

Reliable, Productive and Cost Effective
Pacific Seasonal Workers

How To Build A Successful Workforce!



Seasonal
Worker
Program



CONNECT
GROUP

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For Your Consideration

Proposal to supply Seasonal Workers

by the Connect Group Pty. Ltd. / Seasonal Workers Australia

under the Australian Governments

Seasonal Worker Program (SWP)

Executive Summary:

In response to approaches from the Horticultural Industry the Australian Government introduced the Pacific Seasonal Worker Program (SWP). Connect Group Pty. Ltd. is one of a limited number of Australian Approved Employers authorized to provide seasonal workers under the scheme. Approvals have been granted to organizations who have demonstrated they have the experience, determination, commitment and passion to ensure the scheme's success. We believe any grower with a long term vision for their business will join with us to make certain the Program becomes a historical watershed in ensuring the on-going prosperity of the Australian Horticultural Industry.

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Ultimately Horticulture / Viniculture companies will only remain competitive by locking in a secure, productive and reliable workforce. It is important that managers clearly understand the benefits available to their business under this scheme. The use of Pacific Seasonal Workers under a coordinated and Government backed initiative opens up a myriad of opportunities for informed growers to secure a better return on their farm's capital and infrastructure investment.

In most years the number of reliable seasonal workers in Australia significantly falls below the quota needed to guarantee the reliable and timely delivery of the annual harvest. As the horticulture industry matures and world demand for Australian produce increases, labour shortages are becoming a significant threat to the success of many growers. Band-aid measures such as using back-packers, with their renowned lack of commitment or engagement of transient, often illegal and uninsured, contract labour gangs are not a practical way to build a sustainable, internationally competitive industry.

The Seasonal Worker Program offers tremendous scope for innovative managers / proprietors to engage reliable and above all productive labour whilst reducing costly overheads in respect to spoilage and repetitive training. Coupling the scheme's access to a huge motivated and fit workforce with Connect Group's ability to create ground-breaking labour packages will deliver growers a new dynamic in tackling productivity and worker shortfalls.

The majority of professional growers know that in today's industrial relations climate the use of grey or borderline legal labour is thwart with danger as it risks both social and legal condemnation. Even more compelling is the need to have a stable and dependable labour pool built up over seasons of training and education. This can only be achieved when there is certainty that the time and effort invested into training will pay dividend. Only the SWP offers this potential as it is designed to encourage the same workers to return year after year.

Australia's Horticultural Industry is a player on the world stage and as such it operates in a highly competitive international environment. Even growers supplying only to the domestic market are pitching their efficiency against offshore providers. Having a substantial portion of their crop go un-harvested through lack of labour, places upward pressure on the growers operating cost. Even an on-time harvest will be far more expensive if it is slow as it may cause packers to stand idle waiting for produce to process. To discourage buyers looking overseas to secure their stocks, Australian enterprises require flexible and skilled staff to bring down their unit cost of production. To achieve this enterprises need a strong contingent labour component in their workforce. The ability to reduce staff when the economy tightens or the harvest finishes is vital to their profitability and, in some cases, even their survival.

Implications of the Seasonal Worker Program

The use of Pacific Seasonal Workers presents an array of opportunities for those growers who can embrace this new paradigm. Transitioning a strong team of contingent personnel into a traditional workforce can be relatively straightforward and risk free if your business partners with a suitably qualified expert in the field of contingent worker engagement. For example, Connect Group Pty Ltd, with offices in Victoria and New South Wales, fields a team with more than 45 years experience in sourcing and administering productivity focused personnel. To achieve greater efficiency, savings on overheads and compliance Connect Group recommends that you consider;

1. Whether your organisation could benefit from being able to fix labour costs and run its facilities around the clock, seven days a week without the impost of frightening penalty and overtime rates?
2. If the removal of restrictive practices will entice your company to turn to the broader and more skill based Seasonal Worker pool to secure the best people for the job?
3. Whether your farm's goal of engaging fewer people to produce a greater outcome can now be realised?
4. What a more productive and flexible workforce may mean to your farm's bottom line?
5. If the significant investment that has been made in leased space or equipment might be more rapidly amortized now that you have the option of working longer hours, to meet demand, in peak periods without having to absorb unbudgeted overtime costs?
6. Would the task of determining the actual cost of harvesting your produce be dramatically simplified by the removal of the 'hidden' costs of employment – taking into account that associated social costs plus allowances for risk and health management can increase the average hourly rate paid to an employee by as much as 50%?

Labour is a significant top-line expense in any business. It is therefore essential that when investing in labour your company identifies the benefits of using a focused seasonal labour pool as a component of its workforce. The integration of an Approved Australian Employers Pacific Seasonal Workers offers your business flexibility, access to specialized skills, ability to meet seasonal demands, scope to fix production costs and lower risk.



Internationally, the use of seasonal labour migration has been and remains one of the world's strongest growing agricultural industry trends. This has been driven by strong demand for reliable and motivated workers. Getting the job done by the right people within the required timeframe being considered the foremost objective of most managers. Being stuck with workers lacking the necessary skills ranks highly as one of management's major concerns.

Traditional ad hoc hiring of back packers, grey nomads and "contract" labour is giving way to the horticultural industry seeking to secure a long term and well trained workforce whilst retaining the labour flexibility it so needs. The continual rotation of untrained labour during the season and indeed year after year is an unsustainably high cost to growers. The industry has identified the only real solution is a vibrant and well managed Seasonal Worker Program.

The Pacific Seasonal Worker Program places Australia at the forefront of this revolutionary integration of seasonal contingent personnel into the workplace. Growers now have access to one of the most defined and legitimate programs for the use of seasonal workers in the world. Structuring a team of Pacific Seasonal Workers into your business is the way to go and you have this fantastic tool at your disposal NOW through Connect Group.

Achieving Value from Pacific Seasonal Workers

Companies that view the use of traditional seasonal workers in their business as simply a means of cost reduction, through the elimination of many of the on-costs of employment, are out-of-step with the real benefits which labour reform can achieve.

The price of labour is also determined by other efficiencies as well as the rate paid per hour. In today's tight labour market price is not considered the only driver in making labour procurement decisions. When evaluating using contingent workers your business needs to look at three key areas;

1. **Skills:** In the current environment the highest priority for managers is finding skilled people to fill the necessary rolls on "as needs" basis. To be productive and prosperous a business needs a highly flexible and knowledgeable workforce. The stunning growth in casual work over the last decade is clear evidence of where people with skills are heading – they have something to sell which leads them to shunning mainstream traditional employment in favour of allowing productivity and skill set to determine their earnings capacity. The role of the Connect Group is to centralise the ever-increasing numbers of contingent workers and provide access and introductions to companies seeking their skills.

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2. **Compliance:** This is now seen as sharing significant precedence with price. Very few horticultural organizations are in a position to directly engage contingent workers. Compliance means enterprises must satisfy the onerous responsibility of meeting the statutory requirements set down by respective Federal and State Government laws e.g. PAYG withholding, GST, Payroll Tax and the continual monitoring of the currency of Workers Compensation policies etc. Failure to comply may mean a farming business could be liable for unpaid Workers Compensation premium, Payroll Tax, employee entitlements including holiday pay and Superannuation, etc along with the onerous fines and penalties for payment failure. To correctly risk manage compliance in respect to both Federal and State legislation companies will continue to rely on experienced agencies to provide their contingent and skilled workforce.

 3. **Price:** Determining the price of labour is complex. Looking at the best price as simply the lowest rate per hour is a deeply flawed and simplistic approach. Even basic tasks requiring general labourers, packing hands or process workers can be made more cost effective by engaging and motivating the right people. Results (productivity) drive down overheads. **It is far less costly to hire 10 focused highly productive Pacific Seasonal Workers than 15 indifferent individuals doing the same job.**

Benefits of using a Pacific Seasonal Workforce

- Flexibility and higher output
- Provision of specialized skills
- Easier motivation – better outcomes
- Add & reduce workforce for seasonal demand
- Recruitment pool culls the best workers
- Results based payment options – eliminate penalties
- Easier budgeting & forecasting
- Lower administration and compliance costs
- Reduce Workers Compensation costs



Seasonal Worker Program (SWP) – the way forward

Western governments are painfully aware they need to help their workforces remain competitive against low cost labour that is available in emerging economies. Our standard of living and right to a fair days work for a fair days pay means we need to adopt the principle of working smarter. A correctly assembled Pacific Seasonal Workforce encourages the participants to lift output whilst sharing revenues between a lesser number of workers. It's a win-win outcome for the seasonal workers as well as the enterprises engaging them.

The freedom and certainty offered to business and their SWP's leads us to anticipate that half to two thirds of enterprises will quickly add a significant Pacific Seasonal Worker component to their workforce. This is because labour flexibility is the core driver in their decision making when deciding on the mix of their staff.

Tens of thousands of the nation's most skilled or specialized workers will be drawn into Western Australia and Queensland by the resources boom over the next years leaving NSW, and to some extent Victoria, with a highly depleted pool of available labour. Statistics show that our aging population will also markedly add to ongoing labour shortages. Domestic supply cannot (and will not in the future) meet demand but there is an answer! Nowhere will this be more evident than in the Pacific Region where much of Australia's access to fit and mobile workers resides. This pool of ultimately well trained, enthusiastic and reliable men and women will be amongst some of the most highly sought after workers in the agricultural labour market.

The complexity of finding and engaging suitable workers has increased in recent years due to raised domestic and even global competition along with a tighter labour market, varied labour costs, demand for specialized skills and pressure to bring products and services to market faster. This is where the role of the organizing agency is vital in ensuring the right people are sourced and offered to the business in a timely manner.

New legislation gives the Approved Australian Employer the necessary tools to help businesses deal with difficult labour laws and bring uniform practices to firms at both a local and national level. For example the Connect Group team has over 45 years of experience in administering flat rate engagement arrangements and pay-on-result programs which can level out production or service costs by eliminating unpredictable overtime and other unbudgeted penalties.



Managing Services Procurement

Unlike the lengthy and sometimes hit and miss process of hiring transient employees, the engagement of Pacific Seasonal Workers can be treated as a procurement function. The greater transparency and accurate cost identification delivered by such workers will generally translate into significant increases in profit and shareholder value as the business identifies efficiencies and resets its workforce numbers (ordinarily reduces operatives) to equal the task required.

Savings are also brought about through more proficient and faster processes in getting people underway in key areas of work when the need is greatest and the impact on the business is the most evident. It generally takes substantially less time to engage a skilled SWP than a new employee even more so when a worker returns in the second year onwards.

Rapid deployment of staff to meet demand benefits many areas within the farming business. Finance has more spending visibility and control, accounting minimises ongoing reconciliation and payment burdens, including provisioning for employee entitlements. Managers enjoy faster labour acquisition with less paperwork and have more control of the quality of the service being provided.

Enterprises which join with a proven and knowledgeable Approved Australian Employer will undoubtedly drive up profitability – savings will vary from one business to another although we would not consider it unusual to see up to a 20% improvement. Some firms will do noticeably better.

New practices and opportunities

Connect Group's innovative labour solutions will allow growers to trial many novel and cutting edge solutions to improve productivity.

Each industry sector will consider contingency payments differently; however, most will recognise the benefit of aligning the task with the remuneration. This has a two-fold benefit by first eliminating payment for idle time on the part of the seasonal worker. Second, and perhaps more importantly, it inverts the productivity processes to the point that bottlenecks are identified by the contingent worker and eliminated by management from the system (total reverse of pre-reform approach). Not only do the contingent workers benefit, the farm also gains a performance improvement it can pass on to its employees. These new practices can become the drivers behind change and efficiency improvements when the two parties align to achieve a common goal.

Unit, Activity Based Payments or Piece Rates, as they are also known, are a popular tool that savvy managers can utilise to achieve optimum production or performance. Most businesses have processes within their various cost centres that will benefit from the application of this method of payment. Needless to say some areas are difficult to apply this method to and will remain linked to the concept of hourly rate payment. However, even this model will lend itself to improvement with SWP potentially being paid by the session or put on flat rates which reflect their keenness to work within the rostered hours that are mutually beneficial to both parties. The end result will allow the business to more accurately budget its annual spend on labour.

Conclusion

The approach the Federal Government has taken by introducing the Seasonal Worker Program illustrates it is convinced of its importance in the development of Australian horticulture and in ensuring our farming enterprises remain viable in the face of overseas competition.

Australia will not turn back the IR clock.....productivity growth is the key factor in keeping our economy moving forward. Connect Group invites you to join with us and the thousands of potential Pacific Seasonal Workers who share the vision of achieving prosperity through providing their skills and dedication to Australian farming businesses.



CONNECT
GROUP



**Seasonal
Worker
Program**

Total Staffing & Labour Solutions

24 Hours 7 Days per Week

Call us for an obligation free briefing session

Victoria: 03 9792 1949

New South Wales: 02 9894 0461

www.seasonalworkers.com.au

Why use an Australian Approved Employer (AAE)?

AAE's responsibilities include:

- Initial liaising with growers and horticultural enterprises regarding their seasonal requirements for labour and advice regarding compliance with all regulations governing PS workers including remuneration formulas.
- Remove onus on growers and horticultural enterprises to compliantly advertise/screen/shortlist/interview local labour respondents – Labour Market Testing as per Federal Government SWP regulations.
- Providing Pacific seasonal workers with an average of :
 - 30 hours work per week over six months;
 - 35 hours work per week over five months; or
 - 38 hours per week over fourteen weeks.
- Offshore recruitment and sourcing of workers with right attribute for work:
 - English competency
 - Physical ability and focus
 - Health Check/Chest X Ray
 - Criminal history
 - Financial literacy training
 - Pre departure briefings – type of work/life in Australia etc
- Facilitate and coordinate all initial payments regarding DIAC visa applications, health checks, flight bookings, transfers, etc.
- All the above expenses must be paid well in advance of any suitable PS worker departing their country of residence for Australia. This can amount to considerable sums when many people are required.
- Approved Employers will pay the full upfront cost of the workers' international airfares to and from Australia and later recoup a percentage of that cost from the worker.
- Approved Employers through their grower clients contribute initial full international return airfare cost (Average cost is \$900) for Pacific seasonal workers and recoup the balance less \$500 required contribution per worker through wage deductions on arrival.
- Arranging and facilitating worker payments for accommodation of a suitable standard, private health insurance and transport to and from work (if required) on a daily basis.
- Providing pastoral care and grower support – 24/7, on arrival briefings, OH&S training, banking, local community representation / assimilation / social cohesion activities / food shopping familiarisation / religious worship introduction.
 - Assist with initial cost of living expenses
 - Assist with initial clothing
 - PPEs/OH&S briefings
 - Working in partnership with grower / setting Targets / KPI's etc.
- Paying workers in accordance with the Modern Horticulture Award 2010 or on piece rates. Reporting monthly to DIAC/DoE as well as FWA Audits
 - Weekly payroll, deductions and statutory obligations eg. PAYG/Workers Compensation payments/Superannuation/Payroll Tax/GST etc.
 - Assisting workers with access to personal banking, gaining a tax file number, preparing a tax return.
- All pre-departure briefings, airport transfers and check-in.

Connect Group/Seasonal Workers Australia

Recruitment Timeline:

Pacific Seasonal Worker Program 2015-16

- **Initial Client meetings** *(1 week)*
 - Requirements analysis (location, viability etc.)
 - Ascertain Client interests and labour requirements
 - Rates and labour options discussion / negotiations

- **Formulation of Rates and Terms of Agreement** *(2-3 weeks)*
 - Formulation of labour requirements
 - Discussion re agency and Client's obligations under the Seasonal Workers Program
 - Proposal of current and future rates and associated costs
 - Client Hiring Agreement completed and signed

- **Local Labour Market Testing and Report** *(4 weeks)*
 - Numbers of workers , gender, physical builds etc
 - Nature of work (Client's job descriptions)
 - Job advert to be placed with local/government job agencies - responses to be vetted by Agency with Clients assistance/guidance
 - Notification of intention to recruit by Agency to stakeholders
 - Labour Market Testing report and approval

- **Selection of Sending Country and Pastoral Care report/approval** *(6 - 8 weeks)*
 - Official notification of intention to recruit sent to Sending countries
 - Pastoral care report and approval prepared and lodged by Agency - client's onsite visits and local communities networking
 - offshore Recruitment and Selection of workers as per Client requirements - eg. interviews, backgrounds checks, work histories, physical build/stamina/training
 - Visa, health and police check applications organised and lodged
 - pre departure briefings - financial literacy, banking, Australian lifestyles, working conditions/pays, growers details/expectations, letter of offer conditions etc.
 - Airfares booking

- **Arrival and Introductions** *(less than 1 week)*
 - On-arrival pickup, transfer and onsite briefings - OH&S, FairWork, Union, emergency contacts, team leaders and supervisors contacts - operational & after hours etc.
 - Opening and registration of banking accounts, TFN, Super, accommodation, clients policies, PPEs and cash advances
 - Local contacts and Community supports
 - On-arrival report and mid-term reports

- **Payments and Work Performance** *(phone & face-to-face supports: on-going)*
 - Payslips and deductions overview
 - Deductions, recoveries and reimbursements of airfares
 - Working with Client and workers to ensure KPIs are met
 - Rates review as per Fair Work increase (if any)
 - On-going pastoral care support
 - Mid-term report

- **Departure and Post Engagement Analysis** *(as needed)*
 - Pickup and Transfer of workers
 - Analysis and assessment of workers performance and suitability
 - General feedback and improvements
 - Returning workers assessment
 - Departure report

For more information about seasonal workers for your farms, please visit our main sites:

Website: <http://www.seasonalworkers.com.au>

Facebook Page: <https://www.facebook.com/seasonalworkers>

Twitter: <https://twitter.com/SeasonalWorkAU>

Video: Pacific Solution

Courtesy of ABC Landline (3/5/2015): <https://www.youtube.com/watch?v=iSo6Z8f6pvY>

Reporter: Tim Lee

Obligation-Free call:

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