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Official Committee Hansard

SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE

Reference: Pacific region seasonal contract labour

MONDAY, 5 JUNE 2006

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SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE

Monday, 5 June 2006

Members: Senator Marshall *(Chair)*, Senator Troeth *(Deputy Chair)*, Senators Barnett, George Campbell, McEwen and Stott Despoja

Participating members: Senators Abetz, Bartlett, Bernardi, Boswell, Brandis, Bob Brown, Carr, Chapman, Colbeck, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Fielding, Fifield, Forshaw, Humphries, Hutchins, Johnston, Joyce, Lightfoot, Ludwig, Lundy, Ian Macdonald, Mason, McGauran, McLucas, Milne, Moore, Nettle, O'Brien, Payne, Polley, Robert Ray, Santoro, Sherry, Siewert, Stephens, Sterle, Stott Despoja, Trood, Watson, Webber and Wong

Senators in attendance: Senators Barnett, Marshall and McEwen

Terms of reference for the inquiry:

To inquire into and report on:

The viability of a contract labour scheme between Australia and countries in the Pacific region, for the purposes of providing labour for selected rural industries. In doing so, the committee will take account of the following:

a. labour shortages in rural and regional Australia;

b. the availability and mobility of domestic contract labour, and the likely effects of such a scheme on the current seasonal workforce;

c. social and economic effects of the scheme on local communities;

d. likely technical, legal and administrative considerations for such a scheme; and

e. the effects of the scheme on the economies of Pacific nations.

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Committee met at 2.30 pm

CHAIR (Senator Marshall)—On 7 December 2005 the Senate referred to this committee an inquiry into the need for new measures to meet the seasonal labour needs of the horticultural industry, with particular reference to the feasibility of meeting this need through the use of labour from Pacific island nations. The inquiry follows renewed interest in this proposal by rural industry. This Senate inquiry will examine whether a seasonal work program can meet labour shortages in rural areas and at the same time advance the economic development of South Pacific nations. It will consider the likely effects of such a policy on the current seasonal workforce and the likely social effects on regional cities and towns. The committee has visited the Murray River centres of Renmark, Mildura, Robinvale and Shepparton, as well as Gatton and Bundaberg in south-east Queensland. The committee is due to report by 17 August this year.

I remind all witnesses that these are public proceedings. At the committee's discretion evidence may be given in camera if this procedure is requested. Witnesses are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee of the Senate. I welcome observers to this public hearing.

[2.31 pm]

VIVIAN, Mr Philip, General Manager, Farming Operations, Oolloo Farm Management Pty Ltd

CHAIR—I welcome our first witness from the Australian Mango Industry Association and PAL Enterprises.

Mr Vivian—The capacity in which I am appearing is not as listed on the program. I am not representing the Australian Mango Industry Association. I am representing PAL Enterprises and also Oolloo Farm Management.

CHAIR—I now invite you to make an opening statement before we begin our questions.

Mr Vivian—Thanks for the opportunity to participate in this inquiry. It is my view that the horticulture industry desperately requires changes to present labour entry requirements if it is to be able to effectively achieve its potential. So I am pleased that the issue of seasonal unskilled labour requirements for the horticultural industry is being examined by the Senate. Given that the horticultural sector is a vital element of the social and economic lifeblood of rural and regional communities, the successful resolution of labour availability impediments is critical to the sustainable future of these communities and our industry.

I appear here today with two hats. I am the General Manager of Farming Operations for Oolloo Farm Management Pty Ltd, which manages farms here in the Northern Territory and in Queensland. Oolloo Farm Management currently has approximately 175,000 mango trees, with an orchard area of over 700 hectares under management or development. The total capital investment in these farms exceeds $40 million. All of our farms are in regional Australia and some are quite remote, so the issue of labour availability is critical to our future and to the success of our operations. These orchards have been planted quite recently, so I will be flagging issues relevant to future seasonal labour needs rather than to current shortages.

My other hat is as the owner and director of PAL Enterprises. PAL Enterprises is a privately owned and operated horticultural business that produces mangoes and also runs a production nursery. The business is based just south of Darwin and has been running for approximately eight years. During this time we have experienced the impacts of labour shortages and the difficulties of reliance on a backpacker based seasonal labour force. I will draw upon these experiences in the discussion that follows.

With respect to Oolloo Farm Management's operations, I think it is worth while briefly describing the likely seasonal labour that our current farming operations will require when we get to the harvest stage. Our modeling points to a need for 31,000 man days of seasonal labour inputs for harvesting and packing operations when our current farms are in full production, which will be over the next six or seven years. This man-day calculation is based on current mango industry norms and technology levels.

To convert this to actual staff numbers requires quite a few assumptions to be made. These include how long the harvest periods will be and how high the staff churn rate will be. An estimate of the number of staff required on farm each day during peak harvest periods is 400 people. This number will obviously vary depending on the stage of harvest and the nuances of the particular season.

Based on current labour sources, to achieve a target of 400 staff on a daily basis we will need to recruit substantially more individual staff, as we need to provide for the fact that backpackers—who are our predominant source of labour at the moment—generally only stay for a relatively short period. If we have a harvest period of 18 weeks and the average staff retention period is only three weeks, using backpackers, then we would need to recruit six times that daily need for the full season to accommodate that churn rate. In other words, to satisfy our staffing need of 400 on peak days we would need 2,400 people for that harvest period, if they averaged three weeks each.

I have used this example to highlight one of the problems with the industry's current reliance on backpacker labour. Whilst backpackers are generally very well-motivated and capable employees, there are several important problems with a heavy reliance on them for our seasonal harvest needs. These include the churn rate I have just mentioned and the associated costs of recruiting and inducting substantially higher staff numbers than would be required if staff stayed for the entire harvest season—which for us would be quite a long period, from October through to February and possibly longer. Backpackers and travelling holiday makers tend to want to stay for only a few weeks and then move along to their new holiday destination. They keep moving as they have explored the particular area in which they are staying.

The second issue is the cost of staff training and the loss of productivity as staff are replaced by new and inexperienced starters. That is another negative factor of relying on the backpacker trade. It takes time to pick up the skills required to be effective and quick with harvest and packing tasks. Another problem with backpacker labour is the risk of serious shortages of backpackers through external global forces, such as an economic downturn, an outbreak of avian flu or further global terrorism. We have already seen some significant evidence of the potential impacts of terrorism on the supply of labour to this market. Following the Bali bombings we had quite a substantial drop-off of backpackers coming into Darwin. Their route was via Bali previously. Quite a large number of our workforce came via Bali, and that dropped away substantially. It caused quite a significant problem for us in that season and subsequently.

Another point in relying on a labour force which tends to be short term and not to come back is the loss of investment in the training of staff that do not return to the farm in subsequent years. With locally engaged staff and some Australian harvest-trail staff—and, hopefully, with Pacific labour—there is an opportunity to re-employ previously trained staff and get the benefit all round from that.

For Oolloo Farm Management, our harvest is spread over several sites through the Northern Territory and Queensland. We will be seeking to move staff from site to site as the harvest progresses through these regional areas. Ideally, we would create teams of staff that we could train and invest in and that we could keep for the entire harvest period. Through this, there are mutual benefits for the staff and also for the business. We would seek to re-employ overseas workers—for example, from the Pacific—to the extent that we could.

Given that seasonal harvest staff are already in short supply, our anticipated daily staffing requirement of 400 is a considerable addition to the demand side of the labour market equation. We will obviously be working to increase the supply side of this equation, but it is important, in our view, that we are not limited to only being allowed to focus on the backpacker or working holiday maker market. We do need a wider pool to be able to draw from.

Whilst we have strategies in mind to deal with the identified difficulties of recruiting and retaining adequate staff to service our farming operations, it is our view that the current reliance on backpackers to supplement the limited pool of travelling Australian workers and locally available staff needs to be urgently addressed. I think it is important also to state that our view of any overseas seasonal worker scheme is that it is about the provision of adequate staff numbers—staff with a suitable level of motivation and competence and, desirably, with the capacity to return. It is certainly not about cheap labour rates or the provision of substandard conditions.

As a business we are investing in considerable facilities and activities for the housing and amenity of staff and an employment environment with a heavy focus on health and safety factors. The provision of accommodation, transport, meals and other support services will be an integral part of the employment package that we supply to all our seasonal workers, irrespective of where they come from. So I think it is worth repeating that it is not in any way about obtaining cheaper labour; it is about getting access to sufficient staff numbers.

I notice your terms of reference also include the question of availability and mobility of domestic contract labour. My experience in the Northern Territory is that domestic contract labour is in very short supply. There are two sources of domestic labour. One is the local labour force and the other comprises the domestic harvest trail workers and domestic holiday makers. In the Top End we have had very low levels of participation in seasonal work by local unemployed. I personally believe that this is because the short-term seasonal job offers we make do not in any way satisfy their desire to obtain a long-term solution to their unemployment problem. We just do not get take-up.

As an example of the things we have been trying to do, I have participated as an employer in a proposed upskilling program that was developed by the Northern Territory Horticultural Association, in conjunction with Charles Darwin University, whereby guarantees of work were provided to anyone prepared to attend some preseason training—training which provides some skill sets transferable to other employment. Unfortunately, there were absolutely no starters for that opportunity. That is an example of effort that has initially gone into trying to attract local participants.

Also each year I take on a small number of local unemployed, but they rarely stay for more than a few days. Local unemployed are simply not the solution for seasonal labour needs. I do employ, and give preference to, local staff for full-time opportunities in the ongoing operations of our farm and nursery. At times we have got up to 15 local staff. So I can demonstrate that I am keen to engage competent local staff—we do that whenever we can. It is simply that they are not available in the numbers we need during the season. I have found the other source of domestic labour, the travelling holiday makers, to be very good workers. They are usually quite skilled, highly motivated and competent. They tend to stay for several weeks, and sometimes longer. The

problem is that there are too few of them. Usually that group would make up no more than 25 per cent of the pool of harvest staff we engage during the season.

So, for that term of reference, in my view and from my experience, the Pacific region scheme would not impact either element of the domestic labour pool. This pool is already too small to service current needs let alone the emerging needs that we have identified, such as the farm management requirements I mentioned earlier.

As to another of your terms of reference—the social and economic effects of the proposed scheme on local communities—I can only see the scheme as having great benefits. All of our farms are in regional and remote communities where local economies are generally quite fragile. Our farms are bringing increased investment and spending back into these communities and, in some cases, reversing previous downward cycles. With increased local spending comes the increased sustainability of these communities and an improved social outlook.

Whilst we would expect to accommodate most staff on site, there will be considerable spin-off spending in local communities by seasonal staff. There will be the opportunity for considerable social interaction, which will be of broader benefit. There will also be considerable contracting opportunities for local businesses in a range of related services—for example, support for mechanical repairs and maintenance and transport and food services, which I think is quite a significant spin-off benefit for local communities.

In terms of likely technical, legal and administrative considerations for such a scheme—another part of your terms of reference—I have, a couple of points I would like to make. To manage the risk of overseas workers absconding, it seems appropriate to set up a salary retention scheme allowing for some proportion of earnings to be kept back until the worker's entry permit conditions were fulfilled. This would be best administered by a government authority, such as the ATO, where earnings could be held in trust until the worker's departure.

A second issue is the management of the risk of substandard worker conditions. It would be appropriate to set up some form of accreditation scheme whereby employers would be assessed to be capable of providing suitable safe working conditions, accommodation, transport, wages et cetera. Once accredited, that could easily be maintained on an annual audit basis and could perhaps be administered or contracted out to someone like the harvest trail office, to ensure that only employers offering a suitable standard of working conditions would be able to take on these people.

I note that this inquiry is focusing on the Pacific region as a possible source of seasonal labour. I know that your terms of reference cannot be changed at this stage, but I would just like to make a point about that. It seems that we are unnecessarily limiting options in terms of answers to a significant problem for the industry. From a policy and operational effectiveness perspective, there are other very appropriate locations from which seasonal labour could be sourced. For example, an opportunity exists to assist the economy of our very near neighbour East Timor. Australia has established strong links with East Timor, as has Darwin in particular, and there would be considerable social and economic benefits to that country from such a scheme. In addition, East Timorese workers would be well adapted to our climatic conditions.

In conclusion, I would like to emphasise the fragility of our current reliance on backpackers as the dominant source of seasonal labour for the horticultural industry across Northern Australia. This source of labour will not sustainably support the growth of the horticulture industry and will therefore limit the social and economic sustainability of many regional and rural areas across the Top End. A sudden drop-off in backpacker numbers, which we have already experienced, could cause considerable loss for many horticultural businesses across Australia that are dependent on backpackers for the harvesting of their crops. A more reliable and sustainable labour strategy is needed for the industry and an overseas seasonal labour scheme would achieve this. Thank you.

CHAIR—Thank you very much for your presentation and for the document that you presented to us summarising your verbal presentation to us. You mentioned that you had a number of strategies in mind to deal with the identified difficulties of recruiting and retaining adequate staff to service your farming industry. What are they and how successful have they been?

Mr Vivian—I suppose there are a number of streams and one of them is to do with ensuring that we are competitive in the marketplace in terms of the range of conditions we are offering to employees—that is, salary and conditions such as accommodation, transport and general work environment issues—so that it is a good place to work with a good health and safety track record. I think staff are very quick to identify where the best places to work are. We will be seeking to make sure that we are identified on the radar as being one of those employers that are positive to work with. There is a whole string of components to that in terms of looking after the employees that we get so that we keep them and attract more.

CHAIR—You mentioned that you are investing in facilities, activities, housing and amenities. Maybe you could detail some of those issues. I would also like to ask you about the wages and actual working conditions as well.

Mr Vivian—As I said earlier, I have two hats on here. In terms of the early farm management activities, there are current young plantings so I cannot talk from experience in terms of what the seasonal harvesting offer has been. I can talk about what is being planned. In terms of PAL Enterprises, I can talk more about what we have been doing in the past as well as what is planned for the future. With regard to work conditions and wages, the Northern Territory Horticulture Association last year for the first year recommended an hourly industry rate. We have always applied that as a minimum.

CHAIR—What is it?

Mr Vivian—It was $16, from memory, last year—or it might have been $15. You might just question—

CHAIR—Is that per hour?

Mr Vivian—Yes.

CHAIR—It is not on a piece rate?

Mr Vivian—No. You might wish to question Tracey Leo on that one. She will know for sure. The question of piece rates is difficult in the mango industry. There is an issue of maintaining quality, and quality can be seriously affected by speed. You have to get that balance right. There are some incentives that we have built into previous offers and that we can build into future offers such as bonuses for staying the whole season et cetera. But, generally, whilst there has been some experimenting with piece rates, it is not a widely adopted approach in the mango industry.

In terms of the broader issue of working conditions, I suppose there is a whole string of things that you try and do. We are picking here in the worst time of the year. It is the build-up. It is very humid, very hot, so we go about making sure that our staff are provided with good protection such as sunscreen et cetera, making sure that they have good clothing on and providing a good water supply et cetera on the machines we pick from, the travelling harvest aids. We look to provide all of the things we can to allow staff to manage working in that hot, humid environment. We provide regular breaks and smokos et cetera during the day.

CHAIR—What about the cost of accommodation and amenities? I make the point that, while $16 is above the absolute minimum legal wage, it is only a number of cents above that. If people are then being required and asked to work away from their normal place of residence, what costs then eat into that fairly low wage?

Mr Vivian—One thing we also do is provide accommodation on site. We have found that that helps us a lot, and it obviously helps the workforce. This particular workforce is often without transport, so—

CHAIR—When you say that you provide it, is it provided at a cost?

Mr Vivian—A very marginal cost. If people are in airconditioned space, for example, we recoup the cost of electricity effectively, but it is at a highly subsidised price.

CHAIR—What about meals and things? Again, if they are in accommodation on farms, I do not suppose there is a milk bar down at the local corner or a takeaway or—

Mr Vivian—Not within walking distance, that is right. In the past, we have provided meals during the day for our workers—but not the evening meals, just at the lunchtime break. Certainly, in terms of where Oolloo Farm Management is heading, the plan is to provide a full meal service and accommodation, the whole works, because we are asking people in that situation to work in far more remote locations than my current farm just south of Darwin.

Senator BARNETT—Is that all meals or just lunch?

Mr Vivian—We would be looking at providing a fully catered service. It will be difficult for staff to get back to locations where they can buy their food, so that would be the plan there.

CHAIR—So how far out are your farms? The point of this question is: is there the ability at the end of the work day to come into a town or something, or, once you are out in these areas, are you really out there and locked away for the duration of the harvest?

Mr Vivian—I can give you a picture of where some of the farms are currently located. We have farms in the order of 30 or 40 kilometres outside of Katherine; south of Mataranka, a small township which is itself about an hour south of Katherine, where the farm is about 20 minutes, say, out of Mataranka; and also we are over in Dimbulah, which is inland from Mareeba, in North Queensland. The capacity exists for staff to drive back into those towns. It is not so far out that they cannot get back in, but often the workforce does not want to do that.

My experience is that staff want to work as many hours as they can. They are seeking to spend as little money as possible and pocket as much money as they can, fund themselves to the next stage of their trip and do a bit of holiday-making along the way. So generally staff seek to work hours as long they can, and they seek not to go off and spend the money in between times. If you provide a fully catered service with accommodation and everything there then they tend to stay. But the capacity for staff to get back would really be a little bit dependent for a lot of them on what we put on for transport.

There are a range of things that we might well be able to do as part of supporting and attracting staff. It depends on the nature of that workforce. Based on the current backpacker workforce there is opportunity for us to provide a range of recreational support services for those staff as well—taking them off to local tourist destinations, for example, as breaks on the weekend. But it depends on the workforce and what they want to do. Some of those staff, from our experience, do not want to go off doing anything else—they would rather work seven days a week for a few weeks and pocket as much as they can and then move on to the next destination.

CHAIR—Explain to me how that happens, because most of the areas we have visited so far, in effect, work on a piece rate arrangement so the minimum rate only comes into effect if they do not pick enough to get above that in the first place. If people are working seven days a week and more than eight hours a day, does a penalty rate regime apply?

Mr Vivian—We do not generally want our people to work seven days. We seek to have a break, so six days would generally be the maximum in the peak of the harvest when we are really moving to get everything off. To the extent that we can keep it to five or 5½ days we would seek to do that, but obviously in the peak of the harvest all stops are out to get the crop off whilst you can. On the question of penalty rates, we are paying casual rates which factor in the fact that it is an hourly rate for whatever hours are worked.

CHAIR—Is it $16 plus 20 per cent?

Mr Vivian—The $16 is a casual rate.

CHAIR—That is the legal minimum rate now.

Mr Vivian—I will not argue with that but I do not understand that to be the case.

CHAIR—It is. Because you have made the point—you have underlined it in your submission—that it is certainly not about cheap labour rates or the provision of substandard conditions, one of the things that concerns the committee is: how can we be sure of that?

Mr Vivian—I suppose the issue for us is that in our business we will be seeking to secure, through whatever means are necessary, the staff that are needed to support that business. We can demonstrate that the rates that we are paying and the conditions of service that we have in place on our farms do meet a high standard of workplace practices and in the adoption of a very strict focus on ensuring safety in the workplace et cetera, and in providing good quality accommodation et cetera.

The way we could demonstrate that is really through coming and looking. That is why I suggest, later on in the submission, that if the committee has a concern about that area in terms of an implementation issue it would be wise to have in place a form of accreditation so that employers who were able to take up this opportunity had to demonstrate that they had dealt with all of the issues that might be seen as a risk in terms of conditions and wages et cetera. I think that is the answer to how you can be sure of it.

CHAIR—I have a question about the upskilling program developed by the NTHA and the Charles Darwin University which you talked about. First of all, were the opportunities out of town?

Mr Vivian—The opportunities were wherever the farms were for each of the employers that put their hands up. I do not know where all the other farms were. My farm is 60 kilometres out of town so it is an hour's drive from the centre of Darwin but we were providing accommodation and would have provided a service in terms of bringing those people out to that accommodation.

CHAIR—Was some analysis done on why that system failed? It immediately occurs to me that an unemployed person, especially if they have some dependants or other family responsibilities, has to maintain accommodation, so there are costs still occurring where they are from, even though they may have gone elsewhere, and they would have incurred even more costs in moving. So I am wondering what analysis was done of the failure and, if there was an analysis, what was identified as the reason it failed.

Mr Vivian—My suggestion is that would be best addressed to the NTHA. I think the issue is that there were no take-ups, so it is hard to analyse in depth.

CHAIR—As for my final question, you talk about the travelling holidaymakers being good workers and making up no more than 25 per cent of your seasonal staff. Has this actually dropped off or is it a lower proportion based on percentage terms? Is the number the same or is the number higher?

Mr Vivian—It does vary from year to year but I certainly could not say that it has dropped. Each year the make-up is slightly different, and through the course of the season it changes a little too. That was just giving you an indication of the average proportion of the workforce that falls into that category.

Senator BARNETT—Thank you, Mr Vivian, for your presentation. When comparing the Northern Territory and Queensland, are there significant differences in terms of the need for labour? You mentioned the Bali bombings and I assume they impacted on the Northern Territory. Are there many differences in terms of access to labour or are you focusing on the NT and the concerns up here?

Mr Vivian—My comments are predominantly focusing on the NT because, as I said earlier in my introduction, which you might have missed, the issue here is that we have been operating with harvesting in Darwin but we have not had a harvesting experience yet in Dimboola. I cannot give you a direct response; it would be more anecdotal, so maybe I should not.

Senator BARNETT—That is fine. Do you believe that the current arrangements that we have are restricting your turnover and limiting your income or, to use the future tense, will restrict your turnover and will limit your income?

Mr Vivian—There are several factors as to that. Yes is the answer. As I have tried to explain in my submission, there are a number of costs associated with a high-turnover workforce. That is one issue. There are a number of costs associated with the difficulty in obtaining that workforce, in being out there having to work very hard to try to make sure that you do have the staff when you need them. Often there is no warning as to the fact that some of our workforce will decide to move on the next day. There is a whole lot of difficulties—and related costs—associated with managing that type of workforce, which is very mobile. There is also the issue of being unable to ramp up your available staff for your peak harvest; therefore there is the loss of your capacity to harvest your full crop. There have been experiences such as that in the Territory and the industry has suffered as a result of not being able to get its crops harvested.

Senator BARNETT—And you have had that experience?

Mr Vivian—We had that experience a couple of years ago.

Senator BARNETT—That is where, if you can see it from a layman's point of view, the mangoes stay on the plant for too long and when they are picked they are not worth the same amount as previously or they simply stay there and are not picked. Is that how it works?

Mr Vivian—That is right. It is simply not harvesting the crop. That has been my experience with PAL Enterprises. We will be investing considerably more effort into our farm management to ensure that does not happen, and there are a number of other strategies that we can bring to bear because, as we are a much bigger company, we can do that.

Senator BARNETT—You mentioned 25 per cent being the working holidaymakers.

Mr Vivian—And local staff.

Senator BARNETT—So where is the other 75 per cent? Is that backpackers?

Mr Vivian—Yes.

Senator BARNETT—The NTHA mentioned in their submission 62 per cent. That was for 2004, but based on previous years the trend is that that figure seems to be going up—and we will check that figure shortly. So yours is 75 per cent?

Mr Vivian—That is right. That is for my PAL Enterprises farm.

Senator BARNETT—Does that include Queensland or is it just for NT?

Mr Vivian—Just NT. I might just comment as to why we probably have a higher proportion than the industry average. We have an ongoing nursery production business, as I mentioned. We employ quite a lot of local staff in that business. Therefore we have the opportunity to draw from that pool for our harvesting as well. I would expect that we would have a higher proportion of local staff than the industry generally might have.

Senator BARNETT—Has your business benefited or been impacted in any way from the Welfare to Work reforms that the government has introduced to provide incentives for people to get off welfare and into work?

Mr Vivian—Not that I could say with any certainty.

Senator BARNETT—Just focusing on the work visa and the accreditation—I think you mentioned accreditation—you have touched on accommodation and travel. What period of employment would you want people for? You mentioned East Timor as a possible option—and thanks for mentioning that; it clearly makes sense up here because they are close neighbours. What period of employment are we looking at? Who would pay for the accommodation and travel? Who would pay for them to get from East Timor, for example, to the Northern Territory?

Mr Vivian—In terms of the last part of your question about the cost of travel—and I am not speaking from an industry perspective—we would be looking to pick up the costs of travel and moving our staff from site to site. As I said earlier, we have sites spread in a way that enables us to start harvesting and then move from farm to farm as those harvest periods continue through.

Senator BARNETT—What about travel costs from, say, East Timor to Darwin?

Mr Vivian—I think we would be seeing that as the cost of getting those staff here; and that would be fine as long as we could secure those people. The other part of your question was about the time frame. We would be looking to keep on as many people as we could from the start of our harvest—which would be around October or, depending on the season, slightly earlier than that—right through to, potentially, February. So to the extent that we can take people on and keep them with a harvest, there is obviously a significant benefit in retraining and skills development.

Senator BARNETT—Would you say that the costs of travel and accommodation would be outweighed by the benefit of keeping them for that period of time?

Mr Vivian—Absolutely.

Senator BARNETT—So you would happily pay the costs of travel and accommodation and so on?

Mr Vivian—I would see the costs as being far outweighed, yes.

Senator BARNETT—Are there any other accreditation conditions that you would apply? For example, which would be the employing entity: a contractor or you?

Mr Vivian—We would do it ourselves. There are possibilities for others to do it as well. I think the industry would benefit from a range of options. I am sure there would be some enterprises that would prefer to have that service provided by someone else. In our case, we will need a sufficient number of staff to warrant doing it ourselves. What was your question again?

Senator BARNETT—I was just asking whether you or a contractor would be the employing entity.

Mr Vivian—It would be Oolloo Farm Management in this case. It would be us as the employing entity. As for the other conditions that you mentioned, there are things like on-farm practices from an employee safety point of view: a good demonstration of OH&S systems and adequacy of training so that staff are aware of those systems and can work in an environment that is protecting their wellbeing. There might well be some language issues that need to be serviced; we might be looking at providing interpreter services. It would depend a little bit on what the selection was based on.

Senator BARNETT—The NTHA, for example, referred in their submission to a code of conduct attached to the accreditation. Would you be willing to sign up to a code of conduct if you took part in such a scheme?

Mr Vivian—Yes. I think that would be a very good thing for the industry to do.

CHAIR—Mr Vivian, I indicated to you earlier that $16 an hour was less than the minimum rate for a casual. I have redone my sums, and my calculation is that the minimum wage for a casual worker is $15.31 an hour. You said that paying people casual rates would remove the need to pay penalty rates. That is not actually the case. Are you saying that you do not pay penalty rates in the industry now for time worked outside the normal eight hours?

Mr Vivian—My understanding is that the casual rate does incorporate a factor, which you have described, which recognises the fact that longer hours may or may not be worked. As I described earlier, most of the staff who come on board want to work longer hours. If you limit yourself to an eight-hour day, five days a week, those staff will quickly move on to another farm that offers them more hours.

CHAIR—It is not about a limitation on the number of hours they can work; it is more about the amount of pay people get for it.

Mr Vivian—As I said, I understand that the casual rate factors that in. Thank you for pointing out that $16 is within the law. I am glad to hear that!

CHAIR—I do not want to labour the point, because we are not going to have a debate about the interpretation of awards here, but someone employed on a casual rate is still entitled to penalty rates, unless those provisions are deliberately removed under an AWA, under the current legislation. Would you be seeking to employ people on individual contracts?

Mr Vivian—We would be seeking to employ people on a consistent workplace agreement. The plan would be to have a workplace agreement in place to provide for the expectations of the employer and employee.

CHAIR—Would you be seeking, in such an agreement, to remove some of the protected award conditions?

Mr Vivian—We would be seeking an outcome that provided staff with an attractive salary package and a set of conditions that enticed them to come and work for us. That is what we would be seeking to do. We would want it to be productive in getting the outcome for our farms and productive in providing the employees with a set of conditions that they would want to work under.

Senator McEWEN—A question I have asked of a number of horticultural producers around the country is: why did you go and plant so much crop without any guaranteed labour supply?

Mr Vivian—We have planted crop because the economic analysis shows that it is profitable to do so. There are a whole string of issues that need to be managed in the delivery and operation of those enterprises to provide returns on investment, and one of them is the risk of labour availability. Our assessment is that we can manage those risks. That does not mean to say that those risks are not there. There might be other things that can be done, apart from our own efforts, to change the environment in which we are working—in other words, to make it easier on the industry. But, basically, the answer is that we do think we can obtain the labour that is required to support these enterprises. Whether the whole industry can continue to source sufficient labour is another question.

Senator McEWEN—You must have proceeded with your expansion on the basis that you would provide improved accommodation, transport, wages and everything like that.

Mr Vivian—Yes.

Senator McEWEN—I am not quite sure how that fits in, then, with bringing in labour from overseas.

Mr Vivian—I suppose there are three or four benefits. We can improve staff retention, and there are a whole lot of spin-off benefits from being able to do that. We can reduce the risk of sudden shocks which are external to our business. An economic downturn or further terrorism are examples of outside global shocks that we can do very little about managing when we have a heavy reliance on backpackers as a source of labour.

Senator McEWEN—You made the point that when the most recent Bali bombings occurred, the number of backpackers coming to Australia diminished considerably. Has that gone up again?

Mr Vivian—Those coming through Bali to Darwin?

Senator McEWEN—Yes.

Mr Vivian—I cannot comment on the total number of backpackers coming to Australia. I do not have that number. In terms of direct entry to Darwin, there was certainly a drop-off. If they do not come directly into Darwin and they start by coming into Sydney, Cairns or somewhere

else, the issue for us is: when will they get back here? Will they get back here in the time frame that is necessary for our harvest? That is where we suffered.

Senator McEWEN—Have they started to come in again from Bali?

Mr Vivian—I do not know whether they are back to the same numbers. Tracey Leo might have some information on that, which could help.

Senator McEWEN—What about from your point of view as a producer?

Mr Vivian—A couple of years have been different. Last year we had a smaller crop. We did not have any significant shortages last year. Probably our proportion of local versus overseas workers was much higher as a result of local staff, which, as I said, I base quite a bit of my employment on. So we did not experience a significant negative last year, but we certainly did in the year before.

Senator McEWEN—Can you give us an estimate of what portion of your costs of production are labour costs? I am sure that it is more than an estimate. You would know per mango how much of it is labour cost. I am talking about the harvesting labour that we are considering as part of this inquiry.

Mr Vivian—I would have to think a bit about that. I have not put it into the frame of taking out the harvesting component, so I cannot answer that off the top of my head. I am quite happy to come back to you with an answer on that.

Senator BARNETT—What about labour for your total cost of production?

Mr Vivian—I will come back to the committee with those answers, if you wish.

Senator McEWEN—In your submission, you said that one of the benefits of bringing in guest labour is that they spend in the communities where they are placed. Also in your submission you said that, because farms are often located a long way from anywhere that workers can spend money, they are not going to spend any money. Which is it?

Mr Vivian—Also in my submission I suggested a salary retention scheme. Obviously that would limit salary spent in the community as well.

Senator McEWEN—They are not going to buy those pies at Mataranka pie shop, I am sure.

Mr Vivian—They will still do a bit of that, I am sure. I was talking more generally. In fairness, it does not change much whether it is a backpacker or a guest worker. I was just talking about the general benefits of sustainable horticultural development in rural and regional Australia, and I do not think there is necessarily a great deal of difference whether it is a backpacker or a guest worker. Despite the fact that people are trying to put as much of their wages in their pockets as they can to help with the next stage of their travel—if it is a backpacker, for example—there is still quite a bit of spin-off in the local community from a proportion of the salary that they do go out and enjoy themselves with. As I said earlier, in the case of PAL Enterprises, we do not provide all meals. So they go down to the local shop, buy

their tucker for the week, bring it back to the farm and fill up the fridges. That is done locally. They go down to the pub on the weekends and those sorts of things.

CHAIR—Thank you very much for your presentation and submission to us today, Mr Vivian.

[3.20 pm]

LEO, Ms Tracey Lynne, Principal Officer, Northern Territory Horticultural Association

DAVEY, Mr Alan William (Bill), Grower Representative and Director, Northern Territory Mango Industry Association

DELIS, Mr Peter, Past President, Northern Territory Mango Industry Association

MARKS, Mr Peter Vernon, President, Northern Territory Mango Industry Association

CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Mr Davey—I am representing Eumaralla Plantation, which is part of the Yandilla Park management group. Further, I am here as a representative of the Northern Territory Mango Industry Association. My second name is William, so everyone has called me Bill for the last 40 years.

Mr Marks—My property name is Ballongilly Farms, at Katherine. I am President of the Northern Territory Mango Industry Association, and I am also a board member of the Australian Mango Industry Association.

Mr Delis—I am a past president of the NT Mango Industry Association that headed up one of the initiative programs to do with labour harvest management as a result of the crisis in labour shortage that we experienced in 2002. I am here to lend some assistance in that area. In addition to that, I also work for a business, Jabiru Tropical Orchards, a plantation of some 800 acres, and I also sit on the Horticulture Australia mango advisory committee for managing the statutory levies.

CHAIR—Thank you very much. I think it is just the Northern Territory Horticultural Association that has provided a written submission. Thank you very much for that. It was very detailed and considered. Are there any changes or additions to that submission?

Ms Leo—I would like to make one small amendment and two points of clarification, if I could. On page 4, I incorrectly stated that the nursery industry did not have any unskilled labour requirements. Following further consultation with the nursery industry: they do have requirements for unskilled labourers.

CHAIR—That is the last paragraph?

Ms Leo—Yes.

CHAIR—Thank you.

Ms Leo—On page 5, I would also like to clarify that the figures quoted are a compilation of the data provided to us from the two major labour service providers, and they do not include workers recruited directly by a farm. The second point of clarification is for page 9. The ratio that we have used for working out labour requirements I believe is conservative. It is based on the industry average of one picker and packer per 1,000 trays. This is assuming a non-select pick and does not include staff turnover.

CHAIR—Thank you for those corrections and clarifications.

Mr Delis—Can I also add one more thing?

CHAIR—Yes.

Mr Delis—On page 7 it says that the industry was devastated in the 2002 harvest. It was difficult to assess it after the crop hit the deck, but certainly when I was involved in the ring-around, anecdotal evidence from the growers I spoke to estimated that somewhere in the order of 15 to 20 per cent of the crop was not harvested in that year.

CHAIR—I now invite both organisations, if you desire, to make an opening statement, and that will be followed by questions from the committee.

Ms Leo—I would like to do that on behalf of the group. Firstly, welcome to the Northern Territory. Thank you very much for coming up and providing us with the opportunity to speak with you today. I am not an expert in economics, but I would like to just provide you with some information about what we believe to be the—

CHAIR—Even the experts are not experts, so do not worry about that!

Ms Leo—Okay. Horticulture has experienced the fastest growth of any Northern Territory agricultural industry over the past decade. The total area under horticulture production in the Northern Territory is estimated to be around 10,000 hectares. The value of the industry has grown from $500,000 in the early 1980s to almost $100 million in 2004. The mango industry makes up around 44 per cent of the Northern Territory horticulture industry, contributing $42.9 million in 2004.

According to a recent government study, each $1 million of growth in the mango industry alone generates an estimated additional output of $422,000 in the rest of the Northern Territory economy. For each additional $1 million of production, 3.7 jobs are created in other sectors, including service providers to the industry and the wholesale and retail trade. Labour shortages are limiting the potential growth of the industry. Projections by the Department of Business, Industry and Regional Development in 2004 estimated that, due to the lack of labour this year, 2006, the economic loss in direct and indirect benefits would range from $5.8 million to $26.1 million, depending on seasonal conditions.

I feel that it is important for the committee to understand the economic impacts we experience because of labour shortages. As an industry, we believe that we have been very dedicated in trying to address labour shortages, but currently the success of our efforts is determined by too many external factors over which we have no control. Horticulture is integral to the

sustainability of regional and rural Australia. If our industry is to have confidence in business growth, we need to be able to position ourselves to secure labour.

CHAIR—Thank you. As I indicated, your submission has touched on many of the issues that the committee has been trying to grapple with over the time it has been inquiring into this issue. You also have identified the difficulties in attracting labour under the present arrangements and have indicated a fairly long and comprehensive list. It starts with transport for workers and continues with picking locations, accommodation, low and variable rates of pay, occupational health and safety, staff management, communication between industry and labour providers, harvest forecast information, lack of training for workers, poor links between job seekers and providers, lack of marketing to attract workers into the harvest industry and poor representation on the national harvest trail. As a generalisation, I would say that this is fairly backbreaking work undertaken in some of the most difficult circumstances, yet the wages still are at or around the legal minimum and the conditions are fairly average. Generally, this sort of work requires people to move from where they normally reside, unless they are locals—and they represent only a small percentage. If I heard him correctly, our last witness indicated that he thought he would be prepared to fly people in from East Timor, which would be quite a considerable expense. I just wonder why some of those costs would not be afforded automatically to Australian workers presently. Most of the submissions we have received indicate that it is not about getting cheap labour or reducing terms and conditions; as I have said, generally they are at the bottom anyway. Why hasn't there been a substantial rebadging and revaluing of this industry's work to attract Australian workers, as it presently stands?

Ms Leo—I will make two comments. Firstly, if we are talking about the cost of labour, currently that cost represents about 50 per cent of the cost of production. We are in a global trading environment and are competing with producers in other regions where 50 per cent of their cost is not labour. I do not think the industry has the capacity to increase wages much more than it has done already and still remain profitable. We do have industry members who fly in experienced people or people they have employed before, the cost of which they cover. That currently happens in our domestic situation. However, unfortunately, there are not enough of these experienced people; for example, because it is seasonal work and is only provided for a small period of the year, many of them find other career paths and simply are not available.

CHAIR—The program—I just cannot find it in your submission now—I think was conducted by you and one of the universities.

Ms Leo—Charles Darwin University.

CHAIR—That is right. That failed?

Ms Leo—Yes.

CHAIR—I asked the last witness whether any analysis had been done on why that particular program had failed and had not been taken up. If an analysis was done, could you enlighten the committee on what its results were? Failing any serious analysis having been done, you might give us your view on why the program failed.

Ms Leo—Sure. I will start with why this course was developed and how it came about. In consultation with local Job Network providers, one of the questions we asked was: why do people not want to come into harvest work and why do unemployed people not want to work in harvest? Much of the feedback that we received was that there was no value in it for them. They were not being recognised for the skills they had acquired when doing it. Even when they came back into the industry, there was no formal recognition of the skills they had acquired in previous harvests. Unemployed people also indicated that sacrificing their welfare for such a short period of time caused them economic loss. We developed this program to provide this sector of people with some incentive and encouragement to come into the industry. In doing that, we worked with the Department of Employment and Workplace Relations and the Charles Darwin University, which would actually deliver the training. The target group for this program was the long-term unemployed or people who were eligible for—and I am not up with all the DEWR lingo—free training; assistance with transport, being bussed to training and to the workplace; and the provision of work clothing, such as boots et cetera. We were focusing the program on that target group.

CHAIR—Is it fair to describe the target group as locals?

Ms Leo—Yes, absolutely. The reason we went down this path was that, firstly, we were trying to work out why people were not coming into employment and, secondly, as an industry, we were being criticised for not employing local unemployed people. We tried very hard to engage that group of people and, in doing so, the Job Network providers said to us, 'Okay, we're prepared to work with you on this but, with the people we put through this training, we want a commitment of employment.' We put out an expression of interest to 175 mango growers in the Northern Territory, being our membership base, to see whether there would be a commitment of employment if this program were developed; the initial feedback we received was that there would be.

CHAIR—Would that be just across the harvest season?

Ms Leo—Yes, just across the harvest season.

CHAIR—So we are not talking about permanent ongoing employment.

Ms Leo—We are not talking about permanent employment. The idea was that all the elevated platform operation, the tractor, the forklift, the chainsaw, the occupational health and safety and the best practice mango handling would be accredited modules; they were brought out of the training packages. After people had completed this training, they would go into the workforce for a seasonal period of employment and would come out with accredited certificates. In addition, there would be chemical risk management training, which is not documented here. These people would come out of this experience with accreditation. The certificate for elevated work platform, for example, is used not only in the horticultural industry but also in the construction industry. The chemical training certificate is used also in domestic cleaning and other industry sectors. Obviously, the forklift ticket and the chainsaw operation accreditations or training certificates could be used in other industries.

We argued that, while perhaps the employment opportunity in horticulture may not be the most attractive part of undertaking this, there were certainly, we believed, other advantages in

doing the program. The benefit for us was that we would then have access to these people for the harvest. We were hoping it would be a program that we could run annually to encourage other unemployed people into the industry and, on a best case scenario, they would return to the industry.

We then went back to the table assuring the Department of Employment and Workplace Relations, the Job Network providers and the university that we would get a commitment from the industry to provide those employment opportunities for people. To formalise that we sent out almost a mini contract. The growers nominated how many people they would commit to employing and they signed off on committing to do that. At the end of that we had 113 guaranteed employment places if we could produce that many successful candidates.

CHAIR—That would be employment regardless of rain, hail or shine?

Ms Leo—The training component of the program was almost, if you like, the test. If they made it through all of the training then we would be reasonably confident that they were going to continue into employment. That was our commitment—people had to successfully undertake the training.

CHAIR—But, once they got that, the employment that was being guaranteed that the employers had signed onto was for in effect full hours over the season?

Ms Leo—Yes, it was.

CHAIR—So, if there were weather constraints, people were not simply put off—they would have ongoing employment?

Ms Leo—Yes. They were given priority over other staff. If employers were supplementing their staffing with either backpackers or people outside this program, these people were the priority. There was a commitment that they would be prioritised—short of a natural disaster. As I said, there were 113 guaranteed employment placements from the industry sector. We needed eight candidates from the unemployed sector to run the training. That was the minimum that Charles Darwin University needed. It had to be cost-effective for them. We could not secure eight candidates. Following that, with regard to your analysis—

Senator BARNETT—How many could you secure out of eight?

Ms Leo—Three.

Mr Delis—Can I add a point to that as well? It is important to note that there are 100,000 people that live in Darwin. I think at the time there was 3.4 per cent unemployment in the Territory. But we could not get enough people to fill these positions.

CHAIR—There is only 3.4 per cent unemployment in Darwin?

Mr Delis—That is what I have been told. That is what it was at the time. It was around that mark. So you are talking about 3½ thousand people that did not have work in the Darwin region. We could not get enough people to fill eight positions.

CHAIR—We will not jump to conclusions about that. There is a whole range of reasons why people are unemployed. In fact, some economists would say—and we have recognised that no-one is an expert in this—that that unemployment rate is actually more than full employment. But we will not go down that path.

Mr Delis—It is interesting, though, because, if you say that, you have to question what we are doing here now. If we are at that capacity, why are we having a debate about whether we need this or not?

CHAIR—We are having the debate because it is very necessary. It is not as simple as that. We wish it was.

Ms Leo—Just to respond to your question about the analysis that was done, I have the correspondence that I sent out via email to all of the Job Network and employment agencies in the program. I will just read the actual email. It says:

Hi all,

I have just received notification from Charles Darwin University that the mango harvest course is to be cancelled due to lack of participants. Obviously, this is extremely disappointing from both an industry perspective and a personal involvement perspective.

We had actually done quite a lot of work to try and make this happen. The email continues:

Could the Job Network providers please provide some background as to why they think there was little interest from job seekers. Your feedback will enable me to prepare an accurate assessment report of the project to present to the Northern Territory Horticultural Association and the Northern Territory Mango Industry Association board of directors. I will also be required to advise the growers who have committed employment places for these trainees. Your feedback would be most appreciated.

Worryingly, one of the emails that I got back from the Job Network providers actually suggested that there was no support from the Job Network providers themselves. I do not fully understand the allocation of funds to long-term unemployed people, but there is an allocation of funds to these people. This program was going to utilise those funds to pay for some of the training—their boots, the buses, transfers et cetera. The Job Network providers felt that basically it was a waste of money—that it was not a good investment of those funds, because they were not going to be receiving long-term employment outcomes. They did not accept that the training accreditations would be as beneficial as we as an industry thought they would be. That was just one feedback. Basically it was not supported by the individual caseworkers of the Job Network providers.

CHAIR—You were relying on these people to promote this.

Ms Leo—Absolutely. So that was quite heartbreaking. This is not at management level or the people we were working with; this is when they were filtering it down to the individual caseworkers.

CHAIR—Is there any final overview of the program about why it—

Ms Leo—No. I guess the reason that has not occurred is that, as a small industry association, we are very limited in resources. Basically we were instructed that we could not continue to use our resources on this project; we had to start doing something that was going to deliver outcomes basically. Most of the feedback was that people were just not interested. The group that we were attempting to target did not want to participate. They did not want to work in the mango industry and they could not see the relevance of the training. So from both the providers and the potential candidates there was just a complete lack of interest I guess.

CHAIR—The previous witness talked about the wages paid in the mango industry, which is effectively an hourly rate. Is that the same across the other industries that you represent or is it predominantly piece rates?

Ms Leo—It is predominantly hourly rates in the Northern Territory across all the industry sectors.

CHAIR—You have indicated that you had an industry recommended rate in your submission.

Ms Leo—The industry agreed minimum rate of pay is currently $15.50. This was before the new laws came in. We are aware now that we are only just slightly above the minimum.

CHAIR—That is $15.50 as a casual?

Ms Leo—Yes.

Mr Delis—The other thing that might be of benefit to you is understanding how we arrive at that rate. There is no award in the Territory for what is being done. What we have done in the past is look at other awards around the country and taken an average. That is how it has been arrived at—finding out what the industry is paying across the board and trying to mirror that.

CHAIR—I was not aware of that. There is no award covering rural workers in the Northern Territory?

Mr Delis—No.

Ms Leo—To elaborate on that further, we are under the federal award and we aligned ourselves with the wholesale/retail industry award minimum at that time.

CHAIR—It staggers me a little bit. I would have thought that there would have been a federal award that specifically covers rural workers.

Mr Delis—There is a federal award that came originally out of Victoria through the Victorian Farmers Federation, which is a horticultural award. We actually looked at that as well as part of our process.

CHAIR—But it does not actually cover workers in the Northern Territory?

Mr Delis—No. Because we are a territory the local award, if there is one, takes precedence. There is no local award. There have been attempts to negotiate a local award which have not

gone anywhere. We have been approached on two occasions that I can recall by the unions when I was involved. Then we looked at the federal award through the VFF—the Victorian Farmers Federation. That was what we were going to pursue. As an industry we were going to go down that path.

CHAIR—One of the things the submission identifies is that low and variable rates of pay is one of the issues that makes the industry unattractive to people. I wonder how you are moving to address that. There are low rates but also, as I understand it, people are employed on a casual rate. The work may fluctuate and they may have had to leave their home, if they are based away in a regional centre, and be paying for accommodation, but the availability of consistent work not being there would also be an added impediment. Again, if the work dries up or if it is not suitable picking conditions that particular day, what happens to casual workers? In terms of that dot point about low and variable rates of pay, I wonder what sorts of things you are putting in place to address that.

Mr Delis—I will qualify how that was arrived at. In 2002, as a consequence of having a shortfall in labour, we convened all the labour service providers, including the government departments, and had a frank discussion about what they identified as the issues, and that was one of the things talked about. The industry came from that base, but I am not sure it is the case that the industry is currently at that base. I can tell you from our business experience that two years ago there was a labour shortage. We were paying people $18 an hour to come and pick mangoes. On top of that, we had a performance bonus, which saw some people with a take-home salary equivalent to $75,000 a year for picking mangoes. I am not sure, but that is slightly above the minimum award, I would imagine. There is a history there of where it used to be, but to say that that is where it is at the moment I think is a bit unjust.

CHAIR—That begs the question: if there was the ability to pay higher wages at a time of labour crisis, and now we are looking at a potential labour crisis into the future, why aren't the same strategies being adopted?

Mr Marks—I will talk about how we put our business together. We came to the Northern Territory in 1983 and bought a piece of land from a cattle station about 30 kilometres south-west of Katherine. One of the things we identified immediately was that having casual labour was going to be an issue, so we brought in accommodation. Right from the word go, we have accommodated people on the property. You will see that tomorrow as part of your trip around. In the early years, we focused on growing cucurbits, until our mango orchard developed to the point where we stopped doing the cucurbits, and from 2000 onwards we have done only mangoes.

Originally, we used to just advertise in the local paper for workers. Katherine went through a very big boom time in the eighties with the development of Tindal. Up until the 1998 flood, it had been fair booming along. A lot of backpackers were coming through. We seemed to get backpackers very regularly. One of the attractions for them of working for us was, as they said, that they could live on the property. That continues to be the case.

As far as minimum wages go, that is only a guide. Certainly, we pay well above the minimum wages plus we have performance bonuses plus, at the end of the day, we do not charge them anything for their accommodation, so people who come and work can always go away feeling as

though they have been well rewarded. We can only work within the limits of our abilities to manage and make a profit, because with no profit we do not exist. We are only a family farm; we have no external funding from any corporate sources. That is how we manage to keep our show going.

CHAIR—Do you find that paying higher wages and providing those other benefits attracts more workers to your business than others?

Mr Marks—Yes. There are two parts to it. One of the biggest problems is having to keep retraining people. Part of the bonus system is based on whether you stay to the end. That is critical to us, because you spend a lot of time teaching people what to do. In the past I have said to people that I do not believe we will have an issue, because of the way we are set up. There are other people with farms set up like ours, where the workers will choose first. We have had times where I reckon our workforce has been nearly 70 per cent backpackers. When the Work for the Dole scheme was on, we saw more young Australians travelling. I do not know why, but when we asked why they had come they said, 'We are working for the dole, so we might as well get out and about and have a look around the country.' In our circumstances we also get a lot of couples.

CHAIR—Have you found that drying up at all? Are they holiday-maker couples?

Mr Marks—They are all sorts. We have also had what we called the grey nomads. We have areas where they can put caravans.

CHAIR—I am asking about that because we have had some evidence of some changes to the nature of the reporting for age pension benefits and other benefits. It used to be averaged over a 12-month period, and I think it is now averaged over a 12-week period. In effect this has discouraged people from doing work for a period of time because you have to go through all the paperwork and you end up losing your benefits for a period of time and then you have to claim them back, rather than continuing it and balancing it at the end of the year. Have you experienced people complaining about that at all?

Mr Marks—I do not fully understand what you are talking about. People complain continually that if they go to work they will lose benefits. They say, 'I've got to go off to the dole office and fill out these forms today.' We say, 'Why can't we do it here and fax it through?'

CHAIR—Why can't you? Do you know?

Mr Marks—I do not know. It is too complicated for me to understand bureaucracy the way it is set up.

Mr Delis—Can I just come back to the question you asked me before? We are digressing a little bit. You asked me a question about why the industry is paying more than it was in the past, and why that willingness was not there before. Talking again from my own perspective, in the year that we paid $18 an hour we made a corporate loss. So it is not the case that we were taking what we could have been paying to anybody. The reality is that horticulture is almost unique. You spend all your money upfront—all your input costs are upfront. Then you have no expectation of what your return is going to be. So there is a tendency for people to look at their

budget and at where their overheads are, and to scrimp and save as much as they possibly can because they do not know what their returns will be. The problem has been exacerbated by the lack of transparency in the marketplace, which I understand the cabinet is dealing with through the code of practice that was initiated up in the Territory. But it has not been done because people have not been able to afford it, and they have made losses when they paid that kind of money.

CHAIR—Are you saying that it was the wages component that drove you to have a corporate loss that year?

Mr Delis—It came fairly close to it, yes. From memory—and I am happy to come back with some exact figures—the additional cost to the business as a consequence of that was $75,000 worth of wages for the extra period that we did that.

CHAIR—It is my experience that generally there is a whole range of factors in some of those things. I am not saying wages costs do not have an impact, but if we are to allow that claim to stand then I would rather see a more detailed analysis of it, if that is possible.

Mr Delis—If you are happy to ask me to provide you with what information you need to validate my comments, I am happy to do that for you. I am not suggesting you do it now—

CHAIR—Send me your full accounting records for that year and I will wade through them! No, I am only—

Mr Delis—I am being quite specific. I am happy to provide the information, but you need to ask me what it is you need and I will make it available for you to peruse.

CHAIR—The difficulty we have—and I do not want to be argumentative here—is that from what you said to me I thought you were inviting me to conclude that as a consequence of paying higher wages that year you ran at a corporate loss. I am not ready to accept that without you providing evidence of that. Maybe that is not what you are suggesting, but I thought you were. If you were inviting me to conclude that, you will need to provide the committee with evidence to back it up.

Mr Delis—I am happy to do that. You need to articulate to me what evidence you need. I am not suggesting you need to do it now.

CHAIR—But, Mr Delis, you have made the claim; you need to provide evidence to support your claim to the committee. I am not going to engage in the process of asking you a whole series of questions to help you establish the claim that you are making to me. If I were an accountant I might be able to, but I am not.

Mr Delis—I was not expecting it now, either. I am happy to have it put to me in writing at some stage in the future if you can make it easier.

Senator BARNETT—Thank you for your submission. I would like to go to parts of that in a moment. Your submission mentions the $120 a day average wage rate in Australia and, on page 12, compares it to the wages in some other countries. Can you tell me what people in the

industry get per day? We have heard about the hourly rate. In real practice, in real life they work about six days a week, as I understand it, and take the seventh day off, which is an excellent initiative. What do they get per week and does it correlate to $120 a day?

Ms Leo—Firstly, this data was extracted out of an economic analysis that we had undertaken. I have been advised—and rapped over the knuckles by my industry sector—that $120 a day is well below what they are paying. However, for the purpose of this submission I believed I needed to put something in that we could verify, so it is giving a comparison of what they are paying in other—

Senator BARNETT—Sure. It seems quite low; that is why I am asking. If I am working in the industry—a backpacker or whomever—six days a week, what do I get?

Mr Marks—Our people work an average of 5½ days a week and their gross wage at the end of the week is around $1,000.

CHAIR—What is your hourly rate?

Mr Marks—The hourly rate was about $16.50 and the hourly bonus was $1 an hour. Then there were also some performance bonuses, which could add up to $3 an hour extra. So a good quality worker could be on $20 an hour, but a poor worker who got no bonuses would get over $17 an hour, if he stayed the whole season.

Senator McEWEN—You get $20 if you stay until the end of the season?

Mr Marks—Yes. We do picking and packing on the same site and, as people have mentioned, it can be so hot that people are not necessarily fixed to one job. So it is very difficult to say, 'You're on a bin rate bonus,' because you may only be picking half a day. You might be trading with someone in the shed and have half a day in the shed and then they will go picking for half a day. So we have had to invent a system where people still know that they are appreciated at the end of the time.

Senator BARNETT—Is $1,000 a week about average or is that the top level?

Mr Marks—No, there are a lot of people in that area, when you talk to people. Perhaps with some of the smaller farms where people are not on very long, it could be different, but on the larger farms, I think there is a lot of that money around.

Senator BARNETT—Is that over the season—which is September-October, through to January-February—or is it four or five months?

Mr Marks—We are focusing on the harvest season, which is about five weeks. When you go back to employing people with pruning, the pressure is off and they are having a bit more of a casual lifestyle. The rates will be standard but without the bonus system.

Senator BARNETT—Just going back to what Ms Leo said before, you are seeking people for just that five weeks or for the four months?

Mr Marks—For the mango industry, there is a seek of people for the harvest period and pruning season. The pruning season, depending on farms, can run up to March and some other farms can be finished by Christmas time.

Senator BARNETT—I am not an expert. How many months is that? Are we talking from October to March or September to March or what?

Mr Marks—The northern part starts in October; Katherine kicks in two or three weeks later. The beginning of the picking cycle is October and the end of the pruning cycle is probably somewhere in March, and that is not taking into account the citrus farms that could go on longer.

Senator BARNETT—In the ideal world where you are coming from, you are looking at people to cover that period. Ms Leo, you indicated a specific number of people that you would like.

Ms Leo—I guess the focus for this inquiry is currently on labour shortages in our mango industry, so we are talking about the peak period. We are looking at a six- to eight-week period for the majority of farms. If there were an extension to the pruning, it would take it up to a 12-week period. The number of people required is dependent on seasonal variability. We now have the capacity to forecast our labour requirements before the season.

Senator BARNETT—Do you have a similar view to that of Mr Vivian, who mentioned earlier that people from East Timor rather than the Pacific islands would be ideal? Do you have a view about that that you would like to share with the committee?

Ms Leo—I do not have a view. I would like to think that it is not restricted to the Pacific region. Obviously, if the industry is paying, in particular, for air flight et cetera, it would make sense to us to have access to East Timorese labour. On that issue, I have a letter from the government of East Timor that was presented to us in 2004. I am happy to provide a copy of the letter. It states that the government have reliable information that the Northern Territory is now in urgent need of thousands of foreign farm workers, that they are more than happy to provide workers and that they have people who would dearly love to come here. We had to respond with: 'Thank you very much for your kind offer. Currently, legislation does not allow that.' This is just to show you that it is a mutual—

Senator BARNETT—Ms Leo, that would be a most valuable piece of evidence for our committee, if you are happy to table that for us. I do not want to tie you or Mr Vivian down to East Timor. I am just trying to get a feel as to whether you have a similar view that it is not necessarily restricted to the Pacific.

Ms Leo—Yes, I do have a similar view.

Senator BARNETT—Is it okay to table that, Chair?

CHAIR—Yes. Have you got it here now?

Ms Leo—Yes, I have.

CHAIR—That is tabled.

Senator BARNETT—In the last paragraph of page 2 of your submission you refer to the report on labour shortages and their impact on projections by the department on economic losses. Can you advise the committee on that, or can we get a copy of that, not necessarily now but in due course?

Ms Leo—Absolutely.

Senator BARNETT—On page 3 you refer to technologies and mechanisation. You say that there is no possibility of using this to address labour shortages. Are you definitive about that? Technology and mechanisation are improving all the time.

Ms Leo—In mango harvest I would suggest that, but I think it would be better coming from the growers. I am very confident in mango harvest that mechanisation is not going to address our labour shortages.

Senator BARNETT—I will take your word for it. Can you back that up, Mr Marks?

Mr Marks—Certainly the professional growers are as highly mechanised as they believe they can be, understanding the unique problem with mangoes.

Senator BARNETT—I think you have answered the question about the length of time. On page 5 you refer to the labour requirement. You say that, in 2004, 62 per cent were working holiday makers. Ms Leo, I think you refer to it in your introduction. What percentage are we talking about in the 2005 season? Is the trend still going up? Mr Vivian said about 75 per cent are working holiday makers. What per cent of the workforce are now working holiday makers?

Ms Leo—The trend is going up and our challenge is now that our backpackers have been declining.

Mr Delis—When you get the Karen White report, which you asked about before, you will see that Karen White takes a close look at that and makes a comment about the Territory being at capacity in terms of its local workforce. The figures might show that there is a higher skew towards working holiday makers, and that is a reflection of the fact that productivity has increased and we have 100 per cent utilisation of that local workforce.

Senator BARNETT—Mr Delis, on the salary/wage issue, if you increased the wages, say, by 20 per cent, do you think that would have a marked increase in the access to labour or not much impact at all?

Mr Delis—I will answer that in a roundabout sort of way. I am intrigued by this process, to be quite blunt. The labour issue is not a new issue for horticulture. I did a search on the federal parliament website and found that it goes back to 1996. We have had Tony Abbott making comments about how it is all going to get better. It has been an ongoing problem ever since. I am interested that, some 14 years later, we are still—

CHAIR—Even I can form a conclusion from that.

Mr Delis—having the same debate about labour shortage. Senator McEwen, you asked Phil Vivian why he went ahead and planted if he knew there was going to be labour shortage. I was involved in a parliamentary process—a senator was there as well. The labour harvest strategy working group was formed. Senator Troeth was involved in that process. They identified all the same issues that we are talking about in terms of labour shortage. I was there when she gave a keynote presentation at the AUF conference in Cairns. I was asked to come to talk on behalf of industry. It was put to us at the time that it is all going to be sweet and the issue was that we were not coordinated in terms of our labour harvest strategy and getting all these people to come to work. The belief was that that was going to fix all the problems. We have now had six years of that program and we are still having the same debate about labour shortage.

You ask me whether an increase in the price of labour might improve things; it might improve things to some degree. But if you look at the numbers as they stand at the moment you will see we are having a debate about bringing in more skilled workers into Australia because there is a skills shortage. I do not think we are any different. How much are we going to have to keep bidding to get people to come to do these jobs?

Ms Leo—I can add a comment to that. You asked whether, if we increase the wages, we are going to attract people to the region. In the domestic situation we are all competing for the same labour pool. We have seen in our own region people bidding with wages. We certainly do not want to see that on a national level whether the industry has the capacity to do that or not. If we were to increase wages I suspect that other industries and other regions that are competing for the same pool of labour would then increase their wages and so it goes on.

Senator BARNETT—Who would be the employer under the scheme, from your point of view? Who would be the preferred employer—a contractor, a farmer or some other entity?

Mr Delis—It is our experience—Peter, you may have a different one—that the feeling from the working holiday makers that work for our business is that they prefer to work directly under a contract, that is, to our business privately, rather than through a labour service provider. From my own perspective I am more than happy to go down that path.

Senator BARNETT—Is that an industry perspective?

Mr Delis—I suspect industry would probably say they would take people any way they can get them.

Senator BARNETT—But from our point of view, we are trying to develop a system that can help you guys at the end of the day deliver an answer to a need. We are wondering if it should be a contractor. Smaller farmers, for example, might be able to benefit. If it is just one farm then presumably just that farm will benefit. I am an advocate for small business in many respects and I think of those people. Will they miss out under your system?

Ms Leo—From an industry representative point of view we would prefer to see some sort of professional framework put in place where employees are subject to a selection criteria and that they do adhere to a code of conduct.

Senator BARNETT—I will just finish on the code of conduct because my fellow senators probably want to ask questions. What appeals to me is the effort you have put into the accreditation criteria that would apply under such a scheme. Thanks for that. I assume that the code of conduct is something you have discussed. You all support this as an industry.

Ms Leo—Yes.

Senator BARNETT—Is there anything else you would like to add about that and the importance of it?

Mr Delis—This may not relate directly to that area, but the committee may not be aware of a paper written by Peter Mares out of Latrobe University, and he specifically talks about the Canadian model that has been operating for 10 years. I assume you know the statistics—they have 19,000 people that they bring in from Mexico and the Caribbean. The author makes some strong recommendations about some of the mistakes that have been made there that we could learn from.

Senator BARNETT—We were advised of the Mares report when we were in Mildura, so thanks for that.

Ms Leo—Could I just make one quick comment too with regard to the small business operators. I believe that there are different labour market pools, just as there are different employer type pools. Under what we are discussing here today, I do not think that all of industry would be eligible to participate in such a program. There would have to be fairly strict selection criteria. There would be some businesses in our industry that, for whatever reason, would not be able to participate, so there would still be other labour pools where the working holiday maker or whatever would be available to those people.

Senator BARNETT—Thanks for that.

Mr Delis—Tracey, I will just prod you to talk about one issue. We read through the *Hansard* where I think the MADEC representative made some statements to you in one of your sessions. We have formulated some comments about that which challenge their capacity to make some of the statements they have made—that is, their accuracy. I think it was at a Mildura session.

Ms Leo—I brought this information with us. There was a submission that we reviewed in preparing for this. MADEC had made specific comments about whether there was a labour shortage or a perceived labour shortage. Just to give you my own history prior to the position that I am in now, I managed the harvest office in Darwin for Employment National. They were contracted under MADEC. I think it is inappropriate for MADEC to have made those claims. It is an interesting claim, because, particularly here in the Northern Territory, while we share a good relationship with the National Harvest Information Labour Service and they certainly provide a valuable information tool, their system provides on average less than 10 per cent of the total labour pool that we have here in the Northern Territory.

We have subcontracted that harvest office within our own organisation, so I have access to precise figures. In 2002, for example, the national harvest office up here provided 217 employees. The other major provider provided 1,800 employees. The following year, again, it

was less than 10 per cent: 464 out of 2,200. In 2004, the national harvest labour service provided 250 employees to 3,970 from the other major provider. In 2005, the harvest office placed 119 employees, while the other major provider provided 1,500 employees. So, just to verify what Peter is saying, we found those comments quite inappropriate.

Mr Delis—Specifically from my own perspective, there was one comment where the witness was asked by the committee whether he felt the new visa arrangements that were implemented—I think they followed and mirrored the New Zealand model—would fix any perceived problems, and he felt that that would be the case. That is what he indicated in the *Hansard*. We question how he can make a statement like that when he is only purporting in the Territory to place 10 per cent of our workforce.

Senator McEWEN—Ms Leo, in your submission you mention your professional farm labour system that you are going to trial this coming harvest season—is that correct?

Ms Leo—Yes.

Senator McEWEN—Are the specified standards for practices and facilities and the employer code of conduct articulated yet in a way that you could provide to us?

Ms Leo—No, not at this point; I am sorry.

Senator McEWEN—But presumably they will be fairly soon?

Ms Leo—Absolutely, yes.

Senator McEWEN—Would you be able to supply them to us when they are agreed upon by your organisation? I think that would be useful. The other question I have is for Mr Marks. You mentioned that on your property you work a 5½-day week?

Mr Marks—The job goes 6½ days, but the people themselves work 5½ days.

Senator McEWEN—Is that self-limited? Do they limit themselves to that? We have had other growers say people want to work 24/7.

Mr Marks—That is the average. Some of them might only work five days and some the whole 6½ days, but we find when we go through the figures it is an average of 5½ days out of the 6½ days. We completely shut down on Sunday afternoons. Different people have different needs—they like to go to town for half a day here or half a day there. There was one day in 2004 when they all came to work on the same day and we could barely cope, but the rest of the time it just seems to work out that way.

Senator McEWEN—Do you think it is unusual practice for a farm to close down for half a day?

Mr Marks—I do not know. We would go mad ourselves if we do not; we have to go and do our shopping, too. Can I just add to that. Comments have been made about how people want to work and put in the time, and that is true. They do want to work; they do want to put in the time.

We decided on one single time when everybody was not working, which created a big social time for them. We usually found on a Saturday night they would have some sort of barbecue, so on Sunday morning they would be a bit hung over, then they had the Sunday afternoon where they could really chill out for the rest of the day. There were times when we worked non-stop, seven days a week. There were problems with serious absenteeism and also productivity. People tend to work at their own level. So there is no point in saying, 'Work on,' because they decide what their own level is. We also have people complaining that they do not want to stop for half a day.

Mr Delis—The simple answer to that question is that it is a reflection of the composition of the workforce. Working holiday makers, by nature, are there for a short time to get as much money as they possibly can and then move on. Those people tend to want to work seven days a week. They want to work long hours, we get approached to work those long hours, whereas locals are a different kettle of fish, so you have to manage that accordingly. What Peter has talked about is not uncommon in that people choose their own times. Again, that is a management issue, where you have systems in place—for example, we employ a human resource manager who coordinates which days of the week they want off and works through that process. But it is very much a reflection of the workforce.

CHAIR—Finally, Mr Delis, you told us that the labour shortages are well known. I will not put words in your mouth, but you talked for a while about that. To be quite honest with you, that has not been the evidence put to the committee and, in fact, your submission does not put that evidence to the committee either. There is a lot of evidence about the churn rate, the costliness, the unreliability of backpacker labour and some potential problems into the future, but you do not put to us that there is a skills crisis right now—apart from that one example about 2002, as a direct consequence of the Bali bombings. You have put that verbally, but there is no evidence to back that up. It has puzzled me throughout this whole inquiry. I want to give you an opportunity before we move on, even though we are over time, to respond to that. We have not been presented with any evidence we can rely on to the effect that there is a labour crisis. If you have some evidence, can you give us some?

Mr Delis—Are you expecting that evidence now? It is probably unrealistic to expect me to give it to you now.

CHAIR—I am happy if you take it on notice. We are interested in getting to the facts of the issue, and there is a whole range of vested interests in this. Part of the process of the committee will be to wade through that. If there is some evidence, if it can be backed up by statistical evidence, the committee would be very pleased to have that.

Ms Leo—That has been the industry's challenge—coordinating and compiling that sort of statistical data between all the different stakeholders that are involved in recruitment, attraction and retention. To answer your question of whether there is a labour shortage, as I have said, I have worked in the harvest office and I now work for the industry and, when people are walking through the door simply crying because they cannot find people to pick their crop that they have invested their whole year in, there is nothing clearer to me: there is a labour shortage in the mango industry in the Northern Territory.

CHAIR—Again, I do not want to drop anyone in particular in it, but I thought Mr Marks indicated that he gets through.

Mr Marks—Could I make a comment?

CHAIR—Sure. I do not want to be in a position where I have misinterpreted anything anyone has said to me.

Mr Marks—I believe—and this is my personal opinion—that the three growers you see sitting here at the table will survive and probably prosper into the future if nothing changes. What will happen is that the people that provide the resources will get the labour and there will be an awful big drop out at the other end, where people are not providing the extras. We might be being self-defeating to be sitting here suggesting to you that things need to change. If nothing changes there will certainly be some winners out of it, but there will be an awful lot of losers.

Mr Delis—I would ask the committee to consider whether they think it is acceptable for a business, any business, to rely on working holiday makers as its primary source of staff and to have to retrain them every year—because that is horticulture. So the issue for us is not necessarily about just getting those positions filled; it is about having people that we can rely on year in year out, and that we do not have to retrain year in year out. The overseas skilled labour component that we are talking about today represents a big area that we need to fill for our industry.

CHAIR—We might finish there. Again, I invite any of you, if there is further information you want to provide to the committee, to please do that. Thank you for your efforts and your frank discussion with the committee today.

Proceedings suspended from 4.21 pm to 4.34 pm

BERTO, Mr John, Deputy Chief Executive Officer, Northern Land Council

KING, Mr Barry John, Manager, Jobs and Careers, Northern Land Council

TILMOUTH, Mr Leigh (Tracker), Consultant, Economic Development, Northern Land Council

CHAIR—Welcome. Are there any other capacities in which you appear?

Mr Tilmouth—I am also the chair of the Aboriginal horticultural company, Centre Farm.

CHAIR—Thank you. I invite you to make an opening statement to the committee, which will be followed by questions.

Mr Berto—I thank you for giving the Northern Land Council the opportunity to contribute to the Senate inquiry into Pacific regional seasonal contract labour. The subject of this inquiry brings to the forefront the fact that there is a shocking lack of coordination between the local Indigenous workforce and the work available. The vast majority of local Aboriginal people do not have real jobs, although there are some on CDEP.

The Northern Land Council believe that it is essential that we develop a coordinated, long-term approach to training and mentoring for specific jobs and careers in projects and industries on Aboriginal land that will lead to economic independence for Aboriginal people. This type of short-term, seasonal labour in the horticultural industry is not ideal for local people and is unlikely to lead to long-term improvements in living standards. Plus, this is not within the stated aims of the Northern Land Council's jobs and career service, whose activities are mentioned below.

However, as our understanding is that special additional contracts were issued for Job Network members to address the horticultural seasonal contract labour shortage, our question would be: what have they done since 1998? In the horticultural industry, there would be an opportunity to use the limited resources available for Aboriginal employment and training to expand courses at the Katherine rural college. It could look at establishing horticulture and aquaculture businesses for Aboriginal owned and controlled businesses and other business on Aboriginal land using local labour.

With respect to the committee's terms of reference, labour shortages in the horticultural industry in rural and regional Australia are not the province of the Northern Land Council and are not the solution to barriers and issues facing Aboriginal people. Aboriginal people, especially those living in remote areas, are the least mobile of all labour forces and always express a preference for working on or near their own country—the land to which they have their ties. It is likely that the social and economic effects of including Aboriginal people in short-term seasonal labour in unfamiliar country would be detrimental. As a minimum, it would disrupt family and community life.

Addressing the external nations is not within our experience for comment, but I would like to state for the record what we are doing. If we are to improve the lives of Aboriginal people in the long-term, we need to break the short-term, stop-go work cycle which has developed. To achieve this and to be in line with the stated aspirations of Aboriginal people, the Northern Land Council's jobs and career service is focusing on continuity of ongoing jobs and on the long-term outcomes for all local people who are being trained up including AQF level 3 trade qualifications so that they take up real jobs with longevity and a career path.

We are concentrating on industries in which Aboriginal people have expressed an interest to work and/or which operate on Aboriginal land. These are major projects in pastoral, mining, hospitality, retail and construction. The motivation of people who have successfully trained for and are working on projects that we have organised is enough money to significantly improve their living standards, for example, in mining and construction, and/or it is on their land, for example, pastoral, hospitality on major projects, tourism ventures on Aboriginal land and retail, especially for local people—including young people trained to take over and manage community stores. Seasonal short-term, low-paid contract labour that is not on local Aboriginal land does not fit the profile of the stated aspirations of most Aboriginal people in the Northern Territory, nor does it fit within the parameters of the jobs and career service or the stated aims of the Northern Land Council.

CHAIR—Thank you for that. Are there any other statements to be made? No? Then let us move to questions. Before I ask my question, I will give a preamble. One of the things the committee is looking at is trying to determine whether or not there is in fact an unmet labour need and, if there is an unmet labour need, what obstacles there are to meeting that firstly from our existing workforce population or non-participating workforce population. And, if that cannot be done, the committee is looking at how a demonstrated unmet need may be filled. So one of the things we are potentially looking at—and the committee has been given the task of investigating this in very general terms—is whether it could be met from importing labour, from the South Pacific in particular, to meet that unmet demand, if some of those hurdles are overcome.

So the committee was particularly interested in getting your views on whether or not you believe that there is the ability to meet that demand as part of the existing effective labour market. I just want to be very clear on what your comments indicated to me; you may expand on this. Your comments indicated to me that you would not see, for the communities that you represent, this being a particularly desirable area. So we would not be able to meet an unmet demand if there was one. And, if we do establish that there is an unmet demand, the communities you represent would not be a labour pool that could be utilised to meet that, even if some of the problems were overcome—you mentioned the issues of mobility and accommodation, among others. So I want to take you back and see if you can explain whether that is the case; it may not be the case. You also mentioned low-paid contract skills as not being desirable for meeting longer term issues. Perhaps you could explain how that might fit into our inquiry generally.

Mr Tilmouth—Thanks, Senator, but the question is not whether we have got willing workers. The question is about a strategic framework in relation to resource development. We have a number of areas that are suitable for horticultural activity within the Northern Land Council area and within the Central Land Council area. The Central Land Council has spent some millions of dollars proving up resources to grow mangoes out of season. The three Dodgy Brothers that you

had here earlier were all knocking on my door to grow mangoes out of season in Central Australia. So we know all about them. The question is, and always has been, the availability of skilled labour. There is no framework within federal government services—or, to a certain extent, within Northern Territory government services—to provide a training facility dealing with horticultural and agricultural matters.

Mr Delis would have talked about a project in which he is going to grow mangoes down at a place called Ali Curung, which is 100 kilometres south of Tennant Creek. It has a population of 800 people. The available workforce there is 150 people. If he is going to pay the wages that he currently pays pickers in Darwin then he is going to have a problem attracting those people, because there is other work around—there are mining companies in the region and elsewhere. So it is a case of supply and demand.

Getting skilled workers is also an issue, as is getting skilled workers to the place of employment. There is no process, whether in DEWR's programs or anywhere else, to get people trained up to do horticultural type work. There are no facilities in the Northern Territory to train Aboriginal people in horticulture. We have the Katherine rural college and at the moment it is being run very much on an ad hoc basis. So when it comes to allowing people to be involved in the horticultural industry in the first instance, it is a question of identifying natural resources within an Aboriginal land trust that would have a horticultural potential and allowing those to be developed.

There is no framework within government to allow that to happen, let alone to move the people from the communities which have a 98 per cent unemployment rate. As you would have seen from most of the television commentary over the last week on Wadeye and everywhere else, there is a 98 per cent unemployment rate in those communities. So it would take moving those people into jobs—short term, long term or whatever—and getting them skilled up to take advantage of those opportunities. But there is no strategy for that from the Minister for Families, Community Services and Indigenous Affairs or anyone else for that matter. How are we going to get those people employed? Where are we going to train them? What jobs are they going to be doing? And what potential have we got in those regions to develop a horticultural industry in the first place?

The initial discussions and studies would suggest, through working with Malcolm Turnbull and people like that, that there is great demand for long-term horticultural activities in northern Australia because of the supply of water and everything else. We have had the discussion, but no-one has come forward with a framework for how we move an Aboriginal community into the horticultural industry. The only option in some cases for long-term employment would be a horticultural project. But having a strategic plan to achieve that is the downfall. We need a strategic plan, first of all, to develop the project and a strategic plan to develop the employment and training aspects of that project.

Mr Berto—Just to get back to the point that you were making about whether we have a workforce out there or whether we do not, it depends on where it is. In the remote areas the pool is there but they are not skilled. They are unskilled. All they need is to be skilled up. But they are definitely there. The closer you get to a town area, the more skilled people you get. The skills seem to be more in the township areas of the Northern Territory rather than out in the more regional and remote areas. Again, it depends on where it is. Aboriginal people are not very

mobile, as I said. They like to be in one community and stay in that community. So, if there is a project that starts up not far from the community, they would be only too willing to participate in that project. We find that in other industries—for example, the mining industry. But if it is too far away from their communities, they will not mobilise themselves to enter that workforce there.

CHAIR—That is probably what I want to home in on. While I understand what you are saying, the development of projects is probably outside of our terms of reference. We are specifically looking at the industry now and perceived or real shortages that are there now. So I guess I will be quite direct in asking the question.

I am not sure how long you have been here, but you may have heard previous witnesses talk about the potential for them even to fly people in to do the work that is required to be done and for providing accommodation and amenities. If we were able to resolve some of those issues about mobility, accommodation and the provision of social infrastructure that would meet the needs of Indigenous people in these areas as well, would people move for a period of time to do some of that work that needs to be done? It is to varying degrees—some of the crops really have a period of six to eight weeks and for some there was probably a longer opportunity of up to about three months. But I think 12 weeks was indicated to be the maximum.

I understand there is not much of that infrastructure there and there has not been much effort put into addressing some of those needs. I am not suggesting that, as a result of this inquiry, all that will be addressed. But if we come from the assumption that transport, accommodation and appropriate social infrastructure were provided to meet the community needs of the people that you represent, would people then be in a position to travel and stay away for that period of time—from, say, six to 12 weeks—to provide some of the labour in these industries in the Northern Territory? I know that is fairly direct. You may not want to give me a straight yes or no answer. Nothing is ever that simple.

Mr Tilmouth—We can give you a direct answer. There are two examples. The Baptist Church, in the early eighties and late seventies, used to regularly take the Yuendumu community down to Wagga to pick grapes and fruit and everything else. People went down and gladly did it. They were getting a fairly good wage in those days to do it. Today at Ti Tree there are 150 jobs in the grape industry on a seasonal basis. There are 50 full-time jobs on an annual basis. As to the rate of training of skilled workers to go into the grape industry, at the moment there are less than five being trained in Odonga at the experimental farm at Ti Tree to allow these blokes to go into the grape industry.

You are talking about numeracy and literacy levels of less than grade 2 level. You are talking about English not being the first language. You are talking about a lot of people being keen to work but not being able to work because they do not fit the criteria. As of today, down the road at Ti Tree—with a population of 400 people, about 350 of them being Aboriginal—there are 50 jobs but no-one from the community is filling those jobs because of the lack of numeracy and literacy skills and general training.

CHAIR—The work we are probably talking about—and no-one is trying to portray this as a great long-term career path—is the labour that is being required. I am not regularly discussing with my children the fruit-picking industry as a career option, I must say, and I suspect no-one else is discussing it with their children. It is hard, back-breaking work.

Mr Tilmouth—It is honest work though.

CHAIR—Of course it is honest work. That is why there is still an opportunity for that work to be done, and those jobs are there and do need to be done and it is important that they get done. It is not highly skilled work. There is some skill to it. All work involves some skill, of course, but fruit picking is not highly skilled work. It is not reliant on numeracy and literacy other than to the extent that people have to be able to check that they are getting paid appropriately, but that does not necessarily always have to be done by a particular individual. I am coming back to the point that, while people will be looking for educational skills that are going to lead to full-time, quality and highly skilled employment, those are not being delivered to everybody in any community.

I want to come back to this question: would there be people willing to move? I understand the issue of staying within a community—it is the same with a lot of people. Take anyone in the circumstance of having to maintain a home and family and then picking up and leaving while still maintaining all those responsibilities and then incurring other costs in chasing work. That often becomes self-defeating given the purpose as to why people might want to move to achieve work in the first place. Having said that—and I think you have answered my question—I would like to keep the discussion about this going a little bit longer so that we are very clear about what is being said. If a number of those obstacles were alleviated or minimised, what may need to be put in place to make that attractive to the people that you represent?

Mr Berto—To answer your question, yes, they would be willing to move if the obstacles of transportation, accommodation and so on were addressed. We do that now, especially in the construction and mining industry. Those arrangements are in place as we speak. Those people are living in camps, participating in those workforces and doing a good job while supplying their labour to address the local labour shortages that exist virtually across every industry up this way. To answer your question, yes, they would be willing to participate in that, depending on where it is.

Mr King—Let us have a look at the railway and the ADrail project. Agreement was struck on 100 jobs in the railway, which is pretty minor. Fifty of those went to the CLC and 50 went to the NLC. We placed over 150 people on the railway in two years in the NLC area alone. We could have doubled that number. We had more than double the number of people ready to work on that railway project. When the Territory Construction Association came to talk to us at the beginning of that project, their major concern was that there would not be enough Indigenous people available to do that work. At that stage I told them we could do it. I did not believe we would have people available to that degree, but that was the outcome when people saw there actually were jobs and also saw there was training that particularly led to jobs on the railway. The railway was done in partnership with the Territory Construction Association.

In partnership with the Territory Construction Association and the Larrakia Association, we placed over 100 Indigenous people on the gas plant project in Darwin. Once again, if they had provided us with the jobs, we could have doubled that number. Plenty of people wanted to work at one of the mines at Bootu Creek, north of Tenant Creek. However, our first priority must be the local traditional people, who require considerable upskilling in education and other areas. Our primary objective is to use the agreements from native title land rights to get guaranteed jobs on country and then to get local people into those jobs, which is a process we are specialists

in. We try to transfer across from major projects—I have mentioned ADrail and the gas plant—to an industry approach, which is construction, mining and pastoral.

Mr Tilmouth—Mr Berto is making the point that, when you pick up and place in a job someone who has been unemployed for a long time, you have to involve them in learning a whole range of life skills, such as how to bank their money. While they are away working, they have to send money back to their missus and kids; they have to make sure that their money is not being got hold of by drunks and that they have some to come back to and all that sort of stuff. It is very hard to teach some people these things. You have to go back to square one in teaching them life skills, such as getting out of bed at an appropriate time in the morning in order to get to work, putting on the right type of health and safety gear for work, getting to work and having all your banking stuff under control—all the basic things that we take for granted.

I will give you another example. The Centre Farm, of which I am chair, has 24 horticultural projects in Central Australia. If in the next five years all those projects get up, we will have 1,500 jobs. We do not see there being a problem with filling those positions, as long as there is basic training—including basic numeracy, literacy and life skills type training. That will allow people to go off to work comfortably—knowing full well that their community and family are being looked after at home—while receiving reasonable wages and having reasonable living and working conditions. They are the basics. We do not see any difficulty with the railway jobs, which Mr King has mentioned. As long as those things are in place, we will have people lining up.

Our position has always been that we are not going to turn up to conditions that are not good. It is as simple as that. No matter who you work for, your conditions have to be good. At the end of the day, people have to understand how to put their money in a bank. For instance, they have to know how to use a card—and remember that that involves numeracy and literacy. You need to know your card's pin number so that your missus can get your wages out while you are away for at least a month picking in an orange or olive grove or anything else. They need to be able to get money out of your bank account to pay for their electricity and tucker and still leave some for you when you get home. These sorts of issues are basic and are taken for granted much of the time. But, if we can train people to understand and deal with them, we will have a very comfortable and confident working group. I think, to a certain extent, everyone overlooks that.

Senator BARNETT—Some of my questions have been answered, but perhaps I will ask them in a different way and go to a few other areas. Do you know what proportion of those in the horticultural sector in the Northern Territory are Indigenous Australians? Do you have any idea of that proportion?

Mr Berto—Horticulture is one of those industries we really have not tapped into yet—the key word there being 'yet'. We are planning towards it. Tracker mentioned Centre Farm earlier. We want to extend Centre Farm's operations to cover the whole of the NT. We want to get the NT into the horticultural industry using this existing vehicle, if you like. We also have plans to enter the Katherine region, where there is a lot of potential for different types of things to be grown.

At the end of the day, Aboriginal people want to stay on country. They want to work on country and never leave. So the horticulture industry opens up an opportunity for them. They know this, but it takes time, careful planning and a bit of financial support here and there. They

are very keen on the horticulture industry, getting in there and participating, expanding what is already there. I cannot give you that number, sorry.

Mr Tilmouth—We are at a very early stage of horticultural development.

Mr Berto—There are a lot of individuals who are involved in it. For example, the mango season is virtually upon us. A lot of our mob are involved on a regional basis with their mango farms. They grow mangoes. They recruit locally to pick those mangoes. So it is happening, but there are not many people out there doing it. It is still early days yet, I think.

Mr Tilmouth—If I may expand: we are at the very early stages of wide, broadacre development on Aboriginal land in Northern Australia. We are currently working with Malcolm Turnbull's National Water Initiative to work out the interface between surface water and aquifers, so that when we develop horticultural projects on Aboriginal land we know that they are sustainable and that we are not going to deplete the underground water supplies, and so that we can identify crops that will be able to be grown in that area. Once we have that in place, we will look at our labour market. We will look at the communities we have. We will look at the skills in those communities and what sorts of services they can provide. Because, nine times out of 10, these blocks that we develop will be handed out to the private sector to be developed by people like Timbercorp and the big horticultural industry people.

Senator BARNETT—Tracker, I think it was you who mentioned when the Baptist churches went down to Wagga, back in the seventies or thereabouts. Does that happen at all today in any way? Do they pick up a group of Indigenous people and take them somewhere to work in a mine or to do horticultural work somewhere else, to your knowledge?

Mr Tilmouth—The last bloke who took a mob of blackfellas below the Mason-Dixon line, as we call it, was Noel Pearson. Didn't he do it about two years ago for a bit of a stunt? He had a mob of blokes from Queensland down there picking grapes. I think that was the last time that I have heard of it. But, before, the churches used to do it quite regularly, to allow them to be exposed to different types of crops and different types of projects and everything else, and I think it was a good thing.

Senator BARNETT—Yes, that is what I thought you were saying. It worked pretty well. They earned some money, and they brought it back for their families and so on.

Mr Tilmouth—The Lutherans from Hermannsburg did it too. They took a lot of people down to the Barossa, quite a few times.

Senator BARNETT—I am really asking this in another way. If something was working at Katherine or somewhere else—I think you mentioned Ti Tree. Let us use the Ti Tree example that you were talking about. I think you said there were a couple of hundred people at Ti Tree. What if we could get them some work, and they went from there and worked in horticulture? Do you think that could work if they had the right conditions, the housing and travel, and they sent the money back to their missus and fed the family and so on?

Mr Tilmouth—I think that is quite possible. In fact, that is a long-term strategy that we are looking at. No matter where you are in the Northern Territory, there will be certain crops being

grown at certain times. There will be mangoes up here in November, and there will be definitely mangoes in the centre of Australia in early February, because they are all out of season. These blokes who were talking to you earlier are lining up blocks down there to grow mangoes for the Japanese market. They have yet to come to us, where there are some concerns about labour shortages. We have told them time and time again that there are people there waiting to work for them, but let us make sure that they are properly trained, they are comfortable, they understand what they are doing and they get a decent wage for their activity. It is as simple as that. You also have the mining industry knocking on your door, and they have pinched all your grader drivers, your loader drivers and everything else. They have gone into the mines. Because, again, the mining industry is looking at an Aboriginal component.

Senator BARNETT—They have left their home area and travelled to the mine.

Mr Tilmouth—Yes.

Senator BARNETT—Do they fly in, fly out?

Mr Tilmouth—Yes.

Senator BARNETT—Like other people?

Mr Tilmouth—The Tanami has that. Newman has a very strong Aboriginal workforce.

Mr Berto—The Tanami is different. It is unique because of the number of Aboriginal people there who have those sorts of skills and who are able to the work at a mine such as Tanami.

Senator BARNETT—I can understand that it might be problematic if they just go for 12 weeks during the peak season when they have to get the mangoes and then when they come back they have nothing to do. It is a bit of a nuisance in a way. It is good work for holiday-makers. But if there is nothing to do when you get back, you think, 'What the heck?' Do you think that is the view?

Mr Tilmouth—We are going from a picker to a multiskilled worker where—

Senator BARNETT—Pruning and so on.

Mr Tilmouth—you are pruning and fixing tractors and machinery. You are doing all these other things. We are coming back to the basis of what we were saying: you invest a lot of money in a skilled labour person. You want that person to stay with you because that is an investment by you. But that person is also valuable to the community, because there are a whole range of other tasks that that person could be taught to do. Unless we get a proper training and educational facility to allow us to do that, the investment is lost.

Senator BARNETT—Tracker, if I can just go in there. You are saying that, if they can be multiskilled and trained up and so on, they are going to go for more than 12 weeks. They will be there for maybe four or five months. Would they do that? They would be leaving their families and their communities and moving to wherever it is. Is that a feasible option, or doesn't it work like that?

Mr Tilmouth—I think it works like that, but you are looking at—

Mr Berto—I know where it does work: it works on an individual basis. It works with a lot of our Indigenous youth going down south for the footy season. They get involved in grape picking and all that sort of stuff down there.

Senator BARNETT—They are doing that now?

Mr Berto—Yes, they are doing that now. They have been doing it for years.

Senator BARNETT—Do they work when they are down there?

Mr Berto—I experienced it myself.

Senator BARNETT—You have done that. You played or watched football and you worked as well?

Mr Berto—The local club lines you up a job in the horticultural industry down there; that is where the main work is, especially early in the year. It does happen, and it is still happening. But it is on an individual basis; it is not on a group or community basis.

Senator BARNETT—There is obviously a fairly big Indigenous community in Katherine. We heard this morning that some of these horticultural industries are just outside Katherine. Why aren't more Indigenous people working in these industries in and around Katherine?

Mr King—I am not sure of the full answer to that. There are Job Network members down there. Contracts have been run down there. I suppose they are better qualified to say why they have not able to meet that labour supply.

Just to qualify what I said before, anything we are doing with the railway or anywhere else, it is not just about a job—we want to get people into a job—but our aim is for them to achieve an AQF level 3. That is a basic certificate III. It is a trade qualification, which makes them multiskilled and allows them to work in the areas of construction, mining and hospitality—areas where we are concentrating at the moment. We have just signed an MOU for five years with the pastoral industry to translate that qualification into the pastoral industry. We have lead time, we have some resources and we have a five-year, long-term strategic approach to the pastoral industry. They are saying that they have in excess of 300 job vacancies a year that they cannot fill. We believe we can go through there.

People who are near these communities—they sit on their land—want to work in those areas. A lot of the older blokes had skills of horse riding and a whole range of other abilities, whereas the younger people have no contact with that at all. They have completely lost the use of stock, horse riding et cetera. So we have a lot of work to do for that process.

We have a two-pronged approach. One is getting those jobs immediately. So it is getting a person into a job in an industry—pastoral or whatever it may be—and their getting the AQF level 3. The other critical issue is getting more career information, work experience, part-time work, skill based apprenticeships in the schools and making that transition from the school into

the work situation. That area is critical. We have been trying to do that, and we have put it as a major issue within the next five-year pastoral project. That is an industry approach and that is the approach that we would adopt.

Mr Tilmouth—In relation to other inhibitors, CDEP is an extremely strong inhibitor to Aboriginal employment. If we had processes that allowed CDEP to be used within some of the commercial aspects and allowed it within the private sector then perhaps we could move more people off CDEP into proper jobs. At the moment, I do not think there have been any benefits whatsoever from the CDEP, no matter how you look at it, in providing a competitive, highly skilled workforce for the horticultural industry. I think our biggest impediment will be CDEP—and competing with CDEP—in relation to providing a stable community with income from a labour program for the horticultural industry.

Senator McEWEN—I think you have articulated really well what it would take to get Indigenous Australians to work in the horticultural industry up here. But have you had any discussions with the Northern Territory Horticultural Association about your proposals and, if so, where are they at? What has been the result? They are telling us that there will be these labour shortages and they have articulated some of the things they have set out, but nowhere in their submission have we seen whether they have engaged the Indigenous community at all as a solution to the problem. Have they?

Mr Berto—They have not engaged us. We are about to engage them, though, shortly. Aboriginal people on Katherine farms have not been engaged by the horticultural industry. They have not been thought about or it is in the too-hard basket. They have no idea how to address the problem. We know that, so we want to try to give the horticultural industry a hand, a bit of help, to address the skills shortages—the labour shortages—that exist there, by using our mob in that industry. How we do that has yet to be figured out, but we do have some working models. The principles that we use on those models are very good. We want to apply them to the horticultural industry and we believe it will work.

Mr Tilmouth—I reckon the interaction with the Northern Territory horticultural industry will improve as they move into a closer relationship with the Aboriginal community, especially if they are putting up their hand to lease land off the Aboriginal Lands Trust to develop horticultural projects. They have not been forced to deal with the Aboriginal community as such. Most of their projects are off Aboriginal land, so they have never had to engage with the Aboriginal community and say, 'I'm going to move onto your land. I'm taking out 200 hectares for mangoes. I need a labour force of about 100 people. How do I do it? Who wants to work for me?' The Aboriginal community will say, 'Who are you?' Their background is pretty poor, anyway, especially if they come from Katherine. The relationship between the Aboriginal community and the non-Indigenous community can be quite strained at times.

I think having them move into the Aboriginal community in terms of resource development and having that interface and interaction will improve the situation. I cannot work out where they see the labour shortage. If you pay someone a decent wage, you train them well and you invest money in them in terms of multiskilling and a whole range of other stuff then you have a valuable workforce. Nine times out of 10, if you treat people right, they will work for you, they will turn up and they will come back again and again. The pastoral industry has done it with us for 100 years. Every time there was a mustering job they did not go to China and get a mob of

blokes from the Mongol horde to reyard cattle at Tipperary, did they? No, they came down the backyard and got a mob of blokes from here and off they went, and that has always been the case. So I do not see any problems myself.

Mr Berto—Can I just add to that. The Territory government is recognising that engaging Aboriginal people in urban, regional and remote areas will do good for the economy for the next 15 years or so. In the next 20- to 50-odd years half the population in the Territory will be Aboriginal people, so you would be a fool not to engage Aboriginal people now in order to have a strong economy in the next 15 to 20 years or more. It has been recognised that it is important that not only governments but also the private sector—small and big business—make an effort to engage Aboriginal people.

The question that the land council has been hearing back, especially from the private sector, is: how do we do it? They really do not know how to engage our mob. So we become the broker in that. We look at how we can do that together. We form partnerships and we kick these goals together. That is the only way we can do it, though we do need a lot of support from government—and all levels of government, for that matter.

Mr King—That is basically what happened with the railway, in the sense that we had a partnership with the Territory Construction Association and worked our way through that. In the mining industry it has been through that agreement and by providing jobs that we can engage and let people see that. The pastoral industry are seeing that they have a major shortfall. With the pastoral industry working with Indigenous people we can work towards that situation by having this five-year strategy that we have now. We have engaged in a number of industries along those lines already.

CHAIR—Thank you for your presentation and information to the committee.

[5.16 pm]

GALLAGHER, Mr Joseph Hugh, President, Unions Northern Territory

HULL, Mr Jeff, Secretary, Unions Northern Territory

McDONALD, Mr Didge, Occupational Health and Safety Project Officer, Unions Northern Territory

ROBERTSON, Mr Jamey, Assistant Secretary, Unions Northern Territory

CHAIR—Welcome. Do you have anything to add to the capacity in which you are appearing?

Mr McDonald—I am also a board member of the Primary Industry Training Advisory Council.

Mr Robertson—I am also the Territory organiser for the AMWU.

Mr Hull—I am also an industrial officer with the Liquor, Hospitality and Miscellaneous Workers Union. I am standing in for Branch Secretary Irene Munro.

CHAIR—I invite you to make an opening statement, to be followed by questions from the committee.

Mr Gallagher—I will make a short opening statement. I think my colleagues will also make opening statements. We got a phone call last Thursday informing us that this hearing would be going on, so at short notice, obviously, we have got this team together. My background is in construction. It was interesting listening to the previous speakers referring to railways, Bechtel, oil and gas and the shortages of labour. The shortage of labour has been thrown up all over Australia over the past couple of years. I concur with what Tracker—I think it was him—said. He kept coming back to the point that in a lot of areas the shortage of labour equates with the shortage of money that people are getting paid to do the work. We have found that when people are being properly recompensed for their labour, companies do not have a problem sourcing that labour.

As for the anecdotal stuff, we do get calls seasonally from people who are working in the rural industries, particularly the mango industry. Some of the concerns that are raised concern the conditions under which people are employed. It is not uncommon to see adverts appear in the local newspaper for mango pickers. The requirements are a hat, a water bottle, their own transport and, in some cases, an ABN is preferred. The immediate problem in the territory, given that the advertisements say an ABN is preferred, is that if you are an ABN worker you have no access to workers compensation.

Only three years ago a 78-year-old worker on $10 an hour was killed in the mango industry. He fell from an elevated work platform and he lay there for a few hours before he was discovered. That saw us have a look at things such as training and even at simpler things like

inductions. We do not have any evidence that there are serious inductions happening. In the industry up here a lot of the work is carried out by backpackers. A lot of these backpackers, newly arrived in the country, go down to Mitchell Street, go into the tax office, get an ABN and all of a sudden they have a new business in Australia. That looks good in the statistics.

In case you have not noticed, my accent is Scottish. A lot of these backpackers are from Scotland, England and Ireland and have no experience of the tropics and yet they are immediately exposed to those areas. The regular cry from the various mango farmers and growers is of a shortage of labour. They cannot get labour, yet we get many calls from people who go and work in those areas but only last for a couple of weeks because of the conditions under which they are employed.

As for South Pacific workers coming here, some of my colleagues may refer to that issue. Our closest foreign neighbours are the East Timorese. If there were any necessity to bring in guest workers, we would say that there could be a good case to bring them in, not only to help some people out there by giving them some employment but also because East Timor has a climate very similar to the territory's. It might even give those people some footing on which to get an industry going in East Timor.

There are various other things. Obviously, given our union perspective, safety and conditions concern us greatly. Also, a lot of the work that we know of is cash in hand, so people are stealing from the government and the Australian public is subsidising a lot of these workers. It is tax free, there is no superannuation and there is no workers compensation. Because the horticultural industry is such a seasonal thing, I concur with some of the previous speakers who said that it should be looked at in a broadbanded way, and I think Tracker referred to mechanical abilities, packing abilities, sheds, maintenance et cetera. I will now close my introductory remarks and pass the opportunity to my colleagues.

Mr Robertson—I would like to start by addressing some of the labour shortage matters. Like you, we are a little confused about a labour shortage yet we hear about it all the time. In the north there has always been a tradition of backpackers working in the industries around town. Now we have the problem of young local workers competing with backpackers for local jobs. At the same time we have a very large mobile workforce of grey nomads following us around. I understand that you guys flew up here. If you had been on the road, you would have found them end to end between here and Alice Springs.

CHAIR—There were a few on the road on our way here.

Mr Robertson—A large number of people in Australia now have retired early and are on their around-Australia trip, and they certainly provide some of the labour that is out there. But, just to continue, as we understand it, there are some major structural problems in the mango industry. We understand that one of its major problems rests with its numbers in that it has a capability of around a million trays and a market for around 250,000. Of those 250,000, about 150,000 are premiums. They come early into the Singapore and southern markets, but I would suggest that they are not seen in Woolworths. They are all hand wrapped. They go out for sale in a tray priced at about $6 or $7.50 wholesale. If there is one blemish, the whole tray goes.

So one section of the industry is doing quite well. I think you heard them say today, 'We can afford to pay $18 an hour and we can afford to put people up in accommodation.' But that is not true of everyone. There is a problem in that one end of the market does the really high end and the rest of the market, whose product is normally bruised or marked, competes for juice. Obviously, they are not the absolute perfects that we see in top restaurants and that will always be fighting to find a market. A lot of work was done here, through the Manufacturing Strategy Task Force, looking at perhaps producing mango preserves and those types of things. But that would necessitate a large investment being made for a season that lasts only a limited time and opportunity seems largely to be lacking to find end-on product that could be put through that sort of process.

So we have the viability of the industry, which brings us to occupational health and safety. I think everybody in this day and age accepts that it is no longer sufficient to throw a bag around somebody's neck and send them up a ladder. Occupation health, safety and liability these days restrict you in what you can do in those areas. People have to be informed of their risk, which brings us to the area of major language problems. However, I suppose the real crux of the argument is that, if this three-quarters of industry is barely viable now, how will it be able to afford occupational health and safety standards and accommodation?

Because the Northern Territory is a territory and not a state, we lack some laws and, as you would be aware, we cannot legislate for our citizens. It is difficult to be able to legislate around mining camps in order to get some common standard that is acceptable both to health and hygiene and to people's ability to work a 12-hour day after having slept in that accommodation. Around the country, that problem is constant and nobody seems to have come to grips with it.

We talk about bringing people into the country, which is where the lack of ability to speak English is a bit of a problem. Joe mentioned inductions previously and whether the inductor can be sure that those being inducted have a sufficient knowledge of English to understand the messages that are imparted. I remind you that this is not about ability but about liability, because when something goes wrong invariably these people come back and make some claim. So, if three-quarters of the industry are having difficulty now, how can they suddenly say that they can afford to provide high-standard camps? What we mean by 'camps' in the Territory now are ensuites and airconditioning. That is a reasonable standard. In addition, that three-quarters of the industry will have to pick up all the medical bills for the workers they are talking about importing into the country. There is the question also of whether those people would be subject to the same types of medicals that Australian workers are subject to. Inevitably, workers are brought in and paid for as contract lots and, therefore, those types of inductions and medicals quite often are not readily available to them.

The AMWU submission picks up the proposition that we are not opposed to migration. I would remind the committee that the sugar industry in Australia was built on the back of South Pacific labour, however unwilling it may have been. So there may be some question of a debt. There is also the question that is being raised with us consistently, about why it is all right for rich German, Italian and French backpackers to be able to work but East Timorese and Pacific Islanders cannot get jobs. The record is that they do not have huge overstays. In any case, our real concern is not being able to monitor these workers. I would remind the committee of a circumstance in the Northern Territory, the trade development zone called Hanyang. Are you aware of that?

CHAIR—Vaguely.

Mr Robertson—Could I beg your indulgence just for a moment to go through it? There was an idea, which became very popular with bean counters, that you do not pay duty on import for export. So they set up a trade development zone out here in Winnellie and they encouraged overseas firms to come in.

As you would be aware, the quota for export of clothing to the United States by Australia is very seldom filled, and the gaps are at the bottom. So the Chinese came to town with the proposition that they would bring in jeans in pieces, assemble them out at Winnellie at the trade development zone, and then re-export them as produce of Australia and get into the bottom end of the American market for jeans. So the idea—which was signed off by the ACTU and the government of the time, the CLP—was to bring in Chinese labour, and gradually 'Australianise' them. The basis of the deal was that they would all be paid Australian award wages. So that deal was done and accepted, over a lot of our misgivings. Of course, we raised matters as we started to hear about them—working conditions, safety conditions and a whole range of those matters.

Eventually, the conclusion came when one of the Chinese workers fell in love with one of the local boys, and she ran away with him. Then the entire story came out. Yes, they were getting Australian award wages, but they were also being charged $150 a week to live six to a room. They were being charged $50 a week each for their transport to and from work and $150 for their food. This became a great scandal. And we are asking: is this the same again? I would remind you that, with Howard's Work Choices, we are now in a position where we have no way in which to monitor these people. In fact, if they were signed up on AWAs, we would be prohibited from monitoring these people.

We have these people around us. This is a very tolerant town. This is a place where people will make contact outside of work, and we have to look at this whole thing. At the moment we have section 457 permit people taking local jobs. We have a shop here where there are no Australians left. Due to seasonal requirements the employer brought in these overseas workers. He had to keep them, so it was the local Australians who got laid off. So, during this hard time of the wet season, we have been without work—but those people are still there. This is causing us a great deal of consternation. And when employers start to put people into these difficult circumstances, how are we going to check?

I remind you that this is the 40th anniversary of the walk-out at Wave Hill, where the Indigenous people were being treated like chattels, bought and sold along with the dogs and the cattle. Is this a great deal different? Are we bringing these workers into this country to be used as chattels? Those are the types of questions we really need to ask.

We support the call for a general review of all of our migration systems. Unions have not been opposed to migration. Most of us are migrants from some place or other. So we certainly accept that. What we have a great deal of difficulty with is the idea that people, because of structural unsoundness in their own business decisions, should then be able to use overseas labour at a cheaper price.

We have already had experience where Filipino workers have come to us, and the same thing is happening again. They are being asked to pay for their hiring fee, because there is a

commission charged by the agent in the Philippines to the employer here. So they have been asked to do that. We have also had cases where overseas workers have been brought in for a perceived skill shortage and then on-sold to labour hire. So it really begs the question: Where is the shortage? How does it really work? Are we utilising all our people that we have available in the regional areas? Is our question about not unemployment but underemployment? We certainly think that there is sufficient labour.

Just to end—I do not think I have missed anything—I beg you to think of places like Cairns, where the only work is seasonal work. It is the end of the tourist road. That is where people work very cheaply. At least in Darwin, we have a few more industries than tourism and seasonal work. But we would say that this is a destruction of regional Australia and that, if this continues, we are going to have discontented local people in regional areas, unable to stay and unable to get employment, and what employment there is will be underemployment.

CHAIR—Are there any other comments?

Mr McDonald—To pick up a couple of points and fill them out a bit: the structural issues in the mango industry up here are pretty big ones, to the point where I think a couple of seasons ago, when the price dropped radically and less than half of the crop was picked, people were just bulldozing out the trees on their farms. So it is a pretty up and down business. The few employers that you had—or people who actually owned businesses—who have been here today are the exception rather than the rule. The vast majority of the growers have very small plots. In a lot of cases, it is a hobby farm. They are all looking for pickers. The experience that we have had with them is that the conditions of employment for workers are pretty bad.

I worked pretty closely with the Horticultural Association a couple of years back when I was working with the LHMU. That would have been four or five years ago, I would say, when the industry first started making serious efforts to get its act together, certainly on the employment front. It was acknowledged then by all the serious players that the pay rate was the big issue, that accommodation standards were crap, basically, and that training was very poor, if there was any training at all. The majority of the industry just was not performing, and I think there is still a lot of that. While there has been a bit of a shake-out, that continues to be the case. Pay and conditions have not improved. You heard that there was not—or from my observation there was not—a great level of understanding among the people who were here before about what an appropriate wage is and what should be paid as a casual rate. Those are pretty fundamental issues when you are talking about employment.

The thing that goes with those poor standards in an industry is poor health and safety standards. As Joe mentioned, we had a death just in the last season or two. We have children working in packing sheds on weekends. We had a near fatality with a child there two years ago. More fundamentally, in terms of problems with attracting and retaining people working in the industry, mango picking is not apple picking. Mangoes are a pretty vicious little piece of fruit.

CHAIR—But they taste so sweet!

Mr McDonald—They do; they are lovely. It is very deceptive.

Senator BARNETT—What does 'vicious piece of fruit' mean?

Mr McDonald—People get serious skin complaints from the sap from the mango. It does not do much for your eyes if you get it in your eyes, and they spray when you pick them. A significant number of people have serious allergic reactions to them, so a lot of unlucky people cannot even eat mangoes.

Mr Gallagher—If you ever get the opportunity to pick a mango, you will see that there is a little white bubble of sap. That is the nasty acid that we are talking about. It is pretty serious.

CHAIR—We might all have a go tomorrow.

Mr Gallagher—At this time of year?

Mr McDonald—Just do not wipe your hands over your eyes afterwards.

Senator BARNETT—Thanks for that advice.

Mr Gallagher—Throw the goggles into the water bottle.

Senator BARNETT—Thanks for the tuition.

Mr McDonald—Providing training and providing protective gear is a significant issue when you are talking about the retention of labour and health and safety standards in the industry. If you are working six days, as a lot of people do, for 12 hours a day, you are very susceptible to some sort of problem from just doing your job. This is one of the big reasons for the high turnover of workers in the industry. You get a starry-eyed backpacker from the streets of London who says, 'I'll go out and work in the sun and pick this wonderful fruit.' I would say that the vast majority would last one day. Couple that with crap accommodation or no accommodation or, alternatively, with a big travel load—you are travelling long distances to and from work in a lot of cases if there is no accommodation—and that gets more expensive.

Mr Robertson—And the season is in the build-up.

Mr McDonald—Of course, the other issue is the heat, so it is extremely hot and/or extremely steamy. Even a lot of long-term residents cannot handle that.

Mr Gallagher—There were a few references made by previous speakers, particularly our Northern Land Council colleagues, to some of the major projects that happened up here. The Bechtel project was mentioned. That company recognised that most of the labour would come from down south—Mexicans, as they are sometimes called. But they understood the need for proper clothing. People were allowed, at their will, whenever they felt the need to, to take on water or even sit down for 10 minutes in a bit of shade. That happens. But out there, because of the low rates of pay and the fact that people are paid by the tray, they do not have the luxury of doing that. Because they might sit down, they are classed as bludgers and as being of no use. The attitude is: 'They are no good to us.'

CHAIR—We might move on to questions, and some of the issues that you still have not talked to might be addressed there. I will give you an opportunity to sum up at the end on the things that you may have wanted to tell us but maybe did not get a chance to. There are a couple

of technical matters that I want to fix. It was put to me that Northern Territory workers in the horticulture industry are in fact award free. Is that the case?

Mr McDonald—Yes.

Mr Hull—A lot of work was done by our union some years ago, in the late nineties. In fact, there is a full file on it. I was not with the union at that stage. It appears that, right before the award was formed, it dropped off for some reason. I do not know whether the branch secretary left or whether there were some staff changes. A whole heap of research and work has gone into developing the award, but it has not gotten over the line for some reason. It was to be a Miscellaneous Workers Union award. The proposal was that they would just amend that to capture the mango pickers, the fruit pickers and the vegetable growers.

Senator BARNETT—What was the fall-back set of conditions, if no award was in place? There was none?

Mr Hull—It was open slather. One of the main problems is that you bring in these migrant workers and you have not got an award to protect them. We cannot get access to them. The federal legislation will not allow us to because they are either on AWAs or they are not members of the union. Who is going to protect these people? It is going to be open slather out there. There is absolutely no doubt about it. We are going to have a Hanyang, but it is going to be out in the bush where we cannot see it, where it is out of the public eye. It is eventually going to come back to embarrass the government and others, I think. There is no protection at all.

Talk about the situation with English backpackers: I had a young cousin come over here about three years ago and in his first week he lost nine kilos in weight. He lived in a tent in the middle of the build-up. He had burns on his hands and arms from the mango juice. He, like other young people, think they are supermen or something. He would work without a shirt and get severely sunburnt. He had no protection. He had a peak hat, and he bought a straw hat from Woolworths. One day he told me that he had drunk nine litres of water. That cannot be healthy for you; that has to affect your brain in some way. Maybe that was his problem—I do not know.

CHAIR—It is surprising that, as an Englishman, he kept it up—but we probably should not go there.

Mr Hull—He did. They had no shower facilities. They lived in a paddock. I took him down there once—it was down past Berry Springs about 40 kilometres—because his ride did not turn up. I drove him down one night so that he could get in his tent and be ready for work the next morning. He did stick at it for a while. He was getting paid $13 an hour. The problem was that he would come up to town and go to the pub, and that $13 would go pretty quickly. It was just sustaining him basically so that he did not have to use his savings to party, as it were.

Indigenous initiatives are fantastic, and I think there is a great workforce out there that has not been tapped into—

CHAIR—That is where I want to go now. While we have not had any substantial statistical evidence, anecdotal evidence is that there is a skills shortage. What do you say about that? I know it is difficult to ask you to prove a negative—and it is not really your job to do so—but do

you have any evidence that there is no skills shortage? I do not expect you to have to do this. I am not putting the onus on you. The question is: is there a skills shortage? If you say no, why do you think there is not one?

Mr Robertson—I suppose one of the reasons that we could say no, there is not, is that for some of the major plants that have been conceived in the Northern Territory they have put figures for local employment on what they considered to be the possibility in the Territory, and every time we have exceeded that by quite a considerable mark. I guess one of the problems we have is that when we talk about skills shortages particularly in the Northern Territory—

CHAIR—I have probably framed the question wrongly because you might be going broader than I meant. I did not mean to say skills shortage; I meant to say a labour shortage in the horticultural industry. We are all aware that there is a skills shortage.

Mr Robertson—There is a labour shortage, but is it an ability to attract labour or is the labour there? When you look at the congregations of people around the place, there is some very good evidence that there are probably sufficient people out there. Whether they are prepared to work in those places for those wages and conditions during that time of the climatic year is another question altogether. May we remind you that the rates that were offered up today were flat rates. They did not have overtime in them, they did not have penalty rates in them and they did not have a casual loading on them. It was a flat 18 bucks an hour.

CHAIR—Without wanting to put words in your mouth, you are saying that if there is a labour shortage in the horticultural industry it could be met internally. Is that the position you are putting to me? I just want to be clear about that.

Mr McDonald—I am familiar with the fact that there have been contract gangs of Aboriginal workers in the past who have made a living out of travelling around and contract picking. But, again, part of the problem is that, when you have such low wage rates, why would you bother in such a difficult industry?

CHAIR—That brings me to my last question before I hand over to my colleagues. Someone mentioned the tension between locals versus backpackers versus grey nomads, the competition for jobs and the resentment that may cause. Clearly, if the community was ever going to accept a guest worker scheme from wherever, there would have to be a general acceptance among that community that there was in fact an unmet demand that could not be met internally. I think the indication is, you say, that backpackers are seen by permanent local people to be driving wages down. I was just wondering whether you could elaborate a little bit on that.

Mr Robertson—And as taking the opportunity, because they inevitably end up in hospitality, which is a great source of employment for university students and local Australians travelling through. And of course they do not have any great wish to stay here. They are in and out. So that not only tends to drive down the wages and keep a lid on that but certainly diminishes the conditions which are available, because they will work for lower standards. One thing that we have run into a lot is that it is not a question of short payments so much as a question of working and not being paid for it. You may come into a hotel, say, for a shift from 10 till four or 10 till six, and you will have certain tasks that you are expected to do by six. What happens is that it gets busy and they go, 'Well, you've still got to do it before you go.' So there are periods of time

when you do not get paid. And of course the backpackers are very susceptible to those types of things. They go, 'Oh, well, what's half an hour?' because it is not an ongoing thing. The other thing about the awards-free issue is that that is a problem we have always had with the federal system here. We have no state awards underpinning our system.

Mr Gallagher—A good analogy—again, it is not specifically the mango industry, but we did speak about it—is oil and gas. They had 2½ thousand workers out there. There is another project up in Gove which I think is running at nearly 2,000 at the moment. They do not have a problem. There may be a little hiccup here or there—they are short of a few electricians—but generally they do not have a problem getting a workforce. Yet the local industry in Darwin itself have a problem. They cannot attract those people from those major projects because they will not compete as far as the dollar is concerned. They are quite happy to sit back and let those people leave, and then they can drive down the wages here.

I know that, for my colleague Jamey here, his organisation in particular is suffering. With four or five companies out in the Berrimah area, metalwork companies have split in particular, and I believe one company has now gone from about 30 Australian workers to no Australian workers. There are agents involved. We have had stuff happening where people have come to us but, because they are afraid of what might happen to their families back home, they have backed off.

It is a big fear up here that people have been brought in and the local Australian people have been marginalised. We also have a fear that that is going to cause some conflict. Darwin is a small place, and we do not want to see conflict. We do not want to see people being fronted in the street and bashed. It has happened. It happens in work camps as well. People see the colour of somebody's skin or hear their accent and a lot of assumptions are made. But if there is no shortage of proper wages there will not be a shortage of workers.

I also want to say—I was just thinking about the talk about accommodation—that if people are going to be brought here and there is not accommodation some growers may find it worth while to think about sharing a centralised camp with proper facilities. As Jamey said, consider the conditions that people expect and get. They have ensuites. The oil and gas camp was 20 kilometres away from the workplace so the workforce was bussed. That will be an expense, but if you do not treat people properly they are not going to behave properly. I guess you probably hear that all the time, but conditions are a real problem.

Senator BARNETT—You would be aware of the proposition that we have been looking at for many months. We have been looking at the option of importing labour from the Pacific islands where there is a demonstrated need and it would be subject to certain terms and conditions such as accommodation, travel and so on. That is what we have been discussing and you have heard some of the views put to us today. Mr Robertson, I understand that the AMWU have put in a submission.

Mr Robertson—That is correct.

Senator BARNETT—You are AMWU Northern Territory?

Mr Robertson—Yes, I am the organiser.

Senator BARNETT—Judging from what I have been hearing of your views today, you would oppose that proposal.

Mr Robertson—I think we oppose anything in the way that it is being structured at the moment. As we pointed out quite clearly to you today, the ability has always been there to be able to monitor the wages and the conditions.

CHAIR—But you are not appearing on behalf of the AMWU. You are appearing on behalf of Unions NT.

Mr Robertson—I am not appearing on behalf of the AMWU although I have had discussions and I have been dealing with skilled migration within Unions NT for some months.

Senator BARNETT—You referred to the 457 visa. Do you oppose the application of that visa?

Mr Robertson—In its present state, of course.

Senator BARNETT—Mr Gallagher, what is the official position of Unions NT, whom you represent? Do you oppose the proposal before the committee?

Mr Gallagher—I have got massive reservations about it. You mentioned 457. Yes, I have got major problems with that also. I believe that there is an adequate workforce here and that people just do not want to pay the proper price. It is as simple as that. This is a classic example.

Senator BARNETT—You mentioned the East Timorese, and we have been looking at the Pacific islands. As you made the point about the East Timorese, would you be open to East Timorese working in the NT?

Mr Gallagher—There is a great connection between the East Timorese and the Northern Territory. I think I would be remiss in not saying that, when we got the sniff of oil and gas coming along, one of the big pushes was to help those people up there. We trained them for that particular industry. I believe that anything that we can do to help the Timorese is a good thing.

Mr Robertson—However, I would make the comment that I think it is a very strange path we are going down in trying to work out whether one nationality is more applicable than another. I am just a bit surprised that we have not included Mauritius, South Africa, Namibia and a few other places if we are going to do that and go, 'Well, what about this one and this one?' So where are the rest of them?

Senator BARNETT—The reason I ask is that Mr Gallagher mentioned it in his evidence and that it has been brought up today. It is said that the NT is close to East Timor and the people there are stretched at the moment.

Mr Gallagher—What we said, when we spoke about having the East Timorese come here and be trained, was that it was always going to be on the same conditions as the workers here. They get good dollars in oil and gas. If they could come in there they would get the same money and the same conditions—everything.

Senator BARNETT—That is the reason, Mr Gallagher, why I am asking you the question. It would appear that there is an opposition to the proposal that is before the committee. But you would be open, hypothetically, to East Timorese coming in if they were on the same terms and conditions—if housing and travel were being met and so on?

Mr Gallagher—My emotion when I first saw this was: why Pacific for the Territory? That was without any politics, that was just an emotion.

Mr Robertson—That is a very difficult road to be going down, though, I would have thought. If you want a flat answer to it: the trade union movement has always supported migration but never on a racial or race basis. I think that is true of the movement for the history of the movement.

Senator BARNETT—We have talked about East Timor. It has been referred to and it is close to the Northern Territory and you have an affiliation and an affinity with them—fine. Is there a contradiction between the opposition to the proposal before the committee and an openness and willingness to consider East Timorese or other people in the vicinity overseas on a different type of project—you mentioned oil and gas? Is there a contradiction there? If not, can you explain that to me?

Mr McDonald—I will give you my view. The support for the East Timorese is not based on the issue of a skills shortage; it is much deeper, more complex issues than that. It is about the history of East Timorese independence, their struggle against Indonesia and the role that the unions have played over time. We are very supportive about anything that we can do to improve their lot and their training—their self-determination basically. It is not about whether we prefer to have East Timorese rather than Pacific islanders. That just is not the way we frame the debate at all. We are still to be convinced that the fundamental issue is about a skills shortage.

Mr Hull—Our preferred position is this: there is a huge Indigenous workforce out there that has not been tapped into; we should look at initiatives on how to get them involved, whether it is in part-time or full-time, preferably in full-time unemployment. There should be some thought going to that instead of looking at bringing people in from outside the country. Let us use what we have here and look at ways we can utilise them. They are going to need a leg-up. They are going to need transport and assistance with stuff. As Tracker was saying, CDEP is not the answer—it is a load of garbage and does not lead anywhere. It does not give those people on the ground any dignity and self-respect.

Mr McDonald—I appreciate the issue is one of labour shortages and not skills shortages, but we have had some pretty bad experiences here on the ground with the 457 visas, even getting access to those workers, and the precarious nature of their employment, in particular for Filipino workers, and the fact that the system that got them here is very corrupt. It cost them an arm and a leg and they have a huge investment in staying here. So there is a huge reluctance by them to rock the boat or contact anyone at all for advice and support. We believe that workers in the mango and picking industry would be in an even worse situation than those particular workers.

Senator BARNETT—I think Mr Robertson talked about small businesses being a dominant part of the mango industry in the Northern Territory.

Mr Robertson—Small growers.

Senator BARNETT—Small business growers.

Mr Robertson—They are not a dominant part; they are the tail of the industry basically. The guys you saw here today are the main part of it. They are the ones that get the big money for the big trays. The rest of them are just scratching over what is left of the market—the juice, the half-ripe mangoes, the stuff in bins.

Senator BARNETT—That was what I was trying to clarify with you, because I may have got the wrong impression. I thought you said that the small growers were a major part of the industry.

Mr Robertson—No, what we were saying was that they were a major part of the infrastructure problem. You have an industry with the capability of a million trays, a market of 250,000—of those 250,000, 150,000 is premium—locked up between about two or three growers. The rest of them are fighting over the rest of the market. I guess one of our fears is: are we using labour costs to make an unviable industry viable?

Senator BARNETT—The advice I had received was that it was about an 80:20 rule, where 80 per cent is produced by 20 per cent of the producers. That might be wrong, but that is advice I have received.

Mr Robertson—Eighty per cent of the top?

Senator BARNETT—Yes.

Mr Robertson—It depends how you define it: over the whole harvest or—

Senator BARNETT—That is fine.

Mr Robertson—But in the end you really have got to concentrate on what you can sell.

Senator BARNETT—Yes. Clearly today you have presented evidence to our committee which conflicts with the evidence that we received this morning from the NTHA and some of the growers, and you have made that pretty clear. So I appreciate where you are coming from. An issue for the committee is to weigh up the different evidence that has been put to us. For example, Mr Gallagher, you mentioned there was no evidence of serious inductions taking place. I am not sure whether NTHA would agree with that; I doubt it. I suspect they would strongly disagree.

Mr Robertson—I think they probably would agree. They do not actually have the expertise to do it. Remember, we are talking about a cottage industry.

Senator BARNETT—What is your definition of an induction?

Mr Robertson—It is where you get brought into the place, you are told what your start and finish times are, the amount of money you will be paid and about your accommodation—the whole nine yards. And you sign up to say that you actually understand that.

Senator BARNETT—Right. So is not the training, the preliminary training—

Mr Gallagher—And there are other things: health and safety and—

Senator BARNETT—Does that take days, or weeks, or just half a day?

Mr Robertson—It would normally take about four hours.

Senator BARNETT—And that does not happen, as far as you are aware?

Mr Robertson—No. But that would normally come along with your issue of safety clothing, which probably does not happen out there. You would be shown where all your emergency muster places are, which probably does not happen out there. There is a whole range of those matters. It is about making people familiar with their sites, their rights, their entitlements—and expectations.

Mr Gallagher—Following on from that: even in more regulated industries that can still be a problem when it comes to language. In this country we have an awfully bad habit of giving people instructions in English and expecting them to understand it.

CHAIR—Thanks. We have gone over time, but if there is something that you think we need to know that we have glaringly missed, here is a final opportunity.

Mr Gallagher—You mentioned, Senator Barnett, 80:20. Was that the ratio that was mentioned that would determine whether somebody was a worker or an independent contractor?

Senator BARNETT—No, that is a different one.

Mr Gallagher—But it is the same figures, isn't it?

Senator BARNETT—The same figures, yes; 80:20.

Mr Gallagher—Could you ask the guy who came up with those figures what his findings are?

Senator BARNETT—A fair observation!

Mr Robertson—I have one final comment. The Hanyang thing really put the Territory back considerably and exposed them as a carpetbagging lot. The reality was that it was restricted because we could not actually see the people. So, whatever you do, if we cannot see the people we can never agree. It is just not possible for us to agree. We need access to those workers and those workers need access to us. If they are going to come in here and be part of our communities, with perhaps some perceptions that this might be a permanent migration, then there must be linkages between the two groups. And we have to be able to get this monitoring

correct. I say again that Work Choices totally restricts our ability to speak to those workers and do anything on their behalf. All we are really asking for is fairness, openness and transparency.

We believe that there are sufficient workers in the Northern Territory but we do accept, I guess, that sometimes, for structural reasons, there are short-term labour shortages. But those workers should not be treated as chattels or slaves. Thank you.

CHAIR—Thank you all for your presentation and your submission to our committee today.

Committee adjourned at 6.09 pm