

Submission to the National Agricultural Labour Advisory Committee on its proposed National Agricultural Workforce Strategy

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The Development Policy Centre, Crawford School of Public Policy, The Australian National University wishes to make the following submission to the above inquiry. The submission addresses the following aspect of the terms of reference: the current and expected demand and supply of labour for the agricultural supply chain to meet future agriculture industry workforce and skill needs.

The following analysis is based on three Devpolicy blogs written by the author. The first was published on 18 June 2020 on the Devpolicy website, under the heading ‘A major labour shortage at harvest time is looming’. The submission also draws on a second blog, initially published on the Devpolicy website on 3 October 2018, entitled ‘Structural changes for SWP: lessons from New Zealand’. Third is based on a blog entitled ‘Why does Canada and Germany allow in seasonal and other workers, but Australia and New Zealand do not?’, to be published in the week ending 24 July, 2020.

This submission provides additional information relevant to identifying current and expected demand and supply for the harvest workforce. This includes advice on how to identify the supply of Australian residents for horticulture harvest work as well as the expected demand for this work.

How to address labour shortages at harvest times

The challenge for growers in Australian horticulture at harvest time is to find sufficient labour to harvest the fruit and vegetables they have produced. The total estimated seasonal workforce needed for horticulture for the spring and summer harvest season ahead in 2020 could be up to 40,000 workers, based on the previous demand for seasonal workers over that period. This overall estimate of demand is at the lower end because we do not know how many other casual workers were employed, or the number of Working Holiday Makers (backpackers) who worked in horticulture but did not complete 88-days of specified work in regional Australia to obtain a second-year visa.

This estimate of demand is based on visa approvals for backpackers and Seasonal Worker Programme (SWP) workers from the Pacific and Timor-Leste. In the 12 months to end March 2020, just under 32,000 backpackers were granted a second-year visa for working 88 days in agriculture. In addition, 7,999 SWP workers were granted visas to work in the August to January period 2019-20. SWP visa approvals data show that peak month for engaging SWP workers is November but their number increases from August.

Where will this year’s seasonal workers come from? Department of Home Affairs data show that 6,761 SWP workers were in Australia at the end of January 2020. Some workers returned home once notice of border closures was made known. When international borders open again, many seasonal workers now in Australia may well decide not to stay on, despite being happy to work under current conditions (and able to do so with the new visas they have been issued).

The visa statistics also suggest that the number of backpackers available to work in horticulture will be lower. The number of Working Holiday Maker (WHM) visa holders in

Australia at the end of April 2020 was 98,000, far below 141,142 at the end of December 2019.¹ Data on WHM visas granted show a drop from 50,566 to 36,841, comparing the third quarter for 2020 with the third quarter for 2019. The same trend is evident for the number of second visas granted, with 2,067 fewer visas approved in the first quarter of 2020 compared with the first quarter for the previous year.

Many backpackers may also decide to return home, with far fewer, if any, backpackers in a post-COVID world willing and able to come to replace them this year. On the other hand, some backpackers (and possibly some Australian citizens) will be ready to work on farms in the absence of city jobs. While there is a great deal of uncertainty, the best estimate is that, without fresh labour being imported, we will see major labour shortages on farms over the summer.

How to identify potential supply from Australian resident jobseekers

Some 2,100 SWP workers have been re-deployed to new workplaces during their enforced stay in Australia due to closed international borders. A further 1,000 are in the process of having their transfer to another workplace approved. Evidence from the labour market testing results required of approved employers for these re-deployments shows that few Australian residents have applied for harvest related work and even fewer have replied to a follow-up email or accepted an offer of work. For 29 separate labour market tests in rural areas in Victoria, South Australia, NSW and Queensland conducted between 6 April and 16 June, only 6.7 per cent of applicants were Australia residents. In 22 rural locations, less than 10 per cent of job applicants were Australian residents. The highest proportion of Australian residents was 21 per cent and 12 locations had less than 5 per cent of applications from Australian residents.

This limited evidence needs to be investigated further. This can be done by requesting the data from the Seasonal Worker Programme (SWP), managed by the Department of Education, Skills and Employment. SWP now uses an online system through which approved employers have to provide the results of their labour market testing, required before SWP can approve the re-deployment of their workers. SWP approved employers have to provide data on job advertisement details (e.g. farm work or packing shed), date job vacancy was advertised, date job advertisement was removed, reference number if published on jobsearch.gov.au, and the number of positions advertised. The SWP Online system asks the approved employer to say whether any Australian residents applied; if so, how many Australian residents applied for the job; how many Australian residents were offered employment, and how many Australian residents accepted the offer of employment.

Another way to assess the availability of local labour is for [Harvest Trail](#) to launch a public campaign to encourage domestic job seekers willing to work in the forthcoming harvest season to register their interest. Job seekers may need to prove that they are already resident in a designated regional local government area, have previous relevant work experience, and are willing to commit to the work and the hours required.

Lessons from a UK campaign to recruit resident jobseekers for harvest work

Three major agricultural labour providers in the UK launched a public campaign called ‘Feed the Nation’ on 20 March 2020 to recruit people already resident in the country. The Financial Times reports (29 April) that because of the campaign, 50,000 people had applied to one

¹ Information provided by research consultant Henry Sherrell, see comment on the above blog.

provider as at the end of April. However, only 6,000 opted to do the online interview. Of those offered jobs, only 150 accepted employment contracts.²

Another, more recent Financial Times article (14 June) reported that UK farms are counting the cost of a home-grown workforce because fruit and vegetable growers are facing a steep increase in costs and are struggling to retain locally recruited pickers.³ One large berry grower noted that worker productivity was far lower among the newly recruited, UK-based workers. As well, about a third of these workers had already left the job. The CEO of the British Growers' Association said the output of inexperienced pickers is 'anything up to 30 per cent lower'. The UK National Farmers' Union noted that a local recruitment drive meant that 20 to 30 per cent of pickers were UK residents, up from less than 1 per cent previously. But turnover of staff is at least double last year.

Identifying the demand for harvest work

There is ample scope to identify the demand for SWP workers for harvest work by asking SWP approved employers, who are mostly labour hire companies, to prepare recruitment plans. These plans, as outlined above, must first prove through labour market testing that Australian resident workers have been already offered the work.

However, the Department of Education, Skills and Employment (DESE) has told approved employers that they are not to submit recruitment plans until after international borders open again. This approach is guaranteed to ensure that new SWP workers are not in Australia for the start of the peak season. It takes time for up to 160 Approved Employers to develop and submit separate plans for recruitment, accommodation, and welfare and wellbeing, and for the seven SWP contract managers approve them. There is also another at least a six-week lag at best, due to the process of recruiting, vetting, briefing and sending workers to Australia.

DESE needs to encourage approved employers to develop and submit recruitment plans as soon as possible, not least because this process will reveal critical information about growers' own assessment of their demand for seasonal workers. Approved employers are carrying the risk, so their assessment has to be taken as the best available. Recruitment Plans can be approved subject to the resumption of travel.

The Case for moving the SWP to the Department of Agriculture to manage

A comparison of Australia's Seasonal Worker Programme (SWP) with New Zealand's Recognised Seasonal Employer (RSE) Scheme shows major flaws in how the former has been designed and is managed. The following analysis is based on a Devpolicy blog written by the author, published on 3 October 2018.

The RSE has three design features that differ from the SWP. First and foremost, the RSE is industry- and employer-driven. Its origin is as an employer proposal taken more than a decade ago to government rather than, in Australia, the other way round. Horticulture New Zealand represents 21 product associations as well as sector, regional and district groups. Its National Labour Steering Group, through Horticulture NZ administrative and field staff, organises a network of the regional labour groups, and coordinates both domestic and immigration programs such as the RSE scheme. Since the beginning of the RSE, Horticulture New Zealand has had a dedicated staff member (who is also a grower) working on the RSE, currently four days a week.

² Judith Evans, '[Time runs short for UK to recruit tens of thousands of fruit pickers](#)' Financial Times, 29 April 2020

³ Judith Evans, '[Farms count cost of homegrown workforce](#)' Financial Times, 14 June 2020

Their 2018 Annual Report notes that Horticulture NZ ‘continues to work on strengthening our relationships with key government agencies’. In contrast, the SWP operates independently of growers and has had no mechanism to involve the industry groups representing the growers using the labour services of seasonal workers.

The second distinguishing feature of the RSE that differs from the SWP is that the former is administered by a government ministry that is focused on the needs of business (Ministry of Business, Innovation and Employment) and which includes Immigration New Zealand. A separate ministry is responsible for promoting and protecting employment for New Zealanders. In contrast, the SWP in Australia is managed by a government department that has a mandate to protect the domestic labour market and has been reluctant to promote and support the programme.

Third, the RSE has a non-punitive approach to dealing with critical incidents involving seasonal workers, based on the use of two relationship managers. Their role is to resolve issues, and are separate from the RSE operations unit, which is responsible for managing registration, agreements to recruit and monitoring compliance. The RSE unit has staff located close to where the work takes place.

A key lesson from New Zealand is for horticulture growers in Australia to take a greater role in ensuring that the SWP better meets their needs. One way to do this would be to set up a reference group which represents growers and their intermediaries. This body should include not only approved employers, but also one or two key industry associations embedded in the areas which have a high demand for SWP workers.

Department of Education, Skills and Employment administers the SWP, but has done little to actively promote the scheme to new employers. The mandate of the Department – to promote the interests of Australian workers – bears little relevance to a program such as the SWP. A home for the SWP within a federal Department aligned with agriculture is needed to ensure that there is a strong government brief to identify labour shortage needs of growers both in terms of numbers and worker reliability and to address them.

The RSE was initially set up to address the problem of the lack of reliable, trained workers to harvest apples. New Zealand growers and their peak association played a key role in its design and the adaptive changes made over time. The challenge for the SWP is to focus on the same issue, namely, to work out ways to meet the needs of growers for reliable and experienced workers.

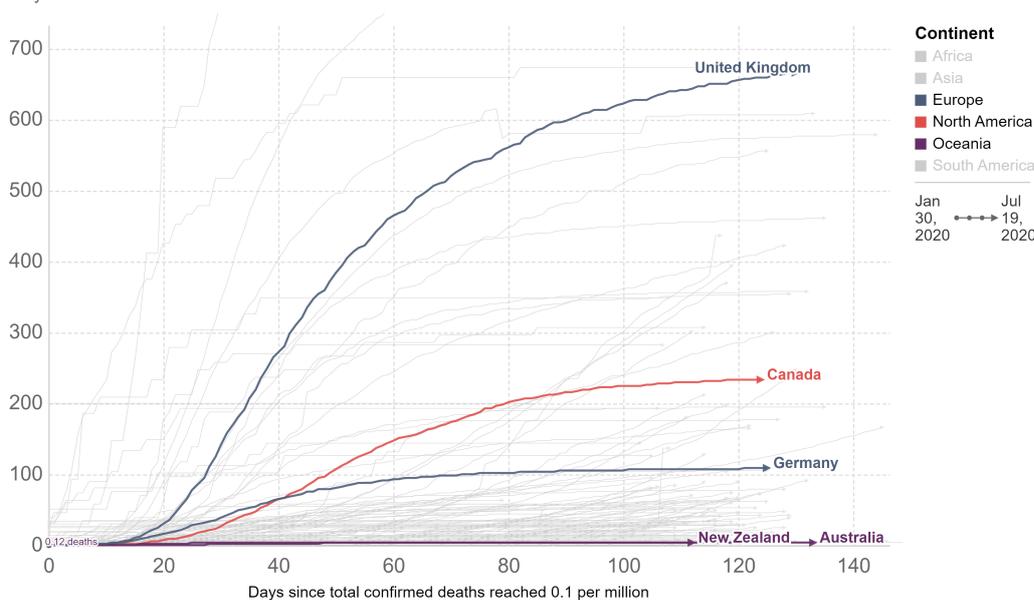
Why does Canada and Germany allow in seasonal and other workers, but Australia and New Zealand do not?

New Zealand and Australia’s much better COVID-19 performance compared with Canada and Germany has not resulted in a more flexible migration policy. The vastly different attitudes of the Canadian and German governments are shown in how they have opened their borders, not only to seasonal workers but also to other temporary and permanent migrants.

Using 19 July as the common date, New Zealand and Australia’s COVID-19 mortality rate was the same at 4.6 deaths per million people. Canada’s total death rate per million was 234.2 and Germany’s was 108.4 deaths per million. Just as a reference point, the chart below also includes the UK with its high death rate of 666.9 per million.

Cumulative confirmed COVID-19 deaths per million people

Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19.



Source: European CDC – Situation Update Worldwide – Last updated 19 July, 09:38 (London time), Our World In Data

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Canada

Canada initially closed its borders on 18 March 2020 and on [16 July](#) the Canadian PM extended the border closure until 21 August 2020. However, essential workers and temporary foreign workers have been exempted, a decision announced on 27 March 2020. Canada's Minister for Immigration (24 June) has continued to [welcome](#) both permanent immigrants and temporary foreign workers during the pandemic. In May 2020, Canada [granted](#) permanent residence to 11,000 immigrants, an increase from 4,000 permanent residence visas granted the previous month.

Canada has also continued to approve work permits for both higher and lower skilled temporary workers, as shown by recent [official statistics](#) on the number of temporary work permits issued. In January 2020, Canada issued 33,000 work permits under its Temporary Foreign Worker Program (TFWP). Agricultural workers [accounted](#) for 66 per cent of the work permits issued or about 22,000 workers. In March, TFWP work permit approvals fell to 19,650. However, with the reopening of the border on 27 March to essential workers, the number of work permit approvals increased. In April and May 2020, some 29,900 and 25,125 temporary work permits respectively were issued. The figure for May was a 45% decrease from the same month in 2019, said to be due to fewer Seasonal Agricultural Worker Program (SAWP) workers coming.

A special pathway for seasonal workers has continued to operate due to the [strong representations](#) by farmers to the government about labour shortages stopping them from planning and harvesting their crops. Workers continue to come, subject to strict hygiene safety requirements, despite concerns from the Mexico and Caribbean governments about the high number of COVID-19 cases in Canada, including in the areas where the seasonal work was located.

However, it has not all been plain sailing. After three seasonal workers from Mexico died in the Province of Ontario and other workers were treated in hospital, the Mexican government [temporarily stopped](#) on 15 June up to 5,000 workers waiting to go to Canada while it

conducted a safety audit of the conditions of workers on farms. [On 21 June](#), Mexico allowed seasonal workers to resume travelling to work on Canadian farms after the two governments agreed to set up a joint working group to examine the working and living conditions of the temporary workers. The Canadian government also undertook to increase the number of inspections, provide more support to workers, and impose severe sanctions on farmers not complying with the standards required.

Germany

Germany [announced](#) in early April 2020 that it will re-open its borders for seasonal agricultural workers under strict hygiene conditions and entry requirements such as travel by plane only to designated airports. This was in reaction to intense pressure from the German Farmers Union, regional farmers associations, and other associations along the food supply chain. The cap was set at 80,000 workers allowed to work in Germany over two months. However, according to the Ministry of Food and Agriculture, only 38,967 seasonal agricultural workers entered Germany under these rules in the period to June 3, 2020.

After this two-month period, the German government announced an easing of the entry restrictions including the requirement to go into quarantine on arrival. [From 16 June](#), seasonal agricultural workers from the EU and other countries can again enter Germany via road and rail as well as air. The workers are mainly Romanian and Bulgarian citizens. The new rules include how workers are to be accommodated and physical distancing requirements at work. Employers also must notify their local health and safety authority which will monitor the health of the workers. The worker's contact details are to be lodged with the local medical authority in case of infection.

Employers also must send the relevant documents to workers in their preferred language before they come to Germany. The documents are to include the employment contract, and a contract about ancillary costs, information on living and working conditions, including hygiene rules and proof that the worker is covered by health insurance.

Germany's confidence in managing COVID-19 was shown in the government's decision in April to its physical distancing measures and re-open its borders to seasonal workers. This confidence was informed by a continuous tracking of key indicators by local agencies. The [result](#) has been few signs of a COVID-19 resurgence.

Conclusion

Australia's approach could not be more different than those of Canada and Germany. There is some talk of but no definite plan for bringing seasonal workers into Australia for the summer peak. The most recent example of a further tightening of a state border closure is the NSW [decision](#) (19 July) to prohibit seasonal workers coming from Victoria into NSW. This state decision overturns a statement of the federal Minister for Agriculture 'Agriculture jobs essential to Australia' ([25 March](#)) in which he insisted that workers involved in food production and supply are providing an essential service.

The ABARES analysis of food security and the COVID-19 pandemic (17 April) downplays the concerns of growers about labour shortages for the harvest months from September to March. The analysis does note (p9) that:

...horticultural industries are labour intensive and rely on a relatively unskilled and itinerant workforce brought in for short periods from outside local areas, often involving backpackers from overseas. This is particularly the case for harvesting of fruit and vegetables. These factors make these industries vulnerable

to being disrupted by COVID-19 restrictions on international and domestic travel, and accommodation requirements.

However, the analysis goes on to infer that the government's decision on 4 April 2020 to temporary visa arrangements is sufficient to provide the required workforce. But this inference is not based on any evidence that the labour supply is sufficient for the harvest seasons. The above NSW decision (19 July) to stop seasonal workers coming from Victoria into NSW is one example of the emerging problem. The heading on p 8 of the analysis states that migrant labour inputs will require careful attention and monitoring but this warning is not mentioned in the text, let alone an explanation provided about how this monitoring should be done. This gap in the ABARES's analysis may be to do with their own weak capacity to monitor and anticipate labour shortages in horticulture.

Australia and New Zealand's early success in reducing the spread and harm caused by COVID-19 has paradoxically led both countries into extremely risk-averse positions, including the continued closure of international borders. This isolationist strategy cannot be sustained, and a concerted effort needs to be made to move away from it towards a policy stance of gradual opening up together with a strengthening of systems to [prevent, detect, contain and treat](#) the virus. There is much we can learn from other countries which have opened up ahead of us.