



AGRIFOOD
SKILLS AUSTRALIA



9 December 2011

Mr Robin Shreeve
Chief Executive Officer
Skills Australia

By email: - contactus@skillsaustralia.gov.au

Dear Sirs,

RE: SUBMISSION TO THE SKILLS OCCUPATIONAL LIST (SOL) 2012

Thank you for providing the agrifood industries the opportunity to inform Skills Australia in relation to the formation of the Skills Occupation List (SOL) for 2012.

The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises of all Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF. Following a restructure of the organisation in 2009 a broader cross section of the agricultural sector has been enabled to become members of the NFF, including the breadth and the length of the supply chain. AgriFood Skills Australia (AgriFood) is an Industry Skills Council. AgriFood Skills Australia supports the primary industries, food processing, meat, seafood and racing sectors in developing industry-driven training packages and provides skills and workforce development advice and support.

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Recommendations:-

- NFF and AgriFood believe that, given the difficulty regional employers face recruiting local people with relevant skills and attracting skills to regional areas, some concessions under the Subclass 457 visa should be introduced to address acute skill and labour shortages, especially in regional areas.
- NFF and AgriFood believe that, in a climate of re-emerging skills and labour shortages, it is imperative that the SOL contains sufficient flexibility to meet the immediate needs of industry as well as long-term needs of the economy. In particular:-
 - ✓ NFF and AgriFood call for the Commonwealth Government to initiate annual, comprehensive and nationally standardised labour demand surveys on which to base the SOL. Accurate assessment of labour demand is critical for the development of industry strategies.
- NFF and AgriFood recommend that the SOL be amended to reflect the importance of the General Skilled Migration (GSM) labour pool for agriculture industries that are not in a position to utilise the employer sponsored pathways.
- NFF and AgriFood believe that not only should the SOL better reflect short-term industry needs, but the additional requirements placed on employers in either visa classes should be reviewed to minimise barriers to addressing skill shortages. In particular:-
 - ✓ Greater flexibility in migration mechanisms to enable labour to be more readily supplied to the Agri industries, which will increasingly face critical labour shortages across all our sectors.
- NFF and AgriFood recommend greater resources be provided to enhance Australia's AID delivery of vocational education and training (VET) to be expanded to include training for the agrifood industries under the Australia Pacific Technical College system. Such training would expand skilled labour provision, a work ready labour supply and labour migration pathways for our industries, through both the Regional Migration Agreement (RMA) and the Pacific Seasonal Worker Pilot Scheme.
- Given the national importance of our industry for food security and export markets, we believe that workforce restructuring needs to be closely monitored in order to provide the evidence base for national policies and programs which aim to provide solutions to the challenges created by these changes. We recommend that:-

- ✓ A National Agrifood Workforce Policy Research Centre (NAWPRC) to be established as a matter of urgency. We suggest that this be based at a Canberra university to enable ready consultation with government.
- ✓ That an interdepartmental committee (IDC) be established to work in conjunction with NAWPRC and industry to develop well-evidenced and robust national long-term workforce strategy for the agrifood sector.

Skill Stream of the Migration Program

NFF and AgriFood are aware the Government has emphasised the need to attract skilled migrants who contribute to the Australian economy in the long term and has argued that a more strategic approach was required in the development of the SOL. As a result, the SOL targeted a small number of highly skilled occupations determined by Skills Australia to be critical importance to the Australian economy. The new list focuses on specialised occupations that require a long lead in time of formal education and training and where the economic impact of not having those skills is significant. The previous SOL had more than 400 occupations. The new list of occupations, announced by the Minister on 17 May 2010, includes 183 occupations.

The Department of Immigration and Citizenship (DIAC) granted a total of 113,730 visas in the Skill Stream of the Migration Program in 2010-11, which is an effective 5.6% increase from 2009-10.¹ The 2010-11 skilled migration programs remained tightly targeted to areas in the Australian economy still experiencing skills shortages. Professional, technical and trade occupations were the most commonly nominated.²

Skill shortages can be partially addressed through skilled migration programs. However, the challenges for policymakers, and from business, is to ensure that Australia is recognised as a destination a preferred choice for skilled migrants and that intake reflects immediate and future skills shortages needs, and that intake is flexible to fill actual and protected gaps in labour market activity.

Skilled migration is not, and should not be seen as, a panacea skill shortages or a substitute for a robust domestic training effort. While skilled migration can deliver skilled labour for immediate emerging shortages in relatively short time-frames, it can only complement domestic training arrangements, which must deliver the backbone of Australia skilled labour needs.

The skilled component of the migration program should complement other initiatives to meet skills shortages, such as training Australian school leavers and the expansion of the labour pool. This can be achieved in combination with retraining existing personnel to upgrade their skills and facilitate people returning to the workforce after retirement, injury, unemployment or as recipients of welfare.

¹ Department of Immigration and Citizenship, *Annual Report 2010-11*, see page 51.

² *Ibid*, see page 59.

Skills shortage and short-term requirements of employers

NFF and AgriFood support the Government's policy of attracting skilled migrants who will contribute to the Australian economy in the long term and the argument that a more strategic approach was required and development of the SOL. As a result, the SOL targeted a small number of highly skilled occupations in areas determined by Skills Australia to be of critical importance to the Australian economy. The new list focuses on specialised occupations requiring a long lead in time of formal education and training, and where economic impact of not having those skills is significant. The list of occupations announced by Minister Bowen on 15 February 2011 – as per the ANZSCO Group Level 1, 2, 3 & 4, still remain relevant to agriculture employers.

We support the Government's policy of attracting very high skilled labour in Australia for their potential contributions to economic growth and innovation. However, very highly skilled labour does not fit within the workplace in isolation of other demographic qualities and requires a mix of highly skilled, skilled and semiskilled labour to be of greatest benefit. This is particularly true in the agricultural sectors, which is emerging from a protracted drought and facing skills shortages. This is noted in the report entitled *Skill Shortage Australia*, published in June 2011 and states:-

“Shortage across the group (*Agriculture, animal, and horticulture occupations*) have been patchy over the past decade, although it is noteworthy that shortages of the professional level occupations of agriculture scientist/consultant have remain relatively persistent.”³

While labour and skill shortages face many industries in Australia, the plight of the agrifood industries will worsen relative to other industries. Major factors that are compounding the aging of our workforce are: the attrition of our workforce to the mining industry; the national perception of the relative unattractiveness of careers in our industry; and atrophying of labour supply to industries in regional Australia.

Under the current framing of the SOL, a worrying indication of the structural problem within the SOL, which if left unresponded to may have serious economic and social consequences and impacts for the agrifood industry.

Barriers for Agri industries

The Government has argued that employer sponsored migration matches migrants directly to jobs in Australia and is therefore the best method to ensure the labour market gets the skills it needs to satisfy short-term requirements of the economy. The Government maintains that it is therefore important that the smaller number of independent skilled migration places that are available are filled by migrants with skills that are critical to Australia's economic development in the medium to long-term.

³ Labour Market Research and Analysis Branch of DEEWR, *National Skill Shortage Australia*, June 2011, see page 50.

While Agri businesses appreciate the flexibility of employer sponsored visa categories, the Government's reasoning fails to recognise that small farm employers find it more difficult to access employer sponsored pathways due to compliance requirements, paperwork, cost and red tape. For example, the introduction of market salary rates and training benchmarks were part of a wider package of reforms in 2009. Members of NFF have indicated that it is prohibited for them to comply with Temporary Skilled Migration Income Threshold (\$49,330) or the English Language Salary Exemption Threshold (\$88,410).

Development of the SOL

NFF and AgriFood are aware that the criteria used to develop the SOL included the following:-

- Where the skills are specialised and there is a long lead in time to develop them.
- Where there is a good fit between what people are trained for and the jobs are available.
- Where there is significant disruption if the skills are in short supply.
- Where there is sufficient information to access the future demand for skill.

These criteria go some way to identify occupations that may experience future demand, but does not adequately respond to short-term needs of the economy, particularly the agricultural sector experiencing short-term storage shortages, such as in horticulture.

In this respect we would support the inclusion of a fifth criterion to be introduced into the SOL; that the SOL seeks to support current government policy. This provides both business and the SOL with the flexibility to meet on demand, emerging skills and labour shortages without the need for ongoing review. Industry is willing to assist in defining what “*semi skills*” are required to deliver on current government policy relating to food security.

In addition to structural changes to the SOL to support permanent migration, we support a demand driven approach to skilled temporary labour migration and urge flexibility in benchmarks and obligations, particularly the implementation of the Market Salary Level requirements in order to maximise access to skilled labour.

The skills and labour shortages which face the Australian agricultural sector have acute and chronic elements. In recent years acute labour shortages have been influenced by the impacts of extended drought, strong growth within the mining sector but also seasonal aspects related to agricultural production systems. The emergence of a chronic shortage of skills and labour is a significant concern for the industry and strategies to address these shortages need long-term support through the migration program.

Employer sponsored workers

NFF members have expressed concern about the difficulty in accessing in the 457 visa program. Regional employers have indicated market salary rates were often below Temporary Skilled Migration Income Threshold (\$49,330) or the English Language Salary Exemption Threshold (\$88,410).

Given the difficulty that regional and rural employers face recruiting local people with relevant skills and attracting semi skilled people to remote areas, NFF and AgriFood believe that some concessions should be reintroduced to address acute skills requirements in regional areas.⁴

In summary, we remain supportive of the general skilled migration, employer sponsored program and the SOL, but believe the SOL should be flexible enough to reflect the changing and elastic short and longer term needs of the agriculture industries as skills and labour shortages emerge.

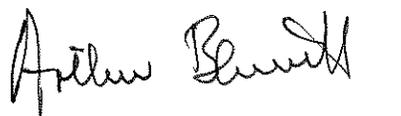
This submission has been endorsed by AgriFood Skills Australia and the National Farmers Federation Workplace Relations Committee. Additionally to this letter we provide a completed pro forma document.

We welcome the opportunity to respond in more detail to assist with reframing the SOL 2012 to assist with meeting agriculture industries requirements. If you wish to discuss any of the issues raised in this submission, please contact Mr Brian Duggan or Dr Rochelle Ball (contact details below).

Yours sincerely



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⁴ From 14 September 2009, employers in regional Australia were no longer eligible for concessions in meeting the minimum salary and skills requirements for the nominated position under the subclass 457 Visa program.

Attachment A

These attachments are sub-sector summaries of occupations in demand as per question 5 of the pro forma:-

Seafood

Comprises wild catch, commercial fishing, aquaculture and post-harvest processing sectors. The seafood industry directly employs over 17,200 people across the wild catch, harvesting and aquaculture sectors and a further 7,200 in processing and wholesale.

Major challenges & trends

- Attracting, training and retraining workers at all skill levels.
- Growing contemporary industry leaders and securing their engagement in skills and workforce development.
- Linking skill development with industry licensing and compliance requirements.
- Ensuring occupational health and safety, and food safety form an integrated approach to risk management.
- Evolving job roles which require higher and often technician orientated skills.
- Diffusing new practice and knowledge from research and development work into the workforce via formal training.

New and emerging skills

- Genetics, selective breeding and biotechnology.
- Seafood processing, value adding, supply chain skills underpinned by new technologies.
- Natural resource management.
- Compliance and regulatory requirements.
- Biosecurity, emergency pest and disease response.
- Animal behavior, health and welfare.
- Market research and marketing.

Reported labour shortages

- Aquaculture Farmer.
- Aquaculture Worker.
- Seafarers, Deck and Fishing Hand.
- Occupational Diver.
- Fisheries Inspector.
- Seafood Process Worker.
- Sea Transport Professionals.
- Boat Builder and Repairers.

Food, beverage and pharmaceuticals overview

Comprise food processing, pharmaceuticals and beverages and is Australia's largest manufacturing industry with total sales of over \$100 billion. It consistently accounts for more than 20 per cent of manufacturing industry employment and involves over 224,000 employees, 40 per cent of which are located in non-metropolitan areas. About 1,000 wineries and around 6,000 vineyards add to this picture, with the pharmaceutical sector employing approximately 14,000 workers.

Major challenges & trends

- Attracting, training and retraining workers at all skill levels.
- Evolving job roles which require higher skills and/or greater breadth of skills.
- Greater adoption and understanding of technology across the workforce.

New and emerging skills

- Risk management skills and knowledge across all occupations.
- Processing and supply chain skills underpinned by new technologies and world class research and development.
- Lean and agile manufacturing processes.

Reported labour shortages

- Agricultural Technician (Dairy).
- Bakers and Pastry Cook.
- Food and Drink Factory Worker.
- Food Safety Auditor.
- Food Technologist.
- Pharmaceutical Plant Operator.
- Production Manager.

Meat

Comprises meat processing, meat wholesaling, meat retailing, small goods manufacturing and food services. Approximately 5,800 enterprises employ around 55,000 workers and generate GDP in excess of \$16 billion per annum. Around 10,000 workers undertake Australian Apprenticeships each year; a further 1,000 undertake higher level training supported by industry.

Major challenges & trends

- Lifting employee retention rates.
- Up skilling existing workers to fill vacancies as 457 visa holders depart.
- Developing skills and knowledge to meet changing regulator and customer requirements.
- Actively embedding career paths and rewarding job design.
- Growing contemporary industry leaders to drive high quality workforce development practices.
- Lifting innovation capability and capacity of enterprises.

New and emerging skills

- Skills and knowledge to address national and international standards in meat safety, meat quality, animal welfare and specific customer requirements.
- Processing and supply chain skills underpinned by new technologies and world class research and development.

Reported labour shortages

- Butcher.
- Meat Inspector.
- Meat Process Worker.
- Product Quality Controller.
- Slaughterer, Boner and Slicer.

Racing

Comprises three codes: thoroughbred; harness and greyhound – the ‘code’ being the breed and type of animal which competes. While some workers are centrally employed in permanent conditions, the majority of the 117,000 people involved in the industry are self-employed, part time or transient (trainers, jockeys, track riders, driver and stable staff). Over 600 racecourses and more than 22,000 small/ medium sized enterprises make up the industry, 95 per cent of which are in non-metropolitan Australia.

Major challenges & trends

- Attracting, training and retraining workers at all skill levels.
- Higher demand for and skilling of casual staff.
- Growing contemporary industry leaders to drive culture change on workforce development.
- Establishing innovative and productive job roles, supported by meaningful career paths.
- Embedding occupational health and safety.
- Linking skill development with industry licensing and compliance requirements.
- Embedding integrity operations and management training as part of an integrated approach to improving the image and credibility of the industry.

New and emerging skills

- On-going need for occupational health and safety, risk management and biosecurity.
- Small business management.
- Animal behavior, health, and welfare.
- Track maintenance.

Reported labour shortages

- Jockey and Harness Driver.
- Race Steward.
- Stable hand.
- Track rider.
- Animal Trainers.
- Equine Dentist, and other animal professionals, outside of the metropolitan areas.

- Vet Nurses.
- Forging Tradespersons.

Agriculture, horticulture and Conservation overview

Comprises rural production (commonly referred to as ‘agriculture’); amenity horticulture; conservation and land management; animal care and management. Over 460,000 people are directly employed across the sectors.

Major challenges & trends

- Attracting, skilling and retaining workers at all levels.
- Creating sustainable, robust labour pools.
- Building individual enterprise capability to become ‘employers of choice’.
- Evolving job roles which require higher, often technician orientated skills.
- Building adaptive capacity of enterprises underpinned by new technologies and world class research and development.
- Building environmentally sustainable production systems capable of delivering strong economic returns.

New and emerging skills

- Supply chain management.
- Natural resource management – biodiversity, sustainable management of land, water and vegetation.
- Biosecurity, emergency pest and disease response.

Reported labour shortages

- Agricultural Laborer.
- Agricultural Technician and Consultant.
- Animal Attendants and Trainer.
- Arborist.
- Conservation Officer.
- Crop Farm Worker.
- Crop Farmers.
- Environment, Parks and Land care Managers.
- Environment and Agricultural Science Professionals.
- Farm Manager.
- Farm Overseers.
- Garden and Nursery Worker.
- Gardener.
- General Farm hand.
- Green keeper.
- Indigenous Land and Sea Manager.
- Importers, Exporters and Wholesalers.
- Irrigation Supervisor and Grain Handler.
- Landscape Gardener.
- Livestock Farmers.

- Mixed Crop and Livestock Farmer.
- Nurserypersons.
- Other Agricultural/Horticultural (includes irrigation installers and jackeroos).
- Park Ranger.
- Rural Technical Representative.
- Sales and Marketing Manager.
- Science Technical Officers.
- Shearer.
- Soil Scientist.
- Station Hands/Jackaroo/Jillaroo.
- Veterinary Nurse.
- Veterinarian.

National Farmers Federation and AgriFood Skills Australia
December 2011

The Skilled Occupations List and the Need for Robust Data

Additional Comments

The creation of a nationally comprehensive Skilled Occupations List is fundamental to informing the strategic planning and direction of the Agrifood's sectors given that labour availability is the biggest single constraint in the Agrifood's industries.

- ✓ We are concerned that the SOL list is not based on nationally collected standardized data, and call for the Commonwealth Government to undertake an annual labour demand survey across the primary industries, and base the SOL on this data;
- ✓ A SOL list based on comprehensive data will be critical in structuring Australia's future regional development and labour migration needs. The Agrifood's sectors face serious attrition of their workforce in the next 8 years due to retirements, mortality and injuries and out migration for employment in other sectors such as mining;
- ✓ Both well co-ordinated regional development and international migration strategies based on attracting and retaining workers in regional Australia will constitute a key solution to meeting our medium to long term skills and labour shortfall. Adequate data is fundamental to formulating robust industry strategies;

Comments relating to the Submission Pro-Forma

The questions asked are predicated on the assumption that robust data exists which has predictive capacity and capability. This data is unavailable for the Agrifood sector, and this absence severely hampers the extent to which we can adequately respond to the questions posed in your pro-forma.

In terms of the Agrifood Sector, we are concerned that the Skilled Occupations List is flawed and these flaws are largely derived from:-

- ✓ A serious absence of comprehensive data;
- ✓ The lack of relevance of narrow occupational descriptors and the need to capture new and emerging skills and job roles rather than limit our responses to outdated descriptors. While many descriptors are still valid, occupation descriptors are becoming increasingly more complex than skilling by occupational title.
 - For example, we are witnessing the development of a technician class of workers who have some management responsibilities. This trend is occurring in nearly all sectors and indicative of a shift in industry thinking towards risk management models and lean management concepts. This is both a response to regulation and trading requirements but also a key survival requirement.

Key Data Gaps and Constraints in the Agrifood's Sector

- ✓ ISCs are not resourced sufficiently to comprehensively collect labour and skill demand data. This should be a Commonwealth Government responsibility.
 - As a result, industry estimates of worker and skill needs appear to be largely anecdotal and lacking rigor due to patchy data availability in diverse industry sectors and geographies.
 - These under resourced estimates created by industry and embedded into industry Environmental Scans feed directly into the development of occupations in demand lists and the SOL. Industry estimates are important and constitute timely insight into changes occurring in industry, but need to be underpinned / supported by comprehensive occupations in demand data collected comprehensively, systematically and regularly by the Commonwealth Government.

Steps Needed to Meet Industry's Skill Needs and Issues to be Addressed

There is an urgent need for comprehensive national data collection to occur from which to develop robust SOL lists for the Agrifood Sector. Following the research conducted by the Australian Farm Institute (2010) study “*Towards a Better Understanding of the Future Human Resource Needs of Australian Agriculture*,” we call for the following:-

- ✓ To develop an annual national standardised labour and skills survey for the Australian agriculture sector to deliver contemporary and forward looking data on labour and skills requirements of the agriculture sector, with a focus on the peaks and troughs throughout the seasonal production cycle;
- ✓ An expansion of the ANZSCO system to include additional industry and occupational classifications across the Agrifood industries;
- ✓ The development of a consistent national standard and concordance for agricultural production, employment and occupational statistics collection to ensure consistency and standardisation of reporting and analyses.

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