

From: Jimmy Kalafatis [mailto:Jimmy@kalafatis.com.au]
Sent: Friday, 31 August 2018 5:54 PM
To: Chambers - Kovacic DP
Cc: Doreen Kalafatis; Michael Crisera; Kayleen Despotellis; David Hunt-Sharman
Subject: Case number: AM2014/196 & 2017/197 - Casual and Part-Time Employment – Horticulture
Importance: High

Subject: Proposed Changes to the Horticulture Award

Attention: Deputy President Kovacic
Fair Work Commission Member

Deputy President Kovacic,

In relation to the proposal and decision concerning overtime penalty rates for casual employees under the Horticulture Award, we wish to voice our (along with many others in the industry) concerns regarding this matter.

With over 50 years in the fruit growing industry and as one of Australia's largest pear producers located in Shepparton East, in the regional area of Victoria, we believe this decision yet another nail in the coffin that is killing the primary production industry in this country.

In addition to battling the harsh weather conditions and pest control issues currently plaguing our country, sourcing labour, the largest cost in the Horticulture Industry has been a continual problematic concern.

Decisions like this compound the pressure facing farmers who are currently facing a price war (refer to email below) which is forcing our industry to supply fruit at below cost of production prices.

In addition to the low fruit prices being forced upon the growers in the industry, factors that are adversely affecting the cost of production and are driving farmers out of the industry not only include the lack of availability of workers but the cost of training new unskilled workers each and every harvest period which is a unique situation that the horticulture industry faces.

With the increases in penalty rates and associated on costs, the already unprofitable costs of production will increase exponentially forcing the entire industry to be ineffective in competing in international markets.

The horticulture industry already suffers from a shortage of workers, with this increased cost of labour, employers will have no choice but to scale back their employment requirements for casuals to the minimum award requirements. Casual employees will earn less over time, and the attractiveness of short term labour during harvest periods will diminish and cause irreparable damage to not only the actual fruit, but to the supply of fruit (and ability to meet demand) and to the financial sustainability of each business if the fruit is not able to be harvested in a timely manner due to labour shortages.

As a family business, these issues are not only a concern in relation to the day to day operations but have also become a concern as to the future of the industry as a whole and in our succession planning given that the industry is becoming highly unappealing to new entrants and existing family members. This decision sets a critical precedent for the Horticulture Industry that we fear contributes to its demise.

In light of the above, we ask that the Commission reconsider the principle decision to apply penalty rates for casual employees in Horticulture and contact us for further discussion regarding this matter.

Regards,



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