

From: Fiona Pogue - Fruit Growers Victoria Ltd [<mailto:office@fgv.com.au>]
Sent: Friday, 31 August 2018 3:27 PM
To: Chambers - Kovacic DP
Cc: Stacey Hodgkisson; Michael Crisera; Suzie Mapson; mitchell mcnaab
Subject: Re: AM2014/196 and 2017/197 - Casual and Part-Time Employment – Horticulture.

Good Afternoon Deputy President Kovacic,

Introduction

Thank you for the opportunity to provide our input on proposed changes to arrangements for overtime penalty rates for casual employees under the Horticulture Award.

Fruit Growers Victoria Ltd (FGVL) is a member-based organisation representing the interests of Victorian fruit growers, which includes 300 fruit growing, packing and exporting businesses across the state. Production from our members encompasses 40% of Australia's apples, 30% of Australia's stone fruit industries and 90% of Australia's pears. Our industry has a gross value of production more than \$1 billion and is a cornerstone for business and employment in regional Victoria.

We are very concerned about the implications for Victoria's fruit growing business, and their employees, if the proposed model of overtime payments is changed such that overtime is payable once staff exceed 304 hours in an eight-week period, or for hours worked outside 6am – 6pm.

Typical harvest period

The harvest period for apples and pears can last up to 26 weeks and provides employment opportunities for seasonal workers looking for intensive work periods. The proposal to provide overtime entitlements to casual employees working more than 304 hours in eight weeks is inconsistent with the realities of fruit harvest and the motivations of employees in the industry.

Fruit harvest is subject to the vagaries of weather conditions at the time, and picking schedules need to be flexible enough to shift in response to weather events. These proposals don't recognise the practical realities faced by fruit growing businesses or their employees.

Workers' interests

The case being made by union officials for new overtime provisions does not necessarily represent the best interests of workers in the industry.

Seasonal harvest workers, many of whom are overseas backpackers, participate in the industry on the basis that they can work intensively for the harvest season, from which travelling funds and visa extension opportunities can accrue. Under the proposed changes, employers will seek to reduce the hours per worker to avoid overtime thresholds, which undermines employees' preference for intense periods of work to fund leisure activities at other times of the year.

Increased labour cost also improves the investment case for mechanisation and robotic harvesting within the industry, which is ultimately counterproductive to the interests of seasonal workers.

Global competitiveness

Unfortunately, the economics of fruit production in Australia is very sensitive to additional labour costs, as we compete in global markets where harvest labour is significantly less expensive than ours.

Increasing the cost of production via this change will make us less competitive in export markets and reduce future work opportunities for seasonal workers in the industry.

Alternative arrangements

FGVL supports submissions from NFF and the Australian Industry Group proposing that overtime liabilities for hours in excess of 38 hours per week be averaged over a longer period. If the FWC considers the NFF's proposed 26-week period too long, then we would support the proposal of 13 weeks at 38 hours per week, with the opportunity to extend the arrangement if mutually agreed by employer and employee.

Conclusion

FGVL firmly believes that the context of seasonal fruit picking needs to be considered when taking this decision. By necessity, fruit harvest requires intense periods of work to ensure Australian fruit is of the high quality enabled by our best practice management practices and environmental conditions. Employee remuneration arrangements should recognise this reality.

Further, the motivations and best interests of workers in our industry are not typical of most workplaces, and their voice should not necessarily be represented by trade union opinions about what their interests are.

Thank you for considering our submission and we look forward to the Fair Work Commission reaching a balanced finding on this matter.

Kind Regards,

Fruit Growers Victoria.

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