



Gunnible
455 Wean Road
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Submission to the Fair Work Commission AM2020/104

The application of a minimum hourly rate to override the piece rate in the Horticultural Award

The decision to bring in a minimum hourly rate for horticulture is going to have dire consequences for the Horticultural Industry.

Our business farms 40 hectares of oranges at Gunnedah NSW. For harvest labour we rely on seasonal workers, backpackers, locals and travelling Australian pickers.

We can rely on the Pacific Islanders to harvest our orchard. This season these pickers were picking 7 to 10 bins each in 8 hours which is a gross daily pay of \$300 to \$430. (On an hourly rate they would gross \$200). Under the proposed changes we would only employ these people.

We employ older pickers who travel around Australia. They prefer to work less than 6 hours a day and will pick 3 to 4 bins earning \$129 to \$172 on an hourly rate they would earn \$150 and would go slower without a piece rate. Under the proposed changes we would no longer be able to employ these people. This group of people enjoy their work and camaraderie, they don't want to work too hard and have been useful in harvesting our fruit.

To meet our social obligations we employ locals, giving them a start, many of these are long term unemployed. Usually, they are not productive workers but in future if the proposed changes are implemented, we will no longer employ them as they will be even less productive on an hourly rate.

The introduction of a minimum hourly rate will stop the employment of any slow pickers and there will be no learners employed.

Under the proposal there is no provision to train people. It takes three weeks for a new picker to achieve sufficient speed to be worthwhile. If there was an agreement between the learner and employer to say they would be paid the piece rate for a period of three weeks after starting this would enable employers to give learners a start.

For those pickers who are enjoying a lifestyle and happy to be paid a piece rate even though they are slow an agreement should be allowed to be signed (as is now) that they agree to be paid piece rates.

If the Commission decides to apply the minimum hourly rate above the piece rate then it is only a matter of time until this is extended to other awards. After ruining the horticultural industry and causing job losses, the precedent will most likely flow onto other awards such as the shearing industry and the transport industries. By changing established working arrangements that provide an incentive for people to be rewarded for effort industries will be destroyed and jobs lost.

If the changes are brought in there will be a further move by employers to pay cash to dodgy contractors and pickers. The most vulnerable and unprotected workers are the ones being paid cash.

The commission wants to take a moment to realise the damage is about to do to horticulture. It is taking a giant sledge hammer to kill an ant. There is a need to reform the award to eliminate the dodgy operators but this proposal is drastic especially after covid and the shortages of workers due to no backpackers and seasonal workers.

The Commission would achieve a better result if it looked at establishing better guidelines as to how the piece rate is calculated and to what activities it is allowed to be applied to. Also enforcing the current award would be a better place to start reform to eliminate dodgy operators.

The logistics of harvest are very different in the citrus industry. The individual workers are working in long rows of trees without supervision. What keeps them working and being productive is the piece rate payment. An hourly rate would make harvest impossible to run. It is unfeasible to continually check on 30 pickers in 30 rows of trees to see if they are working productively on an hourly rate.

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