

Transcript
Tony Burke, Minister for Agriculture, Fisheries and Forestry
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E&OE

Thanks very much Stuart for the kind introduction. I want to acknowledge the traditional owners of the land on which we meet and their elders, past and present.

I want to thank both Stuart and Kris for their invitation, to thank each of you. It's peak season, I know, an extraordinarily busy time. And it's very much appreciated. I thank you very much and appreciate that you've made the time to focus on what is such a critical issue in terms of trying to deal with labour shortage in your own industry.

We're here today to discuss the new Pacific seasonal worker pilot scheme in the horticulture industry. I was first lobbied on this issue when I held the immigration portfolio, not realising at the time of the change of government that my portfolio would change but my involvement in this issue would give me the opportunity to start moving forward on what we previously discussed in theoretical terms.

I want to make sure that you know how much the Government values your continued contribution to making this scheme a success. Anything in Australia to do with immigration always relies on maintaining community support. And we need to make sure that we get this pilot scheme right.

The involvement of the industry as responsible employers, the involvement of the different Pacific Island Nations participating in the pilot, and the fact that everybody goes with a determination to reach a win-win outcome, is critical. Absolutely critical. Because it is only by everybody entering into the scheme with that determination that we'll be able to maintain the community support that we will require.

This year I have travelled, as Stuart mentioned in the introduction, around much of rural Australia including to several horticultural regions as diverse as the Sunraysia area, Bowen, Kununurra through to Tasmania.

When I visited Griffith earlier this year, producers were telling me about the impact of labour shortage on their business and their industry more broadly. And the concept of up to \$700 million of fresh produce being left to rot because of a lack of reliable workers in horticulture.

I can't imagine many things more frustrating than to have grown the produce, to see it there ready, to know that there are markets wanting to buy and simply not being able to make that transition from the vine or the tree into the box. The Government wants to make sure that that transition can again be made.

In an industry where you are up against so many challenges - all those costs of inputs, whether it be fuel or whether it be fertiliser, whether it be chemical, the scarcity of water and

so many people looking at water allocations that start at zero, and often don't go far from zero as the year goes on - to confront all of those challenges and get the produce ready and not have the workers to pick it is frustration beyond belief.

I meant it when I said that Australia's producers were sick to death of seeing fruit rot on the tree, vine or on the ground because of the lack of workers. We want to find a way to make this scheme work for you. It's a loss to you personally. To the economy it's a loss of productivity, a loss of opportunity.

I would also like to give you a sense today of the Government's approach in tackling some of the other key pressures. But first on the seasonal labour scheme. Australia is experiencing a shortage of both skilled and unskilled labour in many industries. What we used to only talk about in terms of skills shortage, we now also talk about in terms of labour shortage.

Some of the labour shortages come about because of good opportunities in other industries such as mining. What was always considered a fair day's work for a fair day's pay in horticulture, simply cannot compete with the money that they can be offered, and has been offered, through the resources sector.

The Government's major investment in addressing these skills and labour shortages, the \$1.9 billion Skilling Australia for the Future initiative, along with the \$2.5 billion investment in trade training centres, still doesn't meet the immediate labour shortage needs that you face.

The seasonal worker proposal was suggested by farmers in regional communities some five years ago. But some people date their call for these sorts of schemes much further back than five years. Since then there has been widespread consultation, including a Senate inquiry. And support from grower groups has increased.

We want to find a win-win outcome for growers who have been desperately short of labour and also for some of the Pacific Island nations, desperately short of opportunities to earn income for themselves and their communities.

The Pacific Island nations, to their credit, have been saying, "We don't want welfare as such, we want jobs." And have been saying that they want seasonal jobs so that people don't depart forever from their communities, but return. And the remittances find their way back.

The pilot scheme which I announced in August is a modest scheme. It is a pilot and I will not pretend for a minute that even if it runs perfectly will meet all or most of the critical needs that the industry faces.

It is starting as a pilot scheme. And making sure that we can get the details right in making it work is an important part of making sure that we can maintain community support for the scheme.

It provides 2,500 visas. But those visas are over 3 years. They're spread across 4 of the pilot countries: Tonga, Vanuatu, Kiribati and Papua New Guinea. The visas will be for up to seven

months in any twelve month period with the intention that on request from the industry, the same people may then be able to reapply to come back and work for the same properties.

We're working to have the pilot up and running by the end of this year. But we still have a number of key decisions to make before the pilot can begin, including the location of where the pilot should take place. Those issues are difficult issues to work through. But we are progressing forward. We have been working with industry groups, including your own, and local communities to identify the most suitable regions.

The Department of Education, Employment and Workplace Relations has also been conducting surveys to help us gauge the labour demand with the regions under consideration. Surveys have been completed in Swan Hill and Robinvale district in Victoria. They are continuing in Griffith in NSW, in the Lockyer Valley and Stanthorpe regions in Queensland. I expect a decision will be made shortly about which regions will participate in the first stage of the pilot.

Another major task for the Government is to then negotiate memoranda of understanding with the participating overseas governments. These MOUs will outline the terms of their involvement in the pilot and will include the development of open, fair and transparent recruitment procedures.

When I was in Opposition, I was often involved in discussions on overseas workers being exploited. Community confidence will not be there if similar stories emerge with this scheme. We need to make sure that a win-win outcome is possible.

Industry has assured me the whole way through that you are not looking for a cheap labour scheme. You are looking for workers. And we need to make sure the scheme delivers exactly that, so that we don't end up with a situation of one or two unscrupulous people wrecking something for everybody.

There are other aspects of the scheme to sort out including health insurance, transport and accommodation arrangements. In deciding these matters, the Government is taking into account a wide range of stakeholder views.

We want to develop a robust model that then has the potential for wider regional application. From the beginning, I have emphasised that Pacific Island workers won't be a cheap labour option. In fact, because of some of the extra costs for the employer, it will be marginally dearer than what a local worker would have been. The truth is you're in situations where the local workers simply aren't available. Employers will need to pay half of the seasonal worker's costs for travel and pastoral care.

The Rudd Government is strongly committed to protecting the rights of both Australian and foreign workers. Part of the way of protecting the rights of Australian workers is to protect the rights of the foreign workers too.

Employers who want to take on seasonal workers will first have to show that they have taken reasonable steps to provide those opportunities for Australians. This will include Indigenous Australians, income support recipients and those who come under humanitarian provisions.

Seasonal workers will be employed according to Australian work standards, including those for awards, workers compensation, occupational health and safety taxation provisions.

The real advantage of the scheme is that the good workers will be able to return to the same grower in subsequent years. This will reduce the need for retraining and supervision costs, as well as helping to work through all those social interactions that are important in the local communities, where you're not just running your businesses, but you've decided to make your home.

Also, establishing links between Pacific Island communities and host communities in Australia. Now this is the key recommendation that came from HAC. And it's a complex issue. And it goes beyond the normal issues when you talk about any immigration scheme.

It's the concept of trying to make sure that people, when they arrive in Australia, even though they are only here for a brief period of time on a 7-month visa, 7 months maximum, that they actually feel at home and part of the community for the time that they are here.

In doing that it means their work will be more productive. And it also makes it easier to maintain support in the rest of the community because you've got people with pastoral care, with that sort of local support around them. This will have significant benefits including building cultural and social understanding that will enable the smooth transition of workers. And it also boosts income and skills in the workers' communities.

Once up and running, we'll review the trial after 18 months. It then has that opportunity for the important work that HAC has been involved in to be reviewed. So I want to make sure that when we review it after 18 months, HAC has a significant role in that review to really ensure that the pilot is meeting the needs of rural communities, rural industries and workers alike.

Getting the policy settings right will help maximise productivity amidst other pressures that we face. Pressures of climate change. Pressures of globalisation. And I don't think there has ever been a time where we've been more mindful of the pressures of globalisation than in this last fortnight.

I will talk first about some of the pressures that the climate is bringing to us. When the Government came into power we made no secret that we believe climate change was at the heart of the challenges facing the farming sector. It does frame much of the Government's agricultural policy.

The case for action is being made even more compelling by the work of Professor Garnaut, who released his report on the 30th of September. It warns that global emissions can have a costly and severe impact on Australian agriculture and concludes ambitious global mitigation could significantly reduce these effects.

For the horticulture industry, climate change brings some major challenges. Warmer temperatures will lead to changes in growing periods, the suitability of various produce and the incidence of pests and diseases. Longer and deeper droughts will continue to limit industry access to irrigation water. The droughts will break. But the next drought will probably come sooner than the previous one did. And droughts, when they come, are likely to be longer and likely to be deeper.

The Government's response to tackling climate change goes to reducing our carbon pollution. Being part of the global solution to address the problem, but importantly, also adapting to the impacts of climate change.

Anyone from South Australia would be very mindful of the heat-wave, and from different parts of Victoria as well, that hit earlier this year. When you tried to put it on the scale it came up as a once in 3000 year heat wave. Which I think really said to us, we've started to change.

You can never pick one particular weather event and say that's climate change. What you can do though, is say there are new challenges. And part of the job of government is to help you adapt to them. And help make sure that we're pushing the research and development as hard as we can so that producers are able to deal with the challenges that the climate brings.

One of those key areas of public policy is drought. The drought policy at the moment works on one particular thing, which is the event that causes the assistance to kick in has to be a one in 20-25 year event.

Now there are two ways of looking at the next drought. Because while we don't know when this one will break, we don't know when the next drought will arrive. I haven't met many people who think we will be waiting for the next 25 years before we get the next one. Hopefully, we get quite a few years of relief before the next one hits. Whenever we come out of this drought across the country, and in some parts of Australia we appear to have, we don't think it will be 20-25 years before we come to the next drought.

So that means - how does drought assistance actually work? If we change nothing, nothing at all for public policy, then when the next drought comes either it is not viewed as a one in 20-25 year event, which is the most likely scenario because they take account of where the trajectory is heading. If they do take account of it and they say well this isn't a one in 20-25 year event where does that leave the producer? It actually means if we leave the policy unchanged, people will be in a situation where previously they have always been able to say, "Yes we need assistance," and the assistance will not actually fit the formula because it won't be viewed as a one in 20-25 year event.

So either we leave those policy settings where they are or we say, "Let's find a way to do this better." Now to that end, we've commissioned three reviews. Three different reports. (inaud).

That was the one from the CSIRO and the Bureau of Meteorology which went through the different tests that you can do that are indicators of drought. They of themselves don't constitute drought. They are indicators of them. The first was the concept of exceptionally hot years. The second was exceptionally dry years and the third was soil moisture. The most

reliable were the temperature readings. The next most reliable were the rainfall. And the least reliable was soil moisture because we don't have the same quality of data to base it on.

The high level projections there were very alarming. The mid range projections said what we used to be looking at as a 20-25 year event we are likely to see about twice as regularly as that.

Now that means the policy settings have to change. One of the concepts that has been raised by Peter Kenny in some of the public comments he's made, because he chaired the second review, which was the review of social policy, is making sure we weren't just looking at the economics, but we were also looking at the way drought hits families, hits communities, hits individuals, was to say, "Let's start with how we want to talk about preparation."

If we're trying to find a new way of giving people assistance in drought, should we keep a model where a government does very little in terms of assisting with preparation, waits till people hit crisis and then helps? Or might there be a model which allows us to do more at the preparatory stage so that fewer people end up at crisis point? And they're the issues that we're now working our way through.

But the guarantee in all of this which is important is those reviews are all based on "How do we deal with the next drought?" Not this one. People who are currently in areas that are deemed EC, the rules will not change. This is all about the next drought. And so people who are currently receiving assistance in different ways under EC support, I do want to take every opportunity to repeat the same guarantee to them time and time again.

The drought review is about the next drought. We are not looking at ways of changing support arrangements for people who are currently in the midst of the longest and deepest drought that they have experienced in their working lives.

There's one international issue that is receiving less of a hearing at the moment in terms of globalisation. But it would be remiss of me to neglect it and that is what has happened with overall global food security.

It has been described publicly as though it is only about biofuels. That is wrong. A number of factors have come together. The displacement of food crops for biofuels in some parts of the world, particularly North America, has had some impact. But that is not of itself the reason that we are facing the food security issues that we are facing around the world.

Food security around the world is a pressure of new proportions with a number of factors that have come together. Global input costs, in particular fuel, fertiliser and chemicals as well have been part of the equation.

Rising demand for food is not just because of increased population but also because of increased wealth of population. Therefore, demands for more protein in the diet, displaces land used for horticultural cropping and pushes it into grazing. And then leaves some of the land still available for cropping to be used for growing food for the graziers rather than directly for people. This has all had an impact on total supply and demand.

Biofuels are part of the overall equation. But for the first time, whereas in years gone by we've seen famine in isolated parts of the world, we're now seeing the concept of the pressure of food prices and food availability across the world. It is hitting the poorest nations in terms of isolated famines. And is hitting middle ranking nations of wealth through to the wealthier nations at the check-outs.

This provides an opportunity for there to be renewed focus on our role as food producer. And there will be new opportunities for us as a food exporter. I know horticulture only exports about 10% of what's produced with the bulk of produce being consumed, very proudly aware of the best quality being produced, by Australians.

But there are opportunities there for export. I have been quite determined since I became Minister to use my role on the limited occasions I travel overseas to try to advance those export markets. To that end, in Japan, in China, in Korea and to a lesser extent also in Indonesia recently, I've been accompanied by representatives of your sector trying to assist to open up markets for export produce.

We're always dealing with, not just the straight tariff barriers but the technical barriers to access. So the negotiations are complex and subtle.

It's also been an opportunity, where I've had some of those people travel with me from your industry, to be able to meet not only with the government officials but to meet directly with some of the people who purchase Australian produce and to use my role essentially to help with the marketing. And to let those who purchase the products know just how much we value them as customers.

Finally, I will just say something quickly about the quarantine and biosecurity review. I know the way we've handled these issues, and particularly what that means for the availability of imports into Australia, is an important and sensitive issue among you all. And I think it would be wrong of me to not go through it.

I have now received Roger Beale's review of quarantine and biosecurity arrangements. Now I have not worked my way all the way through it. And it's not yet ready for public release. The public release of it will be some time away. It is a very detailed report and it goes to major issues in terms of structure in governments that will require a very high level of concentration to work through all of that.

In doing so, I do want to reiterate though, the comments that I've made, which is that I believe tremendous damage has been done to us in international markets and in trying to open those up, by a belief, which I think is unfounded but a belief of overseas countries that we do not have a science-based quarantine system. I am quite determined to re-establish the view around the world that our quarantine and biosecurity decisions are science-based. Not as Alexander Downer is alleged to have said, based on political science. But in fact based on scientific rigour.

That's important in terms of our overseas image. It's also important in terms of us being able to open up export markets for Australian produce. The beginning and end of my demands for

that review, when I put it to Roger Beale, was that I wanted us to have a system that was not only scientifically-based but would be seen to be scientifically-based.

Finally, can I just flag I have made the decision but I can't yet announce it, because the people who I propose to appoint to the Horticulture Code Committee have not all been told yet. But the Horticulture Code Committee will be up and running again very soon.

The committee is slightly more representative than it used to be in terms of the breadth and membership of it. There will be some continuity and some new faces. I don't want to rush the implementation of the ACCC recommendations. I know that the Horticulture Code is extraordinarily complex and there will be no decision that makes everybody happy.

I was given a piece of advice from someone who has been around the tracks in this area a long time within about three days of becoming Minister which was, "You can handle any area of reform Tony. But don't touch the Horticulture Code. It will drive you nuts." Well the ACCC came back with one recommendation and that was that my portfolio had to review to Horticulture Code. I said we'll do it.

There will be changes that come from that in line with the points that the ACCC has made. And no one I suspect will be 100% happy with where it ends up. Some people will be less happy than others. That's how these things work.

But the ACCC recommendations were strong (inaud) and that review will be well and truly underway very soon. As I say, the decision on the membership has been made. They just haven't all been told about it yet.

So, concluding. Can I just say this - Everyone in Australia when they go to work, goes to work to basically feed, clothe, and shelter their family. A small number of Australians when they go to work, go to work to feed not only their own family but families all around Australia and around the world. I actually reckon that's an extraordinary job. I actually think that's something that the nation needs to be rightly proud of and see. It's a pretty noble thing for someone to do with their life. That's the work that you're all involved in doing when you're involved in the horticulture industry.

I want you to know for all the pressures that are there, whether it be water, whether it be input costs, whether it be a dollar that's sometimes higher than you need it to be, sometimes low when wish it was high, depending on whether you're purchasing or selling or how things are working, the challenges there from day to day are different from one business to the other. But these are uniquely tough times that we're all seeing at the moment.

The work is deeply, deeply valued. There are major policy challenges that we have to work through. And some of those in the last fortnight with the availability of credit are issues which create new challenges that not that long ago we probably wouldn't have expected we would have to face. These issues are all front-of-mind right through to the highest levels of government.

I wish you well on your discussions today. The labour mobility scheme is a piece of the total jigsaw. And hopefully your discussions today and our direct consultation with the peak body can make sure that that piece, like every other piece we get, is the right shape and have an industry where different areas of public policy are fitting together in a way that serves industry well.

I declare the conference open and wish you well today.