



SUBMISSION

Inquiry into Meeting the Education and Skills Requirements for the Agriculture Sector in Australia

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Introduction – Purpose of this paper

Grain Producer’s Australia (GPA) is pleased at the opportunity to make a submission to the Standing Committee on Education, Employment and Workplace Relations inquiry into meeting the education and skills requirements for the agriculture sector in Australia.

GPA sought views and input from a large cross section of grains industry stakeholders. The key points that were raised:

- there has been a serious decline in the number of agriculture students, with a subsequent rationalisation of courses being offered
- there is a need to broaden the understanding that there are a wide range of skills and knowledge that can be utilised in an agricultural career or transferred from agriculture to other industries
- the benefits of working in the agriculture industry and living a rural lifestyle is still not understood by young people
- there is a need to expose young people to agriculture-based careers through study pathways that clearly identify subjects, with improved links to future employment.

Grain Producers Australia Limited

GPA is the national Representative Organisation (RO) for the grains industry, in accordance with the *Primary Industries and Energy Research Development Act 1989* (PIERD), and has key responsibilities under the *Primary Industries (Excise) Levies Act 1999* and the *Primary Industries (Customs Charges) Act 1999*.

GPA is the ultimate output of two grains industry roundtables which were run by the Grains Council of Australia (GCA) in October 2009 and February 2010. At the GCA Roundtable in February, a steering committee was commissioned to develop a working representative model for grain producers in Australia to replace GCA as the national grain producer advocate. GPA succeeded GCA through a Deed of Company Arrangement in September, and by virtue of this process GPA has assumed all the roles and responsibilities of the former GCA. GPA has been developed through ongoing consultation and input from the grains industry and has been endorsed by a wider group of representative organisations, including PGA’s Western Graingrowers, Council Of Grain Grower Organisations Limited, Grains Research Foundation Limited, South Australian Farmers Federation Grains Committee, Victorian Farmers Federation Grains Group and AgForce Grains Limited.

The Current Situation

The agricultural sector, at farm-gate, generates 2.2% of Australia’s total Gross Domestic Product (GDP). Currently, there are approximately 135,000 farm businesses in Australia (99% of which are family owned and operated), utilising 54% of Australia’s landmass. Of these, there are 27,000 grain enterprises. During the past three decades, the number of grain enterprises has declined from 40,000.¹ Over that same period, average farm size has grown and there has been a marked increase in business focus in farm operations. These trends are expected to continue into the future.

¹ *Grains Industry National Research, Development and Extension Strategy, 2011, page 13*

Current employment information from ABARES *Agricultural Commodities September quarter 2011* estimates that 325,000 people are employed in the agriculture sector. This is down significantly from the ABARE reports in early 2002 that employment in the sector stood at 385,000, but does show an increase from the 2007 figures of 308,000 people. Throughout the economy, some 1.6 million jobs (or one in-six of all Australian jobs) depend on agricultural production. Over the past two years agriculture has endured desperate labour shortages.

The agricultural industry has an aging workforce. The average age of farmers is approximately 57.

In the broader Australian context, there are not enough workers to replace the approaching retirement of the baby boomers, who make up a significant proportion of the workforce. It is expected that by 2016 the number of individuals aged 60-64 is will almost double.² In the publication, *Population Ageing and the Economy*, dated January 2001 research was carried out by Access Economics Pty Ltd and it predicts that by the 2020s there will be almost zero growth in the working age population. Furthermore, during the entire decade of the 2020s the working age population will grow by only the amount it currently grows in a single year, i.e. 125,000.

The demand for agricultural graduates is far outstripping the supply. The Australian Council of Deans of Agriculture looked at the last four years of agriculture vacancies and found there were 4000 jobs advertised each year for agriculture graduates, but less than 1000 students graduated each year. Agronomy is the biggest area of need as there are around 10 jobs for every agronomy graduate at the moment.³

The agriculture services industry has also found it difficult to attract degree level graduates. As a result, many organisations now employ diploma level graduates to do similar work that was previously undertaken by people with degrees. There are concerns that the service industry may not be able to maintain the depth and level of services required by farmers.

Focusing on the grains industry, farmers are experiencing an environment that is becoming increasingly more complex. There is greater international competition, products are subject to market forces, drought, floods, consolidation across the grains industry supply chain, deregulation of the bulk wheat export market and increasing regulatory and customer demands for product quality, safety, traceability and carbon neutrality. To remain viable, the broadacre grains industry has had to increase productivity on average between 1-5% per annum.

The key speakers at the Australian Grains Industry Conference held recently in Melbourne, said that global agriculture is about to head into a golden era.

“Strong growth in food, feedstocks and biofuels, along with increases in the middle-class populations of China and India, should keep agricultural commodity prices high for at least the next decade. And Australia is seen to be in the box seat, given its proximity to the region, and freight advantages it has over other exporting nations”.

Australia produces the finest quality food in the world yet in many situations farmers are finding it hard to survive because of cost pressures and low prices. Australian farmers are not subsidised by either the Federal or State Governments and in most cases have to compete on the world market with countries that are subsidised e.g., the European Union. Moreover, Australian farmers must be competitive in the

² Mackay, Alan. *Mature Age Works Sustaining Our Future Labour Force*, “Ageless Workforce-Opportunities for Business Symposium” Conference Paper. 27 August 2003.

³ The Australian, *Agricultural Scientists Too Thin on the Ground*, 18 November 2009

world market while having labour costs that are significantly higher than in other countries. In order to compete, the industry has to manage employees efficiently, having as few employees to do the job.

In order to remain profitable, some farmers are increasing their farm production by reducing their costs. Many farmers do this by expanding the farm size through buying out their neighbour or buying another farm. Bigger more efficient machinery can be purchased to allow greater production for a given labour input. There are now larger farms being managed by fewer farmers.

The difficulty of sourcing skilled labour on farms is a significant issue and is affecting decisions with respect to farm businesses. This skills shortage also extends into agricultural research, development and extension. The recently released *Grains Industry National Research, Development and Extension Strategy 2011* highlighted the need to build national capability in research development and extension.

All of the issues raised so far have serious impact on farms being able to maximise productivity. This impact will also flow on to regional communities and will lead to further loss of skilled people if they are not addressed.

Competing for an Educated Workforce

Agriculture is competing with other industries for an educated work force.

The grains industry and its corresponding services industry is a broad and complex system. It demands people with a wide range of skills including

- business management
- economics
- finance
- banking
- sales
- marketing
- communication
- law
- human resource management
- psychology
- information technology
- social responsibility
- community building
- engineering
 - electrical
 - civil
 - mechanical
 - structural
- science
 - agronomy
 - chemistry
 - biology
 - entomology
 - nutrition
 - genetics
- natural resource management
- climate change and adaptation
- carbon economy

Many of these disciplines do not require special agricultural training in the early or even later education process. However, it is necessary to ensure during the education and training opportunities, trainers provide clear insight into the application and opportunity of these disciplines to agriculture. At the very least a link is made in the students and practitioners minds.

Similarly, promotion for formal training in agricultural disciplines should outline the diversity of opportunities outside of agriculture so that new trainees understand that training in agricultural disciplines is not career limiting, rather incredibly diverse in opportunity

Much of the research and innovation in the agriculture sector within Australia requires a concerted effort to ensure its take up and implementation. This extension work requires practitioners to develop excellent communication and networking skills. The Australian Curriculum seeks to develop personal and social competence throughout the school years and this may need more emphasis at the tertiary level.

Taking advantage of the rural lifestyle

Agriculture on the whole is a profitable industry and there are significant career opportunities in agriculture for young people to aspire to. Despite this, there are still many negative perceptions and stereotypes about rural living and agricultural careers, e.g. limited social life, long drives to anywhere or anything, no services available, education in rural communities is of a low standard and there are no job opportunities.

There are signs that the agricultural lifestyle is increasingly appealing to participants in agriculture's biggest direct labour competitor being mining. Opportunities to provide openings to utilise expertise in mining "off cycle" must be developed and promoted. Therefore it is critical that vocational and on-going educations support is provided to not only new trainees, but also more mature practitioners to ensure they are aware of what agriculture has to offer.

Career Pathways

In view of the importance of the industry's contribution to the Australian economy and prosperity, greater resources need to be directed to young people to demonstrate advantages of a career in agriculture. Many young people have to make decisions on their career path at the age of 14 to 15. However, for many children, the foundation of career choice starts in late primary school, where they decide what they do not want to do. In many instances students do not even consider agricultural careers.

There is plenty of anecdotal evidence that agriculture is seen as a 'less challenging' topic perhaps intended for students with a lower academic level or lower academic interest.

Attracting good people for training is increasingly driven by improving the trainers and marketing the benefits in agricultural training and the opportunities in agriculture across traditionally non-agricultural disciplines particularly to schools and undergraduates.

The lack of uptake in agriculture studies and lack of understanding of the agricultural industry and the rural lifestyle is of vital concern to farmers and the future of farming. To help young people see the opportunities it will be important for them to get exposure to agriculture based careers, a clear study pathway with subjects clearly identified and improved links to future employers.

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