

As a participant in the horticultural sector (table grapes), the major problems we face (apart from the weather), and proposed solutions are:

1. 70%-80% of our costs are labour costs. I know it is a “no-go” area, but unless the problem of high wages in this country, compared with all of our competitors, is dealt with, it is a fact that many of the horticultural industries will gradually die, one by one. Solution 1: As very few genuine Australian workers are willing to do the menial tasks that are on offer throughout the year, why can't foreign workers, including refugees, work at a special rate for certain labour-intensive horticultural industries, less than the Fair Work minimums? These industries are price-takers and can't pass on higher costs, due in large part to problem 2 listed below. There is no way that these industries are sustainable at the current wage levels, let alone the rate of growth of wage levels. Solution 2: Penalty rates for horticultural workers need to be abolished as well. Because they only work on a casual basis for part of the year, they want to work nearly every day they can, so it would be a win-win situation.
2. The oligopoly of Woolworths and Coles is restricting any growth in prices paid for products, to keep up with costs. Because each chain buys from only a few marketers who sell to both chains. These marketers are mostly also very big growers. If one of those grower-suppliers drops their prices a fraction to get the lions' share of the market, one chain will accept their bid, then the other chain will follow suit, and the result is ever decreasing prices throughout the season. The smaller growers have absolutely no power at all. Solution: The only solution is to have some legislated mechanism to restrict market share, and increase competition by encouraging other chains and individual greengrocers to flourish. The government needs to intervene to a certain extent in the “free market”, which in fact is not free, but manipulated.
3. We use Backpackers for some jobs. They are very useful, and great to have around, but most are not particularly productive due to lack of training and experience, and move on after a short time. To make their employment more attractive, here are a few ideas:
  - a) Rather than have a tax rate of 29% for the initial three months, then changing to 13% (the rate for pickers and packers and pruners in horticulture), why not just start them all at 13% - this would make life a lot easier (cutting red tape again!) for employers, and employees. Most of them get most of it back anyway! I'm sure the government won't lose much, if anything, from its budget.
  - b) Issue all Backpackers and Pacific Islanders, who have a work visa, with a “green card” which states date of expiry. This would reduce red tape on-farm massively, because checking the credentials of people as they apply for work can be a major time-consuming task. This puts the onus back on Government, where it belongs, rather than the farmer. This sounds like an extremely simple solution, and ensures only “legal” workers are used
  - c) On the same topic – it is necessary to crack down on all “illegal” workers so that growers who do the right thing are not disadvantaged, or let us all use the black market! It is well known that many of the employment contractors use illegal workers, pay cash and don't pay super. The government is certainly losing out in quite a big way due to this shadow economy. Revenue collected here would pay for any lost in a) above.
  - d) Superannuation for backpackers – why do we pay retirement benefits for non-citizens? Many of them don't claim it back when they leave anyway, and this unclaimed amount is NOT returned to the employer as it should be, but goes directly into Commonwealth coffers. I know the answer will be “but this is a right for all employees, we can't discriminate against foreign workers”. And, my answer to that is, why not?