



HARVEST LABOUR FORUM

Wed 9th August 2006

Northern Territory Mango Industry Association



Disclaimer:

This report has been prepared by Tracey Leo, Northern Territory Horticultural Association, for the Northern Territory Mango Industry Association.

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

The figures showing the estimated number of workers has been prepared by the author and are calculated from industry averages using the predicted volume data. Both volume and labour estimates are calculated using the best available data at the time of publication. All other items outlined in this report are contributions made from participants of the forum.

While all care has been taken to ensure that information contained in this publications true and correct at the time of publication, changes in circumstances after the time of publication may impact on the accuracy of its information.

The Northern Territory Horticultural Association gives no warranty or assurance, and makes no representation as to the accuracy of any information or advice contained in this Report or that it is suitable for your intended use.

You should not rely upon information in this publication for the purpose of making any Serious, business or investment decisions without obtaining independent and/or Professional advice in relation to your particular situation.

The Northern Territory Horticultural Association disclaims any liability or responsibility or duty of care towards any person for loss or damage caused by any use of or reliance on the information contained in this publication.

Introduction

The 2006 mango harvest forum was commissioned by the President of the Northern Territory Mango Industry Association, Mr. Peter Marks.

The objective of the forum was:

- **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**

The forum was conducted in two sessions to address the two key external components of harvest; 1) transport and 2) labour

A number of stakeholders from each of the key sectors were invited to participate in the forum.

Past President, Mr. Peter Delis was invited to over see and Chair the forum.

Department of Primary Industries, Fisheries and Mines, Senior Technical Officer, Mr. Greg Owens, researched, prepared and presented forecast information.

Northern Territory Horticultural Association, Principal Officer, Ms Tracey Leo, coordinated the forum.

The forum was held on Wednesday the 9th of August , 2006 at John English conference room, Berrimah Research Farm.

Attendees

Anne	Arthur	Acacia Hills Farm
Tracy	Richardson	Centrelink
Lindy	Tassone-Atkin	Centrelink
David	O'Callaghan	Chandler McLeod
Bruce	Toohill	Charles Darwin University
Dale	Astbury	Department of Immigration
Lee	Thornton	Department of Immigration
Greg	Owens	Dept. of Primary Industry , Fisheries and Mines
Matt	Darcey	Dept. of Primary Industry , Fisheries and Mines
Renee	Long	DEWR
Sallie	Conn	Grunt
Kris	Noble	Grunt
Mike	Hird	Grunt
Bill	Fielberg	Integrated Group
Peter	Delis	Jabiru Tropical Orchards
Anke	Colditz	Job Australia
Martin	Evans	Jobfind
Tania	Liddle	Jobfind
Mervyn	Castillon	Jobfind
Tom	Harris	Northern Territory Horticultural Association
Tracey	Leo	Northern Territory Horticultural Association
Jariah	Falconer	Northern Territory Horticultural Association
Bill	Davey	Northern Territory Mango Industry Association
Peter	Marks	Northern Territory Mango Industry Association
David	Higgins	Northern Territory Mango Industry Association
Paddy	Fordham	Northern Territory Mango Industry Association
Didge	McDonald	Unions NT

Agenda

- 1. Welcome – Peter Marks**
- 2. Mango Crop forecasting - Greg Owens, Department of Primary Industry, Fisheries and Mines presents forecasting predictions and historical flow rates (2004).**
- 3. Facilitated discussion – Peter Delis**
 - **Labour requirements for 2006**
 - **Data Capture**
 - **Transport**
 - **Accommodation**
 - **Implications for attracting and retaining labour**
 - **Marketing**
 - **Farm Ready Induction**
 - **Other Issues**

1) Welcome – Northern Territory Mango Industry Association President Peter Marks welcomes all participants and thanks NTHA, DPIFM for their efforts and participants for their attendance. Peter Marks pays particular tribute to Peter Delis who has volunteered his time and expertise in bringing the forum to fruition.

2) Peter Marks introduces Greg Owens and acknowledges the contributions of Greg Owens in developing the forecasting and volume flow information.

3) Presentation by Greg Owens, Department of Primary Industries, Fisheries and Mines, Crops Forestry and Horticulture Division.

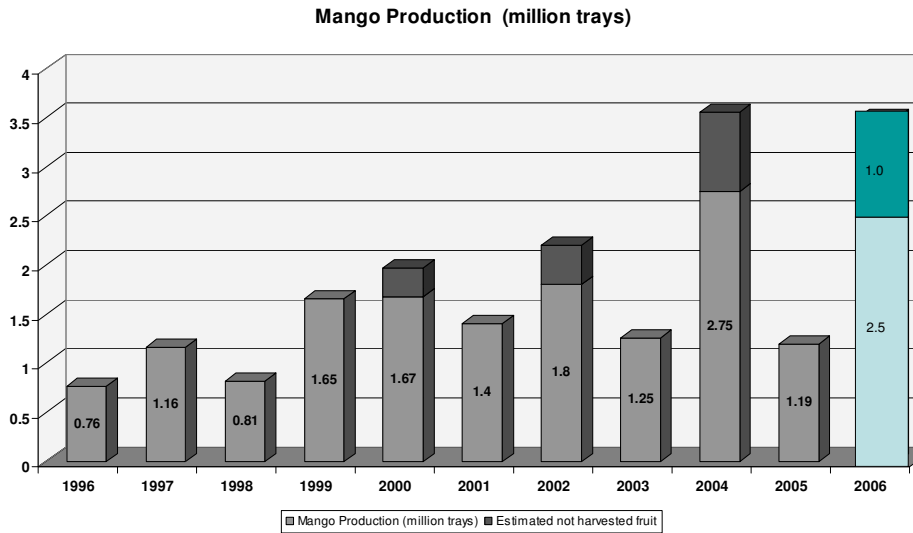
Summary of Key Points

- It is estimated that the Northern Territory Mango industry will send 2.5 million trays to the market in 2006.
- It is estimated that 3787 workers will be required to harvest the crop in 2006
- It is estimated that there will be significant volumes in the last week in September from Darwin region.
- Peak in the mid 2 weeks of October for the Darwin region.
- Peak in the last week in October for the Katherine Region.
- Large overlap between Darwin and Katherine regions.
- Earlier than the last heavy season in 2004 and more spread out to 6 weeks rather than 4 weeks in 2004 for the Darwin region.

Summary of Actions

- Centrelink to provide one page summary for growers to present to harvest employees to include reporting obligations, form lodgment / faxback services and any information that may provide incentive for people to work. E.g. credit points
- NTMIA board to consider setting minimum industry agreed rate of pay to \$ 16.50 to attract workers to the region
- Stakeholders are encouraged to consider Farm Ready Program and provide feedback ASAP.
- NTHA to prepare application to DEWR for assistance with transport for unemployed
- Labour providers and industry to assist with data collection and consider strategy for cross registrations.
- Labour providers are urged to promote mango harvest
- DIMIA to consider work rights verification to induction trainees

Production



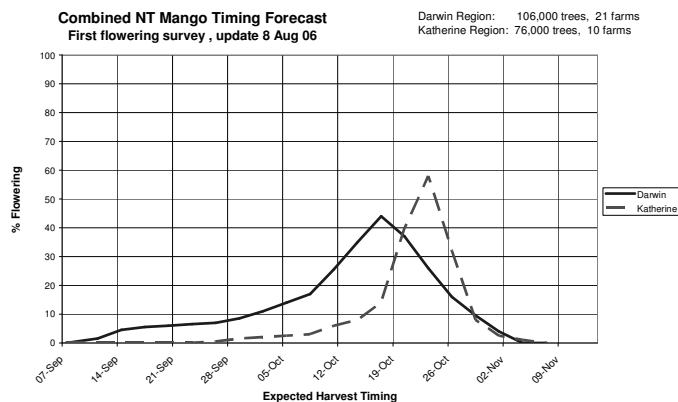
The 2006 season is predicted to be similar in volume to the 2004 season.

However this season is not expected to be as condensed as 2004 with the harvest period expected to extend over a longer period.

Implications for labour this year will be the Darwin and Katherine overlap where large numbers of workers will be required in both regions concurrently.

NT crop forecasts

- Graphs are generated from Flowering Survey and heat sums.
- Early forecasts depend on historical average temperatures
- Later forecasts are updated as real temperatures replace historical averages
- Forecasts currently updated fortnightly
- Forecasts checked against fruit production patterns each year



Graph on the left indicates volume and flow for 2006 season as predicted at 8th of August 2006.

Graph is generated from data collected from 21 farms, 106 000 trees in Darwin and 10 farms totalling 76 000 trees in the Katherine Region.

Forecasts are updated fortnightly and later forecasts are updated as real temperatures replace historical averages.

Forecasts produced by Greg Owens DPIFM

Predictions

Expect significant demand for labour to begin in Darwin from around 5th October 2006, however last week of September will necessitate moderate demand and should not be ignored.

Potential for Katherine region's peak to move further back, due to the cold weather experienced latterly. Some overlap of the peak periods in both the Darwin and Katherine regions is expected.

Forecasts will be updated fortnightly on www.horticulture.nt.gov.au

Based on industry averages that include staff turn over, the industry will require 3787 workers for 2006 the season.

These figures are broken down into estimates for each week and combines both Darwin and Katherine. Figures assume 128 trays per pallet, a six day working week, working an eight hour day.

Week	Pallets	Pickers	Packers	Total Workers Per Week
Up to 13-Sept	200	78	27	105
20-Sep	200	78	27	105
27-Sep	200	78	27	105
4-Oct	800	310	107	417
11-Oct	2400	931	320	1251
18-Oct	3600	1396	480	1876
25-Oct	4400	1707	587	2294
1-Nov	5000	1939	667	2606
8-Nov	3000	1164	400	1564
15-Nov	200	78	27	105

Data Capture

There is currently no central mechanism for capturing data relating to harvest and there is resistance to information sharing amongst stakeholders. This significantly impedes the industry in developing labour strategies.

Data capture assists the industry to:

- **Develop marketing strategies**
- **Promote employment opportunities**
- **Plan for infrastructure (i.e. transport)**
- **Use historical data to predict labor requirements**
- **Calculate economic multipliers to the rural / regional communities**
- **Estimate future labour requirements**

Another significant issue experienced in data collection is cross registration. This is when a candidate or potential worker registers with multiple labour providers. This presents a challenge to industry as the aggregated data portrays inaccuracies in the numbers of workers who registered with intent to work.

Conducting surveys on harvest employees would assist industry to understand the demographics and motives of people who engage in mango harvest. If workers returned to the region for annual harvest then it would significantly reduce the cost to growers who currently train new staff every season and within seasons.

Labour providers are encouraged to assist with data capture; this can be at the point of registration. While the confidentiality of candidates who register is recognized, the value of aggregated data is invaluable to the industry.

Aggregated data required includes, but may not be limited to:

- Whether the candidate is a Local Registered Job Seeker, Out of Area Registered Job Seeker, Unregistered Jobseeker or Working Holiday Maker, Grey Nomad etc.
- Country of Origin / State of Origin
- Age Group
- Where did they first become familiar with harvest (i.e. newspaper , web site , etc)

The Northern Territory Horticultural Association and the Department of Primary Industries, Fisheries and Mines collects aggregated data on behalf of industry and are bound by strictest confidentiality. Confidentiality agreements specifically related to information sharing are available on request from the NTHA

Transport

Most employment agency representatives agreed that lack of transport out to rural areas made it prohibitive for many candidates to participate in mango harvest.

The National Harvest Labour Information Service sends text messages to 100 000 job seekers but the logistics, without transport and accommodation support prohibit workers from coming to the region.

Industry has previously prepared funding applications for support to transport unemployed people out into harvest regions. These have been unsuccessful. Statistics on unemployed and indigenous who would engage in harvest if transport was available would be valuable in developing an argument for a rural bus service in mango harvest.

Grunt Labour services provide a complimentary bus service for their clients and have offered to develop a fee for service transport program for the industry. This offer has since been revoked as there are licensing issues associated with operating a commercial service.

Some growers have obtained omnibuses and or have engaged commercial operators to transport workers. This is cost prohibitive to many growers who act as employers.

It was recommended that the industry submit an application to the Department of Employment and Work Relations under the Employment Innovation Grants. This will be pursued.

Accommodation

Most employment agency representatives agreed that lack of accommodation on farm and in rural areas made it difficult for people to participate in mango harvest.

The challenge for industry is obtaining development consent to build accommodation that is suitable to the purpose and meets certification requirements.

Most commercial farms are / have built accommodation or have arrangements with commercial accommodation providers.

Farms with accommodation have a competitive advantage in attracting and retaining labour.

Implications for attracting and retaining labour

1. Hot humid conditions
2. Increasing fuel costs
3. Skills shortage (resulting in people finding more attractive employment)
4. Amendments to Working Holiday Maker Visa
5. Rates of pay

1. Conditions

In peak harvest, generally October and November, the climate is hot and humid. While this may act as a deterrent for people considering mango harvest work there are some people who are well intentioned and eager to engage in mango harvest but suffer from climatic intolerance. Climatic intolerance can result in rashes on the skin, dehydration and chronic fatigue.

2. Fuel Costs

The impacts of rising fuel costs is yet to be established but it is predicted that this will reduce the number of domestic itinerants who follow the harvest trails as well as a decline in the number of “grey nomads” coming to the region as the remoteness and short window of employment opportunity may make it cost prohibitive.

Increased fuel costs may also affect the way in which working holiday maker’s travel around Australia. Travel bus passes and the availability of cheaper air flights are likely to be a more economical way to travel, thus increasing the number of workers with no transport coming into the region and exacerbating the issue of lack of transport.

3. Skills Shortages

Centrelink confirmed that there are still a large number of unskilled / unemployed people in the region and that skills shortages have no bearing on unemployment figures

Industry submits that: if jobseekers are resistant to working in mango harvest then it is counterproductive to employ them as they impede / disrupt production and are a danger to themselves and others.

When employing local jobseekers who have been referred / mandated by Centrelink, there are high incidents of:

- Alcohol and/ or substance abuse
- Theft
- Absence
- Abuse

Job seekers (who are mandated into harvest work) have historically created an administrative nightmare for growers as they rarely report their income or retain payment summaries or provide notification of leave.

Other issues associated with employing local job seekers include lodging of forms. Workers often inform growers that they are unable to work because they have a requirement to attend the Centrelink Office to lodge forms or attend an interview. Centrelink have agreed to provide a document for growers to hand out to workers outlining the options available for lodging forms.

4. Visa amendments

In November 2005, industry welcomed the amendments to the Working Holiday Maker Visa (417) that encouraged holiday makers to work in regional Australia by creating eligibility to apply for a second Working Holiday to those who worked for three months in rural or regional Australia in horticulture. These amendments have now been extended to include:

plant and animal cultivation

- cultivating or propagating plants, fungi or their products or part
- immediate processing of plant products
- maintaining animals for the purpose of selling them or their bodily produce, including natural increase
- immediate processing of animal products including shearing, butchery, packing and tanning
- manufacturing dairy produce from raw material

fishing and pearling

- conducting operations relating directly to taking or catching fish and other aquatic species
- conducting operations relating directly to taking or culturing pearls or pearl shell

tree farming and felling

- planting or tending trees in a plantation or forest that are intended to be felled
- felling trees in a plantation or forest
- transporting trees or parts of trees that were felled in a plantation or forest to the place where they are first to be milled or processed or from which they are to be transported to the place where they are to be milled or processed.

The expansion of industries that are encompassed under the new legislation is likely to adversely affect the benefits from the first amendment as there is now increased competition from other industries.

5. Rates of Pay

In 2003 the Northern Territory Mango Industry Association introduced an industry agreed minimum rate of pay. This was equivalent to the level 1 wholesale retail national award and comparative with rates of pay being paid in other regions.

In March 2006, the new Work Choices amendments were introduced and the minimum rate of pay for workers is \$ 12.76 plus 20% casual loading. This means the minimum rate of pay for seasonal harvest workers is \$ 15.30 per hour.

Labour providers and other stakeholders generally agreed that workers are being attracted to higher income industries such as pearling. The hospitality industry is also competing for labour and bar staff are currently pays around \$ 16.00 - \$ 17.00 per hour.

Experience has shown that higher rates of pay attracts workers to the region and encourages staff retention. Historically, when there is strong competition for limited labour the wages escalate beyond \$16.00 or \$17.00.

It is agreed that the industry needs to reconsider the industry agreed minimum rate of pay as the work is largely unattractive, short term and seasonal.

The practice of bonus systems were discussed and it was agreed that this is best managed and promoted by individual farms as there were extreme variations in the level of support provided to workers. (Transport, accommodation, provision of food etc)

The Northern Territory Mango Industry Association President has agreed to table rates of pay as recommended by the forum participants to the NTMIA board for consideration. It was agreed by the majority of stakeholders that an industry agreed minimum rate of pay of \$ 16.50 would be more attractive to potential workers.

Marketing

It was established that there is significant investment into marketing from both the private sector and federal government sector.

It was recognised that Grunt Labour Services invest in national and international marketing that is specific to mango harvest. The majority of marketing is targeted at the working holiday makers through backpacker establishments, internationally recognized travel magazines (TNT), flyers etc. They have a Sydney based employee who works with the backpacker market. Also advertise extensively in the itinerant market, main newspapers, etc. Local market, via newspapers and radio.

It is recognized that the federally funded National Harvest Information Service and the Harvest Office invest predominately in domestic marketing. They have the ability to send 100 000 text messages to job seekers advising them of harvest employment. The NHILS produces a handbook that is nationally recognized by harvest employees .The central web site displays “News Flashes” alerting web users when there is high demand for labour. There will also be a television advertising campaign in Queensland and Northern New South Wales from the 25th September. The national harvest office also advertises locally through publications.

The Northern Territory Horticultural Association reiterates the importance of data capture, and the importance of understanding the demographics of workers as it enables industry and stakeholders to ensure that marketing resources are targeted effectively.

Some growers have invested independent marketing activities via their own websites, publications etc. While this practice is increasing it is not always practical for growers to manage the number of enquiries etc. Some farms employ HR personnel to manage this process.

Labour service providers are advised that the Northern Territory Horticultural Association has flyers etc if they wished to promote mango harvest. All providers are encouraged to promote harvest.

The industry will be represented by the Northern Territory Tourism Commission at the Sydney Expo in September.

Induction Program

The Northern Territory Horticultural Association have secured funding and invested in a program to conduct centralized inductions. The Purpose 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 will be delivered by Charles Darwin University to seasonal employees this coming mango season.

The aim of the program is to introduce new employees to generic harvesting and post-harvest handling of mangoes, to a basic appreciation of OH&S and to provide workers with an understanding of the workplace and environment.

Course content meets the standards of the Australian Qualification Framework, and students can attain a nationally recognized Statement of Attainment upon completion of their competencies.

The program will be delivered during a three hour period and will run daily in the Darwin City Centre for three weeks prior to and during peak harvest and three times a week in Katherine (at times TBA). The program will provide employees with practical skills which are directly applicable to mango harvest. Employees who acquire skills and experience can purchase a Farm Ready Passport which is recognized on the national harvest trail.

Assessment will be by attendance in the first instance. However a participant may request to be assessed on site, as part of an application to enroll in a formal course in which these competencies are included for assessment.

In recognizing that large portions of our seasonal workforce are not familiar with Northern Territory rural environment or climate, it is essential that all workers are given a thorough induction prior to commencing work. Ensuring that workers are prepared creates a more efficient and less disruptive workplace. Minimising complaints, disruptions and legal wrangles adds to the bottom line and builds the reputation of the mango industry in the business community.

The program will provide the industry with a centralized conduit to capture data.

Stakeholders are encouraged to review the draft course contents and provide comment. All stakeholders are requested to promote the courses to potential workers.

It is noted that Unions NT request an assessment process at the conclusion of the course to ensure that participants demonstrate that they understand the course contents.

Concern was raised about the process of checking work rights. Department of immigration are requested to assist in the development of a procedure for checking eligibility at the registration point for participants.

Other Issues Raised

Local job networks were concerned about the documentation required to establish right to work and requested that a Centrelink number be recognized as right to work. Many young indigenous people do not have a birth certificate or driver's license and the only identification they have is a Centrelink number.

The Department of immigration has advised that a Centrelink number is not proof of right to work. The following are proof of rights to work:

- Australian Birth certificate (if born before 20 August 1986)
- Australian Citizenship certificate
- Australian passport
- Certificate of evidence of resident status
- Valid visa with work rights

Documents that are not proof of right to work :

- Tax File Number
- Driver's licence
- Medicare card
- Bank account
- Referrals from employment agencies or labour suppliers
- References from previous employers

It is noted that there are difficulties for young unemployed to establish their identities and proof of right to work and labour providers and growers are asked to show discretion in assessing the eligibility of indigenous workers.

Closing notes

The Northern Territory mango industry is the largest horticultural industry in the Northern Territory, generating more than \$ 40 million in produce sales.

Each \$1 million of growth in the mango industry generates an estimated additional output in the rest of the Northern Territory economy of \$422,000.

For each additional \$1 million of production, 3.7 jobs are created within the industry itself with a further 1.3 jobs created in other sectors, including the services to the agriculture sector (e.g. contractors) and the wholesale and retail trade sector (e.g. packing materials, farm inputs) (Murti 2001).

The industry is currently experiencing a transitional change as non commercial growers find it difficult to adjust to the professional changes and competitive requirements of the industry.

This change is characteristic of a developing industry and a professional and commercially focused industry is emerging.

A truly professional industry, acts with corporate discipline and values integrated decision making with the partners in the business. A professional industry recognizes that all stakeholders are partners in the business and as such values, respects and trusts the opinions of those in their area of expertise.

A professional industry works together to capture data, share information, develop management and risk strategies and analyses each season from one to the next so all stakeholders can improve their business and ultimately increase their profits.

I thank you all for your participation and look forward to working with you all to develop the Northern Territory Mango Industry.



Tracey Leo for

Peter Marks
President
Northern Territory Mango Industry Association