

Food, Beverage and Pharmaceutical



Employs more than
285,000 people³⁸

Contributes \$31.80
billion to Gross Domestic
Product³⁹

Revenue of \$157.89 billion⁴⁰

There are 27,000
businesses⁴¹

Society is reliant on the skills in the food, beverage and pharmaceutical manufacturing industries to produce products needed by humans and animals alike, whether that be in the form of packaged foods, processed ingredients, bottled beverages, or life-saving and enhancing medicines. This skilled workforce is highly responsive to consumer trends, taking advantage of opportunities for innovation in processing methods and products to satisfy customers' desires. It is through diligence and skills in traceability, automation and contaminant control that the public have access to food, beverage and pharmaceutical products that are high quality and safe.

The national skills standards and qualifications for Australia's food, beverage and pharmaceutical industry are overseen by the Food, Beverage and Pharmaceutical Industry Reference Committee (IRC) and the Pharmaceutical Manufacturing IRC.

38 IBISWorld Industry Wizard (2022)

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Industry Skills Report

This year, Skills Impact has prepared a Food, Beverage and Pharmaceutical Industry Skills Report, at the request of the Industry Reference Committees (IRCs), to provide in-depth information about industry-specific issues impacting skills and training.

The food, beverage and pharmaceutical industries are going through significant transformations, as they adapt to consumer demands and adopt new technologies, while managing challenges from multiple sources, including global market instability, and the COVID-19 pandemic. There are major growth opportunities, with the Federal Government identifying food, beverage and pharmaceutical as strategic industries for Australia, through priority manufacturing strategic plans. The food, beverage and pharmaceutical industries continue to be shaped by longer-term trends that have emerged over the past decade, which impact on work practices, product development and the skills needed by industry employers. Specific concerns that are shaping the Australian food and beverage processing value chain include:

- nutrition and health
- circular economy
- climate change
- food security
- retail competition and concentration.⁴²

There is demand from the public for food and beverage products to meet specific medical dietary requirements or health goals. This provides industry with opportunities to develop innovative products, upgrade operational systems and adopt technological solutions.

For example, the confectionery industry faces demands to reduce sugar but maintain sweetness, and is responding by seeking opportunities to enhance the nutritional value of products while not compromising on texture and taste.

Shifting consumer demand is creating opportunities for value chain operators involved in sustainable production and processing healthy foods. According to Lux Research (and many others in the industry) consumption habits are trending towards fresh foods and plant-based proteins, as well as allergen friendly or allergen free products. The soft drink industry, for example, has experienced a 27% decline in the demand for sugar-sweetened beverages over the past few decades and bottled water and non-sweetened drinks have increased by 85%⁴³. Non-alcoholic spirits and beer are in greater demand than ever before as are low-calorie, low sugar and low carbohydrate beers and other drinks.

The potential growth of the sector relies upon businesses' ability to process locally and export more high-value goods to overseas markets. The *Food and Beverage National Manufacturing Priority Road Map*⁴⁴ states that there are opportunities for food and beverage processors, including small to medium enterprises, to collaborate and invest in research translating innovations into commercial applications and developing new products for existing and emerging markets. While these activities may be out of reach of a single business, through collaboration they may collectively achieve the critical mass to pursue opportunities and share the benefits. This includes collaboration with the agriculture sector.

Recent updates to the *FBP Food Beverage and Pharmaceutical Training Package* have provided improved skilling opportunities and have assisted to identify and meet skills demands throughout the challenges of the last two years. This will continue to be important into the future.

42 Australian Food and Grocery Council (2021); *Sustaining Australia: Food and Grocery Manufacturing 2030 A Refreshing Recovery: A Post-Coronavirus Recovery Blueprint for the Australian Drinks Industry*

43 Australian Government (2021); *Food and Beverage National Manufacturing Priority road map*; p.6

44 Australian Government (2021); *Food and Beverage National Manufacturing Priority road map*; p.ii

The IRC has identified key priorities in skills and training for the consideration of industry, including:

- leading an agribusiness, food and fibre industries skills analysis, workforce planning and development project to identify and address occupational skills gaps related to traceability, provenance and blockchain
- review of qualifications related to baking, and consideration of the need to develop nationally consistent assessment and training materials linked to the relevant occupations, and promotion of career attraction and opportunities for the baking industry
- review of wine operations training products to better meet industry needs.

A review of the *FBP Training Package* has identified relevant products relating to food waste. Developments in this area should be monitored for future consideration.

With the articulation of shared objectives and greater collaboration, the Australian Government envisions that:

'By 2030 we will double the value of Australia's food and beverage manufacturing through a focus on smart food and beverage manufacturing; innovative foods and beverages; and food safety, origin and traceability systems.'⁴⁴



Projects

Project work between 2021-22

Outlined over the following pages is a summary of projects Skills Impact managed between July 2021 and June 2022.

The Food, Beverage and Pharmaceutical IRC and the Pharmaceutical Manufacturing IRC oversaw the project development, as part of their responsibility to support engagement with their industry and to ensure the projects meet stakeholder needs.

The skills standards and qualifications were updated as part of the following projects and were endorsed by AISC and the State and Territory Ministers in 2022. They are published on the national training register (training.gov.au) and available for delivery by registered training organisations (RTOs).

Visit skillsimpact.com.au/completed-projects for further details.

Australian Native and Bush Food Project

The Australian native and bush foods industry is increasing in size, with local and international consumers interested in the unique nutrition and cultural value of these products. Most business in the sector (87%) are expecting to expand in the next five years and new businesses are opening all the time. Only a small number of the 6,400 recognised varieties of Australian native foods have received safety certification for commercial production so far, so there is plenty of room for expansion.

Consultation took place throughout this project to describe the unique skills required to work with Australian native and bush foods across the supply chain, from sourcing and harvesting to preparing products and setting up a business. As a result, national skills standards are now available that describe the unique skills required to set up and participate in Australian native and bush food businesses. Aboriginal

and Torres Strait Islander people have an ongoing and crucial role in this sector and were consulted in the development of these skill sets and units. The developed skill sets and unit also include skills for working respectfully alongside Aboriginal and Torres Strait Islander people and organisations according to appropriate cultural protocols.

Key Outcomes

- Three skill sets were developed to capture the skills required to:
 - prepare Australian bush and native food products for sale
 - prepare to set up a food production business in the sector
 - and to source and harvest bush and native food.
- A unit of competency was developed to capture the skills required to participate in wild harvesting of plants and/or seed for food processing. The new unit is included in the Certificate II in Food Processing as an elective.



Sugar Milling Project

Sugar milling is one of Australia's largest rural industries, employing 23,000 people and contributing \$4 billion to the Australian economy each year, according to the Australian Sugar Milling Council. The sugar milling industry regularly undertakes training of their staff in-house, negating the need for registered training organisations (RTOs) to be utilised for delivery or assessment.

Consultation took place at the commencement of this project to consider how the current skills standards for sugar milling could be reconfigured to reflect industry requirements and be more accessible for training providers to deliver. As the project progressed, feedback from industry indicated that delivery of formal training using the national qualifications, skill set and units was not likely in the future. Industry determined that the review should not continue.

The Food, Beverage and Pharmaceutical IRC responsible for this project informed the Department of Education Skills and Employment (DESE) about the feedback received and the DESE confirmed the early cessation of the project and deletion (archiving) of the qualifications, skill set and units.

The qualifications, skill set and units were archived from the national training register on 20 April 2022. They will remain available in their current form for reference but will not be subject to future reviews or updates or be available for the delivery of training by RTOs. There are four units that have not been deleted as they sit within both current food and beverage processing (FBP) and meat processing (AMP) qualifications and need to be retained.

Completed Projects (started in the previous year)

The following projects were endorsed by the Australian Industry and Skills Committee (AISC). The revised qualifications, skill sets and units, that were developed as part of these projects, are published on training.gov.au and available for delivery by registered training organisations (RTOs).

Visit www.skillsimpact.com.au/completed-projects for further details.

Flour Milling Project

Consultation took place to review and update the skills standards for flour milling to reflect the technical expertise required to work in the sector, and to support flexible career pathways. As a result, a milling specialisation was developed within the Certificate III in Food Processing, to support the highly technical and sought-after skills involved in flour milling.

Food and Beverage Processing Project

Some of the most used food and beverage qualifications were reviewed as part of this project to address an increasingly automated work environment, advances in traceability, shifts in consumer trends and changing regulations. The updated and developed qualifications, skill sets and units incorporate skills to utilise new and emerging food processing technology and systems, address issues around allergens and traceability, work using good manufacturing practice and uphold the Food Standards Code. They have been redesigned so that they are flexible enough to be used across the food and beverage industry for a range of purposes.

High Volume Production Baking Project

This project involved a review of the Certificate III in Plant Baking to determine how to best capture the skills standards for this sector. The qualification was revised and renamed the Certificate III in High Volume Baking and incorporates units covering skills and knowledge across all four sub sectors (pastry, cakes, biscuits and bread) to allow flexibility and movement within the industry.

Pharmaceutical Good Manufacturing Practice

Consultation took place throughout this project to update national skills standards for pharmaceutical GMP, so that they better reflect industry needs, reflect actual job tasks undertaken by graduates and present fewer barriers in deliverability. This will allow current and future learners to gain the skills they require to produce safe and effective pharmaceuticals for the Australian public.



