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**The Australian Horticultural Workforce: Working Holiday Makers are no longer the ‘Backbone’.**

A submission to the National Agricultural Workforce Strategy Inquiry

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## Main Findings

Most developed economies have trouble finding horticultural workers. The work is seasonal and physically demanding.

One common outcome is a high degree of reliance on temporary migrant labour.

Since the 1980s Australian horticultural employers and their advocates have called for a designated agricultural worker visa which would tie the recipients to horticultural work, but without the employer being obligated to provide such work to the migrants in question.

The Australian government has set up a Seasonal Work Program which is highly regulated. It requires employers to guarantee continuity of work as well as accommodation.

However, it has been used sparingly because of these employer obligations.

Instead, the horticulture industry has successfully pushed for the transformation of the Working Holiday Maker program to suit its workforce needs. WHMs are widely regarded as the ‘backbone’ of the workforce.

I argue that this tag is no longer applicable. Other migrants on temporary visas now vie with WHMs as the core of the horticultural workforce.

The WHM program was originally a cultural program allowing recipients to work part of the time while on the visa.

It has since been restructured to allow WHMs a second year in Australia if they work for at least 88 days in horticulture during the first year of their visa.

However, only about 25 per cent of first year WHMs are taking up the agricultural option. Their numbers have stabilised at the point where they provide around a third of the horticultural workforce.

A major reason for this low uptake is that horticultural work features relatively low wages, poor working conditions and insecurity. This is largely because WHMs have no guarantee of horticultural work. They must compete with all other applicants and are thus vulnerable to exploitation.

Over the past decade, most of the gap in the workforce remaining has been filled by other temporary migrants, including overseas students and visitors.

Their availability is a consequence of decisions of successive governments to give temporary migrants access to the Australian labour market, as with overseas students who in return for enrolling in an education institution are allowed access to the Australian labour market.

In addition successive governments have allowed temporary migrants to stay on in Australia by transferring from one temporary visa to another.

The number of these temporary migrants is enormous; some 2.4 million were in Australia as of December 2019.

These temporary migrants are desperate for work and over the last decade many have sought horticultural employment.

Like WHMs, these temporary migrants have no guarantee of horticultural work and are also vulnerable to exploitation.

The result is that horticultural employment is notable for its poor work conditions.

Horticultural employers cannot attract resident workers. These employers and their advocates continue to call for a designated temporary migrant agricultural visa.

This is not the way to go. Moreover, in the aftermath of Covid-19 it is unlikely to be feasible.

The industry will have to find another way, focussing on increased mechanisation of horticulture work.

## Australia’s agricultural industry

Australia’s agricultural industry, which employs some 300,000 workers, can be divided into two categories.

The first concerns broad-acre grain, wool and meat industries. This sector employs just over half the agricultural workforce. The industries in question have succeeded in finding a profitable niche in the international marketplace. They are exemplars of the Australian government’s objective of promoting industries that have a comparative advantage in this marketplace.

This sector is notable for its huge investment in farm consolidation, in capital intensive cultivation and harvesting equipment, and in high technology support (laser ploughing and the like). It has been assisted over the years by governments in achieving this outcome. It employs only a small number of low skilled workers, including those holding temporary migrant visas.

An impressive example is the grain industry. It is producing wheat and other grains in arid zones, like the Mallee, which are competitive in international markets. It has done so in large part through a century long process of farm consolidation. The huge scale of the farms resulting has allowed producers to achieve very high output per worker employed, even though (given the arid nature of the area) output per hectare is low by world standards.

The second category is the horticultural industry, which is the focus of this submission. It is a virtual mirror image of the first category. The market for its vegetable, fruit and nuts produce is primarily within Australia. In 2017-18, total production value was $9.1 billion, of which $2.4 billion was exported. Imports in this year were $2.6 billion.[[1]](#endnote-1)

The horticultural industry is estimated to employ some 130,000.[[2]](#endnote-2) It is reliant on temporary migrant labour, with pay and conditions well below what resident workers will accept. I draw heavily on the research of Joanna Howe and her colleagues when subsequently documenting this conclusion.[[3]](#endnote-3)

An example is the garlic industry. Most of Australian consumption derives from imports, mainly from China. The reason for the low domestic supply is the relatively high cost of labour in Australia, in what is a very labour intensive industry. Nevertheless, some Australian producers soldier on with their plight graphically illustrated in Patrice Newell’s recent book on the subject.[[4]](#endnote-4) I will have occasion to cite this book later, including Newell’s pitch to the government to provide a new, dedicated temporary migrant agricultural work visa, which she argues is needed if Australian producers are to survive. In this regard, Newell echoes the view strongly held by the horticultural industry’s political representatives, including the National Farmers Federation (NFF).

## The horticultural workforce

Australia has a long tradition of encouraging the labour intensive horticultural industry starting with the promotion of irrigation works in the late 19th Century. These facilitated the dried fruits industry in Mildura and other Murray River locations. The workforce needed came from rural towns, from young people attracted to temporary work (like myself decades ago) and from an itinerant domestic workforce self-organised to move with the peak agricultural seasonal work. As Newell puts it: ‘Once, there were a lot of people with a wide range of skills working on farms, able to pull apart the most complex machine, repair it and put it back together, trap wild pigs do a spot of welding, fix a broken pump. Now kids are leaving in droves and family farms are being replaced by corporate farming’.[[5]](#endnote-5)

Resident workers still make up a small share of the horticultural workforce. However this share is diminishing – replaced by migrants holding temporary visas. The best known is the Working Holiday Maker (WHM) group – sometimes thought to be synonymous with the horticultural migrant workforce. It remains important, but its share of the industry’s temporary migrant workforce is diminishing.

This is despite multiple revisions in the rules governing the availability of WHM visas designed to motivate WHMs to take up agricultural work. I detail the evolution of the WHM program first, then turn to the more recent surge in the supply of temporary migrant workers, that is, to those in Australia on other temporary visas, including oversea students and visitors.

### The Working Holiday Migrant visa

The WHM visa (visa number 417) originated in 1975, beginning with temporary migrants from the UK. It was uncapped. The visa’s focus was to provide a cultural experience for young people, allowing them to stay for a year in Australia during which time their expenses could be defrayed by permitting up to six months employment. The visa was granted on a reciprocal basis (available to Australians visiting the UK). It has since been extended to most other European nations as well as some high wage Asian countries (including Japan, Hong Kong, South Korea and Taiwan).

WHMs have become an important component of the horticultural workforce, especially in locations along the east coast where recipients can combine their stay in salubrious locations with seasonal work nearby.

However, the high wage origin of most 417 visa holders remains an obstacle to the government and horticultural industry’s objective of engaging them in agricultural employment outside these locations. Most prefer to work in metropolitan settings where, until recently, they could readily find work in hospitality, retail, call centres and some professions, including nursing.

In response to lobbying from agricultural interests the Australian government has responded by revising the rules on the issuance of WHM visas so as to deliver more temporary workers to the industry.

Starting in 2005, the Coalition government added the option of a second year to the WHM visa, provided recipients worked for at least 88 days in seasonal work in agriculture. In return they were permitted to stay in Australia for a second year during which they could work anywhere across Australia, in whatever occupation they could find.

Later, in 2008, work in construction and mining industries was added to the eligible work activities, as long as this work was located in a regional area. Also, the limitation of ‘seasonal work’ was deleted and replaced by ‘any type of work’ in these industries.[[6]](#endnote-6)

Then, again in 2005, the government created a new WHM visa, starting in 2012. This was the Work and Holiday (462) visa which, which unlike the 417 visa, includes numerical caps for each recipient country. The range of eligible countries has been extended to include low wage Asian countries (including China and Indonesia) and much of Latin America. By far the largest cap has been allocated to China which has been granted up to 5,000 visas a year (always filled rapidly).

These 462 visa holders are permitted to work in Australia on much the same terms as 417 visa holders. Those on 462 visas have, since 2016, also been given the option of applying for a second visa, under the same conditions as those applied to 417 visa holders (that is, that they work 88 days in agriculture during their first year).

The 462 visa also incorporated a reciprocal opportunity for young Australians to take up a similar opportunity in the countries eligible. At least it did so until China was included in late 2015. There is no reciprocal arrangement with China.

The Morrison Coalition government is currently conducting negotiations with additional countries, including India, and has recently increased the size of the caps on grants for most of the eligible countries.

In 2008 the Labor government created a new designated agricultural work visa entitled the Seasonal Worker Program (SWP). The sponsoring employer must guarantee the work available, and in return the visa holder must remain with the sponsoring employer.

Despite numerous subsequent amendments, the visa has not attracted many employers, with the number of visas granted increasing from 1,473 in 2012-13 to just 8,459 in 2017-18. Howe and her colleagues think this low uptake is because the ‘regulatory burden is greater for the SWP than for employing other categories of workers, most notably WHMs, local workers and undocumented workers.’[[7]](#endnote-7)

## Have these WHM initiatives delivered the workforce horticultural employers need?

There is no doubt that successive Australian governments have restructured the WHM program in order to meet horticultural employers’ needs. But have they achieved this goal?

I begin with those holding 417 visas. There was an upsurge in 417 visas issued after the introduction in 2005 of the second year initiative. This continued in the aftermath of the Global Financial Crisis (GFC) in 2008 (when work opportunities for young people in Europe declined). As Bob Kinnaird has noted, in the immediate aftermath of the GFC: ‘the young foreign nationals using the WHM program are increasingly coming from countries with depressed job markets with persistently high youth unemployment since the GFC, and are using the visa more as a work visa than for holidays’.[[8]](#endnote-8)

However, as Table 1 shows, the number of 417 visas issued each year since 2015-16 has declined as European economies recovered. Ireland is a spectacular example, with WHM visa grants to Irish citizens declining sharply in recent years.

How do these figures translate into WHM engagement in the horticultural industry?

The best indication is the number of these 417 recipients taking up the second year option. As Table 1 indicates, since 2016-16, this number has held up at around the 37,418 granted in 2018-19. This is an accurate indication because in order to be granted a second year visa the applicant has to provide evidence of at least 88 days in regional work.

According to DHA, the great majority of those gaining the second year visa (at least 78 per cent) have worked in agriculture.[[9]](#endnote-9) Almost all of these would have been employed in horticulture.

The 37,418 figure for 2018-19 is equivalent to 24.5 per cent of the number holding first 417 visas in the previous year.

Assuming around 78 per cent of these worked in horticulture the implication is that near 30,000 417 first year visa holders have taken the government’s bait of an extra year in return for working at least 88 days for horticultural employers.

This does not seem like a large number relative to the estimated 130,000 horticultural workforce and relative to claims that WHMs constitute the ‘backbone’ of the workforce. [[10]](#endnote-10)

These figures do not include the contribution of Work and Holiday (462) visa holders. Have they significantly augmented the horticultural workforce?

Not really. Table 1 shows that this program has provided a limited boost, with 5,801 second year visas issued in 2018-19 to 462 visa holders. But like the 417 visa program, the second year program appears to have limited appeal. The share of the 462 cohort taking up the second year option in 2018-19 was around 27 per cent (that is, 5801 of the previous year’s first visa holders of 21,667). This share is not much higher than the share of 417 visa holders who are taking up this option.

In seeking an explanation of this seemingly low take-up of the second year deal we need to consider what is offering, or more to the point, not offering, in the context of the social origin of 417 and 462 first visa holders.

### The second year deal

Horticultural employers want a workforce tied to their industry. This is what the two year visa option has delivered. Most of those taking up the option have to have worked in the industry. Most arrive in Australia with little money (they are only required to possess $5,000 and the price of a return air fare). They have no access to Australian welfare benefits (including unemployment benefits) or to Medicare.

Yet, they have no guarantee that horticultural work will be available. When seeking the required 88 days they have to compete with other potential labour sources. They are under pressure to accept the pay and conditions growers offer. As a consequence, they are vulnerable to exploitation. It seems from the evidence (cited below) that these conditions have deteriorated, at least relative to what is offered in most other industries, especially those located in metropolitan centres.

Remember that the great majority of 417 visa holders come from high wage European countries, most of which have recovered from the pit of the post-GFC recession.

They are unlikely to be attracted by the pay and working conditions offered in the horticulture industry, especially given that (until recently) much more attractive work has been available in Australia’s metropolitan centres.

If they are intent on staying longer than one year in Australia, as I explain below, there are other options. They can readily move from a WHM visa to some other temporary migrant visa.

What about the Work and Holiday visa program? The recipients are being drawn from relatively low wage Asian and South American countries. However, they have to have at least two years university experience (or equivalent). There is also an English language requirement, though set at the very low level of Functional English. This requires an average of 4.5 on the four components tested under the IELTS test. This is equivalent to rudimentary conversational level.

Those with little English are the most vulnerable to exploitation from labour hire companies (because it is harder for them to negotiate the Australian labour market). Labour hire companies appear to be providing direct access to horticultural work (and some other low skill employment, as in abattoirs). These companies also frequently provide transport and accommodation.

Nevertheless, as noted, only around 27 per cent of 462 visa holders are taking up the second year option. Holders of 462 visas, like their 417 counterparts, clearly prefer a metropolitan location where, until the Covid-19 crisis, there were plenty of jobs available in hospitality, retail and the like.

The bottom line here is that by 2018-19 there was a total of 43,219 second year 417 and 462 visa holders. Assuming near 78 per cent worked in horticulture, this amounts to near 34,000 who have worked in horticulture. This is well short of the ‘backbone’ characterisation noted above.

Even more to the point, the total number of those holding second year 471 and 462 visas by 2018-19 (43,219) was actually a bit less than in the peak year of 2013-14, when 45,950 second visa grants were made.[[11]](#endnote-11) Moreover, this peak year predated the opening up the second year option to 462 visa holders, which began in 2016.

True, an unknown number of other first 417 and 462 visa holders would have worked in agriculture. But, as indicated, these visa holders have (until Corvid-19) had lots of other (preferable) work options open in Australia’s major cities.

**Table 1: Working Holiday Maker visas granted**

|  |
| --- |
| 417 visas granted (WHM) |
|  | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| First | 159,409 | 157,858 | 152,627 | 142,805 |
| Second | 36,264 | 34,097 | 32,828 | 37,418 |
| Total | 195,673 | 191,955 | 185,455 | 180,223 |
| 462 visas granted (Work and Holiday) |
| First | 18,910 | 18,647 | 21,667 | 23,012 |
| Second | nil | 409 | 3,339 | 5,801 |
| Total | 18,910 | 19,056 | 25,006 | 28,813 |
| Total 417 and 462 visas granted |
| First | 178,319 | 176,505 | 174,294 | 165,817 |
| *Second* | *36,264* | *34,506* | *36,167* | *43,219* |
| Total | 214,583 | 211,011 | 210,461 | 209,036 |

Source: DHA BR0110 Working Holiday Maker visa program report, 31 December 2019

In sum, even with the amendments obliging WHMs to work in agriculture if they wanted a second year in Australia, the flow of WHMs is falling well short of the numbers growers want.

This conclusion is supported by anecdotal evidence such as that from a grower in Orange. He told Howe and her colleagues that ‘Four to five years ago we used to get gluts of backpackers coming through. You had to lock the gates sometime to stop people coming in and wasting time … But in the last few years we are running a fine line – we’re just managing with a little bit of sharing’.[[12]](#endnote-12)

These anecdotal accounts suggest that WHMs are available near the more salubrious East coast locations, but relatively thin on the ground in inland locations.

It is thus no surprise that horticultural interests continue to lobby for further temporary migrant workforce initiatives that will tie this workforce to work in the industry.

The Coalition government has obliged. In 2019 it declared that, from 17 February 2020, a further option of an additional third year on the WHM visa would be introduced. To be eligible WHW and Work and Holiday visa holders had to have worked (from 1 July 2019) for six months on ‘specified work’ (as defined above) while holding a second year WHM visa. If so they would be permitted a third year during which they can work for six months, including with an employer they had previously worked for. There is no restriction on the kind of work chosen, or its location during this third year.

Whether this incentive reverses the trend described above remains to be seen. I think it is unlikely given the relative unattractiveness of the second year option.

Where is the rest of horticultural workforce coming from? It is not from the domestic workforce. They constitute a diminishing share. The answer is that an increasing component is being sourced from the growing stock of other temporary visa holders in Australia.

## Other temporary migrant visa holders

There is a raft of evidence that other migrants on temporary visas (that is, other than WHMs) have entered the agricultural workforce since the early 2000s.

The Senate Inquiry into temporary migration, which reported in 2016 (*entitled A National Disgrace: The Exploitation of Temporary Work Visa Holders*),highlighted this development. Its section on the agricultural workforce noted the significant involvement of labour hire companies in mobilising this workforce. It also noted that many of these workers were recent arrivals with limited English and therefore were vulnerable to exploitation at the workplace and by the labour hire companies.[[13]](#endnote-13)

The Fair Work Ombudsman’s reports on working conditions along the harvest trail have provided copious detail on the extent of the exploitation (relative to the official Australian agricultural workplace rules).[[14]](#endnote-14)

The most systematic account of the scale of other temporary migrant employment in agriculture, as well as the extent to which these workers are exploited, has been provided by Joanna Howe and her colleagues.[[15]](#endnote-15)

Patrice Newell provides a vivid account on her recent reliance on this workforce in harvesting her garlic crop. Her deliverance was provided by a labour hire company which delivered a team of two women and four men from Thailand and Myanmar. She notes that ‘only the supervisor spoke English’ and that she communicated with them by mime. However they did work hard and appear to have got the job done.[[16]](#endnote-16)

Howe and her colleagues refer to these workers as ‘undocumented workers’. This is a catch-all label which includes foreign workers who have overstayed their visas as well as those (notably visitors) who are working despite being prohibited from doing so while in Australia and students who, though they have work rights (40 hours a fortnight while studying), are working many more hours than this or are absent from the educational institutions they are enrolled in.[[17]](#endnote-17) Howe and her colleagues also note the important role of labour hire organisations in mobilising this workforce.

I prefer not to use the ‘undocumented’ tag. It derives from the US where it refers to persons who have entered the US illegally – usually by simply walking across the Mexico-US border. What is distinctive about the recent wave of temporary migrants (students, visitors and others) involved in horticulture in Australia is that they mostly came here legally and were encouraged to do so by virtue of being granted limited access to the Australian labour market. Once here many have violated the rules they are supposed to follow regarding this access.

## The rise in the other temporary migrant contribution to horticultural work

By December 2019 there were 2.4 million temporary migrant visa holders in Australia, up from 1.8 million as of December 2013. The main source of this growth was overseas students (whose numbers grew from 258,000 to 480,543 over this six year period). As well, there were also significant increases in the number of visitors and those bridging visa holders. Aside from the visitors most of these temporary visa holders had some work rights.

This outcome reflects successive decisions of Australian governments, starting in the mid-1990s, to expand opportunities for migrants on temporary visas to work in Australia. The rationale for these decisions was that, with Australian enterprises being pressed to compete in the international marketplace, they should have more access to scarce workers from overseas in order to become more competitive.

The first major initiative along these lines, in 1996, was to give Australian employers much greater freedom to sponsor migrant workers on a temporary basis. This took the form of a new temporary work visa, the well-known 457 visa. Employers benefited via easier and more flexible access to such workers. Part of the Australian government’s rationale was that by granting these workers temporary visas, taxpayers would avoid some of the larger costs of bringing in permanent migrants (including access to Australia’s health, education and welfare entitlements).

The next major initiative along these lines has been the provision of the carrot of access to the Australian labour market in return for enrolment in Australian language, vocational and university establishments. Like the transformation of the WHM program from a cultural to an employment focus, successive governments have deliberately facilitated this link for the overseas student industry. Like WHMs, since 2012, overseas students enrolling at university level only have bring enough money to pay for one year’s fees and expenses. Most have to find employment, typically from the time they arrive in Australia. For many, the main purpose of taking up the enrolment in the first place, is to access the Australian labour market.[[18]](#endnote-18)

In 2013 the then Labor government granted all overseas students who graduated from Australian universities the right to stay on in Australia for two years with full work rights on a 485 visa. The numbers holding this visa in Australia have since increased from 24,663 as of December 2013 to 59,324 as of December 2019.

Furthermore, since the mid-1990s there has also been an accompanying willingness of Australian governments to allow people in Australia on temporary visas to churn from one temporary visa to another. This means that those on temporary visa who have an interest in extending their participation in the Australian labour market have enhanced opportunities to do so. For example, those here on an overseas student visa can switch to another education visa, to a tourist visa, or to a WHM visa. This goes to the point made earlier about the options WHMs have to switch to another visa, like a tourist visa or an education visa if they want a second year in Australia.

In addition, where these switching applications are turned down, those refused have ready access to appeals and the accompanying bridging visas while their appeal is processed. People on bridging visas usually retain the work rights applicable to their original visa.

It is this combination of government decisions that has led to the massive increase in the number of temporary migrants seeking positions in casual, entry-level labour markets (as in hospitality and retail work) in the big cities. Their need for this work is desperate. This is because, like WHMs, they have no access to Australian welfare benefits and must survive on the income they earn while in Australia.

It is clear from the evidence cited above that horticulture has become another work option for many in this stock of temporary migrants. The commentary about the vulnerability of WHMs who seek employment in horticulture applies with equal force to these temporary migrants.

## The current horticultural work setting

A vulnerable temporary migrant workforce confronts horticultural employers who are themselves squeezed by the big supermarkets to whom they must sell. The two dominant supermarkets, Coles and Woolworths (plus Aldi and IGA), are price setters. The sellers are fragmented with no collective power. The buyers can and do assert downward pressure on the prices they are prepared to pay.

Horticultural employers also must face competition from importers. Producers in developing countries employ workers on wages and conditions far below those paid in Australia. This is also true, to a degree, of most developed countries, where minimum wages are typically lower than the minimum award conditions stipulated in Australia (though often breached). Australia’s national minimum wage ($19.49 an hour or $740.80 a week as of July 2019) is higher than that in Canada and New Zealand and way above that applying in the United States.

No wonder that the horticultural industry, with the backing of the NFF and the National Party, are pushing so hard for the government to deliver a compliant migrant workforce.

For Newell, as for the wider grower community, the NFF and other industry advocates, the answer has to be ‘dedicated agricultural staff’, that is, a visa program shaped to growers needs – meaning ‘appropriate visas in place to help rural businesses access the willing workers they need.’[[19]](#endnote-19) Newell suggests that the government should ‘start with an amnesty for all illegal farm workers.’[[20]](#endnote-20)

Horticulturalists and their political representatives think they have an entitlement to a compliant migrant work force. Patrice Newell gives voice to their priorities. She cites the comments of the Prime Minister, Scott Morrison, who in October 2018 suggested that growers make a greater effort to use unemployed people to fill their vacancies.[[21]](#endnote-21) Newell regards this as a juvenile remark. She knows that this is not possible because locals will not do the work on the terms and conditions offered. She says the response to Morrison’s comment was that ‘Farmer rage vibrated through the vegetable rows of the nation.[[22]](#endnote-22) Australia, she says, is a country built on migrants, with the implication that such reliance to part of our national heritage.

Meanwhile the horticultural industry is subject to periodic bursts of indignation in the metropolitan media every time examples of ‘substandard’ pay and conditions are exposed.

Always, following these revelations, there are promises to clean up the industry. It never happens because of the marketplace pressures that growers face.

We have reached an impasse. Growers feel that the Australian community must support their industry. Yet it can only survive by offering wages and conditions that violate, not just the award structure, but also Australian expectations about how industry should operate in Australia.

So far, successive Australian governments have tolerated this situation and, as indicated above, have moved via the restructured WHM program to provide the dedicated agricultural workforce the industry wants (even though not yet fully satisfying the industry’s demands).

To judge by the comments in its Discussion Paper, the National Agricultural Labour Advisory Committee is not about to challenge this impasse. It notes that the Australian Government ‘has signalled its ongoing commitment to supporting regional employers by enacting several changes to migration and visa settings to support the agricultural industry to access migrant workers.’ However, the Advisory Committee does acknowledge that ‘the exploitation of migrant workers is a serious issue.’[[23]](#endnote-23)

I believe that there are strong moral and economic grounds for challenging the status quo in the horticultural industry. I elaborate on these grounds first, then turn to the implications of the Covid-19 pandemic.

## A moral critique

Newell draws on Australia’s alleged heritage as a migrant nation. However, there is another tradition, even more important to Australia’s evolution. This is the ideal and the institutional practices intended to ensure that no industry should flourish if it cannot meet Australian standards of pay and conditions.

The sugar industry is an emblematic case. Until the 1890s the industry depended on indentured Melanesian labour. One of the first acts of the new Commonwealth in 1901 was to proscribe this source of labour. Later, the market price of sugar was subsidised via a sugar bounty that enabled growers to employ residents on wages and conditions that met Australian standards (that is, those sufficient for a dignified lifestyle - according to prevailing Australian standards).

This principle was embodied in Australian labour relations law. If an industry could not survive without meeting these conditions it should not be allowed to exist. In a celebrated 1909 judgement the president of the Arbitration Court, Justice Higgins, rejected a claim by BHP that it could not afford to pay a ‘living wage’ to employees at one of its Broken Hill mines. Higgins declared that he could not take account of the economics of the mine. If it could not pay a ‘living wage’ it did not deserve to survive. He rejected BHP’s claim.[[24]](#endnote-24)

You might say that those days are long past and that the market now reigns supreme. Since the Hawke/Keating embrace of globalisation, industry survival in Australia is supposed to be determined by capacity to compete in the international marketplace. If the horticultural industry is surviving by virtue of its access to a compliant temporary migrant labour force, then where’s the moral dilemma?

There is plenty of evidence that the wider Australian community still does evaluate the industry according to longstanding Australian ‘fair wage’ traditions. This is evident in the community indignation generated whenever substandard labour and conditions in the horticultural industry are exposed to public view.

Whatever one’s views on this situation, there is a further issue. This is whether the horticultural industry meets the criteria globalising advocates say ought to be characteristic of industries that flourish in the new competitive environment. These advocates have repeatedly assured Australian voters that their strategy will result in an economy based around knowledge intensive goods and services (supplemented by commodities).

A horticultural industry reliant on low skill, low paid migrant labour is hardly consistent with this vision.

In sum, there are powerful reasons for questioning the maintenance of present workforce arrangements in the horticulture industry. None of this cuts much ice with the industry and its advocates. If they have their way, there will be a continued influx of temporary migrant workers drawn from WHMs and from the growing temporary entry migrant underclass and maybe the creation of a ‘designated’ agricultural visa which gives the recipients no option but to find employment in the industry.

## The implications of covid-19

Covid-19 may well torpedo these business as usual arrangements. This will be partly because of the loss of hundreds of thousands of jobs in lower skilled metropolitan industries such as hospitality, retail and the like. The pressure on the horticultural industry to offer employment to these domestic workers will surely mount.

More fundamentally, Covid-19 may well truncate the flow of temporary migrants into Australia and thus into the ranks of the horticultural workforce.

Why?

For this to happen you have to imagine that the Commonwealth government will issue a similar number of first visas to WHMs as was the case in 2018-19, when as Table 1 shows 165,817 were granted (with the great majority issued offshore and thus having to travel to Australia).

Such an inflow is highly unlikely. This is because to permit it would be to violate the strategy Australian governments have pursued in controlling the Covid-19 virus.

The stated goal is keep the resident population in lockdown until, on the basis of widespread testing, the medical authorities are sure that the populace is clear of the virus. Thus the parallel policy of prohibiting the entry to Australia of persons from overseas since March 20 (unless they are Australian permanent residents or citizens).

It seems that this strategy has been successful. The testing results indicate that only a tiny percentage of the resident population is carrying the virus, with Australia’s infection rate being just about the lowest in the developed world. The consequence is that only a small fraction of population is carrying antibodies derived from infections, mild or otherwise.

The other side of this coin, however, is that if carriers of the virus do enter Australia (in the absence of the availability of an effective vaccine) the population will be highly vulnerable to a renewed bout of infection. This being the case, there would seem to be little immediate prospect of the Australian government allowing a renewed influx of temporary migrants.

It is hard to imagine that any government could propose opening up Australia’s borders to allow 160,000 or so WHM visas to be granted offshore in order to assist the horticultural industry.

It is also unlikely that the Australian government will allow several hundred thousand offshore overseas students to enter Australia in order to revive the overseas student industry or thousands of visitors in order to revive the tourist industry.

It seems that at least for a couple of years (unless a vaccine becomes available) that horticultural employers will not be able to rely on a temporary migrant workforce.

## The horticultural industry will have to adjust

True, the Australian government has announced (April 4, 2020) that WHMs working in ‘critical’ sectors including agriculture ‘will be exempt from the six month work limitation with the one employer and eligible for a further visa to keep working … if their current visa is due to expire in the next six months’.[[25]](#endnote-25)

This announcement will give the horticultural industry a period of grace during which an adjustment towards reliance on the resident workforce should begin.

Australia is not alone in confronting what to do with an agricultural industry dependent on compliant migrant labour.

The common answer is mechanisation. That is, investment in equipment that will eradicate the most onerous and physically taxing work.

This is also the view of Joanna Howe and her colleagues. They conclude that ‘technical solutions are optimal’.[[26]](#endnote-26) They acknowledge that ‘Mechanisation of harvesting involves significant research and development, capital investment and risks for early adopter of new technology that individual farmers generally cannot sustain alone.’[[27]](#endnote-27)

The horticultural industry has made progress in this direction, but there is a long way to go. This transformation may well require government support. This is because the process is likely to be expensive, because of the new investment needed. The industry will also confront higher costs as it switches to resident workers.

Higher costs may mean more imports – more apples and Kiwi fruit from New Zealand, more navel oranges from California, more garlic from China and so on. This should not be a big issue in Australia, since, as noted, it has long been the Australian government’s economic policy to force an adjustment such that only Australian industries that are competitive in world markets survive.

On the other hand, there are legitimate concerns about the bio-security of food supplies. It is not that there is any danger of Australia being unable to feed itself. But there are issues about quality and freshness and crop diseases and pests, as well the ideal of being able to provide for our needs from our own sources.

This may mean increased tariffs on imports or a temporary levy on supermarket purchases to help growers meet the costs of such a self-reliance objective.

## Reliance on a tied temporary migrant workforce must end

It is time to bring the horticultural industry’s aspiration for a designated agricultural visa to an end. It is not feasible in post-Covid-19 circumstances. Moreover, such a visa would perpetuate the exploitative labour market conditions that currently prevail in the industry. It would also delay the required adjustments toward more mechanisation and a primary reliance on a resident workforce.

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