



Australian Meat Industry Council

SUBMISSION

Review of the Australian Apprenticeships

National Skills Needs List

September 2019

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AMIC

The Australian Meat Industry Council (AMIC) is the Peak Industry body representing some 2,000 post-farm red meat industry enterprises. AMIC members include firms processing for domestic and export consumption, smallgoods manufacturers, boning rooms, wholesalers and distributors through to independent retail butchers. The Australian meat supply chain makes a substantial contribution to the national economy each year by accounting for over \$16.2 billion in the Gross Domestic Product (GDP), or 1.5% of total GDP and \$8.7 billion in Australian household income.

The meat industry chain of enterprises underpins more than 1.6% of total FTE (full-time equivalent) employed positions in Australia and about 15% of employment in agriculture, around 134,000 FTE jobs*. Through full-time and part-time employment, as well as local plant purchasing of supplies and services, red meat processing is vital to many regional areas across Australia.

The Australian meat industry is international, with around 70% of beef exported and 60% of lamb and mutton exported. It is estimated that 70% of smallgoods sold in Australia is manufactured from imported pig meat from a range of overseas countries, primarily Denmark, Canada and the USA.

Key Points

- The Department of Employment, Skills, Small and Family Businesses has implemented reforms to Australia's current Apprenticeships National Skills Needs List. (NSNL) Established in 2011 the Government has expressed concern that the NSNL has not been reviewed since its implementation and it is not meeting the current needs of the Australian labor market
- AMIC members have raised concerns with respect to the difficulty in recruiting and retaining apprentices and trainees in the meat industry.

PURPOSE OF THIS SUBMISSION

AMIC and its members in the meat industry recognise the difficulty in attracting and retaining apprentices in both the retail and smallgoods manufacturing establishment of the Australian meat industry. The difficulties are apparent in both metropolitan and regional locations. They occur for a variety of reasons some of which, such as competing job markets are outside the scope of this review.

AMIC notes that both the Meat Processing (Retail Butcher) Certificate III and the Meat Processing (Smallgoods - General) Certificate III are included in the NSNL

However to accurately gauge the skills shortage in the Australian meat industry it will be necessary to also consider the twenty one (21) traineeships covering the three meat industry sectors. [Click Here](#) for a list of Traineeships

RESPONSES TO REVIEW QUESTIONS

1) Do you agree with the identified issues with the NSNL as it currently operates?

In principle, the NSNL may have been a valid tool to determine apprentice skills shortages in Australia and to identify the vocation in which the skills shortages are most critical. However, to remain current the NSNL and the methodology should have been reviewed and adjusted accordingly to reflect the currency of market trends. As the NSNL has remained stagnant since implementation it cannot be utilised as a tool to accurately report apprentice skills shortages. Nor is it a viable tool with which provide accurate recommendations to the Government of the day.

2) What evidence or examples can you highlight in support of your position?

To answer this question AMIC draws your attention to a November 2018 information sheet release by the Department of Jobs, and Small Business entitled, **Butcher and Smallgoods Manufacturer, Australia, November 2018**. The document reflects a shortage of skills in the two meat industry apprenticeships. Further that there has been a shortage since 2005 which has been exacerbated by falling apprentice numbers.

If the NSNL had been effective one would expect an upward inflection in apprenticeship rates rather than stagnation or a reduction in apprenticeship and traineeship numbers.

This opinion is supported by AMIC members who regularly contact AMIC seeking advice on recruiting or retaining apprentices and trainees.

3) Are there other issues with the NSNL that need to be considered?

AMIC advises that the policy intended to replace NSNL and underpin the new data collection model should be broadened to include Meat Industry traineeships which number twenty one occupations covering the three meat industry sectors. This will ensure a more accurate statistics on the skills shortages in the industry.

The traineeship courses range in qualifications from a Certificate II up to an Advanced Diploma. These courses provide invaluable knowledge and skills to the meat industry.

4) Are the design principles outlined in this section the right ones for a methodology to identify occupations in skills shortage and to allocate apprenticeship incentives.

Whichever methodology that Government determines best suits this application must be measurable, flexible, adaptable and understandable to those it is designed to assist. In order to determine the performance of the new system it must be measurable to allow for comparison between historic and current data. It should also be flexible to allow for a variety of specific data collection and recommendations. It should also be adaptable to ensure its longevity and compatibility of its design parameters to meet the market occupational requirements of the day.

5) Are there other design principles that should be considered?

A further benefit would be the ability to place parameters on the program if desirable to isolate a certain occupation to determine if there are other factors affecting recruitment such as a remote location, successful applicant in the form of rental assistance, tool allowance, and grocery vouchers as possible incentives.

6) Which of the design principles would rank as being greatest importance?

Determining one design principle as most important is difficult. However to ensure the longevity of the program and its ability to provide accurate up to date data that is useful in determining skills shortages, AMIC suggests that flexibility is the most important design

feature as it allows it to evolve according to the needs of an apprentice and traineeship dependant industry.

7) Do you agree that a single coherent approach should underpin the identification of occupational skills shortages?

Yes, with the rationale that a single approach is less complicated and simplifies comparisons statistics and measuring the performance of the approach.

However as already mentioned, there is a necessity for any approach to be flexible to meet the parameters from which it was designed. Flexibility will also increase the longevity and usefulness of the program reducing the chances of the current issue recurring.

8) What timeframe into the future should be used when identifying occupational shortages for the purpose of targeting skills shortage incentives?

Presently the skills shortage in apprenticeships and traineeships in the Australian Meat Industry is dire. The 2018 report from the Australian Government Department for Jobs and Small Business concurs with this view.

Given this, AMIC recommends the initial timeframe be no greater than six months. The rationale is twofold, firstly it will address any teething problems in proposed methodology and prioritises a remedy for the skills shortages and the targeted skills shortage incentives. AMIC reiterates the need to provide additional incentives in areas that are identified as being of above average concern.

The time intervals can increase as the program capable of meeting its design parameters and vacancies of apprenticeships and traineeships are filled.

9) What are the key limitations, if any, of a forward looking model? How can these be addressed or managed?

There will always be key limitations or variables that cannot be programmed for. For example economic variations, long term weather changes such as drought or rain or stock shortages. However, an option to reduce variables is to engage and consult with a cross section of stakeholders involved in apprentice and traineeship based occupations. The skills and experience from these differing sectors will provide invaluable insight at the planning stage allowing a broader architecture and practical application for the methodology which will either address or assist with managing any key limitations.

10) Are the core components of a possible forward looking methodology outlined above appropriate?

The four key components mentioned in the review paper appear be appropriate in addressing the skills shortage.

More importantly though is the ability to add, remove or change these components on an as needs basis to ensure the methodology remains relevant and with a practical application.

AMIC suggests a fifth key component of continuing stakeholder engagement and review periods to discuss the outcomes and performance of the methodology.

11) Are there objective means of assessing skills shortages in small and emerging occupations for which there is no primary date?

By definition a new or emerging industry should not have a skills shortage.

AMIC recommends that the focus of the review remain on established occupations with long term skills shortages.

This is not to neglect emerging industries, but they fall outside the parameters of this review.

12) Do you agree that the skills shortage methodology should be reviewed annually?

In answer to this question AMIC has provided feedback in earlier responses. To reiterate an annual review timetable is sufficient once the current critical skills shortage is addressed and once the performance of the now methodology has passed any teething problems. Until such time as these issues are resolved the reviews should be scheduled bi-annually including stakeholder meetings and feedback.

13) Should the occupational skills shortage list be updated with the same frequency?

Until the current skills shortage issue stabilises the occupational skills shortage list should be updated and released quarterly. The National Centre for Vocational Education Research (NCVER) who receive updates on apprentice and trainee information on a quarterly basis from states and territories would be able to assist with this information. The Australian Bureau of Statistics would also be a valuable source of information.

14) What is the right balance between transparency and flexibility? How might a formulaic approach to identify skills shortages be made more flexible without compromising transparency?

Transparency and flexibility are by no means opposing entities. However AMIC appreciates that Government may need to implement changes to the methodology without time for transparency of consultation. In cases such as this it will be necessary to inform stakeholders immediately afterwards about the changes and the rationale explaining why transparency was not possible prior to the decision.

This issue is best managed by regular contact with the relevant such as AMIC who can obtain feedback from their membership with which we can advise Government on a suitable course of action.

15) Do you agree that eligibility for the skills shortage incentives over the life of the apprenticeship should be determined at the commencement of the apprenticeship?

To assist in providing stability to Australian Meat Industry occupations and financial peace of mind to apprentices, AMIC agrees that the most advantageous approach is to determine the incentive at the commencement of the apprenticeship and maintain it throughout the life of the apprentice or traineeship.

As stated by one of our smallgoods manufacturer members,

“The focusing on incentives and needs analysis to assist in the application of assistance is sorely needed. The need to keep training staff engaged with the traineeship and apprenticeship needs incentives to be applied through to the end of the contract. Too often they drop out part way through the training wasting resources and investment in their development.”

This should not exclude an apprenticeship that does not attract an incentive payment being eligible to receive such a payment if a skills shortage arises in that particular occupation.

16) Would volatility in the availability of skills shortage incentives impede their uptake? If so, what type of stabilising mechanism would help to address this issue?

Volatility equates to uncertainty. Not only may it have a negative impact on apprenticeship and traineeship numbers it may also impact current apprentice and trainees. Where possible any issues that cause uncertainty with regards to the skills incentives must be mitigated. The purpose of Governments new methodology is to attract apprentices and trainees to occupation that rely on them to replace skilled staff who have exited the industry. A main factor in this is the skills incentive payments without which the industry's that rely on apprentices and trainees will diminish to obscurity.

17) How far in advance of the effect date should changes to the skills shortage list be announced given the need to balance business planning and distortions to the commencement patterns?

AMIC presumes that the effect date is in reference to the date the new methodology is released and bases their answer on that assumption.

It is necessary to release changes to the skills shortage list as soon as possible to allow potential employees to budget and plan for an apprentice or trainee. Skilled employees in the meat industry are in such demand that a change to the skills shortage incentive payment will make little difference to an employee in this industry.

18) What criteria should be used to target apprenticeship incentives to deliver the greatest economic and social benefit?

Social and economic are important factors to consider. Local roles for local people provides both an economic and social stimulus to a community. If the new methodology were capable targeted research would be of value in assisting remedy these issues.

19) What type of occupation analysis should be undertaken in support of the objectives of addressing skills shortages in apprentice-based occupations?

The two apprenticeships in the Australian Meat Industry make up approximately 9% of the skilled workforce. The remaining skilled roles are traineeships ranging from a Certificate II to an Advanced Diploma.

AMIC strongly recommends Government to include the Meat Industry Traineeships in the data collection. Otherwise the data will be of minimal assistance in remedying the skills shortages the meat industry is currently experiencing.

RECOMMENDATIONS

- That Government continue with their commendable strategy to remedy the current skills shortages in apprenticeship based occupations. That Government include traineeship based occupations in the Australian Meat industry analysis on skills shortages. Without which there will be minimal positive impact in the filling vacancies within this industry.
- As the peak industry body to the Australian Meat Industry that Government engage AMIC, to assist with the development of the new data collection model and provide advice and representation on behalf of our member

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*Australian Meat Processor Corporate Report – Evaluating the Socio-economic benefit of the red meat industry in regional Australia