

**INQUIRY INTO VOCATIONAL EDUCATION AND
TRAINING IN NEW SOUTH WALES**

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MINTRAC

NATIONAL MEAT INDUSTRY TRAINING ADVISORY COUNCIL LIMITED

Submission to the Inquiry into vocational education and training in New South Wales

This submission has been prepared by the National Meat Industry Training Advisory Council (MINTRAC). MINTRAC is an industry-funded body which provides products and services to the Australian Meat Industry in the areas of education and training. Part of its role is to provide advice to State and Federal Governments in relation to the training needs and requirements of the Australian meat processing industry. The scope of MINTRAC services covers the sectors of abattoirs, wholesale meat processing (food services), meat retailing, smallgoods production and wild game harvesting.

MINTRAC is responding to this inquiry because there is a strong feeling in the industry that it has been significantly short-changed under Smart and Skilled. In NSW meat processing companies are often major regional employers with a significant economic marker, and their viability is a significant factor in regional productivity, employment and growth. There is also increasing concern that public funding of training is being directed away from the workplace and into a more traditional TAFE environment at the expense of meeting the critical needs of industry.

Meat Processing in NSW

Meat processing is one of the largest manufacturing industries in NSW and is the largest agricultural producer and exporter.

The meat processing industry in New South Wales consists of over twenty processing plants scattered throughout the state and records around 800 new Traineeship enrolments each year. The state also supports a healthy meat retailing sector with 350-400 new butchery apprentices commencing annually. There are a large number of food services business located throughout the state and one of Australia's largest producers of smallgoods, Primo Smallgoods, is located in Sydney.

Publicly-funded Australian Apprenticeship enrolments in New South Wales are about 1,400 annually.

The industry employs over 30,000 people and a significant proportion of these are located in rural and regional areas where the meat industry is a major employer and contributes a major component of the regional economy.

Training is a critical component for every meat processing sector job and underpins food safety in the industry. It is a requirement of both Australian regulators and overseas country regulators that all employees in the industry are trained to an industry level in all tasks and aspects of their job. This has been the basis of Australia's ongoing access to all the world's

markets. The Australian training system is well understood by both regulators and customers of the meat processing industry, and auditors systematically seek evidence of current, accredited training.

About 65% of the available jobs in meat processing are at the Certificate II level. As well as being the entry level of employment, the availability of the Certificate II is critical to the training effort of the industry.

The Australian meat industry employers have a strong commitment to vocational education and training and have supported the continuing operation of MINTRAC since 1993. The industry has an enduring sense of ownership of the *Australian Meat Industry Training Package* and commits considerable funds annually towards its ongoing continual improvement and the development of training resources and professional development programs to support the meat industry Registered Training Organisations.

Registered Training Organisations providing services to the various sectors of the NSW meat processing industry include:

RTO	Abattoirs sector	Meat Retailing sector	Smallgoods sector	Wild Game harvesting	Food services sector	Meat Inspection training	Higher level qualifications
Public provider	4	7	1	1	3	2	0
Enterprise RTO or Enterprise subsidiary RTO	5	0	0	0	0	0	0
Other private provider	3	3	2	1	1	3	1
Total	12	10	3	2	4	5	1

Comments in relation to the Terms of Reference

1. The factors influencing student choice about entering the vocational education and training system including:

- I. motivation to study
- II. choice of course, course location and method of study
- III. barriers to participation, including students in the non-government education and home schooling sectors.

New workers commencing work in the meat processing industry as either labourers or in skilled positions will usually be enrolled into an Australian Apprenticeship, if available. Otherwise companies will self-fund accredited training, or provide non-accredited training to those who are not eligible for publicly funded positions.

For food safety, regulatory and WHS reasons, training is essential for all workers. It also contributes significantly to productivity and provides career pathways within the industry. Thus the motivation to support and encourage participation in training for the employers is high. For the students, often entry into training is with some trepidation as many workers entering the meat industry have not experienced success in the school system. However, the fact that training in the meat industry is on-the-job, extremely practical and job-relevant, often means that students will achieve good levels of success and thus foster an interest in and trust of the VET system.

At the labouring and skilled worker levels the choice of course is closely linked to the type of work being undertaken, and because the training is funded by the employer, the choice of program is in line with employment requirements.

At Certificate IV and higher levels, there is more room for flexibility of choice, at least for the composition of a qualification if not the choice of qualification.

The main barriers to participation are government policies restricting access to publicly funded training, and increasingly the high cost of training particularly for second and higher level qualifications.

2. The role played by public and private vocational education providers and industry in:

- I. educational linkages with secondary and higher education**
- II. the development of skills in the New South Wales economy**
- III. the development of opportunities for unemployed people, particularly migrants and persons in the mature workers' category, to improve themselves and increase their life, education and employment prospects,**
- IV. the delivery of services and programs particularly to regional, rural and remote communities**

In recent years, in most states of Australia we have witnessed a swing toward preferencing and strengthening the TAFE sector. It should be noted that the Australian Meat Industry is well serviced by a mixture of TAFE, Private and Enterprise RTOs, all of whom generally provide high quality services through well-established relationships with meat processing businesses. We submit that in the desire to build a strong TAFE sector, that Private and Enterprise RTOs should not be unfairly disadvantaged. We believe the current combination of MINTRAC and professional RTOs (both private and public) working very closely with their industry is a model of best practice training that works extremely well.

The type of training offered in the Australian meat industry contributes significantly to the development of skills in the NSW economy by virtue of the size and value of the industry to that economy. It is doubly important because many new entrants to the industry are from the ranks of the unemployed, migrants and mature workers, and the industry offers career pathways and ongoing training support. Even if trainees move on to employment in other industries, they leave the meat industry with a solid foundation in training and employability skills.

Because the meat processing sector is predominantly located in regional, rural and remote areas of NSW, many companies have worked hard to develop productive and effective relationships with their preferred RTOs, or in some cases developed their own Enterprise RTOs.

In 2015, under Smart and Skilled, numbers of RTOs servicing the abattoirs sector with publicly funded places were effectively reduced from 12 to 4. The first round of Smart and Skilled significantly damaged previous very successful employer/RTO arrangements, as many employers were forced to change their RTOs, develop new partnerships, or make the decision to continue training using only their own resources (a decision which inevitably led to a rationalisation of the amount of training offered to employees).

3. Factors affecting the cost of delivery of affordable and accessible vocational education and training, including the influence of the co-contribution funding model on student behaviour and completion rates

Most employment positions in the meat industry are relatively low-paid labouring or skilled worker positions, and employees would not be able to meet the costs of training themselves. Therefore, employers not only fund the training requirements of their businesses, but they also pay award wages to trainees. The co-contribution is therefore usually met by employers in the meat industry and is subject to rationalisation, economic downturns, stock shortages and market changes along with other business decisions. Thus business efficacy will affect student participation and completion rates.

By its very nature the labouring sector of the industry is transitory and in past years the industry has demonstrated poor completion rates. However in recent years, Traineeship and Apprenticeship completion rates have improved to around 60%, well above all-industry averages. Whether publicly funded or not, all training involves significant financial input from the employer, and NSW companies have worked hard to support their trainees to completion and into further training.

4. The effects of a competitive training market on student access to education, training, skills and pathways to employment, including opportunities and pathways to further education and employment for the most vulnerable in our community including those suffering a disability or severe disadvantage

We do not wish to make comment here.

5. The level of industry participation in the vocational education and training sector, including the provision of sustainable employment opportunities for graduates, including Competency Based Training and the application of training packages to workforce requirements

The meat processing industry in NSW (and the whole of Australia) has long demonstrated a high level of commitment to the vocational education and training sector as evidenced by:

- its commitment to accredited training for every level of work from labourer to senior management
- its preparedness to support financially the ongoing development and maintenance of the *Australian Meat Industry Training Package* through MINTRAC
- its commitment to support the professionalism and professional development of its RTOs through the provision of industry-approved training materials, professional development programs, industry networks and ready access to advice and support through MINTRAC.

In recent years business decisions taken by the two major supermarkets, Woolworths and Coles have seen a significant reduction in the offering of butchery apprenticeships by these two organisations. This has contributed to a steady decline in the number of new butchery apprenticeships in NSW and is strongly impacting on the ongoing viability of the RTOs (mostly TAFE) servicing this sector.

It should also be noted that the provision of industry-specific Diploma and Advanced Diploma courses for the meat industry is not viable in NSW and as a result MINTRAC has taken steps to facilitate national programs to overcome the thin markets experienced in most States. Even at this level, it is usually the companies themselves which will meet the training costs of students, as they are supporting existing employers to further careers within the meat industry.

6. The Smart and Skilled reforms, including:

- I. alternatives to the Smart and Skilled contestable training market and other funding policies**
- II. the effects of the Smart and Skilled roll out on school based apprenticeships**

In the first half of 2015, MINTRAC sought comment from both employers and RTOs on the impact and effect of Smart and Skilled.

From the outset it was evident that despite all the consultation leading up to the introduction of Smart and Skilled, little notice had been taken of the meat industry requirements and preferences.

The most significant issue arising was the reduction in the number of RTOs funded to provide training to the meat processing sector, and in particular the marginalisation of Enterprise RTOs. Overnight, RTOs which had an unblemished service record for many years were no longer able to service their own company requirements using publicly funded training. Explanations provided were contradictory, did not stand up to scrutiny or were deliberately evasive.

Fee increases have been a matter of major concern for employers, who usually meet the costs of all student fees. Below are examples of comments received from employers in relation to this.

- *"It has been our experience since Smart and Skilled was introduced in January this year that it has been a complete and utter failure. The bureaucracy is a nightmare, our TAFE fees have quadrupled and so has my time to complete all the paperwork. Not happy at all."*
- *"Most people have had some training in the Meat Industry therefore your fees are higher (if it's a Smart and Skilled spot). If you cannot get a smart and skilled spot you have to go fee for service these prices are extremely high, putting small business like ourselves out of the picture."*
- *"TAFE NSW will no longer be offering Meat Safety Certificate IV and III as of January 2016. My understanding they had the most smart and skilled places so what happens with these?"*

Cross border issues were also significant, in particular between NSW and Victoria, where previous and long standing cross-border RTO service arrangements could no longer be used, forcing the employers into costly multi-layered partnership arrangements.

Inadequate allocation of funds for new industry developments was also an issue. For example, no allocation was made for Certificate II level training and the newly reopened Deniliquin plant. Nor was any opportunity provided for new and emerging industry requirements to be communicated to the Department.

Approval times for new Trainees have also caused issues for the industry, which usually requires a new starter to sign up and commence training at once. Alongside this many RTOs complained of draconian administrative arrangements which required multiple signatures from trainees and employers – very difficult to service in a workplace-based training environment where the RTO does not have ready access to the student on a daily basis.

7. Any other related matter.

Nil

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