

VFF Horticulture Group Policy Statement Horticulture Labour

Endorsed by the VFF Policy Council on Tuesday 20 February 2018



Victorian
Farmers
Federation

Horticulture

1. Introduction: Pick the crop or leave it to rot

There is a labour crisis in Horticulture across Victoria. Victorian Horticulture employs around 50,000 people, a number which swells to 100,000 during the peak harvest periods. Access to a legal and reliable workforce is critical to the sustainability and growth of Australian agriculture. An holistic approach to labour requirements is key to ensuring Australia's Horticulture produce is ethically sourced.

Horticultural growers are looking for avenues to decrease input costs of which labour is a significant component. At the same time access to suitable labour at harvest time is crucial to the success of a Horticultural business.

Australia is the highest cost labour market in the world and therefore an efficient and productive labour force is vital.

Labour issues have been identified as a significant subject of concern for Horticulture growers across Victoria and Australia, this policy outlines the VFF position on the key labour related issues affecting both access and utilisation of labour.

2. Horticultural labour stakeholders and their role

The Horticulture industry is broader than simply the growers, and addressing the labour issue cannot be managed by growers alone. Throughout the supply chain there are a number of groups which have a responsibility towards labour and well as a responsibility:

- **Growers:** Have a duty to understand their legal responsibilities and to ensure they are complying with the law and all employment requirements. VFF provides an "engaging hire kit" to support members and clarify their legal responsibilities.
- **Government:** Must support the agricultural sector by facilitating both domestic and other labour options, must provide a labour framework which encourages efficient labour options, discourages perverse outcomes and consistently enforces the employment rules.
- **Service providers:** Service providers such as Labour hire companies need to meet their legal requirements, operate with integrity and be independently audited with penalties in place for non-compliance.
- **Post farm gate supply chain:** Are responsible for supporting farmers by paying a fair and reasonable price for farm produce. Exploiting their position as the price setters has put undue financial pressure on horticulture growers and exacerbated the current labour situation.

Background

The VFF does not condone the use of illegal workers but is concerned that labour sourced through the unwitting use of often unscrupulous labour hire companies is often the only source of labour available to farmers. Because of the need for flexible farm labour, farmers are heavily reliant on the ability of labour hire companies to provide a large number of workers on a sometimes intermittently intense basis over the harvest period.

This has led to labour hire companies profiting from the exploitation of workers. Unfortunately rather than reflecting on the companies this is being played out in the media tarnishing the reputation of the farming community as a whole.

Higher farm gate returns and a positive, ethical reputation can result from industry-wide adherence to good labour hire practices. To achieve this outcome, the Australian Government must implement policies that will ensure access to a reliable, efficient, fit and able workforce; remove and prosecute rogue operators; encourage and support compliance.

3. Key Initiatives

- VFF Horticulture will lobby for an amnesty for labour who have been working within the Australian agriculture sector without legal working rights and will agree to continue working within agriculture
- VFF Horticulture supports the creation of a dedicated visa for agriculture
- VFF Horticulture supports a consistent approach to the investigation and prosecution of labour hire firms, to facilitate transparency and protect workers and farmers
- VFF Horticulture supports an overarching legislative approach to ensure the sustainability and growth of Australian agriculture within an ethical employment framework, overseen by an independent regulator
- VFF Horticulture supports improvements to the seasonal worker program
- VFF Horticulture requests funding to develop resources to alleviate Horticultural labour issues
- VFF Horticulture supports resourcing to promote Horticulture as a jobs pathway for Australians.

4. VFF Horticulture supports an amnesty on illegal labour

The VFF asks for the Australian Government to offer labour, working within agriculture, without legal working rights, an amnesty and the provision of a permit to legally work within Australia Agriculture for a maximum of two years prior to deportation.

The VFF believes the Australian Government must waive any responsibility of farmers who may have knowingly or unknowingly employed labour without legal working rights. Once illegal workers have come forward during the amnesty, the VFF believes it would not be appropriate to prosecute the farmers who had employed that worker. This is to encourage and protect the workers applying for the amnesty without ramifications for employment opportunities and to ensure the Horticultural industry has a positive perception of the amnesty.

5. VFF Horticulture supports the development of an Agriculture specific Visa

The Australian Government establish a dedicated visa for agriculture that facilitates the recruitment of unskilled labour for agricultural industries. This is to be established within the two-year amnesty period to prevent a labour shortage and facilitate skills and knowledge transfer.

- The Agriculture specific Visa would provide a three year working option for workers employed in agricultural industries
- The Visa would relate to a range of agricultural activities
- They would be eligible only for work at registered agricultural businesses
- The Visa would be attractive to workers from key neighbouring countries who don't have access to the current seasonal workers program:
 - a. Research has indicated the majority of over-stayers within agriculture are coming from nearby SE Asian neighbours. This would provide an incentive to work legally.

The aim of the agricultural specific VISA would be to build on the positive aspects of the seasonal worker program Supporting returning workers, encouraging reliability and providing an incentive for efficient workers.

6. VFF Horticulture supports an independent third party regulator to oversee agricultural labour

The VFF will lobby for the Australian Government to work with industry to establish a system to an independent third party regulator to oversee the agricultural labour and provide farmers with information on the status of their workers if required. This agency could also assist in the registration and potential investigation of labour hire firms within agriculture and food processing industries following the close of the amnesty period.

7. VFF Horticulture supports seasonal worker program improvements

The current seasonal worker program could be improved to be more attractive to both the Horticultural sector and the workers.

- Student Visa's should allow for greater than 20 hrs per week
- Refugees and Asylum seekers would be entitled to work more than 20 hrs per week.

Background

The current seasonal worker program is difficult and burdensome to operate within with a lack of flexibility with relation to start and end dates. Lack of timing around commencement can be difficult to manage given the dependence on seasonal conditions within agriculture.

Smaller growers can also be hampered from participating as an authorised employer due to the costs of providing suitable accommodation and the lack of clarity around the rules.

The complexities make it hard for farmers to directly employ seasonal workers, leading to exploitation by labour hire firms. Exploitation is also more prevalent where the workers come from a country with a culture that discourages complaints or communication with employers.

8. VFF Horticulture supports development of resources to support potential workers to understand horticulture in Australia

- Funding for an industry led hotline to provide information to backpackers and growers employing backpackers, to act as a liaison between the employer and employee
- Tools and resources assistance for Horticultural employers to become compliant
- Funding and support for the VFF to become the first port of call for both employers and employees to address labour issues. In serious cases of non-compliance where enforcement becomes necessary the case file would be handed to Fair Work Australia.

Tourism Australia was provided with a \$10 million fund to promote jobs for backpackers. VFF Horticulture is concerned the money could have been spent more effectively if they had gotten greater input from industry on where money could be spent and to improve the effectiveness of the information provided as part of the harvest trail campaign.

VFF Horticulture believes there is a need for funding to support industry development of a resource kit to more thoroughly induct backpackers prior to working in Australian agriculture. There is a need for greater level of information about the industry including what jobs they'll be doing, the different crops, regions, how to effectively use the harvest trail, their legal rights and support options.

VFF Horticulture funding be made available to support the development of a Horticultural labour resource package, including funding for a hotline. The aim would be to develop a resource kit which would provide greater information (available in multiple languages) to support all workers and potential workers within Horticulture. The hotline would be the first port of call regarding rights and responsibilities of both employers and workers. The aim would be to reduce the pressure on Fair Work Australia dealing with minor miscommunications and ensure they were able to concentrate on serious breaches.

In the case of serious concerns the case file outlining the complaints would be provided by the VFF to the Fair Work Commission.

9. VFF Horticulture supports horticulture as a jobs pathway for out of work Australians

- More can be done to ensure the Seasonal Work incentives trial is successful
- Farmers should be supported to invest in providing jobs for out of work Australians
- With effective support, Horticulture can be a pathway to jobs for out of work Australians.

VFF Horticulture wants to work with the Federal Government to revitalise the Australian seasonal work incentives trial program and ensure it is acting as a successful pathway to jobs for out of work Australians.

VFF Horticulture believes the current incentive system for worker placement needs to include a placement payment for farmers. Currently Jobactive and other employment services groups are funded to place the workers. A placement payment of \$600 to farmers as well would ensure they are incentivised to provide appropriate programs and support to the workers.

VFF Horticulture believes the current low participation rates within the trial are an indication of the need to reconfigure some of the parameters to achieve the employment target.

VFF Horticulture believes there is a role for industry to help Government with more effective promotion of the harvest trail. Clear information about seasonal job availability and suitable assistance would facilitate the relocation of workers to areas with labour requirements.

Background

The Australian Seasonal Work Incentives Trial aims to match out of work Australians with farming jobs. Workers are able to earn up to \$5,000 without reducing their Newstart payments and Jobactive and other employment service providers get \$600 for placing a worker. This is regardless of the suitability of the worker or the longevity of their employment. To be effective additional conditions relating to a minimum employment period need to be included in the conditions set on the commission available to the job service providers.

The trial is due to run until 30th June 2019 with the expectation of assisting 2,000 (capped at 3,800) out of work Australian take a job within the horticultural sector. It is believed that so far only 14 placements have been made.

VFF Horticultural research would indicate the lack of success of the trial so far is due in part to farmers concerns about productivity loss from employing long term unemployed Australians and the potential business imposts.

Providing funding towards the costs incurred by farmers would assure the Horticultural sector their concerns are being acknowledged by the Federal Government.

Horticulture businesses currently find it very difficult to access information or register to support the scheme. A more transparent system needs to be put in place to provide information to potential employers and to assist them to put in place the necessary support for the workers.

One of the issues not adequately addressed by the current incentives program incentives are the support services required to address the health issues that can be faced by the long-term unemployment.

10. VFF Horticulture supports Horticulture as a jobs pathway for young Australians

Take a Gap year in Horticulture

VFF Horticulture believes that with support the Horticultural industry could provide significant job opportunities for young Australians. Encouraging Australian students to have a GAP year within the Horticultural industry by providing financial incentives to students who take jobs within agriculture will benefit both the industry and the broader economy.

- VFF Horticulture will lobby for students who take their GAP year within Australian Agriculture to have access to the independence test by reducing the 18 month work requirement down to 12 months for students who have worked in Horticulture for at least 20 hours per week for six months

- VFF horticulture will lobby for funding for more targeted support to encourage students to gain the skills required to work within the agricultural sector.

Background

Currently students have to work full time (30 hours per week on average) for at least 18 months within any 2 year period. To qualify as independent rural or remote students currently have additional criteria including earning 75% or more of Wage level A of the national training wage schedule.

There are opportunities for the Federal Government to work with the Horticultural industry to support domestic labour options as well as encourage young Australians to try jobs in their own backyard.