

West Australian Pork Producers' Association

Submission to

Agriculture Competitiveness White Paper



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**WEST AUSTRALIAN PORK
PRODUCERS' ASSOCIATION**

Executive Summary

Economic development and growth of the pork industry relies on its capacity to recruit and retain a skilled workforce. The pork industry, like all agricultural industries in Western Australia, faces on-going competition for skilled workers and as production systems become more complex, employees need the skills and knowledge to be able to perform higher level tasks and ensure compliance with animal welfare legislation and regulations and retail standards. The sustainability and future of the industry in Australia also depends on having the means to compete in an international market with imported pork products from countries where the industry is supported by substantial subsidies.

WAPPA has prepared this submission to address these challenges to the West Australian pork industry. With respect to the availability of suitably qualified employees, the association wants to highlight the need for the Australian Bureau of Statistics (ABS) to review and re-classify the Australian and New Zealand Standard Classification of Occupations (ANZSCO) Code 361199 Animal Attendant and Trainers to include Stockpersons (with special qualifications) and be renamed as Animal Attendants, Trainers and Stockpersons. These changes to the code will help small and large producers recruit suitably qualified workers to manage their production units.

WAPPA submits that the skills required for a Senior Stockperson, as designed by the industry and approved by DIBP for the purpose of Labour Agreements, exceed those currently used to classify the occupation of Animal Attendants and Trainers and therefore it would be possible to broaden the code to include Stockpersons. Broadening the scope of the code would also be beneficial beyond the pork industry, for example it would also assist with the recruitment of qualified workers in the dairy and other livestock industries.

In response to the industry's other main challenge, WAPPA is seeking the implementation of appropriate government mechanisms so that the Australian pork industry has the ability to be globally competitive. The Australian industry requires support if it is to compete with imported pork products from countries where pig production is the major livestock industry, such as Denmark, Germany and the Netherlands.

WAPPA is not advocating direct financial aid but support in terms of special investment allowances of 40% for all new investments in technology, including environmental technology and automation, combined with accelerated depreciation for upgrading or developing new piggeries and storage facilities. The details for the timing of the application of the investment allowance and level of depreciation will need to be negotiated with the Department of Agriculture, Fisheries and Forestry, the industry and the Australian Taxation Office. For producers to qualify for the allowances and depreciation, it is recommended that their piggeries comply with the Australian Pork Industry Quality Assurance Program (APIQ) and the National Environmental Guidelines, and that effluent ponds are covered to provide the capacity for harvesting biogas for electricity production.

Acceptance of the key recommendations in this submission by DAFF and the Department of Immigration and Border Protection (DIBP) to enable the recruitment of suitably qualified staff and to promote the adoption of advanced technology and innovation through government support will strengthen the Australian pork industry and is consistent with the government's policy of improving competitiveness of the agriculture sector, especially in the Asian region.

Introduction

The purpose of this submission is to highlight the need for the Australian Bureau of Statistics (ABS) to review and re-classify the existing Australian and New Zealand Standard Classification of Occupations (ANZSCO) Code Animal Attendant and Trainers to Animal Attendants, Trainers and Stockpersons (with special qualifications). This amendment will assist large and small producers to recruit suitably qualified employees who have the skills and knowledge to ensure producers comply with the Model Code of Practice for the Welfare of Animals - Pigs (MCOP) and meet their statutory obligation under the WA Animal Welfare Act and Animal Welfare (Pig Industry) Regulations 2010, and standards set by major retailers.

Key Recommendations

Recommendation 1: The West Australian Pork Producers' Association (WAPPA) recommends that the Department of Agriculture, Fisheries and Forestry (DAFF) and the Department of Immigration and Border Protection (DIBP) work with the Australian Bureau of Statistics (ABS) to review and amend the Australian and New Zealand Standard Classification of Occupations (ANZSCO) Code 361199 Animal Attendant and Trainers to recognise the highly skilled and specialised occupation of Stockperson with special qualifications in the pig industry.

Recommendation 2: Following recognition of this qualification for the pig industry by the ABS, the ANZSCO Code 361199 Animal Attendant and Trainers be renamed as Animal Attendants, Trainers and Stockpersons.

It is worth noting that the above recommended amendments to ANZSCO Code 361199 would also allow other livestock industries, such as the dairy and other livestock industries, to recruit suitably qualified stockpeople for their needs.

West Australian Pork Industry

West Australian Pork Producers' Association

This submission has been prepared by the West Australian Pork Producers' Association (WAPPA), which is:

- an incorporated body in accordance with the Associations Incorporations Act (1987) and is governed by its constitution and rules;
- the pre-eminent industry body in WA with a demonstrable capacity to manage and secure funding to provide industry with initiatives and opportunities that will be of benefit to all industry stakeholders and consumers.

The objective of WAPPA is to represent the interests of WA pork producers and work co-operatively with industry stakeholders likely to affect the livelihoods of those producers. Within its available resources, WAPPA will deliver the best possible leadership, policy, advocacy and service to maintain a viable WA pork industry.

Vision

The West Australian pork industry's vision is to promote a vibrant, innovative, sustainable and competitive domestic and export pork industry in WA, while safeguarding the interests of WA pork producers by maintaining services and developing policies through liaison with all levels of Government, Australian Pork Limited (APL) and industry organisations that encourage incentive, opportunity and promotion for the pork industry.

The industry aims to achieve its vision by providing wholesome and affordable pork products from well-designed and managed production systems, incorporating all stages of the supply chain.

It is the industry's responsibility to safeguard and sustain the industry to meet the projected increase in demand locally and for fresh pork food in the Asia Pacific region, particularly Singapore.

To reach its potential capacity the industry will:

1. Adopt industry best practices in production and processing, quality assurance, environmental management and animal welfare.
2. Embrace new ideas and technologies from a broad range of sources, creating an industry environment that supports investment and is globally competitive.

3. Continue to develop supply chain partnerships where the risks and rewards are shared and benefit all parties, while allowing the industry to exploit current and potential markets for pork products.

Contribution to the WA Economy

The WA pork industry, although small by national and international standards, continues to play an important role in West Australia's rural landscape. The industry's farmgate value is estimated at \$128 million with an add-on value of two dollars for every dollar at the farmgate, effectively valuing the industry in excess of \$300 million. The 1,700 full-time and part-time workers employed in the farm-to-plate supply chain highlight the immense importance of the pork industry to the WA economy.

The two major contributors to the WA pig industry are on-farm production, and processing and manufacturing. Other associated industries also benefit from working with these major contributors, including the food service sector, major and local retailers, local butchers, feed producers and manufacturers, freight transporters, and animal health services. This, coupled with the quality of the educational and research facilities available to develop industry leaders, provides the industry with the capacity to grow, pending market opportunities within WA, nationally and internationally.

The future economic development of the industry will only be achieved if the agriculture sector has the capacity to recruit a skilled workforce and, in this instance, the pork industry can achieve growth and sustainability and build capacity to enhance supply chain linkages.

WA Pork Industry Workforce

Current Industry Workforce/Labour Agreements

Developing the right strategies to recruit a skilled workforce has been the Association's focus in recent years.

The Association and key industry stakeholders presented a submission to the Department of Immigration and Border Protection (DIBP) in November 2011 in support of their applications for Labour Agreements to recruit qualified sponsored overseas workers. The submission emphasised the significant difficulties producers encountered recruiting appropriately skilled workers at all levels. In particular, the shortage of workers at higher competency levels, where special skills and an intimate understanding of pig production are required.

The submission highlighted the following issues:

- The pork industry, like all agricultural industries in Western Australia, faces on-going competition from other industries for the employment and retention of skilled workers. The mining and construction industry poses particularly strong competition because it offers higher remuneration creating the 'crowding out' effect.
- The roles of workers in all livestock industries are ever evolving as production systems become more sophisticated with the advancement and adoption of new technology.
- Pork production now requires suitably qualified people to be responsible for managing nutritionally balanced feeding operations, monitoring growth, performing artificial insemination, monitoring animal health and, in particular, animal behaviour. These duties require skills, experience and training and need to be filled by qualified workers.
- The applications estimated they require 80 suitably qualified, job-ready workers over the next three years.
- In addition to these 80 positions, it is estimated an additional 25 suitably qualified, job-ready positions will become available in the ensuing years for producers who have sow herds of between 200 and 400 farrow to finish operations or producers requiring workers with the same qualifications for their growout facilities.

These Labour Agreement applications were successful and have enabled key stakeholders to proceed with recruiting sponsored overseas workers.

The WA labour agreements have also helped with the development of labour agreement for producers in the Eastern States. Producers in the eastern States were encountering similar recruitment problems to WA producers, so WAPPA, APL, eastern State producers and DIBP worked together to develop a labour agreement pro-forma for those States. Eastern State producers have now been successful with their applications for labour agreements based on the WA model. The outcome, after further consultation between APL, WAPPA and DIBP, will be a national labour agreement template.

Skill Set for Sponsored Overseas Workers – ANZSCO Classification Structure

Prior to 15 May 2009 the West Australian pork industry relied heavily on the subclass 457 visa standard program to satisfy the need for suitably qualified skilled workers.

As of 15 May 2009 the range of gazetted occupations was revised to include only occupations in the Australian Standard Classification of Occupations (ASCO) major groups 1 to 4.

The effect of this change was that employers could no longer nominate activities with skill levels corresponding to occupations in the ASCO major groups 5 to 7.

On 1 July 2010, DIBP moved to the Australian and New Zealand Standard Classification of Occupations (ANZSCO) framework for describing eligible occupations. Prior to this, producers in WA could recruit sponsored overseas workers as either Agricultural Technicians or Animal Attendants.

In mid September 2010, DIBP confirmed that some of the sponsored overseas workers recruited as Agricultural Technical Officers before 1 July 2010 were not qualified to work in this role. With DIBP's approval these workers were reclassified as Animal Attendants because they met the DIBP regulations, at the time, for these sponsored workers on a subclass 457 visa. DIBP advised that after these workers had been employed in this role for two years their permanent residency applications would be approved.

This did not happen and the producers had to appeal to the Migration Review Tribunal (MRT) for judgement on these permanent residency applications. All the appeals thus far to the MRT have been successful.

The ANZSCO provides two classifications for workers in the pork industry, aside from employees classified as a Pig Farmer or an Agricultural Technician. The ANZSCO classifications are 841599 Livestock Farm Workers and 361199 Animal Attendants.

In its applications for Labour Agreements with DIBP, WAPPA specified that there is a gap between the ANZSCO classifications, which impacts on the pork industry's ability to relieve labour shortages through skilled migration programs.

ANZSCO classification 841599 covers Livestock Farm Workers not elsewhere classified and occupations in this group include piggery workers. The required skill level is 5 which envisages an Australian Qualifications Framework (AQF) level I or compulsory secondary education. This classification clearly applies to entry level employees.

ANZSCO classification 361199 covers Animal Attendants which requires a skill level 3. This level requires "an AQF certificate IV or an AQF certificate III including at least 2 years of on the job training. At least three years of relevant experience may be substituted for the formal qualifications. In some instances relevant experience and/or on the job training may be required in addition to the formal qualification."

In contrast, the relevant Australian industrial instrument for the pork industry, the Pastoral Award 2010 (Part 5 - Pig Breeding and Raising) provides seven classification levels from entry level at PA1 to a highly skilled level at PA7.

The Pastoral Award 2010 classifications were developed in consultation with industry when the predecessor to the Pastoral Award, the Pig Breeding and Raising (AWU) Award 1999, was created. The classifications were transferred into the Pastoral Award 2010 unchanged.

It is submitted that ANZSCO skill level 5 equates to the skill levels of classifications PA1, PA2 and PA3 in the Pastoral Award 2010. The West Australian Pork Producers' Association anticipated at the time (November 11) of making an application to DIBP for Labour Agreements that these skill levels were inadequate for a productive and progressive industry. At that time, DIBP advised that the Pastoral Award 2010 classifications PA4 to PA7 do not meet the only relevant ANZSCO classification, classification 361199 Animal Attendant. Therefore, there is no ANZSCO classification that accurately describes classifications PA4 to PA7. The Pastoral Award 2010 classifications PA4 to PA7 are the levels where the industry has identified a skill shortage. Employees at these classifications require far more advanced skills than those required to meet the ANZSCO classification 841599 Livestock Farm Workers.

A PA4 classification is considered by the industry to require a Certificate III in Pork Production and a PA6 a Certificate IV in Agriculture.

If unskilled Australian workers were available to be employed, it would take from 2 to 7 years of training to reach the skill level required for the following classification levels:

- Classification PA6/7 4–7 years of training

- Classification PA4/5 3–6 years of training
- Classification PA2/3 2–4 years of training
- Classification PA1 0–2 years of training.

The qualifications and skills described below are those for the ANZSCO Unit Group 3611 Animal Attendants and Trainers, which includes code 361199 Animal Attendants and Trainers not elsewhere classified.

Unit Group 3611 Animal Attendants and Trainers

ANIMAL ATTENDANTS AND TRAINERS train, feed, groom and care for animals.

Indicative skill level:

Most occupations in this unit group have a level of skill commensurate with the qualifications and experience outlined below.

In Australia:

AQF Certificate III including at least two years of on-the-job training, or AQF Certificate IV (ANZSCO Skill Level 3)

In New Zealand:

NZ Register Level 4 qualification (ANZSCO Skill Level 3)

At least three years of relevant experience may substitute for the formal qualifications listed above. In some instances relevant experience and/or on-the-job training may be required in addition to the formal qualification.

Registration or licensing may be required.

Tasks include:

- teaching animals to obey verbal and non-verbal commands and addressing behavioural problems
- training animals to accept riders and pull vehicles
- training animals to perform in competitions
- bathing, cutting, combing, blow-drying and styling pets' coats, clipping their nails and cleaning their ears
- inspecting, preparing, cleaning, disinfecting and maintaining comfortable animal cages and enclosures
- transporting food, filling water troughs and feeding animals according to their individual needs
- maintaining animal health records, treating minor injuries and reporting serious conditions to Veterinarians
- exercising and playing with animals, answering visitor questions, and transferring animals between enclosures by leading or carrying them
- dusting and spraying insecticides on animals and immersing them in insecticide baths, to control insect pests

Occupations:

361111 Dog Trainer or Handler

361112 Horse Trainer

361113 Pet Groomer

361114 Zookeeper

361199 Animal Attendants and Trainers not elsewhere classified

DIBP Current Policy Regarding Senior Stockpersons in Piggeries

The DIBP have made the following statement on the role of Stockpersons in piggeries:

The tasks of an Animal Attendant and Trainer relate specifically to caring for individual animals (such as dogs, horses and animals in a zoo environment) as compared to “**caring for a drove of pigs**”. The qualification relevant to this occupation is a Certificate III in Companion Animal Services. As such, the nomination of Stockpersons and Senior Stockpersons as Animal Attendants is not appropriate.

This statement is incorrect and highlights DIBP’s limited knowledge of pig production and, more importantly, the legislation that governs pig production in this State.

In WA pig producers are required to comply with the following legislation:

- Animal Welfare Act/Animal Welfare (Pig Industry) Regulations 2010 (http://www.agric.wa.gov.au/PC_94958.html1?s+700803442)
- Model Code of Practice for the Welfare of Animals – Pigs (MCOP) (<http://www.publish.csiro.au/nid/20/pid/5698.htm>)

This legislation requires a focus on individual animal rather than herd welfare. This is how it is viewed by the welfare groups and interpreted in the Animal Welfare Act/ Animal Welfare (Pig Industry) Regulations 2010.

DIBP went on to say that the outcome of their negotiations with major pork industry bodies was a consensus that the tasks of a “piggery attendant” (at any level) do not correspond to the tasks of an Animal Attendant and Trainer not elsewhere classified.

WAPPA submits that this is incorrect, as the industry developed an occupation description for a “Senior Stockperson” that fits the criteria for an Animal Attendant and levels PA4/PA5 under the Pastoral Award 2010. This occupation level has been accepted by DIBP for the “Labour Agreements”.

The tasks, qualifications and experience required to be classified as a Senior Stockperson have been identified by the industry and approved by DIBP as:

Senior Stockperson (piggeries) for “Labour Agreements”

Skill and experience: AQF Certificate III (or equivalent), and at least three years recent and relevant experience.

Occupation up-skilled to ANZSCO skill level 4, which in the opinion of the WA pork industry should be up-skilled to Animal Attendants, Trainers and Stockpersons, which is in line with the key recommendations in this submission.

Tasks Include:

- Supervise the site and facilities in terms of the required human resources, physical resources, safety requirements, consumables, documentation and measurement devices;
- Provide overall maintenance and compliance of the Company Quality Assurance program for the site ensuring that all relevant documentation is kept current;
- Supervise data collection and recording so information is accurate to aid stock and inventory control;
- Undertake specific tasks assigned by management to ensure that environmental, quality and safety goals are met;
- Implement preventable maintenance programs to reduce planned and unplanned down time;
- Supervise trial sheds, collect and record data in accordance with trial protocols;
- Selection of breeding stock and/or pigs for sale;
- Supervision and participation of daily inspection of livestock, such that the animals are appropriately fed, watered, environmental parameters are fulfilled. The Senior Stockperson in this case would work hand in hand and supervise a less experienced Stockperson;
- Supervision and participation of daily inspection of livestock, ensuring compromised animals are individually assessed, identified, treated and recorded in accordance with the Company Herd Health Plan and the industry’s Model Code of Practice;

- Euthanise sick or injured stock in a humane manner and in accordance with the Model Code of Practice for Animal Welfare – Pigs 3rd edition;
- Conduct post mortem examinations of deceased stock and report findings;
- Collect boar semen at an artificial insemination laboratory;
- Undertake processing duties within the artificial insemination laboratory;
- Supervision and participation in the mating of animals via individually supervised mating or through artificial insemination;
- Supervision of the birthing process, including the ability to physically conduct unsupervised internal assessments of females during parturition to minimise the incidence of still births;
- Participate in company/industry training sessions and workshops as required;
- Perform any other duty as required by the Unit Manager.

Employees Still Required in the WA Pork Industry

Regardless of the successful “Labour Agreements” a number of small West Australian pork producers continue to have difficulties recruiting appropriately skilled staff to meet the competency requirements of the Model Code of Practice for the Welfare of Animals – Pigs (MCOP), their statutory obligation under the WA Animal Welfare Act and Animal Welfare (Pig Industry) Regulations 2010, and the standards set by major retailers.

The association submits that the occupation of a Senior Stockperson and the skills required exceed those currently used to determine the occupation Animal Attendants and Trainers. Broadening ANZSCO Code 361199 to include Stockpersons, with the qualifications designed by the industry and approved by DIBP for the purpose of “Labour Agreements”, will enable large and small producers to recruit suitably qualified workers to manage their production.

The main reason for broadening ANZSCO Code 361199 to include Stockpersons is that a number of producers have 300 hundred sows or less and operate mixed farming enterprises where they only require the services of one or two employees for their pig production operation. It is estimated that 25 extra staff are required across the WA industry to meet the demand in the next three years.

Although all producers can implement “Labour Agreements” it won’t completely solve their problem because sponsored overseas workers employed under these agreements will not, at this stage, be classified as permanent residents when the agreements expire.

Making Investment in Agriculture/Pig Production Attractive

The ability for rural industries to re-tool to meet the increasing challenges associated with remaining internationally competitive is critical to their future. This is particularly true for the pork industry, which has had to compete with imports from countries with various substantial subsidies.

Therefore, attractive incentives should apply.

WAPPA is a strong supporter of APL’s (the industry’s national parent body) strategies for developing a modern industry, where pig production is the major livestock industry as it is in Denmark, Germany and the Netherlands.

However, WAPPA is concerned that if appropriate government mechanisms are not put in place the industry’s ability to be globally competitive will be diminished. WAPPA is not advocating direct financial aid but support in terms of special investment allowances of 40% for all new investments in technology, including environmental technology and automation, combined with accelerated depreciation for upgrading or developing new piggeries and storage facilities.

The time frame for the application of the investment allowance is to be negotiated between DAFF, the industry and the Australian Taxation Office.

The level of depreciation is to be negotiated by way of a special application, by the industry, to the ATO.

To qualify for the investment allowance and the depreciation, it is suggested the following apply:

- Producers' piggeries must be built or upgraded to comply with both APL's Australian Pork Industry Quality Assurance Program (APIQ) and the National Environmental Guidelines for Piggeries.
- Covering of effluent ponds to provide the capacity to harvest methane and produce electricity from the biogas, improving the industry's environmental footprint.

Conclusion

Economic development of the agricultural sector, and in this instance, the growth, sustainability and capacity for enhancing supply chain linkages in the pork industry, can only be achieved if the sector has the capacity to recruit a skilled workforce.

The pork industry, like all agricultural industries in Western Australia, faces on-going competition from other industries for skilled workers. The mining and construction industry poses particularly strong competition because it offers higher remuneration creating the 'crowding out' effect.

Pork production now requires people who are suitably qualified to manage nutritionally balanced feeding operations, monitor growth, perform artificial insemination, monitor animal health and, in particular, animal behaviour. These roles should be filled by suitably qualified workers who have appropriate skills, experience and training.

The industry has its own training body, known as Pork Industry Training WA. This body has been important in ensuring employees are continually up-skilled to meet the expectations of the industry. The total cost of training courses run by Pork Industry Training, in association with CY O'Connor TAFE, including salaries, course enrolment fees, resources, travel etc., currently sits at approximately \$175,000 per year over the last four years. This level of training is set to continue for the foreseeable future.

Pork Industry Training, working closely with producers across the state, have assessed and presented the Certificate III in Pork Production and Certificate IV in Agriculture – with pig units, to 135 employees since 2009. This training has involved a number of sponsored overseas workers who have formalised their overseas qualifications by successfully completing these courses.

As the industry's training requirements grow, due to the increasing demand for improved herd health and welfare and the adoption of technology, so will the expenditure on formal courses for qualified staff as well as local staff entering the industry.

Therefore, acceptance by DAFF and DIBP of the key recommendations in this submission will enable producers at all levels to recruit suitably qualified staff to ensure their animals are comfortable, healthy and safe.

It is worth noting that producers in WA who have recruited suitably qualified workers under either the Labour Agreements or as Pig Farmers have seen an increase in production of up to 25 per cent. This increase, along with the adoption of advanced technology and innovation in the industry's production systems, is consistent with the government's policy of improving competitiveness of the agriculture sector, especially in the Asian region.

As an example, the production per sow per year in Australia currently averages 19 market weight pigs per sow. Producers in WA who have been able to recruit sponsored overseas workers are now producing, on average, 22 pigs per sow.

Perhaps more importantly has been the increase in employee retention rates. Retention rates have risen to 90-95% from 60-65% five years ago. This has assisted in the improved production performance in the industry, qualifying the need for the recognition of Stockperson under ANZSCO Code 361199 Animal Attendant.

The simple yet justifiable amendment to ANZSCO Code 361199 to enable the ease of recruitment of suitably qualified workers will enable producers to build on their already improved production efficiency.