



FINAL REPORT

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PREPARED BY KPMG

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1.0 REPORT SUMMARY

The Final Report represents a review and discussion of items delivered for Project 2020-1065 (Red Meat Industry Visa Project 2) as of December 2020. The Final Report describes the activities and outcomes achieved over the months of September to December 2020 and consisted of the completion of the Government Extension activities.

2.0 INTRODUCTION

The objectives of AMPC Visa Project Phase 2 specifically targeted activities aimed at progressing the strategic recommendations outlined in Phase 1. In doing so, the Project aims to build on the knowledge derived in Phase 1 with industry informed market research and detailed Government and industry extension. The two strategic policy recommendations in Phase 1 that underpin the Phase 2 Project are:

1. Developing a Meat Industry Labour Agreement (MILA) that works for industry; and
2. Advocating for an expanded pathway to permanent residency (PR).

The overall objectives of the Phase 2 Project designed to progress towards these strategic recommendations were:

- a) Research: Acquire current industry data by undertaking a processor-wide market research process to quantify the use and cost of visas to the Red Meat Industry (RMI) processing sector;
- b) Government extension: Implement a strategic and tactical extension process with Government, and the compilation of two Government submissions: one to the *Senate Select Committee on Temporary Migration* and the other to the National Agricultural Labour Advisory Committee on a *National Agricultural Workforce Strategy Inquiry*; and
- c) Industry extension: Undertake industry education by developing materials and hosting forums.

4.0 PROJECT SUMMARY

Overview of AMPC Visa Project Phase 1

The AMPC Visa Project Phase 1 was critical to establishing a baseline understanding of processors' use of visas and the impacts of visa labour on their workforce and businesses. Activities in Phase 1 consisted of reviewing and assessing current data and policy positions (literature review), gathering of qualitative insights through industry interviews, and the development of a working hypothesis for a future visa program to test with industry. Once hypotheses for improved visa mechanisms were tested with industry, two key strategic policy recommendations were designed, and their legal and practical feasibility were assessed. The two final key strategic policy recommendations included several 'quick wins' and longer-term activities that can be progressed to improve the ability of processors to use and benefit from the availability of visas to the sector.

AMPC Visa Project 2 Summary

Phase 1 Market Research: The objective of the 'Market Research' Phase was specifically to build on

the qualitative insights captured in Project 1 by developing a processor-wide survey to be executed by KPMG's market research team. This survey provided key data for the sector to accurately quantify the impact, cost and extent of visa use for the industry and develop a baseline of information that will be vital to the Government and industry extension.

The results of the survey were analysed in full and provided in the Milestone 3 Report, and were then used to inform the development of the Government Extension briefing materials and to support future discussions across industry.

Phase 2 Government Extension: the aim of this Phase was to facilitate AMPC being able to support AMIC to deliver both 'strategic' and 'tactical' advocacy outreach. This advocacy outreach was designed to work towards securing the strategic policy recommendations detailed in the first Visa Project. This approach allowed, and will continue to allow, AMPC to support AMIC with appropriate data and insights, from both Visa Projects, while not jeopardising the roles and responsibilities between AMPC and AMIC; AMIC being the advocacy organisation for the RMI.

The approach to the Government Extension included several stages:

- / Stage 1: Kick-off session: KPMG met with AMPC and AMIC to agree the scope, objectives and deliverables of the Government Extension. This allowed KPMG to understand what activities had already been undertaken by key stakeholders in the industry, including by other RMI groups and AMIC.
- / Stage 2: Industry workshop: KPMG hosted a collaborative industry workshop in which key RMI stakeholders provided input on current industry visa use and issues. The workshop brought together industry interests and perspectives, discussed processors' Government engagement activities to date and how these existing relationships can be leveraged to inform extension activities moving forward.

This discussion was integral to ensuring AMIC – on behalf of the industry - presents a consistent message to Government when the engagement commences that:

- 1) Works towards the strategic recommendations made in Visa Project 1; and
- 2) Supports this with relevant industry data from the market research activities undertaken in this Visa Project.

Following on from the workshop, several additional one-on-one consultations were held with processors (particularly those who were unable to attend the Industry Workshop for various reasons) who have had known engagement with either the State and Federal Government Departments and Ministers.

The information collected in the 'Kick off' and the 'Industry Workshop' has been used to substantially inform the Government Extension Plan.

- / Stage 3: Developing a Government Engagement Plan and briefing materials: This stage has been completed.

Eleven key engagement sessions were identified to be conducted over the course of the following 8-

10 weeks. These were both at the Federal Ministerial (strategic) and Departmental (tactical) level. This ‘top-down, bottom-up’ approach has taken into consideration the relevant policy areas, portfolios, and parliamentary and departmental interests and inquiries that fit within AMPC’s and AMIC’s priorities.

Information gathered in the industry workshop and the Processor Survey has been used to refine this initial mapping and to inform the timing of engagement.

✓ Stage 4: Implementing the Government Extension plan: This stage involved working in partnership with AMIC to develop a briefing paper outlining the key policy and legislative changes (see Appendix 1), to be provided to each stakeholder. KPMG assisted AMIC to schedule and undertake the extension meetings with the 11 identified Government stakeholders. These included:

- 1) The Hon Alan Tudge MP, A/Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs
- 2) Department of Home Affairs
- 3) Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment
- 4) Department of Foreign Affairs and Trade
- 5) Office of the Prime Minister
- 6) The Hon Ben Morton MP, Assistant Minister to the Prime Minister
- 7) Deregulation Taskforce, Department of the Prime Minister and Cabinet
- 8) The Hon Dan Tehan MP, Minister for Education
- 9) The Hon Karen Andrews MP, Minister for Industry, Science and Technology
- 10) Office of the Hon David Littleproud, Minister for Agriculture, Drought and Emergency Management
- 11) Department of Agriculture, Water and Environment.

Phase 3 Government submissions: In this phase KPMG advised and assisted AMPC to develop two key submissions to Government detailing AMPC’s position on relevant industry workforce issues. The submissions were developed for the *Senate Select Committee on Temporary Migration* and the *Agricultural Workforce Strategy Inquiry*. These submissions were submitted by AMPC.

The first submission was written for the *Senate Select Committee on Temporary Migration* for an inquiry into the role of Temporary Migration in Australia’s industries and wider economy. In this submission the findings of both visa Project Phases 1 and 2 (to date) were leveraged with emphasis on the Processor Survey results detailed below. Ultimately, AMPC’s detailed research (including the online survey) was able to make a strong case for the support of migrant labour as critical to the prosperity of the processing sector.

The second submission was developed for the recently established *National Agricultural Labour Advisory Committee* on the future development of a *National Agricultural Workforce Strategy*. Unlike

AMPC’s submission to the *Migration* inquiry, this submission had a much broader focus and was not only on migration-related labour issues. This allowed AMPC to present a broader message aligned to its four Strategy pillars that are workforce related, namely: workforce attraction, workforce retention, workforce development, and safety and wellbeing of its staff.

Phase 4 Industry Extension: To support AMPC deliver educational updates on the Visa Project, Phase 3 was designed for KPMG to attend processor network meetings for AMPC across the country. The first of these was hosted as a Project kick-off. The second and final of these was conducted on 10 December 2020 and provided an overview of the work undertaken in Phases 1 to 3, project outcomes, and recommended next steps in 2021.

6.0 PROJECT OUTCOMES

As indicated in Figure 1: Project timeline, this Final Report represents the summation of a range of activities delivered for AMPC.

Figure 1: Project timeline

Phase 1 Market Research		Phase 2 Extension - Government		Phase 3 – Government Submissions		Phase 4 Extension – Industry Education	
Stage	Progress	Stage	Progress	Stage	Progress	Stage	Progress
Stage 1: Market Research Preparation	✓	Stage 1: Kick-off brainstorm Government Extension Session	✓	Stage 1: Develop AMPC submission to the Senate Select Committee on Temporary Migration	✓	Stage 1: A Ready Reckoner for the processing sector	✓
Stage 2: Market Research Completion	✓	Stage 2: Industry groups workshop	✓	Stage 2: Develop AMPC submission to the National Agricultural Labour Advisory Committee	✓	Stage 2: Attend and facilitate update sessions at key AMPC network meetings	✓
		Stage 3: Refining the extension plan and materials	✓				
		Stage 4: Implementation	✓				

Overall, the Project was completed ahead of schedule. After refining the Government Extension plan, KPMG assisted with implementation in September 2020. KPMG assisted to successfully facilitate meetings with 11 government stakeholders for AMIC, summaries of which are provided below. The completion of these meetings constitutes the conclusion of Phase 2, and, with the final Webinar held on 10 December 2020, the conclusion of the project.

7.0 DISCUSSION

As per the Government Extension plan finalised in Stage 3, 11 meetings were sought with the Ministerial and Department stakeholders outlined in Table 1. Senator the Hon Michaelia Cash, Minister for Employment, Skills, and Family Business and Department of Education, Skills and Employment declined meetings with AMIC. However, during the course of the contact with the Department of Education, Skills and Employment, they were able to provide an appropriate referral to the Department of Foreign Affairs and Trade, and information about the forthcoming review of the Skilling Australia Fund Partnership Agreement. Further, through the meeting with the Office of the Prime Minister, it was recommended that AMIC meet with the Hon Ben Morton MP, Assistant

Minister to the Prime Minister, and the Deregulation Taskforce within the Department of the Prime Minister and Cabinet.

Table 1 Government Extension Stakeholders

Initial Government Extension Stakeholders	
<i>Minister</i>	<i>Department</i>
<ul style="list-style-type: none"> / Office of the Prime Minister / The Hon Alan Tudge MP, A/Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs / Senator the Hon Michaelia Cash, Minister for Employment, Skills, and Family Business / The Hon Dan Tehan MP, Minister for Education / The Hon Karen Andrews MP, Minister for Industry, Science and Technology / Senator the Hon Simon Birmingham Minister for Trade, Tourism and Investment / The Hon David Littleproud MP, Minister for Agriculture, Drought and Emergency Management 	<ul style="list-style-type: none"> / Department of Home Affairs / Department of Education, Skills and Employment / Department of Agriculture, Water and Environment
Additional Government Extension Stakeholders	
<i>Minister</i>	<i>Department</i>
<ul style="list-style-type: none"> / The Hon Ben Morton MP, Assistant Minister to the Prime Minister and Cabinet 	<ul style="list-style-type: none"> / Department of Foreign Affairs and Trade / Deregulation Taskforce, Department of the Prime Minister and Cabinet

Outcomes of the Government Stakeholder meetings

Overall, implementation of the Government Extension phase of the project was very successful. The purpose of the phase was to meet and engage with the identified stakeholders and progress the strategic policy recommendations. AMIC met with five ministers, two ministerial offices, and four departments across six portfolios.

During each of the meetings, AMIC discussed the range of workforce issues the sector is facing including issues attracting and retaining local workers, access to visa labour (prior to and during the COVID-19 pandemic), the need for a sustainable and long-term workforce, and the impacts of government policies such as *JobKeeper* and *JobSeeker*.

Key points from the meetings included that:

- / The processing sector is not operating at 100% capacity, and has a workforce shortfall of between 4,000 and 6,000 people per day. The gaps in the meat processing workforce include for semi-skilled and skilled positions. Visa workers fill between 5% and 10% of vacancies in the sector. The industry does not want to fill all workforce supply gaps with visa workers but does need the flexibility to use this option in a sustainable way.

- / The industry is trying to attract local labour. AMIC and the industry are focusing on cadetships and apprenticeships, university students, and industry changes through modernisation and uptake of new technology. However, AMIC also noted issues with engaging and retaining workers within the sector, including the work hours, physical capability of workers, pre-employment testing, and injuries.
- / Workforce supply is an issue that pre-dates COVID-19. However, the pandemic has augmented issues in terms of access to visa labour. Whilst there has been an increase in local unemployment due to COVID-19, this has not assisted with labour supply in the sector. AMIC also noted the impacts of *JobSeeker* and *JobKeeper* on the industry.
- / The industry does not need an agricultural visa specifically, as these are often aimed at short-term, seasonal workers. The sector needs a consistent and stable workforce that will support investment and growth in the sector, ideally achieved through a permanent residency pathway and greater flexibility in the MILA. Creating pathways for permanent residency for visa workers would also mean workers could become a part of regional communities in the long term.
- / AMIC noted the issues with the Skilling Australia Fund levy, the funds of which are not benefitting the industry and could be used to support other initiatives.
- / Demand for workers in the sector is being driven by an increased demand for red meat, domestically and in international markets. During COVID-19, demand for red meat increased by 30%. In conjunction with this is the low number of applicants for meat processing jobs.
- / From a trade and export perspective, Australia is the largest red meat exporter in the world and the sector is the largest trade exposed manufacturing industry. The restraints caused by labour shortages are creating a choke point for livestock and demand for meat products, as there is only so much that can be processed.
- / The meat processing sector is in a good position to support the Government's goal for a \$100 billion agriculture sector by 2030, if it can maintain and increase productivity, through a sustained workforce.
- / In relation to the work of the Deregulation Taskforce, there is an opportunity to do a deep dive into regulation across commonwealth, state and local levels of government with regard to the meat industry. AMIC highlighted areas such as auditing, the SAF levy and wait times for visa applications where there is regulatory cross-over and burden.

AMIC were given assurances from a number of Government stakeholders that they would seek to work on the industry's behalf to progress changes to the visa system. It was also evident from the meetings that stakeholders had been in contact with each other and other Members of Parliament and Government departments in relation to the issues and recommendations put forward in the briefing paper.

Subsequent to the meeting with the Hon Alan Tudge MP, A/Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, AMIC have been working with the Department of Home Affairs to progress a number of the strategic policy recommendations presented in the brief. The Department of Home Affairs have provided a submission to Minister Tudge providing policy solutions to the below limitations in the visa system:

- / Salary requirements
- / Skills assessment requirements
- / English proficiency requirements
- / Labour market testing requirements
- / Requirement that a MILA holder must be the direct employer of all overseas workers it sponsors.

At this stage, the Department is progressing changes that can be made without legislative amendments. However, they have indicated that they will continue to work with AMIC to consider the remaining recommendations.

Noting the commitments made by a number of stakeholders to provide support and assistance with regard to the strategic policy recommendations, there is an opportunity to continue the Government Extension activities, specifically with the Immigration portfolio and the Deregulation Taskforce. Progression of policy and/or legislative changes through the Department of Home Affairs and the Deregulation Taskforce may also provide an opportunity for other Ministers to provide support for the initiatives, without progressing changes through their own portfolios.

With regard to AMPC submissions to the Select Committee on Temporary Migration and the National Agricultural Labour Advisory Committee, neither the Select Committee’s report nor the Agricultural Workforce Strategy have been released yet. The Select Committee on Temporary Migration is required to provide a report on or before the last Parliamentary sitting day in August 2021. The Federal Government has received and is currently reviewing the Agricultural Workforce Strategy (the Strategy). The Government has not indicated when the Strategy and its response will be released.

8.0 CONCLUSIONS/ RECOMMENDATIONS

While the implementation of the Phase 2 AMPC visa project is complete, there are six streams of work that can be continued by AMIC and AMPC to progress work on the strategic policy recommendations. Noting the positive engagement with the majority of the Government Stakeholders it will be important to maintain the momentum of the Government Extension phase. AMPC should continue to support AMIC in utilising the processor research and survey information obtained in this project as AMIC maintains an ongoing dialogue with Government stakeholders. This may also include providing updated data and research to refresh the briefing paper as required (and, particularly in a pre and post-COVID and border closure environment).

Table 2: Recommendations for ongoing visa-related workforce activities

1. Continue to work with the Department of Home Affairs on securing positive outcomes against Strategic Policy Recommendation 1 and 2
<p>Noting the success in engaging with the Department of Home Affairs throughout the Government Extension, AMPC should continue to support and encourage AMIC to liaise and advocate on behalf of processors with the Department of Home Affairs to progress the strategic policy recommendations that sit within the remit of the Immigration portfolio.</p> <p><i>AMIC are currently arranging further meetings with the Department for early 2021.</i></p>
2. Pursue policy and legislative changes through the Deregulation Taskforce
<p>AMIC has the opportunity to meet with Assistant Minister Ben Morton again in 2021 and to discuss how the Deregulation Taskforce could assist the Red Meat Industry with regards to regulation within the visa system. This directly relates to a number of the observed cost and time barriers that visa-users experience.</p> <p>This meeting will also present an opportunity to raise other regulation issues within the sector (outside of visa issues).</p>
3. Consider a further response to the Agricultural Workforce Strategy

The Federal Government has received and is currently reviewing the Agricultural Workforce Strategy. AMPC (and AMIC) provided submissions to this Strategy (as per this Project). Once the Government has provided its response there may be an opportunity for AMIC and AMPC (either jointly or separately) to provide a further response to any specific recommendations or commentary provided in the Government's response.

4. Engage with the review of the Skilling Australia Fund National Partnership Agreement

The Department of Education, Skills and Employment noted that they will be reviewing the Skilling Australia Fund National Partnership Agreement in 2021 and that there may be opportunity for AMIC and AMPC to engage with the review to raise the Red Meat Industry's concerns with the SAF to-date (including how they relate to the Strategic Policy Recommendations).

The Department did note that for specific changes with regard to what the SAF levy will fund (i.e. the scope of funded activities as they relate to the red meat industry) is up to industry to engage with each state and territory. However, this is inherently the challenge with the SAF itself, in many ways, that it is not nationally consistent and creates a slow, laborious engagement process.

5. Consider a further response to the Senate Select Committee on Temporary Migration Report

The Senate Select Committee on Temporary Migration is due to provide its final report on or before the last sitting day of the first sitting week in August 2021. Dependent upon the findings and recommendations of the Senate Select Committee's Report, there may be an opportunity for AMPC and AMIC to provide a further response as relevant.

6. AMPC Processor Survey

AMPC has an opportunity to revisit its data capture process in the next 12-18 months as an opportunity to check in and review the industry use of visas, specifically as they relate to cost, benefits and administrative requirements. This would be a particularly interesting process to repeat to monitor and observe changes in employment characteristics following the COVID-19 lockdowns and the continued closure of the Australian borders (noting that some PLS workers are being admitted into Australia).