

Labour Updates: Piece rates & the new AgVisa

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At the time of writing, industry was still reeling from the shock of the piece rates decision to set a floor in the piece rate. This outcome went further than anyone predicted and will have significant implications for the profitability of many growers as well as cause a major shift in how workers are managed across the sector.

Unfortunately, there is little public sympathy for the sector and no reasonable likelihood of appeal so as industry associations we must turn our minds to looking at ways that growers can be paid the true cost of production and reduce input costs in other ways. This is new territory for us all. Berries Australia will be initiating conversations with all parts of the supply chain to discuss the potential implications.

Berries Australia will also be strongly pushing for increased enforcement around the new rules. The Fair Work Ombudsman must enforce these new rules otherwise the gap between those who do the right thing and those who don't will only increase.

In terms of managing the workforce, growers will no longer be able to carry unproductive workers. One of the small silver linings is that growers may be able to employ workers under the new Ag visa by mid-2022 and these workers will become a productive, returning workforce on a dedicated work visa.

Many of the details around the visa are yet to be finalised but we do know the following has been proposed:

- There will be two lengths of visa: A long term (four-year) multi-entry 'skilled' visa; and a short-term (at least 9 months) seasonal visa for semi and low-skilled workers.
- All workers will need to be sponsored to enter the country and the initial employer will need to be a "Temporary Activity Sponsor". Initial employers will need to provide at least 3 months' work.
- All employers must demonstrate they are fit and proper either through becoming an approved

employer through the Pacific Australia Labour Mobility (PALM) Scheme or become accredited through an industry accreditation scheme such as Fair Farms or SEDEX or through a new DFAT accreditation process.

- All recruitment will require labour market testing.
- Initially, source countries will be ASEAN nations.

It should be remembered that the PALM scheme is still a viable option for many growers and returning workers bring a significant productivity dividend to growers. The Prime Minister has committed to double the number of Pacific workers in Australia by March 2022, to at least 25,000 workers. With many Pacific nations recording no community transmission of COVID-19, Pacific labour mobility remains the most significant source of temporary migrant labour in the short-term. According to the Foreign Minister, more than 25,000 work-ready participants have received their full COVID-19 vaccination so growers should consider starting the process of becoming an Approved Employer. Find out more bit.ly/FAQ-SWP.

The industry has had some very tough years in the workforce space and the new piece rate rules are certainly going to cause significant pain across the sector. But people will always need fresh fruit and vegetables, so there will be a strong incentive for the supply chain to work together to manage these issues. It should also be noted that if there were fewer examples of underpayment within the sector then the decision may have gone another way, but those who applied piece rates correctly have ultimately been let down by those who used it as a way to underpay.