.4)** Why have you chosen to use this type of worker to fulfil your seasonal labor needs?

**Q4.5)** Where do you source your seasonal workers from?

**Q4.6)** Would you be open to taking on Pacific seasonal workers in the coming 12 months?

**Q4.7)** What method of payment do you predominantly use for your workers?

**Q4.8)** This question is not about you, but about horticulture in general. On a scale of 1 to 5, to what extent do you think growers use undocumented labor in Australia, where 1 is not at all and 5 is to a large extent?

**Q4.9)** Do you think this could be affecting demand for other types of legal seasonal workers?

**Q4.10)** Approximately what size is your horticultural enterprise?

*(Please specify in hectares or acres and also how many employees you have during the peak period)*

**Q4.11)** What is the main variety of fruit/ vegetable/ nut/ flower that you produce?

**Q4.12)** Which month/s does your business need the most seasonal workers?

---

**Q5)** Did you use the SWP?

*If you answered 'Yes' to Q5, please skip to Q5.1B*

*If you answered 'No' to Q5, please only complete Q5.1A – 5.18A*

**Q5.1A)** Why did you decide not to use the SWP?

**Q5.2A)** On a scale of 1 to 5, what do you think the reputation of the SWP is amongst growers, where 1 is poor and 5 is excellent?

**Q5.3A)** Did you have difficulty finding sufficient seasonal workers over the last 12 months?

**Q5.4A)** Are you satisfied with the quality of the workers you employed over the last 12 months?

**Q5.5A)** What type of workers do you mainly employ?

**Q5.6A)** Why have you chosen to use this category of worker to fulfil your seasonal labor needs?

**Q5.7A)** Where do you source your seasonal workers from?

**Q5.8A)** Would you be open to taking on Pacific seasonal workers in the next 12 months?

**Q5.9A)** What method of payment do you predominantly use for your workers?

**Q5.10A)** This question is not about you, but about horticulture in general. On a scale of 1 to 5, to what extent do you think growers use undocumented labor in Australia, where 1 is not at all and 5 is to a large extent?

**Q5.11A)** Do you think this could be affecting the demand for other types of legal seasonal workers?

**Q5.12A)** How did you first find out about the SWP?

**Q5.13A)** Has the SWP been clearly communicated to you by government?

**Q5.14A)** If not, how could the SWP be better communicated to you?

**Q5.15A)** What changes, if any, could be made to the SWP in order to make it more attractive to growers?

**Q5.16A)** Approximately what size is your horticultural enterprise?

*(Please specify in hectares or acres and also how many employees you have during the peak period)*

**Q5.17A)** What is the main variety of fruit/ vegetable/nut/ flower that you produce?

**Q5.18A)** Which month/s does your business need the most seasonal workers?

---

**Q5.1B)** Why did you decide to use the SWP?

**Q5.2B)** On a scale of 1 to 5, what do you think the reputation of the SWP is amongst growers, where 1 is poor and 5 is excellent?

**Q5.3B)** Did you have difficulty finding sufficient seasonal workers over the last 12 months?

**Q5.4B)** Where do you mainly source your seasonal workers under the SWP from?

*If you answered 'Approved Employer yourself' to Q5.4B, please proceed to Q5.41AE  
If you did not answer 'Approved Employer yourself' to Q5.4B, please skip to Q5.5B*

#### **Additional questions for Approved Employers**

**Q5.41AE)** How long did it take for the government to process your paperwork in order for you to become an AE?

**Q5.42AE)** What are the set up costs for AEs?

**Q5.43AE)** Do you think the SWP is financially attractive for AEs?

**Q5.44AE)** How many growers do you supply Pacific seasonal workers to?

**Q5.5B)** How many Pacific seasonal workers do you employ on average per season?

**Q5.6B)** Are you satisfied with the quality of the Pacific seasonal workers you employed over the last 12 months?

**Q5.7B)** For those Pacific seasonal workers who have worked for your company in the past 12 months, as a group. After they had been trained for the tasks they needed to do, overall how would you rate their [dependability/ enthusiasm while working/ productivity], using a scale of 0 to 10, where 0 is extremely poor and 10 is excellent.

**Q5.8B)** What is the average hourly rate for Pacific seasonal workers?

**Q5.9B)** What about for backpackers who have worked for your company in the past 12 months, as a group. After they had been trained for the tasks they need to do, overall how would you rate their [dependability/ enthusiasm while working/ productivity], using a scale of 0 to 10, where 0 is extremely poor and 10 is excellent.

**Q5.10B)** What is the average hourly rate for backpackers?

**Q5.11B)** What about for local Australian workers who have worked for your company in the past 12 months, as a group. After they had been trained for the tasks they need to do, overall how would you rate their [dependability/ enthusiasm while working/ productivity], using a scale of 0 to 10, where 0 is extremely poor and 10 is excellent.

**Q5.12B)** What is the average hourly rate for local Australian workers?

**Q5.13B)** Under SWP policy, employers are expected to cover additional costs and provide additional services for their Pacific seasonal workers. For each of the following areas, please identify whether your business had any issues or difficulties in covering these costs or providing this assistance to your Pacific seasonal workers?

**Q5.14B)** Are there any other additional costs/ requirements you've encountered for Pacific seasonal workers that haven't already been mentioned?

**Q5.15B)** Which of these costs/requirements would you like to see removed?

**Q5.16B)** What other changes, if any, could be made to the SWP in order to make it more attractive to growers?

**Q5.17B)** What method of payment do you predominantly use for your workers?

**Q5.18B)** This question is not about you, but about horticulture in general. On a scale of 1 to 5, to what extent do you think growers use undocumented labor in Australia, where 1 is not at all and 5 is to a large extent?

**Q5.19B)** Do you think this could be affecting the demand for other types of legal seasonal workers?

**Q5.20B)** How did you first find out about the SWP?

**Q5.21B)** Has the SWP been clearly communicated to you by government?

**Q5.22B)** If not, how could the SWP be better communicated to you?

**Q5.23B)** Approximately what size is your horticultural enterprise?  
*(Please specify in hectares or acres and also how many employees you have during the peak period)*

**Q5.24B)** What is the main variety of fruit/ vegetable/nut/ flower that you produce?

**Q5.25B)** Which month/s does your business need the most seasonal workers?

### **Appendix E. Industry body survey**

**Q1)** What is the name of your industry group/ association?

**Q2)** Which states/ territories are your members located in?

**Q3)** Have you heard of the Seasonal Worker Program?

*(The Government scheme that allows seasonal workers from Pacific Islands and Timor-Leste to work in the Australian horticultural industry)*

*If you answered 'Yes' to Q3, please proceed to Q3.1*

*If you answered 'No' to Q3, please skip to Q4*

---

**Q3.1)** How did you first find out about the SWP?

**Q3.2)** Would you say the majority of growers in your industry have heard of the SWP?

**Q3.3)** What is the reputation of the SWP amongst your members?

**Q3.4)** Have you received any enquiries from your members about accessing Pacific seasonal workers?

**Q3.5)** If not, why do you think your members have chosen not to use Pacific seasonal workers?

**Q3.6)** Do you think the SWP could work as a labor source for the horticulture industry in the long-run?

**Q3.7)** Why would you say this is the case?

**Q3.8)** What changes could be made to the SWP in order to make it more attractive to growers of your particular fruit/ vegetable/ nut/ flower?

**Q3.9)** Has the SWP been clearly communicated to you by government?

**Q3.10)** If not, how could the SWP be better communicated to you?

---

- Q4)** Does your particular industry generally experience labor shortages?
- Q5)** What type of workers are most prevalent in your industry?
- Q6)** Why do you think your members mostly opt for this category of worker?
- Q7)** To what extent do you think undocumented labor is used by growers in your industry?
- Q8)** Do you think this could be affecting demand for other types of legal seasonal workers?
- Q9)** How important are backpackers to your industry?
- Q10)** Would growers in your industry support removing the second-year visa extension for backpackers if more Pacific seasonal workers were available to fill their places?
- Q11)** Approximately how many employers are there in the horticulture industry growing your particular fruit/ vegetable/ nut/ flower?
- Q12)** How many of these would be members of your industry association?
- Q13)** Which month/s does your industry need the most seasonal workers?