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Australian Government
Department of Education, Employment and Workplace Relations

Australian Labour Market

- **The Australian labour market was reasonably soft over the year to February 2012.**
 - Over the last 12 months employment increased by a modest 22 300 (or 0.2 per cent) to stand at 11 444 000
 - The unemployment rate has increased by 0.2 percentage points over the past 12 months to 5.2 per cent in February 2012 (and remains below the rate in most other advanced economies)
 - The participation rate decreased from 65.7 per cent in February 2011 to 65.2 per cent in February 2012



Source: ABS, Labour Force, Australia, February 2012

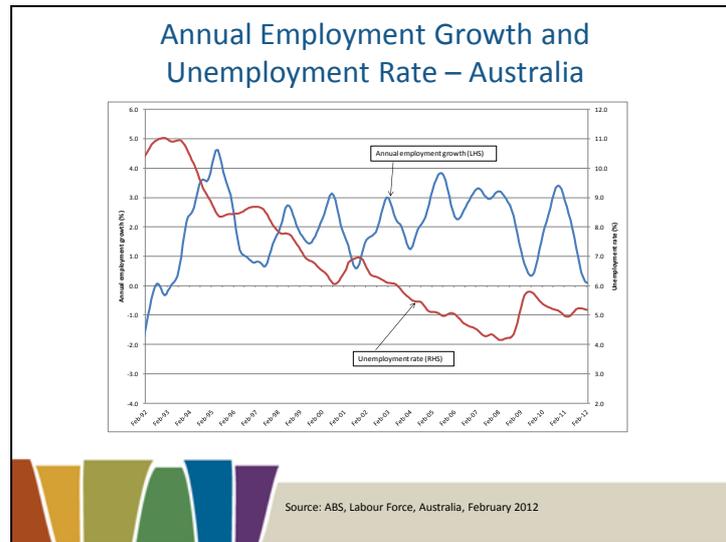
Australian Labour Market

Source: ABS, Labour Force, Australia, February 2012, cat. no. 6202.0

Effect of the Global Recession

- Unemployment rate in Australia increased from 4.3 per cent in September 2008 to 5.9 per cent in June 2009;
- Over the same period employment increased by a modest 3700.

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Annual Employment Growth and Unemployment Rate - Australia

Source: ABS, Labour Force, Australia, February 2012, cat. no. 6202.0. Trend Data.

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Pre-GFC and now...

	Sep-08	Feb-12	Worst
Unemployment rate	4.3%	5.2%	5.9%
Annual employment growth	2.4%	0.2%	0.0%
Participation rate	65.5%	65.2%	65.2%
LTU ('000)	78.1	115.4	132.7
LTU Incidence	15.8%	18.3%	20.9%
Internet Vacancy Index	123.5	84.5	71.6
Regional Disparity	6.6% pts	9.7% pts	9.9% pts
Youth unemployment rate	8.8%	11.7%	12.4%

Source: ABS, Labour Force, Australia, February 2012; DEEWR Internet Vacancy Index, February 2012.

The table above illustrates a number of key labour market indicators at both the onset of the GFC and now. As can be seen in the table, a number of key indicators have not recovered to their pre-GFC levels.

Australian Meat Industry

- **For this presentation, we have defined the Australian Meat Industry as consisting of the following industry sectors:**
 - Meat Processing
 - Bacon, Ham and Smallgoods Manufacturing
 - Meat Wholesaling
- **This is the definition used for previous DEEWR research**
 - Note that it excludes the meat-related sector within Retail
- **The majority of people employed in the Australian Meat Industry were employed in the Meat Processing sector**



Source: ABS 2006 Census of Population and Housing

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Meat Industry Profile

Sector and Industry	Number employed (2006)	% of Australian Meat Industry employment (2006)	% Employment growth (2001-2006)	Employment growth (2001-2006)
Meat Processing	24 600	61%	38%	6800
Bacon, Ham and Smallgoods Manufacturing	6200	15%	26%	1300
Meat Wholesaling	9100	23%	-40%	-6100
Australian Meat Industry^[1]	40 200	100%	5%	1900
All industries	9 104 200	na	10%	805 400

• As at February 2012, there were 53 200 people employed in Meat and Meat Product Manufacturing

[1] Includes Meat and Meat Product Manufacturing undefined.
Source: ABS 2001 Census and 2006 Census of Population and Housing; ABS Labour Force Survey, February 2012, DEEWR trend

The three industry sectors in the table are 4-digit ANZSIC categories. Note that the Fresh Meat, Fish and Poultry sector of Retail employed an additional 23,000 workers at the time of the 2006 Census.

Data for these fine categories are only available from the Census.

However, DEEWR has more recent data for slightly less detailed categories (3-digit ANZSIC), which gives an indication of employment trends in the industry.

As at February 2012, there were 53 200 people employed in the 3-digit ANZSIC category of Meat and Meat Product Manufacturing (of whom 72% were employed in Meat Processing, or Bacon, Ham and Smallgoods Manufacturing at the time of the 2006 Census). Employment growth has been modest over the past five years, growing by 1800 (or 3.4%, compared with 9.5% for all industries).

Occupations in the Meat Industry

- As at February 2012, across all industries:
 - Butchers and Smallgoods Makers employed 23 300 people and has grown by 1500 (or 6.7%) over the past five years.
 - Meat, Poultry and Seafood Process Workers 17 400, (up by 4100 or 30.6%)
 - Meat Boners and Slicers, and Slaughterers 13 200, (down by 1400 or 9.9%)



Source: ABS Labour Force Survey February 2012; DEEWR Trend.

Note that Butchers and Smallgoods Makers (83.2% in 2010) work in Retail, whereas most Meat, Poultry and Seafood Process Workers (78%) and Meat Boners and Slicers, and Slaughterers (93%) work in Manufacturing

Ageing Workforce

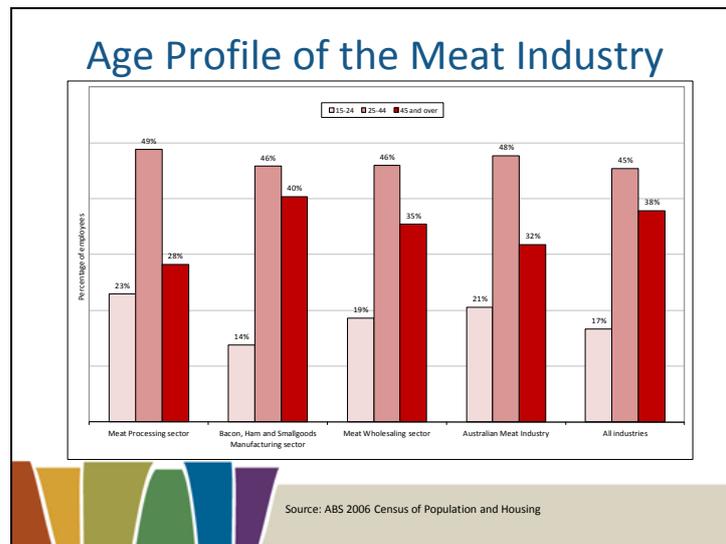
The Australian workforce is getting older:

- In the past ten years, the mature age share of total employment has increased from 33 per cent to 38 per cent
 - This means that around 2 out of every 5 workers are now aged 45 years and over
- Around half of the workforce in Agriculture, Forestry and Fishing; Education; and Health and Community Services are aged 45 years and over
- The median age of the workforce is now 39 years



Source: ABS Labour Force Survey, August 2011

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The age profile of the meat industry is slightly younger than average, with 32 per cent of workers aged 45 years and over, compared with 38 per cent for all industries.

However, in line with the ageing of the workforce as a whole, the age profile of the meat industry workforce is becoming older. Between the 2001 and 2006 Censuses, the number of workers in the industry aged 45 years and over increased by 19 per cent (compared with 21 per cent for all industries).

This ageing is particularly pronounced in the Meat Processing sector, where the number of workers aged 45 years and over increased by 52 per cent between 2001 and 2006 (from 4600 to 7000). This is perhaps surprising, given the physical nature of the work in this sector.

There was also an increase in the Bacon, Ham and Smallgoods Manufacturing sector of 36 per cent (from 1900 to 2500).

In the Meat Wholesaling sector, there was a decline of 24 per cent (from 4200 to 3200).

Women in the Workforce

Over the last 20 years, the number of women in the labour force has increased by 54%.

- The participation rate for females has increased to 59%
- Females now account for 46% of total employment

The Meat Industry has traditionally been regarded as a male-dominated industry

- At the time of the 2006 Census, women accounted for 25% of total employment in the Australian Meat Industry



Source: ABS 2001 and 2006 Census of Population and Housing /
ABS Labour Force, Australia, February 2012

Women accounted for 23% of employment in Meat Processing and Meat Wholesaling, but 36% in Bacon, Ham and Smallgoods Manufacturing (2006 Census).

Part-time Workers

Over the last 20 years, the number of people in part-time employment has doubled

- Part-time employment now accounts for 30% of total employment across all industries
- At the time of the 2006 Census, part-time workers accounted for 20% of total employment in the Australian Meat Industry



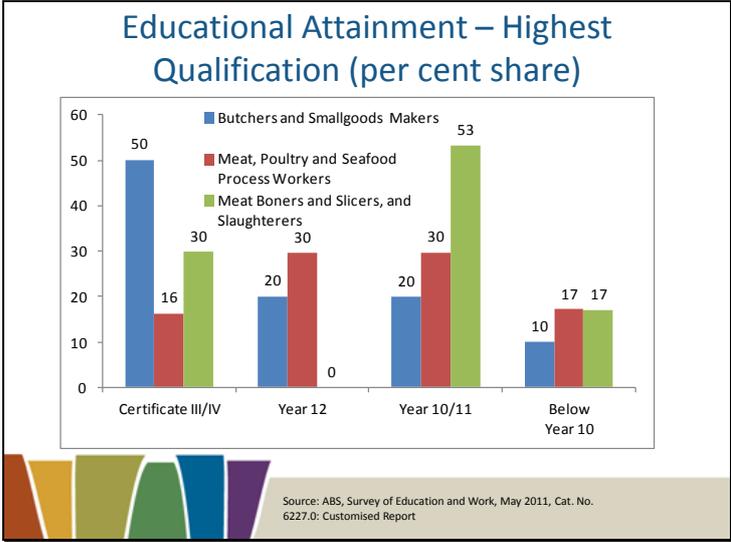
Source: ABS 2006 Census of Population and Housing /
ABS Labour Force, Australia, February 2012

People born in non-English speaking countries

- 41% of Smallgoods Makers were born in a non-English speaking country (compared with 14% for all occupations nationally)
- Meat boners and slicers: 14%
- Butchers: 13%
- Slaughterpersons: 11%

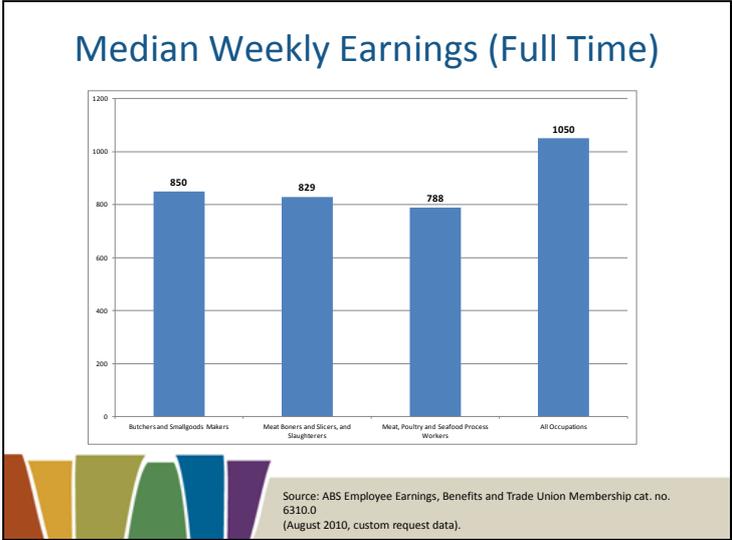


Source: ABS 2006 Census of Population and Housing

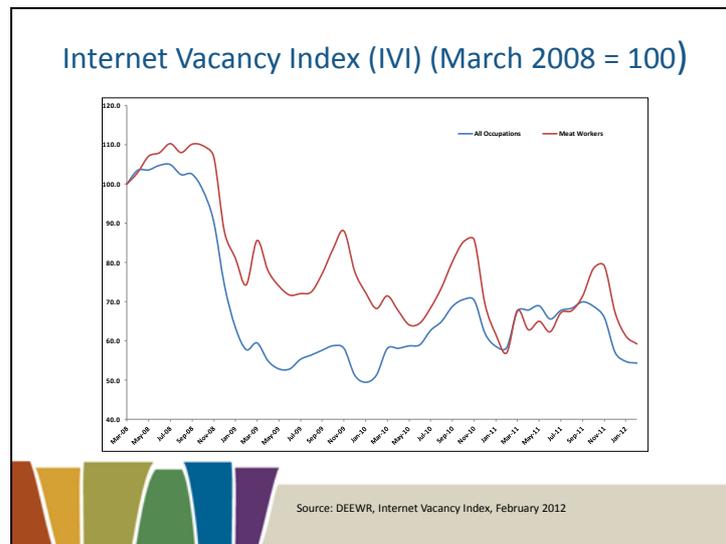


Source: ABS, Survey of Education and Work, May 2011, Cat. No. 6227.0: Customised Report

7% of Meat, Poultry and Seafood Process Workers had a Certificate not further defined, which explains why the percentages in the chart do not sum to 100%



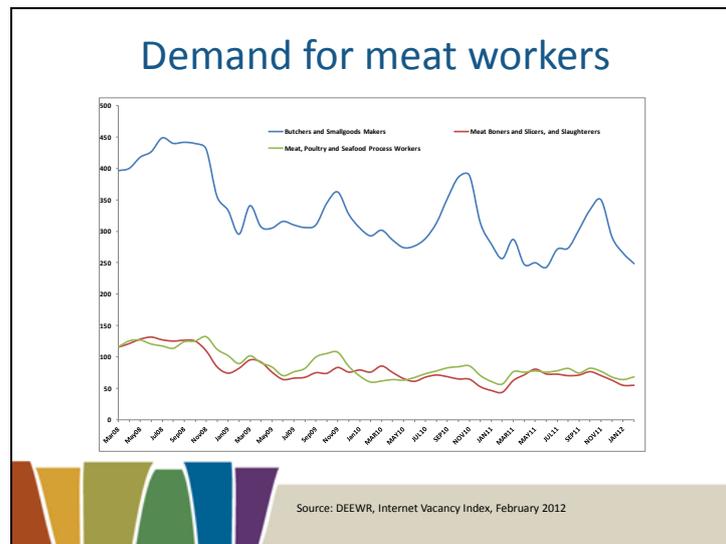
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Source: DEEWR, Internet Vacancy Index, February 2012

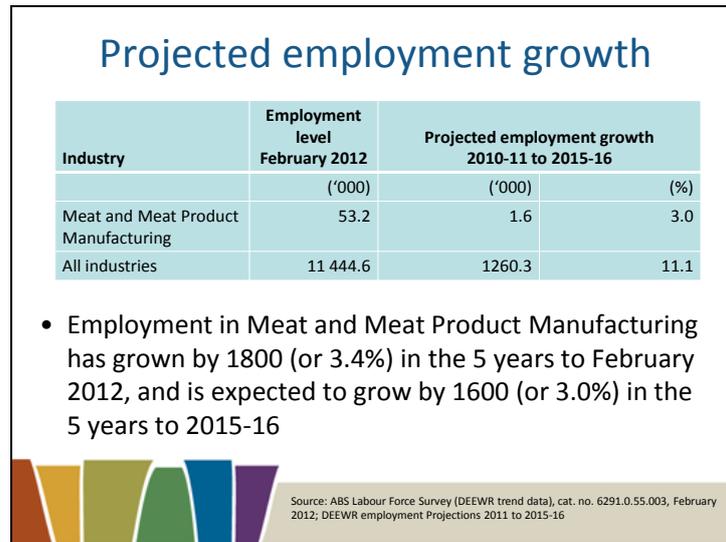
Vacancies for meat workers (Butchers and Smallgoods Makers; Meat, Poultry and Seafood Process Workers; and Meat Boners and Slicers, and Slaughterers) have declined by 40.7 per cent since the peak in March 2008 (compared with 45.7 per cent for all occupations), however recently there has been growth in some occupations.

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Source: DEEWR, Internet Vacancy Index, February 2012

- Over the year to February 2012, job vacancies for Meat Boners, Slicers and Slaughterers increased 25.0 per cent.
- Vacancies for Meat, Poultry and Seafood Process Workers increased 19.9 per cent.
- Vacancies for Butchers and Smallgoods Makers decreased over the year by 3.1 per cent.



Employment in Meat and Meat Product Manufacturing is expected to grow modestly, by 1600 (or 3%) in the 5 years to 2015-16.

This is well below the all industries average of 11% growth, but is similar to the rate of growth experienced by the industry over the past 5 years (employment growth of 1800 or 3.4% in the 5 years to February 2012, compared with the all industries average growth of 9.5%).

Note that these projections, which are for the five years to 2015-16, were prepared in early 2011 (anchored to Treasury's 2010 Mid Year Economic and Fiscal Outlook) and do not take into account changes in labour market conditions or government policy initiatives since that time. The projections will be updated in March/April 2012 to take account of new information on the outlook).

Skill shortage research - Butchers and Smallgoods Makers

- There are widespread shortages of Butchers and Smallgoods Makers.
 - Shortages have been persistent for much of the past decade.
- 38% of surveyed vacancies were filled.
- 0.6 applicants per vacancy considered suitable.
- One in five employers did not receive any applicants.
- Several employers compromised by hiring an apprentice due to a lack of qualified applicants.
- Most employers stated that they found it difficult to recruit qualified and experienced butchers.



Source: DEEWR, Survey of Employers who Recently Advertised (SERA), July 2011

The occupation of Butcher and Smallgoods makers was last assessed in July 2011.

Source: DEEWR, Survey of Employers who Recently Advertised (SERA), July 2011

Skill shortage research - Butchers and Smallgoods Makers

- Many trade qualified applicants were considered unsuitable:
 - lacked the level of skill required
 - inexperienced
 - poor communication skills
 - could not agree on the terms and conditions of work.
- Employers preferred butchers who completed their apprenticeship in an independent butchery, rather than in a large supermarket:
 - better customer service skills
 - able to perform a broader range of essential tasks.

Source: DEEWR, Survey of Employers who Recently Advertised (SERA), July 2011

Employers tend to prefer not to take on apprentices from supermarkets, such as Coles and Woolworths as they felt they lacked the broad range of skills necessary. In particular, this included customer service skills and the ability to butcher a full carcass (often supermarkets are delivered an already partially butchered carcass from the abattoir). In addition, employers feel that apprentices don't learn as many specialist cuts and techniques as they would in a specialist butchery.

Skill shortage research - Butchers and Smallgoods Makers

- Staff turnover is high
 - 80% of surveyed vacancies due to staff turnover.
- Butchers commonly changed employers within the industry for higher remuneration or left the industry altogether.
- Some employers remarked that they had difficulty retaining apprentices. Primary reasons included:
 - low remuneration
 - irregular work hours.



Source: DEEWR, Survey of Employers who Recently Advertised (SERVA), July 2011

Surveyed employers stated that they would employ a butcher, however, the employee would keep looking for another higher paying butcher position, these people often only stayed a matter of weeks/months before moving on to an employer who would offer more money. In each case the employee did not change occupations.

Workforce Strategies

- Understand your workforce and respond to risks:
 - Take an age audit, monitor staff turnover, develop an action plan to manage the risks of an ageing workforce and staff turnover
- Benefits of flexible working practices
- Include more opportunity to gain work experience in Meat industry training
- Target alternative sources of labour:
 - Women, parents, people with disabilities, mature age workers, students, people from a non-English speaking background, Indigenous people
- Introduce and customise retention strategies
- Work with employment service providers and in Priority Employment Areas, your local employment coordinator



Benefits of flexible working practices

- Flexible working arrangements can be used as a strategy to attract students, parents and other potential job seekers;
- Flexibility for migrant workers who may require: leave for religious or cultural events, prayer areas in the workplace;
- Flexibility for employees with care responsibilities (child care, care for people with disability): shift work around care requirements, flexible working hours.

Training to include more opportunity to gain work experience

- Allow students to determine their own suitability for the occupation prior to undertaking work within the industry;
- This should reduce the level of staff turnover and assist in the retention of new employees;
- Standardise amount of work experience prior to employment.

Target alternative sources of labour during recruitment, such as women (of all ages), parents, people with disabilities, mature age workers, students, people from a non-English speaking background, Indigenous people

- Emphasise working conditions and arrangements that would better suit these groups.
- Attract local Indigenous people to fill their vacancies in rural and remote areas. Work with employment service providers or other local organisations to recruit and train Indigenous people to work in the sector.

Working with employment service providers

- Employment service providers can help educate and train potential applicants. In particular train applicants who lack written and verbal communication skills;
- Can overcome some barriers to employing some groups of job seekers, e.g. migrants and people from a non-English speaking background.
- Through the **Workplace English, Language and Literacy program (WELL)**, the government will work with industries to help existing employees improve core skills.

Improving Workplace Flexibility

- Innovative responses some Australian employers are suggesting include:
 - Phased retirement
 - Increased education and training
 - Increased access to flexible working hours
 - Job sharing
 - Part-time work
 - Apprenticeships / traineeships
 - Growing their own skills base
 - Modifying workplace / operations



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Further Information

- For more information:
 - www.deewr.gov.au/lmip
 - www.joboutlook.gov.au
 - www.skillsinfo.gov.au
 - www.deewr.gov.au/skillshortages
 - www.deewr.gov.au/regionalreports





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