

AUSTRALIAN PORK LIMITED

A Submission to the Review of the Migration Occupations in Demand List - Australian Pork Limited's Response to Issues Papers No. 1 and 2



18 September 2009



TABLE OF CONTENTS

TABLE OF CONTENTS	2
1. EXECUTIVE SUMMARY	3
2. Background information	4
2.1 Australian Pork Limited.....	4
2.2 The Australian Pork Industry – our contribution to the economy	4
3. Ongoing skill shortages in the pork industry	5
3.1 Why it is critical the pork industry has access to skilled labor.....	6
3.2 The pork industry’s commitment to increasing domestic skills	7
3.3 Ongoing issues under the Subclass 457 visa program in the pork industry	8
4. Pork industry response to Issues Paper No. 1	10
TEXT BOX: 1 DUTIES OF A PIGGERY ATTENDANT UNDER THE PASTORAL INDUSTRY AWARD 2010.....	11
5. APL’s response to Issues Paper No. 2	12
6. CONCLUSION.....	13
REFERENCES.....	14

1. EXECUTIVE SUMMARY

Australian Pork Limited (APL) welcomes to opportunity to comment on the Review of the Migration Occupations in Demand List. We would like to present our consolidated response to both Issues Papers 1 and 2 and raise some important issues affecting the Australian pork industry.

APL is the national representative body for Australian pig producers. It is a producer owned, not-for-profit Company combining marketing, export development, research, innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry. We are a unique rural industry service body delivering integrated services to enhance the viability of Australia's pig producers.

Despite the economic downturn, Australian pork producers continue to have difficulties recruiting appropriately skilled staff at all levels of employment within the industry. Lack of trained staff not only impacts on productivity, but animal welfare, animal health, food safety, biosecurity and occupational health and safety are also at stake.

Ongoing changes to the requirements of the subclass 457 visa program have practically restricted the pork industry's ability to secure a stream of appropriately skilled and experienced workers from overseas. This comes at a time when the industry is under great pressure to upgrade and prove the competency of staff in order to comply with incoming animal welfare regulations in accordance with the industry Model Code of Practice for the Welfare of Animals (Pigs) 3rd Edition (2007).

APL supports the need to review the Migration Occupations in Demand List (MODL) to ensure that skilled migration is responding to future skill needs that cannot be addressed through domestic training and skills development.

We would like it acknowledged that the current temporary and employer sponsored migration programs no longer address the skill shortages faced by the pork industry and other rural industries, and that another solution is required. The remaining option of negotiating a labour agreement is a time consuming, complex process which means it is not a viable option for most small to medium agricultural producers. Should it be possible APL is more than willing to consider the option of negotiating an industry wide Labour Agreement on behalf of pork producers.

We would like the possibility for the new MODL or Future Skills List to target industry specific and rural occupations explored. We agree that the MODL needs to be prospective in order to address the medium and long-term skill shortages faced by Australia's pork and other rural industries.

APL also agrees with the notion that the MODL should target skills of high economic value to Australia and would like it acknowledged that the highly specialised skill set, experience, natural ability and qualifications required to work as a stockperson in the

pig industry, warrants inclusion of this occupation on the Skilled Occupation List (SOL).

APL supports the concept that 40 and 50 point occupations should be included on the new MODL or its replacement tool. We believe that only including 60 point occupations makes the current list far too restrictive and excludes many potentially valuable occupations.

Our preferred option for integrating a Future Skills List with the GSM assessment process is option A. Option A is less restrictive, encourages applicants with a broad range of skills and attributes and targets workers with the qualities necessary to make a valuable contribution to the Australian workforce. APL would like the possibility for this option to also target applicants with a desire to live and work in rural and regional Australia explored.

2. Background information

2.1 Australian Pork Limited

Australian Pork Limited (APL) is the national representative body for Australian pig producers and is a producer-owned not-for-profit company. APL combines marketing, export development, research, innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry. We are a unique rural industry service body for the Australian pork industry delivering integrated services that enhance both the viability of Australia's pig producers and opportunities for the sustainable growth of the Australian pork industry. APL pursues opportunities for the Australian pork industry on both a domestic and international level and works in close association with key industry and government stakeholders.

Australian Government legislation, a contract between the government and APL and APL's constitution, provide the legal framework for APL's operations. Funding for APL is primarily through statutory pig slaughter levies collected under the *Primary Industries (Excise) Levies Act 1999* with additional research specific funds provided by the Australian Government.

APL would like to comment on the MODL review as a means of raising the concerns expressed by our producer members about being excluded from access to skilled workers from overseas and the impact this will have on their business.

2.2 The Australian Pork Industry – our contribution to the economy

The Australian pork industry has a significant positive impact on local, regional, state and national economies. There are currently approximately 1,500 pork producers in Australia producing 5 million pigs annually.¹ Pork represents 2.19% of total Australian farm production.²

During 2006-07, Australian Pork created \$2.9 billion in generated output and \$840 million in value added product.³

Approximately 16 % of Australian production is designated for exports with our key markets in Asia being Singapore, Japan, Hong Kong, the Philippines and South Korea. These countries place emphasis on food safety and animal health issues and represent 84 % of Australia's pork export market.³ Principal export markets are Singapore, Japan and New Zealand.

The pork industry generates substantial income and employment in rural and regional Australia. 2006-07 figures show the Australian pig industry generated over \$805.22 million in household income. The pork production and processing industries generate approximately 7,928 full time jobs.⁴

The industry's export markets are now valued at approximately \$156.5million per year, compared to \$24 million in 1997. The Australian pork industry enjoys the enviable position of having one of the world's leading herds in health status which underpins our competitiveness and may present opportunities to expand exports in the future.

Consumer confidence in pork continues to grow and based on the popularity of our product, APL believes that the longer term outlook for the Australian pork industry is one of a strong future. Australia's clean reputation and our proximity to Asia, the largest consumers of pork in the world (where demand for meat is increasing due to rising affluence), gives Australian pork producers significant advantages. APL's challenge is to facilitate market development that will ensure sustained growth in value and volume of domestically produced pork, and to improve the conditions under which pork producers conduct their business, to allow the industry to reach its true potential.

3. Ongoing skill shortages in the pork industry

Despite the economic downturn, the Australian pork industry continues to experience ongoing difficulties attracting and retaining skilled workers from the Australian workforce. There is a general shortage of skilled stockpeople working at all levels within the pig industry. There is also an unusually high employee turnover rate in the pig industry. The positions that are difficult to fill are Piggery Manager, Piggery Assistant Manager, Production / Operations Manager, Piggery Technical Manager, Piggery Section Manager and Trainee Managers (positions titles vary across the industry).

These positions are difficult to fill because of the lack of trained staff and the perception by Australians that the pig industry is not desirable and offers little opportunity for career development. The past several years of drought experienced across Australia have served to further lower the profile of agriculture and related industries as a career choice.

Most piggeries are located in rural communities, and the natural urban drift is resulting in a lower pool of available workers to choose from with people from major capitals being unwilling to move to rural and regional Australia. Also a number of piggeries (particularly in Queensland and parts of Western Australia) are located near large scale mining operations. The loss of highly skilled workers to the mines continues to be a problem in these areas as the pork industry cannot compete with the substantially higher remuneration offered by these companies.

It also needs to be recognised that there are parts of rural Australia that still have very low unemployment rates. Despite increased numbers of displaced workers nationally, our producers stress that they are still finding it impossible to recruit from their local workforce and that workers that they manage to recruit from other regions are quickly poached by mining operations, power stations and gas fields.

Continued skill shortages have forced some producers to rely on a stream of casual itinerant labour. One of our largest producers has reported that at worst, one of their sites was operating with twenty-three (23) full time employees, eighteen (18) of which were backpackers, presenting a serious risk to their business regarding animal health and welfare, worker safety and biosecurity.

3.1 Why it is critical the pork industry has access to skilled labor

Pig production is highly labour intensive, with intensive systems requiring skilled labour seven days a week. The industry Code of Practice for animal welfare requires that pigs are inspected regularly by competent staff, and more often in hot conditions. Lack of properly trained staff can, not only adversely impact on productivity, but may compromise animal health and welfare and occupational health and safety.

Across all facets of the agrifood sector, the roles of workers are evolving as productions systems become more sophisticated and technology advances. Pig farm hands are now required to be piggery technicians responsible for managing nutritionally balanced feeding operations, monitoring growth, performing artificial insemination and monitoring animal health.⁵ These roles require skills, experience and training and cannot simply be filled by displaced workers from other sectors.

It is recognised internationally that the most important factor for ensuring good animal welfare is good stockmanship. Good stockmanship requires a combination of natural ability, training and experience. The work performed by stockpeople is a critically important part of the process of producing pigs and without a supply of skilled stockpeople production is compromised.

Producers are currently under great pressure to conform to new animal welfare standards set out in the industry Model Code of Practice for the Welfare of Animals (Pigs) 3rd Edition (2007)⁶ and the associated state regulations soon to become mandatory. The Model Code of Practice states that:

“Pigs must be cared for by personnel who are skilled in pig husbandry and are competent to maintain the health and welfare of the animals in accordance with the Standards listed in this Code, or are under the direct supervision of such personnel. Such competency must be able to be demonstrated within 3 years of endorsement of this code (by 2010)”.⁶

It is recommended that stockpeople working in piggeries should have at least a Certificate 3 in Agriculture (Pig Production), in order to comply with this requirement.

Our producers have raised their concern that worker safety is also compromised in situations where piggeries are under staffed or forced to use high proportions of unskilled casual itinerant workers. This also presents a threat to the health and welfare of the animals and the high turnover of workers streaming through production systems is a continual threat to on-farm biosecurity.

For these reasons, the industry is not sourcing unskilled labour through the current visa program. The people being sourced are tertiary qualified people from countries that value livestock skills, and have generally proven their skills in large scale commercial piggeries overseas for several years.

3.2 The pork industry’s commitment to increasing domestic skills

Stockmanship is central to training programs that APL has developed and has been running throughout the country for many years. The Australian pork industry has pursued a number of training initiatives to address the issue of ongoing domestic skill shortage.

APL, together with Scientists at the Animal Welfare Science Centre, has developed an innovative multimedia training program, ProHand, a stockperson training program containing the key elements necessary to improve the attitudes and behaviours of stockpeople. Properly applied, ProHand (Pigs) has the capability to improve the attitude and behaviour of most stock people towards their animals. Research examining the effect of the program in the pig industry has shown that by changing stockperson attitudes and behaviour through ProHand, the fear responses in pigs are consequently reduced, resulting in improvements in pig reproductive performance by, on average, about 7%.

APL is assisting producers with meeting the competency requirements of the Model Code of Practice (and the associated state regulations) through determining and developing, where necessary, resources to assist with training and assessment of stockpeople.

A stockperson animal welfare skill set has been developed which includes all of the units under the National Training Package required for a stockperson to meet the requirements of the Model Code of Practice for the Welfare of Pigs, which have been regulated in each state. These units include:

1. AHCAPK203A Move and handle pigs

2. AHCAPK201A Care for health and welfare of pigs
3. AHCWRK207A Observe enterprise quality assurance procedures **OR**
AHCWRK306A Comply with industry quality assurance requirements *[NB: CHOICE HERE DEPENDS ON ENTERPRISE REQUIREMENTS.]*
4. AHCALC3XXA Comply with animal industry welfare requirements
5. AHCMAN301A Contribute to OHS processes.
6. AHCALC301A Administer medication to animals
7. AHCALC309A Implement animal health control programs

Farmers can be considered competent when they have either completed the course or have been assessed as competent through a process of recognition of prior learning in these units. Train the trainer courses are being run in November 2009 for a wider roll out to producers in time for the regulatory deadlines.

Both APL and the Pork CRC (Pork Cooperative Research Centre) also provide scholarships for students at tertiary level, both undergraduate and post graduate, to encourage students to work for the Australian pig industry. The Pork CRC with the support of APL also runs an education and training program aimed at delivering education and training consistent with specific characteristics of the Australian pork production sector.⁷

The Pork CRC Education and Training Program aims to enhance formal training opportunities to attract new entrants to the industry and retain expertise and innovation within the industry (Pork CRC). Key elements of the program are developing course material for secondary schools and tertiary institutions; providing scholarships to undergraduate and postgraduate students for work experience, study and research projects; developing postgraduate courses to increase retention rates of promising young scientists in the pig industry; and running knowledge development courses for pig producers and their employees to provide a 'structured ladder of learning' for industry participants leading to formal qualifications where necessary.⁷

3.3 Ongoing issues under the Subclass 457 visa program in the pork industry

Until recently, the subclass 457 visa program has been the primary focus for the pork industry in accessing skilled workers from overseas. This program has been utilised extensively to access highly skilled and qualified stockpeople from overseas to fill positions that could not be filled by domestic workers. Many of the 457 visa holders working in the pig industry have tertiary qualifications from their country of origin and are often more skilled than their Australian colleagues. Thus we make the point again that the pig industry has not been sourcing unskilled labour from overseas and that many of the 457 visa holders in the pig industry are in supervisory roles and in some cases are in managerial positions.

However, ongoing issues and continued revisions of eligibility criteria for the 457 visa program have practically excluded the pork industry from access to workers from overseas.

An issue of particular concern to APL came to light when one of our larger producers, was issued with a breach notice in relation to the duties performed by their 457 visa employees. Subsequently it was acknowledged that a number of 457 visas had been granted by the Department of Immigration and Citizenship (DIAC) to piggery workers by mistake under the ASCO code Agricultural Technical Officer 4611-11. This mistake by the Department was not only alarming and disruptive for the producer involved, but cost the company a significant amount of time and money to rectify the dispute.

This, combined with the recent revision of the eligible occupations list for the 457 visa program to include only ASCO 1-4 occupations is seeing the pork industry effectively excluded from access to Temporary Skilled Migration. To add further insult, the introduction of the Temporary Skilled Migration Income Threshold (TSMIT) of \$45 220 p.a. from September 14th, will mean that some producers will be forced to increase the wages of their existing 457 employees until their visas expire, after which they will not be granted again. We continue to receive correspondence from producers expressing genuine concerns that these changes will have a significant negative impact on their businesses and on the pork industry. It is likely that these restrictions have similarly affected other rural industries.

Although it is difficult to dispute that overseas workers are entitled to be paid at market rates, the introduction of the income threshold will serve to further cut pig producers (and other rural industries) out of the market for Temporary Skilled Migration. Our producers also comment that there is a propensity from this Government to increase the Minimum Salary Level (MSL) at a greater rate than inflation or wage increases. The experience of these producers indicates that the current gazetted MSL is set above the market rate for the pig industry.

APL would also like to comment that DIAC has failed to make clear whether the TSMIT refers to base salary or whether non-monetary benefits can be included. Currently many visa holders working in the pork industry enjoy substantial non-monetary benefits including allowances and bonuses from their employment. In setting a threshold it should also be considered that employer sponsors incur additional costs associated with the application process and are responsible for all costs in repatriating an employee to their home country at the end of their term of employment.

The remaining option suggested to pork producers by DIAC was to negotiate a Labour Agreement. APL would like to point out that this option is highly restrictive because the complexity of negotiating an agreement makes the process too costly and time consuming. This precludes our small-to medium producers from accessing

the program. We would like to point out that labour issues within our industry are just as critical for the 200 sow producer, as they are for a 15,000 sow producer.

Should the opportunity arise to negotiate an industry labour agreement for the pork industry or for the agricultural industry as a whole, APL would be willing to pursue this avenue and would no doubt receive support from other agricultural representative bodies.

Fortunately, some producers have been able to sponsor their existing 457 visa workers to Permanent Residency (PR) status via the Employer Sponsorship Migration Program. One of our largest producers has indicated that they were able to retain all of their existing 457 visa workers in Australia by sponsoring them to PR status through the Employer Nomination Scheme. They continue to support these workers who make a valuable contribution to the business and to their local community.

Other producer members report that it has recently become more difficult to negotiate PR status for a visa holder.

4. Pork industry response to Issues Paper No. 1

APL supports the notion that the MODL should target skills of high economic value to the economy. We agree that skills of high economic value are likely to be:

- Highly specialised, occupation specific and take a long time to learn
- Vital in production, distribution processes or service industries
- Deployed for the uses intended
- Likely to underpin innovation and improved productivity

The description of duties for a Piggery Attendant contained in the Pastoral Industry Award (2010) (Text Box 1, page 11) fits well into this description and thus this occupation should be considered a highly skilled and specialised occupation and of high economic value. We would like to put forward that the role of piggery Attendant (or piggery stockperson) should be recognised as a skilled occupation and included on the Skilled Occupations List (SOL).

TEXT BOX: 1 DUTIES OF A PIGGERY ATTENDANT UNDER THE PASTORAL INDUSTRY AWARD 2010

Pastoral Award 2010 (MA000035)

33.1 General duties – PIGGERY ATTENDANT

A Piggery attendant at all classification levels may be required to undertake any duty or combination of duties listed below, as may be required at each enterprise, to the full limit of the employee's ability, training and/or licensing:

- apply and adhere to quarantine control procedures;
- clean and maintain protective footwear and clothing;
- clean and maintain administration and amenities buildings and associated fittings and equipment;
- maintain an adequate environment for the well-being of stock;
- clean accommodation pens, fittings and equipment;
- provide feed and water for stock;
- tend to routine husbandry of all stock;
- apply animal identification systems;
- move, draft and weight stock;
- remove and dispose of effluent;
- dispose of deceased stock;
- mix and mill feed;
- care for sick or injured stock;
- maintain herd health status at an acceptable level;
- operate farm-related vehicles, plant, machinery and equipment (if appropriately licensed);
- detect oestrous and mate breeding stock;
- diagnose pregnancy in breeding stock;
- assist sows and piglets at farrowing;
- remove faulty or damaged equipment and fittings;
- install new or replacement equipment and fittings;
- maintain a recording system and interpret data;
- transport stock, feed and equipment (if appropriately licensed);
- maintain sheds, fixtures and fittings, fences and surrounds;
- maintain machinery and equipment; and perform other duties as required.

Piggery attendants at all levels including PA3 and above may additionally be required to:

- select replacement breeding stock;
- make decisions on drug usage;
- destroy sick or injured stock in a humane manner;
- conduct post mortem examinations of deceased stock;
- order stores and equipment; and
- perform other duties as required.

This award does not come into force until 1 January 2010

APL does not agree with the suggestion made in issues paper 1 that the economic value of skills may be reflected in what employers are prepared to pay for skills. We believe that placing an earnings threshold below which occupations could not be placed on the MODL would exclude many occupations that could potentially make a substantial contribution to rural economies.

We prefer the suggestion that high economic value could be determined by specifying the required qualification level or the skills and experience deemed to be equivalent and the amount of work experience required. However, for such a system to adequately recognise the contribution of piggery workers, the skill level of piggery occupations would need to be recognised and reclassified in the ANZSCO. Current ASCO codes that loosely represent piggery occupations (General Farm Hand 9921-11, and Animal Attendant 6399-15) are not industry specific and fail to capture the skill level, qualifications and experience required to work as a stockperson in the pig industry, especially considering our obligations under the Model Code of Practice and the associated state regulations.

APL would like to support the inclusion of 40 and 50 point occupations in the new MODL. We put forward that only including 60 point occupations in the current MODL excludes many agricultural and trade occupations from the list which could potentially bring high economic value to Australia. We would also like to see piggery workers, particularly senior/supervising positions recognised as a 40 point occupation due to the level of qualifications; industry specific expertise and natural aptitude that are required to perform this role (see Text Box 1).

We agree that the MODL needs to be prospective in order to address medium and long-term skill shortages in Australia's rural industries. Other migration programs currently fail to do so. We also agree that the MODL should be relatively stable and not subject to significant 6 monthly changes which are disruptive to industry and restrict planning for both industry and workers.

APL would like to support the suggestion made by other interested parties in response to issues paper 1 that the possibility for a future list to attempt to target regional and industry specific skill needs should be explored.

5. APL's response to Issues Paper No. 2

APL would like to see a Future Skills List (FSL) equipped to target the skill needs of rural and regional Australia and the industry specific skills required by the agricultural industries. Our position in terms of the three options for the FSL targeting mechanism would depend, obviously on whether or not there is the possibility for the skill shortages experienced by the pork industry and other rural industries to be targeted.

Considering DIACs current position and our past experiences with 457 visas, APL chooses to support Option A: Not to have an occupation list but to rely solely on the GSM Points test to assess relative merits of applications based on characteristics

that have been established to be indicators of good settlement and labour market prospects.

The option not to have an occupational targeting mechanism may benefit the pork industry by not placing a narrow range of occupations ahead of other legitimate applicants that may have the skills, experience and attitude to make a significant contribution to our industry and the Australian workforce. There is a need in the pork industry for employees with a wide range of skills and attributes from a wide range of backgrounds. We also believe that sustained work experience is an attribute of equal value to recognised skills, and should attract equal consideration.

APL would like to suggest that in addition to other requirements (sustained work experience, recognised skills and English language skills as suggested) that an applicant's preference to work in rural and regional Australia could attract additional points towards selection. This would allow option A to address the skill shortages faced by rural and regional communities across all sectors.

6. CONCLUSION

APL would like to thank The Department of Immigration and Citizenship and the Department of Education, Employment and Workplace Relations for the opportunity to comment on the MODL review with reference to the issues affecting the Australian pork industry.

Despite efforts to address this ongoing problem, the Australian pork industry continues to have difficulty accessing skilled workers from the domestic labour market. Access to skilled staff is of critical importance to the pork industry as this impacts on productivity, animal health and welfare, biosecurity and worker safety.

The pork industry's access to skilled labour from overseas continues to be reduced with ongoing changes to eligibility requirements for temporary skilled migration programs. This is also the case for many other rural occupations and we believe another solution is required. The option of negotiating a labour agreement is not viable for most small to medium producers but APL would welcome the possibility of negotiating an industry wide labour agreement.

We believe that the skill level of stockpeople working in the pig industry needs to be recognised and reclassified in ASCO and should be included on the SOL. We support that 40 and 50 point occupations should be included on the new MODL or a proposed Future Skills List.

We would like the possibility for a Future Skills List to target rural and regional occupations explored and would like to support option A with the suggestion that the preference to work and live in rural and regional Australia should attract extra points towards an application.

REFERENCES

1. Australian Bureau of Statistics (ABS): Principal Agricultural Commodities 711.0
2. ABARE 2008, Australian Commodities June Quarter 08.2
3. APL from ABS Statistics (2007)
4. Western Research Institute 2005, Socio-Economic Impacts of the Australian Pork Industry
5. Agrifood Skills Australia. *2009 Environmental Scan*. Australian Government Department of Education, Employment and Workplace Relations, 2009.
6. Model Code of Practice for the Welfare of Animals (Pigs) 3rd Edition . 2007. <http://www.publish.csiro.au/pid/5698.htm>
7. Pork CRC. Education and Training - Program 4. <http://www.porkcrc.com.au/html/education.html>

