2006 MANGO HARVEST LABOUR EXPERIENCE

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The volume and forecasting information has been provided by Mr Greg Owens, Department of Primary Industry, Fisheries and Mines.

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Key Recommendations for a Successful Labour Experience

- Consult labour providers and other stakeholders well in advance of the season and consider which recruitment mechanisms best suit your enterprise. Make your decisions well before harvest.

- Maintain good communications with your recruitment source prior to and throughout the season.

- Review each season and identify areas for improvement. Your labour service provider is best positioned to tell you what your competitive advantages are in securing labour and where you are going wrong.

- Remember, you and your labour service provider are partners in the labour business. Work with them, before, during and after the season.

- Participate in DPIFM heat sum and forecasting program and utilise the information to calculate your harvest requirements.

- Pay wage rates that are consistent with the marketed rates of pay.

- Review the level of support required for your workforce. This will be different for each enterprise as location and access to infrastructure will vary from farm to farm and will impact on the level of support your workforce requires.

- Review your enterprise HR requirements. Do you have suitable people and a sufficient number of people in staff management / supervisory roles to manage your workforce?

- Conduct an honest review of the efficacy of your enterprise hierarchy (including family members).

- Create a positive employment environment.

- Review work procedures to identify efficiencies.

- Develop clear job descriptions and responsibilities for all roles in the production chain (including sticker applicators, box makers, pallet stackers etc). Remember NO ROLE IS INSIGNIFICANT and outlining both the role and the purpose of each task will increase productivity and encourage employees to take ownership of their role.

- Ensure employees are inducted and provided with adequate and appropriate training.
Preface

In August 2006 the Northern Territory Mango Industry Association commissioned a pre-harvest mango forum.

The objectives of the forum were:

- to ensure critical stakeholders were made aware of the season pending
- to discuss historical issues that have occurred in previous seasons of similar volume
- to identify potential issues
- to collectively develop strategies to address potential issues

In December 2006 a post harvest forum was held to review the season and to assess the value of collaborative pre harvest preparation.

Prior to the forum a survey was conducted amongst growers, and stakeholders and labour providers were asked to submit statistical information about the season. A preliminary draft report was circulated for discussion at the forum. The outcomes of those discussions have been included in this report.

This report provides a summary of the mango harvest labour experience for 2006 as has been determined by statistical information, grower survey responses and discussion from the post harvest forum. It also draws from ongoing dialogue with growers and stakeholders throughout the season.

Purpose of this report

This report is a summary of the labour experience for 2006 and it explores why there were such extreme variations in labour experiences. It is anticipated that industry and stakeholders will utilize the information provided to improve their capacity to attract and retain labour.

This report does not consider permanent employees or semi skilled positions where people return annually. It relates specifically to seasonal harvest labour.
Methodology

The report draws information from:

- statistical information provided by the two major labour providers
- grower survey and statistical data collection
- discussion at the post harvest forum

The report also includes a summary of the industry labour experience as determined by the NTHA Principal Officer and draws from:

- ongoing dialogue with growers throughout the season
- ongoing dialogue with the two major labour providers throughout the season
- ongoing dialogue with the National Harvest Information Labour Service

All information that is gathered from growers and stakeholders is published as aggregate data. The report also includes volume and forecasting information developed by DPIFM that draws from heat sum and flowering monitoring and mapping.

Review of 2006 Season

A review of the season has determined that 2006 presented as one of the most successfully coordinated and less problematic seasons to date. This is attributed to both good preparation and good fortune.

The number of trays harvested in each week was more dispersed and less congested than originally predicted, with higher than anticipated volumes both earlier in Darwin and later in Katherine.

The reduction in the predicted overlap between Darwin and Katherine resulted in fewer than expected problems however farms in Katherine experienced more problems in attracting and retaining labour than in Darwin.

It has been identified that the impacts of Cyclone Larry on the banana industry in North Queensland and Citrus Canker on the Citrus industry in Emerald in central Queensland have favourably contributed to the availability of labour for the 2006 mango season.

It is imperative that NT industry does not become complacent in developing and maintaining harvest labour strategies as the banana industry will return to full production and will be competing for labour in 2007 and beyond.
2006 also presented one of the most dynamic variations in labour experiences with relation to supply and retention. Historically trends have been fairly consistent across the board. This season however, some farms had few or no problems at all, while others have declared the season a crisis.

The majority of Top End farms indicated that labour was at times tight, but manageable. Top End farms experienced intermittent shortages when employees left or did not show up and in the peak week of high volumes.

During the season some growers reported that numbers were sufficient but efficiency was poor. Reports of crisis shortages may largely be related to inefficiencies being translated as shortages.

In summary:

- labour was tight but manageable
- numbers were sufficient but ( in some cases ) inefficient
- local jobseekers were problematic and unreliable
- some working holiday makers were well intentioned but suffered climatic intolerance resulting in a high turnover of staff

Some farms have indicated they had extreme shortages. It has been identified that some of the contributors to shortages in the Top End were:

- paying wages below the industry agreed minimum rate of pay
- sporadic work schedules
- mismanagement ( requesting workers then turning them away when they arrive)
- remote locations and lack of transport
- poor interaction between the harvest office and commercial labour hire companies

It has also been identified that some employees were deterred from continued participation in harvest as they had negative employment experiences on Darwin farms. Many Darwin growers paid wages below the industry agreed rate of pay and this impacted on workers continued participation.

Katherine farms experienced a shortage of workers in the peak week of harvest. The shortage of available workers in peak harvest has contributed to economic loss to growers. The extent of that loss is currently being determined.

It is noted that all farms in Katherine paid wages equal to or above the agreed minimum rate of pay.
It was identified that there were a large number of workers who migrated to Katherine for harvest but the delay in harvest resulted in them leaving town.

The most significant contributors to labour shortages in Katherine have been identified as:

- climatic intolerance
- workers having adverse experiences in Darwin
- delayed harvest (resulting in workers leaving the region)
- poor connect with the harvest office

The issue of delayed harvest was further discussed at the Northern Territory Mango Industry Association Board meeting. It was suggested that growers need to assess the economic benefit of employing workers to keep them in the region and compare it to losses experienced from shortages in the following weeks. Growers indicated they were not advised that workers were available at this premature time. This may be rectified with improved communication between providers and growers.

When forecasting predicts delayed harvest, growers may need to identify other duties that can be performed to create interim employment to ensure workers remain until harvest begins.

Other options for farms with accommodation to keep workers in the region may be to provide accommodation at no cost until the work commences. Generally if the workers have migrated to the region to work, they want to work, but it is the cost of staying with no work that drives them away.

The most successful labour experience in Katherine was managed contract picking crews, foreigners, presumably employed on 457 visas. These workers were climatised and efficient.

Climatic intolerance remains the biggest contributor to low levels of staff retention in the mango industry and is relative to the large percentage of out of area workers. Climatic intolerance worsens as workers move South to Katherine and South West to Kununurra and the heat intensifies.

If the industry is to be globally competitive it must secure an efficient workforce that can adjust to, or be accustomed to the harsh Northern Territory climate.
Statistical Summary of labour experience 2006

From the data collated to date, the following is a summary of the 2006 season.

- This report captures 1561 seasonal employees in 2006 harvest.
- The report captures 42 commercial farms in the Top End and 11 commercial farms in Katherine.

Labour Requirements

- 20% of growers indicated they experienced extreme labour shortages
- 50% of growers and stakeholders indicated that labour was tight in the peak but manageable
- 30% of growers and stakeholders indicated that they experienced no shortages at all

Demographics

- Katherine farms experienced a higher difficulty in attracting workers than Top End farms
- Katherine farms experienced a higher incidence of staff turnover than Top End farms

Employee Demographics

Data collated to date indicates:

Top End

- 73% of seasonal employees are Working Holiday Makers (international backpackers on 417 visa)
- 18% of seasonal employees are Unregistered Job Seekers (Australian residents who are not registered as unemployed and includes retirees)
- 8% of seasonal employees are Registered Job Seekers (unemployed on benefits)
- 1% refugees and other visa holders

Katherine

- 72% of seasonal employees are Working Holiday Makers (international backpackers on 417 visa)
- 17% of seasonal employees are Unregistered Job Seekers (Australian residents who are not registered as unemployed and includes retirees)
- 5% of seasonal employees are Registered Job Seekers (unemployed on benefits)
- 6% refugees and other visa holders
Infrastructure

- 100% of farms that experienced extreme labour shortages did not provide on farm accommodation

Recruitment

**Top End**

- 27% of employees were recruited through the federally funded Harvest Office
- 40% of employees were recruited through a commercial Labour Hire Agency
- 33% of employees were recruited and/or contracted by growers

**Katherine**

- 15% of employees were recruited through the federally funded Harvest Office
- 63% of employees were recruited through a commercial Labour Hire Agency
- 22% of employees were recruited and/or contracted by growers

**Top End / Katherine Combined**

- 25% of employees were recruited through the federally funded Harvest Office
- 47% of employees were recruited through a commercial Labour Hire Agency
- 28% of employees were recruited and/or contracted by growers
### Forecasting

Mangoes are a highly seasonal fruit with a fluctuating supply from one year to the next. This variability in production has historically made it difficult for the industry to adequately prepare for harvest.

Senior extension officer with the NT Department of Primary Industries, Fisheries and Mines, Mr. Greg Owens, in conjunction with the NT mango industry has developed a forecasting system that identifies peaks in supply and assists the mango industry to better plan for harvest. The forecasting information is used as a preparation tool and enables the industry to work with transporters, labour providers, packagers, retailers and other stakeholders to prepare for harvest.

The system uses predictions based on flowering surveys sent out to growers and the application of heat sum calculations to convert this flowering data into a harvest pattern.

Northern Territory mango seasonal forecasts have been published for each of the last four seasons, which shows the predicted time for harvest peaks in the two main production regions of the Darwin Rural and Katherine areas.

![Darwin Mango Flow vs October 1 Prediction 2006](image1)

Each year the forecast is checked against the actual production pattern for the season by collecting weekly dispatch information from the major packing sheds and consolidators.

DPIFM is investigating a more reliable methodology for predicting volumes for each production region, however the current system provides close estimates and has been acclaimed by industry and stakeholders as a valuable preparatory tool. The forecasting model is now known as the ‘Owens’ model. *

Previously, critics have argued that forecasting information is used by marketers to distort prices; however it was unanimously agreed** that the benefits of distributing forecasting information far outweigh any potential inappropriate use of the information.

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* The forecasting model was formally noted as the Owens model and ** it was unanimously agreed to distribute forecasting information at the post harvest forum on the 9th December 2006
Pre Harvest Predictions

Predicted implications for labour in 2006 indicated that the overlap between Darwin and Katherine overlap would mean a large number of workers would be required in both regions concurrently.

It was expected that there would be a significant demand for labour from around 5th October 2006 with peak demands from the 15th of October to the 1st of November.

It was later predicted that Katherine region’s peak would move further back, due to the cold weather experienced latterly. This did occur and the overlap of the peak periods in both the Darwin and Katherine regions was significantly reduced.

The NT forecast information is published on NTDPIFM website and can be viewed by visiting www.horticulture.nt.gov.au.
Labour Predictions

Prior to 2006 harvest, industry averages were used to calculate the numbers of workers required. It was estimated that the industry would require 2606 workers in the peak week of harvest and a total of 3787 workers for the 2006 season to allow for staff turn over and regional overlaps. However actual labour statistics collated indicate that a total of 1561 workers were placed into harvest in 2006.

Labour estimates for both Darwin and Katherine combined assumed 128 trays per pallet, a six day working week, working an eight hour day. They were based on a worker picking 55 trays a day and packing 160 trays per day.

Following the 2006 season it was determined that the industry average pick / pack / worker ratio used to calculate these figures are no longer valid, due to mechanisation and other efficiencies.

Establishing a formula for calculating labour requirements has been hindered by a resistance to information sharing.

It is now estimated that the industry average is closer to 90 trays per picker per day (includes all harvest related roles) and 200 trays per packer per day (includes all post harvest related roles).

This is relatively consistent with the number of workers actually placed into harvest in 2006.

DPIFM and the NTHA will formally liaise with the industry in early 2007 to develop a more accurate industry average and a formula for calculating the number of workers required based on volume forecasting.

Staff turn over will also need to be considered in the development of any formulas and will be extremely variable depending on seasonal circumstances.

According to statistics collated from the 2006 season, the average period a worker stayed in harvest employment was 2.36 weeks in Darwin, 2.06 weeks in Katherine.
Successful Labour Experiences

The most significant contributors to successful labour experiences were:

1. pre harvest preparation
2. support for a mobile workforce
3. proactive utilisation of services
4. positive employment environment

1. Pre harvest preparation

Farms that experienced few or no problems in accessing labour had been engaged in discussions with labour providers and other service providers from as early as April, prior to the season commencing.

Some farms had registered vacancies with the National Harvest Labour Information Service (NHILS) and International Work Travel Companies at a similar time and screened workers prior to the season commencing.

Some farms had negotiated wages, travel and accommodation assistance and other incentives well in advance of the season commencing. Others made commitments to contract picking crews well in advance of the season who were then able to secure labour through existing visa options. (Presumably 457 visa with regional employer concessions)

Growers who worked with DPIFM on heat sums and forecasting were able to forecast their weekly labour requirements prior to harvest commencing.

Several complaints of labour shortages were lodged with the NTHA during harvest and in each case, the grower had not initiated contact with labour providers or the NHILS until immediately prior to the complaint being lodged.

2. Support for a mobile workforce

82 % of the Darwin work force and 95 % of the Katherine workforce in 2006 were transient.

A large pool of the workforce has no transport. A large pool of the workforce requires accommodation. There is only a limited pool of labour that does not require infrastructure support.

Growers who provide support for mobile workers have increased access to labour. The higher the level of support provided, the bigger the pool of labour a grower can access.
Support for a mobile workforce

Growers who do not provide support for a mobile workforce have a very limited pool of labour they can access.

Levels of support include:

- travel assistance
- accommodation assistance
- incentives
- amenities

Transport

While there are no quantitative statistics on how many workers have access to transport, we do know that with rising fuel costs and increased access to “cheap flights”, the number of transient workers with no access to transport is increasing.

There are a large number of candidates with no transport seeking seasonal work and only a limited number of farms that provide travel assistance. To accommodate the needs of workers, farms that assist with transport have their vacancies filled first.

Farms that provide assistance with travel have a demonstrated competitive advantage in attracting and retaining labour over those that don’t.

Travel assistance provided by some growers includes:

- initial travel from CBD to farm
- daily commuting from accommodation facilities (either by farm owned bus or hire bus)
- air travel or fuel allowance for travel from interstate

Accommodation

There is one indisputable fact in successfully securing mobile labour: farms that have on farm accommodation have a strong competitive advantage in attracting and retaining labour, than those that don’t.

Some farms have relationships with accommodation providers however this only serves to assist in attracting and retaining labour if there is a commercial relationship that delivers discounted rates or if the farm subsidizes the costs of accommodation.
In all cases presented to the NTHA, where workers are paying full commercial rates for accommodation, while it may impact on attracting labour, it does not impact on the retention of labour.

**Incentives**

Visa amendments, that allow working holiday makers to apply for visa extensions, if they undertake 3 months employment in primary industries in regional Australia, have provided incentive for workers to undertake harvest employment.

While it is premature to quantify the extent visa extensions have impacted on retention of workers, promoting employment opportunities that offer 3 months employment attracts workers. This may be achieved through pruning and other farm maintenance duties. However the likelihood of workers completing 3 months employment in the build up to the wet season is slim.

Incentives such as reimbursement of accommodation costs for workers who stay for the duration of the season encourage workers to stay. Other incentives provided by growers include reimbursement of travel costs, and efficiency bonuses.

**Amenities**

In recognising that the majority of the workforce is mobile, many farms provide workers with various levels of amenity support.

These may include, but not be limited to: morning tea, lunch, evening meals, recreation areas, locked storage and cool room facilities, fully equipped ablution blocks, etc.

It is now becoming common for larger farms to recruit a human resource manager or housekeeping manager to provide amenity support for workers.

Smaller family farms often provide these levels of support within their own family environment.

One farm advised that they hired a dormitory housekeeper and provided clean linen every few days. This reduced incidence of heat rash and sap irritation and encouraged staff retention.

Farms who provided lunch and / or evening meals indicated that their workforce was more productive and there were fewer incidents of alcohol intoxication and associated absenteeism.
3. Proactive utilisation of services

Growers who proactively utilize a combination of labour services have higher success in securing labour than those who rely on only one particular recruitment strategy. However, there is a general lack of understanding about the different services available and how they function and interact.

The most prevalent service providers to mango harvest are:

- Commercial Labour Hire Providers
- Harvest Office
- International Tour Companies
- Local employment agencies
- National Harvest Information Labour Service

Understanding the different functions of service providers will assist growers decide the most appropriate service or combination of services for their businesses.

**Commercial Labour Hire Providers**

Commercial labour hire providers, such as Grunt Labour Services, are private companies who recruit workers and subcontract them out to growers. The provider manages marketing, recruitment and is responsible for the workers entitlements, insurances and payroll management.

There is no direct relationship between the grower and the worker. The workers timesheets are sent directly to the provider who manages the workers pay.

The grower has the commercial relationship with the provider and is invoiced collectively for the payroll, entitlements, insurances and labour hire service fee for all workers contracted to him.

**Advantages**

Labour Hire Providers are commercially driven so they are extremely focused on getting results. They also invest in infrastructure requirements such as buses because they have a commercial interest in doing so.

Many growers opt for labour providers because managing payroll and other employee responsibilities can be cumbersome particularly if the farm does not employ workers at any other time outside of harvest.

Workers compensation costs and long term obligations to employees if there is an accident should also be considered.
The biggest advantage in working with a labour hire company has been the continuity and ongoing participation in harvest in the organisation. This has enabled forward planning, seasonal review, benchmarking performance, and other long term strategy development. In effect, you and the provider become partners in the labour business because you are both commercially driven to do so.

Disadvantages

The cost of engaging labour providers has been noted by some growers as disadvantageous; however individual businesses need to compare the economic benefits that apply in their own business.

The other disadvantage is that workers don’t enjoy the benefits of a direct employment relationship.

Harvest Office

The harvest office provides a free referral service to growers who act as direct employers. The grower is responsible for insurance, worker entitlements, managing payroll etc. The harvest office is federally funded under the Department of Employment and Work Relations (DEWR) harvest labour services contract. *refer to Harvest Contract

Advantages

The harvest office provides a free referral service and for growers who are equipped to act as direct employers.

Although the number of farms serviced by the Harvest is relatively low, growers who utilize this service have good outcomes.

Disadvantages

There has been no continuity in the contracted provider or staff within the harvest office so growers have not been able to establish productive relationships over a period of time. The lack of continuity has also prevented the harvest office from understanding and addressing reoccurring issues.

The Harvest Office subcontracted its obligations to the Katherine region to a Travel Provider in Katherine and there was no connect with industry. This needs to be rectified if the harvest office is going to service Katherine growers.

The harvest office refers candidates directly to growers and farms are required to manage their own recruitment process and payroll.
International Tour Companies

The Northern Territory is becoming attractive to international tour companies who are established with the specific objective of attracting young people from Europe and other countries around the world to Australia, for work and travel adventures.

They establish itineraries for working holiday makers prior to their departure and provide a level of support once they arrive in Australia.

Growers who wish to utilize these types of services need to be highly organised as they need to provide accommodation, commit to employment commencement and conclusion dates, rates of pay, and provide transport or pick up from the airport.

The travel organisations “product “to their WHM clients is predetermined and guaranteed arrangements.

Advantages

Growers who can guarantee employment, including start and finish dates and provide support to WHM will benefit greatly from this type of service as they will know in advance the number of workers available to them. The companies are commercially driven to fill vacancies so they are dedicated to the task.

Disadvantages

Growers pay a fee per worker for this type of service which may be cost prohibitive to many growers, however businesses should carefully analyse the cost of their existing recruitment processes and staff retention rate to establish the economics of this type of service.

LOCAL EMPLOYMENT AGENCIES

The introduction of the harvest contract resulted in a decline in the number of local employment agencies participating in mango harvest. This was largely related to remuneration and placement recognition issues. This was highlighted to DEWR in 2005 and remuneration issues have been rectified.

Although participation remains relatively low, this is largely because growers perceive that the client base of local employment agencies is predominately long term unemployed and growers do not have confidence in recruiting local unemployed workers.
However growers should be aware that local employment agencies have access to many potential labour pools, including, but not limited to, migrants, refugees and indigenous.

Employment agencies, through the Department of Employment and Work Relations provide varying levels of support to their clients and may be able to assist with transport and other infrastructure requirements.

**Advantages**

Employment agencies are remunerated to place their clients into employment so they focus on doing so and can provide transport and other types of assistance. However the remuneration is structured on employment outcomes so they aim to place a client into permanent employment. Notwithstanding, growers who take the time to explore the services of local employment agencies and develop relationships with them can achieve good outcomes. The advantage of developing these relationships is the continuity of the providers. Growers who have ongoing employment opportunities may benefit the most. There have been some very successful labour experiences with African refugees.

**Disadvantages**

Local employment agencies also service clients who are perpetually unemployed. Some of these clients apply for and or, start work only to meet their Centrelink obligations. These people are unreliable and often problematic. It is important that growers report any adverse incidents to the employment agencies so they are formally addressed. However developing an ongoing relationship with the employment agency may alleviate this as the agency begins to consider the grower (employer) as the principal client rather than the candidate (employee).

**NATIONAL HARVEST INFORMATION LABOUR SERVICE**

The National Harvest Information Labour Service (NHILS) is a federally funded harvest information service located in Mildura.

It comprises of a:

- National call centre
- Harvest Trail Website
- National Harvest Guide

The role of the NHILS is as a central information point where growers and labour providers can register employment vacancies and workers can find the employment opportunities around the nation.
The NHILS lists employment vacancies on its web site and refers workers to regional harvest areas. The call centre takes up to 3000 calls per week.

The service is widely recognized by Working Holiday Makers, Domestic Itinerants and Jobseekers.

Regional managers frequent the harvest areas to liaise with stakeholders.

Growers can register their employment vacancies or they can request their labour hire provider register them on their behalf.

Both the commercial labour hire agencies and federally funded labour providers register vacancies prior to and during harvest.

The NTHA liaises frequently with the NHILS to ensure they are aware of harvest demands. The WEB displays “NEWS FLASHES” when a region is in peak harvest.

ADVANTAGES

The National Harvest Information Labour Service is widely recognized and attracts enquiries from an extensive number of jobseekers.

The service is nonbiased and refers workers to growers, labour providers, referral offices etc.

The organisation has maintained an ongoing working relationship with the industry and continually seeks to improve its services to ensure grower’s needs are being met.

The biggest advantage in registering vacancies is that the NHILS is recognized by the Federal Government. If the industry requires political changes to address shortages then it needs to capture data that is credible to government.

DISADVANTAGES

The only disadvantage in growers registering their own vacancies is managing the recruitment process in peak harvest.

However some growers list their vacancies prior to the season commencing and screen applicants in a more formal way by negotiating contracts and finalising the recruitment process well in advance of the season.
4. Positive employment environment

In consultation with workers it became evident that the most critical factor to staff retention (aside from climatic tolerance) was a positive working environment. A positive work environment is created by:

- Open communication
- Reward and recognition
- Creating a team environment
- Inductions and training

Communication

A positive working environment is created when growers, managers and supervisors interact and communicate appropriately with staff.

It is imperative that there is a clear and open communication channel between employers and employees. Nothing portrays respect or models empowerment more than employers who actively listen to their employees. Listening to the employee is the most cost effective way to acknowledge people. Being heard builds self-esteem and employees with high self-esteem feel trusted and valued and are less likely to feel marginalized.

Reward & recognition

Reward does not always need to come in the form of financial gain, it has been proven that a simple thank you, you are doing a great job goes a lot further. Create a reward / recognition system that is cost effective and simple with high impact.

Create a team environment

It is important that employees be made to feel a part of the team. This encourages employees to take ownership of their responsibility and the importance of their role in the team which results in higher attendance, productivity and retention.

This also encourages close relationships and access to valuable feedback from employees, which enables the industry or individual employers to implement changes, suggestions or recommendations, to encourage the workers into harvest employment.
Staff Morale

Harvest in the NT is hot, repetitious and, depending on the role, hard work. Maintaining and lifting the morale of staff is critical to retention. Building and maintaining the morale of your employees, increases productivity, minimises complaints, disruptions and legal wrangles.

The morale of workers will quickly diminish if:

- they are not clear about the duties they are undertaking
- there is disparity in the instructions given
- they are addressed abruptly
- they are given unrealistic performance targets
- they are paid incorrectly and / or not on time

Working holiday makers are in the region for the experience and employment is secondary to their travels. Harvest work is simply a means to an end. WHM’s are well educated, highly motivated and are traveling for a life experience. If they have an adverse experience in one region they simply move on to another one and they will report their adverse experiences to other working holiday makers.

Equally, local jobseekers aren’t planning to make a career out of harvest work and they generally achieve income support from a tax or welfare benefit of some description, so tolerance to poor employment practices no longer exists.

Inductions

Play a very important part in retention; they give the worker a clear and thorough understanding of processes, procedures and what is expected of them. Farms that have systems in place that include inductions and articulated job descriptions for each role have increased efficiency and productivity in the workplace. It also portrays the grower as a professional in the industry.
Formalising Induction and Training

In relation to occupational health and safety, the horticulture industry has historically been recognised as a high risk employment sector, particularly in harvest season when large numbers of unskilled workers, who may be unfamiliar with the farm as a work place, are engaged into harvest work.

The perception that horticulture employment is unsafe has adversely affected the industry capacity to attract workers. In turn, shortages in a labour work force increase the potential for unsafe work practices on farm, particularly in peak harvest when work loads are extremely high. Employees working under extreme pressure are likely to be put at higher risk of injury.

Alternatively employees may discontinue employment, thus contributing to the high turn over in staff in peak harvest season which again increases the risk of injury and accident. In short, poor OHS perceptions and / or standards have a snow ball effect on the industry's' ability to attract and retain labour and consequently increase the risk of injury and accident.

In 2002 the mango industry reached a crisis point in labour shortages and a review of the industry identified that occupational health and safety issues were contributing to labour shortages. Subsequently the industry has been developing strategies to address labour shortages and improve OHS in the horticulture industry.

One of the initial challenges in improving OHS across the industry is the structure of the industry. The industry comprises a number of non commercial or opportunistic growers who are unprofessional in their operations. This is characteristic of a developing region and in a developing industry.

While there are a number of commercially focused farms with corporate discipline, strong values and good employment practices, the reputation of the industry has historically been overshadowed by the poor practices of non commercial growers. Driving change within the undisciplined sector of the industry posed the biggest challenge for the industry.

In 2005 the NTHA secured funding to develop a professional farm labour system where employers who undertake good practices are endorsed and promoted, and employees who acquire skills and experience are recognised on the national harvest trail.

At the parliamentary hearing of the Senate Inquiry into Pacific Seasonal Labour in 2006, Unions NT cited that there were no formal induction processes being undertaken by industry.
NT Backpacker Operators Association NT, have also been strong and public critics of the mango industries occupational health and safety standards and lack of adequate inductions and training. In 2004, President of the association Bardia Bodaghi publicly stated that he would deter backpackers from participating in mango harvest because of OHS issues.

Without a unified approach to inductions this type of criticism is difficult to contest and quantifying the industry induction and assessment procedures is difficult when they are so variable across industry. The Senate debate reiterated the need for industry to introduce a unified approach to induction and training, particularly if it is to successfully lobby for change in foreign entry visa’s.

In 2006 the Farm Ready Induction training program (adapted from the Lockyer Valley program) was introduced into the mango industry.

The Aim of the program is:

- to deliver appropriate, adequate and responsible pre-vocational induction training for entry-level employment in the region’s horticultural enterprises
- To initiate a professional, whole of industry approach to worker training in the Northern Territory horticulture industry
- To reduce the cost of recruitment to the Northern Territory horticulture industry
- To encourage skill retention within both the Northern Territory horticulture industry and the Australian horticulture industry, within seasons and between seasons

The program comprises a compulsory three hour induction training program covering:

- Workplace health and safety
- The employment relationship
- Understanding Quality assurance and Food Safety
- Basic picking and post-harvest handling issues

There is no cost for participants to attend the program.

**Supporting Documentation**

Workers participating in the Farm ready course received a Certificate of Attendance and a Farm Skills Passport. The Farm Skills Passport documents the workers training, as well as important employment details (visa number, tax file number, etc.). The Passport operates as a “running resume”; as the passport provides a template for workers to document their employment history.

Workers participating in the program also received a copy of ‘A Workers Guide to Picking and Packing Mangoes without Going Troppo’
Delivery

- The program was developed and coordinated by the Northern Territory Horticultural Association and Charles Darwin University.
- Three hour induction training programs were conducted at Browns Mart Theatre, Smith St Darwin prior to and during peak harvest and at CDU, second Street Katherine.
- Trainers were level 4 certified trainers meeting the requirements.

Outcome

The program was widely acclaimed by NT Worksafe, NT Tourism and international work travel providers and received formal recognition from the minister for training and education the Hon. Paul Henderson. The program was also recognised by Unions NT.

However the program was not supported by labour providers and labour hire providers who were focused on placing candidates directly into employment rather than into pre employment training.

Concerns were raised about the poaching of workers, should they not be immediately placed on farm following recruitment. This behaviour is characteristic of an industry that is competitive for limited labour however labour providers were urged to display more discipline in ensuring pre employment training was undertaken.

The lack of continuity in harvest labour providers and subsequent lack of understanding of historical issues in the industry, is detrimental to the successful implementation of the industries long term strategies.

It is noted that Grunt Labour Hire provided workers with an induction DVD prior to placement however this type of induction is not considered adequate by Unions and NT Worksafe

It is also noted that some large farms conduct on farm pre employment training.

The industry will need to consider how it manages its induction procedures in the future if it is to successfully engage crucial stakeholders, such as NT Tourism and NT backpackers Association to support mango harvest and if it is to succeed in advancing visa changes for foreign entry workers.

The industry will pursue its endorsed employer program in 2007 to ensure that employers who undertake good practices are endorsed and promoted.
Issues

Growers, employees and stakeholders were asked to submit any issues that arose during the season.

The main items raised by all stakeholders were:

- Validating Work Rights
- Poor lead time and communication by growers
- Pay Issues
- Industry agreed rate of pay
- Poor supervisory / management skills
- Harvest contract issues

The main issues raised by growers were:

- validating work rights
- inefficient workers
- staff turn over
- variable tax rates
- alcoholism and other intoxicants
- problematic workers
- poor communication by labour providers

The main items raised by employees were:

- pay issues
- conflicting instructions
- lack of amenities
- negative employment environment
- variable tax rates

Validating work rights

All stakeholders agreed that verifying work rights was a cumbersome and expensive exercise.

While all stakeholders stated that they examined passports and visas, they were not confident in their own assessments without confirmation from DIMIA.

The inefficiency of the web based EVO (Entitlement Verification Online) and the fax back system meant that growers and stakeholders were attempting to contact DIMIA via a 1300 number and this also proved inefficient. It was reported that it was taking up to seven days to verify work eligibility.
It appeared that the DIMIA systems collapsed with the large number of verifications lodged.

Growers outlined the human resource costs associated with validating work rights and the long turn around time for verification was becoming increasingly cumbersome and unworkable.

**Poor Lead Time and Communication by Growers**

All providers reported that growers often submitted requests for workers less than 24 hours before they were required. This is difficult to manage for both labour providers and workers. Workers will not make their preparations until they have secured employment and having secured employment it is not unreasonable to require a day to adequately prepare.

If workers are adequately prepared they settle into the work environment more effectively, they are more content and productive and less likely to need to leave the farm to get further supplies.

There were also incidents in Darwin where growers would request workers and then when they arrived they no longer required them as either the harvest was delayed or they had sourced workers elsewhere or they had over estimated workloads.

While it is acceptable that there may be exceptional circumstances that create this situation, (e.g. broken packing line), it is not acceptable for this to occur and in particular reoccur because of poor management.

If growers need to cancel requests for labour, they must endeavor to advise the providers before workers are disbursed and arrive on farm.

Harvest workers are adversely affected by this conduct and they cannot afford to travel out to farms only to be turned away. If workers experience loss of profits or incur costs from this conduct they are likely to leave town and report the experience to other working holiday makers.

**Pay Issues**

Pay issues have been reported by growers, labour providers and employees.

Pay issues reported by growers were generally related to the labour hire agency not paying on time or paying incorrectly.

Labour hire agencies submit that this resulted from time sheets not being submitted on time and / or submitted incorrectly.
Pay issues reported by labour providers included, paying less than the minimum rate of pay, paying less than the industry agreed rate of pay and growers not paying what they had agreed to pay.

Pay issues reported by employees included, pays not being paid on time, being paid incorrectly, being paid by cheque and not being able to access banks and being promised a rate of pay or efficiency bonuses that were not honored.

In the past, local convenience stores and hotels would often cash cheques, to encourage in store spending, however the increasing number of workers and the decline in the cash economy means this is not always possible.

Whatever the reason for pay issues, and there are too many to elaborate on in this report, there is one undeniable fact, pay issues create discontentment, result in lower productivity and impact on retention. They also impact on the ability of the industry to attract labour.

The communication network between working holiday makers is second to none and pay issues, perceived or actual, impact significantly on the reputation of the industry. It is imperative that workers are paid what they are told they will be paid and when they are told they will be paid.

If, for whatever reason, this does not occur, the employer must act sympathetically and conduct himself in such a way that ensures the worker understands it is a genuine error. Growers often underestimate the impact that pay incidents, however minor, have on the morale workers and the ability of the industry to attract workers.

**Industry Agreed Rate of Pay**

An industry agreed rates of pay is a minimum rate of pay that is determined by the industry when there is no award or pay scale in place. In the case of the mango industry, the NT Mango Industry Agreed rate of pay is determined by the NT Mango Industry Association Board of Directors and ratified by members at a general meeting. Growers are encouraged to participate in consultative processes that determine industry agreed rates of pay.

The industry agreed rate of pay is used in domestic and international marketing activities to attract workers to the region.

If workers come to the region and are paid less than the marketed rate of pay (or a rate of pay + mutually agreed benefits that are equivalent to the agreed rate of pay) it will impact on enterprise retention and continued participation in the industry. It also severely impacts on the reputation and credibility of the industry and the ability of the industry to attract labour to the region.
Poor supervisory / management skills

Farms that employ large numbers of staff and operate with crews need to be mindful on how those crews will be managed. Crew supervisors are often people who return annually or sporadically to the industry. While their previous knowledge of production practices may be valuable, if their conduct or supervisory skills impact on staff retention and productivity, there is no economic benefit in the person’s prior knowledge.

There are often reports of supervisors displaying characteristics of self importance and conducting themselves in an inappropriate authoritarian manner. This is typical of supervisors who do not have a senior or supervisory role in any other employment environment.

Seasonal workers are not likely to report incidents of abuse or inappropriate authoritarian conduct as they assume there is a historical relationship between the supervisor and the grower. Poor supervisory skills are more likely to result in staff leaving and portraying their experiences to other potential workers.

Growers need to take appropriate measures to monitor that crew supervisors treat workers in a way that firstly, does not diminish their morale and discourage them from working and secondly, ensures that when they leave they will speak highly of your farm.

Poor management skills also contribute to inefficiencies in production. It was identified that some growers manage their workforce poorly and are not proactive in identifying work efficiencies. Unskilled workers are not likely to identify efficiencies and those that do will hesitate to raise them with supervisors and managers that do not communicate well.

Inefficiencies

Labour efficiency is the highest reported complaint from growers and is often translated as labour shortage. Generally poor efficiencies result from:

- a mobile workforce that is not acclimatized
- staff turn over and continual training of new staff
- problematic staff
- poor staff management

Working Holiday Makers and Australian Resident out of Area Workers, have difficulty adjusting to, and / or coping with these hot humid climates. Climatic intolerance results in poor productivity and impacts on retention.
There are also higher incidents of sap and heat related irritations amongst working holiday makers. High staff turn over and continually training and inducing new staff creates inefficiencies and can result in unviable labour costs.

If the industry is to remain viable in the global trading environment then it will be necessary to secure and efficient work force. Hence the industry will continue to lobby government for changes to visa legislation to allow overseas workers from similar climates to participate in harvest.

Should the legislation change, and it is expected that we will see changes in five years, growers must fully understand that only those farms that are highly organised and have the capacity to support and manage a mobile work force will have access to foreign entry laborers. The level of support required may include and not be limited to travel, immunization, food and accommodation costs.

While industry may argue that it is equipped to manage foreign workers as it is already reliant on foreign workers (in the form of backpackers). The reality is that currently in the Northern Territory and Kununurra, there are only a limited number of farms that successfully manage a mobile labour force.

While the issues raised and experienced by workers and outlined in this report may seem somewhat insignificant to some, foreign workers will be considered vulnerable and the public and political sentiment to foreign workers having similar experiences will not be tolerated and will no doubt be sensationalized.

The industry currently experiences the impact of adverse experiences being conversed through the informal communication network amongst backpackers; imagine the impact on the industries ability to attract labour if adverse experiences of foreign workers were sensationalized and published through formal communication networks.

**Variable tax rates**

Variable tax rates between Australian residents and non residents, has always been an item of contention and creates disparity in the net wages of people performing the same duties. This creates discontentment and often resentment for non residents and impacts on productivity and retention.

Residents are entitled to the tax free threshold *(they are not taxed on the first $6000.00 they earn)* and are taxed at 13%. Non residents are not entitled to a tax free threshold and pay 29% tax for every dollar up to $25 000 they earn. Since August 2002, the Australian Government has introduced strict regulations, with regard to the entitlements of people participating in the *Australian working holiday visa* program, to receive income tax refunds.
In some circumstances Working Holiday Makers qualify for "Resident" status for taxation purposes. The Commissioner for Taxation has determined that such qualification can be judged on a case by case basis. For examples of residents and non residents visit: 

It is important to note that the working holiday makers residency status for tax purposes is based on an ATO self assessment process, so the employee (or the person making the declaration) is responsible for any tax liabilities that may be incurred for incorrectly assessing his or her residency status.

Variable tax rates have and will continue to be contentious. Work-travel organisation, Workstay WA have published that “Australia's discriminatory tax policy against Working Holiday Makers may be in contravention of International Labour Organisation (ILO) Treaties and (possibly) illegal.”

Alcoholism and other intoxicants

Complaints of alcoholism were made by both growers and employees. Incidents of inappropriate intoxication are more prevalent in Australian jobseekers, both indigenous and non indigenous.

There was a high number of alcohol related absenteeism that resulted in inefficiencies. Strategies such as paying wages the afternoon before a rostered day off can minimise alcohol related absenteeism.

“Dry” farms have not been successful as workers will simply relocate to another farm. Working holiday makers are traveling for the social experience, not the money, so it is likely that their social satisfaction will dominate their economic situation. Alcohol related incidents and disruptions can be minimized by designating alcohol and alcohol free areas (away from sleeping facilities).

Farms that have a zero tolerance to alcohol related incidents and immediately dismiss employees who create disturbances have successfully curbed intolerable behavior.

Conflicting instructions

In writing this report I was tempted to categorise this issue under “Poor supervisory and management skills “, however it is so prevalent across the industry and its effects are so underestimated , I did not want this issue diluted or overlooked .

While it is imperative to have a hierarchy in any organisation, growers must ensure that the messages going down the chain of command are consistent.
The issue of employees being given conflicting instructions, particularly in relation to quality of fruit to be picked, maturity descriptions, packing standards and de sapping methods is widespread across the industry and is in no way restricted to large or small farms.

Family operated farms, where there are several family members involved in similar roles have the highest reported incidents of conflicting instructions.

Employees complain that they are given a set of instructions by one person only to be reprimanded and in some cases abused, by another senior person for incorrect procedures. This situation rapidly diminishes morale and discourages workers from taking ownership of their responsibilities or showing initiative towards their duties.

This issue is one of the biggest contributors to a negative employment environment and ultimately impacts on staff retention and growers need to ensure that this is not occurring.

**Lack of amenities**

Reported incidents of lack of suitable amenities, while reducing, are still occurring. Workers must have access to basic personal facilities such as toilets and clean fresh water.

If workers are residing remotely they need access to washing machines, hot showers and other accessories that enable fundamental personal hygiene.

Where there are occasions that workers will be harvesting in orchards with no infrastructure, they must be advised that there is no infrastructure and have the ability to attend serviced areas in lunch and tea breaks.

When crews are moving from one location to another, they must have a clear indication of where they are. There was an incident where a crew had been relocated to an orchard and the supervisor who was familiar with the region did not remain in attendance. The workers contacted the NTHA by mobile phone to try and identify where they were as they had no access to water or toilets.

This situation is unacceptable and in the event of an accident could have been fatal as they could not have advised emergency services where they were.
Negative employment environment

A negative employment environment is one of the biggest contributors to staff turnover. Negative employment environments are created when:

- people feel marginalized
- people are given conflicting instructions
- people are not paid correctly or not paid on time
- there are a lack of basic facilities

All of these have been covered under previous topics however it is worth reiterating that working holiday makers are highly motivated, well educated people who are traveling for a life experience.

There still remain some “old school” growers who do not value their workers and marginalize harvest workers. It is important that workers feel valued and are made to feel that whatever role they are undertaking plays an important part of the production chain.

Harvest Contract

The harvest office is funded by the Department of Employment and Work Relations (DEWR) under a Harvest Labour Services (HLS) contract.

Open tenders are conducted for HLS and the successful harvest provider is determined through a competitive tender process. The successful tender for the 2006 – 2009 HLS contracts in Darwin and Katherine is Chandler McLeod who operates the harvest office under the name Ready Workforce.

The HLS contract seeks to assist growers to access sufficient labour to harvest crops where considerable numbers of out-of-area workers are required.

As outlined in the DEWR document, “HARVEST LABOUR SERVICES - Statement of Requirements”, the services delivered by HLS providers include recruiting and placing workers in harvest jobs, mobilising job seekers from locations outside harvest areas to meet the labour requirements of growers, liaising with growers and supporting their labour needs, and marketing harvest work opportunities.

The contract in the NT has previously been for a three month period to coincide with peak harvest. However, DEWR have invested in the current contract for three full years to allow for industry liaison and harvest labour strategy development. Whether this investment will increase the availability of labour will be determined by the activities undertaken by the harvest office outside of peak harvest.
It would be advantageous if the industry and the harvest office could collaborate to identify strategies to attract labour and target resources effectively.

The harvest office has historically been at its full capacity in placing less than 30% of total industry requirements. Previous harvest contract providers have always maintained that the number of placements is reflective of the number of vacancies listed with them and have subsequently targeted marketing resources at growers.

The efficacy of the harvest office to attract and manage more than 30% of the industries labour requirements is unprecedented and needs to be put to the test before it can attract any real confidence from industry.

The harvest office would be of more benefit to industry if it invested its resources into attracting labour rather than marketing to attract growers as clients.

While there has been some ambiguity about the harvest office referring candidates to labour hire providers, DEWR have outlined that the harvest contract is specifically aimed at placing workers into employment, not into contracting arrangements.

In this era of industrial relations flexibility it is difficult to understand the rationale for DEWR’s insistence of placing candidates into employment rather than into contracting arrangements. This situation casts doubt as to whether the contract itself can meet the needs of the industry.

It is my view that the harvest office contractors have not recognized the significance of their role and the contract has previously been secured for capital gain (and value add for business resale) rather than the delivery of tangible outcomes to industry.

As such the primary focus has been on meeting its contractual obligations rather than achieving on ground outcomes.
Authors Notes

One of the biggest impediments to developing strategies and lobbying for change to address labour shortages is the availability of quantitative information. Data generated from surveys does not have any statistical relevance if there are only a few participants. While labour providers have been very responsive to information sharing, the same cannot be said for growers.

It is my view that there is an underlying reluctance to providing data because growers who have identified and rectified issues and aim for continuous improvement have a competitive advantage in attracting and retaining labour over those that don't.

Growers who are innovative and proactive in identifying niche opportunities to access labour often withdraw from collaborative processes to ensure their competitive advantages are not diluted.

Industry needs to identify what information can be pooled to increase the availability of labour while allowing industry participants to maintain their own competitive advantages so that valuable industry contributors are not deterred from participating in the process.

It must be noted that labour shortages are a national issue and not only do we compete with other regions, we also compete with other industries in our region. Industry participants need to recognize that competing within a region for available labour increases costs and pooling aggregate information and coordinating labour strategies to attract labour to the region will result in an increase in available labour, less competition and reduced costs.

A Word of Warning

One of the biggest inhibitors to accurately assessing and rectifying labour issues is inflated and exaggerated claims of shortages. False claims of crisis shortages divert resources away from genuine issues and create a distorted picture of what is really occurring.

Stakeholders cannot rectify fallacies and attempts to do so create bigger issues for the broader industry, including unnecessary inflation of wages and a surplus of unsuitable workers (who subsequently cannot obtain employment. This damages the industry credibility).

It is important to note there is a significant difference between a shortage of workers and an inefficient workforce and inefficiencies are often incorrectly translated as shortages.

In recognising that Australia is a high cost producer and our global competitiveness is contingent to cost efficiencies, the industry will continue to lobby for legislative changes in foreign entry visa programs that will allow overseas employees from similar climates; with Australian Standards Classifications of Occupations (ASCO) skill levels 7 – 9, to undertake seasonal work in the horticulture industry in regional Australia.

If our lobbying is to be effective, it must be plausible. The credibility of the industry and government consideration of industry issues are jeopardized by irrational and misrepresented debate.