SUBMISSION TO THE SENATE SELECT COMMITTEE ON AUSTRALIA'S FOOD PROCESSING SECTOR

FROM HAIGH'S CHOCOLATES
April 2012

Food labelling

As a unique small vertically integrated manufacturer we are subject to the same rules and regulations as all food manufacturers. The decisions that are made around labelling are influenced, negotiated and bartered by the voices and lobbyists for the corporate manufacturers and the corporate retailers. The legislation and regulation of the resultant changes are applied to all manufacturers and retailers trading and operating in Australia. Haigh's Chocolates' point of differentiation is our ability to offer heritage style product presentation where the look and finish of our products sell, not the packaging they are in. Many of our products are sold in transparent biodegradable film rather than polypropylene foil packaging. We already struggle to present all the legislative requirements for nutritional information, ingredients listing, best before date, address and weight information on our products. Additional demands for front of packaging traffic light or thumbnail information will further dilute our creative freedom to present and sell our products.

Prescriptive labour laws

Haigh's Chocolates is a highly seasonal manufacturer and retailer. Christmas, Easter, Valentine's Day and to a lesser extent, Mother's Day and Father's Day all present peak selling and manufacturing periods for our business. These are opportunities to use temporary engagement of labour to meet the spikes in demand during these periods. Haigh's Chocolates has traditionally used a large number of part time employees who have worked 20-30 hour rosters. These people have been willing to increase hours during peak production and retailing periods to meet the seasonal demand. Further demand has been met by using casual labour, often from the student and seasonal labour pools to support our business.

Recent changes to labour laws have put an additional cost burden on both of these labour sources. Casual workers now attract a greater premium over award rates. Furthermore, we are obliged to offer overtime to permanent part time employees willing to do work beyond their contracted hours during peak trading periods, particularly at short notice. Fixed short term variations to contracts are administratively burdensome and are not a viable option as labour requirements may vary from one week to the next. While well intentioned, when working to labour budgets both of these changes ultimately lead our managers to minimise the employment hours offered, reducing the contribution Haigh's makes to the economy.

Labour pressure

Haigh's Chocolates operates a labour intensive manufacturing operation producing unique handmade, hand finished products using traditional confectionery skills, methods and techniques. Offering premium products in high quality presentation units has driven our growth in sales and employment. Government policy has supported us to offer certificate training in confectionery skills. Haigh's has grown its workforce with a relatively high number of migrant employees (often tertiary qualified) to fill the roles of entry level employees. This is due to their willingness and availability to fill these roles at our Adelaide facilities.

Over the last number of years, Haigh's has experienced an increasing amount of pressure to retain highly skilled people due to wages offered by the Government supported automotive and defence industries and the growing demand for labour in the mining industry. Contract trades people to install, maintain and develop our key plant and equipment have become more expensive and more difficult to retain.