Australian Meat Industry Council

Submission to Department of Home Affairs

Composition of the 24/25 Migration Program:

15 December 2023

Australian Meat Industry Council

Industry Bodies, Associations and Associates

1.0 Australian Meat Industry Council (AMIC)

1.1 AMIC is the peak body representing red meat and pork retailers, wholesalers, processors, and smallgoods manufacturers across the country. Our industry is one of the largest manufacturers in Australia today. We exist for a clear reason: to help our members achieve and maintain profitability and ensure our members are recognised for the crucial role they play in the agribusiness supply chain.

1.2 We are the only industry association representing the post-farmgate Australian meat industry. We work with members, governments, and industry groups to influence policy and provide technical and other services to the industry.

1.3 Our overriding goal is profitability for our members. To help our members achieve and maintain profitability, we work hard to solve our industry's key challenges and provide a range of services that make it easier for our members to run their businesses, from finding staff to complying with legislation.

1.4 The Australian Meat Industry Council is the voice of Australian businesses in the crucial and complex post-farmgate meat industry. Our 1500 plus members employ tens of thousands of people and are significant contributors to their local economies.

1.5 We are continually working towards a more competitive and prosperous meat and livestock supply chain that is good for members, good for industry and good for communities. We do this by advocating for effective and strategic policy, supporting our industry on important issues and providing members with tools to build and grow their businesses so they remain competitive and profitable within the Australian and global supply chain.

2.0 Introduction

2.1 AMIC have reviewed the discussion paper provided from the Department of Home Affairs in Planning Australia's 2024-25 permanent Migration Program and would like to provide a submission on behalf of AMIC's members as to the possible implications on our members for your consideration.

2.2 The questions posed by the Department were:

1. How can migrant policy settings better support social cohesion outcomes in Australia?
2. How can migration policy settings support Australia's ongoing economic prosperity and fairness?
3. How should we factor in the impact and opportunities of migration on Australian communities, including in terms of access to services such as health, education, housing, and infrastructure?

2.3 Our industry is heavily reliant on access to migrant workers, and grapples currently with the associated housing and infrastructure requirements and needs that using migrant workers presents. It is clear to say our industry and no doubt others, are at a critical point, as there appears to be little focus on the solutions for the national housing crisis as it stands.

2.4 There are several long-term outlooks that will increasingly become untenable due to the urgent requirement of the present. With the planning for the 2024-25 migration size and composition, it is difficult to provide clear context unless the broader outlook is taken into consideration. Working through the number and composition questions are of no use if there is no ability to provide the associated housing and services.

2.5 Businesses are feeling underwhelmed with the lack of commitment to this problem and are being forced to focus on their own solutions/options which is limiting at best, and in a lot of cases is simply out of reach for most businesses to go it on their own.

2.6 We acknowledge the economic and social benefits that the migration program offers, but more importantly acknowledge the challenges that comes with this population growth. Migration can and will continue to impact both supply and demand on housing and rental markets. Therefore, creating a vicious circle of events. Since the Covid pandemic we have seen the impacts of labour shortages, goods and services shortages, and a continued labour shortage, that has now lasted well past the Covid outbreak, rising inflation and interest rates and therefore housing shortages.

2.7 Whilst there is a lot of talk and planning, what is the here and now necessitates immediate action that can start the increasing the rebuilding of services and housing requirements to then open up the ability to supporting migration numbers and workers to industries. It seems futile to bring in more immigrants when this is unable to be supported, and without causing greater issues on the existing crisis.

3.0 **Summary outline of the issues that our members currently face in relation to utilising migrant workers:**

3.1 **The Skilled worker TSMIT increase,** and the ability for them only to work in skilled roles.

3.2 **The unrest with bringing in foreign labour** versus the opportunity of training and growth for domestic labour.

3.3 **The significant costs associated with skilled migrant workers** over domestic labour, which is tied to the additional training required, housing, setting them up with services to support them and now an increased TSMIT.

3.4 **The segregation in industry between local and foreign labour** causing cultural issues and general unrest in business and communities.

3.5 **The level of IELTs competency and integration into workforce and community** – is it at a sufficient level to ensure safety requirements and ensure obligations are understood?

3.6 **The level of responsibility on AEs for foreign labour** with minimal support

3.7 Issues for providing housing and requirements.

3.8 **Ensuring that there are no exploitation of migrant workers** and setting up the infrastructure to support that (multi-lingual materials and support services)

3.9 The general cost of living pressures.

The list is quite extensive, and it is exceedingly difficult to try and work through to determine what initiatives can be put in place to support a planned migration program over the next period 2024-25. We submit that identifying the issues will at the very least assist the Department of Immigration to work through what they need to do in order to support the next year's migration program.

THE ISSUES IN FURTHER DETAIL

4.0 **The Skilled worker TSMIT increase, and the ability for them only to work in skilled roles.**

4.1 With the Skilled worker TSMIT increase, this has cost implications on our employers, as it is not the only cost that they bear, there are a lot of foundational and set up costs that the employers take on as well.

4.2 In relation to the migrant workers only working in skilled roles, this can be an issue. For employers, they have to work only in skilled roles, because it would be uneconomical to use them in non-skilled roles. A potential option going forward is to move the visa classes around to enable people to come into the country to provide more breadth of roles (not just skilled roles). The theory being then, that we continue to focus on upskilling the Australian workforce at the same time, whilst we utilise migrant workers in other supportive roles.

4.3 In addition to this, it might be advantageous with TSMIT being set at the higher level, that, the worker be subject to another level (e.g. 75%) whilst the employer trains them to the level that they are required to be a productive member of the broader organisational team.

5.0 **Unrest with Foreign Labour**

5.1 The use of foreign labour can cause unrest in the facilities, especially if they are not of the same competency level, or if are getting paid more than their local counterpart.

5.2 It can also cause unrest with the training and development resources being dedicated to foreign workers over Australian workers. As per Section 4.2 above, there may be some impetus to investigate the visas being spread around different classes so as to not lock in the Meat Industry to only being able to utilise expensive skilled migrant workers. All roles are important in the Meat industry, skilled and labourer type roles.

5.3 Skilled meat workers not being at the same level of their Australian counterpart and being paid TSMIT. Our experience is that the skilled meat worker is (at the beginning) not trained to the level and degree that they need to be. Employers have allowed for migrant workers to work at a lower-level skillset in order to keep their business running.

5.4 We must introduce levels and visa classes below “skilled” according to their competency to ensure fairness and reduce the unease. If they are not skilled to the level and degree that we need, it costs the employer and be very costly if they are not fully trained (technically) or safety wise.

6.0 **Significant Costs**

6.1 There are significant costs in utilising a migrant worker. Costs to bring them to Australia, set up employment structures to support them, ensure that the company has the right infrastructure to support these employees, and ensure there is appropriate training and support services. With no other support in the community, the employer has no choice but to facilitate and coordinate services to support them. The employers willingly take on some shared responsibility, but there could be more support from the Government to aid a smooth transition (the items mentioned in this paper).

6.2 There is, also in addition to TSMIT, general cost of living pressures that will ultimately affect the employers and the employees. In our experience, the industry does what it can to support migrant workers and go above and beyond to make sure they can access appropriate food, housing, health, and support services.

6.3 Linked back to other items put forward in this submission, employers still struggle with the fact that there are workers that come in as skilled workers, still need a great deal of training and support over and above the Australian worker counterpart in order to ensure that they are safe and productive in the workplace. This is a costly exercise. Employers absorb issues with some of the migrant workforce being unsuitable also, being out of pocket to try and rectify the issues themselves or provide the means for them to journey home if the issues cannot be resolved.

7.0 **Segregation in industry**

7.1 Segregation in industry are words to describe that in regional communities (as an environment) or even in the organisation (as another environment) that migrant workers tended to group together. This is not an issue except for the fact that it could cause unrest in the workplace. Australian workers and Migrant workers segmenting themselves at work and in the community.

7.2 Employers have a lot of cost burden and one of the items (if they had additional support from Government) would be to spend money on culture building and helping migrant workers assimilate into the community and with their peers in the workplace.

8.0 **Level of IELTS competency and skills competency**

8.1 It is our experience (member feedback from the industry) that the English language competency is not quite where it needs to be. This causes huge disruption for our employers when they are paying for a skilled worker, but yet have to spend weeks training them to the level and requirement that they need. It appears that it is more difficult for the workers to understand instruction in a second language, and Australian workers have to constantly train, assist, and supervise someone that is supposedly comes in as a skilled worker.

8.2 This also relates to the fact that meat processors, abattoirs are complex and risky places to work. Some of the skilled workers coming to Australia are using knives and work around dangerous equipment, therefore an employer must ensure that they understand all of the safety precautions to apply them, and comprehension (based on the current IELTS score) can take up to three times as long compared to their Australian counterpart.

8.3 It is our submission that there is a level be introduced (perhaps at 75% of TSMIT) whilst workers become technically competent and are comfortable working as part of the broader team and/or supply a level of visas to provide support services which will allow and prioritise the upskilling of Australian workers.

9.0 **Issues for providing housing and requirements:**

9.1 There are issues with housing requirements in the regional communities. Housing is difficult to obtain, and difficult to obtain close to plant. A lot of the workers cannot drive, so it is pivotal that employers find location and transport for them in order for them to come to work.

9.2 **Housing costs –** Employers are being required to absorb all of the costs. They are also trying to absorb their costs of rental increases, transport costs, and any multiplier effects of costs. Meat industry employers are constantly being asked to keep costs at a minimum.

10.0 **Ensuring there are no exploitation of migrant workers and infrastructure:**

10.1 There is much compliance required to ensure migrant workers are not exploited in any way. There is a huge cost impost in ensuring that this does not happen (not just of the practical costs) but also have experts navigate the multiple compliance requirements.

11.0 General Cost of Living pressures

11.1 General cost of living pressures needs to be mentioned here, as whilst it is not a direct variable, it does directly affect the costs that an employer has to be burdened with in order to ensure Migrant workers are well looked after and supported. Housing, food, transport is more expensive, the employer ultimately covers the cost. Simple practicality and cost burdens include transport to and from work, an initial amount of money for these employees to buy food and the time spent to find appropriate rental properties for the workers to work.

12.0 Demand for workers is increasing.

12.1 Low unemployment rates continue to ensure that job vacancies remain high. Migrants can play a role at meeting these shortages, but not without immediate action to support their arrival. Businesses need workers, but complex legislation and requirements are a cost burden in an already significant cost pressure environment.

12.2 All areas continue to struggle with housing and accommodation needs. Regional areas are experiencing less than optimal growth of available workers and hence are dealing with labour shortages. With housing an issue, the problem presents itself, where do they go? There needs to be increased local initiatives which need to be fostered and actioned with milestones for the short-term and support a longer-term solution.

12.3 It should not be an expectation that businesses be left to manage the housing crisis on their own. The employers are already footing the majority of the costs and requirements to support them. It is simply not tenable and could force further issues in many industries.

13.0 Conclusion:

13.1 Whilst the Migration Strategy 8 key actions are all valid actions:

1. Targeting temporary skilled migration to address skills needs and promote worker mobility.
2. Reshaping permanent skilled migration to drive long-term prosperity.
3. Strengthen the integrity and quality of international education.
4. Tackling worker exploitation and the misuse of the visa system
5. Planning migration to get the right skills in the right places.

6. Tailoring regional visas and the Work Holiday Maker Program to support regional Australia and its workers.
7. Deepening our people-to-people ties in the Indo-Pacific
8. Simplifying the migration system to improve the experience for migrants and employers.

What is being done for the housing, accommodation and supporting services to be able to go hand in hand with these key actions. If it does not fit within these key actions, then where will it fit?

The strategy actions are all validated but it feels like a key component is missing.

There is no doubt that these are real concerns for our members and if not addressed, could be extremely detrimental for the meat industry and other industries. The concern of these matters needs an overarching solution and should not be left at the individual business level.

13.2 In addition to this, there has already been significant change and real struggles under the government changes and IR reforms, leaving the average employer wondering what is next and how to cope. If the housing crisis remains unaddressed, its potential implications could be severely detrimental and significant to the Meat Industry and Meat industry providers (e.g., Labour Hire providers) in the short, medium, and long term.

13.3 In an already struggling industry, in a time where the cost of living is at an all-time high, and with a national housing crisis, the migration strategy and planning needs to consider the housing, accommodation and the infrastructure that supports them.

13.4 We must also address the level of technical competency, and the level of English-speaking competency to ensure that they are equipped and ready when they start work in Australia. A potential option could be increasing the level in the test, or providing access to additional training in Australia if the employer believes it might be an issue.

13.5 We must consider bringing other support roles and not put the full focus on skilled workers. This has a two-fold benefit, it allows the company to focus on the skills being taught in Australia (and stay in Australia) and mitigates risk that companies are fully paying TSMIT for workers that are not at the same level (which again costs the business).

13.6 We must consider the provision of an additional TSMIT level (e.g. 75%) whilst migrants train and become familiar with plant, organisational culture and norms, complex safety rules and technical style. Even with the skill being available in the worker, there are so many other variables/complexities in the way Australian companies work that need to be taught to allow them to be fully productive. TSMIT assumes that they are fully productive on day one. There should be a competency-based progression and training (to a maximum outer limit).