



Temporary and Seasonal Workers' Accommodation

**Proposed changes to *Standard Instrument –
Principal Local Environmental Plan***

**NSW Department of Planning and
Environment**

August 2023

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
- Pinata Farms
- Fresh Select
- Mackay's Marketing
- Driscoll's
- Australian Produce Partners
- Premier Fresh Australia
- Rugby Farming
- Freshmax
- Fresh Produce Group.

These businesses represent:

- half the industry turnover of the Australian fresh produce (fruit and vegetables) sector - \$10 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

Due to the seasonal nature of fruit and vegetable production, the fresh produce industry is a major employer of temporary workers. Fruit and vegetable production is also concentrated in regional and rural Australia. As a result of the seasonal nature and regional locations of fresh produce production, there is a requirement for harvest workers to relocate to, and temporarily live in, rural regions to undertake horticulture work.

In addition, changing employment practices, specifically the increased use of dedicated visa streams, such as the Pacific Australia Labour Mobility (PALM) scheme, are driving changes in the requirements for accommodation for horticulture workers. To that end, appropriate accommodation is vital to attracting and retaining a harvest workforce in horticulture.

The following principles outline industry's position on accommodation:

- 1. Accommodation Standards** - Workforce accommodation must be fit for purpose, in good condition and meet minimum requirements. These standards should be applicable to all accommodation offered by growers and labour hire providers.
- 2. Development and increased use of on farm accommodation**- Given the greater level of responsibility growers are undertaking in their employment practices, there will be an increased interest in providing on farm/bespoke accommodation.
- 3. Cooperation between stakeholders** - To best manage the challenges and opportunities for accommodation for harvest workers, all involved parties must be committed to cooperating to achieve the best outcomes.

Horticulture workers and employers are facing significant challenges in regional locations sourcing appropriate accommodation. Many regional locations are experiencing severe accommodations shortages, and in some locations, like Coffs Harbor, growers are also in direct competition for accommodation during peak-tourism periods, which coincides with peak-harvest periods (over summer).

There are several potential solutions to address the shortage of appropriate worker accommodation, however any solution is fundamentally about increasing housing supply and access to housing.

The Australian Fresh Produce Alliance (AFPA) supports the New South Wales (NSW) Government's efforts to increase the supply of appropriate accommodation for the seasonal and rural workers in NSW.

The AFPA supports the introduction of a standard definition for temporary workers' accommodation into the Standard Instrument – Principal Local Environmental Plan (Standard Instrument LEP), to provide greater consistency, and the inclusion of temporary workers' accommodation as a subset of the residential accommodation definition, to effectively make temporary workers' accommodation permissible with consent in all zones where 'residential accommodation' is permissible.

The AFPA also supports the provision of additional guidance to councils to support greater consistency between councils when assessing and determining a temporary workers' accommodation and rural workers' dwellings permissibility, local provisions, and other conditions.

Horticulture Industry Accommodation challenges

The shortage of housing in regional and rural Australia continues to negatively impact the horticulture industry. The shortage causes many issues, including increasing accommodation costs and further limiting the pool of available accommodation for seasonal workers, as well as weakening the sector's ability to attract long-term local workers.

While accommodation challenges are being experienced across Australia, the shortages in many regional areas, including key growing regions, remain most acute. There are seven key growing regions, including Coffs Harbour – Grafton, where (during the peak harvest periods) more than 10,000 workers are required (often for a short period), and therefore there is a high need for temporary worker accommodation. The national rental vacancy rate in February 2023 was 1.47%, the average vacancy rate across the seven key growing regions was 1.03%, and in most cases the market is tightening. In these key regions, this has led to rental price increases of up to and over 20% across the 12 to 24 months leading up to February 2023.

Due to the seasonal nature of farming, and therefore fluctuating workforce demand, many growers have long struggled with accommodation challenges in some regions – i.e., purchasing a property or maintaining a long-term lease on a property can be financially unviable when the grower only requires accommodation for several months in a year. In many key production regions, growers are also in direct competition for housing during peak-tourism periods (i.e. over summer), which coincides with peak-harvest periods.

More recently, supply chain disruptions affecting building materials and the population's mass migration from capitals to regional Australia during the COVID-19 pandemic has also played a significant role in tightening the housing market in key growing regions. Capital to regional migration is still a major factor, June 2023 quarter data shows that the national net internal migration to the regions is still up 16 per cent on pre-pandemic levels. The professional workforce's shift to a wider acceptance of remote working arrangements and other factors means this migration to regional Australia may slow, but is unlikely to reverse.

Growers use multiple types of accommodation to house workers including commercial accommodation, rentals, houses they purchase, and other on-farm accommodation. More recently, due to the scale of the issue, growers have begun looking to alternative solutions such as constructing temporary and new permanent dwellings. Some growers have even begun partnering with the private sector to develop large-scale accommodation, however planning regulations and approval process can be a major obstacle. Not all growers have the means to consider alternative solutions to address the shortage of traditional accommodation types, placing increasing pressure on their workforce and production challenges.

Overcoming the horticulture industry's accommodation challenges will require a concentrated and collaborative effort from several stakeholders including all levels of government, growers, peak industry bodies, and the private sector partners.

While there is no single solution to the housing shortage, the AFPA seeks to work with all levels of government, in partnership with industry and the private sector, to refine and progress initiatives to assist industry in overcoming accommodation challenges.

Employment Practices and Accommodation Requirements

Harvest roles in the fresh produce industry are regionally located and are seasonal. This means many harvest roles are short term, lasting between 6 weeks to 9 months. The harvest workforce in the fresh produce industry is made up of temporary visa holders and Australians. The predominant types of visa holders in the industry are Working Holiday Makers (WHM) and Pacific Australia Labour Mobility (PALM).

WHMs or “backpackers” in many instances are only engaged in horticulture work for 3 months (the required period to be eligible for a visa extension), before returning to their holidays or other work types in Australia. Where available, WHMs commonly utilise group-style accommodation such as hostels and camping grounds.

The PALM scheme has become the primary temporary migration program to address unskilled, low-skilled, and semi-skilled workforce shortages in rural and regional Australia. At the end of July 2023, there was over 28,000 PALM workers engaged in the Australian Horticulture Industry.

Unlike WHMs, PALM workers enter Australia under a sponsored visa scheme. As part of an employer’s sponsorship, the employer is responsible for sourcing appropriate accommodation, which must meet a range of standards and be approved for use. The transition of the industry’s workforce to the PALM scheme over the past two years, driven by the consequences of the COVID-19 pandemic and worker shortages, has had an impact on accommodation for the sector.

In particular, PALM workers often remain in one location longer than more itinerant harvest workers (e.g., WHMs). This means that existing short term accommodation options in regional areas, such as hostels may not be suitable for multi-month stays that are typically undertaken by PALM workers.

The complexity and difficulty of sourcing accommodation is one of the largest hurdles to more growers utilising the PALM scheme. As a result, many growers, particularly smaller growers with limited bandwidth, use labour hire companies to access PALM workers, as labour hire companies often have access to accommodation in regional areas that may not otherwise be commercially available to employers.

Key Accommodation Principles

Appropriate accommodation is vital to attracting and retaining a harvest workforce in horticulture. The following principles outline industry’s position on accommodation:

1. Accommodation standards

Workforce accommodation must be fit for purpose and in good condition and meet minimum requirements. These standards should be applicable to all accommodation offered by growers and labour hire providers. Evidence of meeting all the following standards is required prior to occupancy:

- All building codes and standards;
- All health, safety and hygiene standards;
- All fire safety regulatory standards; and
- Evidence that the accommodation has the relevant approvals for the number of people sought to be accommodated or utilising the building.

2. Development and increased use of on farm accommodation

Given the greater level of responsibility growers are undertaking in their employment practices, there will be an increased interest in providing on farm accommodation. On farm accommodation provides greater oversight of

facilities, and ability to provide services and support than off site accommodation. Further development of on farm accommodation should be encouraged and supported by:

- policy development that better allows for the provision for this type of accommodation under planning requirements and regulations, such as the changes being proposed by the NSW Government, and
- greater engagement with local government and communities around requirements for on farm accommodation

3. Cooperation between stakeholders

To best manage the challenges and opportunities for accommodation for harvest workers, all involved parties must be committed to cooperating to achieve the best outcomes. Accommodation stakeholders include growers, employers, local governments/councils, state and federal government.

Solutions

The AFPA recommends governments consider:

- Supporting more private development of purpose-built accommodation by fresh produce businesses. This would be to the benefit of all parties by increasing worker accommodation, while reducing pressure on the private market.
- Consider targeted utilisation of mobile or transportable accommodations, like demountables, to meet accommodation needs during peak seasons. These options could be leased, bought outright or second-hand, and would require collaboration among stakeholders, including with local government.
- Attracting investment from large investment funds, like super funds, to build long-term accommodations for horticulture workers in key growing regions, such as Coffs Harbor. Some super funds are already investing in property, infrastructure, and other assets across the key growing regions.
- Growers and private sector partnering with state and local governments to use government-owned land for constructing horticulture worker accommodation.

It is also important for the government to invest in infrastructure and services in these areas to make them more attractive to both workers and businesses.

By supporting industry to overcome its accommodation shortages and address the rising costs of accommodation in regional and rural Australia, the horticulture industry will be better able to attract, house and retain the workforce it needs to continue supplying the nation with fresh, nutritious fruit and vegetables all year round.