



**Submission to the  
Senate Education, Employment and Workplace  
Relations Committee**

In relation to its Inquiry into  
**Higher education and skills training to support  
future demand in agriculture and agribusiness  
in Australia**

8 November 2011

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National Farmers'  
FEDERATION

Member Organisations



CANEGROWERS



CORPORATE  
AGRICULTURAL  
GROUP



COTTON  
AUSTRALIA



driedfruits  
australia



Goat Industry Council  
of Australia Inc.



GrainCorp



Real benefits. Real results.



RICEGROWERS' ASSOCIATION  
OF AUSTRALIA INC



RIDLEY



The Pastoralists'  
Association of  
West Darling



Victorian Farmers  
Federation



THE WESTERN AUSTRALIAN FARMERS FEDERATION

WOOLPRODUCERS  
AUSTRALIA

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## 1. **TERMS OF REFERENCE**

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The Australian Government has asked the Senate Standing Committee on Education, Employment and Workplace Relations to conduct an Inquiry into meeting the education and skills requirements for the agricultural sector in Australia.

The terms of reference relate to the provision and content of higher education and skills training for agriculture, the adequacy of current educational arrangements in meeting Australia's agricultural labour market needs, and the impact of any supply and demand discrepancies on business, research, and the economy more broadly.

Specifically, the Committee will consider during the course of this Inquiry:-

- The adequacy of funding and priority given by governments at the federal, state and territory level to agriculture and agribusiness, higher education and vocational education and training;
- The reasons and impacts of the decline in agricultural and related educational facilities;
- Solutions to address the widening gap between skilled agricultural labour supply and demand;
- The impacts of any shortage on agricultural research;
- The economic impacts of labour shortages on Australia's export oriented agricultural industries;
- The incorporation of animal welfare principles in agriculture education; and
- Other related matters.

The National Farmers Federation (NFF) is pleased to offer the following submission to the Senate Education, Employment and Workplace Relations Committee.

**November 2011**

## 2. EXECUTIVE SUMMARY

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The Agriculture industry has often spoken of the need to attract more people to the industry and to increase the level of skills. Industry recognises that employment in agriculture must be made more attractive to potential employees by developing career paths and by providing needed training. The advantages of working in the industry need to be promoted. This submission has sought to demonstrate that there are no easy solutions to this problem. Industry and Governments need to work collaboratively to develop workable solutions.

The National Farmers' Federation (NFF) makes the following recommendations to the Senate Education, Employment and Workplace Relations Committee in relation to its Inquiry into the adequacy of current education and training support to meet the needs of agriculture in Australia.

### **Recommendation 1**

A number of central principles should be considered as part of any deliberations on the future direction of the agriculture education system in Australia and any proposals for reform of the sector. The principles are: a demand driven system; a competitive and diverse market; universal access; student choice; simplified articulation pathways; and ensuring a balance between vocational education and higher education.

**The NFF principles be considered and underpin any forward planning for educational facilities and Government initiatives to address the widening gap between skilled labour supply and demand in agriculture and agribusiness.**

## **Recommendation 2**

There is an imperative to insure that future generations have the understanding of the resource needs for the productive systems that support life. Through developing new technologies, utilising environmentally sustainable food and fibre production practices and improving efficiencies and competitiveness, modern food and fibre production is essential to Australia's economic, environmental and social well-being. As Australians we abrogate our responsibility to future generations if we do not provide them with mechanisms to understand and excite them so that they value the role of food and fibre production.

**Industry requests that Government develop and implement an integrated long term plan to address the agriculture labour and skills needs, to assist with the implementation of the National Food Plan and reframing of the agriculture and agribusiness industries as employers of choice.**

## **Recommendation 3**

Agriculture is the mainstay of the Australian economy. The agricultural industry is encountering increasing complexity in regulation, natural resource management, industry development and environmental policy and planning. The Industry calls upon Government to work in partnership to promote agriculture and agribusiness as a successful, export oriented, sustainable and responsible industry, with a diversity of challenging and rewarding careers.

**NFF calls upon Government to co-ordinate and where needed expand, rationalise or restructure public funding to deliver increased research capacity and enhance educational uptake to meet the needs of agriculture and agribusiness in Australia.**

The greatest threats to farms are not drought, flood, pestilence, disease or shortages of educated personnel – those are all manageable with a bit of forward think... its losing focus that Government and stakeholders have to work collaboratively to develop solutions. NFF call upon Government to engage with industry on these recommendations as a matter of urgency and as a means of delivering transparency in agribusiness higher education and vocational education and training.



### 3. INDUSTRY POSITION

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The agriculture industry is faced by great opportunities to help feed a fast growing world population. It is also faced by a number of economic and environmental challenges. One of the most significant challenges is the skills deficit in the industry, including at the university graduate level. The National Farmers' Federation (NFF) concurs with the following statements:-

“Across the country, the agrifood industry is facing a critical lack of people. Attracting and retaining workers in the agrifood industry, especially in regional areas, is a priority for the industry.”<sup>1</sup>

“The increasing difficulty many in agriculture are experiencing in securing educated personnel to participate in the sector is a reflection of short-term labour supply constraints are a consequence of a decade of strong economic growth, but also seems to be a consequence of some long-term factors. These include declining rural populations, a reduction in numbers of new entrants to the sector due to the increasing capital costs associated with owning a farm business, and the expansion of highly paid employment opportunities in the services and mining sectors.”<sup>2</sup>

“The breadth of the workforce ageing crisis and the extent of the up skilling by existing workers goes beyond the resources and scope of any single government, sector or group of vocational education training (VET) institutions. It requires a new mind set and unprecedented collaboration between all parties – industry, governments and a re-conceived training system”<sup>3</sup>

It is vital that the next generation of practical researchers, farmers, and those that provide services to agriculture are adequately trained. Unless this is effectively achieved, other policies to support agriculture are unlikely to be effective. A collaborative solution is required where ***Industry is required to:-***

- Acknowledge the need for radical changes to its traditional business models. At the workplace level, individual enterprises and the peak body needs to re-examine entrenched cultures and improve employment and business management practices to create high performing workplaces with identified career paths;
- The industry needs to have a focus on continual skilling of its workforce. This will include short skills development courses, on-site training, and on-line delivery. Those with technical skills might wish to upgrade their skills by enrolling in tertiary level courses, including through nontraditional pathways. Those with tertiary qualifications may wish to improve their technical and practical skills through vocational education and training programs;

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<sup>1</sup> Department of Education, Science and Training, *Industry Skills Report: Agri-Food Industries*, June 2006.

<sup>2</sup> AEC group 2010, *Towards a better understanding of current and future human resource needs of Australian agriculture*, Research Report, Australian Farm Institute, Surry Hills, NSW, Australia.

<sup>3</sup> Agrifood Skills Australia Ltd, 2010 *Environmental scan of the agrifood industry. A perfect storm of shortage are we ready?* Agrifood Skills Australia Ltd, Canberra, ACT, Australia.

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- Drive more effective employee involvement and commitment to achieving higher levels of performance;
- Attract and retain workers at skilled and semi skilled levels;
- Build skilled and robust labour pools in regional Australia;
- Assist in overcoming outdated stereotypical images of agriculture by promoting an industry image that highlights contemporary and emerging job roles and their associated employment pathways;
- Attract significant numbers of new entrants from the school, VET and university sector as well as new entrants from other industries; and
- Fill the demand for technician and para professional roles which can, in turn, drive greater adoption of innovative practice, new knowledge and technology.

***While Governments will need to:-***

- Provide flexible enabling policy that will empower communities, through devolved decision making and investment at key points of intervention, to build robust skilled workforces;
- Continuing investment in research and development and the availability of well qualified graduates to carry out the research;
- Provide better local services and infrastructure to improve the attractiveness of living in and doing business in regional Australia;
- Work collaboratively with key stakeholders to increase the delivery of qualifications and skill sets to meet industry requirements.

***And the System will be required to:-***

- Recognise that schools, the vocational educational training system and universities are a vital part of the solution;
- There also needs to be recognition of informal training and learning of skills on the job through the mechanism of Recognise Current Competencies (RCC) and Recognise Prior Learning (RPL) to contribute towards accreditation.
- An essential precondition to upgrade the skills of the agriculture industry is to enable pathways for students who have achieved a level of competence to progress seamlessly to higher levels of learning as skill development is hampered when barriers exist between institutions.
- Recognise and accommodate the agrifood industry's incremental building block approach to the acquisition of skill sets namely through short sharp injections of new skills and knowledge as required and also as a pathway to obtaining full qualifications;
- Redirect state government funding to enable public and private registered training organisations (RTOs) to provide training and by so doing ensuring a more equitable level of training access as that available to people in urban Australia; and
- Generating a more positive perception of agriculture, in particular, creating a sense that the sector has on tackling some of the long-term global challenges such as, food security and environmental degradation - seems to be an important part of securing personnel needs of the sector into the future by reframing the issue we all face.

There is potential for the education system to be re-orientated back into the ownership of industry. By industry taking ownership of education, it is hoped that education can become central once again to rural and regional advancement. However, there are a number of significant barriers to this being achieved. The culture and history of education to be institutionally structured and not reflective of the extended time frames accommodating seasonality, production calendars and distance remain a significant factor. Practical skills which are required in agriculture cannot just be taught in a classroom environment. This requires training providers to have access to agriculture workplace training facilities (i.e. Tractor training on a farm in real workplace situations). Simulated training has a small role but cannot replace real workplace training. Meeting the current stringent over regulated animal ethics conditions is pushing providers to use simulation rather than real animals; however *quality training with real animals enhances the student's skills in correctly handling livestock, which has a real benefit in addressing future animal welfare issues.*

By allowing industry the funding and support to meet its own education and skill needs rather than rely on bureaucratic structures and state and federal funding formulas, we can overcome these significant barriers and make further investments towards the skills needs of Australia farms.

**The NFF advocates this can be achieved by:-**

#### **A New Mandate For The Agri Sector**

NFF accepts the need for improvement of the education system. However, future changes should not undermine the overall advances made over the past decade to build a strong national educational framework. The reform process should be informed by industry with the objective of creating a demand driven education system that links skills attainment with industry need. Excellent foundations have been laid by successive governments and some industry sectors on skills development, through education and training, the Australian Apprenticeships system and literacy and numeracy programs in schools and the workplace.

NFF supports a number of central principles that should be considered as part of any deliberations on the future direction of the education system in Australia and any proposals for reform of the sector. The principles are: a demand driven system; a competitive and diverse market; universal access; student choice; simplified articulation pathways; and ensuring a balance between VET and higher education. In 2012, the Australian 'Year of the Farmer' it's timely that this mandate be implemented to continually improve agriculture education.

#### **Improving The Educational Experience**

NFF believes there is a strong case for funding skill sets under certain conditions. If an existing employee has a qualification and there is a genuine industry need, additional skill sets should be funded.

NFF is concerned about recent movements away from funding for lower level qualifications. Lower level qualifications such as Certificates I and II are essential in providing young people and disadvantaged individuals with a pathway into meaningful work and are often the first step forward to higher qualifications. These lower level

qualifications provide valuable foundation skills. NFF believes enhancing the education experience for all employees from VET to higher education will contribute to lifelong learning. This we believe can be achieved by making arrangements for provision of on-the-job training more flexible and responsive to the needs of individual employers.

### **Lifelong learning to maximise productivity**

Improved and increased targeting of incentives across all qualifications, but not at the expense of lower entry level qualifications, improved pathways connecting school to industry competency progression and improved communication frameworks that directly engage employers into the education system outcomes. NFF recommends that any reforms will need to focus on arrangements to improve:-

- School-to-work transitions;
- Mechanisms for linking schools to employers and to the community;
- Advice and guidance on education and career options;
- Financing mechanisms to assist completion rates; and
- Monitoring of school-to-work outcomes.

NFF agrees that competency based progression approaches build the stock of the nation's skills where there is alignment with the needs of industry. Arrangements for competency based progression in a particular industry sector must be driven by and aligned to the particular needs and requirements of that industry. Broadly speaking, competency should be understood as a proxy for work value, and competency based progression should be on the basis of the acquisition of usable skill sets which will improve productivity of the workplace.

### **Pathways Across Education And Training**

State and Federal governments should work to create an environment where those undertaking vocational study have the opportunity to progress into higher education and where the support and guidance is in place to give them the best possible opportunity to do so. The establishment of pathways from VET to higher education will create future opportunities for students who wish to obtain higher level qualifications but do not meet entry requirements when they leave school.

NFF recognises the strengths of the VET sector and believes that the creation of robust pathways between the sectors needs to build on the VET sector and not weaken it. It is important that VET and higher education provision is aligned with present and future labour market requirements. Collaboration between all post-secondary providers (Year 11 and 12, VET providers and higher education institutions) provides the opportunity for significant cost efficiencies.

### **Investing In A Skilled Workforce And Establishing Foundations For Economic Prosperity**

NFF supports policy that will ensure greater consistency of the VET system across Australia. This is consistent with recent harmonisation policies, such as the introduction of a National Regulator for VET. Consequently, NFF does not support any future model that involves solely state based service delivery. Importantly, national employers do not

need the complexity of navigating any state specific solutions that restrict work movement and flexibility.

The NFF supports a number of central principles that should be considered as part of any deliberations for the future direction of the agriculture education system in Australia; and any proposals for reform. The principles include:-

- i. **A demand-driven system** – this more closely aligns education and training to the needs of business, students and governments and shifts the focus to a business culture where incentives are created for maximising volume and quality, reducing costs and using resources more effectively;
- ii. **A competitive and diverse market** – competition and diversity will lead to a more efficient and cost effective system while increasing the range of options available. This will require a higher level of flexibility to enable better use of capital assets and to address issues such as economies of scale and third party access;
- iii. **Deregulating the system** – ensuring quality outcomes and appropriate quality servicing arrangements across Australia, minimising Government intervention and relaxing many of the current points of regulation. This allows more effective, responsive delivery of services. At the same time a framework must be maintained that incorporates accountability, quality and accreditation;
- iv. **Universal access** – the system must promote the concept of a universal entitlement to post-secondary education for all eligible Australian students (school leavers and mature age students) together with programs which have equity considerations based on ability rather than income; and
- v. **Quality research and development** – this should be closely linked to economic needs and close business collaboration.

The central goal of any reform should be the development of an integrated post-compulsory system which is driven by its primary customers (that is individuals and business) with the full spectrum of providers being supported by an incentives regime to deliver appropriate services of excellence in education, training and research, with the aim of a more productive and prosperous Australian economy.

#### 4. INTRODUCTION

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The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises of all Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

Following a restructure of the organisation in 2009 a broader cross section of the agricultural sector has been enabled to become members of the NFF, including the breadth and the length of the supply chain.

##### **NFF Labour Shortage Action Plan**

In September 2005, the NFF released its Labour Shortage Action Plan in response to increasingly severe labour shortages in the agricultural sector. The Plan aimed to bring about a better understanding of employment in the industry and consequently, the nature and extent of labour shortages. Based on this, it outlined key measures in a multi-faceted labour sourcing strategy. Importantly, it also identified areas in which the research and development of ideas were needed to more effectively formulate ways in which to resolve regional and rural labour shortages.

In March 2008 the NFF released its second Labour Shortage Action Plan (See *Annexure A*) to review the state of employment in the industry and the efficacy of the measures proposed, as well as to identify further issues, solutions and their implementation.

At the beginning of 2006, the NFF expanded its focus on education and training as a key mechanism to resolve the deficit of core skills in the sector. In tandem with this, efforts to streamline and improve access to skilled migrants have continued to allow the sourcing of tradespeople, managers, professionals and paraprofessionals for farm occupations. A number of initiatives have also sought to change misconceptions that farming does not demand skilled or professional occupations when in fact they are crucial to the industry – consider commodity traders, farm managers, veterinary surgeons, ecologists, climate change scientists and horticulturalists. Although skilled labour shortages continue to represent a major problem for the industry, entry level positions are just as problematic, but have not received nearly the attention that the skilled occupations have at the levels of both policy and practical initiatives.

The 2008 Plan outlined the NFF's preference to engage local workers in regional Australia or at least from Australia generally. It raised the importance of introducing incentives and concessions for people willing to travel to or remain in areas for the purpose of engaging in on-farm employment. It focused heavily on education and training as being a way to drive many initiatives to alleviate labour and skill shortages prevalent across all facets of farming and related industries. The NFF, and through its involvement with bodies such as Rural Skills Australia, has a strong historical presence with VET, as some of its member organisations are training providers.

Into this context, this submission seeks to outline the adequacy of current educational arrangements in meeting the Australia's agricultural labour market needs and the impact of any supply and demand discrepancies on business, research, and the economy more broadly.

## 5. THE CURRENT ENVIRONMENT

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Understanding and addressing current and future demands for education, labour and skills is an ongoing area of interest for those engaged in the agricultural sector. Future employment demand within the Australian food and fibre sector, and the capacity of the sector to compete for employees, will be influenced by a range of factors, including: Government policy, consumer demands, environmental constraints, global competition and the interaction between agriculture and other sectors of the economy. These factors present challenges and opportunities for the sector, as well as uncertainty. *This part of the submission focuses on the existing demands for skills and labour, including the substantial replacement demand that is emerging within the sectors.*

### **Demand And Supply Concerns For Skills And Labour**

Recent work to understand the demand for skills and labour includes the Australian Farm Institute report (AEC Group 2010) examining the current and future human resource requirements of Australian agriculture and the Agrifood Skills Australia (ASA 2011) annual environmental scan of the factors shaping and impacting on the agrifood workforce and how the industry and training systems are responding. Government and industry workforce, skills and training initiatives were also reviewed by the Industries Development Committee Workforce Skills and Training Working Group in 2009 for their appropriateness. Fundamental to a better understanding of this important issue is a better knowledge of the demand and supply of skills and labour within the sector.

Future demand for skills and labour in the sector is difficult to project and subject to a range of variables. This submission focuses on the replacement of the workforce associated with the Australian agricultural sector, against a backdrop continued growth in global demand for food and fibre. Significant growth in global food demand is expected in coming years, with the Food and Agriculture Organization of the United Nations (FAO) estimating that global food production will need to increase 70 per cent by 2050 in order to meet this projected food demand (FAO 2009).

### **The Current Skills And Labour Restraints Impacting The Economy**

Australian agriculture makes a significant contribution to the Australian economy and the management of Australia's natural resources, and contributes to domestic and international food security. Farmers occupy and are responsible for the management of 61 per cent of Australia's landmass (DAFF 2010) and in 2009-10 Australian food exports were valued at 24.3 billion dollars (DAFF 2011). Australian farmers produce almost 93 per cent of Australia's daily domestic food supply (DAFF 2007) and contribute to offsetting global food demand. Australian farmers produce 1 per cent of the world's food, but are the source for almost 3 per cent of the food traded globally feeding 40 million people outside Australia (PMSEIC 2010).<sup>4</sup>

Horticulture is facing significant labour shortages, particularly at times of harvest, which is inhibiting growth in the sector. Growcom estimates that due to labour shortages its members (Queensland fruit and vegetable growers) lose up to 10 per cent of their crops. In 2000, the Queensland Fruit and Vegetable Growers Association reported losses of \$90 million due specifically to a lack of casual labour.

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<sup>4</sup> An economic analysis of agriculture contributions to the Australian economy is to be found in Appendix B

Access to appropriate skills and labour is a critical factor in maintaining the productivity, sustainability and profitability of the agricultural sector. The agricultural industries have been involved in dealing with acute labour issues over a considerable time. While immediate labour and skills shortages are an acute issue and make the headlines, it is the issue of an emerging chronic shortage of new entrants and graduates to the sector which potentially presents the most significant challenges.

## **6. CURRENT ENVIRONMENT, THE ACUTE DEMANDS**

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There are many aspects to the current acute labour shortages faced by the Australian agricultural sector and which relates to both shortages of skilled and unskilled labour. Labour force statistics indicate a downturn in employment in 2003 which has continued until 2010 (see *Appendix A*, Figure 1). This downturn coincided with widespread drought in eastern Australia which reduced employment opportunities, and increased demand and competition for labour from the mining sector. Poor seasons over recent years have also had flow on impacts for regional economies and communities, which also influences the attractiveness of regional Australia to potential employees.

The recent impact of drought on employment has come on top of long term trends that have seen consolidation of farms in many agricultural industries and regions. Over the 15 year period to 2001, prior to the recent drought, the number of farming families declined by 31,800 (22 per cent). They may have left the industry for a variety of reasons, including personal (e.g. retirement), economic (e.g. industry restructuring) or environmental (e.g. drought) reasons. Other business related factors such as commodity prices may also play a role in decisions about timing to leave the industry, with lower commodity prices, and hence potentially lower property prices, tending to delay decisions to leave.

Farm employment labour statistics over the past 8 years (see *Appendix A*, Figure 1) indicate that approximately 80,000 to 100,000 individuals have left the agricultural labour force (ABS 2003). Because of the sustained downturn in employment, it is likely that a number of individuals have permanently left the industry since the early 2000s. It is also likely that farmers have developed efficiencies in their operations or improved farm practices and infrastructure which will have led to some decline in the overall labour requirement of the sector. However, with the widespread rains which occurred in 2010 and the recovery of many water storages there is expected to be an increase in demand for labour in the sector. Agrifood Skills Australia suggests that the recovery in the workforce as industry recovers from drought will be between 10,000 to 20,000 workers each year for the next five years (ASA 2010).

### **Australian Council Of Deans Of Agriculture**

The Australian Council of Deans of Agriculture (ACDA) has examined the demand for skilled individuals with tertiary qualifications in rural and regional Australia. The ACDA published a study in 2010 examining the job market in agriculture in Australia (Pratley and Hay 2010). It reviewed 50,600 vacancies advertised in the metropolitan and regional print media as well as the internet for a three year period from 2007 to 2009. A consistent demand for 15,000 agricultural employees was identified over the study period, with a ratio of 3:2 for agricultural production related jobs to positions in agribusiness.

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ACDA has also published reports and submissions on the gap in graduate numbers. It estimates there may be as much as a six-fold gap between demand and graduate numbers and that graduate numbers are in decline (ACDA 2009). Importantly, the ACDA studies have highlighted the way jobs were advertised was different between regional and urban Australia, with a particular emphasis on advertisements for agricultural employees in regional print media. This has implications for the way job data related to agricultural employment is collected and analysed, and the strategies required to understand the employment outlook for the sector.

## **7. LONG TERM OUTLOOK, A CHRONIC CONCERN**

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The agricultural sector is a major contributor to the Australian economy and has important linkages with other sectors of the economy. In 2009, 318,000 people were directly employed on Australian farms (ABS 2009). However, accurate and comprehensive information on future employment prospects and requirements for people in the sector and in its supporting industries is difficult to identify beyond the requirements of replacing the existing workforce. As mentioned earlier in this submission the workforce demand and the capacity of industry to compete for employees will be influenced by a range of external factors which are difficult to predict.

There will be an increasing requirement for innovation within the agricultural industries globally to address the national and international challenges related to food production. The challenges for agriculture have been articulated by a number of observers. The United Nations issued a call-to-arms for agricultural production to increase 70 per cent by 2050 to meet world population needs in the face of challenges to global food security (FAO 2009). The world population is projected to reach over nine billion by 2050, 34 per cent higher than the current population. Some projections for the Australian population suggest that it may reach 36 million people by 2050. At the same time the Final Report of the Garnaut Review (2008) notes that more than two and half million new jobs will need to be filled over the next two decades in areas either directly or indirectly influenced by the climate change response. The Garnaut Review noted that in addition to jobs in the ‘headline’ areas of the construction and energy sectors, areas of potential employment change include “transport, agriculture and a range of services in industry subsectors that barely exist today”. It seems likely that a number of these roles will relate to agriculture and the land management sector.

### **Available Industry Data - Warning Signs**

Limited data is available on the demographics of industries and professions within the agricultural sector, but the data available provides a glimpse of the emerging challenges and potential chronic employment issues that the sector is facing. The Labour Supply and Skills Branch in the Research, Analysis and Evaluation Group of Department of Education, Employment and Workplace Relations (DEEWR) has compiled ABS Labour Force Survey statistics for a limited selection of professions within the agricultural sector, which have been published on the Job Outlook website. Figure 2 in *Appendix A* shows the age profile of crop; livestock; and mixed crop & livestock farmers published by DEEWR and taken from the 2010 ABS Labour Force Survey. In 2010 the total number of crop, livestock and mixed crop & livestock farmers was 47,700, 105,100 and 42,200 respectively. The demographic data in Figure 2 in *Appendix A* indicates that there are

large numbers of farmers over the age of 65 compared with the average age of the Australian workforce, in some cases more than nine per cent higher than the average, as well as relatively high numbers of farmers in the 45-54 and 55-64 age classes compared with the average workforce. *The numbers of farmers in age classes 35-44 and younger are much lower than the Australian average.*

The 2009 ABS Agricultural Commodities surveys indicate that there are a total of 135,996 farms in Australia, which includes enterprises for whom farming is not their primary business. Of the total number of enterprises 120,941 farms are solely dedicated to agricultural production. The 2002 Australian Bureau of Agricultural and Resource Economics Farm Surveys Report indicates that 99 per cent of broadacre and dairy farms were operated by owner-managers in 2001 (ABARE 2008). Broadacre and dairy farms account for 68 per cent of commercial-scale Australian farm businesses (ABS 2009), and these farms are also responsible for the management of more than 90 per cent of the total area of agricultural land in Australia. They account for the majority of Australia's family owned and operated farms. The future of how these farms are owned and managed will have a significant bearing on the future skills and labour required by the Australian agricultural workforce.

The age profile of farm workers in crop, livestock and mixed crop and livestock farms taken from the 2010 ABS Labour Force Survey is shown in Figure 3 in *Appendix A*. The total number of farm workers across crop, livestock and mixed crop and livestock farms in 2010 were 28,000, 30,200 and 3,400 respectively. The data shown in *Appendix A*, Figure 3 indicates a relatively high number of farm workers are from young age classes, particularly the 15-19 and 20-24 age classes, compared to the Australian average. This may reflect the relatively unskilled nature of the work as well as younger family members being employed on family farms, but also the need for temporary labour to meet needs around peak periods such as harvest or seeding.

The data shown in *Appendix A*, Figures 2 and 3 relate specifically to broadacre agricultural industries. There are a range of other industries including the horticultural, dairy and intensive livestock industries which are not included in these figures. It is likely that there are differences between the age profiles and nature of the workforce in these different industries and these industries will have their own specific challenges. For example, the seasonal nature of work in the horticultural industries creates acute seasonal labour demands which are quite different to those experienced in other industries. The NFF has been working with Government to establish long term solutions to access labour, including the potential from overseas labour (Pacific Season Workers Scheme)<sup>5</sup> to meet peak labour demand. Sustainable solutions are required to address these labour demands, and which may involve better engagement with regional communities and better recognition of the skills and experience which may already exist in these communities.

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<sup>5</sup> The Pilot will conclude on 30 June 2012.

### **Professional Services In Rural and Regional Australia**

Access to professional services will present a chronic problem for the agricultural industries in the future. They draw on the skills of a range of science based professions from the agricultural sciences and veterinarians to chemists, environmental scientists, life scientists and others. The Employment Outlook for Science Professionals and Veterinarians produced in 2010 by DEEWR (using the ABS Labour Force Survey) indicates that in the decade to 2010 the number of Science Professionals and Veterinarians<sup>6</sup> in Australia rose by 25,800 (36.5 per cent) to 96,300. Agricultural and Forestry Scientists represent 7.5 per cent of individuals within this group of professions, which is dominated by medical and environmental scientists.

The Employment Outlook for Science Professionals indicates that Agricultural and Veterinary Scientists have the largest share of mature age workers (48.5 per cent of the workforce over the age of 45) within the occupations grouped within the Science cluster. Projections by Agrifood Skills Australia in its 2011 Environmental Scan (ASA 2011) suggest that by 2018 half of Australia's agricultural scientists will be nearing retirement.

Within the agricultural science workforce there are specialists in a range of disciplines, for example soil science, plant breeding, taxonomy, entomology and pathology. It is probable that the number of individuals in some disciplines will have grown as the field develops (e.g. areas related to biotechnology) and numbers in other disciplines are likely to have decreased where the research area is considered more mature. For example, the loss of Australia's skills and capacity in soil science and the need to rebuild this capacity in light of the challenges, such as the management of soil carbon, was discussed by Campbell (2008). Some of the Australian agricultural industries have become dependent on the research efforts or technical skills and experience of one or two key individuals, and the loss of these individuals would have a major impact on these industries. For example, the Rice Research and Development Plan developed by Rural Industries Research and Development Corporation (2008) recognised the ageing and depletion of the rice industry's human resource research base and the need to address this as one of the research directions for the industry. The shift in the skills mix within the agricultural science workforce has also created challenges in workforce planning and succession, as new skills and the adoption of information technology is likely to have changed demands and requirements for particular professional skills.

### **Department Of Education, Employment And Workforce Relations**

DEEWR projects that demand for agricultural and forestry scientists will grow. The projected employment growth for the Agricultural and Forestry Scientists is expected to be 2.7 per cent (1,100) per annum over the next five years (to 2014-15). The issue of graduate numbers and succession in industry and the agribusiness sector have been raised by NFF and others in recent times. The Rural Research and Development Council noted this in their National Strategic Rural Research and Development Investment Plan and reported that:-

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<sup>6</sup> The Science Professionals and Veterinarians cluster includes Agricultural and Forestry Scientists; Chemists and Food and Wine Scientists; Environmental Scientists; Geologists and Geophysicists; Life Scientists; Medical Laboratory Scientists; Veterinarians; and Other Natural and Physical Science Professionals.

“With an ageing research workforce and evidence of an increasing skills deficit, there may already be insufficient capacity in the rural sector to develop and adopt innovations at the desired rate”

(Rural Research and Development Council 2011).

### **Agricultural Research At A Cross Roads**

The announcement from the Government in June 2011, that it will not alter the funding arrangements for the Rural Research and Development Corporations (RRDC) was welcomed by industry, and is a signal that there will continue to be a demand for skilled researchers in agriculturally relevant areas in Australia. A challenge for Government and the agricultural industries is how to further grow the public and private investment in agricultural research, development and extension to drive innovation and increase employment in the area. *It's essential that if agriculture is to meet the challenges of food production with less access to resources then increased public and private investment in research and development is required.*

The global nature of the agricultural research workforce must also be considered. At an informal workshop held in Canberra during mid 2011, an executive from an international research-based agribusiness company indicated that the company was likely to experience a forty to fifty per cent turnover in their 4,000 to 5,000 strong agricultural research workforce over the coming years as a result of retirements. This type of example serves to highlight the global nature of the workforce, and the need to ensure Australia remains competitive in attracting and maintaining its research workforce. Additional to high staff turnover are the low completion rates of higher education students as demonstrated by Figure 5 in *Appendix A* - this demonstrate that research based agribusinesses will be facing increasing difficulty sourcing a research workforce.

## **8. STRATEGIES TO ADDRESS LABOUR AND SKILLS SHORTAGES**

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The Australian agricultural industries have been responding to the acute labour and skills shortages, as well as developing strategies to deal with chronic shortages and the long term skills and labour needs to the sector. A range of strategies are required to attract and retain the labour and skills required by the sector, as well as encouraging new entrants to the industry and to the services which support the industry.

### **NFF Labour Shortage Action Plan**

The NFF Labour Shortage Action Plan (NFF 2008) (See *Annexure A*), was developed in consultation with regional and sectoral industry bodies as well as government, with the focus on how to support the recovery of the agricultural workforce following the recent drought. Key strategies highlighted to address the gaps in labour and skills that had developed include:-

- Understanding workforce requirements to better target recruitment;
- Publicising and promote the knowledge and technical intensive roles that are emerging in the sector, particularly in schools, to encourage new entrants and graduates;

- Developing specific strategies to overcome issues of remoteness and seasonality in different industries to ensure regional Australia can provide an environment to attract workers;
- Improving the promotion of career pathways and in particular encouraging education and training to support skills development;
- Promote the broader work and lifestyle opportunities that are associated with roles in the agricultural sector; and
- Encouraging flexibility and simplicity of employment arrangements and regulation to better meet the needs.

*The NFF is currently reviewing its Labour Shortage Action Plan to ensure that agricultural employers will be able to respond as conditions for the agriculture sector recover.*

### **Australian Regional Agricultural And Mining Skills Project (ARAMS)**

Given that the activities of both the mining industries and the agricultural industries are strongly focussed on rural and regional Australia, the NFF has also worked closely with the Minerals Council of Australia to understand regional labour and skills shortages. The Australian Regional Agricultural and Mining Skills Project (ARAMS 2009) sought to develop strategies to improve the effectiveness of government programs and the outcomes achieved through training and education programs. The project determined that the issues facing agriculture and mining were not the same, while both industries face a skills shortage; agriculture also faced a labour shortage. For agriculture this means that two different sets of strategies are required to (a) attract and retain high quality skilled labour and (b) ensure that there is also a ready supply of 'job-ready' labour available, as skilled and general labour involve different people with a range of motivations and circumstances.

The ARAMS project identified three key areas to be addressed in order to improve employment outcomes. The first relates to the need for improved regional infrastructure and services, which are critical factors in encouraging skilled individuals to locate to regional centres. The second relates to the need for appropriate training programs to address labour shortages, with training elements common to both mining and agriculture to allow labour to move between the sectors, but also for flexible training units which could reflect skills required by different regional industries. The third area identified by the ARAMS Project was to address 'fatigue and confusion' among employers related to the provision, availability and accessibility of government education, training and employment programs. Effort was required to ensure that employers successfully engaged with these programs.

### **Australian Farm Institute**

The need to improve the supply of appropriately skilled labour to meet the requirements of the agricultural industries was discussed as part of the 2010 Australian Farm Institute (AFI)(AEC Group 2010) report on current and future human resource needs of Australian agriculture. The report identified the need for more accurate and timely information on labour and skills supply and demand, including recognising changes in seasonal demands for labour. This finding was shared by the 2009 Industries Development Committee Report to the Primary Industries Ministerial Council (PIMC) on workforce, training and skills issues in agriculture. Key findings of the AFI report included:-

- The existing standards for classifying occupations (ANZSCO) and industries (ANZSIC) need to be expanded to improve the labour and skills information available for the agricultural and horticultural sectors;
- The data collected on agricultural production, employment and occupational statistics by various reporting organisations needs greater consistency and concordance;
- Regular and accurate measures of labour and skills shortages in the agricultural sector are required to understand current and future needs, including information on peaks and troughs in the seasonal production cycle; and
- Vocational education and training (VET) training packages need to be promoted and have the flexibility to deliver the particular skill sets required by sectors to meet seasonal production demands or the needs of individual agriculture/horticulture businesses, industries or regions.

### **Industrial Relations And Workforce Planning**

Industrial relations and workforce planning to address acute labour shortages has been a strong interest for the NFF for a number of years. The NFF Labour Shortage Action Plan and ARAMS clearly identified the need to focus on training (particularly vocational training) to address labour shortages and the need to support regional development as a mechanism to encourage relocation and retention of the workforce. A number of strategies to better address acute labour shortages have emerged from previous work in this area including improved workforce information to understand demand, targeted training, better human resource management and support for regional development.

The NFF has continued to work in the area of vocational training and it is a key area of focus for Rural Skills Australia (RSA) and Agrifood Skills Australia. RSA works in conjunction with the NFF and its member bodies to improve the skills and capacities of new entrants, existing workers and primary producers alike through Australian Apprenticeships in general agriculture and horticulture, but also across a range of other agricultural areas. Agrifood Skills Australia is responsible for providing advice on workforce development, skills and labour needs in the industry, as well as advice to enterprises on training and workforce needs, advice to government on vocational education policy and the development of appropriate training packages for industry.

The 2009 Report to the PIMC on workforce, training and skills issues in agriculture highlighted the opportunity to improve workforce planning and human resource management skills in the industry in order to attract and retain staff (Industries Development Committee Workforce, Skills and Training Working Group 2009). The opportunity to improve human resource management in the sector has the advantage that it can assist in addressing both acute and chronic labour and skills. Other benefits from improved human resource management in the sector identified, include the potential to improve business performance and response to challenges such as changing market and service demands, and managing an ageing farm workforce. The ‘fatigue and confusion’ among employers identified by the 2009 ARAMS report suggests that to reap the benefits from improved planning and human resource management skills would require targeted investment in effort to support industry to bring about change.

## **Regional and Rural Australia**

The NFF has had an ongoing interest in regional development and addressing the higher cost of doing business in regional Australia. The NFF's work in this area has focussed on aspects including the need to maintain services, such as health care and telecommunications in regional Australia, as well as examining options related to fuel costs and regional tax thresholds which would have broader benefits for business. The development of new technologies associated with the roll-out of broadband in regional Australia may also provide an opportunity to diversify regional economies, provide better access to professional support to those working in regions and providing improved economic stability to regions, as well as securing ongoing access to services.

Community factors have also been identified as playing a role in attracting and retaining skilled workers in regional Australia. Kilpatrick et al. (2010) identified the important role that communities play in assisting mobile skilled labour to be integrated and retained, and the need for leadership within communities to support this outcome. The study found that mobile skilled workers were drawn to, wanted to be part of and stay in communities that were innovative, embraced diversity, accepted newcomers, and there was an environment of community confidence and sustainability. The report highlights that communities that were looking to attract, involve and retain skilled newcomers needed to be proactive in developing and managing their resources. This presents an opportunity both to attract and retain skilled labour in regional Australia.

## **Economic Barriers Facing Agriculture**

Work has been undertaken within industries to look at mechanisms to facilitate new entrants to farming as well as succession within family farm businesses. The recent guide to succession, developed in collaboration by a number of RRDC's, "Sustaining Families and Farms" is one example of the different types of support available to facilitate discussion about succession within farm businesses (Wilkinson and Sykes 2007).

Reports from within industry indicate that the high value of the assets presents a barrier for new farmers looking to enter the industry, along with access to finance and appropriate support for early career farmers. Some programs have been established to assist new farmers in the industry. Examples of schemes include, the Victorian First Farm Grant Program which provides business planning and development support; the Young Farmers Finance Scheme operated by Rural Finance in Victoria which can assist in stock and equipment purchases, farm leases and land purchases; and the Queensland Government First Start Loan which can assist in farm purchases, leasing and farm establishment. Effective policy and programs to support farm succession and encourage new entrants to farming is an area which continues to be developed and will require further work.

The experience of AgriFood Skills Australia in capturing industry views and evidence for its Annual Environmental Scan is that the problems are complex and need new thinking from industry and government if they are to be addressed (Blewitt pers comm.). Key trends pertaining to the rural workforce include:-

- Demand for higher skills in labour and skills to address the business challenges and the need for innovation;
- Greater reliance on contractors and professional advisors; and
- Continued demand for casuals for seasonal work.

Some of the new thinking which will be required by industry to address these challenges include:-

- The need for employers to design and name jobs that are attractive and challenging to new employees;
- The need to develop packaged conditions that may include incentives and non-cash benefits in order to compete with other employers, including the mining industry; and
- The need to overcome industry image and perceptions to change stereotypes and better explain the contemporary job, career and lifestyle opportunities within the industry.

## **9. ATTRACTING YOUNG PEOPLE TO CAREERS IN AGRICULTURE**

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The challenge of chronic labour and skills shortages within the agricultural sector will require long term solutions. A key focus will need to be attracting new entrants to the sector and raising awareness of it within the broader Australian community.

### **Community Perception of Agriculture**

At a fundamental level, concerns have been raised at the level of awareness in the community and among children regarding agriculture and regional Australia. Surveys of school students by the Kondinin Group provide a snapshot of views held by children, and suggest that there has been a widening gap in their knowledge of the industry. A survey undertaken by Kondinin Group in 2002 indicated that only 20 per cent of school children surveyed had visited a farm, down on 88 per cent on a previous survey undertaken by the Group in 1997. The survey also suggested that there was a lack of understanding about farm operations and the technological intensity of farming. Strong stereotypes of farmers were reported to exist among the children surveyed.

The image of the single male farmer in a harvester spending long hours driving around in circles at the mercy of the weather, pests and other vagaries of ...nature remains dominant in the urban cultural landscape of today's youth. Agricultural education needs to be recast in terms of food security, water security, environmental management, sophisticated small business management aligned with business schools, carbon economy and fibre production.

The NFF sees initiatives focused on improving awareness of the agricultural sector as being extremely important both in addressing the emerging capability gaps and attracting employees to the sector, but also ensuring that the broader community is better positioned to understand and engage in public debate related to agriculture. A number of initiatives have been developed with a view to both increasing awareness and interest in agriculture



among young people, teachers and parents and attracting individuals to take part in agriculture related studies, or consider careers in agriculture.

Over an extended period of time, the NFF has observed the development of a number of programs that aim to attract and develop the agricultural workforce. However, many stakeholders have focused on addressing the issue on a sector by sector basis or on a single program basis with little interaction with other groups or existing programs. What is becoming apparent is that a ‘whole of landscape’ approach is needed to make an impact and to seek opportunities for greater efficiencies and collaboration on work in this area.

Figure 4 in *Appendix A* shows a schematic diagram which illustrates a range of initiatives in place and how they engage with primary, secondary, tertiary (undergraduate and postgraduate) education as well as workforce (vocational) training and engagement with the broader community. The schemes listed in Figure 4 are extensive, but not exhaustive and a range of other programs exist outside those listed. Three cross sector programs that are aimed at these early years of education are described below, they include Primary Industries Education Foundation (PIEF) and the Primary Industries Centre for Science Education (PICSE) and the Investing in Youth Program. Each has a particular focus that differentiates it, and together the programs provide a consistent suite of support for agricultural education and improved awareness of the agricultural sector from primary through to secondary and tertiary education.

Evidence to support the need to engage early in the education system to shape future education and career choices is increasing. The Australian Council for Educational Research (ACER) released survey findings that indicate that 40 per cent of first year students first considered university study while in primary school (ACER 2010). This sort of study illustrates that decisions about future directions and studies are made relatively early in life and that there is value of engaging in education early in school curriculums, before students have formed clear views on their career path. *The experience of NFF in engaging with schools based programs has highlighted that it is vital to engage with professionals in the primary and secondary school system to ensure programs are relevant to the curriculum and that they meet teacher and student demands.*

### **Primary Industries Education Foundation (PIEF)**

The Primary Industries Education Foundation (PIEF) is responsible for aggregating existing educational resources and developing relevant materials for school years from Kindergarten to Year 12 which are aimed across the entire school curriculum. The primary industries will be used as a context for the development of learning materials across a range of subjects. The PIEF has been established in recognition of the interest that many teachers (primary and secondary) have in teaching their students about food and fibre production, and to address the need for credible, authoritative and user-ready resources to be used in teaching. Ultimately PIEF can assist in developing community awareness and understanding about food and fibre production, but also encourage people to work in sectors related to the primary industries. *The PIEF has been established as the peak body for primary industries education in Australian schools through collaboration between the agricultural industries, education and government sectors.*

PIEF have been interacting with the Australian Curriculum, Assessment and Reporting Authority (ACARA) in the development of the National Curriculum and recently made a submission to the review of ACARA's Cross Curriculum Priorities. Their submission called for the inclusion of the term 'sustainable food and fibre production' within one of the 'Organising Ideas' embedded within the Sustainability Cross Curriculum Priority. As the ACARA definition of an 'Organising Idea' attests, this will then help to reflect the essential knowledge, understandings and skills surrounding sustainable food and fibre production within that particular overarching framework. For PIEF to develop a suite of diverse curriculum materials is a long term exercise that may take up to 10 years at a cost in the order of 15 million dollars over that period. It will be important to ensure that there is a long term commitment and that these materials can be updated and expanded over time.

### **Primary Industries Centre For Science Education (PICSE)**

The Primary Industries Centre for Science Education (PICSE) is a national program to attract students into tertiary science and to increase the number of skilled professionals in agribusiness and research institutions. The focus of the program has been the development of science curriculum materials for Years 10 through to 12 and support for teachers and students with agriculture relevant science studies. The program has grown from pilot projects which began in 1998 and has the support of universities, government, industries as well as agribusiness companies. *The PICSE program complements the work of PIEF, as it has a particular focus on the science curriculum in secondary school.* It focuses on several key issues including developing student interest in specific careers that meet their personal interests and aspirations and taking action to enrol in specific tertiary courses that lead to those career options. A strength of the PICSE program is the level of engagement it has with agribusiness companies who participate in work experience placements and its strong relationships with students who have come through the program and can provide advice on how to ensure the program remains relevant and well targeted.

Some support exists for undergraduates moving from secondary school to university education, through the PICSE program and the support network of students who have been through that program, but also through the Investing in Youth program coordinated by Rural Industries Research and Development Corporations (RIRDC). It began with a pilot in 2010 and is now in its second year of operation. Undergraduate students are provided with financial support matched with a career mentor and assisted with relevant industry placements while they undertake their degree. At present the number of scholarships offered under this program is limited to approximately ten places each year, but there may be opportunities to grow these numbers and better integrate the studentships with the PICSE program in the future. The benefit for the program is that it provides support for students moving through the tertiary system and links students to future employees.

*The aims and activities of the programs described are complementary – and investment is needed across the scope of their activities to make a significant impact in addressing future labour and skills needs, and collaborative and linked approaches are needed to ensure that gains made through one program can add value to others.*

While these programs are designed to bring primary industries into the formal education system they also provide significant opportunities to raise the profile of agriculture in the broader community. However, these programs are all exposed to funding risks. Funding programs linked with Government and through the RDC's generally have durations of up to three years, which puts the programs at risk of termination before their value can be realised. For example, the 'Primary Connections' and 'Science By Doing' programs run by the Australian Academy of Sciences were subject to budget cuts in the 2011-12 Federal budget. These began in 2003 and were established to support professional development for science teachers to effectively engage primary and secondary school students on science curriculum. The cuts came despite positive evaluations of the program. For example, within five years of its introduction the Primary Connections resource was being taught in 76 per cent of Australia's primary schools. While programs such as PIEF, PICSE and Investing in Youth have demonstrated considerable achievements to date - there is a risk that these programs will remain dependant upon short term funding arrangements.

## 10. INTERNATIONAL PERSPECTIVE

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The challenge associated with identifying and recruiting an agricultural workforce is not restricted to Australia. Many of the issues and strategies associated with addressing acute and chronic workforce issues are shared with other countries. The size of agricultural industries and their workforces vary between countries, and the ability of the industry to compete for employees is also influenced by the economic and policy conditions within the country.

### **New Zealand**

The Strategy for New Zealand Dairy Farming produced by DairyNZ, Dairy Companies Association of New Zealand and New Zealand Federated Farmers (2009) identifies "Talented and skilled people are attracted to, and retained by, the industry" as a key outcome. The New Zealand Dairy industry has seen a positive trend in the growth of the industry and significant changes in ownership structures. As a consequence demands have increased for labour on-farm and in supporting industries. Employees in the dairy industry also need increased skill levels to deal with the increased complexity, diversity and volatility of the industry. In order to achieve this outcome the industry has sought to:-

- Attract talented people (including: the promotion of careers to school leavers, tertiary students and early career change individuals; improve communication about opportunities in the industry; and influence government on legislation relating to immigrant workers);
- Develop a quality work environment (including: improve the skills of industry as employers and human resource managers; and focus on innovation and improved productivity in the industry); and
- Develop dairy people's careers (including: improved training to meet skill requirements; developing leadership in industry; and the development of mentoring and coaching programmes to support people developing careers in the industry).

## Canada

The Canadian Agriculture Human Resource Council (CAHRC) has examined the human resource issues of the Canadian agricultural industries and worked to develop solutions to these challenges. Their work has included understanding the skills and development needs of the industry (CAHRC 2011) as well as a broader analysis of the trends likely to influence the skills of the agricultural industries in Canada (CAHRC 2010). Their work indicates that, as in Australia, the average age of farmers in Canada is increasing, and there has been a consolidation of farm enterprises (CAHRC 2010). Key areas identified by industry (CAHRC 2011) where work is required to improve human resource outcomes for the industry included:-

- The need to engage with youth to promote and advocate career opportunities within the industry;
- The need for training that is relevant to the increasing sophistication of industry as well as meeting the needs of students and the development of leadership skills;
- Improved apprenticeship programs to deliver training and support young people entering the industry;
- The need for industry to be better at self promoting and improving the profile of the industry within Canada;
- Increased immigration to improve the labour pool; and
- Improved communication between agricultural industries and other sectors on experiences and best practices to attract and retain staff within the sector.

The experiences from New Zealand and Canada indicate that trends influencing employment in Australian agriculture are shared in other countries. These trends include consolidation within the agricultural industries, volatility in the sector but also the visibility of the sector as an employer. The challenges of attracting employees to agricultural careers, the need to improve human resource management within the industry and develop appropriate skills in the workforce are also shared by agricultural industries and there are opportunities for Australia to learn from these international experiences.

## 11. CONCLUSION

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The skills and labour shortages which face the Australian agricultural sector have acute and chronic elements. In recent years acute labour shortages have been influenced by the impacts of extended drought, strong growth within the mining sector but also seasonal aspects related to agricultural production systems. The emergence of a chronic shortage of skills and labour is a significant concern for the industry and strategies to address these shortages need long term support.

*To better understand both acute and chronic labour demand and supply issues, it is important that better data is collected on the scope of skills and the labour required, including both demand and supply elements.* This information would help to understand the complexities of industries' requirements, which range from changes in the seasonal workforce requirements, to chronic issues associated with skills and labour supply. The challenges associated with workforce planning span a large number of the roles that exist in the agricultural sector.

The skills of employers in the agricultural industries must also be improved to ensure that industry has the workforce planning and human resource management skills to identify attract and retain staff. Regional and community approaches must also be considered when attracting skills and labour to rural Australia to both promote the opportunities and assist in the retention of the regional workforce.

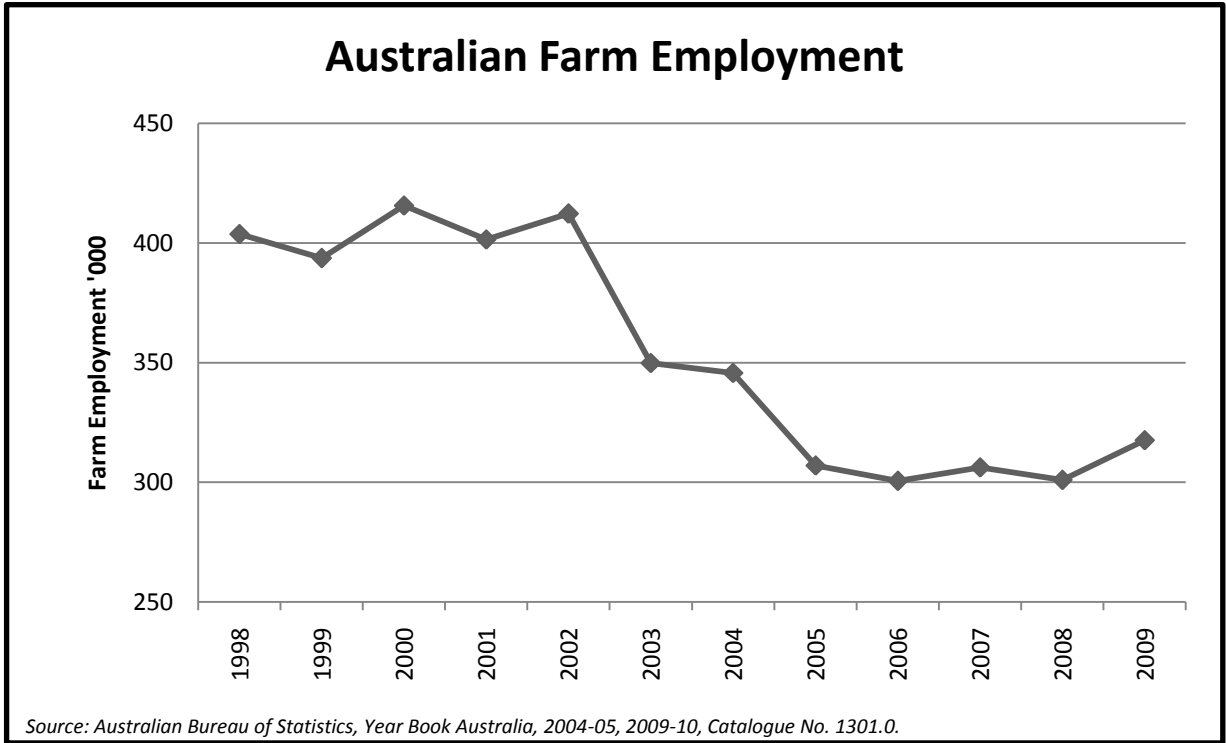
Limited surveys and anecdotal evidence indicate that there has been a decline in the visibility of the agricultural industries, particularly among urban Australia. *A challenge for industry is to improve the profile of the sector and awareness of the opportunities that it provides.* Engaging in the education system through school based programs provides a mechanism to encourage young Australians to consider a career in agriculture, but also to improve the awareness and understanding in the broader Australian community of agricultural and rural issues. It is important that there is a long term commitment to school based programs to ensure they bear fruit.

The educational and labour issues faced by the agricultural industries in Australia may have particular characteristics which are unique to Australia, but many of the issues are being experienced in other countries and there are opportunities to learn and benefit from international experiences in this area.

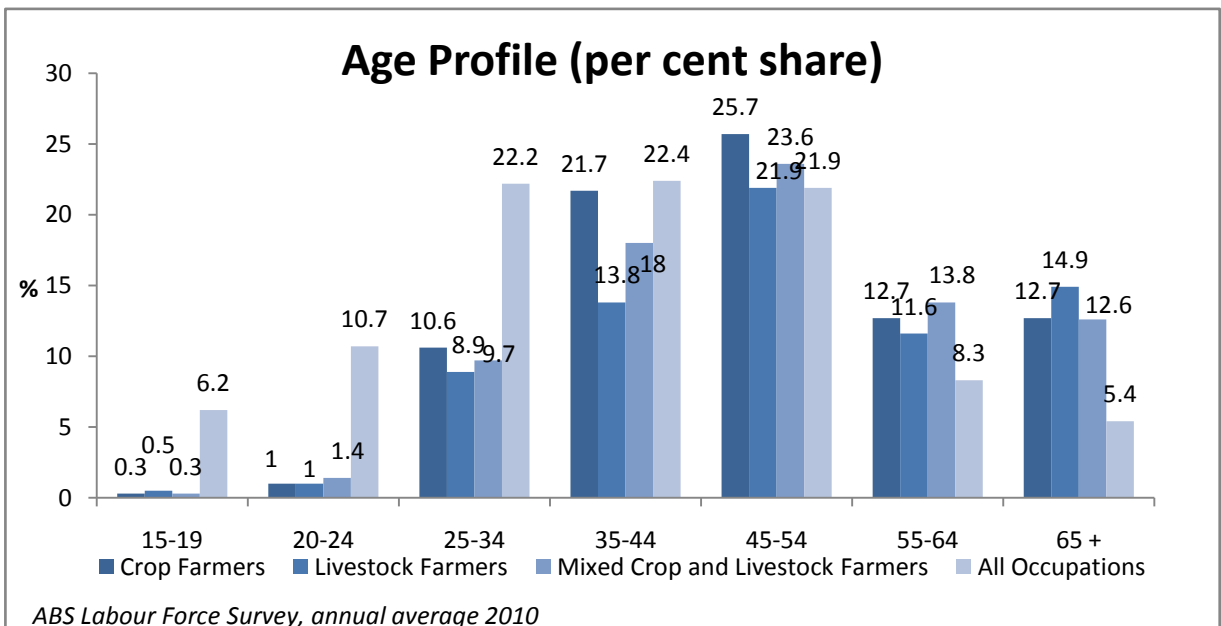
To assist with developing solutions to these challenges, NFF will be convening an educational industry roundtable in the coming months - with the stated aim of updating the NFF Labour Shortage Action Plan and feeding into the development the NFF 'Blueprint' – farmers, agribusinesses, regional communities and the wider food and fibre supply chain will have the opportunity to shape the future of Australia's farming sector under the '**Blueprint for Australian Agriculture**', an initiative of NFF and Westpac. *The 'Blueprint' will provide the opportunity for all people involved with Australia's food and fibre sectors, from production to consumption, to raise the issues and challenges facing agriculture and the opportunities they think are critical to its continued success.* The 'Blueprint' will be developed over the coming year in collaboration with the agriculture and agribusiness sectors.

12. APPENDIX A - EMPLOYMENT ANALYSIS

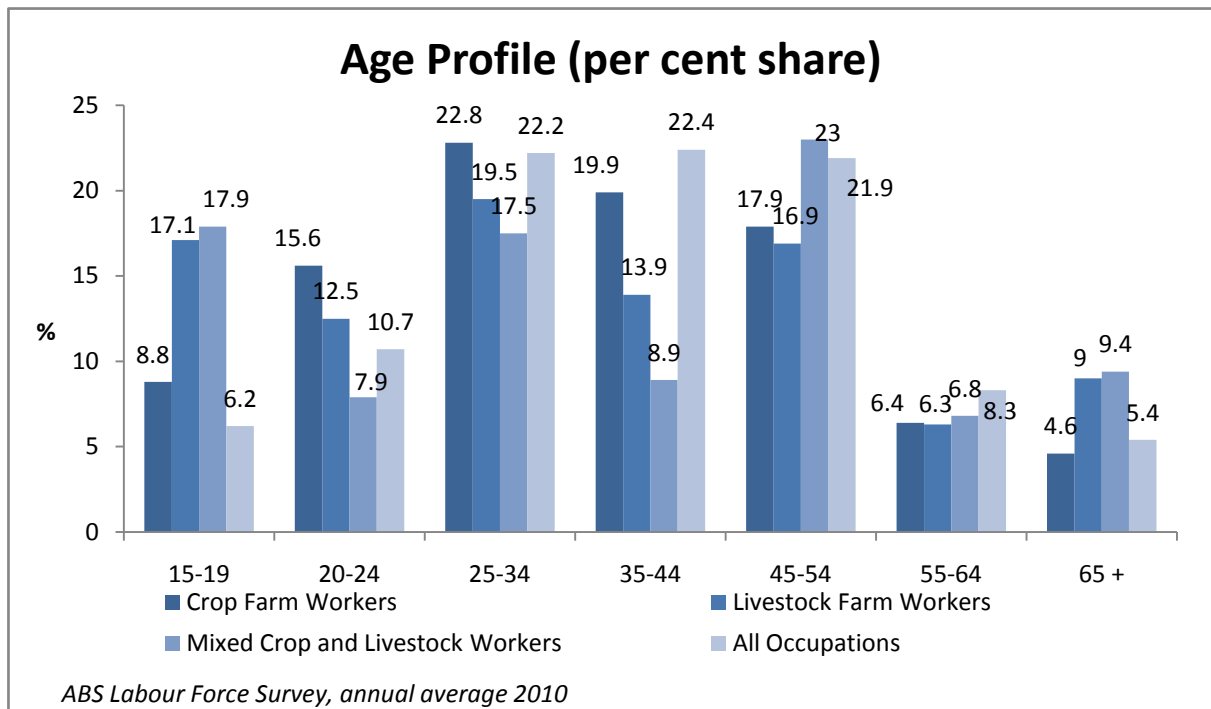
**Figure 1.** Australian farm employment, source: ABS, Year Book Australia, 2004-05, 2009-10, Catalogue No 1301.0.



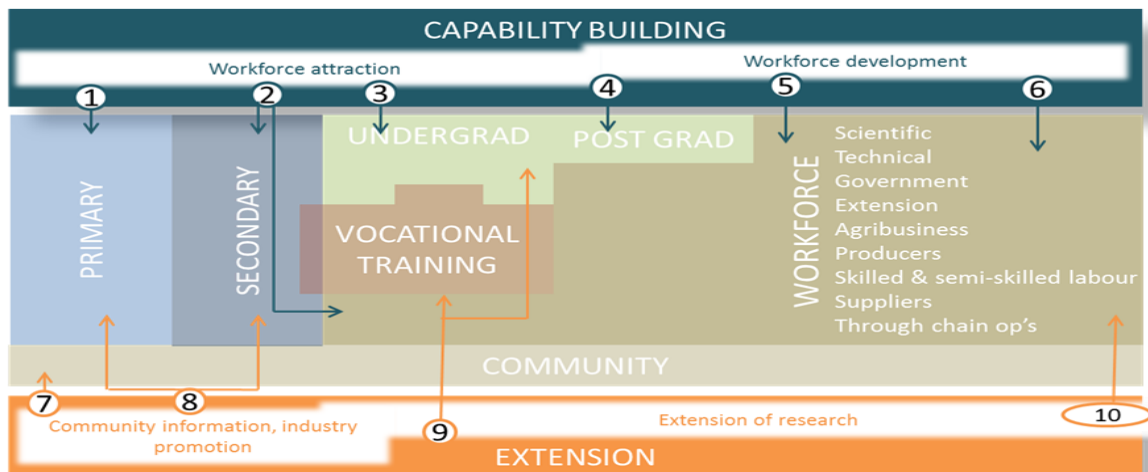
**Figure 2.** The age profile of crop; livestock; and mixed crop & livestock farmers and the Australian average age profile taken from the 2010 ABS Labour Force Survey.



**Figure 3.** The 2010 age profile of crop farm workers, livestock farm workers and mixed crop & livestock farm workers and the Australian average age profile taken from the ABS Labour Force Survey, sourced: ABS, Labour Force Survey, Annual Average 2010.

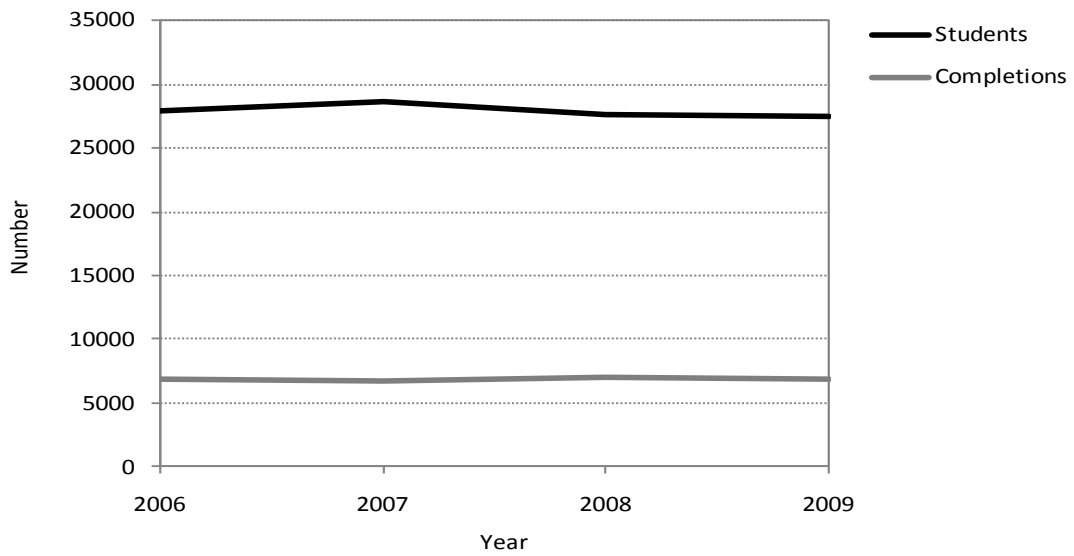


**Figure 4.** Graphic illustration of programs supporting the attraction and development of skilled labour in the agricultural industries.

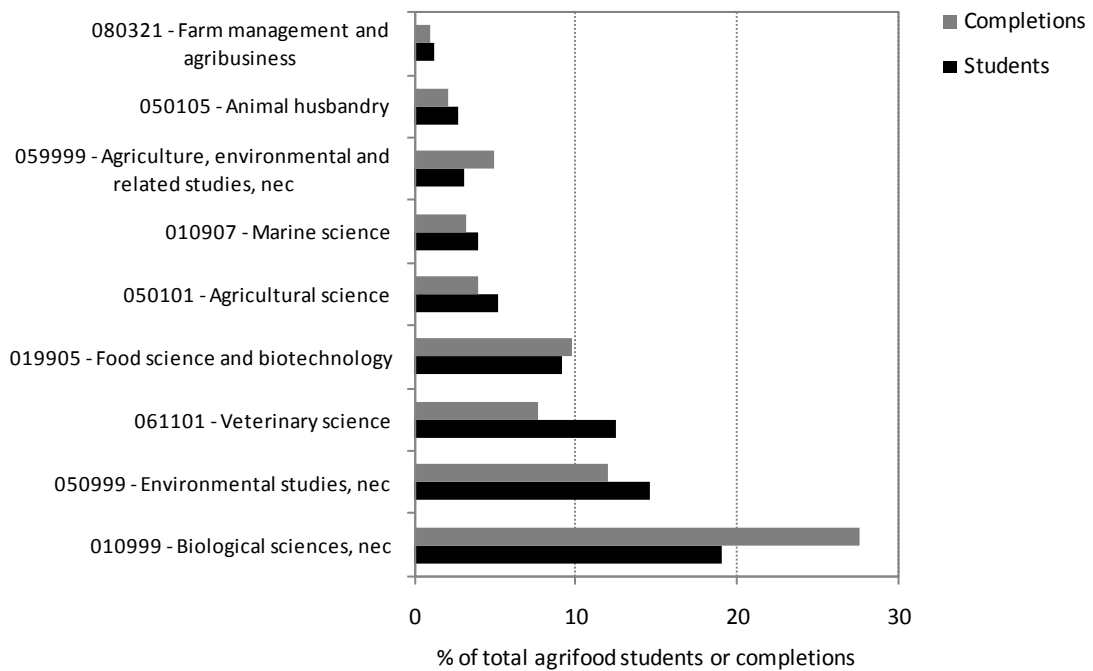


1. PIEF
2. PICSE, PIEF, Skills One, CAA, Alife, RSA, Industry specific e.g. Dairy Youth Australia
3. PICSE, Investing in Youth undergraduate scholarships
4. Post-graduate scholarships
5. Business skills, Technical skills development, Agrifood skills Australia, Nuffield, bursaries, tours
6. Industry leadership programs, ARLP, Trail Blazers, Mentoring
7. PIEF, Community and consumer information, industry promotion
8. PIEF, curriculum resource development
9. Curriculum resource development, research publications
10. Research publications, fact sheets, extension activities, conferences, websites

**Figure 5.** Higher education agrifood students and course completions, 2006 – 2009, sourced: DEEWR, Higher education collection, 2006-09.



**Figure 6.** Higher education student and course completions in selected fields of education, 2009, sourced: DEEWR, Higher education collection, 2006-09.





### 13. APPENDIX B - ECONOMIC ANALYSIS

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- Australian agriculture has important linkages with other sectors of the economy and, therefore, contributes to these flow-on industries. Agriculture supports the jobs of **1.6 million Australians**, in farming and related industries, across our cities and regions – accounting for **17.2% of the national workforce**.

- modeling by Econtech, *Australia's Farm Dependent Economy Report*, 2005.

- **50.7% of these 1.6 million jobs are located in Australia's six capital cities.** A significant proportion of the employment generated in the six capital cities is associated with the farm-output sector – such as food retailing, accommodation, cafes and restaurants, and various food processing industries.

- modeling by Econtech, *Australia's Farm Dependent Economy Report*, 2005.

- As of November 2009, **318,000 people were directly employed on Australian farms**.

- Australian Bureau of Statistics, *Year Book Australia*, 2009-10, Catalogue No. 1301.0.

- The number of people employed in direct **agriculture, fisheries and forestry jobs in each State and Territory** follow:-

NSW	105,300	VIC	78,900
QLD	92,700	SA	37,800
WA	38,600	TAS	12,500
NT	15,800	ACT	300

- Australian Bureau of Statistics, *Labour Force Australia*, Detailed Quarterly, May 2010.

- Despite common misconceptions, **government support for Australian farms represents just 4% of farming income.** By comparison, according to the Organisation for Economic Cooperation and Development (OECD), in **Norway it is 61%**, **Korea 52%**, in the **European Union it is 23%**, in **Canada it is 17%**, and in the **United States it is 9%**. In fact, **Australian farmers are among the most self-sufficient in the world.**

- OCED, *Agricultural Policies in OECD Countries: At a Glance*, 2010.

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**15. ANNEXURE A – NFF’S LABOUR SHORTAGE ACTION PLAN 2008**

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2008

LABOUR SHORTAGE ACTION PLAN

National Farmers' Federation Ltd

ABN 77 097 140 166

MARCH 2008

An ongoing plan investigating new and existing solutions to agricultural labour shortages, their practical implementation, and policy implications.

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## Executive Summary

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- This is the second edition of the Labour Shortage Action Plan, first released in 2005. The report looks at the nature and extent of increasing labour shortages with a stronger focus on the role of regional development and a population strategy as a solution.
- This edition updates policy developments, raises new issues and reflects the attainment of a more incisive quality and quantity of data and feedback directly received from farmers across the nation, as well as from other research, Government and private bodies.
- The 2008 Plan outlines key findings on the nature of agricultural employment, with six of the seven most popular (and in demand) occupations being trade level or higher, and including farm managers.
- The nature of labour shortages varies markedly across subsectors within agriculture. For instance, horticulture has a vast shortage of entry level workers, whereas broadacre requires skilled workers such as shearers.
- Market rates of remuneration in agriculture have responded to the shortage of labour, most often being significantly above minimum rates. Jackaroos are the most highly paid juniors across all major industries, including mining. Farm managers earn an average of over \$100,000, attracting annual bonuses of between \$500 and \$20,000.
- The nature of the industry is poised to change for a number of reasons, including positive indicators for the commencement of drought emergence, changing economic climate and widespread changes to the business practices on farms in response to the challenges of modern farming.
- The second edition elicits a more detailed view of key target groups for attracting labour and introduces some new potential target groups, for example “gap year” students, additional visa classes, inter-industry cooperative arrangements and potentially refugees. Most notably, it highlights targeting career decisions at the point of education and training options, particularly among school-leavers.
- Labour shortages are symptomatic of stifled regional development, requiring the remedy of an effective population strategy. In this

regard, infrastructure is one of two core factors local communities, farming groups, Governments and other stakeholders must develop. The availability and interrelationship of the components of regional infrastructure, and the role of available services is essential not just to retain regional populations, but to attract “tree-change” migration and other net population growth.

- The 2008 Plan details the vast expansion of education and training policies and initiatives, and the importance of defining and facilitating the diverse range of career options in agriculture.
- Farmers continue to operate in a centralised environment in terms of fixing wages and conditions, however all but the most severely drought affected employers pay well in excess of award wages. Many offer numerous other benefits, and an overwhelming number have the utmost concern for the wellbeing of their employees and families in considering remuneration and packaging. For these reasons, scope for flexibility in negotiating conditions allows employers to offer exactly what workers need on an individual basis, and for employees to benefit in ways other than, and in addition to basic remuneration.
- Farmers have increasingly been encumbered by legislative and regulatory complexities. The workplace relations legislation introduced by the previous Government, whilst positive in policy terms, created widespread confusion in some technical aspects on the ground. Red tape surrounding many aspects of engaging foreign workers, such as visa checking and defining skilled roles sufficiently in visa applications and the corresponding assessment literature, together with the inconsistency of employer obligations to Australian and foreign workers have caused a gross lack of simplicity and consequently deterred farmers from considering this option.
- Human resource management is the second core factor in successfully attracting and retaining staff, and is defined and considered in detail, including planning the nature of a role, marketing the position, negotiating conditions, managing performance and succession planning and providing rewarding and challenging jobs with the scope to get to understand the enterprise's business planning and operations. Employment is not simply a list of tasks the employer needs done and the amount of cash they hand their worker – it is an interpersonal relationship and needs to be managed with this in mind.
- It is crucial that the Federal Government review a number of matters affecting employment participation. The Job Network needs greater



**incentives to place short-term, casual and seasonal work, which are presently commercially unattractive. The ten week waiting period that applies to those on benefits who opt to take a short-term seasonal job but cannot find further work and need to resume benefits, is a major disincentive for employees to do so and a waiver of this is proposed in certain circumstances. Other concessions to assist travel to and between short-term jobs should also be considered.**

- **Most core workplace relations policies of the National Farmers' Federation play an integrally important part in resolving the broad issues covered in the 2005 and 2008 Labour Shortage Action Plans. However, it is important to adapt to different circumstances and plan for the future – in this regard the National Farmers' Federation believes its policies should change and grow, and has increased its focus on direct consultation, and driving initiatives on the ground for this major and national issue.**

# 1. Introduction

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In 2005, the National Farmers' Federation ("NFF") identified the need for a comprehensive strategic plan aimed at addressing pervasive labour shortages. These not only impact on the agricultural sector, but seriously deplete and diminish regional and rural Australia generally.

Consequently, the NFF released the Labour Shortage Action Plan in September 2005. Whilst the plan posed many questions about the nature of labour shortages, in addition to presenting a number of solutions, the one unequivocal message evident from the project was, and continues to be, that the overall remedy to labour shortages must be a multi-faceted one. The aim of the plan therefore continues to be to explore all issues that affect the availability of agricultural workers, and to effect both policy direction and practical measures arising from those issues.

Since its completion, there have been numerous developments and changes across many of the areas previously addressed by the plan. As a result, the plan has now been reviewed to reflect these further developments. The NFF is pleased to release its 2008 Labour Shortage Action Plan.

The drought traversing late 2002 to early 2004 saw a widespread decline in employment, with an estimated 80,000 to 100,000 job losses to February 2007. Some estimates opined that total job losses for the period exceeded this range, including one figure which states that in the top three subsectors of agriculture alone, 107,800 jobs have been lost in the five years to February 2007<sup>1</sup>. Worse still, there has been a drastic net reduction to employment in agriculture from February 2007 to February 2008, with the number employed falling by 14,000. This is the sharpest fall in employment within the sector since the devastating, one in one

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<sup>1</sup> DEWR trend data, in *Labour Force Annual Publications* (ABS) cited in *Agriculture, Forestry and Fishing Employment Outlook* (October 2007)

hundred year drought event of 2002-03. Many of the affected agricultural employees permanently departed the industry. However, it is the loss of such people from regional and rural communities in general that has particularly concerned the NFF. Throughout 2006 and 2007 the drought persisted, with rainfall ahead of the 2007 winter crop harvest, critical to the season for many producers, failing to arrive. In 2008, a reprieve came in the form of serious floods in Queensland, introducing flood devastation to many agricultural centres across that State.

ABARE reports that in early 2002, employment in the sector stood at 385,000. During 2007, ABARE's analyses support these findings, and flag a net decline in the number employed to 308,000. The NFF is therefore concerned that as the drought subsides and production reapproaches the 2001/02 levels, around 80,000 – 100,000 workers will be needed nationwide. Although drought continues to bear down on farmers across Australia, the emergence from drought is a promising prospect. Ultimately, if a linear return to 2002 production levels occurs over the next five years, in addition to meeting growth across the sector premised on other domestic and international economic factors, an additional 20,000 to 24,000 new employees will be required for each of those five years. That is, the current number working in the whole of the sector will need to increase by 33 per cent in that time. This makes the release of the 2008 Plan particularly timely.

The two key areas of development in the 2008 Labour Shortage Action Plan are first, a strengthening of the interrelationship of each facet it analyses, and second, the expansion and addition to specific ideas and aspects of those facets. Despite this the 2008 Plan does not purport to address every possible solution but to build on the framework of the 2005 edition and to introduces ideas and issues that have since arisen and developed. It does however highlight that the imminent career and employment opportunities in agriculture are arguably unprecedented. Employees will be able to embark upon and develop any of a huge number of occupations, on lucrative terms and in flexible and enjoyable working conditions. Despite the NFF's concern at the loss of so many workers during the drought, it is also an exciting time. The valuable role the skills, expertise and contribution of

employees play in managing future drought, as well as the profitability of the sector must be afforded the highest acknowledgement.

Agriculture is not the only industry facing challenges in recruiting workers. Mining has traditionally been treated as a competing industry because of its geographical proximity to agriculture and its higher rates of pay. However, both sectors have entered into a cooperative approach, recognising that even generous remuneration is alone, insufficient to attract and particularly retain staff. Since the 2005 Plan, the broader issue of regional development and the need to maintain and indeed grow regional populations has escalated as one of the paramount measures by which to ensure a solid pool of human resources. In essence, remuneration will always be an important issue, but there are many other important factors equally, if not more important to career and employment decisions, such as flexible workplaces.

The 2008 Plan, as with the 2005 version, seeks to approach the issues in a practical way. The importance of outcomes from policy work, lobbying and advocacy is lost if those outcomes are not communicated to their ultimate beneficiaries and implemented such that easy and effective adoption is widely available to farmers. In this regard it expounds on a few practical proposals to better communicate to farming employers the measures and resources available to them in the search for workers.

The NFF seeks to continue to take ownership of national labour shortage issues across the sector as the peak industry representative body, in conjunction with State and commodity organisations, the assistance of governments and the private sector, each of which stands to significantly gain from the objectives set out in the plan.

## 2. Recommendations

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### **NATURE OF THE INDUSTRY**

- I. That the NFF continue to conduct surveys, qualitative and quantitative research into a broad range of aspects of employment in the agricultural sector, and encourage the expansion of such research by Governments and third parties.
- II. That all stakeholders in regional and rural employment continue to cooperatively develop and implement detailed strategies not only to appeal to the diverse spectrum of potential farm workers, but to attract such people to live in rural parts of Australia.
- III. That the NFF conduct a comprehensive communications campaign highlighting the nature and extent of labour shortages, and profiling the highly skilled nature of most of the top occupations within the sector.

### **MANUAL LABOUR**

- IV. That the NFF highlights through its communications campaign the widespread use of technology on farms, in particular as it relates to the alleviation of many traditional farming occupations.
- V. That the NFF highlights how modern farming, faced with a raft of new challenges, increasingly needs highly advanced levels of tertiary education through roles such as farm managers, commodity traders and scientists.
- VI. That the NFF closely monitors outcomes from its expansion of education and training policies and initiatives, in particular, how effectively those initiatives and the materials provided through educational institutions attract students to careers in agriculture.

## **SEASONAL INFLUENCES AND REMOTENESS**

- VII. That seasonal work is targeted at different cross sections of the potential workforce according to the needs and aspirations of each section, through a wide variety of publications and websites.
  
- VIII. That the NFF explore ways in which to highlight the nature and extent of opportunities for third parties to play a part in facilitating both seasonal employment in agriculture, as well as long-term career options. Those groups include but are not limited to recruitment groups, tourism information groups, Government Departments and even between farmers themselves either informally or through joint ventures. In particular, case studies of successful initiatives should be publicised and made widely available to farmers.
  
- IX. That the NFF explore the nature of perceptions of travelling and relocating to rural areas, in particular in relation to the essential infrastructure and tourism and lifestyle drawcards influencing such decisions, whether relevant to long-term relocation or transient travellers.

## **ENVIRONMENTAL**

- X. That the NFF include in its communications campaign an outline of the unique position agriculture, among all regional industries, offers in terms of experiencing the outdoors, adventure and the distinctive experience of the “Australian outback”.

## **EDUCATION AND TRAINING**

- XI. That the NFF explore and initiate improvements to the promotion of career pathways through demonstrating the variety of job and career opportunities involved in agriculture and horticulture.

- XII. That the NFF continue to proactively support Government initiatives aimed at improving the perception of acquiring a trade skill such as the Institute for Trade Skills Excellence.
- XIII. That the NFF conduct and/or encourage further research into the job preparedness of school leavers for commencement of employment in farming and concurrently, promote programmes and activities that personally develop teachers and career counsellors on farming.
- XIV. That the NFF continue to promote support for a national “Land Learn” Programme and a national farming specific “School to Industry” advisory programme rather than the generic approach under Careers Advice Australia.
- XV. That the NFF conduct or encourage others to undertake research that assesses the future graduate employment demand and disciplines for farming and provide incentives (similar to that offered to nurses) to match these needs, coupled with research into the reasons students are not choosing agricultural university courses noting that salaries and lifestyle are comparable with similar occupations in other industries.
- XVI. That there is increased support for specialised degree courses based on commodity grouping, and support for cadetships in which farming companies and commodity groups sponsor a student through their degree.
- XVII. That the NFF continues to engage stakeholders regarding programmes and initiatives that encourage city students to undertake their further education in a regional centre, and similarly, appropriate infrastructure and initiatives to allow regional and remote students to acquire their degrees in those areas, either through locally situated institutions or the internet, or both.
- XVIII. That the NFF continues to engage governments for greater support for regional and rural students accessing scholarships, changes to the ‘means

test' on farmers allowing rural students to immediately attend University after leaving school and the encouragement of University and centres of higher learning to locate campuses in regional centres.

- XIX. That the NFF encourage the movement of ISCs towards continual improvement and a streamlining of the bureaucratic approval process, and education and training funding models to be reviewed to support funding of skill sets and encourage greater flexibility in delivery.
- XX. That the NFF support initiatives that assist in delivering flexible education and training, particularly through modern media such as the internet, but also through regionally based institutions.
- XXI. That the NFF campaign for farm apprentices to be specifically included on the national Skills Needs List and gain access to the full suite of incentives to allow farming to compete with other trades in the attraction of apprentices. Training packages should be presented with a farmer friendly language that is devoid of the acronyms symptomatic of Education and Training. Similarly, the front-end of training packages to be worded in commodity friendly terms with the back-end providing the official completion of an AQTF Certificate, for example, Cotton Basics.
- XXII. That the NFF actively advocate for and develop a proposal for a 'skills passport' that cooperatively works with other industries or commodities to resolve single employment issues. Such a passport could be utilised to match skills, plan work schedules and coordinate labour supply originating domestically or abroad, and coordinated with job websites such as Harvest Trail.
- XXIII. The NFF continue to focus on the importance of developing champions of industry supporting Education and Training as the attainment of a skill and not as the completion of a training package.



- XXIV. That the NFF continue to advocate for education and training funding models to be reviewed to improve the Recognition of Prior Learning in full, partial and self assessment, incentives to assist training providers to undertake Recognised Prior Learning, and support services for farmers on the process of undertaking an Recognition of Prior Learning assessment.
- XXV. That the NFF continue to pursue a strong commitment from industry organisations, industry leaders and mentors, to the development of highly-skilled people; also, that there is continued pursuit of the encouragement of business management, risk management and human resource management delivered under Adult Learning Principles will lead to attitudinal change and drive a new wave of farm workforce training.
- XXVI. That the NFF pursue the development of skills, training, and educational delivery needs to be holistically addressed in manner responsive to the regional needs and timeliness of farmers.
- XXVII. That the NFF pursue extension programme funds are provided to allow farmers to adapt recover from this drought and deliver the risk management skills required. Providing useful climate variability risk management tools, measures and resources and support this with relevant training programmes and communication campaigns to ensure their successful adoption on the farm.
- XXVIII. That the NFF promote the need for farm organisations to take greater responsibility for education and training direction and ensure its people are truly representative of farm interests. The “FarmBis” short course/activity is the preferred method of training delivery as it more accurately meets the seasonal and work nature of farm businesses. The formalised apprenticeship/traineeship process needs to undergo change to similarly reflect this method of delivery.

- XXIX. That the NFF advocates for a truly national standardised approach to funding and advisory bodies with funding recognising the higher costs inherent to regional delivery. A new structure is required for the Skills Councils that is reflective of industry, and not responsive to the bureaucracy, as is further development of a suitable single-sector structure including consideration of combining existing organisations.
- XXX. That the NFF calls for training organisations to be structured firstly by developing desired outcomes and then reviewing the enabling mechanisms to achieve these outcomes. For example, the “language” of education and training needs to be rewritten in plain-English to remove the present disconnect between farmers and training providers.

#### **WORKPLACE RELATIONS**

- XXXI. That the NFF continues to support mechanisms for the deregulation of Australian workplaces, in particular through ways of ensuring flexibility of employment arrangements to meet the needs of employers and employees.
- XXXII. That the NFF campaigns for uniformity and simplicity in the regulation of employment relationships to streamline the ease and clarity of process for farmer employers.
- XXXIII. That the NFF continues to advocate strongly for decentralised industrial relations to ensure that local needs and conditions maintain an influential role in their determination.
- XXXIV. That the NFF continues to call for and where possible, conduct ongoing education campaigns and initiatives, particularly given further and pervasive reforms to federal industrial relations.

## **HUMAN RESOURCE MANAGEMENT**

- XXXV. That the NFF work closely with State Farming Organisations to explore more effective information and services to farmers to build human resource management skills and techniques.
- XXXVI. That the NFF conduct a second survey to obtain information on current employment practices and approaches to human resource management across the sector.

## **WAGE RATES**

- XXXVII. That the NFF continue to support decentralised wages for agricultural employment, allowing wages to be fixed at individual workplaces and based on the circumstances applying to those workplaces, underpinned by a safety net.

## **OCCUTIONAL HEALTH AND SAFETY**

- XXXVIII. That the NFF engage with State Farming Organisations to conduct a social marketing campaign to improve attitudes to safety, supplemented with some practical initiatives highlighting simple changes that can be made to farm work to improve safety.

## **EMPLOYMENT PARTICIPATION**

- XXXIX. That the NFF engage governments to ensure Job Network members focus more strongly on seasonal, short term rural and agricultural jobs.
- XL. That the NFF engage a wide range of stakeholders to ensure that agricultural positions are more effectively advertised by employers, and that sources of these advertisements are widely promoted and publicised, particularly on the internet.

- XLI. That the NFF continues to campaign for existing skilled migration requirements to be changed to reflect Australian wages and conditions of employment, and to allow easier access with less red tape.
- XLII. That the NFF detail and release its *Workforce from Abroad Employment Scheme*, highlighting in particular the detailed research findings and resulting profile of the nature and extent of labour shortages in horticulture. The NFF should also support the proposed approach and processes it has offered in the proposal, focusing on reciprocal benefit to farmers, participants and governments.

### 3. Nature of the Industry

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#### *What we know about the industry*

The NFF has previously expressed concerns that fundamental labour market data and statistics collected for the economy as a whole is often overlooked for the sector. This is despite the abundance of such data for most other key sectors. In the last two years, the NFF has continued to source valuable new sources of the crucial labour market information it requires to better understand the positioning and direction of employment in the sector.

Concurrently, the NFF has escalated its contributions, participation and general promotion of initiatives and projects which will achieve a greater resource pool of knowledge and important data regarding agricultural employment. The NFF has travelled extensively across the country, speaking with farmers and bringing their concerns about labour supply to the policy table. It has also conducted its own basic survey on wage rates. The responses have frequently included lengthy and valuable comments regarding the state of the labour market at present, and employment practices within the farm sector.

The 2005 Plan identified perceptions of the industry as a major barrier to attracting labour. Somewhat ironically many of those perceptions, particularly in recent years, are entirely unfounded. However, others remain key obstacles to securing workers, such as drought, isolation, and the younger generation leaving regional areas in favour of cities and the withdrawal of services from regional areas. Access to the internet allows remote communities to overcome their geographical isolation - to market their communities (for example, tourism), to complete tertiary studies online, to advertise or find work (the Harvest Trail Information Service being a particularly good example), to communicate inexpensively, to check visa entitlements of foreign workers quickly and easily, to be entertained and through the sum of these things, to provide a far more enjoyable, as well as functional life and livelihood. This in turn assists to retain and indeed attract people to such areas.

There is increasing evidence that there are many highly positive perceptions not only of agriculture, but both working and living in regional and rural Australia. From a domestic perspective, the number of people undertaking vocational training in agriculture continues to increase. The “tree-change” culture continues to appeal to the desire for more relaxed living and lower housing costs, to name but a few attractions, but the need for a decent job or business opportunity remains crucial to clinching their interest. Also, anecdotal evidence suggests a significant increase in the number of “grey nomads” seeking to enjoy country Australia, whilst enjoying a source of casual income to sustain their travels along the way. Similarly, international travellers are often very keen to see more of Australia than the coastal capital cities, and in turn like the “grey nomads”, seek to extend their stay and the scope of their travels through short-term employment, frequently on farms. A more structured and flexible approach to managing and providing incentives to back packers – who are becoming important sources of labour and service provision in regional Australia – would make this resource more reliable and valuable to producers.

*What we want people to know about the industry, and what they want to know about the industry*

The industry must continue to acknowledge and act on the need for a better understanding of the thoughts, perceptions and aspirations of those currently working in agriculture and beyond. Yet it is just as essential to ensure that misconceptions, and the absence of knowledge about careers in agriculture are dispelled and supplanted by the vast number and diversity of positive experiences such a career has brought to workers in the industry. Indeed six of the most demanded occupations in agriculture require trade-level skills or above, with three of the six being managerial and thus senior occupations in terms of skills, experience and training. Specific cases studies of these and other occupations are essential to communicating the rewards of involvement in thriving farm businesses. The most demanded occupations referred to above join an ever-growing list of jobs demanding high levels of trade, academic and often postgraduate qualifications needed by the sector so badly.

The agricultural sector should also consider the extent to which it can target those who have left the sector altogether. These include those who have made this decision a considerable time ago, through to those of the 80,000 – 100,000 (or indeed beyond this number) employees who were forced to leave the sector following the 2002/03 drought, especially those among the 14,000 who left the sector in the year to February 2008. The constantly changing and developing nature of how farm business is carried out means that many of these former employees, particularly those who departed the sector some time ago, are unaware of the major developments and consequent changes

**Recommendations**

- **That the NFF continue to conduct surveys, qualitative and quantitative research into a broad range of aspects of employment in the agricultural sector, and encourage the expansion of such research by Governments and third parties.**

- **That all stakeholders in regional and rural employment continue to cooperatively develop and implement detailed strategies not only to appeal to the diverse spectrum of potential farm workers, but to attract such people to live in rural parts of Australia.**
- **That the NFF conduct a comprehensive communications campaign highlighting the nature and extent of labour shortages, and profiling the highly skilled nature of most of the top occupations within the sector.**

## **Manual Labour**

A recurring perception of careers in agriculture is that it inevitably involves manual labour, making it too hard compared to other industries. This notion further perpetuates the misperception that working on a farm requires little or no skill. Consider ecologists, veterinary surgeons, managers, office workers, cooks, horticulturalists, agronomists, meteorologists, mechanics and other tradespeople, to name but a few.

The reality of working in agriculture reveals a broad and exciting spectrum of opportunities, particularly as the conduct of agricultural business is increasingly reliant on state-of-the-art technology, science and mechanism. Consequently, whilst many traditional tasks requiring manual labour remain an integral part of farm work, the need for university graduates and postgraduates is ever increasing. Further, many people work in the sector as office and administration workers, drivers and in other general roles not involving outdoor work.

The breadth of the spectrum of roles on farms in fact offers easy entry to the sector, with on-the-job training establishing many clear paths which, coupled with formal practical, technical or academic training, opens the door to a vast range of long-term occupations.

There is no doubt that there is still a range of jobs required in the agriculture industry that include relatively low-skilled, hands-on employment. However, undertaking manual labour should not in any way been considered demeaning or too hard. The benefits of manual labour should also not be overlooked particularly in relation to health and fitness of an individual.

Consider if you will the labour of shearing a sheep. Professional shearers regard their 'job' as more of a sport requiring professional "coaches" rather than "trainers or educators" to assist them improve their craft.

Indeed, the level of local, regional, state, national and international shearing competitions are testament to the view that shearing is regarded as a sport with many top class international shearers, through the demand for precise skills and techniques, coupled with the need for efficiency and speed.

### *Way forward*

The requirement to perform manual tasks will always be a notable aspect of working on farms. It is therefore necessary that this be communicated in both the education and recruitment processes. However, it is just as important to emphasise the nature of different roles in agriculture and both the physical and academic requirements for such careers, for instance, veterinary practitioners which involves a combination of both.

The training delivery system has taken a long time to catch-up with the views of industry and existing workers in delivering manual-labour training. Delivery must be demand driven and this is the thrust of why the Federal Government's training places involve pushing for providers to be assessed on outcomes, that is, job-ready and capable people.



Registered Training Organisations need encouragement to throw the old methodology of delivering training out the door. Industry experienced people need to be enticed into training and coaching roles. This in and of itself represents a good example of an agricultural career, fused with a career as an educator.

Registered Training Organisations must be encouraged to move away from delivery of training that can only be undertaken at their campus at a time and day that suits the teacher. Rather it must be delivered at a time and place suitable to the business and respectful of the seasonal nature of farm businesses. Further, the availability of relevant short courses is critical, together with funded skills recognition. They should also be encouraged to employ well respected “coaches” rather than simply educators.

This is presently not easily achievable due to the bureaucratic nature of determining funding delivery and the poor recognition by city-based legislators, policy-makers, and bureaucrats of the higher cost of delivery of training in regional Australia. A new training funding model needs to be developed for regional and rural Australia to overcome the inherent inadequacies of the current supply-driven systems and to address contemporary business and community needs.

### **Recommendations**

- **That the NFF highlights through its communications campaign the widespread use of technology on farms, in particular as it relates to the alleviation of many traditional farming occupations.**
- **That the NFF highlights how modern farming, faced with a raft of new challenges, increasingly needs highly advanced levels of tertiary education through roles such as farm managers, commodity traders and scientists.**

- **That the NFF closely monitors outcomes from its expansion of education and training policies and initiatives, in particular, how effectively those initiatives and the materials provided through educational institutions attract students to careers in agriculture.**

## **Skill Levels**

*What skills are required to work in agriculture?*

The agricultural sector is in the midst of pervasive changes in terms of the approach and method in which farming is conducted. Technological and scientific developments have been increasingly pertinent to an industry facing harsher climatic conditions and striving to remain internationally competitive on global markets.

Traditionally, the skills necessary to working in the industry have been hands-on, developed through on-the-job training. For a significant majority of occupations on farms, this continues to be how employees are trained.

The formal recognition of these acquired skills through a competency-certificate or a tertiary qualification is strikingly different from that of other industries.

Most city-based occupations and trades will usually start with an employer wanting to take an apprentice. The employer would initially contact a training or recruitment company that has a number of interested people wanting to start an apprenticeship. The employer would then be issued several curriculum vitae's and start an interview process leading to the initial appointment and recruitment of an apprentice.

Farm apprentices are significantly different. The farm employer would usually have found by word-of-mouth a worker who would then be expected to spend a considerable period of time working on the farm. At some point, the farm

employer would approach a TAFE or RTO and enrol their worker in an apprenticeship.

Farming is also unique in that the majority of competency-based learning is actually undertaken by the farm-business-owner rather than their employees. This has usually been brought about by the farmer realising he or she is missing critical skills to effectively compete in the market place.

It should, however, be noted that the nature of farming has and continues to significantly change. Mechanisation, automation, and technological advancements have made farming a much more highly skilled industry than ever before.

As an export-commodity competing industry, Australian farming boasts the highest productivity improvements of any other outside of Information Technology. Farming has needed to reduce its cost inputs every year in order to remain internationally competitive.

This has resulted in GPS guided tractors, soil moisture profiling, computerised drip irrigation systems, laser levelling and minimum-till farming methods replacing previously manual labour.

The days of hand-cutting grains or cane have ended and in their place are multi-million harvesters. No longer do cows get hand-milked and in their place are 24 hour milking sheds using the highest quality and surgically clean assembly milk-harvesting equipment.

## **Perceptions of Farming**

Changing the perception of farming is not an overnight activity. The need to educate consumers, teachers, students, and parents on modern farming practices has never been more paramount. Accordingly, the qualitative and quantitative research commissioned by the NFF has highlighted that the majority of Australians still hold the old-world view of farming.

It is perceived as a 'sunset' industry with no future. For Australia to continue to produce its own food and to environmentally manage vast tracks of land to keep free of pests and invasive weeds, these stereotyped old-world misperceptions of Agriculture must change. Australia still needs to attract people to work on the farm and its related industries.

Without the ability to attract new agricultural and food scientists, the productivity of Australian farms will start to slip, putting us at a competitive disadvantage with our international competitors. This will have serious repercussions for Australia's terms of trade, export performance, and gross domestic product.

For example, Treasury has predicted that farming coming out of the drought would add an additional 0.5% to GDP. The great threat to this being achieved is not having the necessary labour pool with the requisite matching skill sets.

### *Way forward*

The NFF, its members, and affiliated organisations must take a leadership role in the positing of the industry in the eyes of the world. The successful positioning of farming with media, politicians and third-party groups will lead to positive discussion and debate, and influence the public commentary of others on prevailing issues. A need to more thoroughly and closely engage with educators and families on 'modern farming' is also of paramount importance.

Farm bodies presently produce a large range of educational materials and learning aids for use in the classroom. When approached, teachers are interested in information on modern farming, especially as it relates to the environment and sustainability. However, these two groups are not converging to achieve mutually beneficial outcomes.

The NFF is presently engaged on a number of fronts in educating the public on agriculture including involvement with 'Ollies Island', National Farm Day

activities, and television advertisements. It is working with Agricultural Scientists, Deans of Agriculture and other interested bodies in staying on message with its Communications Plan.

Additionally, the NFF has taken a leadership role with the Primary Industries Education Foundation that seeks to bring farm industry learning materials to teachers through a credible and respected organisation.

School education curricula have undergone numerous changes over the last several decades, but the area of food and fibre production and environmental management has largely been sidelined and not kept pace with modern farming practices. This is despite the great world-wide interest in the environment and consumer desire to know more about the world in which they live, and the food they eat.

Farming should continue to pursue activities that will educate consumers that “milk comes from a cow and not from the carton in the fridge”. Farming has achieved a great deal of technological advancement and has a resilient and adaptive history of which it should be proud – moreover, this history of meeting challenges evidences soundly the extent of the promise and prospects the modern industry faces. To ensure continued interest amongst school students, parents, and teachers that farming offers exciting careers and is a modern employer, this world of opportunities must be promoted in a holistic manner, with particular reference to the personal and professional opportunities and challenges farming presents to those who opt for a career in the sector. Real jobs and opportunities need to be showcased to evidence and highlight exactly how rewarding, lucrative and challenging agricultural careers can be to discerning kids, parents, potential tree changers and new Australians.

## Career Path

The term “Agriculture Career” is not a misnomer. It is a term that is not used enough, arguably because of the vast underestimation many within and indeed outside the industry hold for the skills and experience it commands of its professional and occupational workers. There remains a common misconception that the agriculture industry offers plenty of job opportunities, but with the exception of farm ownership, limited opportunities for a career. This misconception is borne from a narrow view of what opportunities exist in agriculture, and fails to recognise that career opportunities with the agricultural supply chain extend far beyond the farm gate.

The high capital costs involved in purchasing a farm are also seen as a major impediment to career progression for an individual with an interest in primary production. As Australian farming continues to consolidate more opportunities are opening up for farm managers and permanent employees on major enterprises. Farming is, and needs to explore the importance of a new mentality about capital ownership, for example, through initiatives allowing corporate investors ‘own’ the asset with ‘franchisees’ running the business.

While the role of a farm manager provides the security of a salary, irrespective of seasonal or income variability, in many cases a farm manager’s role is to implement the decisions of an owner, rather than to make the management decisions in their own right. This lack of autonomy and lack of control over the broader direction of a farming enterprise can prove frustrating, and can make it difficult for a manager to identify a career path in growing with the businesses and enhancing success. It is vital that farmer employers allow employees of all levels get closer to the business and its planning to ensure the job is highly rewarding.

While the high price of property and farming equipment is likely to be prohibitive for a farm manager, without external financial backing, to purchase a viable farming enterprise, there are growing opportunities for individuals with experience in primary production to enter share farming, contracting or leasing

arrangements and to 'have a go' in their own right. These alternate ownership arrangements can provide a realistic stepping-stone, or a path, for an agricultural employee to move from employment into ownership or a greater stake in the management of an enterprise.

There have been as many a stories of shearers progressing to the purchase of a sheep operation as there have been of farmers selling their land, but retaining their equipment to become contractors. The impacts of drought are also seen as a threat to long-term employment within the industry. All industries are hit by downturns that could result in a short-term impact on a career. It's a risk that all participants in employment face, but it should not necessarily detrimentally impact on career advancement. Therefore, impacts such as drought should not necessarily be considered as a long-term overriding detriment to a career in agriculture.

Rather perversely, the impact of drought and climate variability has been significant on agricultural science careers. It is during periods of drought that the need for Agricultural scientists is at its highest, but the prevailing perception amongst career advisers and students is that "farming is in a drought and there are no jobs".

Likewise, commencing employment in agriculture and undertaking a manual or low skilled job does not necessarily mean that an employee has to continue with that job for the remainder of their lives. There are opportunities for advancement whether through experience and/or formal training within the sector if a person is so inclined, with recent reports of remarkable entrepreneurial endeavours in the horticultural sector that have been built by people who started in the industry by simply picking fruit in seasonal work.

Another great example of this is the Human Resource Manager for AACo (Australia's largest listed agricultural company). She commenced employment with the company as a cook for a muster team, becoming a jillaroo. She was then engaged on a station before moving to head office in Brisbane in the accounts team. After completing a degree, she eventually became the present human

resource manager at the company. The experience of undertaking such tasks provides employees a very good grounding of skills that should be seen as a benefit towards advancement. Farmers themselves also have to recognise the changing aspirations of the workforce.

People are no longer content to stay in the same job or with the same employer for a lengthy indefinite period of time particularly if motivating factors to remain with an individual employer are not present. Whilst farming still has one of the least transient and most loyal workforces, it cannot assume this will always be the case.

Catering to Generation Y, who are estimated to have 22 jobs over their lifetime and who crave instant communications and information wherever they are, will be a significant challenge for farming. It also underlines the importance of regional telecommunications infrastructure so that a young person working out on a station can have the same technology availability as their contemporary working in a city office.

Analysis of each individual's aspirations has to be considered by a farmer to ensure they can retain them for a period of time that achieves a productive outcome for both the employer and the employee. The other significant challenge that farming will need to overcome is the perception amongst consumers, children, parents, and teachers that a farm job only involves sitting on a tractor or riding a horse. The farm industry needs to more proactively advocate that does have very attractive rates of pay and that there are a myriad of job opportunities available on-the-farm or in associated industry.

### *Way forward*

Identification and communication of the jobs, rewards, challenges and career paths available in agriculture is an essential component in any strategy seeking greater uptake of employment in the agriculture industry. This reinforces the changing aspirations of the workforce. Further, the promotion of new or changing



opportunities in agriculture should be communicated and should seek to change the current narrow perception of farm employment to a perception of opportunities throughout the Australian agricultural value chain both in Australia and internationally. This also highlights the need to explore the possibility of a national career path, flexible enough to deliver localised solutions. Development of such a pathway could be modelled on specific success story case examples, and framed in awards and training wages, and would improve the attraction and retention of workers for the lifetime of their careers in the sector.

If the perception of agriculture as providing a career path is to improve then part of that process requires the employer themselves to consider their own Human Resource Management structures. This will be critical to the success of the growth in the size of farms as there becomes an increasing reliance on employees as opposed to family involvement in the running of the farm business. Human Resource Management skills are addressed in a later section of this Plan.

The implementation of more professional approaches to employment that identifies career advancement may well be a significant motivating factor for the employee.

As farm businesses continue to consolidate their operations and become more corporate in structure (even amongst family farms), the need for career planning of the workforce will be more paramount.

This is especially true for contractors who generally carry out a single task all year round such as harvesting or shearing. Contractors will need to carefully consider how they will retain staff or deal with regular staff turnover whilst ensuring surety of supply.

Serious consideration also needs to be given as to the role alternative farm ownership structures can assist in providing realistic opportunities for farm employees and other individuals with an interest in farming to take on a greater controlling stake in a primary production enterprise. Work is underway in some

sections of the industry in this area, such as the dairy industry, that should be considered as a potential model.

## **Seasonal Influences**

Agriculture fundamentally requires an increased labour supply during the peak periods involved in seasonal work. Workers are typically required in greater numbers for short periods of time to meet these demands, but do not typically result in ongoing, secure employment. Seasonal work faces the most notable labour shortages across the sector, and this is not expected to abate in the foreseeable future. In fact, emergence from drought will certainly exacerbate this.

Australians are not typically attracted to seasonal work. Further, it does not satisfy ongoing Government requirements in terms of how the attainment of employment is defined, predominantly due to its short-term nature. The implications on social security payments, in view of its short-term nature, make it an untenable option for those seeking employment.

Conversely, many working holiday makers crave an experience of rural and regional Australia, rather than confinement to the coastal capitals. Similarly, “grey nomads” often travel the country in their retirement. Both these groups often bolster the funds necessary to embark on these trips through seasonal work and have represented a windfall in many regions for the short-term supply of labour. Despite the benefits from these groups of workers, they can only represent one part of a more all-encompassing solution, and are not without their disadvantages.

The 2005 Plan identified the critical need to market seasonal work more effectively. The main aims of such a communication strategy are twofold. First, it needs to not only address the less appealing aspects of the work, in particular the short-term nature, but also to target appropriate cross sections of the job market who could be attracted to such work, for instance foreign holiday makers and “grey nomads”. Second, the means by which to locate and secure such work must be simple and comprehensive. An excellent current example of this is the

Government-run Jobsearch website, which hosts the Harvest Trail information service. This not only facilitates advertising for seasonal positions, but helps people plan a series of successive jobs across the country according to peak harvest times in different regions. It not only assists those who are travelling, it allows those who are interested in the work to overcome the short-term nature of engagement through a series of available jobs, providing greater certainty and stability of employment and thus income.

Although most seasonal jobs are impermanent, they do offer a “taste test” of the farming environment. Growers are increasingly keen to retain a cross section of such employees for longer-term appointments, or on a return basis during future seasons. In both regards, the pool of labour is expanded in regional areas generally, a measure critical to the issue of regional development explored later in this document.

### *Way forward*

The key issue especially relevant to seasonal work is building and maintaining the strongest and most reliable communication stream by which to pair employees with employers. This must focus on marketing the appealing aspects of this kind of work, as well as advertising the work itself more effectively.

Adding to the five key areas set out in the first edition of this plan, key focus groups of potential employees for seasonal engagements include:

1. Locally based Australians, whether unemployed or seeking an income supplement, particularly those available on call or on an ad hoc basis;
2. Working holiday makers from Australia or overseas;
3. “Grey nomads”;
4. Contractors and labour hire companies;
5. The unemployed, underemployed and those who are marginally attached to the workforce;

6. Students from regional educational centres or more broadly, those embarking on a “gap year”;
7. Refugees – a pilot programme to implement possible changes to allow this could benefit both the employers and refugees, particularly insofar as they assist to redress the possible constructive refolement of the latter;
8. “Pick your own” initiatives – these have long been fairly common in horticulture, but could be better developed and marketed to people such as tourists, or as a leisure activity.

The above groups are not an exhaustive list of those to target for seasonal work. Further, each will be subject to vastly different “motivational” factors and in this regard should be considered as different markets with separate strategies implemented accordingly. Since the 2005 Plan, no strong differential in approach to each of the various potential target employees has emerged. For example, Harvest Trail is ideal for “grey nomads” and foreign workers, but by virtue of its design to predominantly promote a moving series of employment opportunities, may not be suitable for locally based workers tied to their township.

The challenge of tapping into local communities as the simplest and arguably the most ideal source of labour is a principal focus in the 2008 Plan. The NFF continues to develop existing, as well as new policies relating to rural and regional development in that it underpins the labour shortage problem, and indeed many current rural and regional issues.

## **Remoteness**

Employment in agriculture inherently involves venturing beyond capital cities, and occasionally even beyond regional centres. Conversely, some farms are located within areas such as the Sydney basin, which is unlikely to present significant remoteness barriers to existing or potential workers. However, the perception of living and working in extremely remote areas varies vastly across the seven target groups of potential employees. Remoteness can be either a deterrent or attraction based on which group is considered.

The main issue arising from remoteness from a major centre or capital city is the comparative, or indeed outright lack of infrastructure to which metropolitan citizens are accustomed. Recent decades have seen the exponential growth of products and services, particularly in developed nations, together with major improvements to lifestyle-related products and services. This falls on top of the more traditional services, such as transport and health. The full extent of these available services is directly related to the decision of whether to stay in, let alone move to a remote area of the country.

Noting this, there are a number of good examples of how remoteness affects decision-making within a number of the target groups outlined above. First, seasonal workers may not be particularly concerned with a lack of services and social interaction given the transient nature of the work – they may only be in some regions for a day or two. Moreover, the vast majority of foreign working holiday makers and “grey nomads” purposefully travel to remote areas of the country as a key aspect of a more comprehensive experience of Australia. Conversely, a permanent employee may be deterred by distance from shops, schools and social events, either due to the costs it would result in for them, or simply the inconvenience, for instance, if they are parents with school-aged children. Having observed that, some of the deterrents would be no different or even worse in the experience of city life.

Remoteness is a particularly challenging issue as in most cases it does not relate to the immediate tangible incentives, such as rates of pay and salary packaging benefits, which typically assist to attract labour. Whilst these things are still important, the experience of other more highly paying industries is that they do not result in the sufficient attraction and retention of labour. Rather, a steady pool of workers within localised populations, arising from the broader growth of those communities, has been identified by many individual industries as paramount. This concept is developed in the Regional Development and Population Strategy section of this document, as well as the subsection Competition below.

### *Way forward*

Although agricultural jobs cannot move from their location, many other forms of business are able to relocate to regional areas. For example, the empowerment the internet has brought to many businesses cannot be underestimated. In this regard, the key role of hard infrastructure such as internet and communication infrastructure must continue to attract focal attention from Governments and commerce alike. Regional non-farm businesses and the agricultural sector are unquestionably symbiotic, that is, they thrive from one another to the mutual benefit of each. For this reason the sustainability of farming, not only through drought but as it seeks to continue to develop modern and effective techniques, is crucial not only to the sector but all regional areas in which this symbiotic relationship exists, which is essentially most of regional Australia.

There are a large number of incentives to minimise the deterrent role of remoteness to employment in rural and remote Australia. Very broadly, these can be classified as incentives provided by individual employers, and the “big picture” incentives, such as infrastructure. Obviously there are many that overlap, with transport being but one example.

The importance of business planning and management, and human resource management on farms is essential. The need for flexible rostering and employment arrangements is of key importance. For example, flexible hours and weekday leave in lieu are essential to allow workers to travel to town centres for the conduct of their personal business. Non-monetary benefits such as food and the use of motor vehicles are key ways in which to defray both the cost and difficulty travelling to regional centres, but are further valued as a convenience, for example by alleviating the need for grocery shopping for many items. The provision of accommodation helps to redress many concerns such as the cost of commuting and the availability of somewhere to live.

Hard infrastructure such as transport is not only the artery for the flow of labour to regional areas, but the incentive to move there more permanently. People are

inevitably happier to relocate in the mid to long term if they can easily return to major and capital cities at relatively low costs. The localised transport within regional centres is equally as important in that some farms are located great distances even from country townships. A cooperative approach between Federal, State and Local Government, regional farm and non-farm business and transport corporations is fundamental to optimising the efficiency of transport. Even small initiatives such as charter bus trips to a range of fruit picking employers could make a difference, which is a good example of the mutual benefit principle and flexible working conditions to attract labour. The availability of the internet at metro comparable standards and prices opens a world of opportunity for the growth of remote areas. Not only can many non-farm businesses relocate as a result of conducting most business online (and indeed lower other overheads), but soft infrastructure such as education can be delivered without the need to move people into regional centres or capital cities. It is now possible to do an assortment of courses online, whether it be for a responsible service of alcohol certification, farm risk management, a bachelors or masters degree. This improves the calibre of employees, delivers on their personal aspirations, promotes growth in the telecommunications sector and overcomes remoteness in a single overarching measure. Equally as important is the internet's effectiveness as a way to overcome the psychological aspects of remoteness as an information and communications resource.

The availability of tourist venues and events ensures that both foreign and domestic travellers choose to visit a given town. Such venues or events need not be costly, extravagant or on a massive scale. Many foreign travellers in particular simply enjoy a great authentic Australian country pub, riverboat cruises and visiting wine-makers, to name just a few examples. Those relocating will value similar lifestyle enriching activities, in addition to the benefits of avoiding things such as traffic and the cost of housing in metropolitan areas.

## Recommendations

- **That seasonal work is targeted at different cross sections of the potential workforce according to the needs and aspirations of each section, through a wide variety of publications and websites.**
- **That the NFF explore ways in which to highlight the nature and extent of opportunities for third parties to play a part in facilitating both seasonal employment in agriculture, as well as long-term career options. Those groups include but are not limited to recruitment groups, tourism information groups, Government Departments and even between farmers themselves either informally or through joint ventures. In particular, case studies of successful initiatives should be publicised and made widely available to farmers.**
- **That the NFF explore the nature of perceptions of travelling and relocating to rural areas, in particular in relation to the essential infrastructure and tourism and lifestyle drawcards influencing such decisions, whether relevant to long-term relocation or transient travellers.**

## Environmental

Agricultural work inherently involves tasks outdoors and possibly moving around over a variety of terrains. Sustainable farming is largely premised on an awareness of the environment within which you work. This not only includes an appreciation of natural resource management, but of farm safety and in particular, working in different weather environments. Yet the reality remains that such work invariably gives employees a breath of fresh air in being so vastly removed from the “buzz” of busy offices and the sedentary nature of those work cultures. The value of farm workers having an affinity with the land and the environment presents excellent opportunities to reignite the historic role of Australia’s indigenous population.



Similarly, the important need for natural resource management and environmental sustainability expertise also calls upon those with knowledge, experience and education in ecology and climate change, for example, to be more engaged in and by farm businesses.

### *Way forward*

The benefits of working in agriculture are frequently masked by the often untrue negative perceptions that many, particularly those outside of the industry, have formed. Promoting the positive aspects, such as the outdoor life, variety and diversity of tasks involved across all levels is essential in seeking to attract new employees. More broadly, the attractiveness of the industry should be more strongly framed within the appeal of living in regional areas and their situation in the environment that is the “Australian outback”.

### **Recommendations**

- **That the NFF include in its communications campaign an outline of the unique position agriculture, among all regional industries, offers in terms of experiencing the outdoors, adventure and the distinctive experience of the “Australian outback”.**

### **Competition**

There is no doubt that the agricultural sector faces fierce competition for labour from non-farm business and other industries. Record levels of the number of Australians in employment across the economy as a whole, together with the closing of the gap between regional and metropolitan unemployment (with a historically higher number of unemployed people in regional areas) has exacerbated the competition between businesses and industries for the available labour.

The mining industry is the predominant competitor for labour in this regard. It has continued to conduct campaigns and strategies to achieve outcomes in competing for workers, such as lifestyle initiatives, improving perceptions of the industry, strengthening safety and providing career advancement opportunities. The capacity of mining and minerals sector to pay extremely high remuneration has also served it well in this quest for workers. However, whilst the competition between agriculture and mining for labour is indubitable, the absence of local populations has been identified as far more detrimental. For this reason, the “fly in, fly out” strategy adopted by mining has been somewhat deficient in securing a stable workforce in that sector. The 2005 Plan identified the need to focus on shifting the approach from competition to cooperation. The Minerals Council and the NFF therefore decided to embark on a cooperative approach to securing employees, which has been ratified in a Memorandum of Understanding with the Australian Government. In essence, attracting people to regional areas and retaining them was flagged as the key dilemma in the labour shortage crises of both industries. The ability to move between industries ensures that people have variety, options and benefit from both sectors – for example, workers can enjoy the benefits of farm work such as easily developing skills, the outdoor life and fresh air, the variety of tasks for a certain period, and to interchange this with the benefits of mining such as higher remuneration for another. Such mobile employees may remain constantly engaged in a broad variety of functions across the industries, and the extent of transferrable skills such as operating machinery, provides exponentially beneficial training for employees from which both sectors derive greater productivity gains whilst sharing the training costs. Most crucially, local workers remain well engaged with a variety of work and solid incomes, and need not leave the region.

### *Way forward*

The cooperative approach with the mining sector is no doubt an important step in overcoming labour shortages. Conversely, the need to better promote the advantages of our sector remains of equal importance generally speaking, but more specifically in the competition between industries for workers.

Focusing on human resource management par excellence, including flexible working arrangements, non-monetary benefits and building and maintaining best-practice safety standards are key ways the industry can better compete for labour. Promoting the value of on the job training and providing development opportunities consistent with the needs and wishes of staff is another way to value-add to the employment relationship. Yet these are merely a series of sample initiatives – the broader call is for farmers to become better at marketing (and then delivering) their own innovative ways and specific strengths in appealing for employees.

## 4. Education and Training

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In developing the 2005 Labour Shortage Action Plan, it became evident that the labour shortage problem is multifaceted and has resulted from a broad range of interlinking factors. Identifying and promoting long-term career paths and attracting the high level of skills the industry requires have led to the expansion of education and training as a key area of NFF policy.

With the increased skill requirements to work in farming, the importance of appropriate education and training that can meet the demands of the industry and also prospective employees, has been reinforced.

Further, education and training in the agricultural sector must be wider ranging than simply focussing on employees.

By its very nature, training and education must be broadly handled and encompass all those who work on a farm including the owner/operator of a family farm business.

A sustainable farming industry requires an improvement in the skill capacity of all those who work on a farm. This adjustment in farmers' attitudes to learning is seen as a crucial step towards improving the sustainability of farming.

At present, NFF and farming organisations are not capitalising on the opportunities to work with governments in implementing a more flexible, relevant and effective education and training system. Without such engagement, it is likely that the unique education and training issues faced by agricultural industries will be overlooked.

To this end, the NFF established a Skills Taskforce to ensure co-ordination of NFF appointed representatives to Government and Industry bodies, and deliver a single voice representing farming interests.

The NFF Skills Taskforce convened its first meeting in Canberra on Wednesday 9 May 2007.

Its members bring representation from the Institute for Trade Skills Excellence, the National Industry Skills Committee, the National Quality Council, TVET Australia Ltd, Rural Skills Australia, Agri-Food Skills Council, Rural Skills Australia and the National Quality Council, Agriculture & Horticulture Training Council. Further, the Policy Officers representing Education and Training of NFF State Member Organisations are participants.

In 2006, the National Farmers' Federation determined to place education and training goals in the Strategic Plan. Specifically, the NFF seeks to maintain and improve the competitiveness of Australian farming businesses through three objectives:

1. A competitive and flexible labour market
2. Access to labour (low-skilled, semi-skilled and skilled)
3. High-level skills and capacity in the farming population

### *Way forward*

There is a crucial need to ensure that all those involved in agriculture have high level skills and capacity to undertake work in the sector to enable the agricultural industry to remain competitive and productive in an international market place both now and into the future.

Training delivery is needed across the age spectrum to those already involved in the industry and to educate those interested in the industry on the role farming plays in Australia's economy.

Skills development is complicated by the mobility and comfort of young people to change careers. Whilst agriculture has generally chosen to bury its head in the sand in dealing with Generation Y, greater attention to catering to the needs of this generation in a rural setting needs to occur.

Due to the thinness of the training market and the dominance of TAFEs as the principal training supplier in regional Australia, there are significant problems with the present delivery of training not fitting the requirements of the labour force or the employer.

As farms become more business orientated, they are recognising the deficiencies in training providers and are electing to do their own training and avoiding structured learning and the AQTF system.

As the world changes, farmers need to be enabled to adjust to rapid changes in employment (and other external factors such as environmental stewardship).

There is also a strong need for farming to move towards higher level skills in order to compete with the job attractiveness of other industry groups.

## Schools

Studies show that rural and regional school students have lower literacy and numeracy outcomes than city students. There are also smaller numbers who go on to commence University. This is contrasted with higher uptake of Vocational and Further Education in rural and regional area than in the cities.

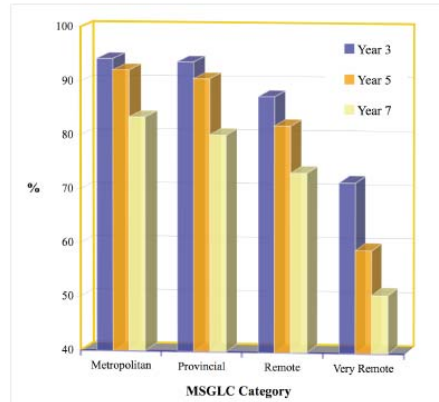


Figure 2.2 Percentages of Year 3, 5 and 7 students in different MSGLC categories achieving the National Numeracy Benchmark in 2004 (adapted from MCEETYA, 2006)

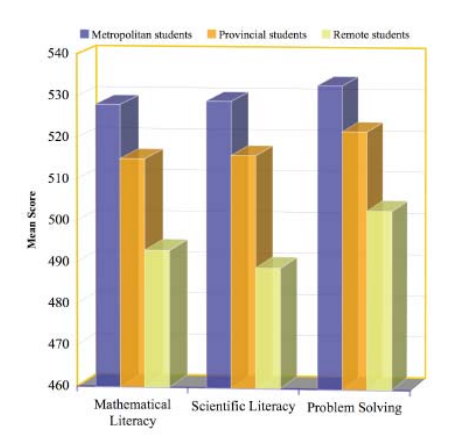


Figure 2.3 Mean scores of Australian students from different locations in the PISA 2003 tests of mathematical literacy, scientific literacy and problem solving (adapted from Thomson, Cresswell & De Bortoli, 2004)

### *Way forward*

The image of farming is viewed extremely poorly by the teaching profession and career advisers in particular.

The emphasis by Government under the Dawkins Reforms to encourage students to go to University has been detrimental to the skills needs of industry and can largely attribute the present skills shortages facing Australian industry.

The present perception that undertaking Vocational Education and Training is an academic and career failure has not been arrested and more attention is required to deliver outcomes such as those promoted through the Institute for Trade Skills Excellence.

Recognition of farming in primary schools is almost non-existent. Teacher and career advice on what is 'modern farming' is severally lacking as is the encouragement by Principals for their schools, classes, and teachers to engage with one of the more significant employing industries in their catchment area.

The poor attractiveness of farming has resulted in the industry attracting students at the bottom levels of academic achievement. This has substantial impacts on farming business operations and practices as these students progress in their careers to become future farm leaders who lack the skills and ability required to professionally manage a farm business. Fortunately, this is generationally changing, as farms require higher level skills.

Cost is a significant factor in school attendance especially for rural and remote farmers whose children are required to live away from the home to attend school. More on this is covered elsewhere in the Labour Shortage Action Plan.

## Recommendations

- **That the NFF explore and initiate improvements to the promotion of career pathways through demonstrating the variety of job and career opportunities involved in agriculture and horticulture.**
- **That the NFF continue to proactively support Government initiatives aimed at improving the perception of acquiring a trade skill such as the Institute for Trade Skills Excellence.**
- **That the NFF conduct and/or encourage further research into the job preparedness of school leavers for commencement of employment in farming and concurrently, promote programmes and activities that personally develop teachers and career counsellors on farming.**
- **That the NFF continue to promote support for a national “Land Learn” Programme and a national farming specific “School to Industry” advisory programme rather than the generic approach under Careers Advice Australia.**

## Tertiary

Enrolments in tertiary Agricultural courses continue to decline. This creates the possibility that tertiary learning institutions will close down or limit farm course offerings.

The “thinness” of the market, particularly with regional campuses, exacerbates this problem. Under present funding formula and the move by Universities to greater commercial basis in their operations, it will become highly tempting to remove agricultural science courses. This is not just due to the smaller number of enrolments, but the reasonably significant costs of equipment, technology, and



delivery in comparison to soft-study courses such as Commerce or Public Affairs which only require text-books and a lecturer.

Whilst recognising the decline in Agricultural Science graduates, it is acknowledged that there has been an increased interest in Conservation and Land Management students. Agriculture has an opportunity to capture these students, but will need assistance to fill in the knowledge and skills gaps required by the industry.

### *Way forward*

The expected collapse of tertiary graduates would create major problems for farming, especially in research and agronomy and will have debilitating effects on our international competitiveness, especially in areas such as gene technology and adapting to climate variability.

It is recognised that there has been a significant failure amongst careers advisers to demonstrate all the options available to a student interested in farming. Farming is significantly more than a block of dirt with an animal or plant on it.

There is a weight of evidence that indicates regional campuses assist in the retention of people in regional and rural centres. Once a regional student departs for a city-based education, there is only a 40% likelihood that they will return to a country area. The lowering of entrance requirements to attract people to an agricultural-based degree has impacted on the quality of graduates; however, the labour shortage has found major agribusiness companies seeking to lure students to work for them prior to the completion of their formal qualifications.

Particularly in regional Australia, there is growing interest in the trades as an education path with Certificates and Diplomas give greater career options and can still lead to a University degree. It is therefore, essential that the tertiary sector embrace and recognise this prior learning rather than create artificial entrance or completion barriers so that course fees can be realised.

## Recommendations

- **That the NFF conduct or encourage others to undertake research that assesses the future graduate employment demand and disciplines for farming and provide incentives (similar to that offered to nurses) to match these needs, coupled with research into the reasons students are not choosing agricultural university courses noting that salaries and lifestyle are comparable with similar occupations in other industries.**
- **That there is increased support for specialised degree courses based on commodity grouping, and support for cadetships in which farming companies and commodity groups sponsor a student through their degree.**
- **That the NFF continues to engage stakeholders regarding programmes and initiatives that encourage city students to undertake their further education in a regional centre, and similarly, appropriate infrastructure and initiatives to allow regional and remote students to acquire their degrees in those areas, either through locally situated institutions or the internet, or both.**
- **That the NFF continues to engage governments for greater support for regional and rural students accessing scholarships, changes to the 'means test' on farmers allowing rural students to immediately attend University after leaving school and the encouragement of University and centres of higher learning to locate campuses in regional centres.**

## Vocational Education (Apprenticeships)

The Agri-Food Industry Skills Council is driving the reform of Training Packages to ensure their relevance to delivering job-ready people for enterprises, to make

them understandable (including to industry) and to focus on responsive to changing industry needs. Large Training Package reforms are out, with continuous improvement already being implemented and working well. The new reforms, which are being done in collaboration with industry, TAFEs, other providers and governments, have a high emphasis on implementation and assessment of provider performance in delivering quality outcomes to employers. An emphasis on the personal development of trainers is also a characteristic of the new reforms.

The value of Vocational Education and Training is different across Australia with strong favourability in Victoria, parts of Queensland and South Australia and poor favourability in New South Wales.

Training delivery in regional Australia has principally been delivered by TAFEs. It is only those more commercially-based TAFEs in Victoria who have industry-led consultative groups who are predominately delivering to industry needs.

In other States, those TAFEs who are able to “work around” the rigid and controlling structures and funding formula’s imposed on them by the educational bureaucracy who are delivering a superior service to industry needs.

Many TAFEs and Registered Training Organisations continue to provide structured learning requiring attendance at a facility which negatively impacts on farmer support for Vocational Education. There was considerable variation across States in the flexibility of delivery.

Training packages are generally viewed as being flexible; it is the organisations and people that deliver them that are inflexible.

Training packages have in the past been generally out-of-date by the time an update is released due to the overly burdensome bureaucratic approval process and the virtual veto powers that some stakeholders in the process hold. More recently, improvements to cross-industry flexibility and catering to changing and

emerging industries have resolved this, but an ongoing focus on these considerations is crucial.

### *Way forward*

Whilst recognising a common skill set to work on a farm, it is highly critical that training provision is able to meet the specific training needs as they vary across commodity groups.

The gradual reduction in real terms of investment by governments and poor enrolments in 'thin-market' courses have the inevitable result by training providers of searching for "efficient" ways of provision or a favouring of courses that do not require one-on-one equipment or learning demonstration.

The move to create more generic courses to suit a wider range of industries, thereby expecting to attract a larger number of participants generally results in courses that are no longer relevant to the employer.

Industry is more than likely to vote with its feet and avoid the VET sector rather than scream loudly for training delivery that suits them, thus creating a disaffection leading to even lower uptakes and a spiralling affect.

As previously highlighted, farming is facing a severe labour shortage as it comes out of drought. As an industry, our future capacity to generate economic wealth is in serious jeopardy should farming be excluded from attracting apprentices and developing the skills, education and training of our future workforce.

The present mechanisms in place for the National Skills Needs List (NSNL), has resulted in the exclusion of Agriculture and Horticulture apprentices from accessing a range of Government initiatives. This inequality must be restored to allow farming the opportunity to compete with other industries for apprentices.

## Recommendations

- **That the NFF support initiatives that assist in delivering flexible education and training, particularly through modern media such as the internet, but also through regionally based institutions.**
  
- **That the NFF actively advocate for and develop a proposal for a 'skills passport' that cooperatively works with other industries or commodities to resolve single employment issues. Such a passport could be utilised to match skills, plan work schedules and coordinate labour supply originating domestically or abroad, and coordinated with job websites such as Harvest Trail.**
  
- **The NFF continue to focus on the importance of developing champions of industry supporting Education and Training as the attainment of a skill and not as the completion of a training package.**

## Vocational Education (Further Education)

As the majority of Vocational delivery is actually at the farm owner/manager, it is imperative that the training delivery needs of this person are integral to creating a culture of learning on the farm.

If this person suffers a poor experience or perceives low value in pursuing learning opportunities for themselves, then this perception will transfer to their family members and workforce.

To counter these perceptions, it is extremely important that learning is delivered upon the fundamental adult learning principles. Attitudinal change in the farming population is needed so that farmers and their workforce are prepared to identify their deficiencies, adapt to change, and establish risk management practices.

As long as educational institutions continue to deliver training in the traditional sense of the teacher gifting their experience to a classroom, this is unlikely to occur.

As previously noted, many farmers and their employees have gained sufficient 'on-the-job' experience to qualify for a Certificate under the VET structure, but are inhibited from doing so due to the cost and time required by training providers to undertake a Recognition of Prior Learning (RPL) assessment. However, the rigid and time-consuming Recognition of Prior Learning adopted by many RTOs has basically forced farm apprentices to complete to course in its entirety.

### *Way forward*

Many farmers view the need to educate themselves or their workforce as an admission of failure rather than as a critical input to business success.

Greater uptake in skills development is expected to occur as farmers are encouraged to undergo an attitudinal change towards value and respect for education and training.

There are some great examples of RPL working efficiently and within the imposed bureaucratic strictures. Horticulture effectively manages its Recognition of Prior Learning and there are great opportunities with the online RPL project being led by Rural Skills Australia.

### **Recommendations**

- **That the NFF continue to advocate for education and training funding models to be reviewed to improve the Recognition of Prior Learning in full, partial and self assessment, incentives to assist training providers to undertake Recognised Prior Learning, and support**

**services for farmers on the process of undertaking an Recognition of Prior Learning assessment.**

- **That the NFF continue to pursue a strong commitment from industry organisations, industry leaders and mentors, to the development of highly-skilled people; also, that there is continued pursuit of the encouragement of business management, risk management and human resource management delivered under Adult Learning Principles will lead to attitudinal change and drive a new wave of farm workforce training.**
  
- **That the NFF pursue the development of skills, training, and educational delivery needs to be holistically addressed in manner responsive to the regional needs and timeliness of farmers.**
  
- **That the NFF pursue extension programme funds are provided to allow farmers to adapt recover from this drought and deliver the risk management skills required. Providing useful climate variability risk management tools, measures and resources and support this with relevant training programmes and communication campaigns to ensure their successful adoption on the farm.**

## **Organisations / Government Bodies**

There are a number of affiliates, associations, and government bodies working towards much the same ends – delivering education and training reflective of industry needs.

However, there is a significant disconnect with the present system lacking relevance to farmers.

### *Way forward*

The terminology, framework, and delivery of education and training is only known to those intricately involved. Using words like RPL, AQTF, AAC, LAC, Competency Units, etc, will cause most farmers eyes to glaze over and not bother going anywhere near the training system.

The present system tends towards an emphasis on its own self-preservation rather than meeting the needs of industry with it being generally regarded as inflexible, untimely and not reflective of changing workforce needs.

A common complaint from farmers is how out-of-date training packages are and that the information being taught is not reflective of modern farm practices.

Farm organisations must accept a degree of responsibility for the present system due to a historically low-level of interest in education and training and the disconnect between training package updates and consultation with real-life modern farm operators.

### **Recommendations**

- **That the NFF promote the need for farm organisations to take greater responsibility for education and training direction and ensure its people are truly representative of farm interests. The “FarmBis” short course/activity is the preferred method of training delivery as it more accurately meets the seasonal and work nature of farm businesses. The formalised apprenticeship/traineeship process needs to undergo change to similarly reflect this method of delivery.**
  
- **That the NFF advocates for a truly national standardised approach to funding and advisory bodies with funding recognising the higher costs inherent to regional delivery. A new structure is required for the Skills Councils that is reflective of industry, and not responsive to the**



**bureaucracy, as is further development of a suitable single-sector structure including consideration of combining existing organisations.**

- **That the NFF calls for training organisations to be structured firstly by developing desired outcomes and then reviewing the enabling mechanisms to achieve these outcomes. For example, the “language” of education and training needs to be rewritten in plain-English to remove the present disconnect between farmers and training providers.**

## 5. Workplace Relations

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The historical structure of State Farming Organisations alongside the NFF has resulted in a significant proportion of agricultural employers being respondents under the federal award system. The only exception is Queensland, being covered by its own State jurisdiction, prior to the introduction of *WorkChoices*.

The NFF has noted the overwhelming reliance on informal agreements and awards in its meetings and consultations with constituents, and during travels to farms across the country in recent years. Confusion, bureaucracy and complexity have made formal, individual agreements cumbersome; additionally the culture within the industry undoubtedly involves “handshake” agreements, rather than the paperwork. More recently, the reliance on awards has shifted – whilst still providing the basic minimum conditions set out in awards, rates of pay are often at higher market rates, rather than those prescribed in the award. However, some severely drought affected farmers have relied on minimum rates, with those who are able often adding other non-monetary benefits as an incentive to attract and keep labour. Collective Agreements have been increasingly popular due to their once-off negotiation and approval and the simplicity of their operation. A large number of actual cases have shown a rapidly growing commitment by employing farmers to competitive rates and bonuses, non-monetary benefits and flexible

conditions such as family/work balance. They have also shown a structured and positive framework for best practice human resource management.

Essentially, farmers on the whole work in the centralised award environment. It is the NFF's work towards the minimisation of prescriptive and restrictive work practices in federal agricultural awards that has allowed this to continue. This is in stark contrast to the restrictions and red-tape associated with agreements in the current workplace relations legislation. The lack of complexity in federal awards makes compliance simpler for farmers. The inflexibility which made agreements unappealing for farmers also made them unattractive to workers. Particularly as farm employers seek to have more available options to accommodate staff, it is imperative that they continue to have a flexible framework in which to achieve this.

The outcome the NFF seeks is that individual farmers can cater for the individual needs of employees (which invariably differ) whilst being bound to the minimum conditions within the award. The farmers benefit through the stability their business enjoys as a result of the retention of their workers. This outcome reflects a notably decentralised workplace and is crucial to the agricultural industry.

Australian farmers, through the NFF, strongly advocate a more flexible labour market as being fundamental to a symbiotic relationship between employer and employee. The industrial relations legislation and policies from both the previous and current Federal Governments have, despite their divergences, been clear in their adoption of the philosophy that neither employee nor employer should be worse off as a result of the reforms. The NFF strongly believes that flexibility is the key to an even greater outcome – that both are considerably better off. More specifically, the NFF supports flexibility so that:

1. Productivity growth is rewarded for effort;
2. Mutual benefits can be identified and form the focus of individualised employment conditions;

3. Employers and particularly employees retain the ultimate say in the conditions that apply to them;
4. The need for red-tape and regulation is removed as far as possible – this is particularly important to farm businesses, particularly those who have limited time and resources for administration;
5. Employers who excel at good human resource practice are rewarded and encouraged to respond to domestic and international demands by giving them greater workplace flexibility;
6. Employees who develop their skills and increase their efficiency are rewarded, and employers who exceed their obligations in facilitating such development are similarly recognised;
7. Employment can be on terms agreed by employer and employee, underpinned by a set of minimum conditions and entitlements;
8. The scope for employers to compete for workers, and for employees to bargain, continues through above award rates – the NFF strongly notes the difference between the definition of a minimum wage and a market rate of pay. This issue highlights the need to acknowledge the nature of the former in contrast to the latter. The difference between the two rates is a perfect illustration of the fruits of such scope to negotiate rates of pay and conditions on the labour market;
9. Employers have the latitude to accommodate employees with family commitments, training and educational activities, managing their lives in remote areas and to tailor the employment relationship to the needs of the employee – the employer inevitably benefits through building a good reputation as an employer, attracting then retaining labour in the tight labour market.

The NFF believes that although most clauses within the federal awards have better facilitated flexibility than formal agreements, a number of clauses and indeed State awards have prevented flexibility and stifled productivity. Overly prescriptive awards represent severe practical impediments to employing staff for farmers, and inhibit an employer's capacity to meet the needs of employees, even where those needs are both reasonable and are so desired by the worker. In this

regard, the NFF is particularly focused on retaining any federal award clauses that deliver these outcomes to employers and employees in the award modernisation process. These have been meticulously negotiated with the Australian Workers' Union and in the case of the Pastoral Industry Award in particular, represent over 100 years of history and evolution by way of arbitration and consent between the parties. The NFF notes that a flexible award system has worked well in allowing the decentralisation of individual conditions to the mutual benefit of employers and employees. The NFF therefore vehemently opposes any moves which may interfere with the aspects of the system that already work well. At the same time, the NFF strongly believes that reforms can bring about notable improvement, in the interests of all parties to the employment relationship.

The NFF maintains that broadly speaking, unfair dismissal provisions represent a major contributor to unworkable environments due to the associated administrative burdens which have generally favoured employees. In terms of farm businesses, the added vulnerability that arises from around 75 per cent of farming being small business cannot be underestimated. In this regard, the NFF envisages a fair and equitable protection, particularly for small farming business, balanced with fairness and equity for workers. The NFF believes that traditional notions of unequal bargaining between employers and employees is abstract and arguably inaccurate having regard to the vulnerabilities of small businesses, often owned and operated by one or two people. The drought and the exponential impact of interest rates and a tight labour market, means that these employers are arguably more likely to be at a disadvantage.

Importantly, following the commencement of the previous Federal Government's legislation, there was not only a dichotomy between the Federal and State industrial relations systems, but a new division of incorporated and unincorporated businesses due to reliance on the corporations power for the operation of many provisions of the *Workplace Relations Act*. This impacted negatively on farms as around 90 per cent are unincorporated and thus unable to access the provisions which rely on the corporations power. Specifically,

workplace agreements and unfair dismissal exemptions could only be accessed by farms operating through a corporation.

Another issue that became overwhelming problematic following the previous reforms was excessive regulation. This ranged not only from substantial issues such as access to agreements and prescriptive awards and excessive administrative obligations and procedural complexities (such as Information Sheets), but issues arising from the complexity and poor operation of parts of the legislation itself. In the 2008 Plan the NFF seeks to increase its focus on the importance of simplicity within the workplace relations systems moving forward. Excessive regulation of any kind has consistently caused artificial labour shortages because the employer determines that in the overall interests of the business the position is economically unviable. Consequently, the work is not undertaken and productivity suffers. This phenomenon is very likely to be exacerbated should regulatory burdens continue to inhibit productivity and growth, even as the drought breaks.

### *Way forward*

The nature of Australia's workplace relations systems, both Federal and State, plays a pivotal role in assisting farmers to resolve labour shortages. The issues relating to access to future reforms arising from the use of the Constitution's corporations power must be addressed. The dichotomy of employers bound by Federal and State awards has caused confusion in the industry, as has the split of employers into unincorporated and incorporated entities. This counters the NFF's strong view that the uniformity of Australia's workplace relations system is essential. Failure to address the inadequacy of reliance on the corporations power alone will result in little or possibly none of any future legislation applying to almost any farmers.

In essence, simplicity and flexibility are the core issues for Australian farmers who employ staff. Simplicity allows an infinitely better appreciation of rights and obligations and minimises red-tape and administration. It also makes the process of educating farmers about their rights and obligations much simpler on a national

scale. Flexibility allows farmers to give individual employees the specific benefits and conditions they may seek in order to attract and retain them. The main benefit flexibility delivers is better conditions for employees, on their own terms, which flows on as beneficial to the employer through the retention of staff.

### **Recommendations**

- **That the NFF continues to support mechanisms for the deregulation of Australian workplaces, in particular through ways of ensuring flexibility of employment arrangements to meet the needs of employers and employees.**
- **That the NFF campaigns for uniformity and simplicity in the regulation of employment relationships to streamline the ease and clarity of process for farmer employers.**
- **That the NFF continues to advocate strongly for decentralised industrial relations to ensure that local needs and conditions maintain an influential role in their determination.**
- **That the NFF continues to call for and where possible, conduct ongoing education campaigns and initiatives, particularly given further and pervasive reforms to federal industrial relations.**

### **Independent Contractors and Labour Hire Arrangements**

Since the 2005 Plan, the significance of the additional cost of labour engaged through labour hire arrangements or an independent contracting arrangement has become less significant alongside the importance of simply finding workers. In any event, it remains the case that administrative burdens, compliance and overheads are significantly reduced when farmers use this approach to getting work done.

Independent contracting has become increasingly more popular. One key reason for this arises from the sharing of resources, especially during hardship. For example, one farmer may have better harvesting equipment and competencies, and their neighbour may have better expertise in irrigation. As a result, independent contracting is an increasingly common way farmers assist one another in completing the jobs each needs to be done. The NFF commends the *Independent Contracting Act* which passed through Federal Parliament under the previous Federal Government. This legislation clarifies the independence of entities being engaged for specific projects, rather than artificially and inappropriately deeming them to be employees.

Labour hire arrangements are theoretically an ideal way for farmers to more readily locate workers. However, one key inhibitor to using labour hire firms is that incentives for such companies to place short-term or seasonal roles is very small. The NFF believes that the widespread availability of work in the agricultural sector at present, and the inevitably acute increase in vacancies once the drought breaks, make this a potentially lucrative market for any labour hire groups who expand into this line of recruitment services.

### *Way forward*

The NFF continues to support greater dialogue with third party groups such as Independent Contractors Australia. The NFF has also reviewed and updated its own Independent Contractors' Kit to reflect the changes to federal legislation.

The NFF believes that labour needs could be more widely and effectively communicated to recruitment bodies. Awareness of the opportunities might not suit all recruiters, but some may see a niche or opportunity to the benefit of farmers finding it hard to find workers.

It is also important that farmers be encouraged to better network among themselves and to explore independent contracting arrangements more extensively.

## 6. Human Resource Management Skills

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### *What is human resource management?*

Employment is not merely a list of tasks an employer needs performed and the corresponding amount of cash an employee seeks to be deposited in their account in return. It is but one of the many inter-personal relationships occurring in the lives of most members of society. The academic development of human resource management has been predominantly influenced through a multi-disciplinary approach, by industrial and organisational psychologists, industrial engineers, the field of sociology, and critical theories, as much if not more so than by traditional industrial relations advisors. Whilst many principles espoused in these recent developments in the field are moot points and many are irrelevant to agriculture, this does show an important shift towards recognising that “human capital” in fact comprises people and their individual emotions, personalities, needs, wants, flaws and strengths. Human resource management does not merely involve overseeing workers performing set duties and the related remuneration for work, but the myriad of other aspects that invariably influence the interaction between people. Although some may consider this obvious, it is still important to start by setting out an overview of key aspects of human resource management. It is perhaps most effective to consider the many aspects involved on a timeline of the employment relationship, which begins long before a position is advertised, and which typically ends long after an employee has left the organisation.

The recruitment process involves a broad range of tasks and skills. A few of the key aspects of recruitment are first, a strategic analysis of the business needs and existing personnel dynamics, and planning for the nature and context of the role and its growth within an organisation. A marketing plan to advertise the role is then formulated. Considerations include how to best target candidates who would be interested and how to stand out as an employer – these are distinctly marketing



functions. The process of screening applicants not only requires good communication skills, it requires compliance with legislation and procedural diligence, as well as good criteria against which to assess candidates.

The conditions of employment both as offered in the initial advertisement and indeed as negotiated from time to time are a major reflection of an employer's competence and commitment to successfully managing their staff. On a different note, the handling of workplace disputes, terminations or departures are not only in themselves important issues, but succession planning and continuity for replacement employees is often overlooked.

Performance management and staff development is frequently overlooked in many businesses. Staff development refers to a broad range of approaches to building the skills, competency and general approach of those employed by a business. It includes, but is certainly not limited to constructive criticism, the provision of time off for formal training and the delivery of regular feedback about performance. In a similar way, the value of praise and encouragement should never be overlooked. Following from this, it should go without saying that a friendly, courteous and respectful attitude towards all employees is mandatory. Australian farmers are often called the backbone of the country, with a strong presence in our cultural identity. In occupying such a place in the nation, it is important to be ambassadors of the fair go and Australian mateship, whilst maintaining a professional and business like approach to employing and managing staff.

## **Background**

Apart from the small number of large farming enterprises, farms typically do not have dedicated human resource managers. The farmers themselves usually have little or no training in key techniques to manage employees and invariably have minimal time to devote to the process.

In recent times, industry associations have shifted their focus from the historical function of maintaining industrial relations to ensure award compliance, procedure and health and safety compliance, to the broader importance of human resource management. The traditional industrial relations aspects are now clearly seen as only one subsection of human resource management. It is therefore important to change the common attitude that the employment process is merely an exercise in compliance and process. Rather it should be considered an ongoing process which includes developing the skills and subsequent contribution by employees, through focusing on the mutual needs of employers and employees. For example, it should focus on how to get the most from employees whilst concurrently contributing to their career progression.

### **Communicating Human Resource Management Skills to Farmers**

Human resource management has developed conceptually in recent decades, through increased focus by both business and its development as an academic discipline in its own right. Even at a practical level, it would be difficult for most small business operators to become experts in the field concurrently to operating their substantive businesses.

The NFF has identified that a brief checklist of key steps to the whole recruitment and employment process could greatly assist a farmer to systematically implement some of the basic but essential issues discussed in this Plan. This material should ideally be circulated through State Farming Organisations in tandem with the wage rate advices.

#### *Way forward*

More broadly, it is essential that the general concepts discussed in this section are communicated through farm organisations' websites for example. Sharing innovative ideas and best practice examples of good human resource management between farmers would no doubt be an excellent way to proliferate commendable and effective practices.

The NFF maintains that it is important for policy initiatives by both Governments and industry associations to explore the extent to which businesses represent attractive opportunities to employees. Overcoming the remoteness of many rural areas is in part tackled by the approach employers take to human resource management, for example, through making amenities in good condition available, providing training and non-monetary benefits. Planning the nature of a role is imperative for many reasons, such as highlighting career advancement prospects. Flexibility to meet family and other legitimate personal commitments is also essential in making a role more attractive. There is no doubt that despite the relevance of fiscal remuneration, it is these matters that are the most important in finding employees as they reflect how the employer treats their worker as a person. In this regard the NFF reiterates that it is a different matter to cash rates of pay which are discussed below.

The “feel good” aspects of human resource management are often excessive at the expense of the more pragmatic issues. As stated, some of the “feel good” aspects are irrelevant on farms in any event.

The NFF recently conducted a brief survey into wage rates, and the section inviting comments frequently contained invaluable information about current practices, beyond simply rates of pay, and attitudes to employment in the sector. Hundreds of responses have already been received and continue to come in. A similar, slightly broader survey on employment practices is now also being conducted to paint a more vivid picture, as well as gain important feedback from our constituents, about how they regard and are in fact dealing with human resource management.

There is little doubt that good human resource management practices could be the threshold between an employee opting to work for a farmer, or not. Moreover, it is increasingly apparent that good human resources practices are at the fore of such decisions, rather than at the threshold. There is therefore the ongoing need to promote key skills relating to managing staff through a variety of initiatives and

programmes, whilst concurrently reviewing relevant policies to better encourage and reward a greater focus on the area.

### **Recommendations**

- **That the NFF work closely with State Farming Organisations to explore more effective information and services to farmers to build human resource management skills and techniques.**
- **That the NFF conduct a second survey to obtain information on current employment practices and approaches to human resource management across the sector.**

### **Wage Rates**

The perception that rates of pay in agriculture are low is incorrect in most regards. The reason for this is twofold. First, the award rates are rarely even indicative of the actual (or market) rates of pay received by employees; second, wages in the mining sector, the greatest competing industry to agriculture, by comparison, dwarf almost any salary of any industry including many professions. In this regard the contrast is most noticeable in agriculture due to its geographical proximity to mining operations. These perceptions are further magnified by the widespread misunderstanding of the marked difference between minimum wages or award rates, and actual market rates of pay.

The Australian Bureau of Statistics continues to neglect agricultural employment facts and figures. The above referenced survey on wage rates was conducted in part to attempt to gather a better picture of the actual rates of pay. With the exception of some farmers on Exceptional Circumstance relief payments suffering severe cash flow and general hardship due to the drought, almost every respondent pays significantly above award rates. Some of these farmers have opted and indeed benefited from the deferred rates in the 2007 wage decision, but

for many this was not enough and they were forced to terminate staff. In terms of the majority who pay well above the award rates, some stated they do this because they simply must on the current market, but most do so out of concern for their employees, their families and wellbeing. There is the clear attitude by farmers on the whole that the drought hits all regional and rural Australians and in this way their solidarity and empathy with the plight of workers cannot be underestimated. Even the small minority in difficulty who keep wages at award rates reflect a general commitment to better human resource management practices and other non-monetary benefits to compensate, particularly those predominantly facing cash flow issues.

The Farmstaff Report by Holmes Sackett found the average manager's remuneration package to be \$84,911, plus bonuses of between \$500 to \$20,000. The average manager in cropping was earning \$100,601 in 2005. Similarly, Jackaroos were found to be the most well paid juniors across a large number of surveyed industries, including mining. These averages hardly support a relatively poor remuneration incentive base in the initial and potential wages within the sector.

The NFF continues keep sight of the fact that farmers' capacity to pay will be linked to the returns from sale of their commodities. This places a general constraint on the amount of wages a farmer can afford, particularly in comparison to industries such as the mining sector. It is particularly important when considering minimum wages and award rates, but in practice is just as relevant to the extent of the actual market rates paid. Conversely, good yields and productivity should be rewarded, on an individual basis, to those who have contributed as employees towards such achievements.

The NFF strongly condemns the small minority who do not pay award rates and who breach workplace, safety, migration or any other legislation or regulation applying to employees' rights. Such employers are in no position to lament the shortage of labour and many would say such behaviour has long been redundant in this, or indeed any modern industry.

Wage rates should be determined at the workplace depending on the experience, skills and overall capacity of each individual worker, the productivity output and the level of remuneration an employer is willing and able to pay. It should also incorporate non-monetary benefits and things like flexible working hours, in accordance with the needs of the employer and employee. This represents a market demand based approach to wages, underpinned by both good human resource practices and clear and simple legal minimum entitlements.

### **Recommendations**

- **That the NFF continue to support decentralised wages for agricultural employment, allowing wages to be fixed at individual workplaces and based on the circumstances applying to those workplaces, underpinned by a safety net.**

### **Occupational Health and Safety**

Although modern farming has resulted in some tasks becoming somewhat safer, farm work continues to involve inherent risks. Naturally farm safety should be seen as a necessity not just a priority, that can never be downgraded to any place other than as the paramount consideration at all times. This is important to both employing farmers and their employees. The NFF is concerned that recently the majority of injuries at farming workplaces continue to be sustained by the farmer rather than an employee. It is certainly of fundamental importance that the risks themselves are reduced in every possible way. However, awareness of risks and the attitudes of employers and employees on farms alike must be heightened. This not only protects those who work in farms, but helps address the extent to which perceptions of farming as a dangerous occupation prevent people from pursuing a career in agriculture.

The NFF has endorsed the “*Beyond Common Sense*” report as the essence of its policy on farm safety. The report outlines the importance of changing attitudes to safety based in part on a version of Becker’s health beliefs model. This simply involves bringing clarity to the cost-benefit ledger of thought processes by highlighting that all injuries not only take a toll on businesses, but that they come at costs to lifestyle, family and other personal issues. The change in attitude encourages consideration of self, family and personal costs each time a risky short cut or dangerous practice presents itself. Additionally, employers consider workers’ compensation costs, downtime costs and the overall commercial damage of injuries. The report also recommends the provision of realistic, practical and low costs options that as a means of reducing the perceived barriers to action and empowering farmers in their ability to manage risks on farms.

The NFF does not support ineffectually prescriptive approaches to farm safety, nor overly academic concepts that cannot be practically communicated and adopted by those who need them. Farms are large places with a vast array of risk issues, such a terrain, machinery, climate, animal handling, to name but a few. It is impossible to use signage at every point of possible danger on a large property, whereas raising a general awareness and attitude to safety equips workers to better identify any of these areas of concern and traverses distance and the size of the farm.

The “*Beyond Common Sense*” report also raises the most important step in improving farm safety – communication. In this way the report’s message on safety is simple and powerful, but the key to the way forward to promote safety is in communication functions. There is a notable and arguably understandable perception among farmers that a city or non-farmer bureaucrat should not, and in their view cannot lecture them on safety on farms, let alone on their farm in particular. There is also a tendency for such officers, whether Government or otherwise, to be overly complex and lose any message of value they may have as a result. Policy and research into farm safety frequently suffers for its excessively academic flavour with a notable neglect for communicating any principles of value to those on the ground in a simple and useful way. Localised social

marketing initiatives are invaluable to flagging a few key messages regarding farm safety. The NFF believes a more widespread and engaging initiative through local media is definitely important to convey the messages of “*Beyond Common Sense*” and farm safety more broadly.

Such a communications strategy needs to be accompanied by initiatives that show farmers the type of practical changes that they can make at little or no cost. Recent developments in State OHS jurisdictions have seen Regulators seeking to engage farmers to develop the practical types of changes that work in managing safety risks. Similarly, the NFF believes that multipartite organisations such as Farmsafe are well situated to explore and relay practical solutions to specific hazards across the spectrum of farming activities. The NFF considers that the substantive safety issues on farms can broadly and generally be split into two components – the overarching attitudinal aspects relating to where safety is situated in the mindset of farmers as business people, and secondly, the specific, practical equipment and initiatives targeting individual hazards. Whilst the former is more aptly within the purview of the NFF’s charter, the latter is arguably the next crucial step on delivering greater safety outcomes. The final key step for both these aspects is communication. The NFF strongly supports the Farmsafe partnership with regional television networks, and engaging the various media, to deliver outcomes rather than resting on mere theory. The approach to communications needs to focus heavily on the findings *Beyond Common Sense* in its delivery and aims. There is no doubt that a broad range of stakeholders should also be engaged and involved throughout the process.

The NFF believes that in order ensure that these types of practical solutions will indeed reduce the barriers to action such information must maintain simplicity of format and practical implementation. To achieve this Regulators must place core value on the feedback received from practicing members of the agricultural industries.



### *Way forward*

The NFF has commenced a simple, ongoing campaign to communicate core safety messages. Whilst outlining some practical and general risk reductions, the focus is on changing attitudes to safety so that all tasks can be viewed in a safety conscious fashion, rather than merely those flagged by signage, a safety professional or academic and statistical information.

Through its expanded Education and Training portfolio, the NFF continues to promote and develop training schemes to educate farmers on safety issues to implement at their business. Working with Government is of particular importance to this task.

Similarly, Governments must continue to shift from a compliance mentality to promoting farm safety as a commercially beneficial decision which avoids unnecessary expenses and is fundamentally tied to their personal wellbeing, together with that of their families. This shift must be accompanied by the development of practical resources depicting low cost safety controls. These should be of simple format and should be developed from the engagement of State Farming Organisations.

### **Recommendations**

- **That the NFF engage with State Farming Organisations to conduct a social marketing campaign to improve attitudes to safety, supplemented with some practical initiatives highlighting simple changes that can be made to farm work to improve safety.**

## 7. Employment Participation

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The NFF believes that the very best source of workers at all levels is the entire Australian population. This is heavily reflected in the NFF's vast expansion of policy and work on initiatives in the area of education and training, for example. More generally, the NFF believes this is consistent with the uniquely Australian character associated with farming and rural Australia.

However, the 2006/07 Productivity Commission's Annual Report found that the employment participation rate in Australia was 64.4 per cent in 2005, one of the highest participation rates across OECD countries, occupying a comparable level to those of Canada and New Zealand, which interestingly have better participation rates, yet have more promptly turned to sources of foreign labour than Australia in many respects, as discussed elsewhere in this document. The Productivity Commission's Annual Report outlines the core categories of the population giving rise to reduced employment participation. Obviously this includes those who are unemployed, but notable categories include those who are 'underemployed' and 'marginally attached to the workforce'. The extent of those who are underemployed is certainly important, though many are underemployed through attachment to a part time job or for other reasons such as family care, both being examples of factors that in any event almost certainly prevent such people moving to follow work or to a rural area generally, if they are not in those areas to begin with.

Those who are marginally attached to the workforce are workers with such limited work, or who are ready to start work but not within certain time frames, such that they may or may not satisfy the technical criteria to be defined as unemployed. In September 2006, the Productivity Commission reports that some 93,400 were described as having a strong marginal attachment to the workforce. It is these people who are most likely to benefit from self-development through training, and to be greatly assisted by entry level work opportunities. Promoting better general health and a shift in attitudes towards employment are further aspects that require

development and in part the Productivity Commission concurs with this view, particularly in rehabilitating those with disabilities or more temporary conditions in commencing or returning to work. It also highlights a number of problems with the effective marginal tax rates, and other practical disincentives such as the lack of available child care (exponentially poor in most regional areas) which deter workers. The NFF believes that removing disincentives is imperative to mobilising those marginally attached to the workforce to increase participation. It strongly believes that this must be balanced with the likelihood of employers employing those with low skill levels or who are returning to work being tied to realistic wages. Promoting the value of experience and learning on the job are important to changing attitudes towards the material value, beyond wages, such people get from such opportunities – interestingly, wage rates were not listed as incentives or disincentives in the Productivity Commission's report, who focused instead on taxation, a lack of infrastructure, health and training. Bearing in mind that the agricultural sector potentially needs well in excess of 100,000 workers, many at higher levels of skill, combined with the number of people with marginal attachment to the workforce being a little over 93,000 and the likelihood of most not being in regional areas, the pool of domestic, available labour can only be, at best, a small part of the bigger solution to labour shortages. It is important to recognise that in itself, increases in employment participation cannot begin to approach the agricultural sector's forecast demand for additional workers in the short to mid term.

At a practical level there are many disincentives, including those raised by the Productivity Commission, which need to be reviewed by Government and the other stakeholders in the wellbeing of regional Australia and more specifically, farm businesses. It is particularly concerning that many of these are not complex, sweeping issues and stand to enjoy relatively simple remedies if given the appropriate attention by regulators.

## **Job Network**

The Job Network is a collection of private and community organisations funded by the Government. It provides employment placement services for unemployed people, particularly the long-term unemployed.

One key problem in terms of the Job Network's role in alleviating labour shortages in the agricultural sector stems from the incentive base under which it operates. The more significant the position in terms of the number of hours and length of contract, the greater the placement fee it receives. This results in seasonal, casual and short term work being either commercially unattractive or entirely unviable. The NFF must lobby the Federal Government to establish and improve accreditation for inclusion of organisations in the Job Network, perhaps through introducing a credit or quota system requiring so many seasonal, casual and short-term regional postings in a given period. Despite this issue, farmers seeking long-term employees have enjoyed a degree of benefit from the service, and harvest labour providers have to a degree sought to target seasonal work.

The Job Network also receive additional funding to assist those successful in finding work to become more prepared for the job. This is a key area in which the NFF's Education and Training area can continue to build upon its engagement in developing potential workers for the industry. Some key possibilities include a coordinated programme offering both city and regional high school students the opportunity to complete part or all of their required work experience programme (a requirement which differs from State to State) in an agricultural setting. Similarly, awarding greater credit to activity testing for the unemployed on benefits who participate in agricultural work experience would expose this target group to the sector.

The other concern about the role of the Job Network in the context of agricultural placements is that despite vacancies existing on farms for unskilled, semi-skilled and professional workers, those in receipt of benefits are simply not interested in agricultural work. Further, the unemployed within city areas are equally as

unwilling to relocate to regional and rural areas in order to work. A major issue also arises from cases where an unemployed person undertakes a relatively short stint of seasonal or casual work, following which they cannot find further work. Government benefits do not again become available for ten weeks after cessation of the job, which is a major disincentive to the marginalised unemployed to accept shorter engagements in the first place.

There is an abundance of roles on farms that require no previous experience and more notably, provide invaluable opportunities to build skills and experience. In this regard, agricultural work is ideally suited to the unemployed. There is a clear need to promote better perceptions among these people, and indeed for Governments to provide greater incentives for them to move to areas with labour shortages.

On the other hand, some farmers are reticent to recruit from the unemployed because of bad previous experiences. For example, many employees work for a day then leave, without allowing for physical and general adjustments to the nature and indeed environment of the work. Similarly, they may underestimate or fail to recognise a clear career progression, and farmers should ensure this is discussed at the earliest stage. Those returning to work should also have every encouragement in terms of seeking out possible career paths from the earliest stage of their employment. This closely relates to the need for a better human resource management approach by employing farmers. Promoting some of the best aspects of the job and displaying patience with workers, many of who have not worked for some time, is vital to showing them the rewarding aspects at the earliest stage of their initial exposure to farm occupations, and is a common approach in many other industries, occupations and professions.

### *Way forward*

Despite welfare to work policies gaining some traction under the former Federal Government, it is essential for the current Government to redress the lack of incentives for both Job Network providers and the unemployed to consider and

work with agricultural roles, particularly seasonal and short-term positions. As set out above, a quota system for Job Network providers is one suggested approach, as is a possible waiver of the ten week waiting period applying to the unemployed following seasonal work or regional casual placements.

Whilst communications and marketing to potential employees generally must develop and improve, targeted marketing to the needs and aspirations of the unemployed is a key measure in changing the often incorrect and typically negative perception they have of agriculture.

### **Recommendations**

- **That the NFF engage governments to ensure Job Network members focus more strongly on seasonal, short term rural and agricultural jobs.**

### **National Harvest Trail Information Service**

The National Harvest Trail Information Service (“Harvest Trail”) was established five years ago as a direct result of a recommendation in the “*Harvest Australia*” report. It features a functional website and supplementary information booklets. Its twofold role of both promoting the nature of seasonal work, and matching employees with available jobs has been massively beneficial to the horticultural sector. Its particular focus on assisting workers to coordinate roles according to harvest times has been invaluable to foreign holiday workers and “grey nomads” in planning their travels, by aligning their journey’s route with key harvest times to ensure they can find steady casual work. The same facilitation of an individual’s need to plan more than simply one job could overcome the concern the unemployed have about being unable to find work after a placement finishes, although it is acknowledged that moving around and the general insecurity will still dissuade those people from taking the chance in a great many instances.

### *Way forward*

Again the need to more aggressively market the service is the primary concern. Too many farmers continue to be unaware of the ease with which they can post positions, despite the widespread uptake of the internet in businesses across the sector. The NFF, in conjunction with Governments, must escalate its promotional and marketing strategies to raise awareness of the site not only with employers, but the many and varied groups of cross sections of the community from which workers have already been recruited through the site.

Promoting the site to interrelating agencies is also essential. There is often little or no knowledge of such services within key Government bodies. The Department of Immigration and Citizenship has a vested interest in the site for the travelling workers for whom it administers visas. The Department of Health and Ageing could likewise strongly promote it to retirees. The endless tide of travel websites would be another ideal place in which to inform people of the service, such as Lonely Planet, Jobsabroad or Gumtree – simply Googling “*work and travel in Australia*” reveals exactly how many opportunities, most of which are free, just on the web. Many other ideal opportunities to report on or advertise this service are no doubt identifiable.

### **Recommendations**

- **That the NFF engage a wide range of stakeholders to ensure that agricultural positions are more effectively advertised by employers, and that sources of these advertisements are widely promoted and publicised, particularly on the internet.**

### **Rural Recruitment Agencies**

The NFF does not have contact with regional recruiters, who unlike the major city providers, are highly localised. The NFF's function in tending to national issues means that it is not appropriate for it to directly engage these regional recruiters.

However, the NFF or more appropriately, its State Farming Members, could write to recruiters to raise general awareness by identifying key issues and potential opportunities for them to expand their agricultural placements.

As with labour hire firms, private recruiters charge a fee. In the increasingly tight labour market and the savings to overheads, time and administration, this is relatively minimal. In this regard the role of private recruitment companies should be further considered and developed, particularly at the level of State Farming Organisations.

### **The Role of Infrastructure in Employment Participation**

Earlier the Plan outlined the importance of comprehensive and high quality infrastructure in attracting the metropolitan population to regional and remote Australia. The relationship between the two is inseparable and beyond all else, the availability of infrastructure broadly speaking affects people's willingness to consider and ultimately make "tree change". This is very simply premised on the notion that if people can conduct their lives and enjoy their lifestyles at a closely comparable level to the one they enjoy in urban areas, but enjoy the lower prices and healthier lifestyle of regional Australia, the move is much more appealing and absent disincentives.

Similarly, if workers have a pleasant experience where they can not only enjoy the basic benefits of employment but derive additional benefits, they are more likely to remain in such a good workplace. Also, many disincentives facing candidates and existing agricultural workers be overcome by employers having and offering key infrastructure to candidates and workers to make their personal lives just as good as in metropolitan areas or working in other industries, and arguably better.



## **Accommodation**

Accommodation, whilst the initial fixed cost is significant, is invaluable in raising the appeal of an employer to itinerant workers. The unemployed may fear moving to follow certain job opportunities, but ideally, having access to free, concessional or nominally priced accommodation would certainly avail their concerns. As analysed in the section addressing infrastructure more broadly, a key concern for long-term workers is the need to travel. Accommodation on site is one way in which this can be overcome.

Although establishing new buildings to house workers may be expensive, there are often possibilities to convert existing buildings or even former households on the property into accommodation for staff. Importantly however, it is not just a bed and roof that constitute accommodation. The quality must certainly meet the standard the employer would themselves expect were they to reside in it, and also endeavour to compete with the alternatives for workers on the local, open market. Governments, particularly Local Government bodies need to be engaged regarding the red-tape surrounding development plans and approvals that have already presented obstacles to building or renovating accommodation.

Another alternative is to foster relations with local backpacker hostels and accommodation providers. Groups of farmers have already entered innovative joint ventures in townships, deriving profits from this and securing workers. A comprehensive approach in such cases would no doubt also include transportation, ties to social and recreational activities, and so on. This is but one of a range of ideas the product of thinking outside the square. The overheads of such ventures are also reduced substantially where a number of farming businesses participate and invest in them.

## **Transport**

The ability to travel between regional areas and major cities is a factor in deciding whether to move to a more remote area. Similarly, whether workers expend large

amounts of their income merely commuting to their place of employ is a major consideration in terms of whether they accept work on a given farm.

Transport solutions are wide-ranging, involving the need for a cooperative approach between Local Governments, local transport groups and employers. Investment in local bus services, joint ventures to charter transport from regional centres to properties, and privately provided transport are all key measures that can alleviate the cost disincentives for workers associated with getting to work.

In the same way, transport infrastructure nationally often governs the journey planning of holidaying workers, it could also assist with planning for the unemployed to be employed in the longer term. As outlined above, accommodation not only defrays or removes some of the costs of relocating, but would be especially attractive to people recently returning to the workforce, who can stay for free. It also removes commuting costs from their typically tighter budget considerations. Extended or more generous travel concessions, arranged nationally rather than State by State, would also remove the disincentive to travel to regional areas. Similarly, travel concessions for those moving across regions following harvesting jobs would make such travel easier and more viable for this group of people.

## **Taxation and Other Fiscal Incentives**

In the 2005 Plan, the NFF identified a few taxation issues creating inconsistencies between foreign and Australian workers. First, the taxation rate applying to foreign working holiday makers and other foreign employees is set to start at 29 per cent without a tax free threshold. Consequently, the pay considerably more tax. The second issue raised was somewhat less clear, and related to a 13 per cent withholding rate to which Australian seasonal workers are entitled. The latter was based on the fact that due to the seasonal nature of such work, there would inevitably be gaps in the year where they could not work. Spread over the financial year, they would pay less total tax and so it is unnecessary to withhold at the usual rate.

However, since foreign workers pay tax commencing with the first dollar, the reduced withholding rate cannot apply as they must pay tax on every dollar earned. The NFF appreciates that this is necessary to ensure there is no tax debt remaining once they depart the country.

However, the NFF believes that in consideration of the role these foreign travellers play in bolstering the income and economies of regional areas, including but not limited to their contribution to labour supply, a concession allowing tax free income as high as the tax-free threshold applying to Australians is an important proposal to consider. Specifically, the extent of the tax free threshold could be pro-rated based on the amount of the Australian tax free threshold, in proportion to the ratio of regional/agricultural to non regional/non-agricultural work performed during the stay.

Greater or complete uniformity of tax rates would also bring about consistency with those of Australian workers, removing one key impediment to engaging foreign workers, namely the confusion about the different rates and rules applying to them. As outlined above, farmers have particularly scarce resources and time to attend to investigating such issues, so a simpler approach would be extremely beneficial.

Other fiscal incentives need not necessarily involve grants or funding. Many could be achievable by removing the burdensome costs associated with working in a more remote area, for example, the removal of the ten week waiting period before the resumption of Government welfare after the cessation of short-term work in agriculture.

### *Way forward*

The NFF must develop a schedule of taxation and financial incentive impediments to attracting labour, including possible travel concession initiatives for those relocating and then following a trail of jobs. In addition to the brief ideas set out

above, a series of possible options must be developed and put to Governments. A detailed cost-benefit analysis is also vital to making a more solid case for reforms of this nature, having regard to the benefits of growth to regional areas and the agricultural sector to the broader community and indeed economy as a whole.

## 8. Regional Development and Population Strategy

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*What causes regional depletion and how can trends reverse in favour of growth?*

There are many factors that have seen the deterioration of regional growth and the diminishment of their populations. It has resulted from both factors which draw the population away and the absence of factors attracting people to those areas. A few notable examples include:

1. Young people moving to city areas for lifestyle, studies or other reasons;
2. The persistent and severe drought has seen up to 100,000 agricultural jobs lost since over six years;
3. The often inaccurate perception that there are no opportunities, or conversely, the genuine lack of growth-inducing infrastructure and consequent career and social options;
4. The lack of marketing and generally promoting life and work in regional areas;
5. General failure in highlighting the benefits, fiscal and otherwise, of regional life and inactivity in pursuing further initiatives aimed at creating new and additional benefits;

As highlighted in the analysis of remoteness issues in the context of foreign travellers and “grey nomads”, there are those who are enthused by the prospects of working in remote areas and in particular, on an Australian farm. Having regard to the things they are attracted by, it becomes evident that there are two main aspects to a basic population strategy for regional Australia, the first identifying who target groups are, not just by naming them which has been done elsewhere in the Plan, but by knowing who they are by their needs, aspirations and personal circumstances.

### *Who are the target groups?*

The first component of the strategy must necessarily identify who the target groups are, with reference to their individual needs, aspirations, circumstances and characteristics. It interlinks with the second element, that is, an analysis of the things they need and want more effectively on account of this understanding. Rather than outlining a systematic analysis of groups, it is perhaps better to consider briefly a few sample members of different groups.

For example, city-based Australians often enjoy a lifestyle which cannot be replicated or established in regional areas. However, many such people might be attracted for a once off, short-term opportunity to live and work in country areas. On a different note, a young family may see benefits in raising children in a quieter and safer area, where they can still run predominantly internet-based home businesses just as successfully. However, foreign travellers, as we have seen, frequently yearn to experience country life in Australia. Yet again, young people might consider the vast savings they can make by completing their university degree, TAFE diploma or other educational pursuits entirely or predominantly online. A further example again includes targeting the increasing number of school leavers planning a “gap year” prior to tertiary study to travel – many do not even pause to consider the vastness and beauty on their own doorstep. Finally, it is essential that we continue to target Australia’s indigenous community, who have traditionally been the mainstay of pastoral operations in the Northern Territory. Their affinities with the land and the environment and many of the skills they

possess have proven invaluable to the sector in the country's history. The NFF emphasises that the Australian population as a whole is at all times the preferred source of labour, but acknowledges that it is somewhat idealistic to expect such an actual outcome.

A key project for the NFF throughout 2008 will be to formulate a detailed strategic document investigating the many and varied needs of different target groups, whether they are targeted to live in regional areas, visit them or simply work in them.

Many farming families have actively encouraged the departure of their children away from a life on the farm.

The extended drought and media attention on the plight of farming has created a negative perception of farming. This contrasts starkly with the majority of farms continuing successful farming practices through the drought. Most farmers' factor drought conditions into their business model and have adjusted their operations accordingly.

It is noted that federal and state governments and local councils, through their education departments, have funded a number of programmes and research into forming partnerships between key regional industry employers (typically minerals and farming) to develop a collaborative approach to skills development.

## **Immigration Policy**

The NFF considers that migration solutions have played a key role in addressing labour shortages where Australian workers are simply not available or are unwilling to work. Importantly however, migration solutions can only ever form one facet of the greater policies and strategies to resolve the labour shortage crisis. The temporary or at best, medium-term nature of migrant workers, whilst

bolstering the medium-term incomes and economies of regional areas, does not result in significant long-term population growth.

Numerous visa categories in particular have assisted farmers to secure work at most skill levels. The working holiday maker visa has provided an excellent source of workers, particularly to the horticultural subsector. The NFF commends changes to the visa allowing extended periods in which to work for those who work in seasonal placements. The NFF further commends the inclusion of the United States of America in the programme, which is typically based on reciprocal rights agreements between Australia and participating countries. Although these have greatly assisted the sector, horticulture alone needs up to an additional 20,000 workers, and the programme as a whole has been expanded by only 2,010 in the current year. High turnover, continual training costs and volatility of workers also limit the extent to which working holiday makers can represent a more effective solution to entry level labour shortages.

However some visa classes are inflexible and fail to accommodate the nature of agricultural work and more specifically, the nature of certain occupations on farms and corresponding requisite skills. The inconsistencies in rates of pay and employment conditions that exist between Australian and foreign workers has resulted in a mandatory minimum salary level applying to the visa which in regional areas is \$37,665. Bearing in mind that regional concessions allow semi-skilled workers under this visa for regional employers, this salary is vastly higher than award and even many market rates of pay for positions eligible to be employed under the visa. It does not allow for non-monetary benefits to be included as a package, and must be pro-rated for overtime, a practice unheard of for Australian workers under many employment arrangements applying to the sector, which is entirely inconsistent with agricultural award entitlements. In other higher paying sectors it allows for employers to simply pay the minimum, where market rates are much higher, thus undercutting local market rates to the detriment of the worker. The NFF strongly believes that typical industry-based awards and industrial instruments should govern appropriate rates for workers on the 457 visa, aligning them with Australian workers. Alternatively, industry-based

market rates should heavily govern appropriate rates of pay for each industry. This would ensure workers receive similar pay to their Australian counterparts, avoiding undercutting but also in far less situations, the reverse, where Australians are paid vastly less than their foreign peers.

In addition to the inequities between Australian and foreign workers themselves, the differences give rise to significant additional red-tape and consequent confusion amongst farmer employers. As a result, farmers are not only priced out of the market by the minimum salary, which is totally inconsistent with Australian employment conditions, they are deterred from considering recruiting under the visa by the complex and often unclear requirements that apply to that class of employee. The NFF appreciates that some of these issues apply almost solely to agriculture and on that sense will commend moves that better recognise that a “one size fits all” approach is unsuitable for this visa class. The NFF commends both of the Immigration Liaison Officers seconded to it by the Department of Immigration and Citizenship for their valuable contributions. Not only does this role alleviate red tape concerns at the point at which farmers must commence application processes, but is invaluable to raise the awareness of both the benefits migrant workers can provide, as well as the legislative requirements, compliance and applicable offences of which to be mindful. Both appointed Liaison Officers have done exceptional work of the highest calibre through their knowledge and expertise of immigration, and their feedback into policy and engagement at the grassroots of the agricultural sector. However, the perceived complexities surrounding utilising migrant labour continue to deter too many farmers from even getting to the stage where the Liaison Officer can provide assistance.

The NFF is concerned that strict and unrealistic visa eligibility criteria and indeed red-tape have inappropriately been utilised in place of compliance education initiatives and enforcement measures. The NFF strongly believes that these aspects should be clearly separated in order to ensure the visa is flexible and easily accessible, whilst protecting the rights of employees and the integrity of the visa class as intended to apply to regional areas. The NFF strongly condemns not only illegal or abusive behaviour by employers, but any practice that generally



degrades or inappropriately harms workers. The importance of human resource management skills in the Plan is a key indication of the NFF's condemnation of such behaviours. Our support for the employer sanctions legislation passed through Parliament under the previous Federal Government further clarifies the NFF's position.

The NFF commends the emerging view of the current Federal Government which seeks to reward the excellent, compliant employers whilst punishing those who are knowingly doing the wrong thing. The NFF opines that further flexible migration solution options should be considered firmly and fundamentally based on this approach, for example, incentive-based initiatives for new, former refugee Australians, and new Australians arriving under family reunion entitlements, to move to regional areas and work in agricultural occupations. This would improve broad perceptions about the harshness of Australia's migration policies, by improving the legitimacy of the Australian system insofar as it has in the past, through denying the right to work, been perceived as inducing the constructive refoulement of refugees. Importantly this would be a pilot programme with strict criteria, based fundamentally on the notion that participant employers would be highly regarded and employers par excellence.

The issue of entry level foreign workers without skills and experience is vastly different to the skilled migration programmes in the needs it addresses, the remedy it offers and the way in which it would operate. In 2006 the NFF proposed a pilot of Pacific Island guest workers. The term guest worker is too frequently used erroneously to generically define a foreign worker. It specifically refers to unskilled or low-skilled labour, and certainly *not* to 457 visa holders. The proposal received one endorsement in the Inquiry report subsequently handed down, but was ultimately rejected due to concerns that the extent of regional labour shortages had not been evidenced sufficiently, and no doubt on account of political sensitivity. Since that decision, the NFF has gathered a great deal more data on labour shortages and the agricultural labour market, although the Australian Bureau of Statistics continues to omit detailed data on agricultural employment. Other key developments since then include New Zealand joining the

ranks of other western and major economies, such as Canada, who have successfully run such programmes to their benefit and that of the other nations participating – interestingly, these nations have comparably high employment participation rates similar to those of Australia, and this has contributed considerably to their decisions to engage foreign workers for entry level work. Pacific Island nations continue to seek access to such a programme; and there has been ongoing support from institutions such as the World Bank. As a result, the NFF has developed a specific proposal it has entitled the *Workforce from Abroad Employment Scheme*, the key focus of which are comprehensive details on considerations, concerns and processes necessary to successfully utilising, and indeed returning benefit to participant nations to supply entry level workers to the horticultural sector.

The NFF believes that if despite these developments, the Government rejects the *Workforce from Abroad Employment Scheme* proposal, then it must give impetus to the thorough and innovative exploration and prompt implementation of alternatives to target this class of employee. The NFF will continue to work with the Government, offering proposals and participating in the formulation of any alternative initiatives the Government may likewise put forward. It will also continue dialogue about concerns and issues with the 2006 Pacific Island worker pilot programme proposal, should the Government see merit in further considering a revised version of the proposal.

### **Recommendations**

- **That the NFF continues to campaign for existing skilled migration requirements to be changed to reflect Australian wages and conditions of employment, and to allow easier access with less red tape.**
  
- **That the NFF detail and release its *Workforce from Abroad Employment Scheme*, highlighting in particular the detailed research findings and resulting profile of the nature and extent of labour shortages in horticulture. The NFF should also support the proposed**

**approach and processes it has offered in the proposal, focusing on reciprocal benefit to farmers, participants and governments.**

*What do people expect in their community?*

The second broad component of the strategy develops an understanding the fundamental infrastructure any member of the greater community would seek. Decent shopping facilities, local and intercity transport, social activities, venues and recreational facilities, good communications and internet access, good schools and most importantly, employment opportunities. The latter exists in abundance across the nation's agricultural sector. The NFF believes that the interrelationship between all the components of this plan, and more specifically, the infrastructure tends to be grossly underestimated. It is therefore not only the infrastructure in itself which is essential, but how it interacts.

### **The Role of Infrastructure**

The need for schools, amenities and communication infrastructure are relatively apparent with reference to the obvious services they render to local communities. Similarly, the consequent growth in employment that arises from running these facilities is clearly beneficial to regional communities. The NFF strongly believes that the frailties of the infrastructure on the whole in many regions make those areas somewhat like a pack of cards. Should one component of core infrastructure fall, the others rapidly follow.

Consider the issue of youth leaving rural areas to study in city centres. Given metro-comparable internet speeds and prices, they are now easily able to complete a vast number of undergraduate and postgraduate degrees, and a myriad of other courses online. This saves the significant expense of relocating, as well as preventing the depletion of the population.

Another example considers the implications of attracting a significant number of working holiday makers, or “backpackers” to regional areas. By their very nature they are travelling or holidaying in the country and no doubt allocate a majority of their time to leisure. Promoting this through flexible migration options, tourism promotions and so on results in more visiting regional areas. Their broad economic investment into local economies is important and noticeable in the busier tourism destination townships and areas. Equally important is their contribution social and recreational life in towns. Locals are arguably less likely to leave a region if it has a living, breathing social life, particularly one with a strong appeal to youth.

Finally, it is important to emphasise that infrastructure attracts people in two ways. The services it establishes are important factors in the decision of people to holiday, live or work in a given regional area. Yet the expenditure associated with establishing and running infrastructure by the organisations that bring the infrastructure and the jobs they create also contribute to growth. Excellent and fairly comprehensive examples of infrastructure creating massive growth in country areas can be seen in the establishment of Charles Sturt University in Wagga Wagga and University of New England in Armidale. These have allowed students to stay or even move from cities to regional areas in order to study, have vastly developed hospitality ventures and other services industries, attracted academic and administration staff to the institutions themselves and triggered vast and visible growth to real estate and other developments to support the influx of people.

## 9. Conclusion

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Since the 2005 Plan, extensive work has been done across the broad spectrum of issues contributing to labour shortages in agriculture. Notwithstanding this, many areas need significantly more work done in order to better appreciate these. All stakeholders must coordinate to formulate and implement remedial measures.

There are no doubt many more issues which contribute to difficulty finding and retaining labour and indeed corresponding concepts and initiatives to address them, and open channels for ideas are essential. In this regard, the NFF has stepped up its direct consultation with farmers across the nation on the ground. This has happened in a number of contexts and given some vivid and invaluable insights into issues already identified by the NFF, in addition to an ongoing stream of new ones.

Similarly, following the excellent response and insightful, detailed comments provided to a simple survey, the NFF has now commenced a slightly more incisive questionnaire seeking even more information. Farmers have traditionally demonstrated a notable enthusiasm to proffer their views whenever and wherever possible.

Communication has emerged as a major theme in the second edition of the plan. Communication refers to the need to engage farmers, the need to inform them of the work being done and how they can utilise the larger policy developments and achievements for which the NFF is responsible. Dialogue between farmers and indeed broader regional communities is also in the ambit of this theme – idea sharing generates a wellspring of ideas not only in relation to labour supply and human resource management, but for farming on the whole. Most of all, communicating the full extent of resources and services available to farmers seeking employees is imperative, and a well designed, simple checklist and resource guide must be produced and aggressively marketed to farmers on the ground.

Negative perceptions of agricultural work, farmers and regional areas were identified extensively in the 2005 Plan. Many of these are plainly incorrect and in such cases, the NFF and its State Farm Organisation members are charged with the need to promote and market the realities in a sensible, balanced way. On the other hand, there has been considerable evidence over the last two years especially, that in the case of many perceptions, the exact opposite is generally true.

The NFF is strongly committed to a modern approach to workplace relations and labour supply policy. It is committed to symbiotic relationships giving rise to mutual benefits to employers, employees and other stakeholders in the communities which benefit most notably from the very existence of employers and employees. The NFF maintains a strong focus on individual bargaining to better facilitate the needs of the employer, and more importantly, to accommodate the individual requirements of employees in negotiating their workplace conditions. It does so because the ability to deliver on these conditions allows farmers to better compete for labour. Agriculture, like many industries, continues to change and develop. The policy needs and approach to issues such as labour shortages must also have the scope to change and develop to reflect the grassroots needs of Australian farmers. The NFF continues to improve and expand the engagement of key stakeholders, gathering information and ideas and developing practical but effective solutions, in the context of policy positioning.