

Submission

Inquiry into the Migration Amendment (Visa Capping) Bill 2010

Luturn Pty Ltd
t/a
Primo Port Wakefield Abattoir

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1. Executive Summary

Luturn Pty Ltd t/a Primo, Port Wakefield Abattoir is pleased to contribute to the Parliamentary Inquiry into the Migration Amendment (Visa Capping) Bill 2010.

Key Points:

Visa Classifications

- ⇒ An absence of clear definition with respect to the “visa classifications” to be affected by the proposed changes to the Migration Act is a concern

Visa Capping

- ⇒ Primo’s view is that a visa capping process has the potential to create an unfairness across the industry.
- ⇒ There are a concentration of meat processors in some regions of Australia where there is also a vulnerability to live animal availability and live export, which in turn exposes those processors to interruptions in production leading to stand downs and job losses. Not all processors across the country are exposed to these risks, Primo, Port Wakefield Abattoir is one of those establishments where stock input is consistent and not vulnerable to live export
- ⇒ Primo has a fear that the demise of vulnerable processors who experience such a demise will influence the Minister to cap the 457 visa intake for skilled migrant meat workers when indeed abattoir located in other regions still have a skills gap that they are unable to fill by recruiting locally forcing the engagement of skilled migrant workers.

“Particular Characteristics”

- ⇒ An absence of clear definition with respect to the “visa classifications” to be affected by the proposed changes to the Migration Act is a concern

Australian Skills Demand / Need

- ⇒ Primo’s experience is that there is a definite skills gap in the industry. Time to train to fill the gap/s is lengthy and in that respect not sufficient to mainage the required skills profile

2. About Primo, Port Wakefield Abattoir

Primo, Port Wakefield Abattoir is a single species meat processing facility situated 100km north of Adelaide, providing employment for 380 individuals, being the largest employer in the local community. The abattoir processes approximately 12,500 pigs each week and has capacity to process a further 2,500/week. The abattoir is better placed than many other abattoir where it’s existence is not threatened by live export, in fact the business has plans to increase production and realise it’s optimum potential to process 15,000 animals/week.

The abattoir is an integral part of the Primo group of companies, a family owned business currently employing in excess of 4,000 people in a variety of meat processing activities. Primo is the largest smallgoods manufacturer in Australia and has enjoyed phenomenal growth over the last 30 years, providing stable employment opportunities to Australian citizens and permanent residents in a changing employment market.

The site has recently undergone an upgrade following a devastating fire back in February 2007. Primo has invested \$37 million into refurbishment of the site including livestock receival, slaughter floor, offal recovery rooms and chillers. Primo have also snatched the opportunity to engineer out many of the labour intensive tasks by introducing robotic technology as part of the upgrade

For the life of the Port Wakefield site, the availability of skilled labour has not been reliable, in fact we rarely receive job applications from individuals who are skilled meat workers, despite continually advertising. The site relies on internal training to fill the skills need, the longevity of which is such that we never “catch up” to skills required. The recent industry downturn seen in the Eastern States has not created any skilled labour benefits to the site. An intensive newspaper advertising campaign failed to attract skilled meat workers and very little interest was expressed.

Site Skills Profile:

| | Required | Aust Residents & PR | 457's | 2ndary Visas | Labour Hire incl 417 Visas | GAP |
|------------------|----------|---------------------|-------|--------------|----------------------------|-----|
| Skilled | 150 | 124 | 10 | 1 | 0 | 15 |
| Unskilled | 150 | 75 | 0 | 8 | 58 | 9 |
| Trades | 38 | 38 | 0 | 0 | 0 | 0 |
| Others | 42 | 41 | 0 | 1 | 0 | 0 |
| TOTAL | 380 | 278 | 10 | 10 | 58 | 24 |

Geographically the abattoir is located 100km north of Adelaide and is demographically inhibited by the travel distance and associated escalating fuel costs as well as the age demographics of the local area where the population is moving more towards a retirement community rather than a community of available labour, More recently we are advised that 9 mines have been approved in the local area, again diminishing the future labour market supply.

Primo therefore continues to struggle to fill skilled jobs and envisage future workforce planning will require us to tap into skilled migrant sponsorship to fulfil our ever increasing skills demand. The realism is that business growth is reliant on skilled labour. In the absence of local skilled labour, our planned business growth is unachievable.

3. Primo's Skilled Migration Experience

Currently the site sponsors 10 skilled migrants who are now applying for Permanent Residency under the Regional Sponsored Migration Scheme. The business has benefited enormously from the opportunity to host these skilled individuals who have made a major contribution to output enabling Primo to deliver a high quality product to local and overseas customers. The 10 skilled migrants have settled locally with their families, some of which have in turn filled other vacancies the site has been unable to fill through local recruitment. These 10 family units have brought new life to the local community and stability to the site's workforce.

4. Submission Commentary

4.1 Visa Classifications

The particular visa classifications that will be exposed to this proposed amendment have not been nominated

4.2 Visa Capping

Primo accepts and agrees that a number of occupations have been over represented in the skilled migration scheme and that the Minister has a responsibility to ensure a proper and workable balance so that the wider Australian community benefits and is not disadvantaged.

Primo has a concern that by capping the 457 Visa entrants year on year for example may be potentially detrimental to our skills need and future planning in particular. The reality for us is that our skills needs will be thrown in with the Australian meat industry mix and any long term workforce planning we undertake to include skilled migrants will be unreliable and inhibiting. Primo base this concern on the recent failed experience of attracting jobless skilled meat workers from the Eastern States.

4.3 “Particular Characteristics”

Primo is concerned that there is no clear definition of what “Particular Characteristics” mean.

4.4 Australian Skills Demand / Need

The new Skills Occupation List does not list any skilled occupation specific to the meat industry. It is Primo’s view that if this list is intended as an indicator of “Australian Skills Need” it fails to support the reality of the skills demanded by the meat industry right now

Our experience suggests that such an anomaly serves to generate a fear that DIAC is out of touch with the current Australian skills demand for the meat industry and has not provided current information to the Minister enabling him to make an informed decision prior to reducing the Skills Occupation List. If it be the case that DIAC is “out of touch”, then any advice given to the Minister regarding matters to do with servicing Australian business skills needs has the potential to result in an uninformed Minister making decisions to the detriment of Australian business.

Primo, as do other meat processors, has an intensive skills training program in place. The length of time it takes to upskill individuals to the optimum level averages 2 to 3 years, which is not sufficient to manage the required skills profile for our site in particular.