



THE UNIVERSITY
of ADELAIDE



CRICOS PROVIDER 00123M

Associate Professor Joanna Howe

Labour Supply Challenges and the Conditions of Work in the Australian Horticulture Industry

Research Project 2016-2018

adelaide.edu.au

seek LIGHT

Project time frame

2015

Preliminary

Research Proposal developed

Project team assembled

Funding sought

2016

Phase One

Consultation with key stakeholders

Review of secondary documents/sources

National Survey of Vegetable Growers

2016-2018 **Phase Two**

Regional case studies

2018

Phase Three

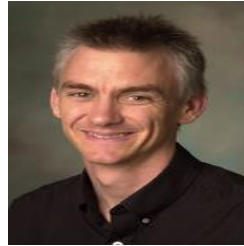
Joint stakeholder workshop (1 November)

Submit final report (December 14)

Project team – Key academic contacts



Joanna Howe
Labour Law
The University of Adelaide



Alex Reilly
Migration Law
The University of Adelaide



Diane van den Broek
Employment Relations
The University of Sydney



Chris F Wright
Employment Relations
The University of Sydney



Stephen Clibborn
Employment Relations
The University of Sydney

Research questions

1. What is the nature of the labour supply challenges facing growers?
 - Terminology: “Shortages” or “Challenges”?
 - Sources of workers (locals, visa-holders, undocumented)
2. How do other countries respond to horticultural labour challenges?
 - USA (H-1B visa)
 - Canada (SAWP)
 - New Zealand (RSE)
3. What are the conditions of work in the industry?
 - Is non-compliance/exploitative work endemic or aberrant?
 - Presence of labour hire and other intermediaries

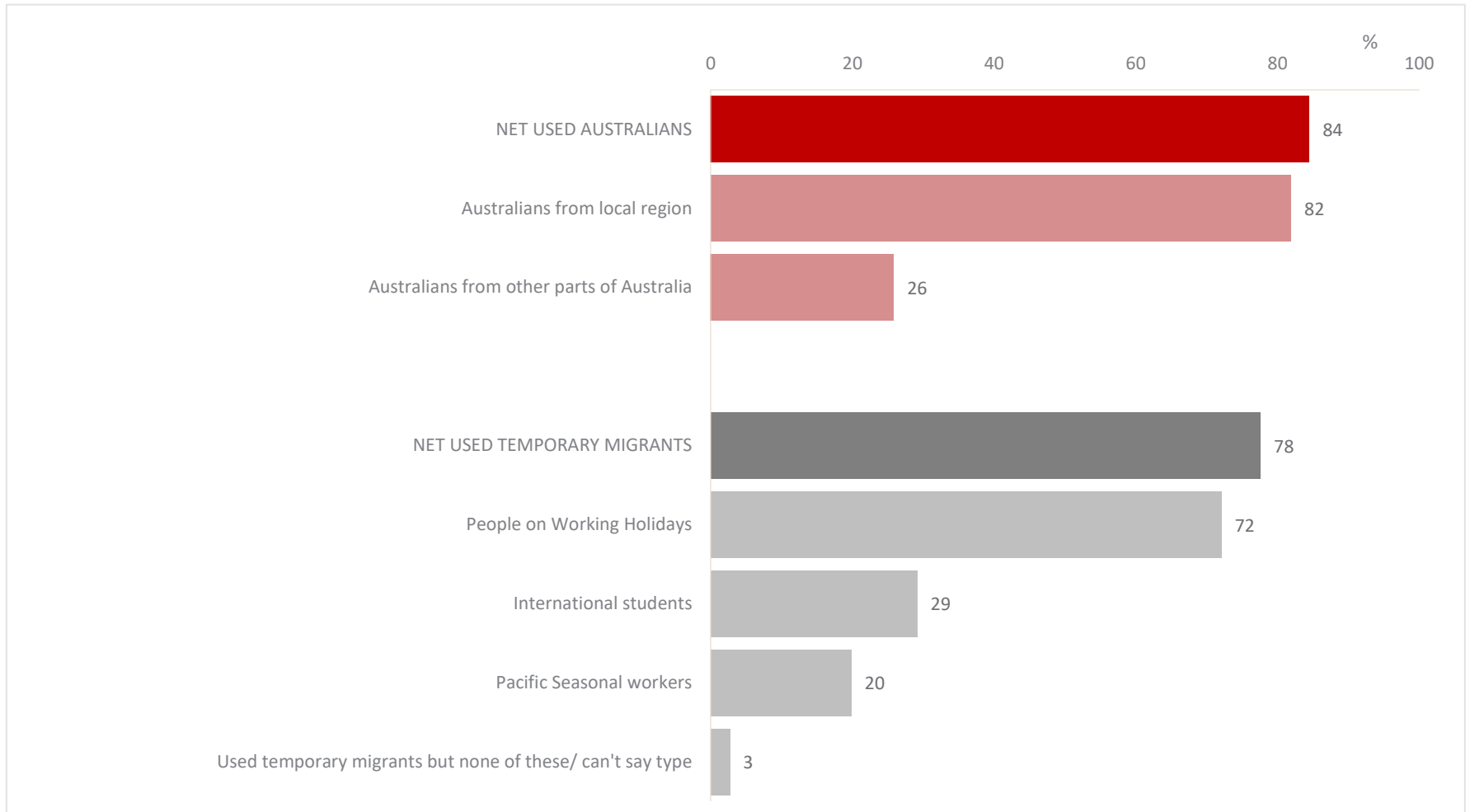
Findings from Phase One

- **National Survey of Vegetable Growers - 2016**
 - Valid responses from 332 growers who hire pickers, packers and graders
 - Of these:
 - 70% small businesses (employ <20 in peak)
 - 28% medium businesses (employ 20-199 in peak)
 - 2% large businesses (employ >200 in peak)

Are horticultural labour needs annual or seasonal?

- 34% of respondents use pickers, packers or graders for less than six months of the year
- 66% employ them for seven months or more, including **41% who claim to employ workers to perform these roles all year round.**

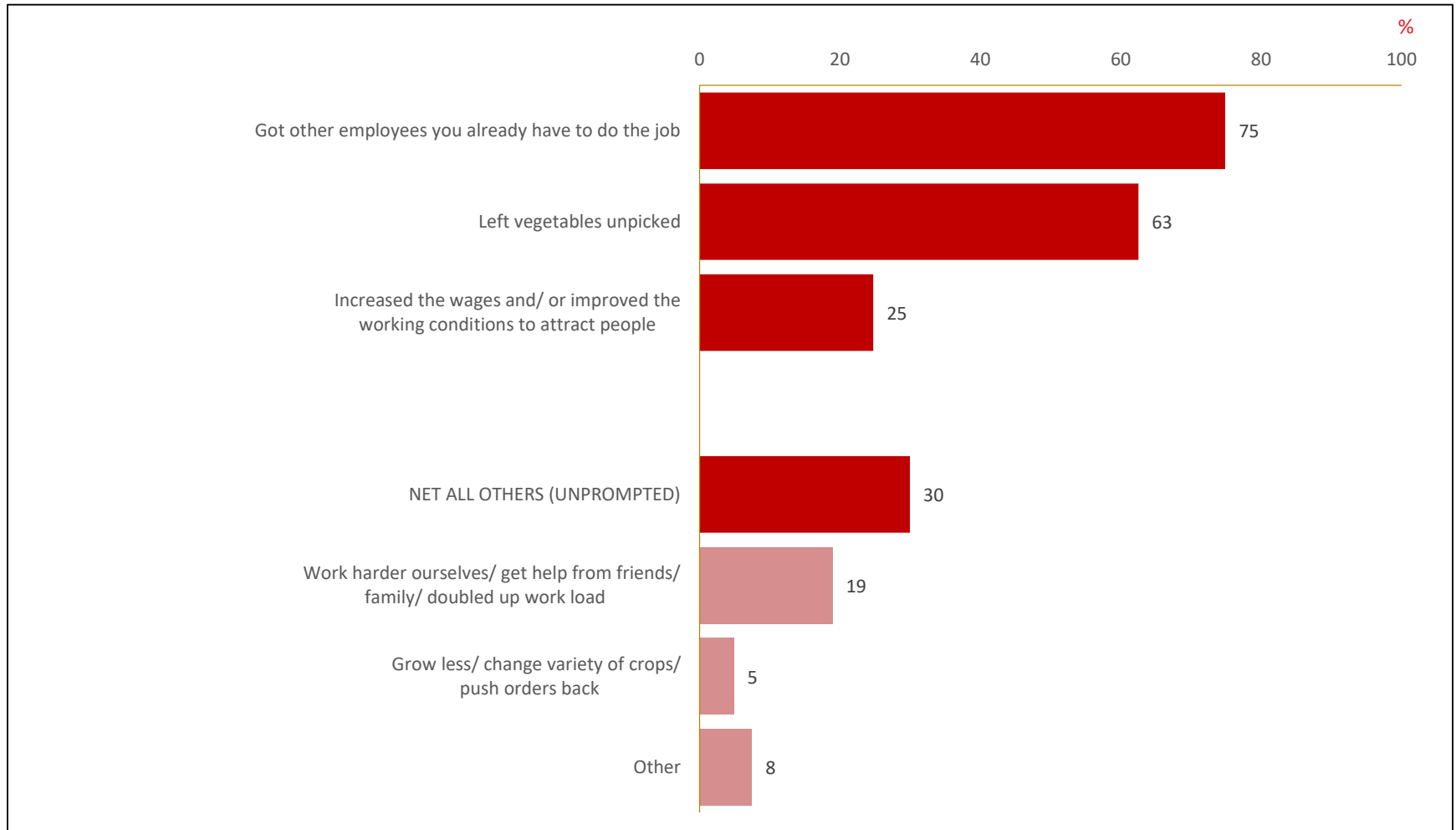
Categories of workers used in the last five years



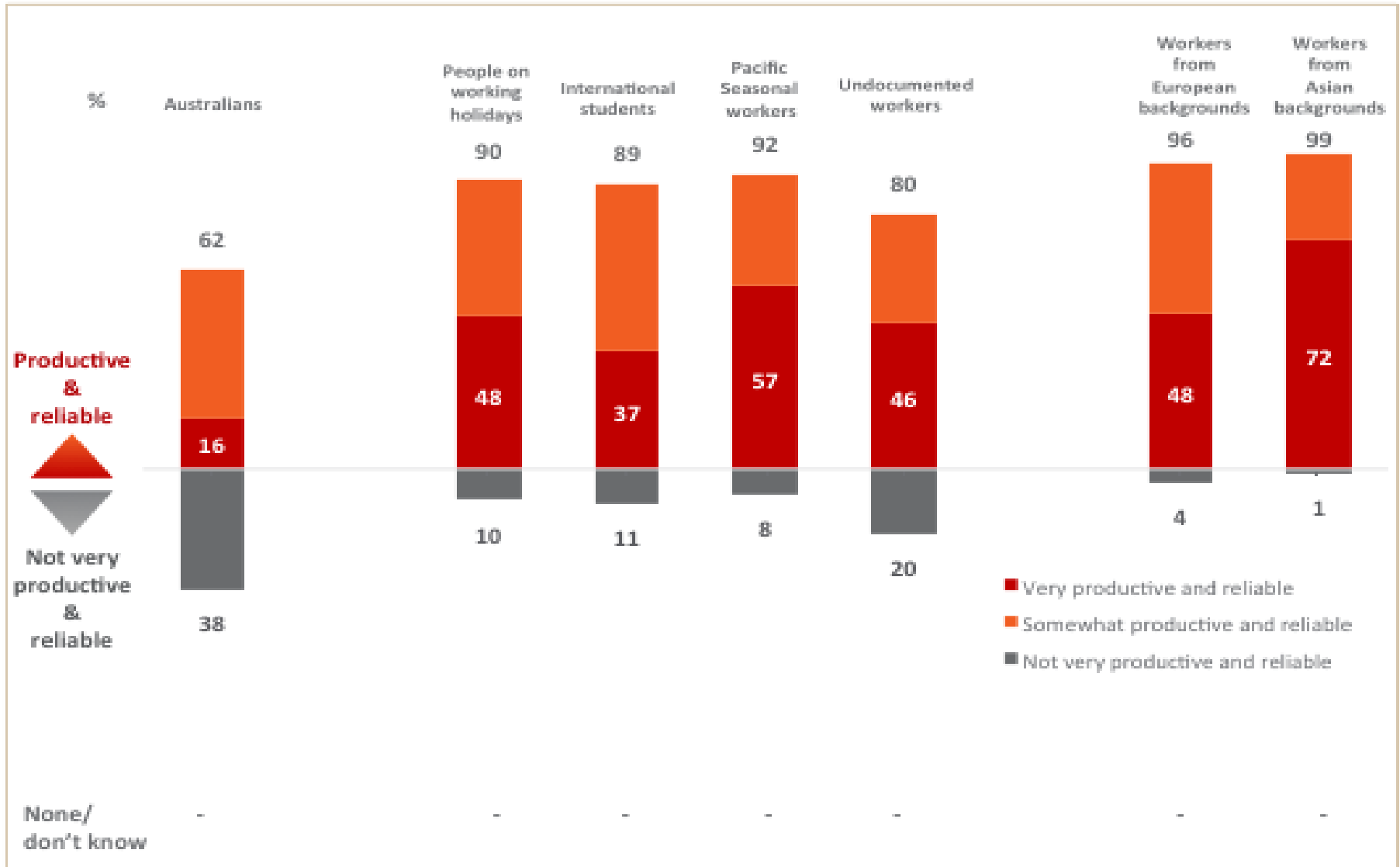
Difficulty recruiting harvest workers

- When asked whether there had been any occasion in the last five years where they were unable to get the pickers, packers and graders they needed:
 - 40% of growers surveyed said ‘yes’ compared to 60% saying ‘no’
 - 63% claim to face challenges finding pickers, packers or graders, with 22% saying this was the case ‘always or most of the time’ and 41% claiming that they ‘sometimes’ faced recruitment challenges
- For the 40%, what was the consequence of not being able to recruit the required number of harvest workers?
 - The most common response (75%) was to get existing employees to do the job, which in some cases involved asking them to work harder. **A further 63% of these respondents who could not get enough workers (ie 25% of all respondents) left vegetables unpicked.**

What growers have done when they can't get enough workers



Perceptions about worker productivity and reliability



Findings from Phase One

- Four primary labour sources, each with its own set of challenges:
 1. Working Holiday Makers
 1. Seasonal Pacific workers
 1. Local workers
 1. Undocumented workers

Phase Two – Regional case studies

- **These findings are preliminary as we are still in the field.** Only the Virginia, SA and Bundaberg, Qld case studies have been completed and written up.

WA Gin Gin, Bunningyup, Wanneroo

SA Virginia

NT Darwin, Katherine

VIC Mildura

NSW Orange, Griffith

QLD Bundaberg

Bundaberg – reliance on WHMs

“I had about 20 people packing every day, and it came Wednesday morning, and there were two places missing and I said to the lady who was running the shift for me: ‘Hang on, where are those two?’ She said, ‘oh no, they said ... they’ve done their 15 hours otherwise it’s going to affect their dole’. I said, ‘well, you ring them and tell them not to come back. We need those chairs to be filled all the time ... Anyway, so I’ve tried that, and now I just employ backpackers.”

“[WHMs] are normally a lot keener because they come up here to work and they don’t have a safety net of unemployment benefits ... A couple of years ago one of the recruitment agencies in town rung us up and said ‘we’ve got some workers. ... We have five guys or something come out. Great. All gone within two weeks. All gone and we sacked some of them, most of them and the reason is the long term unemployed are not reliable. They come out and then ‘no, I’ve got something else on’ or ‘I don’t feel like it today’ and they don’t turn up ... They become unreliable and they don’t work as hard.”

Bundaberg – role of local workers

- Local workers generally form a small share of the overall workforce on farms but a relatively large proportion of the ‘core’ workforce many of whom are employed throughout the year.

“The sector generally is really hard for locals to get into ... They tend to use the backpackers ... You have a lot of locals that are willing and want to go and work but then there’s the locals that have let people down ... So there are some farms that do employ locals but generally it is a little hard for people to get into the majority because they tend to use the backpacker hostels.”

Local employment services manager

Bundaberg - reliance on hostels

“You just ring them [the hostel] up and go we need 10 people in tomorrow ... Fit, energetic ... Whatever the criteria are that you want, or ‘I want five guys because they would be strong or tall because we have to stack stuff up high. What can you arrange? Send them out here’ ... Maybe you’d be going for Koreans or something like that when you’re picking strawberries. Small hands, quick. They’ll pick three times as much as the English ... We’ll say [to the hostel] what we prefer.”

Bundaberg – is there a labour supply challenge?

- ‘in this region there’s plenty of labour’ (local grower)
- there is no labour shortage’ (local stakeholder)
- “[If] you take away that second year visa or that backpacker tax comes in ... it can make it very difficult because if we don’t have backpackers then it starts making it hard ... We [would then] have to rely on locals for our labour supply. That’s very difficult because like I said, we’ve got a lot of good locals but generally the long term unemployed, they’ve been told to go out and work and it doesn’t work.” (local grower)

Virginia

- Farm workforce constituted mainly of recently arrived **permanent migrants** to Australia from developing countries, in particular, from India, Nepal, Sri Lanka, Pakistan, the Middle East, Syria and Afghanistan.
- Although there is a high level of unemployment among people from Anglo-Celtic backgrounds in the region, they do not transition into low-skilled work in the vegetable industry
- *‘I know it sounds like discrimination but it is quite true. The migrant workers really want the work whereas the locals they have probably developed a bit of a non-working culture and why would they want to change that?’* (local training provider)

Worker focus groups

Adelaide

Darwin

Katherine

Sydney

Gin Gin (x2)

Perth

Melbourne

Examples of questions:

1. How did you find horticultural work?
2. Would you have worked on a farm w/o the 88 day incentive?

Responses from the focus groups

Insecurity:

“It was awful – the pay, the high pressure to pick a minimum amount of punnets per hour in order not to get fired, picking in the rain, the insecurity whether you will actually receive your second visa.”

In Fear:

“I knew about Fair Work but I wasn’t prepared to contact them because I was fearing that I would not get my visa extended and I might get fired and I needed my boss to give me work to get my 88 days.”

Would attending an induction help?

“Yes it [attending an induction] would help but no it wouldn’t. Because I read loads on the backpacker Facebook pages and the places to avoid...but it seems even if I did attend the induction farmers would do their own thing anyways and don’t stick to the law.”

Tentative findings

How can labour supply challenges be addressed?

- Regional collaboration and coordination of labour supply
- Targeted initiatives for local workers
- Visa reform (SWP, 417/462 visas, ag visa?)

How can non-compliant/exploitative work be addressed?

- Regulation of labour hire?
- Address information asymmetry - central source of information on horticultural job vacancies?
- Worker induction?
- Consistent regulation of oversight and enforcement mechanisms across all categories of horticultural workers?
- Visa reform? (e.g. industry sponsored rather than employer sponsored; dedicated, tripartite oversight management committee, right to return, regular audits of supply chain)