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Sent: Saturday, 27 November 2021 8:05 PM
To: AMOD <AMOD@fwc.gov.au>
Subject: Piecework Decision - Ref: AM2020/104

As horticultural farmers we have a high level of concern with the new proposed piecework decision regarding the proposed minimum floor rate for labour based on the applicable award prescribed hourly rate.

We believe that the current payment award system for horticultural businesses of a piecework competency based rate works well for both employers and employees for the following reasons:

- Provides a strong incentive for employees to be rewarded for their work/productivity. It is not in a producers long term interest to pay rates that do not incentivise employees, as the current system already has strong provisions for penalties for underpayment. In addition, employees will not return to the business in the future if they are underpaid. Given the current lack of supply of labour, there are many alternative employment opportunities in the horticultural workplace as a whole, so you have to be an employer of choice.
- Provides employers productive harvest – employers need to have a business that is effective on a holistic basis. The piece rate system based on worker productivity is a key component of this. The suggestion that producers will receive a higher price for their product is unfounded – commodity prices are market driven, not based on input costs. Margins for horticultural producers are continually being squeezed. For example, the price of apples in the 2021 year is the same as 30 years ago in actual dollar terms – let alone the real return based on time value of money, yet input costs are continuously increasing. The market requires that horticultural producers are continuously improving their efficiency, yet the AWU proposal will lead to decreases in efficiency. These two requirements are directly opposed. If the AWU proposal is legislated the long term sustainability of many horticultural enterprises will be compromised.
- Provides the opportunity for less productive employees to participate and assist with their Centrelink requirements. These people, who would otherwise not be working, are happy to have a “go”, both from the pride of working and possible mental health issues. Unfortunately if the AWU proposal is approved it will not be viable to engage these people.

If employees are not happy with a proposed piece rate they are not forced to work for the employer – it is their choice to stay or leave at any time.

We believe as an employer we do not take advantage of our workforce and always communicate about rates. We want employees to come back every year to assist with our harvest.

It has to be a “two way street” - “win/win” for both the employer and employee and we request the Fair Work Commission to consider both sides of the argument. Piecerate is currently set based on competency, but by setting a minimum floor rate it will mean that less productive workers will not be given employment opportunities. Quite simply, horticultural employers will not be able to afford to employ them.

Your consideration of the issues raised above would be appreciated.

Regards

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