

Senate Committee Hearing Statement

Kylie Hoschke – Seasonal Worker Project Manager - Oz Group Coop Ltd

Packhouse Staffing

Thanks for your time today and the opportunity to speak regarding OzGroup experience. We have had workforce shortages both in our packhouse and our grower farms, exacerbated by COVID 19.

As an Essential Service our requirement for staff for the packhouse did not change, just where we sourced them from. Not having return backpackers made a difference.

We had to source local unemployed who were not that enthusiastic as they were also receiving a Covid payment. Our local recruitment agencies were able to provide unskilled labour and skilled labour (Forklift Drivers) at short notice.

Since March we have hired 400 staff in packhouse with an offboarding rate of 22%. Main reasons for leaving casual employment have been (not for them, didn't realise shifts would be so long, not use to working so hard).

Acute Housing shortage on MNC

We are currently experiencing an acute housing shortage This is only going to get worse, people in major cities have learnt, due to the crisis, that many can work remotely and from a more desirable, safer location.

It's a classic supply and demand scenario, pricing locals out of the market, putting pressure on lower income brackets. The solution is more housing to increase the supply, land already zoned residential needs to be fast tracked by our Council.

Rental accommodation is at zero with rent levels escalating wildly out of control, prospective tenants offering up to \$100 more per week than what is being sought plus, 12 months' rent in advance.

State government social housing initiatives increasing employment and in time accommodation but the immediate effects of the current housing shortage and substantial infrastructure projects such as the Coffs bypass will continue to have a negative impact on labour availability in our local area for some time.

Seasonal Workers

This is the first year that Oz Group have engaged seasonal workers on farms and in our packhouse. Prior to this in 2020 because of Covid 19 pandemic our growers experienced 25-30% crop losses. Through accessing seasonal workers some of our growers have been able to halve those losses.

This year we have 211 seasonal workers on assignment with OzGroup, in partnership with an approved employer. They are working with host growers and also in our packhouse.

Oz Group has invested over \$3 million in purchasing and leasing accommodation, transport resources and human resources to support the Seasonal Worker Program and see it as a key part of our labour strategy moving forward to address issues with securing reliable and sustainable labour.

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James Kellaway – CEO

Oz Group Coop Ltd

Oz Group commenced in 2001 as Oz Berries growing blueberries with 4 growers after the decline of the local mid-North Coast banana industry. In 2013, Oz Berries became Oz Group and the proprietary company was transformed into a grower co-operative. In 2021, Oz Group Co-op Limited has over 140 grower members and is grading/packing 9 million kilograms of blueberries with an annual turnover of \$214 million. This growth is expected to continue as blueberry plantings world-wide is increasing by 5% on average each year with global volumes increasing by 8% each year. In Australia, production has been increasing by 20% on a compounding basis each year and farm-gate value has been increasing by 18% on average each year. Suffice to say, the production of blueberries is a burgeoning industry.

Oz Group today has experienced annual revenue growth of 30% on average over the last 6 years and volumes grown by our members have increased by 33% on average each year over the same period.

The importance and growing need of unskilled and semi-skilled labour is essential to the ongoing prosperity of Oz Group, the local regional economy and the community more broadly. In so doing, Oz Group is focused on improving job security for all of our skilled and unskilled labour force. While we are responsible largely for doing so, the support of government and other agencies is essential to complement the role and functions that we can and need to offer to ensure a holistic and joint or combined outcome for all Oz Group stakeholders which includes the local regional economy and the economy of other jurisdictions.

We seek support from government to assist deliver job security for workers at all levels of Oz Group to ensure our ongoing growth and productivity. We wish to build a flexible and upskilled workforce in both the short and long term and want to become the employer of choice throughout the berry industry and within the local regional mid-North Coast economy of NSW. We wish to do this by attracting motivated and suitably qualified workers to ensure the plants are managed, the produce harvested, and our blueberries graded, packed and dispatched to meet the growing demands for what is a healthy product for Australia's consumers.

In the face of wanting to provide continual job security are the concerns of every grower as we are the risk takers. There are countless externalities to our business that pose significant risks to our sustainability moving forward. Weather events, uncertain market conditions, the availability of appropriate labour, rising utility costs, product associated costs, other variable costs and fixed costs continue to challenge our operating environment and the ability for us to provide job security for our workers. Add to this the impact of COVID-19 and managing continual growth has been difficult, to say the least.

In our business, labour represents the largest and major proportion of on-farm business costs. We work with a seasonal product and as such, we have a seasonal demand for unskilled and semi-skilled labour. We cannot continually offer week-on-week constant employment over the course of a full year. We have labour needs that are subjected to intense fluctuation, and we find that demand usually outstrips supply at certain times of the year.

Despite these challenges, the need for unskilled and semi-skilled labour at certain times of the year is essential and cannot be underestimated. Given the needs of our growers and the needs of labour engaged on our farms and throughout the value-chain, there needs to be a fair and equitable approach to the provision of job security that benefits the grower but also and obviously the worker. The engagement of casual labour is an intrinsic part of our business.

To assist in the provision of labour and the lack of available back-packers over the last season, Oz Group has been part of the Seasonal Worker Program and other employment initiatives provided by government.

While Oz Group does not support workers being paid under the Award, equally, Oz Group does not support workers being paid for time where work is not done. This is remaining a key tenet of employment law that is supported by Oz Group. In other words, a fair day's wage for a fair day's work. The emphasis must equally be on both concepts.