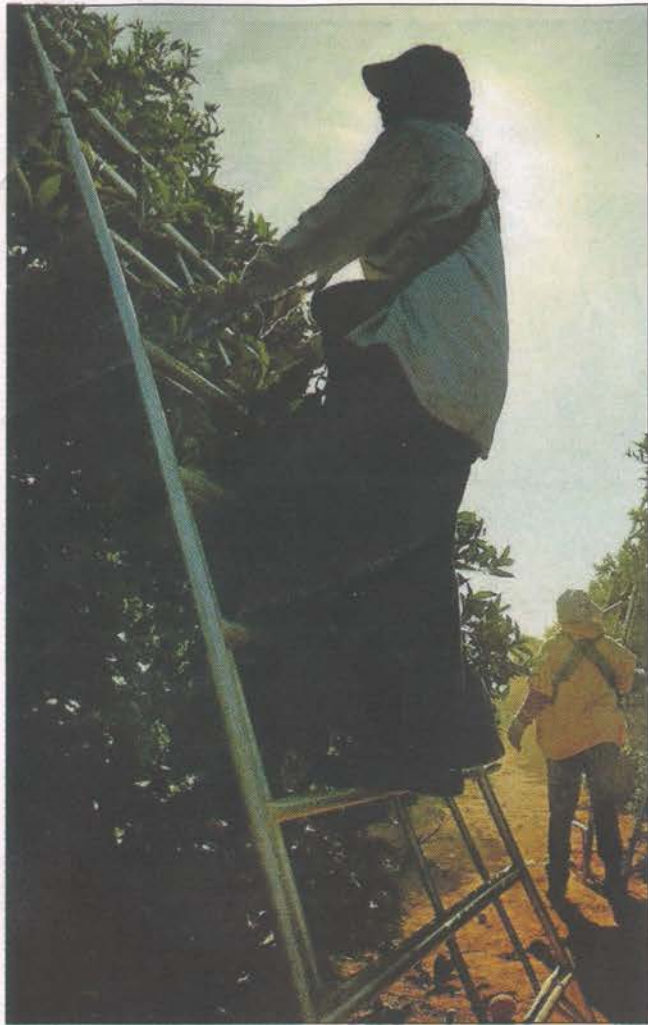


SA GROWER

Cost of casuals increases



Recent changes to the Horticulture Award mean it will be significantly more expensive for businesses to hire casuals.

POTATOES SA

BY ROBBIE DAVIS, CEO

ON APRIL 2, the Fair Work Commission handed down changes to the Horticulture Award, following two years of discussion and negotiation and certainly a considerable delay.

This was not a surprise, but the timeframe provided for implementation was very limited.

The National Farmers' Federation and other horticulture industry groups have been liaising with the unions across a long period in an effort to minimise the impact on producers.

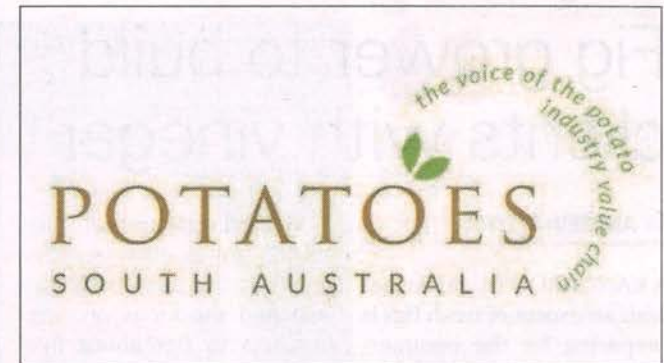
In summary, the changes that came into effect on April 15 mean it will be significantly more expensive to hire casuals. The chances of this being overturned through future political lobbying and media activity are minimal given this has been through the FWC process and will form the Award.

The NFF has strongly argued the significant financial impact and the need to prepare for, manage and find ways to absorb this financial

impact, while its Horticulture Council requested a transitional period for implementation. But, the FWC determined this was unnecessary, as the industry had been on notice of the intention to introduce over-payments for employees covered by the Horticulture Award since mid-2017.

The implications of the changes are as follows:

- Every hour a casual worker works between 5:00am and 8:30pm will attract a 25 per cent loading on top of their minimum award wage. Work outside of this period will attract a further 15pc loading - 40pc loading in total. Workers can also only work a total of 12 hours a day, with any overtime paid at 175pc of the employees' hourly wage (about \$40/hour).
- The ordinary hours of work for casual employees will not exceed 304 ordinary hours averaged across eight weeks. This averages out to 38 hours a week and is designed to allow businesses to account for spikes in demand. Any work above the 304



Potatoes SA is the voice for seed producers, growers, fresh market, packers, processors, marketers, exporters, wholesales and retailers.

ordinary hours will attract the 175pc pay rate.

- Public holidays will attract a loading of 225pc of an employee's hourly wage. This is an additional 25pc on the usual double time for public holidays.

Many primary producers fear they will not be able to afford the overtime payments and will be forced to leave crops unharvested unless supermarkets absorb the additional cost of doing business.

The corollary is that the National Union of Workers asserts that the horticulture sector has had a competitive advantage for a long time;

paying the lowest wages, without penalty rates for casual workers and with the lowest shift loadings.

There is no doubt the decision will change the way in which labour is contracted and there will be an increased uptake of robotic technology by those who have the capital to invest.

We will see a reduced labour force; the opposite to the unions' intention.

I am confident the horticulture industry is more than capable of managing its employment relations; a sentiment shared by many, including national industry body, Ausveg.