Dear FWC,

I refer to the Full Bench of the Fair Work Commission decision reference AM2020/104.

I run Agribit Software, we provide apps for farmers to assist them in managing their picking and packing work force. Our software allows farmers to easily monitor worker performance and apply a fair piece rate per day.

Since I heard of the ruling I have been writing a program to run through historical records to determine the effect of a minimum piece rate floor. I have only finished crunching the numbers this morning. The results are very interesting.

All farms using our payroll software for the last 2 years have paid more to workers in total than if they were paying an hourly rate.

For all good data driven farms (Agribit Software clients) there will be a 5% - 25% increase in payroll costs if the same piece rate calculation is applied with a minimum hourly floor, and this is coming from a base of already paying more than the hourly rate overall.

On top of that, more effort will be required to run two parallel groups of workers - the high and the low performers. As a software provider we can make the collection and calculation of rates transparent and seamless adding no additional burden onto the farmer. However:

* Farmers will need to apply training and pressure to the under performers. There are ways that Agribit Software can automate this process by sending SMS or emails to workers notifying them of their performance.

* Farmers will need to streamline their hiring process to handle the turnover of workers.

* Increasing productivity through robotics is a noble and exciting goal, but as a programmer that creates rugged solutions for agriculture I believe that berry picking is a tough problem to solve, and will not be possible or cost effective for at least another 20 years.

* We are currently implementing STPv2 which is to be rolled out on January 1st 2022.

* If software providers are not prepared for the roll out of Minimum Floor Piece rates there will be an administrative nightmare for the farmer. We aim to make their life really easy (impossible task, but we can streamline payroll).

* We can apply the new calculation to employee performance reports and payslips but this will take at least a month or two for the minimum basic functionality. And we do have Christmas and STPv2 coming soon during the same period.

Another concern I have is with deciding the piece rates BEFORE the work is performed. On the face of it, it would appear to be the only fair thing to do and changing rates after the fact seems a bit "dodgy". However this is precisely how the best farms determine their piece rates because they have all the data at their fingertips at the end of the day. We know piece quantities per worker and hours per worker. This makes a daily rate calculation very easy and transparent. These farms do agree to a documented "base" piece rate at the beginning of employment, but adjust the rates on a daily basis to meet the fair rate requirement substantially higher than the base rate.

These farms with delicate berries have variable load crops and the pick rate can change dramatically from day to day due to weather conditions, so daily rates are important. But now could be an administrative headache.

Of course as a programmer we can make any system work, pre-setting the rates and sending an SMS or email is a possibility.

SUMMARY

We can make this work, however:

1. The best farmers using the best tools will not be hit too hard, but they will be paying an extra 5%, which is 20% - 30% MORE than if they paid hourly.

2. The best farmers need the best tools to support them in this transition to minimum floor rates. We can make payroll really easy for these farmers, but we need time and resources. A minimum of 2

months development with communication on the finer details of the appropriate ways to interpret the award in software.

3. Daily rates are important for variable load crops. How do we alter the rates day to day and meet the requirements of the award? Is a minimum base rate agreement sufficient or does the farmer need to post the rates electronically or physically the morning or night before picking starts?

This is the best case scenario. Without software, farmers will be stepping back into the dark ages to meet their obligations.

ALTERNATE OPTION

An alternate option is to relax the rules for farmers that use approved Piece Rate software, but I do not know how you write that into the award. Approved piece rate software could generate payroll and piece rate calculation data in a specified format to be supplied upon request from Fair Work.

I am happy to speak and answer any questions you may have.

Regards,

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Nik Petroff

Agribit Software