

Joint Select Committee on Northern Australia

Inquiry into Workforce Development

Questions on notice – Public hearing, 17 April 2024

Question: Is there anything you'd like this committee to take away about government policies or positions that are making it harder for you as a small business to feed this great nation of ours?

Answer: Yes, there are several key issues in the government policies and positions that will put further pressure on our business as a provider of fresh fruit to major Australian retailers.

However, in response we point out one vital issue that is paramount to our business and the recommendation stated below, if achieved, would have an extremely positive impact, not only to our business but the entire Horticulture Industry. It would be greatly valued if the committee is able to address the change to the Pacific Labour Mobility Scheme deed and guidelines which from 1 July will guarantee PALM workers are provided at least 30 hours per week, every week during the workers' placement.

Current state

- Currently (since 1 January 2024), short term workers engaged through the Pacific Australia Labour Mobility Scheme must be offered 120 hours of work across 4 weeks (an average of 30 hours per week)
 - Averaging hours provides us with flexibility to respond to the natural variability of each season's harvest and weather conditions e.g. If we are unable to access one of our properties because it is unsafe due to rain, these hours can be made up in the proceeding weeks of the cycle

Change coming into effect on 1 July 2024

- From 1 July 2024, we lose the ability to average work hours over any period and "must offer to each Short-Term Worker at least 30 hours per week" (meaning each week).
 - Leaving no ability for flexibility around weather events and seasonal variability (issues that are totally beyond our control)

Consequences

- When workers cannot be guaranteed the 30 hours per week, we would not meet our obligation, hence, we would choose to 'top up' PALM workers' pay to ensure we are meeting our obligations under the scheme
- Essentially the PALM short term worker is no longer a casual worker. This will provide inequity in our workforce, as local and working holiday visa casuals will not get this benefit
 - Additionally, this benefit goes above and beyond the Horticulture Award requirements for a casual employee
- We have estimated that with this change in effect, it will increase our production costs by 5.5% due to additional wages (for work not completed) and administration costs, which in turn increases the price of fruit and vegetables for all Australians

Recommended Alternative for the Workforce Development Committee to achieve

- Mackays recommend not proceeding with the change as of 1st July 2024 and instead proceeding with the recommendation of providing PALM workers with a guarantee of 120 hours of work over a four week period
 - Where we are unable to offer 120 hours over a 4-week period, we would “top up” workers income to the equivalent of 120 hours
 - This proposal introduces a new safeguard for workers that provides an equal (if not better) guarantee of pay than the current settings, while also maintaining the flexibility for our business to meet variability in work for reasons beyond our control
- Suggested amendment to the PALM Scheme Deed and Guidelines:
 - 3.7.1 You must offer to each Short-Term Worker at least the following number of hours of work:
~~(c) From 1 July 2024, you must offer to each Short-Term Worker at least 30 hours per week, every week during the Worker's Placement.~~

NEW - (c) From 1 July 2024, you must offer to each Short-Term Worker at least 30 hours per week averaged over 4-weeks during the Worker's Placement (120 hours per 4 weeks) and, in the event 120 hours has not been offered over a 4-week period, you must compensate the worker with pay equivalent to the shortfall of hours offered.
- In practice this measure means we will be required to retrospectively review the last 4 weeks of a PALM workers engagement per pay period and:
 - Where 120 hours of work has been offered, no change is required
 - Where less than 120 hours of work has been offered, the employer must top up the PALM workers' wages to meet the 120-hour obligation
 - For example, a worker who worked 110 hours, would receive an additional 10 hours of remuneration in the appropriate pay period, to account for the 10-hour shortfall
- Nothing in this approach limits a PALM workers entitlement under the Horticulture Award or relevant industrial instrument

We thank the committee for their support with this issue and very much look forward to a favourable outcome for our business and the whole industry.

Kind regards

Tayla Mackay

GM – Corporate