

National
Farmers
Federation

Jobs and Skills Summit

Summary of industry challenges and recommendations

August 2022



The Agricultural Jobs and Skills Context

The Jobs and Skills Summit represents an opportunity to address one of the root issues holding back Australian agriculture: chronic labour shortages.

While the problem of securing reliable workers certainly intensified with the 2020/21 border closures, the reality is that many of the structural barriers which block or delay access to suitable employees — in a variety of different roles and skill levels — pre-dates COVID-19.

Even before the immediate shock of the pandemic, farmers were making predictive structural changes to their operations — by, for example, reducing plantings or shifting to produce which is mechanised or less labour intensive — due to the perceived availability of labour at peak periods. In addition, the lack of certainty regarding the workforce has stymied investment decisions, as farmers are unwilling to upgrade or expand their operations where such an investment would otherwise be feasible.

The ultimate consequence is a loss of product, actual or possible, which limits the growth of total agricultural productivity, increases the price of staple food and fibre, creates significant domestic inflationary pressure, and restricts the development of export markets. This enormous untapped capacity can be accessed with a few practical and proactive measures which are, nonetheless, critical to ensuring that Australian farmers have the business confidence necessary to effectively allocate their resources.

In the short term, the NFF supports an improvement to the migration settings, a simplification of the industrial relations system, and enabling broader participation in the workforce for all who are willing and able. Long term productivity growth will be promoted by successfully skilling Australians through the reform of the VET sector and helping agriculture to be embraced as a modern, professionalised workplace and employer of choice.

The discussion which follows in this paper considers these broader themes and offers concrete proposals in response to each of them. We note, however, that the Federal Government has already commissioned a comprehensive and independent analysis of these issues and the Agricultural Workforce generally.

Over the course of 2020, the National Agricultural Labour Advisory Committee engaged in extensive consultation and analysis, publishing its *National Agricultural Workforce Strategy — Learning to Excel (the NAWS)* in December 2020.

While the NFF did not agree with every one of the Committee's recommendations, for the most part we found them sensible and practical. Unfortunately, many are yet to be adopted by government. We nonetheless remain committed to the Strategy and, where relevant, have referred to (or adopted) its recommendation amongst the proposals which follow.

Challenges

1. The industrial relations system is too complex.

The legal maze created by the Fair Work Act, industrial awards, and employment contracts — as well as laws relating to health and safety, anti-discrimination, taxation, privacy, long service leave, etc — is difficult for farmers to successfully navigate. This frustrates efforts to professionalise workforce management and creates compliance traps for small businesses. Without weakening worker protection or penalties for wrongdoing, the system must be streamlined and simplified to everyone's benefit.

2. Labour migration policy is wanting in key aspects.

Numerous migration programs have been introduced or tailored with the hope of supporting the agriculture sector. However, farm work is generally a secondary consideration, for either or both the program managers and the workers. Furthermore, the programs tend to be throttled by bureaucracy and admin. In consequence, none of those programs have delivered the holistic solution we need.

3. There is a lack of support for agricultural skills development.

The Vocational Education and Training (VET) sector is skewed towards 'buzz' industries and those with an urban base, and has become too dependent on market forces, managed as a commercial concern rather than the nation building tool it should be. In that context, agriculture is too often an afterthought.

4. The public has a poor perception of farm work and labour practices.

Farm work is often perceived as dated and unattractive, as hard, physical labour which doesn't have the same social cache as white-collar work. It has also earned a reputation (which is not completely unfair) for mistreatment and underpayment of its workforce.

Recommendations

1. Remove unwarranted hurdles to (farm) work

There are several obstacles to farms finding the people they need (and/or workers taking on farm jobs) which are either a consequence of unnecessary bureaucracy or could be addressed by relatively simple legislative fixes, or by a small allocation of public funding.

NFF recommendations

- Support the development of schemes which professionalise and modernise farm labour management e.g. fund education projects and accreditation programs.
- Establish a Federal taskforce to consider and make recommendations to increase options for regional (temporary and permanent) worker accommodation.
- Promote the creation of on-farm accommodation e.g. provide subsidies or low-interest loans, introduce tax offsets, remove FBT implications, reduce local planning restrictions.
- Provide assistance to workers in RRR areas with carer responsibilities so they are free to work e.g. include carer and au pair roles on the list of 'specified work'.
- Fund innovative 'grass roots' projects to attract, retain, and upskill the workforce. (NAWS 19).
- Lift restrictions on welfare recipients — e.g. pensioners, NDIS recipients — participating in the workforce. (NAWS 20).
- Develop an app to promote seasonal jobs, which includes information on accommodation, services, work rights, etc. (NAWS 26).
- Establish workforce counselling hubs to help farms define their labour needs and identify solutions, and coordinate workers to find skills programs and jobs.

2. Streamline labour migration

The migration system is (understandably) designed to ensure that permanent Australian residents are prioritised in the labour market. However, that does not mean that it should be restricted to merely providing short term crisis relief. There are many roles, especially in the farm sector, which are vital to the Australian economy but will not attract Australian workers in the short to medium term.

Unlike, for example, PR consultants, IT specialists, hairdressers, etc., most farm jobs are not vacant because of a lack of foresight in planning and skills development, but because of chronic disinterest or because the work is not located near population centres.

In those cases, it follows that — subject to a few reasonable checks and balances — the system should not discourage use or be significantly more costly or challenging than hiring locally. The system has failed where it is cost prohibitive, complex and slow, and does not enable enough workers to enter the country to cover shortages.

NFF recommendations

- Reduce visa application processing times by increasing departmental resourcing, simplifying the system, pegging departmental funding to KPIs, publishing clearance rates, and introducing a "deemed refusal" trigger.
- Reduce blunt, process-driven bureaucracy in the scheme e.g. eliminate labour market testing and TISMIT (rely on AMSR), cease reliance on occupations lists and skills assessments, avoid administrative duplication.
- Keep costs reasonable, for example by reducing the Skilling Australians Fund, and minimise necessity for immigration professionals (by simplifying the system).
- Facilitate industry access to the knowledge, experience and expertise within the Department, for example re-establish the hot-desk (extension) program with industry partners.
- Promote Australia as a destination of choice for migrants, including skilled workers, working holiday makers, students, etc.
- Introduce a centrally managed PALM fund to promote uptake, especially in underrepresented sectors e.g. cover upfront costs, improve skills development.
- Empower local industry groups to provide support to PALM employers, including efforts to integrate PALM workers into local communities.
- Permanently increase caps from working/and-holidaymaker ("backpacker") sending nations.

3. Introduce industry-friendly reforms to the VET Framework

Training in agricultural skills — as compared to skills in other industries — is expensive to deliver and faces unique logistical challenges. It is frequently located in rural, regional and remote (RRR) areas, requires access to sizeable land mass, uses expensive equipment and animals which have to be maintained and cared for, and tends to be popular in RRR communities with lower population densities than urban centres. This means that a VET scheme which is profit-driven is less likely to offer agricultural courses and training. And a lack of availability of farm VET courses is self-perpetuating: farms wean-off RTOs and deliver in-house, leading to smaller markets for RTOs and therefore less coverage.

The sector needs a VET system which generates qualified graduates with the skills which farms (actually) require.

NFF recommendations

- Re-establish the Education and Training Advisors network.
- Ensure that the expenditure of the ‘SAF’ benefits the agricultural workforce. (*NAWS 12*)
- Decommmercialise skills delivery by deprioritising profit as the measure of success, so more expensive courses and/or those with lower attendance are maintained.
- Enable skilled workers to become trainers and assessors — reduce the prohibitive cost/time commitment of acquiring training credentials.
- Increase opportunities for the recognition of prior learnings and current competency.
- Expand utility/availability of micro-credentials and unaccredited or industry accredited training arrangements.
- Offer discounted course fees, loan offsets, and HECS relief for students and graduates — including veterinarians, agronomists — who live in regions and use their skills/training supporting agriculture.
- Develop industry led ‘skills organisations’ to strengthen links between the agriculture industry and the VET system. (*NAWS 14*)
- Create a taskforce to develop agricultural apprentice and traineeship schemes. (*NAWS 16*)
- Recognise agricultural trainee skill sets as apprentice/trade equivalent for the purposes of government support.
- Establish multipartite agriculture labour advisory committees to lead development of demand-driven capability programs across the sector. (*NAWS 17*)

4. Reform industrial relations to be efficient, fair and effective

While there are valid concerns about worker mistreatment within the farm sector, much non-compliance is a result of mistake or ignorance. There should be consequences for even those inadvertent breaches, but it must also be acknowledged that the complexity of workplace law plays a role. And while it is reasonable and necessary for the needs and interests of workers to inform the way employers run their businesses, the Government needs to be mindful of minimising the impact in the design of the industrial relations scheme.

Farmers have a right — indeed an obligation — to get on with the business of farming without being bogged down in red tape and peripheral obligations. It goes without saying that a complex industrial relations system encourages business to 'out-source' the work i.e. use labour hire providers who, in addition to increasing the cost of doing business, have their own well documented issues.

It must also be acknowledged that there are the serious cases of farm businesses choosing to do the wrong thing or being indifferent to poor practices – often to their benefit. This is not merely an issue of civil rights and human decency, it has commercial ramifications: a “level playing field” denies unscrupulous producers a commercial advantage over the majority of farms who obey the law.

NFF recommendations

- Digitise the NES and Awards and/or introduce “reg-tech” solutions to guide/assist employers.
- Streamline the creation of enterprise bargaining by, for example, returning to the ‘no-disadvantage’ test, taking non-monetary benefits into account, or imposing strict decision timelines.
- Give greater scope for the operation of individual flexibility arrangements.
- Give the Fair Work Ombudsman the function/resources to issue binding advices to employers who are confused or in doubt as to their obligations.
- Introduce criminal penalties for “wage theft” (i.e. intentional, recurring underpayments).
- Fast track the introduction of a truly national system of labour-hire regulation.
- Re-introduce the ‘protecting migrant workers’ legislation.

5. Support evidence-based decision making

Decisions about jobs and skills should not be based on assumptions, theories, or anecdotes, and should not be taken based on who has the loudest voice or the best access.

They should be based on the best available probative evidence, which has been considered by experts and subject to public scrutiny. To enable this to occur, at least in the agricultural sector, we need access to quality workforce data which is current, accurate, and (to the extent possible) comprehensive.

In addition, rather than treating agriculture as a uniform mass — which gives a hyper-simplified and unrepresentative picture — it should consider the circumstances of distinct commodities and regions individually.

NFF recommendations

- Include agriculture in the "Industries" which are part of the ABS' *"Jobs Vacancies"* data set.
- Establish an Agriculture Workforce Data Analysis Unit to collect and analyse agricultural workforce data, supported by quadripartite advisory groups. (NAWS 33)
- Conduct analysis of the number of long-term agri-food jobs in each region and the future growth expected in these jobs. (NAWS 32)
- Support coordination of RD&E efforts to understand the changing nature of agricultural work, careers and recruitment. (NAWS 34)
- Ensure that all the data routinely collected by Government (i.e. by DEWR, DHA, the ATO, etc) and relevant to jobs and skills analysis is publicly available.
- Ensure, to the extent possible, data is divisible by distinct commodity/sector and region individually.



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