



November 2011

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Secretary

Elders Limited submission to the inquiry into higher education and skills training to support future demand in agriculture and agribusiness in Australia.

Thank you for the opportunity to make a submission to the Senate Education, Employment and Workplace Relations Committee's inquiry into higher education and skills training to support future demand in agriculture and agribusiness in Australia.

This submission is made on behalf of Elders Limited and will provide an overview of Elders' rural services operations, steps taken by the Company to train its workforce, and challenges facing Elders and the industry. This submission will also propose initiatives to be examined by government and/or industry with the view to addressing current future and workforce issues in the agricultural sector.

Overview

Elders is a 172 year-old Australian-owned company and through its principal rural services business provides primary producers with physical, financial and service inputs.

Across the Company, Elders employs 3,477 people but this includes employees in its automotive, corporate, forestry divisions and overseas locations.

In its rural services operations, Elders employs 2,409 people in more than 230 locations across Australia, making it one of the major employers in rural and regional Australia. In its branches, Elders staff work in administrative (e.g. customer service officer), operational (e.g. branch or regional manager), sales (merchandise sales representatives, livestock salespeople) and technical (e.g. agronomist or livestock production) roles.

Training and skilling a rural workforce

Elders has taken a proactive and structured approach to training its workforce and has implemented a number of initiatives aimed at upskilling staff and providing them with opportunities.

Traineeships

Elders' traineeship program was introduced in 2009 to build a pipeline of new talent for the business. The traineeship program focuses on attracting young rural people and encourages them to remain in their communities. Throughout an 18-month training period, trainees take part in workshops and on-the-job training, providing them an opportunity to understand the whole-of-business approach needed to service the farming community. Since its inception, approximately 70 trainees have graduated from the program with a retention rate of approximately 60 percent. A new intake for 2012 is about to commence.

Diploma of Agronomy

Elders introduced a Diploma of Agronomy qualification in 2009 and offered it to its existing agronomic workforce. An investigation by the company into high turnover rates amongst agronomic staff highlighted the need for clearer career planning, and greater development opportunities. The 18-month Diploma is designed to complement on-the-job skills with further theoretical understanding and a recognised qualification. The geographic spread of this workforce has provided a challenge in delivering the course but a structured program using a blended learning approach, with face-to-face activity strongly supported via online and telephonic connectivity, has proved beneficial. February 2011 saw the first graduates of the Diploma, with 6 completing a Diploma of Agronomy. A further course is now in progress (16 participants) and a similar Diploma of Livestock Production course with 10 participants is underway.

SalesPlus+ Training

In 2010 Elders commenced nation-wide training for its salesforce as part of its push to become a high performing sales organisation. The training, labelled 'SalesPlus+' has been delivered to all frontline sales and support staff, numbering more than 1,200 people. The training was based on Certificate III in Wholesale Operations and Certificate IV in Business Sales and where possible, government funding was sought for eligible trainees via the Department of Education, Employment and Workplace Relations to assist with the cost of such a large training roll out. Staff attended two face-to-face workshops, held in approximately 20 locations across Australia and also took part in on-the-job training and assessment. Elders partnered with a Registered Training Organisation to deliver this training.

Enhancing Elders' Technical Sales Network

Elders recognises that its technical sales team adds value in driving primary producer's productivity and the profitability of agriculture and has taken steps to reshape its technical sales workforce to better attract and retain technical sales staff. With the shortfall in technical resources available across the industry the initial focus has been on the alignment of the Company's existing expertise to recognise and foster senior talent, and use resources to better support and coach the wider team. This in turn builds capability and career opportunities. Elders has also extended its formal technical sales network of 120 beyond cropping to include livestock production, and believes this initiative will assist in attracting university graduates and school leavers looking to establish a career in agriculture.

Challenges facing Elders and the agriculture industry

Several challenges face Elders and the agriculture industry, but they can largely be grouped into four categories:

Competition from mining

As mining and agricultural activities often co-exist in regional locations, competition for workforce between the two sectors is fierce. This is particularly the case in Western Australia, Northern Territory and Queensland. This is due to a number of factors:

- The mining sector has successfully pitched itself as a desirable sector to work in and as an industry of the future, whereas agriculture is often perceived as an industry of the past;
- The high salaries in mining cannot be matched by agriculture.
- As a result of increased economic activity in mining regions, businesses such as Elders incur increases in indirect costs such as rental accommodation and regional flights.

Agricultural science workforce shortage

In the agricultural sector, there is an ongoing labour market shortage in the field of agricultural science. In 2010, only 40% of advertised vacancies were filled and there were 1.1 applicants for each job. This is down from 65% filled vacancies and 1.4 applicants per job in 2009. The low graduate numbers (521 in 2009) versus the estimated 2,000 jobs that require their skills means that Elders has a small talent pool from which to draw technical agricultural staff from, particularly when the competition for those graduates from other rural services providers and the research and government sectors is factored in.

Rural retention

It is increasingly difficult to keep young people in regional locations, particularly after they travel to major cities to undertake education. Likewise, it is difficult to attract workers to regional Australia. However, this is not unique to agriculture and is replicated across the health and education sectors.

Ageing workforce

Elders, like agriculture generally, has an ageing workforce. This is particularly skewed to the sectors of livestock and real estate where a greater proportion of staff are nearing or past retirement age.

Options for industry and government

Cohesive national framework

As a national agribusiness with people geographically dispersed across all states it is increasingly difficult for Elders to provide a consistent training experience that is recognised by government training authorities. The provision of a national training framework that consistently recognises qualifications across state boundaries would certainly lead to improvements in this area. Additionally training providers that are able to deliver qualifications on a national basis with one standardised set of administration would also enhance the training experiences of a national company.

Branding agriculture as a vibrant career path

The mining sector has successfully positioned itself as having diverse career opportunities and a clear career path. Agriculture could take a similar approach that:

- Highlights the positive aspects of rural and regional life;
- Pitch agriculture as a sustainable industry that is helping to feed and clothe the world's growing population;
- Link with programs such as Australian Year of the Farmer; and
- Target both people already living in rural areas, as well as those in metropolitan areas looking for a 'tree change'.

Subsidies

Elders recommends the government investigate a subsidy model that could cover the higher costs of employing people in rural and regional areas (e.g. rent and travel) or examining a salary subsidy, similar to a traineeship model.

Regional tertiary education

Stronger support is required for tertiary education in regional centres. If agricultural education does not require a full time move to the city, this may encourage more regional students to apply to such courses and a greater emphasis on practical components of the course, which would be made easier if courses are located within regional areas, will ensure graduates are 'job-ready'.

Remote learning and training

Educational institutions, industry and companies alike should further examine the option of providing training via remote means (e.g. online) to overcome the issues faced by a geographically dispersed workforce and remoteness.

Flexible working arrangements

The 'family farm' forms part of many rural employees lives and companies need to recognise that it is natural for some workers to return to the farm once they have gained an education or business experience. Flexible working arrangements such as additional leave for employees wishing to work on the family farm during peak seasonal periods (e.g. during shearing or harvest) could go along way to improving retention rates.

Establishment of a national agronomy/technical services body and accreditation

A professional certification for agronomists that assesses knowledge and proof of continuing professional development could be a way to recognise those already in the industry and provide clear professional direction for them, but also attract new people to the industry. In the past, there has been a lack of ongoing funding support and should be something that is re-examined.

Further information

If you would like further information please contact Leanne Brus-Bentley, Organisational Capability Manager on [redacted] or [redacted]. Elders also welcomes the opportunity to provide further information or appear before an inquiry.

Yours sincerely

Malcolm Jackman
Chief Executive Officer