

Meat Industry Ireland opening statement at the Joint Committee on Enterprise, Trade and Employment, to discuss the General Scheme of the Employment Permits (Consolidation and Amendment) Bill on Tuesday 13th April 2021.

Introduction

Meat Industry Ireland welcomes this opportunity to contribute to the discussion at the committee on the General Scheme of the Employment Permits (Consolidation and Amendment) Bill.

MII is a trade association within Ibec representing the primary meat processing sector. Our membership includes a significant proportion of the total primary processors, though not all, and we do not represent secondary meat processing. Our members processing facilities are located throughout rural Ireland and the sector employs some 16,000 people directly and many thousands more in linked employment. A typical primary processing plant will generate approx. €100m in local economic activity and directly employ approximately 300 people.

Industry Labour profile

Employment in the meat sector is based on full-time direct employment and is composed of a mixture of Irish and EU employees who represent some 80% of the total workforce. Irish staff continue to represent the single largest nationality. The majority, mainly European nationals, have worked in Ireland in the years since 2005, after EU enlargement, when a significant number of workers came from central and eastern Europe. The economic downturn halted the pace of EU migration and although the economy recovered, a much smaller number of people came to Ireland and so the meat sector reached the point in 2015 where it lacked sufficient resources to service important export markets.

Through the Employment Permit Scheme, the industry recruited Skilled Knifemen internationally to fill the resulting vacancies. Although every effort had been made to recruit here at home, the reality we faced was that in a recovering economy where the domestic labour market was tight, there was little or no supply capacity available to meet the growing needs of the sector. In 2018, domestic labour sources had dried up to the extent that vacancies for general operatives were unfillable within the EU/EEA economies and the wider agri-food industry (meat, dairy, and horticulture) secured a permit scheme for general

operatives to fill vacancies. Over the period 2015 to December 2019, specific quotas of permits (3,160 cumulative) were made available for meat processing.

While employment levels have grown rapidly in recent years pre-Covid, labour force participation has not kept pace with current labour demand and Ireland's prime age participation rate had never been higher, reaching 83.5% in 2018. This suggests that longer-term, additional sources of labour are needed above what labour market activation can provide. In this context, the meat sector forecast is that international sources of labour will continue to be in demand under the two existing permit schemes available to the sector. The shortages that we face are unlikely to abate as we increasingly find that the sector is competing to attract the attention of a reduced pool of resident workers.

Without the permit option to meet the labour need required in the meat sector, we would put in jeopardy hard-won export business, which is now more than ever facing global competitive challenges, as we work through the pandemic, the more challenging trading environment arising from Brexit, and the need for market diversification to support the wider agricultural and rural economy which are so reliant on the agri-food business chain.

New Legislation

We welcome the intention behind the proposed changes to permits legislation which the Department has stated are concerned with increasing its agility and effectiveness, while retaining the key policy focus of supporting the economy and the labour market through evidence-based decision making. Indeed, it was because of evidence based decision making that the Department agreed to permits schemes for skilled knifemen and general operatives, both of which have a strong future importance in filling labour and skills gaps in the sector.

The scheme highlights areas where reforms can lead to wider efficiencies, benefitting both the business sector and the permit holder. The proposal to move the operational practices from primary to secondary legislation will better support the responsiveness to changing economic conditions. We welcome the changes proposed to the Labour Market Needs Test introducing modern communications and advertising platforms which will bring a sharper focus on Irish and European job seekers as the first priority, in addition to the tried and tested traditional models. And we welcome the intention to deepen the involvement of the

Department of Social Protection in the LMNT process, to maximise opportunities for resident and EEA job seekers. We have worked extensively with DEASP in the past.

Ongoing significant efforts are being made by processors to recruit for these positions including continuous engagement with local Social Welfare offices, advertisements in Irish and Eures websites, and in local and national publications. We are committed to upskilling and retention, a feature of businesses that has hugely contributed to advancement and retention policies. Our members continue to engage in Skillnet programmes as part and parcel of further developing the in-company needs of the meat sector.

The new processes being introduced to the Trusted Partner and renewal applications will help alleviate the overall administrative burden of those interacting with the permit system. We believe that there are additional IT developments that would improve the permit regime. A further area of potential improvement would be to address inflexibilities in the permit system that limit and delay the promotion of permit holders.

One of the challenges to the provision of low skilled workers that arose during the Review of Economic Migration Policy, suggested that greater access to such workers through permit arrangements may stifle innovation and automation of certain roles. This is not the case. Where available, the use of modern technology has been adopted, however, primary processing is and will remain a labour-intensive operation. The industry globally and here in Ireland is exploring automation options, and while a future transition to automation cannot be ruled out, it is not on the immediate horizon and would be slow in emerging and expensive to deliver particularly for the smaller scale of plants in Ireland.

Conclusion

Overall, the draft Bill is designed to ensure that Ireland has the capability and agility necessary to adapt to rapid changes in the needs of the labour market as it evolves in the future. As an industry that has an established demand for human resources beyond those we can reach in our domestic economy, we therefore need to have the ability to employ permit holders sourced internationally, to maintain our productive capacity, to service international markets and to support the wider agri-food and rural economy, where our industry's raw materials are sourced.

While our overall preference remains to recruit within the Irish and EEA labour pools, this labour source is not currently available in sufficient numbers and our sector will have a continuing need to fill vacancies from abroad. Otherwise, we face the risk to businesses and limit their ability to develop new market opportunities for Irish meat.

The draft Bill is therefore welcome, the changes being made are good additions to the needs of a modern economy where agility and responsiveness are critical to maintaining our international competitiveness. A supportive legal framework which continues to safeguard the labour market and supports the employment rights of permit holders will be good for the economy and those who work in it.

I would like to thank members of the Joint Committee for the opportunity to present MII's views on the draft Bill.