

SUBMISSION NO. 105



Submission to

the

House of Representatives Standing Committee on Agriculture, Fisheries and Forestry

Inquiry Regarding

Rural Skills Training and Research

by the

Agri-Food Industry Skills Council Ltd

May 2005

Contents

This submission.....	1
AFISC – who we are; what we do	2
Focus on Rural and Regional Australia.....	3
Rural and Regional employment and training	4
How is AFISC going to meet these challenges?	4
Skills survey	4
What the Skills Report Survey found.....	5
Access to quality training	6
AFISC’s response	7
Quality outcomes are essential	7
Conclusions	8
Recommendations.....	8
ATTACHMENT 1	9
Roles, Functions and Board Memberships	9
ATTACHMENT 2	10
AFISC, <i>Strategic Plan</i>, July 2005 – June 2007.....	10
ATTACHMENT 3	11
AFISC, <i>Industry Skills Report</i> [draft], May 2005.....	11

Executive Summary

- The workforce in rural and regional Australia is:
 - contracting;
 - getting older; and
 - not attracting and retaining enough people, and particularly younger workers.
- The Agri-Food Industries Skills Council (AFISC) has been set up to analyse and put in place strategies to reverse these trends.
- We have accepted the challenge and began with a Skills Survey of the industries we cover:
 - Food processing, beverages and pharmaceuticals
 - Meat;
 - Racing;
 - Rural and related industries; and
 - Seafood.
- All these industries have some common concerns:
 - a significant, and growing, shortage of skilled and unskilled people;
 - not enough young people joining these industries; and
 - training opportunities are inadequate, hard to access, or both.

It is clear that the present training system needs to focus more on outcomes. That is, providing, on the ground, the skills required to meet current and emerging industry and workers' needs.

This submission

The Agrifood Industry Skills Council (AFISC) welcomes the Standing Committee's inquiry into Rural Skills Training and Research. The issues of concern to the Committee also concern AFISC. In fact, the Council has been established to address these very issues facing the growing problem of skills shortages in rural and regional industries generally.

AFISC stands ready, therefore, to help the Committee with its inquiry in any way we can. For example, we already have acquired a considerable body of data and will be happy to share this with the Committee, if desired.

In the meantime, we present this overview of the present position and how we propose to address identified priority issues.

AFISC – who we are; what we do

AFISC was established by the Australian Government in May 2004 as one of nine, about to be ten industry skills councils. The Council's Board comprises representatives of employers and employees from the Agrifood industry, which covers the industry sectors mentioned earlier. The Council is well positioned to support the Australian Government's decisions on future arrangements for the national training system¹.

Some information about AFISC's constitution, role and functions and Council membership is provided at Attachment 1.

The move to a broader reaching Agri-Food Industry Skills Council will:

- Address issues of duplication of skills and the lack of full exploitation of industry sector synergies evident in previous arrangements.
- Allow for vertical integration (meaning an organisation being able to expand its business into areas that are at different points of the same production path) where these have the support of employer and employee industry representatives.
- Provide an influential voice for industry in the planning process (with the States/Territories and ANTA/DEST) for the distribution of VET delivery funding through leadership and interaction with proposed National industry advisory mechanisms.
- Provide an innovative springboard for new ideas and solutions to common issues by bringing together industry strengths and collective knowledge.
- Improve the quality and collaboration of training amongst all sectors in order to be able to tap into the growing long term opportunities in the world stage through combined resources, funding and intellectual property.
- The commitment of the new Skills Council's Board is to construct an organisation which is flexible, responsive, high profile and able to provide a high level of industry leadership.

In order to meet the above challenges, the Board has developed a strategic plan (Attachment 2) to set directions, goals, strategies and desired outcomes. The following "vision" provides the strategic direction for the Skills Council for the next three years:

"An Agri-Food industry that is globally competitive, sustainable, innovative and flexible in order to meet the changing demands of both the domestic and global market place"

This vision is supported by the following central purpose or "mission" of the Skills Council:

¹ Skilling Australia – New Directions for Vocational Education and Training

“To improve efficiency, quality and competitiveness in the industry through a national industry driven training system which provides a highly skilled, safe and productive workforce”.

The following goals for the Skills Council flow naturally from the vision and mission statements:

- Develop an expert knowledge of the skills and workforce issues confronting the agrifood industry.
- In partnership with industry, governments and other stakeholders, develop solutions to identified skills and workforce issues.
- Improve employability and participation rates in the agrifood industry workforce,
- Provide a range of quality support and implementation processes to assist VET practitioners and users in the delivery of training.
- Develop a successful business that optimises AFISC’s capabilities in serving the industry.
- A comprehensive and integrated competency and qualification framework that facilitates the recognition and development of the skills and knowledge of the Agri-Food workforce

The stated vision, mission and goals provide a focus for the future work of the Skills Council and a means for measuring its success and improving its service to industry.

Focus on Rural and Regional Australia

There is clearly quite a close fit between the range of industries within AFISC’s frame of reference and the economic growth and development of rural and regional Australia. Resources and non-urban tourism are probably the only rural-based enterprises for which AFISC has no direct responsibility.

Already, AFISC has come to the view that, within the industries for which we have responsibility:

- there is a significant and growing shortage of skilled and unskilled people;
- not enough young people are joining these industries; and
- training opportunities are inadequate, or hard to access, or both.

We believe that two of the most serious looming constraints on Australia’s economic growth are:

- the need for more, and more modern, infrastructure and services; and
- a severe and growing shortage of people and skills.

Nowhere in Australia are these two constraints felt more keenly than in rural and regional Australia.

Rural and Regional employment and training

Employment and training opportunities in country Australia differ from those in the cities, just as job opportunities do. In many ways, the attractions of the cities pull young country people to them but the reverse is not the case. The range of jobs available in rural and regional areas is not as great as in the cities; nor is the quality skills training and educational opportunities. Pay and conditions contrast poorly with city rates.

All the same, the industries covered by AFISC together make a very important contribution to Australia's economic activity and growth. Not the least of it is in export of commodities and processed products.

AFISC's mission is not only getting young, mature people in regional areas trained in the **skills required by regional enterprises and industries**, but ensuring the sustainability of the workforce in these industries and locations. The future continuity and growth of industries depend on the success of this objective.

How is AFISC going to meet these challenges?

We understand that there are many sectors in rural and regional communities which can contribute to identifying the details of the problems they face. AFISC will work with all of them. Only a cooperative effort will work.

Among the groups and organisations AFISC is cooperating with, or will do so, are:

- Employers, enterprises and industry generally
- State, Territory and Australian Governments.
- TAFEs, other training providers and universities
- Employees' organisations
- Industry associations
- Community groups

AFISC's Board and industry sector standing committees between them cover some of these areas. We recognise that it will need the contribution and cooperation of all parties to bring about significant improvement.

Skills survey

One of the first things we have undertaken is to initiate a nation-wide **Skills Survey** of the industries and enterprises the Council covers to identify the training and development needs of the individual workforces. National consultation was undertaken to gain input and critical comment to the Skills Survey. This was sought from experienced, practical, and grass-roots individuals in the sector. These comments have been incorporated into the next draft and a copy is attached for your information². A final document be provided as supplementary information to the Inquiry.

² Reproduced as Attachment 3.

What the Skills Report Survey found

The fundamental message from all AFISC's consultation with industry is that:

“Across the country, Agrifood is facing a critical lack of people. Attracting people to work in Agrifood industry, especially those located in non-metropolitan areas, is a priority for AFISC. A discussion about skills development is only meaningful if people are firstly attracted to live, seek employment and career development within a regionally based industry³.”

It follows that:

“Skills development cannot be considered in isolation but as a critical driver of an integrated regional development and growth strategy⁴.”

The Skills Report documents a remarkable coincidence of concerns across the various sectors for which the Council is responsible. These concerns are briefly summed up below:

Regional development

“Regional development for the Agrifood industry is vital. The industry is facing a critical shortage of workers. The industry must attract people to work in the industry and then implement coordinated strategies to train and retain them. Regional development is a key driver for this to occur.” (p.20)

Worker attraction and retention

“Worker attraction is presenting significant challenges for the many agrifood sectors. Reasons for this include the issues raised under regional development and extend to remuneration and the perceived lack of career path and transferability of skills. The industry is particularly failing to attract young people and females.” (p.24)

Consumer and customer service demands

“Today's consumer expects clean, green and highly nutritious food that represents good value for money. For the Agrifood business to remain competitive in the Australian and international market, it must meet these demands at a product and industry level. This requires development of specific skills and community advocacy and marketing strategies.” (p.30)

Competitiveness and productivity demands – Business management

“The maintenance of agrifood's productivity and competitiveness in the global market, in view of the industry's demographics, requires the engagement across the industry of professional Agrifood business managers with skills in product marketing, in communication and leadership and succession-planning.” (p.32)

Business compliance – regulations, health and safety, licensing, insurance

³ AFISC, *Industry Skills [draft] Report*, June 2005, p.9.

⁴ *Ibid*

“Changing regulatory requirements and the tendency by government and industries themselves to increase or strengthen the regulation of business activities is an ongoing trend in all industries. This is unlikely to change as governments at all levels and industries seek to achieve social, economic and environmental goals.” (p.33-34).

Innovation – technological advancement, e-business

“Innovation for the agrifood industry is fast-paced and occurring in both a structured and ad-hoc way. Businesses are continually improving their work practices to remain competitive within the global marketplace. Government provides funding for research and development across the Agrifood industries and there is a requirement that findings achieved through these grants are disseminated to industry and groups to share information and innovative practices.” (p.35)

Globalisation – Market expansion and access

“The Australian agribusiness industry is essentially a global industry. Exporting and competing in world market is crucial to business growth and sustainability. Australia already has a world best class reputation for our Agricultural and food product and it is agreed across the industries that this must be further developed and sustained.” (p.37)

To meet these challenges, training of the Agrifood industry workforce is vital. Yet these industries have a lower proportion of their workforce with post-school qualifications than does industry overall, and a higher proportion of older workers, and of men to women, than any other sector. As well, the number of VET students in agrifood-related courses decreased overall by 3% between 1998 and 2003.

Students by industry of course, 1998-2003

	1998	1999	2000	2001	2002	2003	% change 1998- 2003
Agri-food Courses	93,498	112,080	102,583	115,613	114,092	90,491	-3%
All clients	1,514,167	1,619,740	1,713,358	1,683,498	1,690,139	1,717,795	13%

Source: NCVET, Australian Vocational Education and Training Statistics, 1998-2003

Access to quality training

AFISC’s nationwide consultations revealed concerns by both employers and young people that they had difficulty getting access to training. Especially, there were concerns that the training should be relevant and of a quality to meeting people and business needs. As an industry-led organisation, AFISC seeks to ensure that industry has a strong influence on the type and quality of skills development training provided.

Practical skills — both technical and in business management — are needed. Sometimes, you have to do a full course, in the formal sense. But, often, people need training in a

particular skill, or sets of skills, which are intimately relevant to the work or job they do, or want to do:

- how to operate a new piece of farm machinery;
- how to comply with new environmental rules about an agricultural spray;
- how to get through the increasingly complex and time-consuming paperwork for business compliance;
- how to understand and adopt OH&S requirements;
- and so on.

The need for training providers to recognise and put in place robust accreditation processes for such skill sets is critical, with relevance to industry and worker needs a fundamental criterion.

AFISC's response

It is clear that there is an urgent need to do better. AFISC has been given the task of bringing about some improvements, and soon. We accept that challenge.

Consistent with our Strategic Plan for 2005-2007, we are currently undertaking a range of short-term actions to begin addressing these goals and demonstrating results:

- Rationalising and harmonising training packages to make the existing VET system work better for industry.
- Improving on the existing VET system and enhancing workforce participation by providing alternate pathways for skill recognition.
- Enhancing the mobility of skills between sectors.
- Improving the process by which training packages are updated and continuously improved to reflect changing industry needs.
- Seeking to better understand the aspirations and attitude to training of young people considering careers in non-metropolitan Australia.
- Some other issues require a longer-term focus:
- A committed approach to attraction and retention issues necessitating the integrated efforts of government, industries and communities.
- Providing better support and implementation to help training providers in the delivery of recognised training, improving the employability skills of users.

Quality outcomes are essential

In the end, it is not a question of whether the training packages are well-designed, or presented. It is a question of what **outcomes** are achieved. Those outcomes must be

measured against the expectations of industry, and of workers, for more and better skilling, which is also relevant to the workplace.

Conclusions

AFISC trusts that this brief survey of an admittedly complex subject will assist the Committee in its enquiries.

We would stress that the future growth and viability of Australia's Agrifood industries depend on a skilled and responsive workforce. In turn that depends on attracting and retaining people and the availability of better employment and training options in rural and regional Australia.

Recommendations

That the Committee:

1. note and endorse AFISC's findings that there is a need for improvement in both access to, and the quality of training and skills development for the Agrifood industries;
2. extend its support to AFISC's view that there is a resulting need for governments, industry and training providers to cooperate and to find practical solutions to the particular training needs of industries in rural and regional Australia;
3. note and endorse AFISC's view that modern infrastructure and services are important in attracting and retaining people and skills in regional Australia; and
4. commend to governments the central role AFISC is playing, and the policies and activities it intends to pursue, as set out in this submission.

Roles, Functions and Board Memberships

- a) AFISC Board List*
- b) Constitution of Agri-Food Industry Skills Council Limited [final]*

AFISC, *Strategic Plan*, July 2005 – June 2007

AFISC, Industry Skills Report [draft], May 2005

ADDITIONAL INFORMATION HELD BY THE COMMITTEE

ATTACHMENT TO SUBMISSION NO. 105

ATTACHMENTS, APPENDICES AND PHOTOGRAPHS PROVIDED WITH
SUBMISSIONS ARE HELD IN THE COMMITTEE OFFICE