

August 2021

GPA Policy on Skilled Worker Shortages

Overview of Issue

GPA Members are experiencing varying degrees of urgency and uncertainty about the availability of skilled workers to meet the grain's industry specific needs during peak periods such as harvest and seeding. A shortage of these workers has been exacerbated due to the second year of COVID-19 border closures, with ongoing travel restrictions place at both State and Federal borders. These measures are severely limiting access to regular sources of international, 'ready-to-go', seasonal workers for the 2021-22 grains harvest which is forecast to be one of the biggest on record. While this labour supply includes farm-hands and other types of workers, the grains industry requires workers with the skill and experience to operate heavy machinery and meet surge capacity. This short-term labour supply 'crisis' has highlighted the need to engage government in developing robust, workable solutions which generate greater workforce certainty; not only for this harvest, but beyond.

Potential Consequences

In June 2021, ABARES analysis forecast the national winter crop to be well above average in 2021–22, estimating a 46.8 million tonne return. With the gross value of Australian agricultural production forecast at \$65 billion, grains, pulses and oilseeds will represent a significant portion of this return to the national economy, valued at about \$15 billion.

The importance of this year's crop value cannot be underestimated with many farmers and rural communities looking to continue their social and economic recovery from drought. The grains sector also played a significant role in the nation's economic recovery from COVID-19 last harvest and is well placed to do so again. A near-record \$35.5 billion gross value of crop production in 2020–21 saw grains, oilseeds and pulses accounting for 50 per cent of that value.

But a delayed harvest, due to lack of skilled workers to operate machinery, will increase the risk of losing a significant portion of this year's value. This would occur if major crops such as wheat and barley were to be hit by extreme weather during harvest, and subsequently downgraded to feed value. These losses can also occur due to extended exposure to other crop diseases and pests.

According to Thomas Elder Markets, the worst occurrence of this down-grading occurring during recent times was during the 2010 harvest where extreme rainfall severely damaged crops throughout the eastern states of Australia. An abundance of feed grade wheat led to a very substantial discount between feed and APW1 (milling wheat) of 33 per cent or A\$64/tonne.

Based on applying the above scenario this year, a 33pc price downgrade would equate to about \$5 billion loss nationally. However, actual losses will be varied according to unknown factors such as; prices; labour supply in different locations; weather conditions during harvest; and crop types.

Some GPA members have also expressed serious concerns about the compound impact of consecutive COVID-19 harvests on the health and well-being of our farmers and farm workers. The main concern is about being forced to work even longer hours to compensate for the lack of labour this year, in order to minimise harvest delays and avert any potential crop losses.

Scope of the Issue

Seasonal workforce shortages have been caused by multiple factors; in particular losing workers to other regional sectors such as mining which can offer higher wages and better incentives such as ongoing employment. The loss of seasonal labour supply due to recent, extended drought is also a factor in regional communities on the East Coast of Australia. The extended COVID lockdown has also contributed to the lack of access to Working Holiday Maker visa holders who normally fill such jobs, with many returned home and not replaced due to ongoing restrictions on international arrivals. According to information provided by the Department of Home Affairs, the number of WHM visa holders has dropped by more than 100,000 since March 2020 with only 36,784 available as at 20 June 2021.

WA has expressed the most serious fears about this issue, raising public awareness of the need to source 1000 front-line, skilled workers for that State alone. Grains represents WA's second biggest economic sector, to mining, and is this year expecting a \$6-7 billion harvest. A letter to the Federal Agriculture Minister David Littleproud (July 20) outlined these underlying challenges to labour supply in the grains sector. This was co-signed by GPA Policy Council Members, WAFarmers and the WA Grains Group, along with other local representative groups such as grains co-operative, CBH. This letter said, "we ask to work with both the State and Federal Governments to enable access to the labour resources our industry requires" and proposed five key points needing support, to provide access to workers by mid-September 2021, in preparation for the upcoming harvest season.

WA has also been clear in warning of a pending 'crisis' and highlighting the grains sector's specific demands – compared to other areas of agriculture such as horticulture – needing workers with the skill and experience to operate large and sophisticated machinery such as headers. In particular, this concern has focussed on the supply of workers from Northern Hemisphere locations such as Canada and Europe that have traditionally been able to enter Australia on various visas to meet surge capacity during harvest periods, from September through to the end of December and early January.

Current estimates by GPA Members also suggest more than 1000 workers are needed across NSW including heavy machinery operators and farmhands, with the same number estimated in Victoria, while other States are continuing work to help quantify the exact numbers needed for this harvest.

Australian Custom Harvesters President, Rod Gribble, has also approached GPA and our State Members to express concerns about skilled worker shortages this harvest. His organisation primarily represents the interests of Professional Contract Harvesters in Australia's major grain-growing states. In written correspondence with GPA, Mr Gribble said a member survey in June indicated they expect the skilled workforce shortages to be worse this year, compared to last. He said the survey showed his members needed 80 skilled operator positions for using headers, chaser bins and "gophers". He told GPA in June, "Without skilled AgWorkers, the professional contract harvesting industry, as well as the multitudes of farmers who absolutely rely on the same skilled work force, will suffer massively in this coming harvest period. Surely the workable solution of allowing fully vaccinated OS skilled AgWorkers into the country with a very recent negative COVID test result is achievable. The numbers required are relatively small compared to out outcome provided and the low risk associated."

Overview of GPA Position

GPA State Members agree the grain industry needs to improve the supply of workers with the skill and experience required to operate heavy machinery, and these specific needs must be highlighted during advocacy, to drive targeted solutions. This advocacy must help drive short-term, medium-term and long-term outcomes, while ensuring it complements efforts by other national groups, in seeking workers across other sectors of Australian agriculture.

Members also agree that cooperation and coordination between various States, when working with the Federal Government, is a key resolving local labour supply issues. These needs also vary between jurisdictions. To this end, each State Member will advocate their own individual solutions and resource requests, to deliver outcomes for the approaching harvest; especially individual quarantine and visa arrangements. Where these plans overlap, GPA will support and advocate common/agreed solutions to Federal Government as part of GPA's National Plan.

Given the relatively short time-frame to deliver solutions before harvest, recent increased outbreaks of COVID-19 and the Delta Strain creating renewed and tighter restrictions on movement between States and at international arrivals, and the general complexity involved with existing quarantine and visa requirements, a high level of dynamism will be required for government policy changes in the short-term, in order to expedite the supply of these skilled international workers.

However, GPA's advocacy will be underpinned by a proactive can-do attitude promoting the issues and requesting government support for locally driven solutions, such as promoting labour supply from local sources such as stood-down airline workers, backed by support services such as GPA Training's 'Harvest-Ready' program.

GPA's National Plan will also include promoting relevant advice about the options already available for our State Members to pursue with the Federal Government, in order to deliver pragmatic outcomes for this harvest, such as optimising access to existing visa arrangements.

It will also champion longer-term solutions/options the Federal Government can support and work with the grains industry, to help secure the flexible supply of suitable workers needed to meet surge capacity for future harvests.

While skilled and experienced heavy machinery operators are a priority of this work, GPA also recognises other workforce needs such as farm hands, truck drivers and farm managers, and that other areas of the grains supply chain are also impacted by seasonal workforce shortages.

GPA National Plan – Short-term Actions

GPA supports calls for an urgent meeting of State and Federal Agriculture Ministers to be held to prioritise solutions to overcome workforce shortages in the grains industry this coming harvest, to help optimise the value of this year's crop for farmers and rural communities recovering from drought.

GPA supports calls to hold a Roundtable of grains industry stakeholders with relevant Federal Government Ministers and Agencies, as soon as conveniently possible, to advance solutions linked to GPA's National Plan and communicate available options; especially visa categories.

GPA calls for State and Federal Governments to work cooperatively to provide urgent visa and quarantine options, to ensure skilled workers can enter Australia in time for this grains harvest, and while restrictions remain on international arrivals, due to COVID-19.

GPA calls for State and Federal Governments to work cooperatively to ensure labour mobility is maintained across State borders through the Ag Workers Code, to help provide access to skilled workers needed by the grains industry for this harvest and beyond.

GPA calls for HECS relief/credits to encourage university students to work on farms during peak periods such as harvest or seeding.
(Suggested – for every dollar earned after tax working in regional Australia students should receive a reduction of 50 cents off their HECS debt)

GPA calls for relief/concessions to encourage retired/semi-retired pensioners and 'Grey Nomads' to work on farms during peak periods such as harvest or seeding.
(Suggested – pensioners who undertake seasonal work in regional Australia should not have their earnings classified as income towards threshold levels. They should also be taxed the same as a [Working Holiday Maker](#), which is 15 per cent for the first \$45,000 they earn.

Single pension \$952.70 a fortnight – for every dollar earned above \$180 per fortnight, the single pension is reduced by 50 cents.

Couple pension \$1436.20 per fortnight – for every dollar earned above \$320 per fortnight, the combined pension is reduced by 50 cents.

Earning more than \$2085.40 in a fortnight for a single and \$3,192.40 combined for a couple means the loss of entire pension; including the loss of other benefits such as [concession cards](#).

GPA will call for rural businesses such as stock agents and agronomists – eg Elders and Nutrien Ag, to consider allowing staff members to take leave without pay, to work on-farm during harvest and periods where surge capacity is required.

GPA will continue working with QANTAS, the Regional Aviation Association of Australia (RAAA) and other airlines, industries and groups to link workers stood down due to COVID-19, and farm businesses looking for on-farm workers with transferrable skills to operate heavy machinery, to provide temporary employment options.

GPA will establish a 'One-Stop Shop' webpage to promote pragmatic advice and linkages, such as visas, between sources of potential employees and employers (farm businesses).

GPA supports calls for State Governments to fund harvest ready training programs for developing new workers, with a specific focus on access to GPA Training's 'Harvest-Ready' program.

GPA will establish a Workforce Taskforce to manage ongoing advocacy and implementation of this National Plan; especially communications to support mutually beneficial outcomes for members. This will include looking at potential options in the 2021-22 Federal Budget's investment of about \$30 million to help the agricultural sector secure, skill and build its workforce.

<https://www.agriculture.gov.au/ag-farm-food/agricultural-workforce>

Medium-Long Term Actions

GPA will work with the Federal Government to ensure the Agricultural Visa is designed to provide media-term and long-term outcomes for the grains industry, via access to skilled workers and multiple entry visa categories. This is already supported in a letter written to Federal Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, Alex Hawke (July 12), requesting involvement.

GPA will continue advancing changes to update and modernise the list of Agricultural Sector Occupations in the Australian and New Zealand Standard Classification of Occupations (ANZSCO), to ensure these visa categories can meet the grain industry's specific workforce/skills needs, having made a submission to this current review process (21 June 2021).

<https://www.awe.gov.au/news/media-releases/ag-workforce-classification-update-build-better-data>

GPA will call for Federal Government funding to support a project to investigate visa classifications and agricultural exchange programs to bolster the reliable long-term supply of skilled, seasonal workers from Northern Hemisphere countries such as Canada, US, EU and UK ie multiple entry visas. This will highlight the efficiency and safety gains that are available for grain producers, in being able to maintain and develop long-term connections with harvest workers to effectively operate large machinery – and common cultural/community/industry links.

GPA will call for further support and funding for national programs that promote and incentivise the retention of skilled workers needed by the grains sector; especially building greater training, education and awareness.

GPA will investigate potential GRDC funding for projects that can support farm labour/training and skills development for machinery operators, as part of increasing farm productivity and profitability.

Summary of Current Advocacy and Engagement Work

Ongoing media and social media focussing on core issues, while highlighting GPA Training's 'Harvest-Ready' program as a means of encouraging workers to meet surge capacity for this harvest.

Ongoing briefings with Ministerial Staff and Departmental Officials highlighting core issues.

Ongoing briefings with relevant rural MPs and staff highlighting core issues.

GPA wrote to relevant Federal Ministers (June 22) highlighting WA's concerns about workforce shortages for the coming grains harvest; following a letter written to GPA by WAFarmers on June 16. The letter said "WAFarmers urgently calls on the Grain Growers Ltd and Grain Producers Australia to escalate measured quarantine alternatives for the entrance of one-thousand low-risk, skilled agricultural machinery operators, from Countries that can produce evidence of COVID19 vaccination certificates, compliant quarantine safeguards and are willing to undertake Australia's protocol".

The above was supported in a media release by GPA (June 12) which also highlighted shortfalls in the announced Ag Visa, relative to the grain industry's needs, leading to numerous news articles and coverage. This was also backed by social media posts and interaction, highlighting the core issues.

<https://www.grainproducers.com.au/post/ag-visa-fails-to-deliver-on-grains-industry-needs>

GPA wrote to the Federal Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, Alex Hawke (July 12), requesting inclusion in the government's process for developing the Seasonal Agriculture Worker Visa, to ensure it can provide the specialist workers needed to provide reliable long-term labour supply suitable for the grains industry's needs (seasonal workers with the expertise and experience to operate heavy farm machinery; especially during harvest periods).

GPA has engaged with QANTAS and the Regional Aviation Association of Australia to link help airline workers stood down due to COVID-19, and farm businesses looking for on-farm workers with skills that can be easily transferred to operate heavy machinery, to provide temporary employment options.

GPA 'One-Stop Shop' webpage on workforce solutions developed and promoted to provide pragmatic advice and linkages between farm workers and employees, for the grains industry.

GPA has submitted to the current review process (21 June 2021) to update and modernise the list of Agricultural Sector Occupations in the Australian and New Zealand Standard Classification of Occupations (ANZSCO), to ensure these visa categories can meet the grain industry's specific workforce/skills needs. Currently all the grains industry relevant occupations (121214 Grains, Oilseed or pasture grower) are for farm management level employees as opposed to the much-needed machinery operator roles. Other industries e.g landscape gardening and entertainment have a wide range of roles within the occupations list, allowing for the sponsorship of both management and staff level migration. The grains production sector listed occupations are limited to farm managers (121214), agricultural consultants (234111), agricultural scientists (234112), agricultural technicians (311111) and agricultural engineers (233912). Given the high level of competition from the mining sector, and that sectors capacity to pay inflated wages and sign on bonuses to attract staff, experience machinery operators are not available to the grain production, storage or handling sector. In the lead up to grains harvest 2021 the industry needs an option to bring qualified/trained and experienced machinery operation staff into Australia.

<https://www.awe.gov.au/news/media-releases/ag-workforce-classification-update-build-better-data>

GPA's work also builds on its submission to the National Agricultural Workforce Strategy which included a number of pilot program ideas, with three of GPA's proposals noted in the final strategy. After consultation with more than 300 organisations and consideration of 117 submissions, the strategy report was submitted to government for consideration with 37 recommendations. GPA understands the Australian Government is considering the recommendations of the National Agricultural Workforce Strategy and will respond "in due course".

<https://haveyoursay.awe.gov.au/national-agricultural-workforce-strategy>

GPA raised issue of GRDC potentially funding projects to support farm labour/training development for workers that can operate heavy machinery, as part of farm productivity/profitability, during recent RO and GRDC Executive Consult meeting. This includes reference to the below program which was funded by GRDC, and referenced in National Agricultural Workforce Strategy report.

"AgSkilled was a partnership between Cotton Australia, the Grains Research and Development Corporation and the NSW Government, which invested \$14.7 million over 3 years from July 2017 to July 2020 for vocational training for the cotton and grains industries. It was administered through the NSW Government's Smart and Skilled initiative and guided by a management committee that included representatives of Cotton Australia, the Grains Research and Development Corporation and the NSW Department of Industry. In September 2020 the NSW Government announced AgSkilled 2.0 and committed a further \$15 million over 3 years to build workforce capability in NSW's cotton, grains, horticulture, rice and viticulture. Based on the average cost of AgSkilled 1.0 traineeships, it is anticipated that a further 5,400 learners will be trained in skills identified as critical by the sector."

GPA has engaged with GrainGrowers Ltd to discuss core issues and potential solutions.

Relevant Federal Advice

Federal Agriculture Minister David Littleproud’s reply to GPA’s letter, sent to Federal Ministers (June 22) highlighting WA’s concerns about workforce shortages for the coming grains harvest; provided the following advice in regards to accessing short term labour supply, via overseas workers.

It said the Commissioner of the Australian Border Force has the discretion to grant an exemption to individuals working in critical sectors and exemption may be granted to those with the critical skills required to maintain the supply of essential goods and services such as agricultural technology and food production. [covid19.homeaffairs.gov.au/critical-skills-and-sectors](https://www.covid19.homeaffairs.gov.au/critical-skills-and-sectors)

The Minister’s letter also said each State and Territory was responsible for managing the COVID-19 response under their own public health legislation, including quarantine, with a broad range of emergency response powers. He said the solutions vary between the States so a one size fits all approach cannot be rolled out nationally.

It also said the National Agricultural Workers Code was developed in September 2020, to facilitate the continuation of Australia’s agricultural production and supply chain during the pandemic, enabling the movement of workers between States. He said recent lockdowns have exacerbated worker shortages, and he encouraged WAFarmers to approach the WA Government and encourage them to sign up to the Code.

This advice was reinforced in discussions with GPA and the Minister’s Office and Department.

State Actions of Note

Grain Producers SA has highlighted the Seasonal Jobs SA [campaign](#) which connects jobseekers with agricultural work across the state; the \$200 million Skilling South Australia program; and grains sector representation to the new South Australian Skills Commissioner.

During 2020, NSW Farmers developed a [5-Step Plan](#) to tackle the seasonal labour shortage in the agricultural sector. Their main focus in 2020 was on horticulture while in 2021 the workforce supply situation became more severe, also for the grains sector. NSW is currently working on updating parts of this plan to cover a broader commodity mix. NSW is also doing up updated survey to further assess the local situation and further develop its plans to support the industry’s needs.

WAFarmers and other WA farming and industry groups met with the State Agriculture Minister Alannah MacTiernan in late June, 2021, and supported her approach to the Federal Minister to firstly hold a meeting of State Agriculture Ministers to discuss workforce shortages and to also use Christmas Island to quarantine incoming workers. WAFarmers also established a [portal](#) in 2020 to attract, educate and recruit non-farm based candidates to grain farm jobs.

Working Holiday Makers - information via Department of Home Affairs.

Visa Category	20 March 2020	30 June 2020	20 June 2021	Change since 20 March 2020	% change
Working Holiday Maker	137,461	85,691	36,784	-100,677	-73.2%

As at **16 June 2021** there were **4,833 applicants** waiting for a second or third WHM visa in Australia. Please note that some of these would be counted in the total WHMs in Australia, while others whose first or second WHM visa has expired will be on bridging visas, with work rights, awaiting the outcome of their application.