

NEW IMMIGRANTS IMPROVING PRODUCTIVITY IN AUSTRALIAN AGRICULTURE

This research aims to fill a critical gap in our knowledge of the contribution of immigrant farmers and both permanent and temporary immigrant labour to the productivity of Australian agriculture. The study highlights the importance of immigrant farmers and workers to overcoming the problem of seasonal and permanent labour shortages and in the introduction of agricultural innovations and entrepreneurship. It considers economic, social and cultural factors that impact on the attraction and retention of immigrants to the agricultural sector and regional and rural Australia more generally to help inform future policy development in this area.

While most immigration to Australia has been to the cities, in the past decade an increasing number of new immigrants (permanent and temporary) have been directed to regional and rural Australia. Many of these new immigrants have worked in the agricultural sector of the economy helping to redress labour shortages and adding new skills and innovative insights. This has contributed greatly to increasing the productivity of the Australian agricultural industry and re-energizing regional and rural towns.

The specific impact and contribution of immigrant farmers and growers, as well as permanent immigrant settlers (including refugees) and temporary immigrants (including Working Holiday Makers) on the agricultural industry is not well understood. Addressing this research gap helps to ensure that the sector is well-positioned to capitalise on opportunities for further productivity improvements in the coming decades as new bi-lateral free-trade agreements with China, Korea and Japan open up new market opportunities for Australian agricultural exports to Asia in addition to established markets in Europe and the Americas.

This research project investigates the experiences of immigrant farmers and growers and temporary and permanent immigrant farm labourers in order to better understand the ways that immigrants improve agricultural productivity, sustainability, resource preservation and contribute to rural renewal in Australia. It seeks to identify policy outcomes that improve the attraction and retention of immigrant agricultural producers and to improve the fit between Working Holiday Makers and Pacific Seasonal Workers and seasonal labour demand in the agricultural sector.

“Many of these new immigrants have worked in the agricultural sector of the economy helping to redress labour shortages and adding new skills and innovative insight”



WHO IS INTERESTED?

The findings of this study are of specific interest to government agencies, community and industry organisations that have an interest in better understanding the impact of new farmer immigrants on the agriculture sector, and in refining existing or introducing new policies and procedures that can improve the attraction and retention of farmer immigrants in coming decades.

KEY INSIGHTS

» *Immigration insights for Australia*

- Australia is one of the most urbanised nations in the world and immigrants are more likely to live in cities than the Australian-born.
- There is an increasing immigrant presence in rural and regional Australia. At the 2011 Census, first and second generation immigrants comprised between 22% (Tasmania) and 38% (Western Australia) of the regional and rural population of the Australian states.
- A total of 766,373 people (78.6%) came to Australia on various temporary visas in 2012-13, 192,999 were permanent settlers (19.8%) and 15,827 individuals (1.6%) arrived as part of Australia's humanitarian intake.
- Australia ranks by far the highest OECD nation in terms of absolute flows of Working Holiday Makers. In 2012, Australia took in more Working Holiday Makers than the USA, Canada, New Zealand and UK combined.
- Australia's annual intake of Seasonal Workers has grown from 400 in 2010-11 to just over 2,000 in 2013-14.



Skilled Immigrants in Regional and Rural Australia

Responses from a 2008 survey indicated that:

- Over 80% of skilled immigrant respondents got a job in their area of skilled specialisation, though some had to take low-skilled jobs in Australia
- 90% of respondents either liked their job or described their job as being 'OK'
- Two-thirds of respondents are currently still living in the city or town that was their first destination in Australia
- 75% of respondents would encourage relatives or friends to reside in the same city/town
- Around 70% of respondents decided to move to Australia for non-economic reasons including to join family/relatives, because of marriage or a better future for their families.
- Respondents who moved into agricultural employment were more likely to emigrate to Australia for family or employment reasons and less likely to emigrate for lifestyle reasons compared with other respondent skilled immigrants in regional and rural Australia
- More than half of the respondents in agriculture found out about their current town from family and friends
- Survey participants were made to feel welcome since coming to their town/city.

Working Holiday Makers in the Australian Agricultural Industry

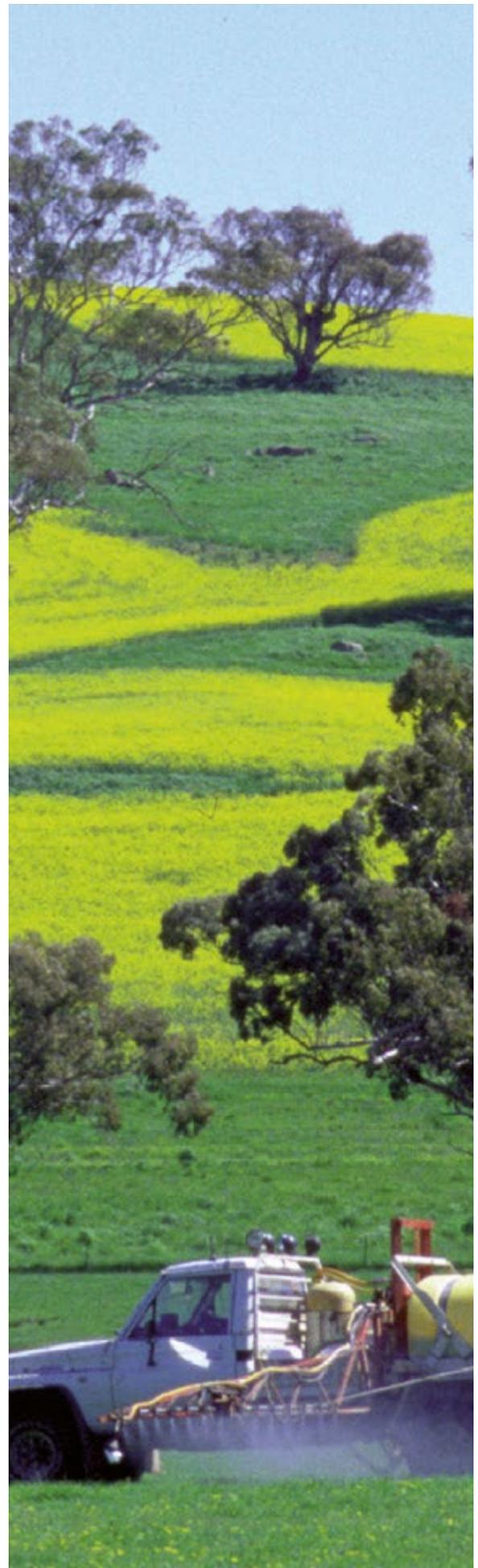
- The Working Holiday Maker programme provides young people from 28 countries with an extended holiday in Australia including short-term work and study rights.
- In 2013-14, just under one quarter of a million Working Holiday Makers arrived in Australia, one third of the temporary migrant intake of that year.
- Working Holiday Makers get a 12-month visa, but if they work a minimum of three months in agriculture, mining or construction in regional Australia they may apply for a second Working Holiday visa.
- Second Working Holiday visa grants grew from about 2,700 in 2005-06 to 46,000 in 2013-14. In 2013-14, this represented about one in four first-time Working Holiday visa holders going on to acquire a second Working Holiday visa.
- In a survey of 104 Korean Working Holiday Makers, the second most common reason for choosing the Australian jobs they worked in was 'working towards a second visa', after 'major study area at school or trained in industry'.
- 34 of the 56 Korean Working Holiday Makers interviewed on arrival in Sydney to begin their Working Holiday Maker experience intended to work in agricultural jobs.

Pacific Island Seasonal Workers in the Australian Agricultural Industry

- A three year trial Pacific Seasonal Worker (416 visa) Pilot Scheme (PSW) was introduced in Australia in August 2008 to contribute to the economic development of Pacific Island nations by providing work opportunities in the Australian agriculture and accommodation industries. These seasonal workers provided remittances back to their families and were provided with opportunities for up-skilling in Australia.
- The Australian Government renewed the Pacific Seasonal Worker Programme in the horticulture industry across Australia and extended the range of occupations to include tourism (accommodation), agriculture (sugar cane, cotton), and fishery (aquaculture) industries in limited locations.
- While uptake of the scheme has grown from 1,473 in 2012-13 to 2,014 in 2013-14, there remains scope for further utilisation by agricultural employers. A lack of awareness of the scheme by employers may be impacting uptake.
- Consultations with approved employers highlighted the potential for bringing more Pacific Island Seasonal Workers to Australia to address the significant labour shortage in the horticulture sector.

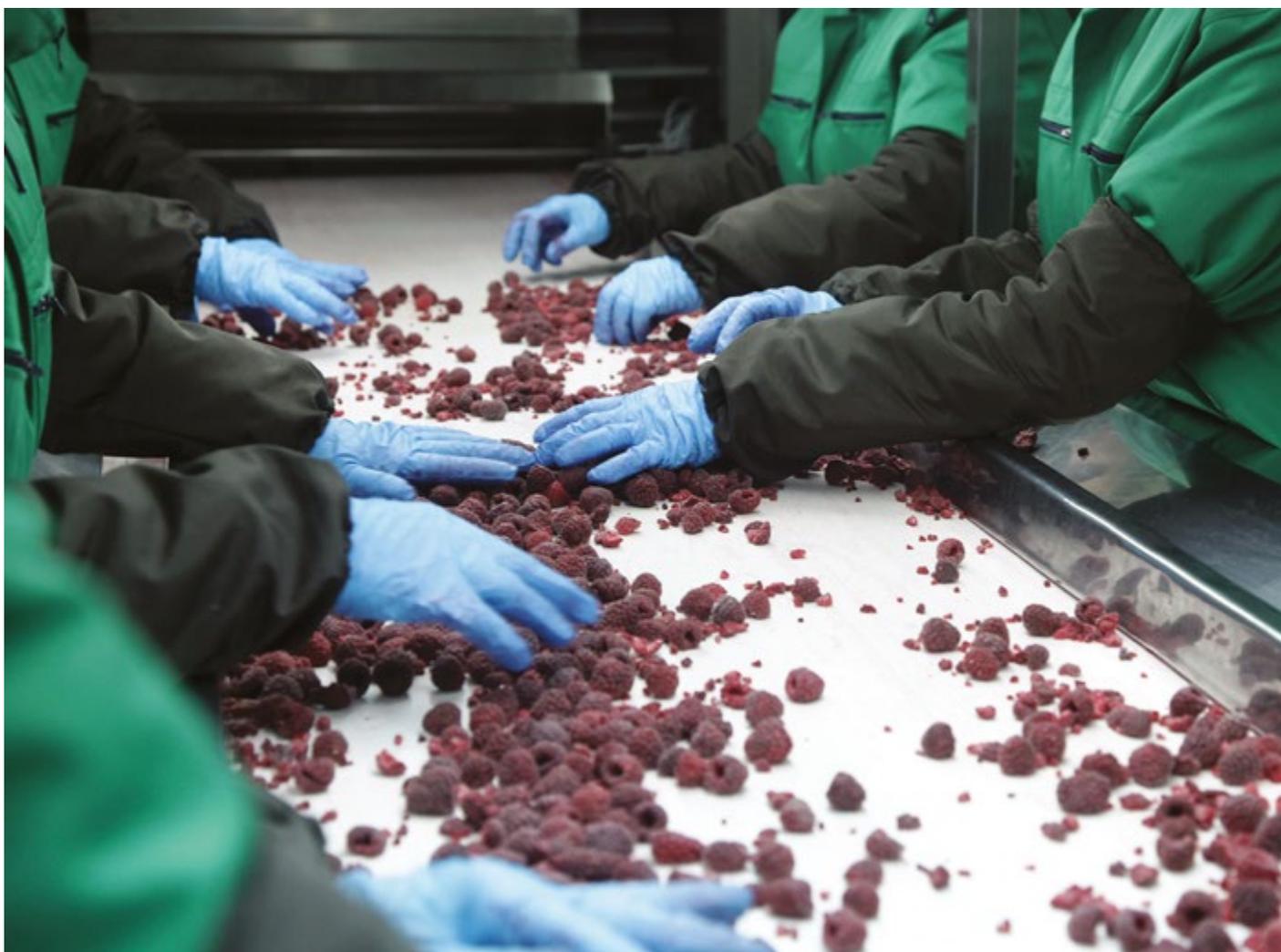
» *Immigration in the agricultural sector*

- At least 20,000 people (8.56%) in the Australian agriculture, fisheries and forestry industries in 2011 spoke a language other than English at home, an increase of around 2,000 or 11% from 2006.
- Farmers from a non-English speaking background are most likely to be participating in vegetable, mushroom, horticultural and poultry industries.
- In 2011, approximately 40% of overseas born farmers came from Europe, 23% from Asian countries and 17% from New Zealand and Pacific countries.
- Farmers born in North and Western Europe tend to be involved in sheep, beef, cattle and grain farming, while those from South and Eastern Europe tend to be involved in fruit growing.
- Farmers born in North America and the Middle East tend to be involved in vegetable growing and those born in Asia tend to be involved in fruit and vegetable growing.
- Farmers born in sub-Saharan Africa tend to be involved in sheep, beef, cattle and grain farming.
- New Zealand and Pacific Islanders are over-represented as skilled animal and horticultural workers, animal attendants and shearers.



FINDINGS

- **Immigrants are of increasing importance to the Australian agricultural sector** in particular and to regional and rural Australia in general. Indications from this study are that the recent trend to open up new visa pathways for permanent and temporary immigrants to settle in the Australian bush has generally been very successful for the immigrants themselves, for rural and regional Australia in general and for the Australian agricultural sector in particular.
- At the 2011 Census first and second generation immigrants comprised between 22% (Tas) and 38% (WA) of the non-urban population of the Australian States. Given the substantial increase in Australia's immigration intake since 2011 (Productivity Commission, *Migrant Intake into Australia: Draft Report 2015*) **we can expect the immigrant presence in rural and regional Australia to increase** when the 2016 Census data is collected and published.
- Immigrants in the Australian agricultural sector come from **a very diverse range of countries and visa pathways**. Some come as skilled permanent immigrants - including immigrant farmers - while others come on temporary visas as Working Holiday Makers, skilled workers on 457 Visas and Pacific Island Seasonal Workers. Others come as refugees who are settling in increasing numbers in regional and rural Australia. It is likely that some of the 12,000 Syrian conflict refugees arriving in Australia in the next 12 months will be resettled in regional centres across Australia.
- **Skilled permanent immigrants** add considerably to the productivity of Australian agriculture by filling skilled vacancies in the agricultural sector, and bring their expertise from their pre-immigration employment experience. Of those surveyed, most find a job in their area of expertise, like the job, and like living in regional and rural Australia. Most find a very warm welcome in the Australian bush and have strong relationships with local residents and fellow workers. The warmth of welcome for skilled immigrants employed in the agricultural industry is even stronger than that experienced by other skilled permanent immigrants in the Australian bush.
- **Immigrant farmers** are increasing in numbers and significance, helping to redress problems of inter-generational succession increasingly experienced by non-immigrant farmer families, by providing an alternate source of new generation farmers. Immigrant farmers also increase productivity by bringing with them new technological insights gained overseas to apply to Australia farming. For example, African farmers from countries like Zimbabwe and South Africa bring with them experience with water-saving farming. Asian market gardeners bring in a new range of vegetables and fruits that find a ready market in a country where cooking contests and food shows are finding a very large audience.
- **Working Holiday Makers** provide a large and mobile workforce that helps meet seasonal demand for agricultural workers, particularly at harvesting or picking time. They also provide labour for hard-to-staff jobs in communities in rural and remote areas of Australia. By reducing labour shortages at critical times on the agricultural industry cycle they add considerably to its profitability and productivity. Unscrupulous employers, brokers and labour hire companies - co-ethnics and others - have led to well-publicised instances of low-pay, exploitative accommodation arrangements and very unsatisfactory work experiences for a minority of Working Holiday Makers, threatening to undermine the future viability of the programme.
- **Pacific Island Seasonal Workers** will likely become increasingly important to the Australian agricultural sector in coming decades. After a successful pilot programme in the horticultural sector, the Pacific Seasonal Workers Programme is now an uncapped demand-driven source of labour supply for the agricultural sector, though recent reports of unsatisfactory work experiences sound a warning to policymakers in this regard.
- While most **refugees and humanitarian immigrants** settle in Australian cities the research in this report shows that they also add very considerably to the agricultural sector workforce, with a number of refugees becoming farmers or entrepreneurs in the agricultural sector. Agricultural productivity will likely increase as regional and rural Australia opens up its communities and agricultural sector jobs to this cohort of Australian immigrants.



CASE STUDY

This case study focuses on Nhill, a remote regional town in Victoria and the role of *Luv A Duck*, a corporate body that has made a real difference to the way in which the skills of newly arrived Karen refugees were nurtured to give them appropriate employment opportunities.

The Karen hill-tribe people have been persecuted by the Myanmar government since 1949: a number of Karen refugees lived in the United Nations refugee camp on the Thai-Myanmar border. Karen refugees have been settled in the Wimmera town of Nhill, located between Melbourne and Adelaide.

A community of 60-80 Karen members now live in Nhill, a remote town located in Western Victoria, 374 km away from Melbourne. This community was initially settled in Werribee, a western suburb of Melbourne. However, through the then Department of Immigration and Citizenship, *Luv A Duck* arranged for the training and community relocation to Nhill. As part of this initiative, housing support was also extended to Karen refugee community members in this region.

Karen refugee members now have become contractors for duck livestock farming. *Luv A duck* believes this to be a great success as they have given many Karen refugees a chance to take up work opportunities and ownership opportunities. This has dramatically improved the living conditions of Karen community members.

A story by Chris Johnston in *The Age* in 2013 cites John Millington, Manager of *Luv A Duck*, as saying: *'They are not a burden, they are a blessing. The Australians were unwilling to come and live and work in Nhill. The Karen refugees filled the labour shortages'*.

FUTURE OPTIONS

Strategies to increase the number of permanent and temporary immigrants who settle in rural and regional areas will likely benefit rural and regional Australia in general and the agricultural sector in particular. Consideration could be given to policies that:

- Better target migration to areas of skills and employment shortages in rural and regional areas
- Target immigrants with sound farming experience and skills
- Redirect and incentivise more of Australia's permanent immigrants to non-urban settlement
- Increase the number of Working Holiday Makers coming to Australia and further promote the second visa opportunity
- Improve the knowledge of, and promote, the untapped opportunities provided by the Pacific Seasonal Workers Programme to farmers
- Reduce exploitation of Working Holiday Makers and Pacific Seasonal Workers
- Increase the number of settlement opportunities for refugees in rural and regional Australia
- Continue to develop local initiatives to welcome new immigrants to cities and towns.

METHOD

A mixed methodology utilising surveys, interviews, focus groups and case studies was employed.

Census data and the results of a 2008 survey of 915 randomly selected skilled immigrants on permanent visas in rural and regional Australia were examined, with 40 of the respondents working in the Australian agricultural industry.

A survey of 104 Korean Working Holiday Makers was conducted, and in-depth interviews held with a further 20 Korean Working Holiday Makers.

Fieldwork was conducted in five Australian states - NSW, Victoria, Queensland, South Australia and Western Australia - involving interested parties who have policy responsibility for immigrants in rural and regional Australia in general or the Australian agricultural industry in particular, as well as permanent and temporary immigrants who work in the industry. The research involved qualitative fieldwork with skilled permanent immigrants, immigrant farmers, temporary immigrants - including Working Holiday Makers and Pacific Island Seasonal workers - and humanitarian immigrants.



The Rural Industries Research and Development Corporation (RIRDC) invests in research and development to support rural industries to be productive, profitable and sustainable. RIRDC's National Rural Issues program delivers independent, trusted and timely research to inform industry and government leaders who influence the operating environment of Australia's rural industries.

This research:

- Informs policy development and implementation
- Identifies future opportunities and risks
- Covers multiple industries and locations

RIRDC invests approximately \$1 million per annum in the National Rural Issues program and attracts other investment and partnerships to undertake research that supports cross sectoral and national decision making.

RIRDC CONTACT

Email: rirdc@rirdc.gov.au

Phone: (02) 6271 4155

www.rirdc.gov.au

PROJECT CONTACT

Researcher Contact Details

Professor Jock Collins
Management Discipline Group
University of Technology, Sydney
Broadway, NSW 2007
Phone: 0425 341 083
Email: Jock.Collins@uts.edu.au

Dr Branka Krivokapic-Skoko
Faculty of Business
Charles Sturt University
Bathurst, NSW, 2795
Phone: (02) 6338 4428
Email: bkrivokapic@csu.edu.au

Full report

This document provides a summary of the findings and approach used in the development of '*New Immigrants Improving Productivity in Australian Agriculture; Summary Report*'. A separate full report document with the details of the analysis undertaken in the project is expected to be available mid 2016 and is commended to the reader for further information in support of the issues outlined in this document

Project no.: PRJ-007578

ISBN: 978-1-74254-864-7

Publication number: 16/018