



Select Committee on Job Security

Submission

October 2021

About the Australian Fresh Produce Alliance

The Australian Fresh Produce Alliance (AFPA) is made up of Australia's key fresh produce growers and suppliers. The members include:

- Costa Group
- Perfection Fresh
- Montague
- One Harvest
- Pinata Farms
- Fresh Select
- Mackay's Banana Marketing
- Driscoll's
- 2PH Farms
- LaManna Premier Group
- Rugby Farming
- Freshmax
- Fresh Produce Group

These businesses represent:

- half the industry turnover of the Australian fresh produce (fruit and vegetables) sector - \$4.5 billion of the \$9.1 billion total
- a quarter of the volume of fresh produce grown in Australia - 1 million of the 3.9 million tonne total
- more than a third of fresh produce exports - \$410 million of the \$1.2 billion export total
- more than 1,000 growers through commercial arrangements, and
- more than 15,000 direct employees through peak harvest, and up to 25,000 employees in the grower network.

The key issues the AFPA is focusing on include:

- packaging and the role it plays in product shelf life and reducing food waste landfill,
- labour and the need for both a permanent and temporary supply of workers,
- market access to key export markets for Australian produce,
- product integrity both within and outside of the supply chain,
- pollination and research into alternative sources, and
- water security, including clear direction as to the allocation and trading of water rights.

The AFPA's aim therefore is to become the first-choice fresh produce group that retailers and government go to for discussion and outcomes on issues involving the growing and supply of fresh produce.

Products grown by AFPA Member companies include:

Apples	Blueberries	Cherries	Nectarines	Raspberries
Apricots	Broccoli	Fioretto	Onions	Salad leaf
Asparagus	Broccolini	Green Beans	Oranges	Spinach
Avocado	Brussel Sprouts	Herbs	Peaches	Strawberries
Baby Broccoli	Butternut	Lemons	Pears	Sweet Corn
Baby Corn	Pumpkin	Lettuce	Pineapples	Table grapes
Bananas	Cabbage	Mandarins	Plums	Tomatoes
Beetroot	Cauliflower	Mango	Potatoes	Water Cress
Blackberries	Celery	Mushrooms	Cucumber	Wombok



Summary

The fresh produce (fruit and vegetable) industry is both the fastest growing and one of the most labour-intensive sectors within Australian agriculture. 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 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: harvest labour, technical expertise and management and administration. While the majority of roles in fresh produce are in harvest labour positions in number, technical, managerial and administrative roles in fresh produce employ predominantly Australian citizens and permanent residents in ongoing, full-time roles in regional communities.

Many of the roles involved in the harvest of Australia's fruit and vegetables are by their very nature, seasonal and therefore short-term. The seasonal nature of fresh produce production significantly affects the nature and type of employment that can be offered in harvest roles; seasonality creates short-term, casual or peak employment. Many of these roles are performed by temporary migrants, typically workers from the Pacific or prior to COVID19, Working Holiday Makers or backpackers. A result of the closure of Australia's international borders during the COVID pandemic has been a significant reduction in the number of backpackers employed and an increase in the number of Pacific workers, of Seasonal Worker Programme (SWP) visa holders employed in the sector.

The increase in the use of the SWP and Pacific Labour Mobility programs is driving the development of a "core" harvest workforce, that is workers that are able to work in an ongoing capacity, often across several locations for up to 9 months, while critically, returning to this work year on year. Developing a core workforce is both driving productivity but also providing a longer fixed term of employment for many harvest workers. This shift is key in driving industry's objective of developing a productive and returning harvest workforce.

The seasonality of fresh produce production will always be challenging with harvest requirements often being unpredictable and dictated by weather, and there will continue to be a requirement for employers to access a surge or peak workforce during harvest. Importantly, labour mobility also continues to be a challenge in the sector – specifically the requirement to move labour between growing regions and sites to manage seasonal variations in production.

Members of the AFPA have advocated and are working towards the development of a productive and returning harvest workforce. While the nature of harvest work is seasonal, many employers in the sector are taking measures to provide fixed periods of ongoing work and link periods of work between regions to further extend employment. These initiatives to extend seasons and work periods are facilitating the development of a "core" harvest workforce that is then able to be supplemented by peak, short-term seasonal work.



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 in horticulture is so high due to low levels of available mechanisation compared to other agricultural sectors such as broad acre farming. 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 two key factors are:

- A. Nature of the work
 - Often physical work outside in variable weather conditions
 - Work periods and location dependent on the products being harvested
- B. Nature of the locations
 - Remote – difficult to travel, low level of service and accommodation
 - Regional – competition from other industries, opportunities in capital cities
 - Metropolitan – competition from other industry sectors for capable and skilled people

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.

While the majority of roles in fresh produce are in harvest labour positions in number, technical, managerial and administrative roles in fresh produce employ predominantly Australian citizens and permanent residents in ongoing, full-time roles in regional communities. As industry grows, both in terms of increased production and value, so do the requirements for skilled technical, managerial and administrative roles in fresh produce businesses.

Examples of these roles in the fresh produce industry are agronomists, entomologists, horticulture growers, quality assurance professionals, food technologists, technicians, business managers, operations managers, sales and category managers, marketing managers, and roles in strategy development and implementation.

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.



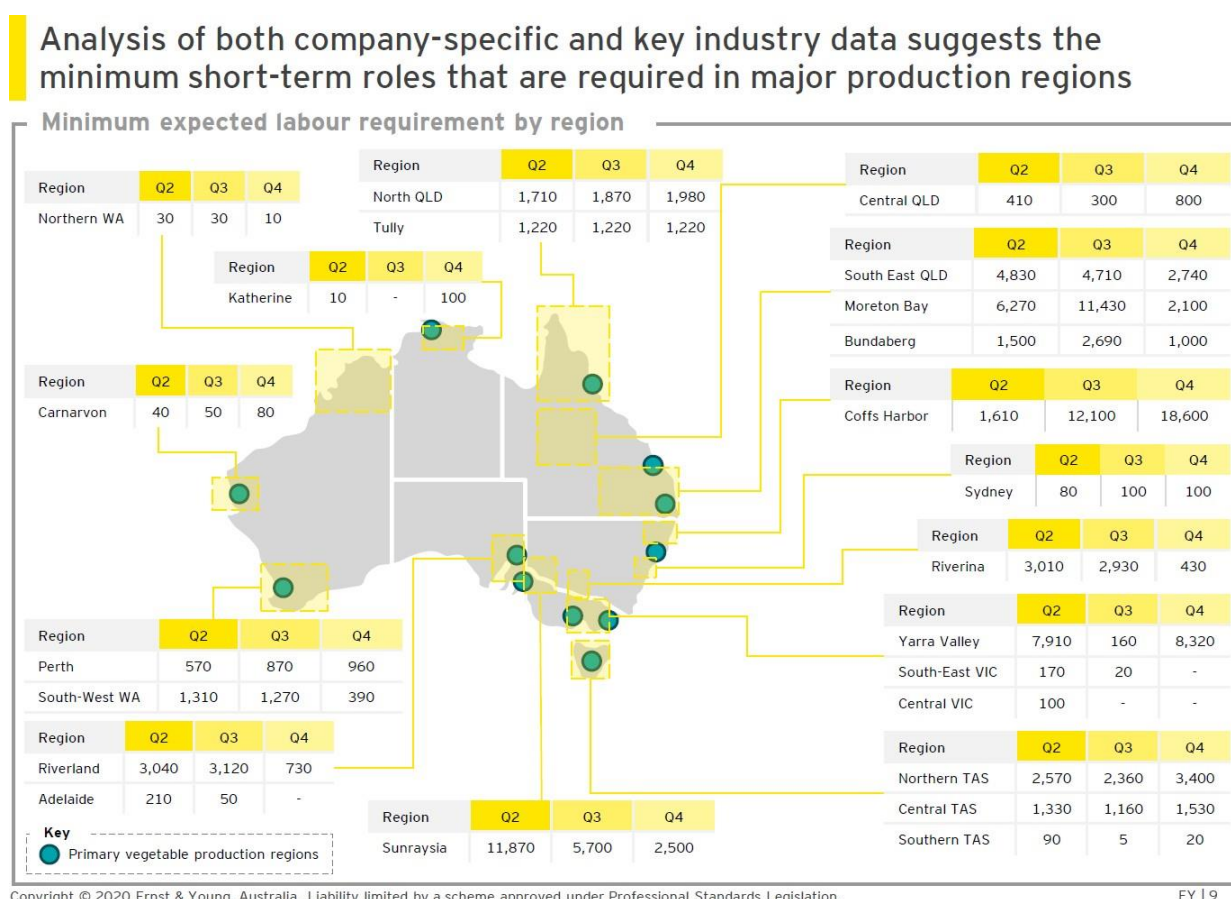
Seasonality of Harvest Work

Many of the roles involved in the harvest of Australia's fruit and vegetables are by their very nature, seasonal and therefore short-term.

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 1 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 1: Location, timing and number of short-term roles in fresh produce in 2020



Many of these short term roles are filled by temporary visa holders, most commonly workers from the Pacific Programs, the Pacific Labour Scheme (PLS) and Seasonal Worker Programme (SWP) workers and Working Holiday Makers (WHM) commonly known as “backpackers”. The seasonal nature of fresh produce production significantly effects the nature and type of employment that can be offered in harvest roles; seasonality creates short-term, casual or peak employment.



Harvest Workforce post COVID

Prior to Australia's international border closures as a result of COVID19, there was approximately 200,000 WHM in Australia. Many of these WHM worked in the horticulture industry for approximately 90 days to fulfill their second-year visa requirements. The significant reduction of WHM in Australia has resulted in a significant increase in the utilisation of Australia's Pacific Labour Mobility Programs.

A critical difference between the SWP and WHM programs are under the SWP, visa holders remain in Australia working for up to 9 months, compared to WHM visa holders that typically work in the sector for 3 months. Broadly, employment in the sector is changing to reflect this; that is a single SWP visa holder in effect replaces 3 WHM visa holders before accounting for any productivity gains. This has significantly reduced the number of individuals required in harvest roles.

Importantly, labour mobility continues to be a challenge in the sector – specifically the requirement to move labour between growing regions and sites to manage seasonal variations in production. The SWP and new Australian Agriculture Worker visa form a vital part of this mobility which will provide longer employment periods for workers and increased productivity for employers.

Future Harvest Workforce

The seasonality of fresh produce production will always be challenging with harvest requirements often being unpredictable and dictated by weather, and there will continue to be a requirement for employers to access a surge or peak workforce during harvest.

Members of the AFPA have advocated and are working towards the development of a productive and returning harvest workforce. While the nature of harvest work is seasonal, many employers in the sector are taking measures to provide fixed periods of ongoing work and link periods of work between regions to further extend employment. These initiatives to extend seasons and work periods are facilitating the development of a “core” harvest workforce that is then able to be supplemented by peak, short-term seasonal work.

This change in workforce composition from a large number of highly seasonal, short-term roles to fewer longer-term roles with the opportunity to return year on year is currently underway. The Pacific Australia Labour Mobility (PALM) programs and the Australian Agriculture Worker visa both offer pathways for workers to return to Australia, and their employer year on year. While many harvest roles may not be ongoing in the sense of operating 52 weeks a year, many workers are now able to return to the same employer, for fixed time periods each year providing more stability in their employment and greater productivity to employers.

