

Summary

- Labour shortages are hindering Australia’s fruit and vegetable production, which in turn affects all Australians’ access to fresh fruit and vegetables.
- There are three distinct areas of employment in the fresh produce sector – harvest, technical, and management administrative roles – each have unique issues related to attracting workers.

Harvest Workforce

- Securing a harvest workforce is key to securing Australia’s supply of fresh fruit and vegetables and sustaining the ongoing full time employment in regional communities.
 - There is a harvest workforce shortage of around 10,000 workers
- Harvest work is seasonal (short-term), regional, and physical - these factors have had a significant impact on the availability, quality, and retention of a highly productive workforce.
- To adequately meet peak-season harvest demands across Australia, the harvest workforce must be mobile and able to move between employers

Fresh Produce Industry Visa Framework

- There are a number of visa schemes available to the fresh produce industry, these are predominantly the Working Holiday Maker (WHM) visas (commonly referred to as backpackers), the PALM Scheme and the Horticulture Industry Labour Agreement (HILA)/Temporary Skills Shortage (TSS) visa.
 - The HILA focusses on skilled roles (ANZSCO levels 1-3 predominantly) and does not include picking, packing or harvest roles
 - The PALM scheme is invaluable to the sector. Currently there are ~20,000 PALM workers employed in Australian horticulture
 - The Seasonal stream of the PALM visa is categorised by sponsored employment arrangements where workers can only work for a single employer (restricting worker movement) and minimum engagement periods (minimum period of 6 months). The PALM visa provides a valuable core harvest workforce, but it is not suitable to meet peak/short term harvest demand
 - There are also industry concerns around over recruiting from Pacific countries and Timor Leste; this risks “brain drain” and hampering in-country recovery after the COVID pandemic.
 - The WHM program is a cultural exchange program that requires visa holders to perform 88 days work in a specified industry (which includes horticulture) to receive a second-year visa
 - The WHM is unregulated. This means any business in the economy can employ a WHM visa holder.
 - Benefits of the WHM visa are that workers are able to move between employers and follow the harvest trail. This is enabled because typically WHMs are highly mobile (i.e., don’t have a fixed address in Australia) and are able to relocate regularly for work opportunities.
- The AFPA is seeking a Harvest Work Visa that complements the PALM scheme, ensuring primacy of this program, while enabling industry to move away from a reliance on the unregulated WHM program
 - A new visa must have high standards for employers and incorporate appropriate worker protections

Skills, Training, and Industry Development

- As the fresh produce sector consolidates into fewer, more vertically integrated supply chains, there is an increasing need for technical, managerial, and administrative workers.
 - Over 80% of employing businesses in horticulture employ fewer than 20 employees. These SME businesses need to be supported with National Labour Hire Licensing and capacity building resources to support improved workforce planning, recruitment, and business development

Recommendations

Industry needs Government support and investment in:

1. Operationalising the ongoing expansion of the Pacific Australian Labour Mobility (PALM) scheme
2. Implementing a Harvest Work Visa to complement the PALM scheme and address peak season demands of the horticulture industry.
3. Implementing a robust National Labour Hire Licensing Scheme
4. Developing employer capabilities, with a focus on SMEs within the sector, in workforce planning, recruitment, and business development
5. Improving training and education pathways for the sector, with a focus on employer led skills development

To continue the supply of fresh and nutritious fruit and vegetables to Australians and international consumers, the fresh produce industry needs to continue to develop a **productive and returning workforce**

The Australian Fresh Produce Alliance (AFPA)

AFPA is made up of 13 of Australia's key fresh produce (fruit and vegetables) growers and suppliers. Collectively, members represent half of Australia's total fresh produce turnover (\$4.5 billion of the \$9.1 billion total); more than 15,000 direct employees through peak harvest, 1,000 plus growers through commercial arrangements, and up to 25,000 employees in the grower network.

Industry Background

The fresh produce (fruit and vegetable) industry is both the fastest growing and one of the most labour-intensive sectors within Australian agriculture. The labour intensity of horticulture is so high due to low levels of available mechanisation - while finding mechanisation opportunities is a priority for all fresh produce businesses, this solution will not be arrived at in the short term, therefore industry will continue to remain reliant on manual labour for the picking and packing of fruit and vegetables for Australians.

Labour is the largest cost unit in fresh produce businesses, accounting for up to 60 per cent of the total cost of production in some instances. Sourcing labour in the fresh produce industry is also a significant challenge with the sector relying on temporary and seasonal migrant workers to harvest crops and competing with the rest of the economy for skilled, management workers. Historically, it has been difficult to attract and retain a local workforce in horticulture, this has been attributed to a number of factors surrounding the nature of the work and the nature of the location of fresh produce production. These factors have had a significant impact on the availability, quality, and retention of a highly productive workforce.

The Australian Bureau of Statistics reports that Australian horticulture employs 72,800 people across 11,490 individual businesses. Employment in horticulture can be separated into three distinct functional areas:

1. Harvest Labour: harvesting, picking, packing, planting and maintenance (e.g. pruning) of horticultural crops
2. Technical Expertise: skilled and semi-skilled roles including supervisors, agronomists, food technologists and food safety specialists
3. Management & Administration: farm managers, sales and marketing, category management, human resources and finance and accounting.

Total Workforce Supported (~80,000 FTE)		
Harvest Workforce 80%	Technical 15%	M & A 5%

Figure 1: Demonstration of composition of the horticulture industry's workforce

Labour shortages are hindering Australia's fruit and vegetable production, impacting cost and supply to consumers, preventing the uptake of new technology and other advancements and stifling economic growth. While the horticulture industry has its traditional challenges in attracting and retaining workers, such as the location and nature of work, the current shortage is severe, of large scale and unlikely to be resolved without further direct intervention.



Harvest Workforce

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- **Seasonal** – depending on the commodity and location, the produce may only be in harvest for a matter of weeks (e.g., cherries 6-8 weeks).
- **Regional** – fruit and vegetable production typically occurs in rural and remote areas.
- **Variable** – production is highly influenced by weather and other external factors; output may vary between seasons and therefore labour requirements.
- **Physical** – picking, packing, and maintaining crops can be physically demanding, with most work occurring outdoors

In March 2020, the AFPA and AUSVEG collaborated with Ernst & Young (EY) to determine the number, location and timing requirements for harvest labour in horticulture. The analysis undertaken by EY outlined that there are between 50,000-71,000 short term roles in fresh produce throughout the year.

This report demonstrates that these roles vary seasonally and by location. Figure 2 demonstrates the seasonal and geographical fluctuation of short-term roles. For example, production regions like Sunraysia see harvest labour requirements fluctuate from as high as 11,870 short term roles down to only 2,500 following peak season.

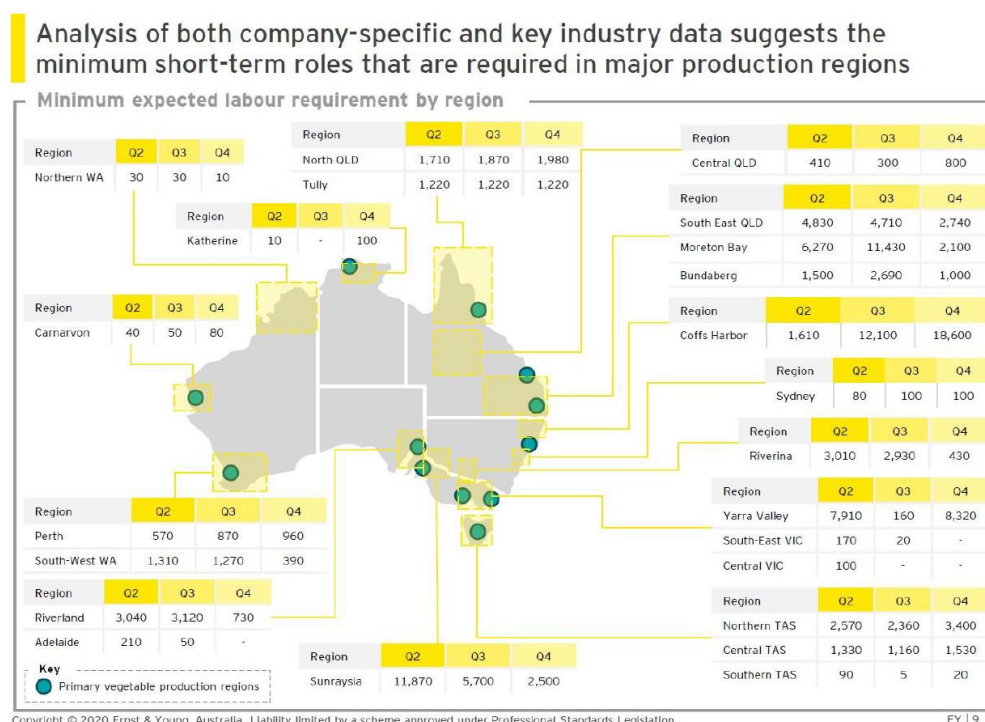


Figure 2: Location, timing and number of short-term roles in fresh produce (2020)

The COVID-19 Pandemic exposed Australia's harvest labour vulnerability. Across 2020 and 2021 the number of overseas workers in Australia on temporary visas, particularly WHMs, dropped dramatically, impacting the supply and cost of fresh produce to Australians and trading nations.

The Government's decision during the pandemic to increase the intake of overseas workers under the PALM scheme has made a positive impact. However, while supported and necessary, **the PALM scheme's does not entirely meet harvest workforce requirements** because of its limitations around mobility (workers are only able to work for a single employer) and duration (employers must provide a minimum six-months employment). The PALM scheme's rapid



expansion has also created challenges in mobilising workers from the Pacific and Timor Leste. As a result, employers continue to experience difficulties sourcing a harvest workforce that can meet their seasonal surges.

Over the coming years, international holidaymakers may return to volumes that can support fresh-produce harvest, however **returning to a heavy reliance on WHMs is undesirable** because:

- the unregulated visa lacked safeguards for workers, and demands no standards for employers
- harvest workers whose primary purpose in Australia is to work have been found to be up to three-times more productive than WHMs
- there are numerous benefits to establishing a returning workforce, including creating more stability around the supply of fresh produce to Australians.

It is estimated that the **current gap in the harvest workforce**, based on a more productive labour base than WHMs, is **around 10,000 workers**. To fill the harvest workforce gap, **AFPA seeks to establish a Harvest Worker Visa**.

Harvest Work Visa

A horticulture specific Harvest Work Visa ('HWV') is required to meet time critical (peak season) labour needs across Australia and secure fresh produce supply. The Harvest Work Visa is proposed to address limitations with existing programs, provide benefits to employers and temporary visa holders, address integrity and compliance concerns, and fill a critical gap in the visa program.

The HWV is intended to provide a highly mobile visa which can shift both between employers and geography, following shifting seasonal needs, in accordance with peak labour demand. In this respect the proposed HWV program complements, rather than replaces existing visa programs. The AFPA engaged migration law firm, Hammond Taylor (now ROAM Migration) to develop a framework for the HWV for further consideration. The full proposal can be viewed [here](#).



Figure 3 Spectrum of visa programs providing labour to horticulture sector from least regulated to most alongside proposed HWV



Figure 4: Comparison on key functional visa elements across main visas accessed by the horticulture industry
 Note: The SWP is now the Seasonal stream of the PALM scheme visa



Skilled Workforce – Technical, Managerial and Administrative

Evolving farming and business practices, shifting consumer demands and increasingly challenging growing conditions, as well as national environmental ambitions, are all putting a strain on producers, who are increasingly turning to experts for support (either through direct employment or consultancy). **A wide and growing range of technical workers are needed to meet the sector's current and future requirements.**

The industry is also consolidating into larger entities or more vertically integrated businesses and supply chains. This transition has implications on the sector's workforce needs, including the **need for an increased middle-management layer, such as farm managers, supervisors, and HR professionals, to support a higher number of employees, meet evolving regulations and other business requirements.**

While many of these roles are filled by Australians and permanent residents, the sector faces significant challenges in encouraging Australians to move to regional communities, even for ongoing fulltime roles. Further, the specialised skill sets of a number of technical roles in produce means there are often few professional training options and pathways for Australians.

The challenge with a number of technical roles in horticulture is that individual employers are responsible for training and skill development, in the absence of well-defined professional pathways.

The Government's policy framework must support skills and training programs which ensure people are equipped to be job ready. This involves ensuring that opportunities for training, education and importantly skills transfer are knowledge based, skills focussed, and industry driven. Ensuring that education opportunities are developed in consultation with employers will remove the disconnect between agricultural education and business needs.

Additional measures to support workforce development

In addition to developing relevant skills and training, the sector would also support Government action to:

- increase accommodation stock and availability in regional towns, potentially through direct investment or changes to planning regulations
- increase government services and infrastructure in regional towns, including health and educational facilities
- increase connectivity between metropolitan and regional Australia, including road and public transport upgrades; and
- other actions to support and grow regional and rural communities

Members of the AFPA are focused on developing a reliable, productive, and diverse workforce as part of the long-term sustainable growth of the fresh produce industry. The key elements of this approach must be improved productivity and global competitiveness by supporting people with better technology, training, and conditions.

