

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into Pacific region seasonal contract labour

Submission no: 27

Received: 17/03/2006

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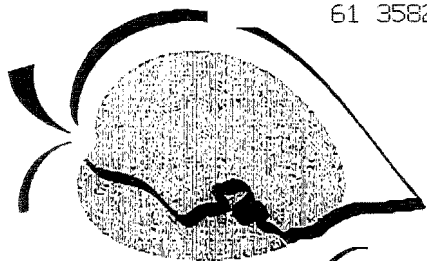
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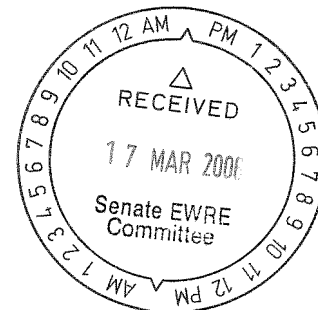
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10th March 2006

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 Secretary

Senate Employment, Workplace Relations and Education Committee

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Submission by Fruit Growers Victoria to the Pacific region seasonal contract labour inquiry

Introduction

Fruit Growers Victoria represents 70% of Australia's pear industry, 30% of Australia's apple industry and 30% of Australia's stone fruit industry. The deciduous fruits peak industry body represents orchardists in the Goulburn Valley, NE Victoria, central Victoria and throughout the southern regions of the state.

The GV fruit industry produces 400,000 tonnes of fruit pa and the other FGV regions add another 200,000 tonnes. The GVP value added of the GV fruit industry was \$734m in a study completed in 2000 and has continued production growth since that time.

Availability of labour

The availability of labour is an ongoing issue for this industry. At peak times there is insufficient labour and these periods run into weeks and months in the Goulburn Valley industry. Notably around Xmas/ New year with apricot harvest, then again with pear and peach crops from late January to mid March, picking up again with apples from mid April and throughout May.

As 50% of the current workforce consists of backpackers, a transient but essential workforce, there is no guarantee that they will stay for the duration of a harvest, and few do. So the turnover is high. 15,000 pickers are required throughout the season in the GV alone.

As an example of one crop, pears, the crop in the Goulburn Valley, of 150,000 tonnes, needs at least 2,000 pickers per week for 6 to 8 weeks from late January to early March when there is also a clash with maturity of early apples and plums, peaches and nectarines.

To this background there is a desperate need to secure permanent labour for guest worker periods in the current climate but particularly as the industry expands future production. Labour shortages are currently a major issue in consideration of future expansion opportunities.

Impact of labour shortages

Labour shortages are solved by not picking fruit at optimum maturity or by not picking fruit at all. We are fortunate that fruit is mostly picked, but the cost to delayed harvest is high with quality demands on today's markets not allowing room for less than premium quality product.

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It is essential that fruit is removed at optimum maturity for immediate marketing and for short and long term cold storage. It is essential to get fruit off trees to minimise misshapen fruit, limb rub on fruit and the development of late blemishes such as russet on the skin of the fruit, let alone deterioration of internal quality.

The GV has a field grown fresh tomato industry with sales exceeding \$50 million and crops such as fresh tomatoes have daily maturity peaking throughout the same five months and their labour pressures are identical to those of the deciduous fruit industry. Their crop diversity includes vegetables and like the GV and other regional areas of Victoria there is a diverse range of crops requiring continuous labour input, be it in the field or in processing or packing.

Labour pressures also apply in the GV from the large call on labour by SPC Ardmona. As a processor their indoor working conditions are preferred by local employees in particular and at peak times they draw on the pool of available labour.

There are only short term fixes to the problem of labour shortages, such as employing family labour or requesting neighbours or friends or other locals to assist. However the industry needs committed workers who can be reliably expected to be at work every day. A band aid fix does not meet the demand nor does it solve an ongoing problem.

Social and economic benefits

FGV will continue to strongly support a guest labour program particularly from country's that are supported by Australia's foreign aid programs. FGV is adamant that labour from the Pacific region would greatly benefit the industry and the community as it has already assisted other industries in Australia.

The fruit industry has integrated diverse ethnic cultures in the past and will continue to do so in the future. It has provided opportunity and success for immigrants in the past who have made, and continue to make, a significant contribution to regional economic growth.

While guest worker schemes do not provide opportunity for permanent migration they do provide individuals and families with the benefit of work under Australian employment conditions and work practices. This will better equip guest workers for future opportunities in their own countries or to be immediate contributors to our economy in the future should immigration status be available.

In the meantime that same contribution to our economy is ongoing with their Australian employment and the opportunity for goodwill and economic development in their own countries is important for all concerned.

Training opportunities

All orchard operations provide training for their harvest labour staff as a requirement of OH & S and QA programs. These range from video viewing to practical lessons and supervision by gangers with each group of pickers. Written and diagrammatic material is supplied to the pickers to meet public liability and training needs.

Training is important in the industry to ensure that employees handle equipment and fruit correctly to minimise adverse impacts on fruit quality. Training is an essential part of ensuring farm safety in the workplace.

Training could be provided in employment packages for guest workers and would ensure that employees are not disadvantaged and are aware of the limitations to their equipment or their own abilities. A guest worker program has a significant opportunity to ensure the success of such a program if it is appropriately structured.

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At the same time the employer has added commitment in assisting the employee knowing that they are available to remain with the employer for a specified period of time and potentially to return during future harvests.

Employment options

The benefit of a guest worker scheme is that an employee has the opportunity to return for future harvest employment. That employee is therefore becoming trained in orchard operations and given the opportunity to return, does not need to over stay their visa and achieve illegal immigrant status.

There is every incentive for the employee to meet the work demands, return home as designated and with a substantial financial bonus to utilise in their home country, and still return the following year.

Orchard harvest work is not easy and is becoming increasingly less attractive to the Australian population. While the government is looking to return people on welfare benefits to the work force, the work is mostly inappropriate for people used to welfare benefits.

In addition fruit growers cannot afford to 'carry' people who do not pick reasonable quantities of fruit, the pay is at piece rate and is not an issue, but the person is using resources, often including accommodation, that can be better placed with someone prepared to pick their share to ensure that the crop is harvested.

Smaller operators may not have the same need for teams of guest workers, but have the ability to provide more personalised training and support to smaller numbers of employees as required. Employers requiring smaller numbers of seasonal employees are an integral part of the industry and make a valuable contribution to the industry as a whole.

Accommodation and transport

There is substantial accommodation available on orchards but probably 50% of the workforce remains in community facilities such as caravan parks or backpacker hostels. There is on going investment in on farm accommodation as it is a means to securing much needed labour.

An opportunity exists to gainfully employ Pacific islanders who have no employment at home and who are presumably supported by welfare payments from other countries, of which Australia makes a significant contribution through foreign aid packages. This is a very basic opportunity that can provide meaningful work and meaningful long term opportunity for Pacific islanders to remain at home.

Our Prime Minister says there are opportunities for immigration through the normal channels. He has failed to add that this applies to a select few and has failed to add that gainful employment at home, by means of bringing income back to the families through their own overseas work, is an important option. Here it is, just waiting to happen, but with an intransigent Federal government watching from their barracks.

Within the foreign aid packages there should be an allowance for the packages to provide some of the cost of employing guest workers. It is not the wage costs, but rather the on costs where we believe that foreign aid packages could assist and therefore ensure that a suitable program commences and continues.

Overseas Experiences

There are very successful guest worker programs conducted by overseas groups and these have good advice and information in the conduct of such programs. FGV was visited last September by Los Angeles based Global Horizons Inc and they were very active in discussing options with

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industry and government. We believe that their model of operation, that draws labour from Thailand to Hawaii and the west coast of the US, is typical of credible organisations that provide a valuable service to their industry.

Of course we have organisations in this region, such as the Harvest Labour Office Worktrainers who provide contracting services to farmers and would be prepared to co-ordinate the procurement of overseas of workers.

As an example with Global Horizons, they conduct a very thorough selection process that ensures that the workers have farm experience, are of an appropriate age and have incentives, such as family, to encourage their return home. They manage and monitor all aspects of the employment of their guest workers and have several years of experience in running successful programs that are increasingly being recognised by US authorities.

Global Horizons program to Hawaii sources 300 Thai workers p.a. and a new program to the Yakima Valley in Washington State sourced 170 Thai workers last year to harvest apples and cherries.

Australian Government

DIMIA Minister Vandstone has conducted an extensive review of her department and implemented extensive changes according to the media information recently released. We have an active dialogue with the State Director, John Williams, which we appreciate.

We have had strong concerns about the conduct of orchard raids in the GV by DIMIA when DIMIA officials are attempting to intercept illegal immigrants. This problem has been addressed through discussions with John Williams in the Goulburn Valley on different occasions.

The issues from this are that immigrants who over stay their visas are not knowingly employed by our farmers and all workers are paid award rates. But it is also difficult to identify illegal workers in our multicultural workforce. Contractors can also provide labour to growers and it is their responsibility to ensure worker identification including checking residency status.

The fact that there is considerable pressure to find workers and have crops picked means that illegal immigrants can slip through the net. A guest worker program can help to relieve the pressure on employers and help to ensure correct practises are conducted.

We strongly believe that concern by DIMIA that workers will over stay their visas are unfounded where a properly conducted scheme is in place. Our confidence is assured from regional experiences with training programs and from lengthy discussions during the visit by Global Horizons.

Conclusion

The horticulture industry is experiencing extreme competition from imported goods and for their exports in the global trading environment. Horticulture makes a major contribution to community wealth, including labour contributing to 70% of operating costs.

The high wage costs make profitability marginal, risky and variable. High wage costs are due to numbers of workers but also the high award cost for wages. A strong economy is producing flow on wage costs that are unsustainable in intensive farming today.

Assistance from within foreign aid packages of simple things like meeting management fees of program co-ordinators and work force contractors who employ guest worker teams is recommended as this will greatly assist in getting suitable programs up and running.

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There is a higher cost to farmers for guest labour employees and the onus does not need to be entirely on the employer, or the employee for that matter, to meet all of the 'hidden' costs. Long term interest rate subsidies on approved accommodation and training support would be other opportunities.

The modest cost under foreign aid packages would be a gesture that would benefit all concerned. In the long term guest worker schemes would reduce levels of foreign aid to countries that are able to support their own economies with guest labour inputs. For our country the reliability of labour will ensure future expansion and input significantly to regional economies.

We understand that the Senate committee is visiting the Goulburn Valley later this month and we will take the opportunity to provide additional information regarding this submission as well as discussing in more detail relevant experiences with similar schemes.

We wholeheartedly support the development of a suitable program for fruit growers in Victoria and look forward to a favourable outcome to your deliberations.

Yours sincerely



Mark Paganoni
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Fruit Growers Victoria