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1.0 EXECUTIVE SUMMARY:

1.1 The impact of visas on the red meat processing sector

The Australian Meat Processor Corporation (AMPC) engaged the research services of KPMG to undertake a review of workforce visas currently utilised by the Red Meat Industry processing sector to understand their efficiency and efficacy. The AMPC sought to better understand the current scope of visa programs available, the government's policy position on visas and if there was a means to create a more 'ideal Red Meat Industry visa' scenario.

The demand for this research stemmed from a desire to understand the impact of visa use on this sector's significant contribution to the economy – given the Red Meat Industry contributes more than \$16 billion in Gross Domestic Product nationally. Inefficient and ineffective visa programs could be restricting productivity and future growth of the sector; compounded by the industry's inability to attract and retain local workers.

The scope of the project was to: review and assess current data and policy positions, gather data through interviews, develop a working hypothesis for a future visa program and test these with industry to produce a technical paper that explores the legal and practical feasibility of the hypothesis and describes a process of ongoing engagement.

The outcomes of this research provide the AMPC a foundational understanding of visa program use, their benefits and shortfalls, and the impacts that they have on the day-to-day operations of processing businesses. With this understanding in mind, a number of strategic policy recommendations have been made, which if pursued, should be able to improve the way that visas are used on a day-to-day basis by the sector. It will ultimately equip the processing sector with the necessary information required to work with the Australian Meat Industry Council to advocate for improved outcomes which can enable processing sector growth.

1.2 Assessing visa use in the processing sector

Initial Milestone reports provided to AMPC have already detailed the outcomes of the literature review and the data collection and validation process. In summary:

The most common visas used by the processing sector are subclass 417 and subclass 482 (previously 457), the working holiday maker subclass and the Temporary Skills Shortage subclass, however other visa subclasses are used (for example larger processors used different visa combinations compared to smaller processors, regional processors used different visa combinations compared to metropolitan processors). The subclass 417 visa is appealing as it is quicker to obtain, has no skill qualifications and is cheaper to apply for, however it has short stay duration time frames and requires that workers rotate businesses frequently. The subclass 482 is most commonly obtained through the Meat Industry Labour Agreement (although not always) and facilitates skilled (ANZSCO 070499 skilled meat worker only) visa-holders to stay up to four years (after which permanent residency can be applied for). The subclass 482 visas allow processors to access more qualified labour from overseas markets, however is expensive, requires significant visa-holder training and onboarding and has additional criterion applied (e.g. English language testing).

Processors emphasised that the range of visas available for use was not the inhibiting factor in their businesses productivity or growth, but instead argued that the lack of flexibility permitted

in the current visa programs (e.g. processing fees, application levies, strict criterion and an inability to transition to permanent residency) were.

The final phase of the research required the impact of visa use on the processing sector be validated in a workshop setting, with three hypotheses for new mechanisms to improve the means of using visas, and the outcomes obtained by doing so presented to attendees to form strategic policy recommendations.

1.3 Strategic policy recommendations

Three hypothetical scenarios were presented to processors and industry representatives at an Australian Meat Processor Corporation facilitated Network Meeting in November, 2019. The outcomes of these scenarios, coupled with data collected on visa use, resulted in the formation of two strategic policy recommendations. These have been summarised below.

Strategic Policy Recommendation 1: Create further flexibility in the migration program for the meat processing sector - specifically under the Meat Industry Labour Agreement		
ISSUE: While Meat Industry Labour Agreements have already benefitted from concessions by the government to date, further flexibility is still required. The current arrangements have enhanced industry's ability to access 482 visas, however the overall Agreement is still restrictive.		
LIMITATION	RECOMMENDATION	WHEN
A new Agreement is required for each ABN	Allow nominating businesses or similar entities to re-employ visa holders, if desired	Quick win
Agreements must be renewed annually	Renegotiation cycle in line with Standard Business Sponsors	Quick win
Application waiting periods: between 30 days and 4 months(as per Department of Home Affairs)	Compliant Agreement holders permitted concessions	Longer Term
Cost of application is \$2,645 per visa user, and an additional \$4,045 per visa user wishing to apply for permanent residency	Cost implications require review, especially in relation to permanent residency	Longer Term
Skilling Australian Fund must be contributed to	Fund contributions to be reviewed, including to allow for recognition of a processor financial contribution to training and upskilling already	Longer Term
Temporary Skilled Migration Income Thresholds are applicable	Dismissal of leave loading payment requirements	Quick win
Labour market testing must be demonstrated frequently	Permissibility of broader industry market data, not individual job advertisement	Quick win
Restricted to ANZSCO 070499, demonstrated in-country prior to visa approval	Permit flexibility in visa condition 8607	Quick win

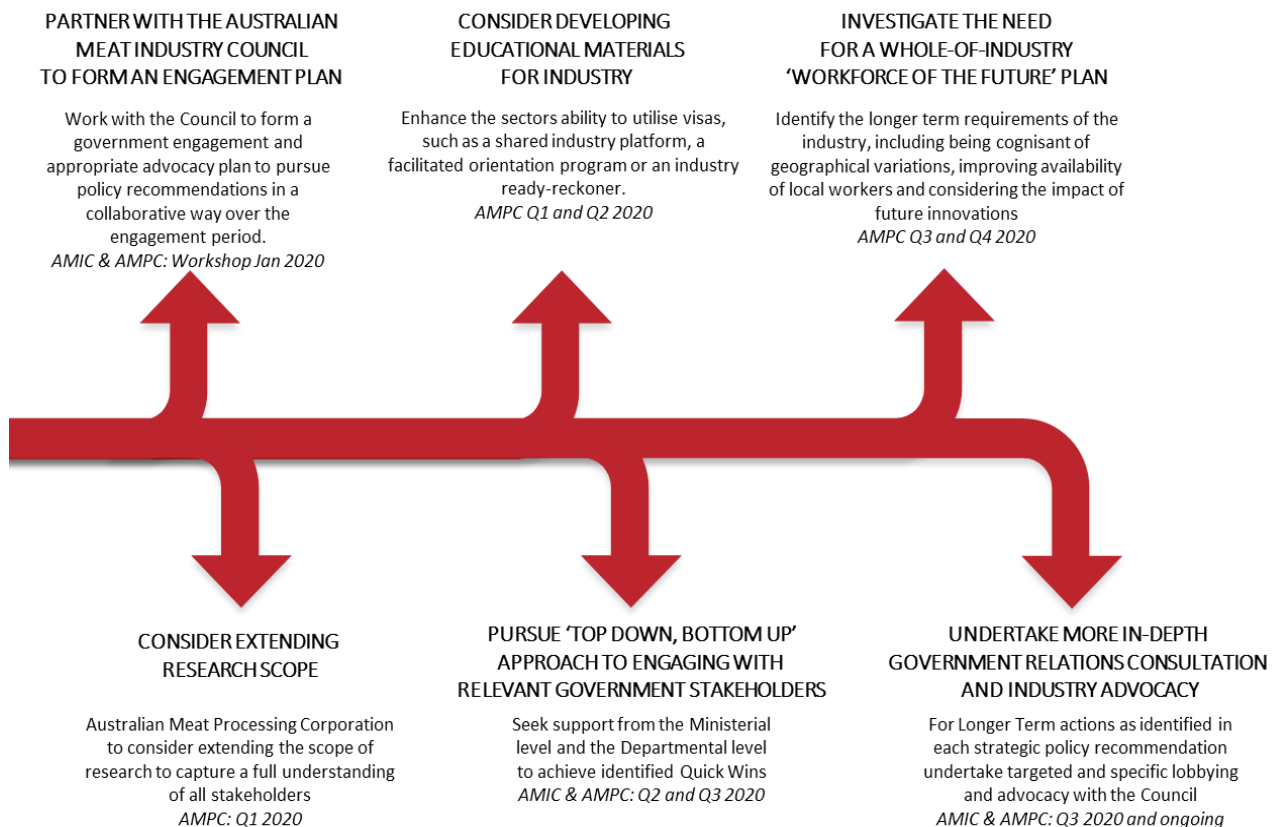
International English Language Testing System – Level 5	Remove binary testing mechanisms in favour of alternative programs	Quick win
Who is the best mechanism to do this through? <i>See more in: government engagement plan.</i>		
Quick Wins: work with relevant Ministers to seek amendments to legislative instruments.		
Longer Term: broader advocacy alongside the Australian Meat Industry Council required.		

Strategic Policy Recommendation 2: Expand the pathway to permanent residency		
ISSUE: The sector cannot keep ‘good workers’ because the pathway to permanent residency is restricted by cost and administration/criterion requirements. This specifically impacts the subclass 482, 417 and 403 visa holders.		
LIMITATION	RECOMMENDATION	WHEN
<p><i>Subclass 482</i> Permanent residency application only permitted after working in a plant for three years, requires a sponsor, and sponsor incurs a levy fee (Skilling Australians Fund)</p>	<p>A clear pathway (without unnecessary impediments) to PR to assist those who are interested in staying and working in the meat processing sector to continue to be able to contribute to the industry and the Australian economy more broadly.</p> <p>For example, to develop a pathway to PR for 417 visa holders into either a 482 visa or PR directly. This could be:</p>	<p>Quick win – <i>removing secondary Skilling Australian Fund levies</i></p>
<p><i>Subclass 417</i> Permissible extension periods on subclass 417 visas are only facilitated at alternative ABNs. A processors investment in up-skilling or keeping ‘a good worker’ (who is interested in staying in Australia) is lost.</p>	<p>1) If a 417 visa holder is interested in extending their stay, and they present as a ‘good worker’, and therefore a good investment by the industry, then they must undertake full VET certification in</p>	<p>Longer Term – <i>determine a locally facilitated ‘skills’ demonstration and identify a new mechanism for permanent residency to be achieved.</i></p>

<p><i>Subclass 403</i> Under the Pacific Labour Scheme there is no pathway to permanent residency from Australia, creating inherent retention, turnover and added cost issues for the industry.</p>	<p>meat processing to demonstrate the skills of a 482 visa requirement (in Australia); and then</p> <p>2) Once a VET qualification has been obtained, then they can be eligible for a 482 visa (skills shortage visa); and</p> <p>3) Once on the 482 visa pathway, they can then participate in pathways to PR (once lodged, a waiver period of 6 month commences).</p> <p>Note: there is also a pathway via MINTRAC assessment. And, any skills acquired through employment to-date can be acknowledged.</p>	
<p>Who is the best mechanism to do this through? <i>See more in: government engagement plan.</i></p>		
<p>Quick Wins: work with relevant Ministers to seek amendments to legislative instruments.</p>		
<p>Longer Term: broader advocacy alongside the Australian Meat Industry Council required.</p>		

1.4 Next Steps

AMPC is now primed with the required baseline information to work with industry to achieve the strategic policy recommendations. The following provides a high-level overview of the key next steps required, more detail is provided in the full Report (below).



2.0 INTRODUCTION

2.1 Purpose of the research Project, including any background information

The Australian Red Meat Industry (RMI), led by the Australian Meat Processor Corporation (AMPC) sought assistance in better understanding visa use in the RMI processing sector and the current benefits or issues associated with their use. The purpose of this was for AMPC to be able to better understand the current scope of visa programs and the government’s policy position on visas used by the processing sector, and if there is a different visa program or outcome that could be obtained to enable better use of visas. Giving AMPC this information will allow the RMI processing industry to work with Government to achieve the identified key strategic recommendations and ultimately, desirably refine the use and efficacy of visa programs for the sector.

It is well acknowledged that the RMI in Australia is a large agricultural industry, delivering significant value to the economy, domestically and via export markets. The RMI supply chain accounts for more than \$16.2 billion in national Gross Domestic Product (GDP) and \$8.7 billion of household income alone. The processing sector plays a vital role in the RMI, as processing transforms an animal carcass into various consumable products. Currently processor’s experience various degrees of limitations to their productivity due to their inability to attract and retain local workers. This local labour shortfall, has resulted in the sector becoming much more reliant upon visa holders to bolster employee numbers and maintain throughput and productivity.

2.2 The scope of the research, including any previous research that is relevant to this project

The scope of the project was to:

- / Review and assess current data and policy positions to inform gap-analysis that will assist in developing a visa program, including gathering information on similar visa programs in operation.
- / Gather data through interviews, both face-to-face and via telephone, with identified stakeholders and the remainder through desktop review.
- / Develop a working hypothesis for a future visa program and test this hypothesis.
- / Produce a technical paper that explores the legal and practical feasibility of the hypothesis and describes a process of ongoing engagement.
- / Develop content for education of identified stakeholder groups.

Previous research material provided to KPMG included:

- / Various documents from the Australian Meat Industry Council (AMIC), including:
 - // Submission: Jobs for the Future
 - // Submission: Skills Shortage List (2017 editions and 2018 editions)
 - // Submission: Visa Simplification
 - // Policy Briefing labour supply
 - // AMIC Agricultural Visa Position Paper
 - // Collated data statistics and graphs
 - // Survey results infograph
 - // Media Release: visa changes must work for whole of supply chain
 - // Labour demands
 - // Pathway to permanency
 - // Submission: Senate Standing Committee on Legal and Constitutional Affairs Temporary Visa System
 - // Submission: Department of Home Affairs re: Australia's 2019 to 2020 Migration Program
 - // Statement: Federal migration policy changes
 - // New skilled visa 491 and 494 for regional Australia

2.3 Project objectives and approach

The Project Objectives are to present to the RMI processing sector a number of visa workforce options, including considering amendments and flexibility to existing packages and the potential for an

improved meat processing visa or workforce package. The objective being an ability to enable stakeholders to meet their workforce challenges. The project has also generated information to support AMPC (and AMIC) to engage with government on issues identified throughout the project and provide suggestions for ongoing education and up-skilling of the industry's workforce.

2.4 Any limitations to the research

The project originally set out to work towards an 'ideal RMI visa program' that will cater to the needs of industry. It became clear throughout the initial Milestones of the project that creating a whole RMI visa program was not required, as well as outside the actual scope of the work, and (as discussed with AMPC) that the focus should remain on the processing sector only (not the whole RMI).

Secondly, the scope and project description indicate that there is a need to have a newer, more ideal visa. However, a significant representation of stakeholders argued that the visa programs already available are adequate, and in some instances concessions have already been made by Federal Government to facilitate their use. The sector requires further assistance, and an improved ability to access and utilise visas effectively and within a timely manner. A new visa program is therefore not required and instead an 'industry' appropriate mechanism to flexing relevant visas to allow processors to better utilise them is required instead.

Finally, the project sought to engage with twenty (20) stakeholders, however this figure only represents a small fraction of the processing industry (approx. 130 businesses). Additionally, not all those who were nominated for engagement participated in the final consultation (see Milestone 2). While the views captured in the stakeholder consultation were critically valuable, they cannot be said to wholly represent the industry's views. Broader consultation with all processors could enhance the final outcomes, government engagement plan and preparation of education content.

3.0 PROJECT OBJECTIVES

The primary objective of the project was to present to the RMI a visa package that will enable stakeholders to meet their workforce challenges and deliver a government engagement plan to assist the sector in auctioning proposed suggestions moving forward. The project will also generate content that can assist in the ongoing education and up-skilling of industry on how to better utilise existing visas.

4.0 METHODOLOGY

The researcher (KPMG) conducted the project over three distinct work phases, each a month long in duration.

1. Phase 1: Kick off and Design – understanding the availability of data, stakeholder identification and development of data collection tools (resulting in Milestone One).
2. Phase 2: Data collection and validation – reviewing current policy and gaps (literature reviews), data collection via face-to-face and phone interviews (20 interviews with at least five scheduled direct interactions and the remainder via phone or email), and development of alternative hypotheses for an improved visa program (resulting in Milestone Two).
3. Phase 3: Validation and reporting – workshop to test hypotheses and the development of a final

report (including a technical paper that provides an outline of strategic policy recommendations for the industry and how to engage with Government on these recommendations) (resulting in this Final Milestone Report).

The design of the project was determined by KPMG in its response to AMPCs Request for Proposal in early 2019 and was confirmed at the kick-off of the project.

No statistical analysis was required as all data collection was qualitative due to the small representative sample size and the need to ensure that information provided by those that did respond was identified in any ongoing and final reporting.

5.0 PROJECT OUTCOMES

5.1 Milestone One

The primary task of this Phase was to undertake an in-depth literature review on the sector's workforce, current visa options, and international best practice or comparison visa programs. This Phase allowed the researcher to gain an understanding of the nuances of the industry and its specific demands in the context of labour and labour issues, and how these differ to other agricultural sectors. The contributions of the sector to the agriculture industry and wider Australian are already clear, and the sector needs assistance to seek potential new or moderated ways in which this contribution could be significantly enhanced.

The literature review also identified a number of knowledge gaps in the baseline information on visa use. These knowledge gaps were tested with stakeholders in Phase 2 and further addressed through data collection with key stakeholders (pre-agreed with AMPC). A stakeholder consultation question guide (the data collection tool) was prepared and stakeholder introductions made by AMPC to facilitate the actual engagement process.

5.1 Milestone Two

The primary task of this Phase was to complete a data collection and validation process designed to address gaps in the literature review (Phase 1), collect firsthand insights through face-to-face, telephone and survey (email) means, and develop hypotheses on an ideal visa program. The Hypotheses Workshop, held on 13 November in Tamworth, was also conducted during this phase. The results and outcomes of this validation and ideation session are detailed in this Final Milestone report (as it is a deliverable for Milestone Three).

Phase 2 allowed the researcher to test nuances identified in the literature review, capture first-hand information on processor workforces and visa use within these workforce cohorts, and to develop hypotheses to be tested with processors in a group workshop environment. All stakeholder engagement was conducted as per the stakeholder questionnaire (data collection tool disseminated by KPMG). Twenty (20) processors were identified (by AMPC) to participate in the project, and these included a range of processor size, plant location, workforce breakdown and visa-users.

5.3 Milestone Three

The primary task of this phase was to report back on the outcomes of the Hypotheses Workshop (held

during Phase 2). The Hypotheses Workshop was attended by five processors face-to-face, and an additional five processors or workforce agency representatives via teleconference (as well as AMPC and AMIC representatives). Overall engagement in the Workshop was high, and this allowed the researcher to capture detailed actions and insights to finalise the ideal visa recommendations for the technical report.

In addition to hosting the Tamworth workshop, the researcher also undertook consultation with other processing workforce agencies (upon the request of AMPC) and investigated remaining validation points (as noted in Milestone Two). These insights have been summarised below.

From these outcomes, and leveraging the insights from previous Milestone Reports, two final ideal visa scenarios have been proposed that represent the ideal outcomes for the sector. In these considerations, a government engagement approach has been provided to assist in taking forward the recommendations.

6.0 DISCUSSION

6.1 The Tamworth Hypotheses Workshop

The Workshop had two distinct requirements:

- A) test the consultation insights, and
- B) test key hypotheses for an ideal visa program (three proposed hypotheses).

Throughout the Workshop, the researcher was able to confirm and validate the majority of the information and data provided in the one-on-one consultation (Milestone Two). However, additional commentary and insights were also provided particularly in relation to comparing the skills of overseas workers with local labour (and how these are ANZSCO classified) including:

- / Labour (sourced and employed) overseas typically has a different (lower) skills base and coupled with specific minimum-wage requirements established within different visa programs, creates a tension between Australia's higher quality (from higher skilled workforce) output requirements and labour remuneration expectations.
- / The smaller muscle-build of overseas labour does not support the high throughput production lines of Australian processors. Additionally, overseas workers often need physiotherapy and strength training assistance when they first start in Australia to build up their processing capacity and reduce the risk of injury (note, some processors do provide these services to local on-shore staff too). The variance between chain speeds locally and overseas is another issue for industry.
- / Cultural misalignment often occurs when overseas workers arrive in Australia; and processors helping to facilitate smooth transitions for visa employees has been found to be one of the most effective ways in which overseas workers can assimilate into the Australian operating environment (see Section 7.4 below).
- / There is still some ongoing desire amongst processors to have more occupations listed on skilled migration occupation lists to allow industry to have better access to overseas workers

when and as required. However, the inverse argument suggests that there is already some scope “creep” permitted in the skills migration system. For example, while certain ANZSCO codes are listed for certain skills shortages, various other similar skills are often permitted and non-skilled roles cannot be undertaken (e.g. 482s for an ANZSCO code 070499, has broader skills flexibility than just skilled meat worker).

The second aspiration of the workshop was to test the ideal visa hypotheses. Three were presented, as follows:

- 1) What does a Meat Industry Labour Agreement (MILA) that works for industry look like, where flexibility is key?
 - a. Leveraging benefits from the Skilling Australia Fund (SAF)
 - b. Prioritising administration and criteria for application to better suit plant-by-plant needs, across industry
- 2) An ‘expanded pathway’ to permanent residency
 - a. How can the industry better keep ‘good workers’?
- 3) Facilitating better access to visas
 - a. Improving application processing times, creating a single-window for processors (a single touch-point)
 - b. Reducing reliance on agencies to source and land visa holders.

Each hypothesis was discussed as a collective, with insights including:

Hypothesis 1: MILA flexibility

// On administration:

- the MILA requires that a processor undertakes labour market testing prior to filling a position with an overseas worker. The testing process is designed to ensure that a processor has adequately sought to fill the available position from the local labour market before looking to the overseas market. This testing can be required for multiple months and can significantly impact the processing plant if chain speed and overall throughput has to be altered while labour market testing is completed.
- the SAF levy remains a significant hindrance on the processing sector (see significant commentary below where further investigation work was conducted by the researcher) and there is no evidence available to industry to demonstrate they are receiving a return on investment for their SAF levies.
- the negotiation of a MILA can be an annual process for processors. This process is time consuming and arduous as each processor must write to supporting organisations (and unions) to seek their support for the new MILA. While the renewal process does not stop a processor from applying for visas if they have had a MILA previously, it seems unusually arduous to have to reapply for a MILA annually if conditions have not changed year-on-year.

// On criteria: the MILA has significant and extensive in-country demonstration requirements of skills and language proficiencies. On the language proficiency side, processors were split

between the language proficiency being too hard (and potentially being at risk of being ‘gamed’ where outside assistance is used) and being too low (which can create workplace health and safety (W&HS) risks given the visa holder cannot understand basic English).

// Overall, processors agreed with the key issue being rigidity in the visa programs, and that although some concessions have been made to date, that creating more flexibility in both the administration (costs, processing) and criteria (training, skills, duration) would allow them to generate more industry-wide benefits.

/ *Hypothesis 2: an expanded pathway to Permanent Residency (PR) (particularly 417 or Pacific Labour Scheme (PLS) holders):*

// There are a number of visa holders who seek to transition to PR, and when this is not permissible the sector suffers, even more so if these workers are considered (in industry’s own terms) ‘good workers’.

// Within the 417 program, which has recently been permitted extension periods of a third-additional 6 month period commencing from January 2020 (if the second period is completed in a regional location or eligible industry), processors still cannot keep workers for extended periods in one location, they are required to move to other locations after a period of 6 months (and/or other industries).

// For those workers that are ‘good’ they can undertake a MINTRAC assessment to demonstrate their skills (that could meet another visas ‘skills shortage’ requirements), however this must be undertaken overseas.

// There is no pathway to PR for PLS workers, or their families (who may also offer the meat industry additional skills).

// For those 417 visa holders who are interested in staying, currently they must return to their home country, apply for an alternate visa and demonstrate appropriate skills (e.g. through a MINTRAC assessment) – this is costly and creates a risk that a specific worker may not return.

// Overall, processors acknowledged that without an improved pathway to PR, their constant need to re-employ new staff exposed their business to increased risks (including WH&S, food safety, etc.) and costs.

// There is an opportunity for employees to pursue a training visa (407), however the application process for this visa is extensive, incurs additional costs and there is still no final guaranteed path to permanent residency.

/ *Hypothesis 3: visa use facilitation:*

// All processors were supportive of the need to create a more accessible system for visa applications to create an easier-to-use visa system and drive workforce benefits.

// However, nearly all processors argued that this was a systemic issue in visa use across more than just the RMI. All industries using visa workers would benefit from shortened application times, lower processing fees and facilitated administration assistance. In some ways, this

would also reduce an industry’s need to use migration agents, an added business cost.

// Suggestions that were called for included: a single window help desk (i.e. being able to have one point of contact to answer your specific visa questions, who acts like a case worker to your business or your visa worker, and understands your/their unique needs), and improving overall accessibility to services run by the Department of Home Affairs (Home Affairs) itself.

6.2 Where further investigation was required

In Milestone 2, four key areas were identified as requiring further investigation.

On the use of the SAF – VET supported meat processing qualifications

For every 482 visa holder - MILA aligned or not – a processor must pay a SAF levy. The SAF is detailed in Milestone Two explicitly, however in short, it is a government matched funding program (governed by the Department of Employment, Skills, Small and Family Business) designed to invest in the skilling of local Australians for every visa worker employed. The administering State determines where the levy is best spent, and this may not necessarily be in the meat processing sector itself.

At a general level, it was determined that the SAF levy does provide partial or total bursary support for TAFE and other Vocational Education Training programs. Looking at NSW for instance, some government funded or bursary supported programs do include Certificates and Diplomas in meat processing. Government supported positions aside, NSW TAFE completions in meat processing related qualifications have actually increased over the last 24-months (as reported to the National Centre for Vocational Education Research, NCVER), see Figure 1. Which does not necessarily align with stakeholder feedback which suggested it was difficult to secure local, qualified labour.

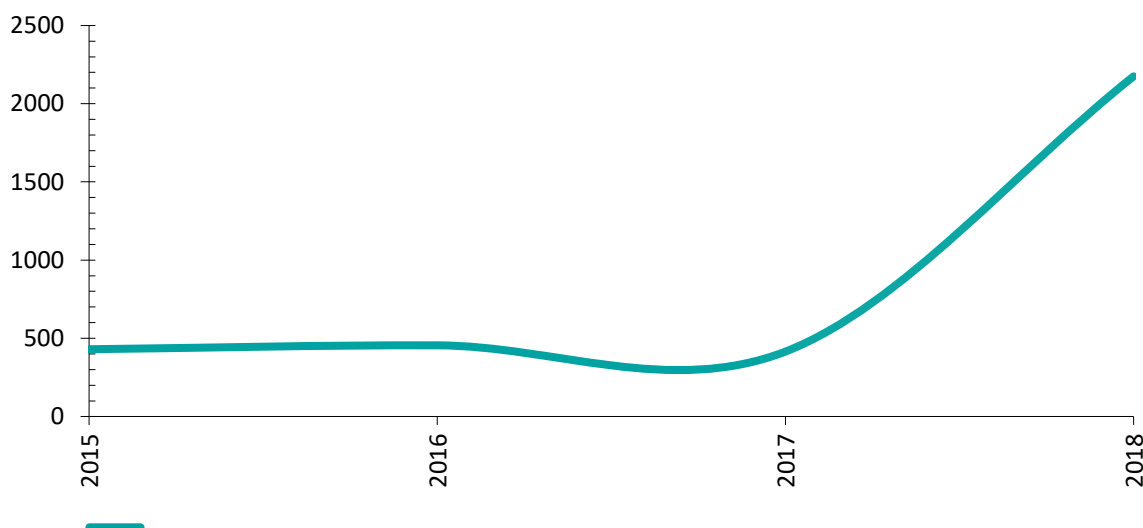


Figure 1: meat processing VET qualifications completed in NSW

However, what the NCVER data does not provide is sufficient data to indicate if the participant and/or graduate in a qualification has been supported by a SAF levy, is self-funded, or industry-supported (e.g. a participant who is actually completing/has completed their qualification in-house, and not through a TAFE facility), or if they are local Australian or a visa worker undertaking the qualification.

Additionally, Figure 2 compares these completions against enrolment rates. Firstly, there is a significant decline in enrolment rates in the last two years; this is in line with all feedback received from processors in consultation indicating the lack of skilled potential employees. And secondly, there is a significant discrepancy between enrolments (dotted line) and completions. Enrolments are consistent in 2015 and 2016 and reflect the increasing number of completion in 2017 and 2018, this is as expected given most courses have a duration of 12-24 months. However, if this logic endures, then there is a likely going to be an ongoing and significant decline in completions in the near future.

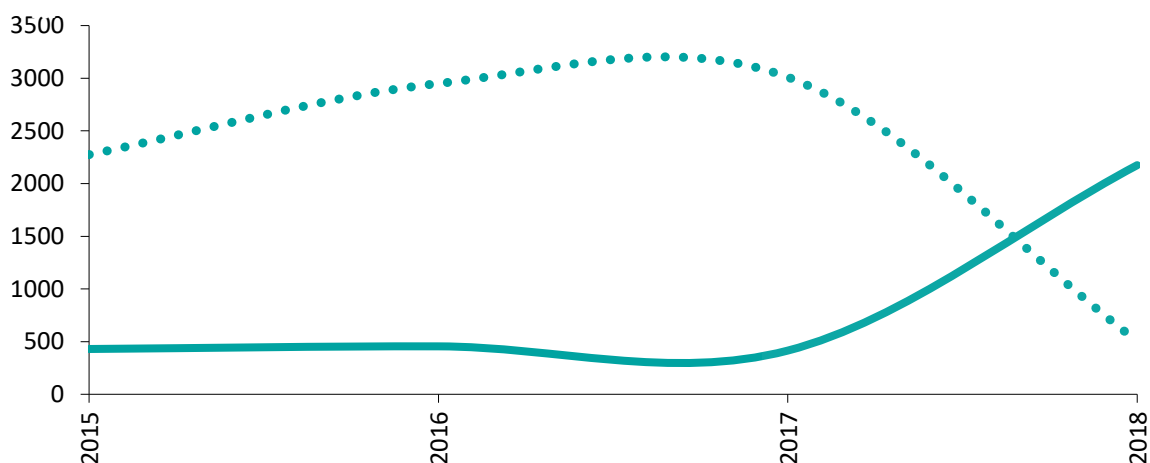


Figure 2: NCVET enrolments vs. completions in Meat Processing related courses

Ultimately it still remains relatively unclear whether SAF levies paid by processors and contributing towards the up-skilling of local Australians are deriving benefits for the meat processing sector. There is no way of associating the total quantum paid by a processor in SAF levies with benefit received through employing a local Australian.

Processors also argued that the SAF levy is a ‘double dip’ payment. Processors have to invest significantly in up-skilling and qualifying their workers, whether local or visa holders, and therefore paying an additional SAF levy on top of training already delivered is excessive. In some instances, it was commented that processors had to modify the actual training they could deliver on-site as they already paid the SAF levy and could not afford to do ‘both’.

On the inability to flexibly expand and contract the workforce as required

Anecdotally, the ongoing skills and labour shortage across the processing sector was reported by various consulted parties as being a contributing factor to limiting industry growth. While this was not substantiated or quantified in this project, reporting by AMIC suggests that the ongoing inflexibility in visa use is resulting in nearly an average operation efficiency of only 90 per cent across the sector (i.e. only very few plants are operating at their true capacity due to workforce issues).¹ The inflexibility of longer-term visas for the meat processing sector has increased the use of short-term visas, yet these visas have more frequent processing times, resulting in high expenses and time expensed in application

¹ AMIC, *Submission to the Senate Standing Committee*

and processing by industry.

On quantifying true industry use and cost of visa

The quantification of visa use was extrapolated from the data collected (Phase 2), however this information is not able to confidently state the **total** and **true** cost of visa use in the meat processing sector. This is largely due to the broad nature of data provided by processors engaged (i.e. it was more qualitative in nature) and the small sample size of those engaged throughout the process.

With these two caveats in place, extrapolating the typical use of visas (as noted in consultation) across the whole AMPC processor group, predicts that **the total industry cost of visa use is \$30.75 million dollars annually** (excluding any costs relating to transition to PR, sourcing visa users, soft-landing visa users, or any other administrative costs (e.g. HR staff time opportunity costs)). It should also be noted that not all processing facilities would use all visa types, or use visas at all. These factors would all need to be considered more distinctly in truly summing visa costs.

To truly understand the industry's use of visas (and therefore total cost) the researcher suggests an industry-wide data capture and consultation process be undertaken by AMPC. This should include:

- / Surveying all AMPC registered members to capture human resources data, including:
 - / Overall FTE workforce,
 - / Overall visa workforce, and
 - / Other workforce characteristics such as tenure, etc.
- / Capture cost expenditure information for the use of visas from these processors, including:
 - / Direct costs associated with application and administration fees; and
 - / Indirect costs related to soft-landings, in-market visits, training and up-skilling, etc.

This data would allow the true industry visa-use and impacts to be quantified and would be a powerful tool in taking forward the strategic policy recommendations outlined below. If the cost of visa use continues to remain high (or increase), the longer-term impact on industry may end up significantly higher than expected as processing throughput rates decline without a sufficient workforce (at a fair, non-costly price). Generally, processors engaged through this project were open to participating in follow up engagement.

Discussing visa use in complementary meat processing workforces (e.g. quality assurance testing)

Upon the request of AMPC, the researcher extended the scope of its consultation to include discussions with secondary meat processing sector providers (including a labour hire company). In this regard, the researcher spoke to a meat quality inspection business to discuss their workforce issues. The following key insights should be noted:

- / Complementary businesses, such as meat inspection, experience the exact same workforce visa issues as processors themselves (in a way due to similar reasons: the industry does not necessarily have the highest appeal to job seekers);

- / Complementary businesses rely on similar visas to those being used in the sector, however typically preferred longer-term over short-term (e.g. preference for 482 over 417 or 403);
- / The costs of application, the long processing delays and the overall administrative issues experienced in the processing sector were the same for meat inspection – in some instances sourcing and securing a meat inspection visa holder could cost approx. \$30,000;
- / The meat inspection (and other complementary businesses) do not have a MILA, however they are still required to pay SAF levies when using skills shortage visas;
- / In some respects, workforce issues in complementary businesses can have an even more significant negative impact upon the processing sector than the workforce issues in the sector itself – i.e. in the case of the meat inspection example, if a plant does not have a Quality Assurance meat inspector operating on ‘the chain’ then product is not allowed to be processed (due to food safety standards) and therefore meaning the processor cannot operate. If the meat inspection businesses have issues sourcing and placing staff in plants, and struggle to source visa labour too, then the plant operations are also threatened.

Ultimately these insights only support the arguments being made by the sector, that visa programs are still not simple to use and are costly. Any proposed changes and recommendations to make visas more ‘ideal’ for industry are likely to benefit both the sector directly and its complementary businesses.

7.0 CONCLUSIONS/RECOMMENDATIONS

7.1 Overview of conclusions/recommendations provided in Milestone 1 and Milestone 2

Milestone 1:

The literature review was a critical stage in creating a baseline of knowledge on the meat processing sector’s true need for workforce flexibility, understanding industry workforce best practice outside of Australia, and identifying any key gaps to be investigated further in Phase Two. It was recommended that the insights captured from the literature review form the baseline for the stakeholder consultation to validate and capture additional information necessary to form hypotheses on potential future visa requirements for the industry.

Milestone 2:

The data collection and validation was a critical stage in addressing gaps in knowledge within the literature review and capturing anecdotal insights on the workforces and visa use within workforces across a spectrum of the industry. Three hypotheses were presented at the group workshop to discuss and confirm industry’s priorities on shaping ‘ideal visas’. At the workshop, the three hypotheses were all confirmed to be valid statements, and a final view that represents all these statements into two single strategic policy recommendations for Phase Three were identified.

7.2 What are the final recommendations on an ‘ideal visa’ for the red meat processing industry?

The researcher has presented two final ‘ideal’ red meat strategic policy recommendations on visa use. These are:

- 1) Amending the existing MILA migration program to continue to improve the meat industry’s access to, and use of, overseas workers; and
- 2) Creating an appropriate meat processing sector pathway to permanent residency (PR).

The third hypothesis presented at the Workshop (minimise application/processing requirements and create simple to use administration systems, and better work with the appropriate government agencies to do this) still remains important. However, this has not been prioritised as a strategic policy recommendation in this report.

7.2.1 ‘A MILA that works for industry’

Strategic Policy Recommendation 1:

Create further flexibility in the migration program for the meat processing sector specifically under the MILA

Summary of the issue:

While MILAs have already existed for the meat processing sector, and concessions in their creation have been facilitated already, further flexibility is still required. While the current MILA arrangements have enhanced industry’s ability to access 482 visas, the MILA still has a number of restrictions (both criterion and administration based). Ultimately these restrictions limit the usability of MILAs (there are still only approx. 40 MILAs in use across industry) and their ability to deliver benefits.

Administration limitations:

- A new MILA is required for each ABN (e.g. if one legal processing entity operates multiple sites, under multiple ABNs, then multiple MILAs are required)
- A MILA must be renewed annually, and renegotiated in totality on a five year rotation
- The MILA applicable 482 visas have application waiting periods of typically between 30 days and 4 months (according to the Department of Home Affairs website, however processor reported this as being significantly longer in duration)
- The cost of application is \$2,645 per visa user (upon initial use), and an additional \$4,045 per visa user wishing to apply for PR after four years.
- For every 482 MILA visa holder, the employing processor must pay a SAF levy of approx. \$7,200 over the four year life of the 482 visa. And, there is no recognition of a processors contribution to training and up-skilling already undertaken in house (there is a ‘double-dip’, in that processors pay the SAF levy and pay for training to be delivered in-house).

- Temporary Skilled Migration Income Thresholds (TSMIT) must be met, and this can lead to discrepancies between local workers and cause issues when more than 20 days of leave loading is taken (i.e. the processor must 'top up' the TSMIT)
- MILAs require labour market testing to be undertaken to ensure that an Australian has not been able to fill the advertised position before looking to overseas labour.

Criterion limitations:

- MILA utilising 'skilled meat workers' (ANSZCO 070499), cannot perform skills outside of their visa-employing position (even if the work they could be assisting with is classified as 'unskilled')
- MINTRAC must be able to certify the skills of the worker in-country, prior to their application for a visa (or the processor can nominate an appropriately qualified representative to undertake this process in-country, at the cost the of processor)
- IELTS level 5 must be demonstrated (however this is a score of only 35-40% on average)

What is required? What is the policy position?

For administratively favourable MILAs

- 1) Allow visa holders approved under the MILA to work for the nominating business or a business of an associated entity of the nominating business, as permitted for all other 482 visa holders nominated by an Australian business (if desired).
- 2) MILA renewal to fall in line with 5 year renegotiation cycle for Standard Business Sponsors, rather than annual renewal cycle.
- 3) Offer concessions to compliant MILA users to mirror the current service offering available to Accredited Sponsors (i.e. where possible improve application service standard).
- 4) The cost of visa applications needs to be reviewed, particularly examining the additional fee upon request for PR.
- 5) A review of the SAF levy needs to be undertaken, including:
 - a. Recognition of industry's existing internal spend on training programs conducted in house (including local employees and visa workers) and to use this spend as a pro rata contribution to the SAF levy. Where a processor does not spend up to the current SAF levy fee charged per visa holder in internal training for local employees, then they can be charged the SAF levy (or the difference remaining between internal spend and the SAF levy).
 - b. For there to be a clear association between the SAF levy paid by the meat processing sector and courses delivered to skill and up-skill potential meat

processing workers (local).

- 6) For the TSMIT to dismiss leave-loading payments (i.e. include the minimum wage cap, but not require this to be 'topped-up' when employees take additional personal leave outside of typical leave loads)
- 7) Reduce requirements for labour market testing (e.g. annual review, not per position) or consider broader industry labour market data (instead of a per MILA user basis)

Ensure criterion are truly reflective of industry's needs

- 1) Permit flexibility in the application of visa condition 8607, to allow skilled meat workers (as per their ANZSCO) to contribute to other labour requirements (unskilled) if there is work available and they are interested in performing it.
- 2) Review MINTRAC in-country certification processes to:
 - a. Reflect on the mechanisms permitted to verify that skilled workers employed on a visa are adequately qualified for the position. For example, requiring in-situ demonstration of skills on 'true-to-size' Australian carcasses (i.e. must demonstrate their skills on an Australian carcass and chain speed), and
 - b. consider the development of a collaboration program to work as a whole-of-industry to identify and up-skill workers in-country prior to their employment in Australia (this will remove significant duplication in the market where multiple processors are sending staff or employing various MINTRAC assessors to undertake skills assessment, when they could be sharing resources)
- 3) To create a non-binary testing protocol for English language proficiency, that is not reliant upon a testing mechanism that can be 'gamed' (refer to evidence provided in Milestone Report 2 on the IELTS being undertaken by non-visa applicants on behalf of another visa applicant). This will help to recognise that visa holders do not necessarily need to have a high proficiency in language (enough to be able to understand instructions, give/receive guidance and remain safe in the workplace), and that proficiency could be broader 'communication' skills not 'literacy' skills (as tested in the IELTS).

When is actioned required?

Quick Wins:

- Multi-site, multi-ABNs permitted under one MILA, with five year renewal option.
- Dismiss TSMIT leave loading, creating commensurate salary conditions (e.g. each processor can pay its own set salaries – noting industry already has a minimum wage

– and that this could be under the processors Enterprise Agreement).

- Reduce the frequency of providing labour market testing evidence.
- Excuse the meat processing sector from rule 8607, and permit flexibility on the use of ANZSCO that currently does not necessarily reflect the industry’s exact skills shortages.
- Remove IELTS and instead create a non-binary English language proficiency (e.g. could align to MINTRAC assessor being able to confirm their English speaking skills), that acknowledges that communication needs to be achievable but that high levels of ‘literacy’ may not equate to good ‘communication’ or be required to undertake the required meat processing tasks.

Longer-Term:

- Develop a Service Level Agreement with the Department of Home Affairs to cap application costs (reasonably) and processing times, and determine a single-window method of escalation if issues arise.
- Change the mechanisms relating to the SAF levy and its use.
- Create a collaboration between MINTRAC assessors and processors in market.

Who is the best mechanism to do this through?

Quick Wins:

- **Industry Labour Agreements, including the MILA**, are administered under the *Migration Act 1958* and *Migration Regulations 1994* and, as per the Federal Government Administrative Arrangements Order and as such are the responsibility of the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs (Immigration Minister) and Home Affairs. Addressing the **TSMIT** and **IELTS**, will need to be done through these mechanisms.
- The **SAF Levy** is imposed under the *Migration (Skilling Australians Fund) Charges Act 2018* and the *Migration (Skilling Australians Fund) Charges Regulations 2018* under the Immigration Minister and the Department of Home Affairs. However, levy funds are managed by the Department of Education, Skills and Employment, who would also need to be engaged in any reviews or changes sought.
- Changes to allow for a broader **range of skills** under the visa rules could be made to the legislative instruments, as per 2.72 (9) of the *Migration Regulations 1994*.

The majority of changes sought appear to require amendments to legislative instruments which may be made by the Government Executive without passage through the Parliament, although they would be subject to disallowance. The processes of possible disallowance by the Senate are complex, and can be set out in detail, once the precise nature of the changes required are identified. Changes to Acts would require the passage of amending legislation

through both houses of Parliament.

Longer-Term:

These actions will require broader consultation with relevant Ministers, Shadow Ministers, and relevant Departments and, importantly, other industry users of these visa subclasses.

Further discussion is provided below.

Source: KPMG

7.2.2 An expanded pathway to permanent residency (PR)

Strategic Policy Recommendation 2:

Expand the pathway to permanent residency

Summary of the issue:

The meat processing sector reports significant difficulty in keeping ‘good workers’.

482 visa holders:

Under the current scheme, 482 visa holders (MILA or not) can only apply for PR after working in a plant for three years and only if that plant is willing to sponsor their application (including paying an additional SAF fee).

417 visa holders:

The 417 visa program has been extended recently to include mechanisms to allow 417 visa holders additional extension periods. This is permissible if they move locations (and ABN, i.e. cannot move to another processors location if they have the same ABN. This means the 417 visa holder may not be retained in the agricultural industry, as they may move sectors/locations and their current employer does not retain the ‘good worker’ or gain any return on investment in training they may have made in that worker.

403 visa holders:

Under the Pacific Labour Scheme (PLS) there is no pathway to PR from Australia.

The lack of progression pathways hinders industry’s capacity to maintain production throughput and to grow as visa workers have a time-capped contribution period, the impact of which is exacerbated when they are a ‘good worker’. Additionally, the cost and time required to constantly attract and train new workers is high for the industry overall.

What is required? What is the policy position?

A clear pathway to PR, without unnecessary impediments, to assist those who are interested in staying and working in the meat processing sector to continue to be able to contribute to the industry and the Australian economy more broadly.

For example, to develop a pathway to PR for 417 visa holders into either a 482 visa or PR directly. Currently, the only mechanism for doing this is for the visa holder to return to their home country and have them demonstrate all the criteria of the 482 visa (and undertake all the administration processes), to then bring them back on the 482 visa program. If this process could be facilitated in Australia, there would be reduced costs, expedited timeframes and more return on investment in 417 visa holders. I

Or, at a minimum, to allow 417 visa holders to extend their visas at one location (i.e. to undertake their three, single year 417 visas at one location), to create a better return on investment in their training, and continue their contribution towards that processors production throughput.

The same needs to be argued for in the PLS; if a worker presents themselves as being a ‘good worker’ and they are interested in staying in Australia as a permanent resident, then an appropriate pathway to PR is required. However, there are additional complexities under the PLS that would need to be acknowledged (such as the ability to include family members on the primary PLS applicants visa application).

When is actioned required?

Quick Wins:

- Remove secondary application costs associated with applying for a PR (including application costs and the SAF levy).

Longer-Term:

- Determine how shorter term visa holders or temporary visa holders (403, 417s etc.) could be permitted to up-skill in Australia and re-apply for a skilled visa program (without having to leave the country), which permits them to access existing pathways to PR.
- Undertake a whole-of-system review of pathways to PR to determine if other visas could have their pathways to PR reviewed (including 482, 491 and 494 visas).

Who is the best mechanism to do this through?

Quick wins:

As noted above, the SAF Levy is imposed under the *Migration (Skilling Australians Fund) Charges Act 2018* and the *Migration (Skilling Australians Fund) Charges Regulations 2018*. The procedures for amendments are as set out above (in Strategic Policy Recommendation 1).

Further inquiries should be made with the Department of Home Affairs to identify which secondary application costs are legislated, or are otherwise imposed by the Department on a cost recovery basis.

Longer-Term:

These actions will require broader consultation with relevant Ministers, Shadow Ministers, relevant Departments and, importantly, other industry users of these visa subclasses.

Source: KPMG

7.3 Government Engagement Plan

This engagement plan (herein referred to as the strategy) proposes an approach to assist the industry to achieve the recommendations provided above in relation to the use of visas to bolster employee numbers and maintain productivity in the Australian RMI processing sector.

7.3.1 Objective

The objective of this strategy is to guide successful engagement with Government, Opposition and Parliamentary stakeholders in order to:

- / Create flexibility in visa use for meat processing sector businesses, specifically under the MILA (*Strategic Policy Recommendation 1*);
- / Expand the pathway to PR for specific visa holders employed in the sector (*Strategic Policy Recommendation 2*); and
- / Create a more effective and efficient communication and feedback loop between the Department of Home Affairs and the RMI processing sector in relation to visa applications and outcomes, and the ongoing implementation of Strategic Policy Recommendations 1 and 2.

The approach has been developed based on government portfolio responsibility and scope of change, as well as auxiliary stakeholder opportunities. The strategy proposed herein should be considered a 'living document' and therefore can be updated to reflect developments and changes in policy and legislation, stakeholders, and/or AMPC (/AMIC) objectives.

Key considerations for government engagement activities are:

- AMPC and/or AMIC's existing relationships with Ministers, shadow Ministers, Members of Parliament (MPs) and Senators, and how these can be leveraged;
- Champions who can galvanise support in the party room and in Parliament - ideally these will be on both sides of Parliament;
- The availability of information about stakeholders and how this will impact identifying stakeholders and targeting meetings;
- The level of effort required to effect change, as this will determine which stakeholders to start with and how much will need to be invested in the issue and engagement activities; and
- Timeframes for actions and expectations regarding the time it may take to make policy changes or amend legislation.

7.3.2 Approach

It is imperative that any engagement with stakeholders is targeted towards their capacity to effect change. This can be through portfolio, parliamentary, party and/or electoral responsibilities and interests.

This approach to government engagement is based on a ‘top-down, bottom-up’ method, whereby engagement is undertaken at the ministerial level and the departmental level, in the relevant policy areas. This approach ensures engagement with both the decision-maker and the subject-matter experts, which can then feed into each other in the form of ministerial briefings from the policy areas, and ministerial direction down to the department.

Noting the relationships between visa programs and training and labour market programs, it is important to not only target engagement to the relevant portfolios, but to also bring together the relevant policy areas. This can reduce ‘issue hand balling’ and ensure a clear and organised message and objective is put forward to Government.

7.3.3 Engagement Process

7.3.3.1 Develop key messaging

Important to government engagement activities is clear and targeted messaging and briefing material. For these activities, which are seeking explicit outcomes, messaging and briefing material should be drafted to the specific portfolio and the action required. This should include:

- / a clear recommendation to the stakeholder, which is within the scope of their capacity to effect change;
- / a brief summary of the problem and how it affects the RMI processing industry, and if possible, the stakeholder (or their electorate in the case of MPs, or their State/territory, in the case of Senators.
- / background information, including relevant research and statistics that can then be used by the stakeholder to champion this issue.

Action 1: Develop bespoke briefing materials.

Messaging and briefing materials should be updated as the scope and required effort for change becomes clear, and change activities progress, to ensure stakeholders have a clear understanding of what is happening and how they can provide support.

7.3.3.2 Portfolio Ministers and Agencies

Portfolio ministers and departments should be engaged with first to quickly establish whether the issues faced by AMPC are on their radar or are currently being worked on. If so, this could reduce the need for more far ranging government and parliamentary engagement, and may also offer a mechanism for formal engagement, for example through a legislation review or consultation round.

Meetings should be arranged with the Minister or relevant adviser, and on the departmental level, ideally with the First-Assistant Secretary or Assistant Secretary for the relevant policy area. Key timing considerations are parliamentary sitting days, senate estimates, and the budget.

Legislative and policy oversight of the workforce visa programs available to the AMPC, is held by the Department of Home Affairs (Home Affairs). Home Affairs is overseen by:

- / the Minister for Home Affairs and the Minister for Water Resources, Drought Finance, Natural Disasters and Emergency Management as the Cabinet Ministers;
- / the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs (a non-Cabinet Minister, located in the outer ministry); and
- / the Assistant Minister for Customs, Community Safety and Multicultural Affairs (a non-Cabinet Minister, located in the outer ministry).

Employment, labour market, and training matters are the responsibility of the Department of Employment, Skills, Small and Family Business (Employment). It is important to note, this department is currently experiencing a machinery of government change and will soon be the Department of Education, Skills and Employment. Portfolio responsibility is held by:

- / the Minister for Employment, Skills, Small and Family Business as the Cabinet Minister; and
- / the Assistant Minister for Vocational Education, Training and Apprenticeships (a non-Cabinet Minister, located in the outer ministry).

Action 2: Engage with Portfolio Ministers and departmental Staff

Home Affairs Portfolio: The Hon David Coleman MP, Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs

Employment Portfolio: Senator the Hon Michaelia Cash, Minister for Employment, Skills, Small and Family Business

Timing: As soon as final content from the AMPC report can be shared with Ministers and the Department, so as to leverage its momentum on the issues. Meetings with the Home Affairs Portfolio should take place first, to inform the scope of the subsequent meetings.

7.3.3.3 Auxiliary Stakeholders

Auxiliary stakeholders can be other Ministers, Departments, MPs and Senators who have a responsibility for or are interested in issues relating to the RMI processing sector. Engaging with them can be beneficial when the outcomes desired are specific to their electorate, require wider parliamentary support, and/or is not likely to have traction with the Government (and therefore requires external pressure to act). Outside of the Portfolio Ministers, these stakeholders can boost the coalition of supporters and/or act as Champions outside of Cabinet, within the Opposition and/or the Crossbench, and on Parliamentary Committees².

² For example, in December 2019 a new National Agricultural Labour Advisory Committee was established to help 'secure a sustainable agricultural workforce for the future'. This Committee includes members of the RMI and the processing sector itself, these stakeholders should be briefed and engaged in any ongoing government relations relating to this project.

Action 3: Engage with a coalition of supporters across Government and Parliament:

Agriculture: Senator the Hon Bridget McKenzie, Minister for Agriculture

Timing: A meeting should be arranged with the Minister as soon as possible after the release of the report, on the basis that it is an AMPC report and relevant to her portfolio (if not directly within her purview).

Trade: Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment

Timing: A meeting with the Minister should be arranged at a similar time to the other Ministerial meetings.

Opposition and other MPs and Senators: e.g. Hon Joel Fitzgibbon MP, Shadow Minister for Agriculture and Resources

Timing: The timing of meetings with this group is dependent on the outcome of the engagement with Government. If those meetings don't have positive outcomes, then these meetings should proceed.

Alternatively if legislative amendments are introduced, engagement with the other MPs and Senators may be key to passage. Meetings should therefore be timed around these events.

Other Members of Parliament

In this case, it would be useful to identify the electorates where the RMI processing sector is a significant factor in the economy and labour market, where processors' business capacity will have either positive or negative impacts.

In terms of the Opposition, this issue of visas for the RMI processing sector will need to be handled delicately, as it is likely that they will champion policies that favour the local workforce. The ideal Champion in this group would be either the Minister for Agriculture and Resources, or an MP from an electorate with significant RMI processing activities.

Current Inquiries and Committees

Current parliamentary inquiries can be an ideal opportunity to bring forward concerns, issues and needed changes into a forum with existing political and parliamentary momentum. Leveraging existing inquiries reduces the need to 'start afresh' on an issue, whilst also providing an immediately available action in the form of an inquiry submission.

Engagement with these Committees is a valuable means of identifying potential Senate champions and supporters of change, across the Government, Opposition and cross bench.

Relevant committees include:

1. the Senate Standing Committees on Rural and Regional Affairs and Transport (RRAT), especially the RRAT References Committee; and
2. the Senate Standing Committee on Economics. The Economics References Committee is currently undertaking an inquiry into *Regional Inequality in Australia*.

State stakeholders

In an industry such as RMI, there is great potential to enlist State Premiers and relevant State Ministers to support the changes being proposed. A detailed strategy for extending the scope of the government engagement approach to the States can be developed, if required.

7.4 What else can industry do, what ongoing educational content may help

Ensuring ongoing improvement to the usability and success of visa programs is also largely going to be reliant upon educating processors and the sector on visa use and continuing to prepare for a future-proofed workforce. There are four key education, capacity and capability actions identified. Each education content suggestion has been described below, and an indicative responsibility owner and timeframe to deliver suggested.

7.4.1 Enhancing the sectors capacity to utilise visa holders effectively: a shared industry employment platform

RESPONSIBILITY: AMPC and AMIC

TIMEFRAME TO DELIVER: As soon as possible in existing forums, but developed into a more permanent platform over time.

ACTIVITY:

Enhance the sectors capacity to better utilise visa holders by creating a common forum for discussion and sharing (i.e. a shared industry platform). An industry employment platform would create a place in which processors can share insights on challenges and opportunities faced by their business in the use of visas and enable improved utilisation. The forum could be coordinated online (via email, via a website space, or newly hosted elsewhere). As an initial (or ongoing permanent) suggestion, the forum could be a regular session in the already scheduled network and general meetings already scheduled and hosted by AMPC.

Suggested content for discussion or inclusion in the industry platform, and the driver behind how the platform could create collaboration include:

- ✓ Sharing challenges and opportunities

Create an opportunity for individual processors to present challenges they are experiencing in their business with visa holders (point-in-time). And, allow other processors to share or identify means in which they overcame this issue. By better collaborating, processors may be able to overcome a number of issues they have in their business (related to visa workers) in a low cost, simple manner.

Reason for suggestion: At the Tamworth workshop, a single processor expressed issues with high costs stemming from needing to provide continual physiotherapy support to new visa holders in the plant who are not used to the physicality of working in Australian processing plants. However, another processor was able to suggest a variety of ways in which they had overcome this issue (and thus cost). They introduced an in-country strength training program for workers before they arrived in Australia. By sharing individual challenges and opportunities, in an open forum, processors are able to share and benefit from their processing peer's best practice ideas.

- ✓ Worker 'job-board' mechanism

Encourage processors to share supply and demand worker information, so that processors in need of labour can request it from another plant which has to 'move a worker on'. A mechanism such as this, that advertises processors who are looking for labour and those that need to 'move' labour on, will help the industry to keep 'good' workers employed and create better longevity and return on investment from trained workers (skilled or unskilled).

Reason for suggestion: A number of processors identified the issue of constantly having to train 417 visa holders (even though they are 'unskilled'). This creates a high cost for their businesses. Additionally, these 417 workers are only permitted to work in a single location for an explicit duration. There is an opportunity for industry to share information on when a particular visa holder needs to leave a business, and for another processor to offer to utilise that worker if they are seeking employees. In doing so, there is a more consistent (industry-wide) retention of skills.

7.4.2 Create an industry facilitated orientation program in-Australia

RESPONSIBILITY: AMPC and AMIC

TIMEFRAME TO DELIVER: Within the next 12-24 months

ACTIVITY:

A number of processors expressed have success with running orientation programs (in-country and in Australia). These orientation programs, or soft-landing supports, have been discussed in both this report and in Milestone 2. A meat industry orientation program could consider such things as:

- / Instigating a true 'soft landing' – where the visa applicant visits Australia over an initial planned period, before exiting and re-returning (i.e. a 'try before you buy' style concept to ensure that there is a true desire to work in Australia) – a concept that has been trialed and operated in other countries, such as Canada, before;
- / Coordinate industry-wide in-country training packages (e.g. encourage processors to coordinate their hiring processors, and conduct group in country fitness, strength and up-skill courses prior to the visa holder departing);
- / Create a baseline information package that provides an overview of a visa holders rights and working conditions (in both English and their native language), including provided specific detail on meat processing sector specific information;
- / Create an industry baseline 'orientation' package to be offered by all processors upon a visa holder's arrival for a distinct period of time, based on best use-case experiences from processors already running orientation programs. This could include accommodation, transport and social service allowances for a minimum period (e.g. 4-8 weeks) to help assimilate visa holders; and
- / Ensure visa holders (post this period) have a means of seeking further orientation assistance on other topics such and mental and physical wellbeing, managing their money and income, community participation, justice support etc.

The benefits of an orientation program include reduced business costs (including training, physiotherapy and healthcare, etc.) and overall turnover, improved work output and quality, improved health and wellbeing of visa holders and an improved sentiment towards work-life in Australia. It should be noted that at a broader scale across agriculture, similar orientation style

programs have been facilitated in the PLS, demonstrating these kinds of improved outcomes for businesses and visa holders.

7.4.3 Creating a ready-reckoner for industry

RESPONSIBILITY: AMPC and AMIC, working in conjunction with the Department

TIMEFRAME TO DELIVER: Within the next 12 months

ACTIVITY:

It was found throughout the consultation and workshop that the vast number of visas, their subclasses, skills shortage lists and other employee administration activities was very overwhelming for processors to stay abreast of. This meant that in some instances, processors didn't know an opportunity available to them, a requirement they had to meet, or a cost that they would have to pay. Additionally, these visa details are constantly updated and changed (e.g. when there is a policy or government change), and these changes are often not well understood by visa-using (or potential visa-using) processors.

Developing a regularly updated and published 'ready-reckoner' on visas, application requirements and processing industry specific necessities will help the sector stay abreast of changes and opportunities pertinent to their business.

7.4.4 A whole of industry workforce development plan

RESPONSIBILITY: AMPC

TIMEFRAME TO DELIVER: Within the next 24 months

ACTIVITY:

Develop a whole of industry workforce plan that identifies key requirements for the future and establishes a framework for preparing for them, including:

- / over the short and long term – including acknowledging needs to plan for current issues and opportunities, but also meet industry growth expectations and desires as it continues to be a key contributor to increasing the output of the red meat industry overall;
- / be cognisant of the needs of both regional and metropolitan processors, and the specific nuances of each (e.g. accommodation supply, access to community services, etc.);
- / include considerations for developing an improved and abundant local workforce, by increasing the number of local Australians enrolling and completing VET qualifications relevant to the red meat processing industry;
- / facilitating and ensuring better utilisation of visa workers – including driving the acceptance of the strategic policy recommendations noted earlier in Section 7 and helping processors to take advantage of new visa mechanisms available to them as they arise;
- / acknowledge that while industry has not yet fully adopted technological solutions (such as robots and automated supply chains), that these innovations are likely to be more commonplace in the future and preparing the workforce for these solutions will be a requisite consideration; and

- / outline a number of clear recommendations and a framework within which industry can collaboratively work towards realising the plan.

8.0 BIBLIOGRAPHY

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