

Australian Pork Limited

AUSTRALIAN
Pork™

Australia's 2021-22 Migration Program

February 2021

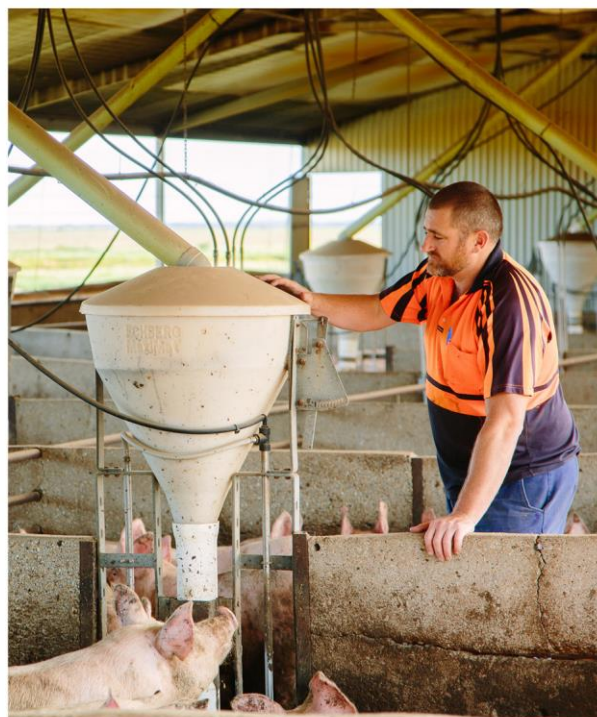


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I. List of Recommendations

Recommendation 1 – Government and the industries commit to implement and review the National Agricultural Workforce Strategy, underpinned by an annual national labour and skills survey to support decision making.

Recommendation 2 – To support good decision making by the Department of Home Affairs on *Pork Industry Labour Agreement (PILA)* applications, delegates (decision makers) should have suitable industry experience or receive training on pork industry workforce constraints.

Recommendation 3 – The *Pork Industry Labour Agreement (PILA)* should be exempt from the current 30% migrant workforce threshold, as outlined in the *Labour Agreements Procedural Instruction*, in recognition of the chronic, unresolved and long-term workforce issues faced by industry and the inconsistent application of exceptional circumstances policy.

Recommendation 4 – To further improve the usefulness of the *Pork Industry Labour Agreement (PILA)*, expand the list of occupations under the PILA to incorporate the ANZSCO occupations; ‘Pig Farmer’ and ‘Piggery Worker’.

2. Australian Pork Limited

APL is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing and export growth, research and innovation, and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

Australian Pork Limited (APL) welcomes the opportunity to make a submission in to the *Australia's 2021-22 Migration Program* planning process facilitated by the Department of Home Affairs.

3. Contribution of the Pork Industry in Australia

As the most consumed meat globally and the second most consumed meat in Australia, pork is an important part of our diets. Australia's domestic sow herd numbers approximately 270,000, housed in approximately 4,400 registered sites nationwide. In 2019, the Australian pork industry produced almost 400,000 metric tonnes of pork and of which 9% was exported.

The domestic pork industry plays a vital role in contributing to Australia's food security owing to the restrictions that Australia's biosecurity laws place on the importation and sale of fresh pork from overseas. All fresh pork consumed in Australia is domestically sourced.

In a typical year, the pork industry, including pig production, primary and secondary processing, and wholesale, contributes \$5.3 billion in gross domestic product to the Australian economy and supports about 36,000 jobs nationally. The industry is largely based in regional Australia, with the largest volume of production sourced from Queensland, Victoria, and South Australia, respectively.

4. The Current Agricultural Workforce

Australian Bureau of Statistics (ABS) data from 2016 confirms Australian agriculture continues to face challenges posed by an ageing workforce, with the average age of a livestock farmer now 57 years old.¹ This represents an average age increase of 13 years over the past three decades, with the average age of a farmer in 1981 being 44 years old. The same report identified that over a 40-year period, 31% of the total agricultural workforce was 65+ years of age compared to just 4.2% of the total workforce in all other industries. A combination of fewer young people entering farming and lower exit rates at traditional retirement age have fuelled these statistics, raising significant concerns about workforce succession in the coming decades if this trend continues.

There have also been consistently more jobs available in agriculture than there have been suitable candidates for the past fifteen years. Research has shown that farms across the agriculture industry experience difficulties recruiting skilled (non-labourer) positions due to applicants lacking the required capabilities and experience.² This is of particular relevance to the pork industry which requires a skilled workforce to undertake much of the day-to-day running of a piggery.

¹ <https://joboutlook.gov.au/Occupation?search=alpha&code=1213>

² Dufty, N, Martin, P and Zhao, S (2019) *Demand for Farm Workers: ABARES farm survey results 2018*, Australian Bureau of Agricultural Resource Economics and Sciences, Canberra

As of November 2018, 82% of agricultural employees lived in regional Australia.³ The agriculture sector not only provides an important source of economic and employment opportunity for regional Australia but enables a strong social fabric within these communities. However, a career in agriculture, and specifically the pork industry, often requires employees and their families to relocate and live remotely away from services that are often taken for granted in urban settings. Access to schooling facilities for children, centres of employment for partners, health facilities, and shopping centres can become difficult. While the remuneration rates in the pork industry are competitive and often subject to considerable increases over short periods of time, the current workforce demands more than just competitive pay to live and work remotely.

5. The Current Pork Industry Workforce

The Australian pork industry is diverse in terms of location, scale, ownership, and method of production. Combined with gradual consolidation of the industry over the past two decades, many piggeries now demand specialist skills within their workforce.

Corporately owned and large-scale privately owned (“family corporate”) piggeries represent a large proportion of the production and employee numbers in the industry. The needs of these larger piggeries are quite different to those of smaller privately owned piggeries (“family farms”). In particular, larger piggeries may need to manage a larger workforce, potentially across multiple sites. Similarly, there are differences in the technical and production skills required of the workforce depending on the type of production system (e.g. indoor, outdoor, and free-range piggeries).

Globally, the Australian pork industry is small. But we are leaders in science, sustainability, and social responsibility. As pig production systems become more sophisticated, driven by technological advancement, the roles of the workers in the industry evolve. The modern Australian pork industry is a highly technical, specialised, and dynamic industry which relies on a highly skilled workforce. Particularly, Australian pig production now requires suitably skilled people who must be responsible for managing nutritionally balanced feed operations, monitoring growth, performing artificial insemination operations, and monitoring animal health and behaviour.

Thus, the industry has a high demand for skilled, experienced labour and, at the very least, all stockpersons working with pigs must have appropriate training to ensure compliance with state animal welfare legislation. A stockperson is considered suitably qualified if they are a veterinarian, hold a Certificate III in Agriculture (Pork Production) or equivalent, or have completed assessment by a Registered Training Organisation in:

- the movement and handling of pigs;
- care for the health and welfare of pigs;
- compliance with industry animal welfare requirements;
- administration of medication to livestock.

Unfortunately, appropriately skilled workers who are available for employment in the Australian pig industry are difficult or impossible to source locally. The pork industry has suffered ongoing difficulties in sourcing skilled piggery workers.

Consultation to support the development of the *2020-21 APL Workforce Strategy (Workforce Strategy)* resulted in 74% of respondents indicating that labour and skill gaps were their main workforce issues.

³ <https://australianjobs.employment.gov.au/jobs-industry/agriculture-forestry-and-fishing>

Engagement also highlighted that despite significant efforts, they struggle to find enough local people to employ, particularly with the appropriate interest, attitude and skills. Having the right attitude and interest was considered of great importance, and most producers would readily employ local people and support them with training, if these criteria were met.

Engagement with producers confirmed the main factors impacting on attraction of new candidates (in order of significance) were the following:

1. Image or perception of the industry
2. Lack of understanding and promotion of agriculture in the education sector
3. Strong competition from other industry sectors
4. Perception of low pay rates
5. Lack of awareness of career opportunities
6. Unfavourable working hours

6. The Importance of Skilled Migration

Skilled overseas workers have played a significant role in addressing both the skill and labour gaps experienced by industry over the past 10 -15 years. While corporate and larger family-owned piggeries have relied extensively on skilled migrant workers for some time, primarily through the Pork Industry Labour Agreement (PILA), smaller producers are increasingly utilising the skilled migration pathway. Some 60% of respondents surveyed to support the development of the Workforce Strategy indicated that they had staff that were on some form of visa.

Notably, the majority of skilled migrants employed in the industry have come from the Philippines. Overwhelmingly, producers acknowledge the importance of their Filipino employees to their operations because of their relevant skills, with most having tertiary agricultural science or veterinary qualifications and piggery experience from their own country. Other positive attributes that producers highlight of the Filipino staff include their strong work ethic, interest in the industry and commitment to community.

Given this ability to recruit skilled migrants via the PILA, or other visa programs, many pig producers state they now have little issues attracting and retaining staff. Importantly, they also report a significant decrease in turnover of their Australian-born staff since the arrival of the skilled migrants. Improved staff retention is caused by less turnover in the workforce as a whole, with more people with the right skills and aptitude for the job. Overall this creates a far more stable and fulfilling workplace.

Through the PILA, the temporary skilled migration program also provides a pathway for skilled migrants working in pig production to gain permanent residency in Australia. The existence of this pathway is a critical aspect of the program as it provides a long-term solution to ongoing skills shortages faced by the industry. These skilled migrants tend to stay in the pig industry once they have achieved permanent residency and settle in regional towns. Population growth in regional Australia is paramount to sustaining country towns. For many of these regional towns in Australia, the overseas-born migrants are the only source of population growth and thus, it is hard to overestimate the long-term benefit of skilled migrants arriving in regional Australia (RAI, 2017).

Without access to the temporary skilled migration program, the supply of highly skilled, reliable and committed workers from overseas would be removed from the Australian labour market. This would

result in a very restricted skilled labour market for pig producers, compounding with the existing struggles of acquiring suitably qualified labour locally.

7. Migration and Economic Recovery

The existing hardships the pork industry has faced in attracting and retaining suitable stock persons has been drastically exacerbated by the COVID-19 pandemic, limiting the accessibility and movement of skilled migrant workers to Australia to take up work on Australian piggeries. Despite the increases in domestic unemployment rates as brought on by COVID-19, the skill shortage faced by the Australian pork industry has not been met by the Australian workforce.

This is reflected through the underwhelming application rates to the Federal Government's relocation assistance scheme offering up to \$6,000 of assistance to those willing to take up a job in agriculture. The application rates to this scheme are exemplary of the attitudes primary producers are faced with when seeking employees from the Australian workforce. As of the most recent figures, there were only 355 applications made by Australians to the relocation assistance scheme nationwide. This sheds light on the disinterest many Australian workers have towards work in agriculture despite financial support.

As has been recognised through the allocation of essential industry status at the beginning of the COVID-19 pandemic in Australia, the agricultural industries are going to play a major role in Australia's economic recovery. In order for the industries, including the Australian pork industry, to remain strong and fulfill their duty in the recovery process, they must have access to a suitable and stable workforce. Without a suitable workforce, there are high risks to both farm business continuity and animal welfare outcomes given the technical nature of careers in the pork production industry. With the difficulties our producers face attracting and retaining Australians in their businesses, migration therefore plays a crucial role in keeping Australian piggeries in operation and moreover, contributing to the country's economic recovery post-COVID-19.

8. Australia's Migration Policy Settings

It is fundamentally important that Australia's migration policy settings present Australia as an attractive migration destination for overseas people. To ensure government implements effective and useful migration policy settings for agricultural it must be supported by a strong collaboration and partnership with industry on migration matters.

As advocated for in the APL submission to the National Agricultural Workforce Strategy (NAWS), government and industry must collaborate to deliver the outcomes of National Agriculture Workforce Strategy, supported by an annual national labour and skills survey that supports ongoing policy and investment decision making. This forum will allow government and industry to share information on a range workforce issues while providing a forum whereby migration policy settings can be discussed.

Recommendation 1 – Government and the industries commit to implement and review the National Agricultural Workforce Strategy, underpinned by an annual national labour and skills survey to support decision making.

It is important that the regulatory and policy environment surrounding Australia's migration programs aim to enable rather than inhibit access to skilled migrants for Australian agricultural businesses. A recent example of a successful industry and government collaboration was the policy amendment advocated for by APL to lower the required score in the International English Language Testing System for permanent residency under the PILA. This change allowed temporary skilled migrants, who had already proven that they were capable of carrying out work on Australia piggeries through their time as temporary skilled migrants, to graduate more seamlessly to permanent residency.

A current policy that exists under the [Labour Agreements Procedural Instruction](#) (the Instructions), is that unless exceptional circumstances can be demonstrated, overseas workers should not exceed 30% of the total workforce. Notably, the pork industry is specifically identified in the Instructions as an industry that faces exceptional circumstances. Yet, whilst current PILA holders present evidence of exceptional circumstances to support their exemption from this threshold, their PILA renewal applications are declined. Further to this, the process for responding to a declined renewal application does not appear to be transparent or consistent. Given the workforce issues that are being faced with COVID-19 and existing workforce shortages, decision makers must apply the policy outlined in the Instructions fairly, or the PILA must be exempt from this threshold.

Recommendation 2 – To support good decision making by the Department of Home Affairs on Pork Industry Labour Agreement (PILA) applications, delegates (decision makers) should have suitable industry experience or receive training on pork industry workforce constraints.

To avoid ambiguity in the application of exceptional circumstances when making PILA application decisions, APL request the removal of the 30% migrant workforce threshold in recognition of the chronic, unresolved and long-term workforce issues faced by industry.

Recommendation 3 – The Pork Industry Labour Agreement (PILA) should be exempt from the current 30% migrant workforce threshold, as outlined in the Labour Agreements Procedural Instruction, in recognition of the chronic, unresolved and long-term workforce issues faced by industry and the inconsistent application of exceptional circumstances policy.

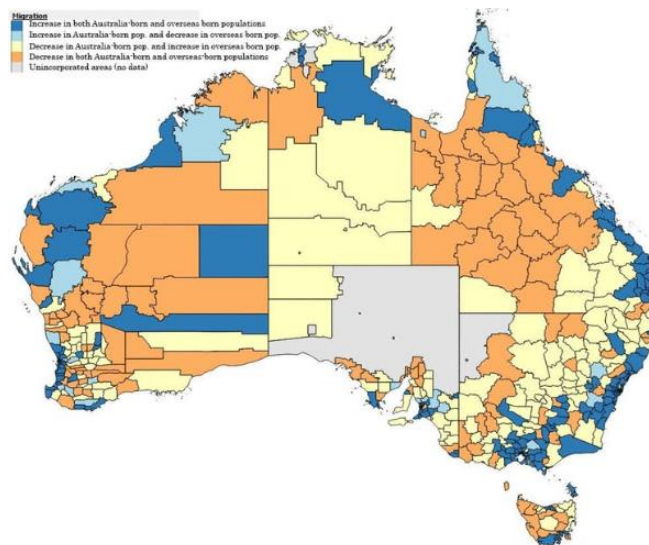
As included in the APL submission to the NAWS, a key policy objective to attracting a larger and more diverse cohort of skilled migrants to the Australian pork industry is to expand the currently available list of occupations under the PILA to incorporate the ANZSCO occupations; 'Pig Farmer' and 'Piggery Worker'. This simply provides more options to an already existing framework which increases the range of skilled migrants that the PILA appeals to and moreover, makes the industry more attractive. The negotiation of the non-ANZSCO occupational title 'Senior Stockperson (Piggery)' through the establishment of the PILA has been a great success for industry, and APL commend government for their work. However, while this occupational description accurately reflects the work that the majority of skilled migrants do on Australian piggeries, adding the additional existing occupational titles to the PILA would provide benefit to the industry's attractiveness without causing any burden.

Recommendation 4 – To further improve the usefulness of the Pork Industry Labour Agreement (PILA), expand the list of occupations under the PILA to incorporate the ANZSCO occupations; 'Pig Farmer' and 'Piggery Worker'.

9. Supporting Australia's Regions through Regional Migration

Regionalisation and the promotion of migrants to the regions is good for Australia as a whole, taking pressure off our big cities and ensuring a high standard of living for all Australian citizens regardless of their geographical location. Australia is uniquely vulnerable to the disruptions that impact large population centres and stands alone in the developed world in having its people concentrated in cities with populations exceeding one million. Agriculture has a key role to play in the regionalisation agenda and is already the number one employer in regional economies. Migration into regional Australia is oftentimes a lifeline for smaller country towns and provides otherwise absent economic and population growth.

Research carried out by the Regional Australia Institute using 2016 Census data investigated statistics of local government areas regarding Australia-born and overseas-born population growth and decline. It was found that of the 550 local government areas, 175 regional areas increased their population, while 246 did not. 151 increased their overseas-born and decreased their Australian-born population. Only 20 areas increased in Australian-born population and decreased in overseas-born population. Without the increase in overseas-born residents for the 151 regions, these regions would have experienced population decline and likely, the local economy would have suffered. It can be seen from the map below, that many Central Australian regions (depicted in yellow) have seen population growth because of skilled migration. It is crucial to the longevity and wellbeing of regional and rural Australia that skilled migrants are able to continue to come into the Australian agricultural industries.



Source: Regional Australia Institute 2017

APL are of the position that policies encouraging migration into the regions are of benefit to agriculture and therefore, regional Australia. APL supports and appreciates current policies put in place by government such as the Designated Area Migration Agreement (DAMA), the Regional Sponsored Migration Scheme (RSMS), and the Regional Occupation List (ROL). While these

initiatives have been successful in encouraging migration into the regions and away from highly populated urban areas, APL strongly encourage government to incorporate the recommendations outlined in the previous section.



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