

8 November 2011

Committee Secretary  
Senate Education, Employment and Workplace Relations Committees  
PO BOX 6100  
Parliament House  
Canberra  
ACT 2600

Dear Sir/Madam,

I am writing as Chief Executive Officer of the Australian Wool Exchange Limited (AWEX), a not-for-profit wool industry organisation that provides a range of services to the wool industry and rural community in Australia.

Relevant to this Committee, of the various services and functions AWEX provides to agriculture, a key service is AWEX's provision of industry standards and information services but specifically the provision of wool preparation standards, training resources and registration services to Australian woolclassers. AWEX has in excess of 20,350 registered woolclassers. The Australian woolclasser is recognised globally as a highly sought after and skilled professional. Woolclassers, together with the Australian wool grower, have established Australia's enviable reputation on the world stage, as the leading country for the production and preparation of quality wool.

Through the registration of woolclassers AWEX is able to monitor trends in education and the changing demographic of the woolclasser. This is particularly important when considering Australia's potential to access skilled staff in the Australian wool industry in the future. It is also of interest in determining what attracts "new" entrants to agriculture and also determining why some have left. Of concern to AWEX and the broader agricultural community is the rate of decline in trained and registered woolclassers over recent years.

The Australian wool industry is blessed to have a strong heritage in wool. The commitment to excellence and the investments made in genetics, husbandry and farming practices by Government and industry have ensured that the Australian wool grower remains highly productive. Over the past 50 years, investments by Government and industry in training and education have accelerated Australia to its global position as the preferred country of purchase for not just wool but also other agricultural products.

### **Woolclassing**

The Australian woolclasser is a trained and skilled individual. The importance placed on this qualification is evident in the manner in which wool is traded domestically and internationally. Wool prepared by a registered woolclasser receives the highest certification level. A wool clip prepared by a registered woolclasser is bought in the confidence that woolclasser is accountable for the preparation and has been trained to prepare wool that meets the Australian standard of preparation as determined by AWEX in consultation with industry.

Australian Wool Exchange Limited

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This forms the basis of the Australian quality system for the preparation of wool. Where a trained person has prepared wool of like types together for trade a buyer should have greater confidence of the objective testing results and the processing performance of that wool than by purchasing wool that has been prepared by an untrained individual. The discounts which can apply in this circumstance can be substantial.

AWEX develops woolclassing and preparation standards in consultation with industry and in addition develops the training resources to be delivered by Registered Training Organisations when training woolclassers.

The Australian wool industry is a self-regulated industry and therefore wool can be traded that is not prepared by woolclassers. Wool traded in this manner is recognised by receiving a level of certification that is considered significantly lower as there is no accountability and therefore higher risk associated with these lots.

In 2001-02, AWEX conducted a mandatory program whereby every woolclasser had to complete a 2-day training program in order to be considered for registration. This program certainly drafted out those who were serious about Woolclassing but it was decision by the industry to ensure that all woolclassers had undertaken some form of training and understood the responsibilities of being a woolclasser.

Today, AWEX has four categories of woolclasser:

- OC - Owner Classer: Certificate III; one who can only class on their own property,
- AW - Australian Woolclasser: Certificate IV; a professional woolclasser who can class on any property,
- MC - Masterclasser: Certificate IV and completion of a Masterclasser course; a professional woolclasser recognised for their higher skill level,
- CA - Classer Associate: Certificate III or IV; cannot practice Woolclassing.

The Masterclasser category is new and has established itself as a skills development course that has a strong level of demand. On-going training is valued by the individual and also by the Australian wool industry in terms of lifting the performance and status of the industry.

## **Trends**

AWEX has been registering woolclassers since 1995, before this woolclassers were registered by the Australian Wool Corporation or its previous incarnations. Woolclasser registration occurs every three-years with the next registration period due in October 2012. The decline in woolclasser numbers is in the order of 10% per registration period. This is not in direct relation to the decline in wool production but the growing concern is whether this trend will continue and due to the seasonality and inconsistency of the work, whether the wool industry will be able to attract new entrants to the profession.

In recent years there is an increase in the number of women undertaking training and also an increase in the number of mature people becoming registered woolclassers. Like most agricultural pursuits the woolclasser community is an aging population.

Many who train as woolclassers have had experience as either a shearer or woolhandler or have a farming/wool growing interest. Even with these people one might expect that this would be a rich and fertile ground for establishing a career path but this is not the case. A serious issue for agriculture is not just how to we attract new entrants but how do we retain them.



Competition from the mining sector has diminished available resources for regional on-farm labour yet agriculture must compete against mining and other industries for new entrants. If we expect people to come to agriculture then we must plan a future and a future career path for them. AWEX's concern is that as competition for human resources increases the future demands for skilled labour in the wool industry will not be met.

Specifically, in the wool industry today issues such as:

- Working conditions - physical (often deteriorating), hours are long,
- Travel (remote staff often travel away from home for up to a week at a time),
- Career paths – our young need career paths to provide incentive,
- Wages – whilst it is not always about money, when you combine the working conditions, the hours of work, remote locations and wage it often pales into insignificance against other employment opportunities,
- Training facilities/delivery – often travelling for hours to train part time.

are taking their toll in agriculture's ability to attract and retain new entrants.

The wool industry has to take a bigger picture approach to this issue and be part of the agricultural industry. The issue is not just about woolclassers or just about shearers and woolhandlers but more importantly it is about how we can make career paths for people in agriculture.

A more flexible approach to training, education and employment is required if agriculture is to prosper. Serious consideration of employment conditions must be addressed particularly if agriculture is to attract higher educated people. Investment in agriculture, education and skills is a must for the future of the industry. An integrated approach is required to gain maximum "bang for buck" in investment – agriculture doesn't have this but needs to establish a framework for future employment opportunities.

In summary, AWEX's early estimates indicate that the current woolclasser population of 20,350+ may decline a further 10%+ at the next registration period. Critical mass is at the core of every industry in remaining productive and efficient. Over the next 10 years the Australian wool industry may lack the very skills which gave it the reputation as the world's best. If this happens then the value of the clip will decline as competing countries vie for the mantle.

Education is not the answer but the platform to an integrated program which agriculture needs to adopt.

I appreciate the opportunity of being able to submit this letter to the Senate Committee and would be please to expand or provide further information if required.

Sincerely yours,

**Mark Grave**  
**Chief Executive Officer**