

Rural Skills Australia House of Representatives Inquiry Submission

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Comments against the outline of Key Issues

Number and range of Agricultural educational campuses across Australia.

In recent years funding pressures and falling student demand coupled with difficult seasonal conditions associated with one of the worst droughts on record have clearly impacted on the number of institutions involved in training delivery to agricultural sectors and the amount of training provided at some levels.

The closure by the NSW Department of Primary Industries (formerly NSW Agriculture) in December 2003 of the Murrumbidgee College of Agriculture at Yanco primarily because of low full-time student numbers is one of the most significant losses of recent years. Declining student numbers, and a number of resourcing and management issues also appear to be impacting negatively on several Queensland Agricultural Colleges. In Victoria falling demand for selected higher education rural qualifications in some institutions may yet impact negatively on these providers, despite their heavy participation in vocational education and training.

Protracted delays in establishing and finalising new Commonwealth/State arrangements for FarmBis* funding over the last twelve to eighteen months has undoubtedly contributed to a significant reduction in the amount of subsidised training provided to primary producers, across most jurisdictions, and may have indirectly contributed to or created the perception that the training system is falling rural industries. With new FarmBis arrangements now in place in all States, except NSW, it is hoped that this misconception will be quickly corrected.

It is considered essential that current levels of FarmBis funding from all sources are maintained (with appropriate indexation) for the foreseeable future to ensure the continued participation of this important client group in further education and training, and to complement other training delivery activities involving current and future members of the rural workforce.

*FarmBis funding is provided principally through the Australian Government's Advancing Australia Agriculture (AAA) Programme, with contributions from State Governments, to assist primary producers, spouses, farm family members, partners and professional farm managers to improve their business and natural resource management skills to meet the challenges and opportunities ahead. Support is given to each farm manager to identify the exact type of training they need and to find the best learning options available at a place and time that suits them.

Eligibility: You must be a member of a farm management team as described above to be eligible. Assistance is provided through direct financial contributions towards the cost of training activities undertaken by eligible participants. Training can include:

- financial management
- general business management;
- marketing;
- people management;
- production management; and
- natural resource management.

Eligible activities may differ between States. (Source Department of Agriculture, Fisheries and Forestry (DAFF) website)

Skills development and learning opportunities provided by secondary, post secondary education, vocational education and tertiary education.

Broadly speaking, the framework for skills development and learning opportunities in many agricultural sectors at the Certificate I to IV, Diploma and Advanced Diploma levels is provided through the Rural Production Training Package RTE03. This training package was endorsed through established Australia National Training Authority (ANTA) processes in April 2003, following an extensive review and upgrade of the old Agriculture Training Package that was originally endorsed in 1998.

It is generally accepted that many identified deficiencies of the original Agriculture Training Package were remedied through this process. Some notable improvements were achieved through the inclusion of: -

- quality assurance units and an expanded range of rural business management units, including middle-level viticulture units;
- an expanded range of Wool Harvesting qualifications with the input of AWEX, AWU, Australian Wool Classers Association, Shearing Contractors Association, providers in NSW and Victoria as well as the Pastoralists and Graziers Association of Western Australia and the Western Australian Farmers' Federation;
- a Certificate II in Agriculture specialising in Cotton Production;
- revised Production Horticulture qualifications at Certificate II, III, IV, and Diploma level;
- new Irrigation qualifications at Certificate II, III, IV, and Diploma level; and
- Rural Operations qualifications at Certificate I, II and III, that provide for units from other Training Packages to be readily incorporated within rural qualifications.

Despite this suite of enhancements it is recognised that additional units and qualifications will need to be incorporated into the Rural Production Training Package to meet the specific requirements of a number of sectors outside the scope of the current package.

It is expected that development work, initially undertaken by the Rural Training Council of Australia (RTCA) and being finalised by the new Agri-food Industry Skills Council, on over sixty new units of competency and a variety of new qualifications to meet the needs of various sectors including alpacas, beekeeping, deer, emergency disease response, fertilisers, mushrooms, olives, and organic production should be completed shortly. A list of the proposed new units and qualifications by sector is included at Attachment A.

It is hoped that the Australian Government's Department of Education, Science and Training (DEST) will look to rationalise and simplify the current time consuming and cumbersome Training Package endorsement processes when assuming ANTA functions from 1 July 2005. If so, these new units and qualifications should become progressively available, across jurisdictions, from early 2006.

Although the implementation arrangements, qualifications available, and time taken to facilitate the adoption of the new Training Package varies across States and Territories, the existing Rural Production Training Package does, in our view have, the capacity to provide an appropriate range of skills development and learning opportunities within all educational sectors, except the higher education tertiary sector, that operates under different arrangements for both undergraduate degree and post graduate degree students.

Vocational skills in rural industries can be acquired in the schools sector through work experience programs (mainly Year 10 or equivalent), structured work placements (mainly Years 11 and 12 or equivalent), VET in schools programs (Years 10, 11 and 12 or equivalent), and through School-based part-time New Apprenticeships (predominately Year 11 and 12 or equivalent).

Vocational skills in rural industries can be acquired in the vocational education and training sector through VET courses provided by registered training organisations, both public and private, and through contracted training arrangements between apprentices or trainees and employers where both off-the-job and on-the-job training is undertaken.

It should be noted that opportunities may exist for persons to seek formal recognition of their skills, knowledge and capacities through Recognition of Current Competencies (RCC) or Recognition of Prior Learning (RPL) processes regardless of where the knowledge, skills and capacities were acquired, through previous training, work or life experiences. It is widely recognised that progress towards establishing readily accessible, user friendly and affordable RPL or RCC processes for farmers and their employees has generally been slow. Further development activity is urgently required to facilitate and encourage greater industry and RTO involvement with RPL or RCC processes so that skills are better identified for legislative, quality assurance and other purposes.

Current and future industry training needs, and what is being taught?

An electronic version of a Rural Skills Australia's publication "A guide to Rural Production and Amenity Horticulture Training Packages – providing direction on Learning, Training and Qualifications" is included at Attachment B, to provide Committee Members with an overview of the nature and scope of agricultural qualifications currently accommodated under the Rural Production Training Package RTE03. It should be noted that the availability of specific qualifications can vary significantly across jurisdictions.

The operation of the Australian Government's New Apprenticeships programme, with varying levels of State/Territory Government support and supplementary funding assistance, has provided an excellent mechanism to assist industry and individual employers improve their capacity to train new entrants around Australia, and in some jurisdictions up-skill their existing workers.

During the 2004 calendar year, over eight thousand (8,064) rural and related New Apprenticeships commencement were recorded across Australia, a 22.5% increase on the six and half thousand odd (6,593) recorded in the previous year. Despite continuing less than favourable seasonal conditions, in many locations agricultural

New Apprenticeships numbers have increased by almost 50 % on the previous year to over three thousand. Significantly, higher level (Certificate III and IV) agricultural New Apprenticeships have increased by approximately 75%. A breakdown by qualification/level, and State and Territory is included at Attachment C.

This positive development clearly indicates a growing acceptance within agricultural industry sectors of the value and capacity of New Apprenticeships pathways to assist with the resolution of skill shortages by skilling new entrants and up-skilling existing workers, despite the continuing effects of one of the worst droughts in Australia's history.

For the benefit of Committee Members, a comparison of Australia wide commencements by calendar years 2000-2005, and financial years 1996/97 - 2003/04 is included at Attachment D. It is believed that the fall-off in commencements in Tasmania and South Australia in the 2004 calendar year, results primarily from delays in finalising State arrangements to facilitate industry access to the new qualifications in the revised Training Packages.

Gaps between needs and what's being delivered. How big is the gap, how it occurred, who influenced and for what purpose?

Australian Government funding through the FarmBis programme has undoubtedly made a significant contribution to expanding the skills' base of primary producers across Australia.

As a targeted initiative, it has worked particularly well, however access to the program is restricted to actual producers, and farm managers but not to their employees.

Some modification to the FarmBis funding guidelines to allow farm employees access to FarmBis funded training could assist with resolution of current and emerging skill shortages at the local or regional level.

The inconsistent availability of 'existing worker' New Apprenticeships options across States and Territories remains a glaring deficiency in current training arrangements.

Continuing difficulties in attracting new entrants to careers in rural industries will necessitate a significant shift of focus and resources to fast track the up-skilling of the existing rural workforce.

Does industry know where it needs to go, and does it have the expertise to specify its training needs?

Industry input to and cooperation with progressing training reform and enhancements to existing training arrangements, in particular the development and implementation of National Training Packages has been both positive and broadly effective. These development processes have involved extensive consultations between industry associations, unions, individual employers, registered training organisations and the wider community primarily under the umbrella of the Australian National Training Authority's (ANTA's) former Industry Training Advisory Body (ITAB) structures that have since been replaced by the new industry skills council arrangements.

It remains unclear at this time if these new arrangements have strengthened or weakened the rural industry's capacity to specify its training needs and establish appropriate arrangements, and training programs to meet their present and future needs.

In recent years some large individual rural enterprises/companies have adopted best practice human resource management and training practices, as means of improving their capacity to tackle head-on skill and labour shortages that are or are projected to impact on their business performance. This has involved seeking accreditation and registration as an RTO with the appropriate State or Territory training authority. Because of costs this approach is restricted to larger firms and provides little, if any relief or assistance in resolving skill and/or labour shortages for small to medium sized businesses or individual employers.

Although the majority of peak industry bodies, commodity councils, sector organisations and unions may lack the necessary financial resources to engage personnel to focus specifically on the identification of industry wide or sector specific training needs they certainly do know where the industry needs to go; and where to go to access the required expertise to guide the identification of their training needs. Regardless of what processes are used and what is ultimately determined, the capacity of small business enterprises to participate in these types of activities is often restricted because of a lack of resources.

Knowledge, skills and technological demands of agriculturists and to what extent are these being met by current educational opportunities and research.

In our view the existing Rural Production Training Package can adequately accommodate the knowledge, skills and technological demands of most agriculturists.

The need for further research into the skills needs of the rural industry in Australia, and pragmatic experiences that could be incorporated with research to improve strategies for rural skills development.

It is not clear that any additional research activity would in itself necessarily improve strategies for rural skills development.

A report 'Skills Needs for the Rural Industry' developed with funding under the Australian Government's National Industry Skills Initiative was presented to then Minister of Education, Training and Youth Affairs, the Hon. Dr David Kemp MP in March 2001. The Report included a detailed analysis of rural industry skill and labour shortages and was produced under the guidance of a Rural Industry Working Group, chaired by Mr Wayne Cornish, former Vice President of the National Farmers Federation. While the Report focused on four discrete commodity sectors: - wool production; viticulture; production horticulture; and cotton; the findings were generally considered to apply across most agricultural sectors. In respect of current and future skills needs, at that time, the Report concluded that –

“Both skill gaps and skill shortages were identified in rural industries. Skill gaps imply a need for up-skilling within the existing enterprises and workforce, while skill

shortages occur when skilled job vacancies are hard to fill at reasonable wages and conditions. Specific skill gaps and skill shortages were identified in the four rural industry sectors under analysis, and a number of factors were identified that influence the supply and demand of skills in rural industries. These include differential changes in output and productivity across industry sectors, variations in employment prospects and farm incomes, an ongoing need for replacement and improvement in the skill base because of the age and gender profile of the workforce, poor technology uptake and a range of education and training needs. Training needs related to on-farm training in language, literacy and numeracy and new farming methods and technologies, training in finance and management, new management skills and office practices and more flexibility in Training Packages. There is a need to implement the available flexibilities in arrangements for New Apprenticeships in the rural industry. There is also a need for cross-sectoral or cross-occupational training and cross-industry vocational training.” (Extract from Executive Summary)

For the information of Committee Members an electronic version has been included at Attachment E.

Prior to the drought, severe labour shortages existed for full time employees at all skill levels in most areas and for seasonal workers, in particular for: - production horticulture – seasonal labour skills, plantation skills, management; viticulture – middle management, supervisors, managers; wool – shearers, shedhands; tractor operators – seeding, harvesting; the deregulated Dairy sector; and Northern Australia beef cattle production.

The Report also detailed a range of initiatives and recommendations to be pursued by the Rural Industry Task Force established as an industry led initiative through the Australian Government’s National Industry Skills Initiative (NISI) to address a number of high priority issues relating to: -

- Marketing and promotion;
- Attuning the VET system to the training needs of industry;
- Making New Apprenticeships work for the industry;
- Developing young people for careers in the industry; and
- Addressing skill gaps and shortages.

Prior to the onset of the drought in 2003, the Task Force had been actively seeking to: - improve rural industry’s understanding of skills shortages and skills development issues; identify resources available for skills development activities; endorse or initiate activities to improve career information services; and help to better attune the vocational education system to the needs of rural industry.

In 2004, the Rural Industry Task Force reviewed, finalised and presented to the Hon Dr Brendan Nelson, Minister for Education, Science and Training its final report on activities for 2001 – 2003 to highlight major achievements and identify priority areas requiring further attention and action. For the information of Committee Members an electronic version of the complete final report, and a summary “Back to skills: redressing current and emerging skills shortages in rural industries” is included at Attachment F.

Is the rural skills agenda failing to meet the needs of rural industries, including concerns that training packages approved under the present scheme do not actually meet the needs of industry?

Despite difficulties from an industry perspective, to determine and quantify the amount of rural skills training occurring across jurisdictions, and across educational sectors because of a lack of accurate and meaningful statistical information, there is in our view no compelling evidence that the current training arrangements or approved Training Packages are failing rural industries.

Nevertheless it should be noted that a continuing failure of both the national and State and Territory training systems is their inability to allow for the consistent adoption within similar timeframes of notionally available Training Package qualifications and New Apprenticeship pathways across jurisdictions. Inadequate communication processes, and inconsistent advice on Training Packages and their working arrangements during their implementation have in the past often generated considerable confusion among stakeholders and in many instances contributed to significant delays in facilitating industry access to new qualifications and expanded New Apprenticeships pathways.

The update on rural training activity included in the Rural Task Force Report for 2001- 2003 would suggest quite the contrary with significant increases, four times as many, course enrolments in the old Agriculture and Horticulture Training Package qualifications in 2002 compared to 1999. Course enrolments in Agriculture qualifications increased from 7,084 in 1999 to 28,515 in 2002, and course enrolments in Horticulture qualifications increased from 7,767 in 1999 to 32,765 in 2002, as indicated in the table on the following page.

Number of VET course enrolments by Agriculture and Horticulture Training Package and sectors examined in original NCVET research, 1999 and 2002

VET course enrolments, 1999 *	Diplomas	AQF Cert IV	AQF Cert III	AQF Cert II	AQF Cert I	Total
	Agriculture Training Package	306	2565	740	3087	
Sheep & Wool	82	34	13	15	0	144
Wool Harvesting	0	393	30	200	0	623
Cotton	0	0	6	0	0	6
Horticulture Training Package	368	775	2633	2598	1393	7767
Production Horticulture	52	2	140	390	0	584
Total	674	3340	3373	5685	1779	14851
VET course enrolments, 2002 *						
Agriculture Training Package	2290	7811	7798	9512	1104	28515
Sheep & Wool	32	286	31	66	0	415
Wool Harvesting	0	2547	295	1464	0	4306
Cotton	0	0	105	0	0	105
Horticulture Training Package	1968	2817	13176	12351	2453	32765
Production Horticulture	210	191	825	1090	63	2379
Total	4258	10628	20974	21863	3557	61280

Source: NCVET 2002, Course Enrolments, In Publication.

* VET Activity in this Table excludes school data submitted by states and territories

Undoubtedly the most significant impediment to greater rural industry participation in education and training, and a continuing major concern of industry is an ongoing reluctance of governments at all levels to acknowledge and commit the required additional resources to adequately service thin rural training markets across wide geographical areas. Many agencies/service providers looking to provide services in rural and remote locations often receive payments based on the costs of providing similar services in major regional centres or metropolitan areas.

Increasingly there is a tendency for many service providers to meet the needs of local (town/city based) industries to satisfy contractual requirements, often at the expense of rural and remote client groups. This is clearly evident in the approaches adopted by some Job Network providers, New Apprenticeships Centres (NACs) and Registered Training Organisations (RTOs).

A whole of government approach, in conjunction with peak industry associations may provide scope for better coordination of Commonwealth and State efforts for meeting industry's current and future skill needs. A continuing difficulty for primary producers is the lack of coordination and cooperation between levels of government and between agencies. Cross border issues should be anticipated and addressed.

Are present training quality assurance processes compromised or corrupted?

Under current arrangements responsibilities for auditing and monitoring the performance of RTOs rest with State and Territory Training agencies, operating under broadly defined ANTA national guidelines. Although not necessarily compromised or corrupted undoubtedly variations in quality assurance processes do occur across State boundaries. A common criticism expressed by some RTOs is that these processes often tend to focus more on internal processes within RTOs with little apparent regard for the quality of the training provided or training outcomes achieved.

Impact of population drift and regional economic processes on rural community access to training and educational opportunities.

Employment projections indicate little growth in overall employment numbers for the industry, but factors such as an aging workforce, population shifts away from rural areas and fewer people choosing rural careers will make maintaining current employment levels a difficult task. With expected growth in industry requirements for more skilled workers, it is widely expected that all sectors of industry will face continuing difficulties in resolving both existing, and future skills and labour shortages.

The current drought has tended to create smaller labour pools in many rural, regional and remote areas as many workers have been forced into alternate employment, where available, or have had to relocate to other areas chasing employment opportunities. Unfortunately many will never return to those regional areas or employment within rural industries.

Such is the severity of the current drought that many industry people are expecting many sectors to take three to five years to recover. This time frame indicates that future training efforts will need to focus not only on new entrants at entry level and beyond, but further up-skilling of current staff to meet projected requirements. Improved approaches to water and fodder conservation will undoubtedly be a high priority.

Suggested recommendations to assist with the coordination of appropriate educational streams from post secondary to post graduate to ensure the availability of highly qualified practitioners from the paddock through to research institutions.

The dairy industry's recent experience with industry restructuring and deregulation highlights the absence of appropriate and workable strategies to anticipate and plan for the vocational education and training needs of a sector following such an activity. Stakeholders and governments driven by competing priorities are often compelled to focus on the processes and activities required to effect the restructuring, with little apparent regard for what may confront the industry/sector on the other side of the process.

Any future industry restructuring processes should include a planning phase that focuses specifically on the impacts on the existing and future workforces, the likely skill and labour force requirements post restructuring, and the anticipated education and training requirements that may stem from the restructuring process.

Despite the success of the Australian Government's New Apprenticeships program an element of its operation that should be modified relates to the practice adopted by various State and Territory Training Authorities of charging or approving the charging by RTOs of significant delivery/administration fees for the off-the-job training component of New Apprenticeships.

The Australian Government must maintain the pressure on State and Territory Training Authorities to enhance the capacity of RTOs to accommodate and fund New Apprenticeship delivery, through the allocation and application of sufficient resources, so as to negate the requirement to levy individual New Apprentices for these fees that range from \$350 to \$800 per New Apprentice. If fees are appropriate and necessary a consistent fee should be charged rather than the diversity of fees currently charged.

Another approach that could be adopted by the Australian Government would be the establishment and introduction of a fees rebate scheme or a special New Apprenticeship training fees payment for New Apprentices in Rural and Regional Australia to compliment the existing Rural and Regional Incentive paid to employers.

It is considered critically important that rural industries be afforded an opportunity to continue to work with the Australian Government to facilitate access to its new Tool kit allowance, Trade Scholarship initiatives and related measures to agricultural New Apprentices despite the current focus of these initiatives on traditional trade areas.