

Vernview Pty Ltd

ABN 90005 818 815
75 Gembrook Rd
Launching Place 3139

10th July 2015

Joint Standing Committee on Migration
P.O. Box 6021
Parliament House
Canberra
ACT 2600

Submission to the New Inquiry into the Seasonal Worker Programme

Introduction

David and Susan Finger, Directors of Vernview Pty Ltd thank you for the opportunity to comment on the seasonal worker programme.

Our operation

Vernview Pty Ltd,

Directors: David and Susan Finger

We are apple growers based in Victoria; we own two orchard properties in Victoria.

We presently grow and pack our own fruit, sending fruit to supermarket customers.

We offer full time employment to four people including ourselves, and have one permanent part time position. Our business which includes a partnership owned by the directors generates around \$1.5 million revenue each year. Our packing operation is staffed by casual local labour and operates one to two days a week from May until January and is demand driven.

We are approved employers under the Seasonal Worker Programme.

Apple harvest

Apples are harvested from February to May, and often a seven day working week is required during harvest to ensure fruit meets customer specifications. Sugar levels (brix) and internal pressure are measured to ensure the apples will meet supply chain requirements including cold storage. Once apples are ready to pick there is a short operating window to hand pick them and place them in storage or send to the relevant pack house. Fruit picked outside this window, will not meet specifications and will have to be sold to processing which does not cover costs of growing and harvest.

Labour requirements and the season in an apple orchard

We have been operating our farms from the early 1960's.

In earlier years, when the supply chain was not as sophisticated, we sourced local labour to pick our fruit. We have doubled the size of our operation and since then could not rely on local labour to pick our fruit and meet supply chain requirements. Local labour looking for work did not want to engage in seasonal work but quite rightly looked to full time employment in the local environs, to secure financial support for themselves and their families. We could only offer seasonal work, with breaks of a number of months. Apple harvest does not coincide with summer university holidays and this removes another valuable source of local labour. In addition we can only offer a few full time positions and there is little ability to offer career advancement, an impediment to sourcing local labour.

Due to the nature of the work and harvest requirements we rely on seasonal labour offering 12 plus casual harvest positions in peak harvest. We cannot offer full time work to any other workers at present as our business and our employment cycle is based on the seasonal activities of the farm and hence we require seasonal labour. These activities include harvest (Feb-May), hand pruning (May-July), hand thinning- (November-December).

We did use backpacker labour (417 visas) and did engage labour hire contractors to provide labour until four years ago. It was at this time we became involved in the Pacific Seasonal Worker Programme, first engaging another approved employer to look after our labour needs, and then becoming an approved employer ourselves.

Backpacker labour has its advantage and fits in with seasonal elements of our workforce requirements, but the backpackers tend to only want to be around for short periods before heading off to the next region as many have a pre-planned itinerary of exploring Australia. This often left us short of labour and caused issues on critical days of harvest and getting the crop picked in optimum condition.

We were unsatisfied with the labour hire contractors, who churned staff continually. They could supply the labour when we needed it but we were unhappy with their employment practices. We decided not to engage them any longer as we were concerned they may have been employing illegal labour and/or not paying their workers correctly, hence the reason for staff churn. This was despite us agreeing to a rate that would enable all workers to be paid correctly, overhead costs to be accounted for and an allowance for administrative costs and a profit element for the labour hire contractor. We could not allow possible exploitation and our productivity was being compromised by the staff churn. This staff churn increases administration and particularly staff training costs and made building stable picking teams impossible.

With the advent of the seasonal worker program, our business has changed so we schedule workers to arrive to do the task, ensuring better productivity and enhanced profitability. We do the work in a timely manner. Research is indicating that orchard work needs to be on a timely basis to obtain optimum results. Indeed it is showing that you are best to have 5 workers for the week rather than 1 worker for 5 weeks. This research now dictates the scheduling of hand thinning, hand pruning and other manual requirements in addition to harvest work. In addition, reducing margins and increased customer requirements have meant the produce you grow must be of optimum quality if you wish to continue as a profitable grower.

Our first experience of the Pacific Seasonal Worker program was to engage workers for the harvest period. We had five workers for the months of February to July. We then became approved employers and extended our labour requirements to meet the pressing need to protect our crops from weather, bird and other environmental damage.

Last season we had four pacific seasonal workers arrive in mid October. Their main focus is to prepare for harvest. Due to damage sustained by birds eating fruit, temporary nets were placed over the trees. This is a five person operation with machine assistance that takes around one month, other activities such as hand thinning fruit, putting out reflective matting are undertaken and then these workers started on the early harvest.

March and April are our key harvest months with 80% of our crop being picked in these two months. In March, 6 more seasonal workers arrived to cope with the harvest. There is an overlap of workers which together with local labour ensure fruit is picked in optimum condition. By mid-April the first tranche of Pacific Workers returned home. The remainder continued until harvest finished in May and then they attended to bringing in nets, reflective matting and commenced pruning. They will return to Vanuatu at the end of July.

Our orchards then go into a recess with permanent workers taking annual leave around this time. Some 'clean up' pruning continues with local labour. Our work is time based and unfortunately work has to take place regardless of public holidays and in some instances weather conditions. We cannot run a sustainable business based on the calendar, we need to run our business in tune with the seasonal conditions and customer requirements. In hot weather conditions, we may start work earlier in the day to ensure workers are not subject to adverse heat conditions and we work on public holidays (e.g. Easter this year) if the crop dictates.

Growing apples is a seasonal activity with varying labour demands, without seasonal labour access we could not run our business.

Positives of the Pacific Seasonal Worker Programme

As farmers, the Seasonal Worker Programme has given our business access to reliable labour that has returned to work over the past four years. This has helped with productivity and reduced labour churn.

The Seasonal Worker Program has enabled us to plan our labour needs and ensure we have been able to harvest crops and meet the requirements of pre and post-harvest activities on a timely basis. This has reduced a lot of stress as we have a reliable, willing and consistent labour force during the busy harvest period. Fruit is picked in optimal condition which adds value to our business.

Seasonal work programmes are adopted in a number of countries – some of which compete in the global arena with Australian produced goods. It has given Australian producers access to a reliable workforce, whilst still meeting all Australian labour laws. It reduces costs through increased productivity due to less labour churn, which should better enable Australian growers to compete with both exports and imports.

Horticulture producers that rely on hand picking and other manual jobs have seen a reduced number of people interested in doing seasonal employment, and this scheme has allowed us to grow our business knowing we have a reliable labour source.

We know all labour laws are being met by using this scheme due to checks and reporting that is required.

It grows our business and we are at the same time contributing to the development of the Pacific nations that our workers come from. The workers save a considerable amount of funds to take home but we also offer skills that they can then use back home e.g. fence construction (we trellis our crops), care of horticulture crops (they have their own vegetable growing crop area at our farm), crop protection techniques and irrigation. This is in addition to formal add-on training offered by the Australian Government. Our workers have built more robust accommodation for their families on return, taken back tools to construct accommodation and have opened small business using funds, in addition to paying school fees. Some have purchased solar water pumps to provide clean water.

Negatives of the Pacific Seasonal Worker Programme

There is considerable red tape associated with the scheme.

We are required to undertake labour market testing to ensure no local labour is denied the positions that are made available under the scheme. This labour testing is undertaken 3 months prior to the work becoming available.

We receive numerous responses which take time to read but in the end still have very little suitable labour for our advertised positions. Most of the people applying are 417 visa holders, with very little interest amongst local sourced labour. Our experience is we have few local people applying for the positions with a genuine desire to undertake the position and if offered the position, by the time the work is available these people have taken up another position as they are willing workers actively seeking available work. This leaves us short of labour at the appropriate to undertake critical activities. Some applicants have no interest in working based on the applications they make and many are not suited to the physical demands of harvest work e.g. ladders, availability to work as dictated by the season, and some have a totally unrealistic view of what real farm and harvest work involves.

We do have a lot of local people applying for jobs at our packing facility but have not had anyone other than back packers approach us to work outside in the orchard for many years.

After the labour testing, visas and medical checks are required, and we only receive notice of approval very close to the actual time needed to have the workers start in Australia. This then requires air flights to be booked with short notice, and possibly, higher costs and allows the Pacific Worker very little time to organise their lives before leaving their families.

We are in an area that could be considered to have higher unemployment. We do not have many locals applying for the jobs and those that do are generally not suitable or become unavailable closer to the agreed employment start. Our business relies on productive workers. Unproductive workers should not be foisted on employers as the sustainability of the business could be jeopardised.

We would like to get information provided at the pre-departure meetings so we could have input to ensure our workers are properly prepared for life and work in Australia. This would be advantageous for workers who do not have a good command of English language.

The scheme currently requires invitations to be issued to Fair Work Commission and the Australian Workers Union to attend each on arrival briefing. A better way to communicate this information would be to provide a pack tailored to the programme and written or provided in a you tube type format for the workers in their language. It would also provide a reference for the workers to go back to the information rather than being bombarded with written and oral presentations on arrival from overseas. They are often tired and emotional after their arrival and leaving their homes and family and most have minimal understanding of English.

Summary

We are very pleased to have had the opportunity to employ seasonal workers under the Pacific Seasonal Worker Scheme.

We have had four virtual stress free years of sourcing reliable labour for our harvest and other associated activities.

We have been able to grow our business knowing we have access to seasonal labour. Our productivity and ability to complete jobs on time is giving us confidence to invest in our business.

We consider this scheme helps fill the gap in seasonal worker labour market.

We also have the benefit of knowing our workers return home with funds desperately needed to improve the living standards in their home countries.

We understand the need to test the local job market and not to displace willing and able Australian workers but would welcome a different way to do this.

We would recommend on arrival briefing packs be developed to ensure workers had continual access to information regarding their work and Australia in their language.

We continue to recommend the scheme to other agriculture businesses facing seasonal worker shortages.

Yours sincerely,

David and Susan Finner
Directors
Vernview Pty Ltd.