COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND FORESTRY

Reference: Rural skills training and research

THURSDAY, 20 OCTOBER 2005

SYDNEY

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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND FORESTRY

Thursday, 20 October 2005

Members: Mr Schultz *(Chair)*, Mr Adams *(Deputy Chair)*, Mr Martin Ferguson, Mr Michael Ferguson, Mr Forrest, Mr Lindsay, Mr Gavan O'Connor, Mr Secker, Mr Tuckey and Mr Windsor

Members in attendance: Mr Adams, Mr Forrest, Mr Schultz, Mr Secker and Mr Windsor

Terms of reference for the inquiry:

To inquire into and report on:

- The availability and adequacy of education and research services in the agriculture sector, including access to vocational training and pathways from vocational education and training to tertiary education and work.
- The skills needs of agricultural industries in Australia, including the expertise and capacity of industries to specify the skills-sets required for training, and the extent to which vocational training meets the needs of rural industries.
- The provision of extension and advisory services to agricultural industries, including links and coordination between education, research and extension.
- The role of the Australian government in supporting education, research and advisory programs to support the viability and sustainability of Australian agriculture.

WITNESSES

Committee met at 10.00 am

FEIGHAN, Mr Stephen John, Project Manager, Producer Delivery and Adoption, Meat and Livestock Australia

ROSE, Dr Reuben, General Manager, Livestock Production Innovation, Meat and Livestock Australia

CHAIR (Mr Schultz)—I declare open this public hearing of the House of Representatives Standing Committee on Agriculture, Fisheries and Forestry for its inquiry into rural skills training and research. This is the fifth public hearing for this inquiry and is part of an extensive program of public hearings and visits designed to gather information from the people directly involved with the main issues of the inquiry. A further hearing will be held in Newcastle tomorrow. Today the committee will be hearing from a number of invited witnesses representing a broad range of people and organisations interested in the area of rural skills training and research.

I call the representatives from Meat and Livestock Australia. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. Do you wish to make a brief statement in relation to your submission or would you care to make some introductory remarks?

Dr Rose—Thank you. I will make a very brief statement. Meat and Livestock Australia welcomes the opportunity to provide a submission for the Standing Committee on Agriculture, Fisheries and Forestry and attend the hearing today. We are a producer owned company that provides services to the entire Australian red meat industry—that includes producers, processors, exporters, live exporters and retailers, and we have around 34,000 producer members. The core activities of MLA focus on improving market access, building demand for Australian meat and conducting R&D to provide a competitive advantage for the Australian red meat industry. It is in that context of providing competitive advantage that MLA undertakes its rural skills training and research initiatives. We firmly believe that the R&D outcomes are ineffective until they are communicated and delivered to producers. Our producers keep on saying to us there is no sense in leaving this research on the shelf. We commit around 20 per cent of our total budget of around $36 million this year to communication and research adoption initiatives.

The commitment that we have is not undertaken in isolation to other on-farm delivery resources. Many MLA programs partner and leverage private service producers, state departments of primary industry and other rural R&D corporations, so we are very active in making sure we gather together the different groups. We just recently had all the state departments of primary industry—three senior people from each state—come together with MLA to look at the next five years and where we could be most effective in both doing R&D and delivering it to producers.

Some of the things that we are doing in this regard are outlined in the submission. An example of our close work with other R&D organisations is Sheep Genetics Australia. This was a unique national sheep genetics system that was launched by the federal Minister for Agriculture,

Fisheries and Forestry on Tuesday. It is an initiative between Meat and Livestock Australia and Australia Wool Innovation and also has significant input from a number of the state departments. What we are doing in this program is to have like a reserve bank of genetic information that producers can access and use to improve their genetic capabilities and capacity and to select the best livestock. It will have a very big effect on the whole sheep industry. Previously bits and pieces of a database have been put together but this is the first time it has all been coordinated. It represents four to five years work of trying to get the wool industry together with the sheep meat industry to try and have a single national currency. We are excited about that, but it has also helped us understand how hard it is to deliver change and tools for change to the industry. We have had four to five years of political fights and difficulty and resistance, and getting this over the line has been one of the hardest things that we have done.

Some of the issues in this inquiry, such as those that deal with fostering change in the rural sector, are enormously difficult. One of the advantages of the industry owned companies, strongly supported by the federal government, is the fact that we work closely with groups like peak councils, and also producers and processors, making sure that we have targeted work in the right areas. So our approach is to have a suite of tools that people can use in a range of different circumstances and to try to get out there so that industry knows about what might be available. But we recognise as well that ultimately it is very difficult in an ageing industry sector to really hold a gun at people's heads and say, 'You've got to change. You've got to do this.' You can only give them the opportunities and hope that all the signals are right to help them to take up and use that material. We are grateful for the opportunity to appear here. Our real theme is one of collaboration with a range of other groups because we can see that no single group can do this in isolation. We are pleased to be able to make a submission. Thanks.

CHAIR—Mr Feighan, would you like to make a contribution or has it been covered sufficiently?

Mr Feighan—I think Dr Rose has covered it.

CHAIR—Thank you very much for coming here today. I know a little bit about your operation. I spent 32 years in the meat processing industry, so I am well aware of how MLA and associated bodies work. I want to start off with a couple of questions to you in relation to studies. What studies have been undertaken for the MLA in relation to the adoption of new practices or learning processes? Can you describe the three-stage process of research adoption?

Dr Rose—We have done a number of different studies into where the blocks are and where the issues are for producer uptake. We have just recently had a major review of all the R&D programs and have looked at benchmarking that against all the other rural R&D corporations to see what the outcomes are. There are many issues, but ultimately it is like every change process: it is very difficult. No matter how good you may make a new piece of information, it is how it might fit a person's business, how relevant it is and how they see that relevance that is important.

Our approach has been through a major program that we ran over the last six or seven years called the Sustainable Grazing Systems project, which ended up involving about 10,000 producers. From that some studies were done on how people learnt and changed. That is the three-stage process. It starts off with motivating people to change. They have to have information to make them want to change. There must be something new that takes their interest.

The next step is to say, 'Okay, let's give it a go. Let's trial it.' Ultimately it moves through to the stage where we say, 'That looks a really great thing. Let's put it right through our whole farm system.' We see that part of our role is to try to put new information out to people so that they say, 'Here's something interesting that we might want to do to change.'

One of our major tools there is a magazine we have called *Prograzier*, which goes to 15,000 people in southern Australia. That has four issues a year relevant to the particular season. We try to run stories about people who are doing innovative things and have significant change initiatives so that people can say, 'Wait a minute. Joe Bloggs down in Wagga is doing this. This looks like an interesting thing and is giving a benefit there.' That is where we put a lot of emphasis. We run forums, workshops and so forth to try to encourage people to think differently and to take up information, to improve their awareness.

The next stage of trialling involves a bit more hands-on input. For instance, we run a range of workshops called EDGEnetwork that usually last for around three days. Those workshops are put in place to try to give people a more hands-on but formal experience. It is not just a quick hit. It is a consolidated exposure to material that then encourages them to go back and trial something.

The issue of adopting something is much more complex and it means much more one-on-one intervention. That is where you really need an adviser and someone to stand beside you and have a look at what you are doing and see what it might be. That is more challenging area for is. Our main area of impact he has been a very successful program—LAMBPLAN—which is a suite of tools to help breeders make better breeding decisions about selecting rams. We do provide some one-on-one interaction in that. That has had a huge impact in the industry. It works mainly because in dealing with the top 500 sheep meat breeders you can have a very big flow-on effect right throughout the industry. If you are a ram buyer at the lower end who does not really care what you do, if we are making better decisions at the upper end, you are going to buy a better ram down that end of the story if you understand breeding values or genetics or anything like that.

CHAIR—With due respect, in relation to that, that was talked about 30 years ago when I was in the meat processing industry. The wheels of industry move very slowly if we are still at that point now.

Dr Rose—You are right. It was not 30 years ago, but LAMBPLAN has been a program—

CHAIR—It was 30 years ago if you were in the meat processing industry; it may not have been if you are a producer.

Dr Rose—You are right. The wheels do move very slowly. I think it is typical of the rural sector that people are conservative and do not want to change quickly. They are probably right—they have seen cycles come and go and they have seasonal issues. The whole box and dice is very tough.

CHAIR—What about the issue of R&D? Is there duplication of R&D across the various groups and to what extent is that creating a problem in keeping the skills up to the level that they need to be?

Dr Rose—I have been involved in R&D for a very long time. I was involved in R&D at the University of Sydney for a long time before I came to Meat and Livestock Australia. The broad public perception is that there is a whole lot of duplication of R&D. That is the most wrong concept that there is. R&D, by its very nature, is usually a process of researchers coming up with ideas in response to particular issues. I have never seen two researchers come up with the same approach to the same issue. We have been very much focused on making sure that we are working with others—in fact, we are working with five of the key other rural R&D corporations and with the state departments—to make sure that if there are similar ideas out there they are gathered together and funded as one. We have a really strong focus on seeing that there is no research duplication. If it is a problem, it cannot be a problem in more than one per cent of projects. I really think it is a very small issue.

Mr SECKER—I will ask a few questions about LAMBPLAN and BeefPlan. The MLA backs LAMBPLAN but there is another measurement group—Stockscan. Is the MLA trying to bring those two together? There is confusion out there amongst ram buyers: 'Which one should I go for? Is one more important than the other?' I know that LAMBPLAN brings in the breeding values between flocks using links. I do not think Stockscan does.

Dr Rose—Correct.

Mr SECKER—But there would be some studs that could use both and you could do the link-up. Is there any attempt by the MLA to bring those two groups or measurement forms together so that we can have a larger pool of information?

Dr Rose—There has been an amazing attempt by MLA to try to not only have a dialogue but bring the groups together. There is a philosophical divide here in terms of some of the issues around these two areas and the basic science around them. We have had a number of meetings. We have current overtures to actually say, 'We are happy to work in any way to establish comparative trials to work do various things that would actually help to bring those two systems together.' However, there is a philosophical and scientific divide between them.

We have had a number of those discussions. It is very difficult, because in our case there is a strong desire to support the best science available in genetic improvement, and there is very clear evidence that there have been extraordinary gains by people who follow that particular measurement system. We are trying to be even-handed about this but it is a difficult area for us.

Mr SECKER—When you say 'scientific divide' is that because LAMBPLAN uses only eye muscle depth, which is pretty accurate to record and fairly highly inheritable, whereas Stockscan uses the width, which is not quite as accurate? Is that the scientific divide you are talking about?

Dr Rose—No, it is more at the level you talked about—the cross-block comparisons and the linkages and things to produce the most accurate estimated breeding values you can have from any recording system. That is the issue. We are certainly not trying to promote a uniform view of the world. We have talked to Noel Armstrong on a number of occasions and had dialogue on a number of areas.

Mr SECKER—For the others, Noel Armstrong is a very prominent poll dorset breeder. He is very much in favour of Stockscan versus LAMBPLAN, which is more widely used in the lamb industry.

Dr Rose—We are having ongoing discussions, but I think I can say fairly that the Stockscan people would say that we are a joke and that we are not doing a good enough job. But we have tried in the best way, and we will continue to do so.

Mr SECKER—Is Rob Banks involved in any of those discussions?

Dr Rose—Rob is, yes. Rob Banks is the manager for southern Australia, a prominent geneticist and the originator of LAMBPLAN.

Mr SECKER—Yes, he got his basis from breeding flies.

Dr Rose—Exactly.

Mr SECKER—What do you think should be the role of state governments—and perhaps Australian governments—in the extension services? You mentioned there were some problems with that. How would you see it, as someone from your side of the industry?

Dr Rose—We have been given this difficulty of Federation, and it is a shocking thing to have. But, if we have it, we have to make it work in the best way possible. It is a difficulty. We have just had the seven states together, and it was the first time MLAs had the seven state departments of primary industry. If you follow the old Graham Richardson edict of always backing the horse called 'Self-interest' because you know it is always trying, each of those governments is going to have very clear areas of self-interest. To give you an idea, South Australia and Western Australia have almost no extension staff left. New South Wales has significant extension capacity, as has Victoria and Queensland. Everyone has a slightly different approach to this whole area. South Australia has not had any extension staff for a long time. The sky has not fallen in; people are still making money in South Australia, I believe.

I think it is a really difficult area, because a lot of this is driven by history and politics, but it is clear to me that a good extension capability, particularly a good private sector extension capability, is a key for the future prosperity of the industry. We have to have people with the skills to help producers make change. I am not convinced that it is through funding or extension staff but encouraging the emergence of the private sector to help work with people. A core capability is definitely necessary, and we have to work out where the state departments see their roles, which they all see differently. Groups like the MLA have an imperative to get information to producers of the R&D which the federal government and producer levies are supporting. It is a mixed area, and we just see the crucial story of making sure we are facilitating the dialogue between all those groups. We work with the state departments, we work with some of the private sector providers and we work with the Landmarks and the Elders to try to make sure that that information is getting out, and people are going to use that in different ways.

Mr SECKER—You are right. In South Australia, where I come from, the sky has not fallen in; the private sector has taken over. In fact, I think farmers are making more use of the private sector one, whereas sometimes before they thought, 'What would those bureaucrats know?'

There are private sector people out there visiting farmers and saying, 'How about we look at this, this and this.' I think it has been quite a successful story.

CHAIR—It is probably cheaper for government, too.

Mr SECKER—Much.

Mr WINDSOR—To follow up on that, Dr Rose, where do you see the role of the CRCs—in terms of R&D, extension and development of the cutting edge of technology—as fitting into the skills provisions and information flow in the future? What about the concerns that are being relayed in certain areas about veterinary services into the future, particularly in relation to country locations? Could you comment on those two issues.

Dr Rose—I would be pleased to. As one area of innovation and research success, the CRC model has delivered enormous benefits. It has pulled in what were silos of researchers in a range of institutions around this country. They say to never stand between an academic and a bucket of cash, because you will get knocked over in the rush. Having a bucket of cash that people had to work together to get to has delivered enormous benefits. Those benefits will not be realised for some years to come. But I have seen as an observer and an interested bystander the impact of people getting together in an area like the beef CRC, which has had enormous flow-on benefit for the whole community. It is a tremendous way of getting researchers together.

A more difficult thing is the delivery of that information to industry, and the recent change to have a more commercial and economic focus has been beneficial. There is still a big issue about where you put the education. Does it flow out from people like the researchers, who then interact with the next level down in terms of the people in universities who are educating the younger people? Do you have specific research programs? You have to do the lot. You have to have postgraduate training for students who are going to go out and work in the industry in various ways, you have to have involvement in undergraduate programs and you need somehow to have that information getting to producers as well. The beef CRC, which has been through three rounds, is maturing now to the stage where it is seeing that delivery side as being absolutely crucial. Encouraging scientists who are actually going to look at future solutions and innovations and new technology is absolutely crucial.

In terms of the rural veterinary story, that is an area dear to my heart. When I was dean of the faculty of vet science at the University of Sydney, one of my major areas of concern was the issue around the difference between the needs out in rural Australia and where people were finding employment afterwards. There was a big divide there. There was also an issue of finance. Veterinary science is one of the most expensive faculties to run. A lot of the costs that are hidden in medical training are absorbed by the state medical system, whereas it is much more difficult in areas like teaching hospitals and large animal hospitals. We have just been to Charles Sturt University. I was impressed with what they are trying to start up there. But there is again a resourcing issue. It is going to be very expensive to get people to be involved in issues in the bush but it will also be expensive to provide opportunities to train in areas in the bush where they are going to link to producers.

From an MLA point of view, we see rural vets as being absolutely crucial as an education network. They are on farms doing a lot of things. They are increasingly being involved in farm

based decisions. Having those people well trained and knowledgeable about the issues driving production and profitability and sustainability on farms is absolutely crucial.

Mr WINDSOR—Just in relation to the meat processing industry, I have a number of abattoirs in my electorate. One of the problems they are facing at the moment is being able to attract workers.

Dr Rose—And keep them.

Mr WINDSOR—And skilled workers. There have been a number of suggestions that the Commonwealth should be looking at immigration—temporary permits or whatever—to get people into the country to carry out some of that work. Industry, major employers in country towns and many of us in the political arena are trying to achieve results, but we have reached a barrier. I know of one abattoir, for instance, that wants to put on another shift but cannot find enough people to do so. Is the MLA actively doing anything? If you were God, what would you, in a polite fashion of course, be telling the government to do in relation to this particular skills issue?

Dr Rose—We are doing a range of significant things in conjunction with key processes. We have an undergraduate training and leadership development program which runs in conjunction with major processes to try, firstly, to get people involved and, secondly, put them into leadership positions—to prepare them for leadership positions in the industry. We see it as a key thing that we are attracting people into the area.

At a lower level, it is very difficult. This is not an attractive area for employment. It is a question of both cash and the type of work involved. We recognise that it is a big issue. We are actively involved with the industry. We are looking at this particular program, the leadership and undergraduate skills development program, as a key one. We think it is going to deliver some significant benefits. It is certainly true that people that have come into the program in their undergraduate years and worked on projects in processing plants have all found good jobs in those plants. It looks like they are the people that will stay in the industry.

On a longer-term view, we also recognise that labour issues are going to be very significant going forward. We are putting a lot of R&D work together in robotics to take over some of those areas that are repetitive and not rewarding for people to be involved with, and to make that system a more efficient process. We have a multimillion dollar robotics program, in conjunction with a range of private enterprise sectors that work in this area, which I think will deliver some very significant productivity benefits over the next five to six years.

CHAIR—Are you talking about automated processing lines to improve the current chain system of slaughter?

Dr Rose—Yes. There are a range of things in specific areas that have been quite dangerous. There is a Y-cutter program in the sheep industry that is working particularly well. It has been trialled. There are a range of other robotic techniques being developed with a company from New Zealand which are looking very promising at this stage.

Mr ADAMS—There was a lot of money lost some years ago in that area by your organisation, wasn't there?

Dr Rose—That was not MLA; it was a precursor. But MLA was part of that story. I have limited knowledge of that area, but if you mention the word 'Futuretech' it sends horror signals around the people that remember it. I think it was an idea that was too early for its time. The issue here is working with, in this case, key processes and automated technology engineers to have something that is practical and will deliver a benefit.

CHAIR—I will believe it when I see it. I have seen the research done in terms of trying to remove the skins from lambs far more efficiently and effectively. Those ideas came from New Zealand, but they do not have the grass seed problems that we have here.

Dr Rose—Thank you—we will take your warning on board, Mr Schultz!

Mr FORREST—Thank you for making a submission. We have some successes to look at through MLA. As a group that can bring a disparate group of some 34,000 producers together, which does take time, I congratulate you. Have you had a chance to read any of the other submissions to our inquiry?

Dr Rose—No, I have not.

Mr FORREST—The Murrumbidgee College of Agriculture Advisory Council was particularly critical of the MLA for the cost of material for university campuses, basically pricing students out of the market. Would you accept that as a legitimate criticism? If it is legitimate, is there some way you can subsidise to encourage the students you are trying to get into the industry? I refer you to submission No. 22.

Dr Rose—I will certainly have a look at the submission. I do not know the specifics of the story. Obviously, if it is a criticism being made, then it is fair from their point of view. Certainly, it is not our intent at any time to restrict provision of material. One of our major focuses in the last 12 months has been the More Beef from Pastures program. It is a huge program that has been delivered by having leading producers, as advocates, involved in developing material that is relevant to industry and also having them engaged in selling that, in a way, to industry. We have had them out there, in workshops, in field days, in programs to get industry people involved in seeing how they can be more profitable and sustainable on their farms. It is practical and aims to deliver. We have made that available in a range of formats. We have made it available to agents. We are working with the cattle vets association. Our desire with colleges is certainly not to do anything that would restrict the information but to make it available.

Mr FORREST—This criticism comes from the education sector. Specifically, they say:

Meat & Livestock Australia have priced educational materials at a level which is out of range for agricultural students.

Mr SECKER—Can you restrict the price?

Dr Rose—I am not too sure what is in the price level of agriculture students. Most of the material we have—handbooks and so forth—is free. The More Beef from Pastures manual is

huge and has been the result of a huge amount of work over several years. It has a CD with various tools. We are selling it for $120. I think that is a reasonable resource. If you look at textbook costs, I do not think that we are any different in price to a lot of textbooks. I do not know what the specifics are but we would be very happy to talk to—

Mr FORREST—Could I ask you to have a look at that submission—the secretariat can give you a copy of it—and respond to the committee with your position?

Dr Rose—Sure. It is very clear that MLA's key group is producers. We are not having those sorts of complaints from producers, and we are trying to have some cost recovery from them. Most of our material is freely available—research reports and consolidated material—but I will look at the particular material and see if we can be of assistance. Certainly, our intent is to try and spread and facilitate that material.

Mr FORREST—Thank you.

Dr Rose—Do you know something about this, Stephen?

Mr Feighan—No, I do not know about that, but I thought it might be worth mentioning that we actively encourage students to come along to a lot of activities we do—for instance, meat profit days. An example of that was our last meat profit day, which was at Dookie Agricultural College. We provide a special price for students to come along to those days. We generally have a structured pricing system with publications. We try and encourage people to become MLA members. It is not compulsory to do so, but we try and encourage people by having a different price structure. Often, we will get ag colleges calling us up about getting publications for students. We take those on their merits and often accommodate them. I work in industry affairs and communications as well and have not heard of any issue with this specific one, but we will actively follow it up.

CHAIR—The committee has heard evidence of criticism in that area, so that would be very gratefully received by the committee for no reason other than to put the other side of the story.

Mr ADAMS—If you have any material that you want us to have a look at that you produce, we would love to have a look at it. I have a couple of questions. Thank you for your submission. You mentioned vet schools. Where are the vet schools in Australia? In South Australia?

Dr Rose—No, there is nothing in South Australia. There are schools at Murdoch in Western Australia, the University of Melbourne, the University of Sydney and the University of Queensland. There is a new school which just started last year at Charles Sturt University and a vet school has been proposed in Townsville.

Mr ADAMS—We have five, plus one proposed?

Dr Rose—Yes.

Mr ADAMS—I was intrigued by your on-farm delivery and your model with three programs in it. Has that been talked about at all?

Dr Rose—We talked about it in brief.

Mr ADAMS—That is working very well and has gone out there?

Dr Rose—When I spoke before I was saying that this was a model that developed out of the sustainable grazing systems project in which about 10,000 producers participated. It was as a result of understanding how that all worked that this model developed. It was a research model that developed out of that story. As we move from motivation to trialling to adoption, we find that the number of people that we can reach in those different groups diminishes. We think we can probably get to—and we are getting to—40,000 to 50,000 people in the motivation phase. There is information and people are aware of stuff—they heard about this, they heard about that, so at least they are aware of something. In the next stage of deciding to trial it or do something, we could probably get to 4,000 to 5,000 people. In the adoption phase, if we want to work one-to-one, we can get to only a few hundred.

Mr ADAMS—This committee went to New Zealand some years ago. I remember that their body—which is equivalent to yours—told us that they would get 85 per cent. They were actually using videos to get to their producers at that time and they felt they were getting 85 per cent of hits. You do not quite get that percentage with information that you send out? Do you send information to every producer? What is your database like?

Dr Rose—Just like in *The Castle*, I think we would say to those New Zealanders, 'Tell 'em they're dreaming,' because there is no way that they would be able to get to 85 per cent. Even though New Zealand is a small island, you should look in depth—which we have—at where you are, more than just being aware that there is a thing there. MLA is a free service, in effect. People can join and they get many benefits. We have 34,000 members, out of 80,000-plus producers, despite a lot of effort we have put in. Many people just do not want to know; they are doing their own thing. I think this is a really big issue: getting to the disaffected or just the people who, like my parents, are in their eighties and not looking at doing anything new. They are just battling on and seeing the value of their farm dissipated by a son who has a good time in the city.

Mr ADAMS—Wearing out their old gear?

Dr Rose—Exactly.

Mr SECKER—You refer to your program that you are promoting at the moment, which is the sustainability of grazing program—something along those lines. Is that because 'sustainability' is a buzz word? Most producers would be interested in productivity per hectare or, more importantly, gross margins per hectare. Why do you use 'sustainability'?

Dr Rose—If there is any train that is coming down the track at producers, I reckon it is the sustainability train. We see our job as trying to prepare the industry for what we think will be significant consumer issues. A big issue will be: 'Are you blokes really giving us not only a healthy product but a product that is delivered sustainably?' So we are trying to talk that talk, but you are right: producers are interested in the bottom line. We have a range of trials to show that you can be more profitable as well with a sustainable system. We have a very big program running in the Pidgeon Hole area in Northern Australia to look at this particular issue. We have

some trials now going on in Queensland. We have a range of other ones in southern Australia, particularly focusing on this issue of sustainability. I think it is a key issue for the industry.

Mr SECKER—It is, but you will actually find that in many cases productivity per hectare makes it more sustainable in the first place. If you let your pastures go to rubbish, you are not getting the productivity and you will not get the sustainability.

Dr Rose—Absolutely. The two key issues that are facing the industry—sustainability issues and natural resource management, and animal welfare—go hand in hand. Good welfare leads to healthier animals, which lead to better production. We need to focus on stuff like these mad groups out there trying to bring the industry down. We just need to be delivering better outcomes. If we are doing that, we will actually get more profit and better systems.

CHAIR—Thank you very much, Dr Rose and Mr Feighan. We do appreciate the time that you have taken to come here. It is very important, when the standing committees in particular are undertaking inquiries, to get as much information as we can from the people who are in some way, shape or form associated with the terms of reference of an inquiry. So we do appreciate the time that you have given here to address the committee and we thank you for it. Perhaps you will take on notice the comments made about the cost review and send a response to the secretariat as an additional part of your submission when and if the time is appropriate for you to do so. Thank you for coming.

Dr Rose—We will certainly respond to that particular issue. Once I have something a little bit further down the stream we will come and demonstrate this great robotics system to you.

CHAIR—I will look forward to it. I have seen a few before which have not worked!

[10.42 am]

BURNETT, Mr Jolyon Richard, Chief Executive Officer, Irrigation Association of Australia Ltd

O'CONNOR, Ms Jann Elizabeth, Training Development Manager, Irrigation Association of Australia Ltd

CHAIR—Welcome. Thank you for coming here today and giving your valuable time to the committee. There are a number of procedures that we have to follow as a matter of course so I will just go through those now. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Do you wish to make a brief statement in relation to your submission or would you care to make some introductory remarks?

Mr Burnett—The association views rural training as one of the most critical challenges facing the association and the industry. The industry is undergoing significant change and adjustment, and it is essential that all sectors of the industry are equipped with the skills and knowledge to face those challenges. The association itself has been focusing a lot of its resources, time and effort on improving the training framework and opportunities for those engaged in the irrigation industry, but it is a challenging process. We are finding that the level of uptake and participation in training opportunities, particularly formal training, is not great and we are continually looking for opportunities to perhaps better link training and formal qualifications with clear and commercial benefit for irrigators themselves and the commercial sector and other service providers that supply them.

One of the opportunities this inquiry and perhaps this committee has is to work with industry to better align some compliance issues, regulatory issues and incentives with training to encourage greater participation in training and skills acquisition in this industry, because certainly the technology and the knowledge at a research level is there. The importance and the benefit of the industry, I am sure, is well understood by this committee. We really need to make sure that they have the skills and the capability to continue providing that benefit and that critical economic activity in regional Australia, despite some of the environmental and public attitude changes that they are facing.

CHAIR—John, as a person with a lot of irrigation experience, would you like to lead the questioning on this?

Mr FORREST—I live on the Murray River. Your submission was somewhat critical of the adequacy of the training providers. In fact, you made the point on page 4 that many of the training organisations are based in major capital cities. That bothers me. Could you expand on that paragraph at the top of page 4? Your criticism has been heard, and you are right; we just have to get this one right. That is my first question. My second question concerns some ideas you mentioned in your submission about the National Water Initiative. It has been set up as a

capital program to meet the capital demand, but you make a very valid point about the need for training. They are the two themes of my questions. Could you expand a bit on your criticism of the RTOs and their capacity to train adequately.

CHAIR—That is a very good question, John.

Mr Burnett—It was not intended to be a criticism necessarily. I think it is a function of some of the reforms that have occurred in training over the last decade. Clearly there is a lack of access to quality training in rural and regional Australia. One of the reasons is that, with the freeing up of the training industry and, if you like, the breaking of the monopoly of TAFEs—the opening up of training to registered private training organisations—there is a clear profit motive for these organisations. That is certainly not a criticism, but it means that they need a critical mass of activity, of students going through any courses that they provide, to make it viable for them to run a course. Rural Australia has increasingly fewer people across a very wide scope and the same is true of irrigation, so it has been very difficult for us to be able to work with RTOs—and Jann has spent a lot of time on this—to get a critical mass for them to feel confident that they can run a course and make it commercially or economically viable for them.

Part of it is just the nature of it. The commercial RTOs that are operating throughout regional Australia are looking for high-volume courses to deliver. The higher the volume the better their financial outcome. The sorts of programs that we are looking at running are not high-volume. The sorts of courses that are doing well include the rural operations course. A lot of regional councils are putting their staff through that course because there are elements of occupational health and safety. It is a fairly broad course and a lot of their staff can go through and pick up a range of skills. That is an example of where it works well. But for much more specific courses, like the irrigation ones, we are finding that they are coming to us, they are registering, they are including these courses in their scopes, but they are not delivering, because they have no confidence that they can make it work. Before I move on to the second part of your question—

Mr FORREST—Stay on that one first. You need a range of people: somebody who is an expert in putting it in the ground, somebody who can operate it on a permanent basis and somebody who understands the technology, the potentiometers and how it all connects. A lot of that is being delivered by TAFE colleges rather than private providers. That is why I was asking the question. There are more TAFE colleges, which have the capacity for government assistance.

Mr Burnett—Unfortunately, not much of it is being delivered by TAFE colleges. Jann may wish to say more on this. The same drivers are increasingly operating for TAFE colleges as they are for private RTOs. It is a numbers game. We have been working with New South Wales DPI colleges at Yanco, the TAFE colleges in Toowoomba and River Murray Training. There is a range of RTOs all across Australia and it always comes back to: 'Can you get us 15 bums on seats? If you can do that, we'll run the course. If you can't do that then we'll run another course where we can get those sorts of numbers through.'

Mr WINDSOR—What do we have to do to fix it?

Mr ADAMS—Can I just say there is interconnection here between horticulture and plumbing and so maybe you want to—

Ms O'Connor—One the areas that I have found very interesting when I have been talking to a number of the RTOs, and particularly the TAFEs, is they are very locked into the landscaping area and that is really where they are focusing. They seem to be interested in having the irrigation qualifications on their scope simply so that the people who come through the landscaping course can do a few extra competency units and can actually get that certificate III, particularly in irrigation.

The plumbing thing is another factor, and that has ramifications as far as licensing goes in the different states as well. Irrigation truly is not plumbing—it has some aspects which are similar but it is not exactly the same. Plumbing has a very strong trade background and a very long history of being a trade. If somebody wants to become a plumber, it is very easy for them to know what they need to do. If somebody wants to be a landscaper, these days it is quite easy for them to know what to do. Irrigation qualifications are very new and therefore people are struggling and saying, 'How do I get it?' The TAFEs are in their area of expertise in landscaping and plumbing and they are inclined to push people into those directions rather than putting their facilities towards the irrigation courses.

CHAIR—I pick up the point that John made about you seemingly being critical of the RTOs. I say to you not to be too concerned about that comment because the comments and points that you made about RTOs and the way they deliver and where they are situated has been given to us in evidence from other states, so it is not endemic to New South Wales or the irrigator industries of old.

The other point I want to make is that, because a lot of these training organisations are urban based, they appear to have people—and this is no criticism of the people themselves—who fail to understand that, in all of the trades or skills that are operating out there in the rural and regional areas, and particularly in the isolated areas, one of the strengths of those skills and the individuals using them over the years, and in fact for decades, has been their ingenuity and their ability to be multiskilled. What has happened, from what I can see and what I have heard, is that we have groups of people offering training programs that are focused specifically on only one part of what used to be about the ability of the skills base to survive in a multiskilled area. Would you like to make some comment on that?

Mr Burnett—Absolutely, I think it is a very valid point. If you look at most of our irrigator members, or irrigators generally, irrigation is one component of quite a complex farm operation, and to expect them to get a specific qualification in irrigation when it is just one of the skills they need, or even to devote a significant amount of time perhaps to training in that, is quite a big ask. Having said that, one of the points we try to make in our submission is that the skill level required to be a competent irrigator is increasing rapidly.

Mr FORREST—Plus the technology is changing too.

CHAIR—Because of the need to rationalise the use of water.

Mr Burnett—Yes, indeed. The review of the irrigation qualifications will be coming out next year and we will be looking closely at how we can better align them and pick up some of those issues. In the irrigation qualifications currently there is very little of a practical nature on pumps or, indeed, some of the natural resource management implications of irrigation, and these are two

aspects that we need to build into these qualifications. But they are new qualifications and they are going to have to develop and adapt over time.

I will come back to Tony's point about what we are going to do. We made mention in our submission of a combined project we are running with the Australian National Committee on Irrigation and Drainage which is in part looking to try to link training for the industry to specific compliance or other requirements they may have. You have a very firm driver to encourage people to go through the training. One of the things a number of the state agencies are looking at as part of the water reforms is site use licences. They may have an allocation and a right to an allocation now—which is certainly an improvement—but, to be able to apply that allocation as irrigation, they may need some sort of site use licence. It would be similar to the example of scheduled chemicals, where, to purchase and apply scheduled chemicals, you need to have some demonstrated competency. We are very conscious of not wanting to increase the compliance and regulatory burden on the industry, but we see that as a good example of a very powerful driver for people to undertake some training. So that the state government or the regulatory authority could be confident that they were applying their allocation wisely and efficiently, there would be a licence required and there would be some training component as part of that licence so that, whatever system they are using, they are scheduling it as well as they can.

So, Tony, they are the sorts of things that we were talking about in our submission that could help. As for other incentives, the Waterwise program that ran in New South Wales was linked to some incentives. A number of the rural water supply authorities—Murrumbidgee, Murray-Goulburn—had programs where, if you undertook some training, you could then get some payment towards a redesign or an upgrade of your system. These sorts of things can be very powerful drivers to encourage participation in training in an industry where there has not been that. As you said, Alby, these people have done it themselves through innovation, through ingenuity, through trial and error, and they have been extraordinarily good at it.

CHAIR—We have two farmers here who have probably trained a multitude of people who have worked on their farms with those very same skills. Just getting back to the point that you were making then, what you said is very noble, very constructive and very sensible, but how do you stop the proliferation of people coming into the industry to supply that service professionally, which then culminates in a blow-out of the cost of the same service? My view is that, if there were people within the TAFE system or one of the existing systems who were qualified to identify the very real practical skills of people, they could give them a certificate saying that they were qualified in these particular areas at a particular level. In my view, that would be a simple answer to give the person who is skilled in that area as a result of the training received on a farm from people like my two parliamentary colleagues here the confidence to be able to go out and look for a job saying, 'Look, here's my dossier,' or whatever you would like to call it. In that dossier it says Alby Schultz or Dick Adams 'has become very proficient, having spent 10 or 12 years driving and fixing tractors and doing on-farm motor mechanics even though they are not a qualified motor mechanic'. In other words, we should give people some carriage of the skills that they carry themselves. Would you like to comment on that?

Ms O'Connor—Part of that is actually embedded in the current VET system. What you are talking about is recognition of prior learning or recognition of current competency—

Mr ADAMS—Farm skills.

Ms O'Connor—and that is a very important aspect of VET learning. One of the problems is that people often do not look for RPL, recognition of prior learning, for specific units of competency. Each of those qualifications is made up of a number of units of competency and you can select what you need to do within certain parameters to actually get that qualification.

People do not think about saying, 'I really only need this one and this one and this one to be able to do my job as a farm manager.' What we have been trying to do in recent weeks is to look at certification in those types of areas, and saying that you do not have to have the full qualification but these are the must-haves, the things that you must have to be a farm manager, to be a consultant in irrigation or to be an installer in irrigation. You can prove your competency in that either by doing a training course and passing the assessments or simply by having your prior skills assessed. I think that is probably the way forward. I think the qualifications in many ways are quite daunting for people, particularly people who are working very hard on farms. They just do not have the time to give to a lot of learning, particularly in things they do not see as relevant to them. The qualifications are a great base and they will work very well in the more urban areas, but I think for the people on the farms having the skill set they need to be certified as irrigation managers, or whatever they need, is probably the way to go.

Mr Burnett—Yes. I think the chair's point is a very valid one: we need to make the process as simple and as straightforward as possible. As Jann said, we have been working to do that. But we also need to try to make it as nationally consistent as possible so that there is good transportability of this recognition. It is vital for people in our industry to be recognised as professional in what they do. One of the troubles we have as an industry is struggling with public perception; there is a wide perception that the irrigation industry is using water irresponsibly and wasting it. Nobody has those concerns about plumbers or electricians, because they clearly have a ticket. People in the irrigation industry are very often just as skilled, and often far more experienced, yet there is no easy way of recognising that. So you are right on the issue.

CHAIR—And often more flexible.

Mr Burnett—Indeed.

Mr FORREST—Can I make the point, though, that my anxiety is about the proliferation of designers out there putting systems in the ground. When you look at their backgrounds, you find that they have a bit of experience of their own; they have been wiring things together. They need to be certified so that the client at the end of the line knows he is getting a properly designed system. I am anxious to get that through.

Mr Burnett—We have a certified irrigation designer program. It is internationally recognised and takes between two and three years to get through. There are independently assessed exams as part of that process. We currently have about two dozen state government agencies that recognise that program. In Western Australia the Department of Housing and Works and the Department of Education and Training require any irrigation design they do to be signed off by a certified irrigation designer. When Murrumbidgee Irrigation were providing incentive payments for upgrades of irrigation systems, they required those designs to be signed off by a certified irrigation designer.

Mr FORREST—Is that an IAA logo? How does the grower know that he is getting a certified person?

Mr Burnett—Each certified designer has a seal which gives their certification number. It is an individual recognition. The problem is that we really have not had the resources to promote it as well we should have, so awareness is fairly low. We have been concentrating on trying to get government agencies to back it and require it, and we have been reasonably successful there. But you are absolutely right.

Mr FORREST—Before entering parliament I had a consulting engineering practice. We did not have any of that when we started. We had some tertiary qualifications to offer, but it has changed in the 10 years that I have been here. They obviously need upgrading classifications as well so that their professional development takes into account the latest in automation.

Ms O'Connor—CPD will be a part of any certification program that the Irrigation Association runs, and that will require them to keep up to date. Certification is so different from qualification. Once you have a qualification you have it for life. With certification, it will be renewable on an annual basis and the CPD will be over a certain period of time, and they will have to prove that they have worked on their professional development during that period.

Mr FORREST—Mr Chair, could I move to the second theme of my questions about your suggestions on the NWI, because it might be connected to what we have talked about—improvements.

Mr Burnett—I think it is to some extent. I was in Canberra just yesterday speaking to officers of DAFF about the performance indicators they are going to use to measure the success of the NWI. We made the point again there that there is very little, if any, explicit acknowledgment of skills and training in that initiative. Yet it is such a fundamental part of it. So you are right, John. Certainly the Australian Water Fund is essentially about capital works and building the infrastructure and that sort of physical capacity. But all of that can be wasted if you do not have the personal capacity to use those systems and that technology well. We continue to urge the NWI to make much more explicit reference to training and to improving the skills capacity of—

Mr FORREST—It is a good point. Mr Chair, I think that is something we can reinforce in our report.

Mr Burnett—We would be very grateful if you did, because at the moment the NWC's response has been: 'There are other avenues for that.' But it is such a powerful policy mechanism to drive participation and interest in training. At the moment it is a wasted opportunity.

CHAIR—Thank you.

Mr WINDSOR—Could I ask that you put in an additional submission on that very point?

CHAIR—Or an addendum to your existing submission.

Mr Burnett—We would like to do that.

Mr SECKER—I come from an irrigation background. We irrigate 360 acres, so I know a little bit about it. There are really two distinct areas of training. One is for the users, such as the farmers, the irrigation managers or whatever. Then there are the service providers, which might be the bore drillers, the centre pivot makers, the laser levellers—all those sorts of areas. I think you have to have a different approach to both of them, because the users will need what you were talking about, which is a lot of that prior recognition of learning. You could help a lot of farmers—I know it has happened in the past, and hopefully it will happen more in the future—just in one training day, with water efficiency, which is all part of sustainability. I have done one of those courses myself. I have saved a lot on not only water use but electricity and money, so your gross margins increase and in some ways you get better returns because you are not overwatering in some places. So there is that area.

There probably has to be more of a proactive involvement of government, whether it is FarmBis or whether it is department of agriculture research officers or whatever. Specific courses are needed for specific areas, and that may vary all around Australia, depending on whether you have centre pivots or flood irrigation or subsurface. Also we could give options to farmers to look at different ideas, perhaps subsurface irrigation. So there is a bit more than just training and getting a certificate. There are different education possibilities. I think service providers are actually doing a pretty reasonable job, although I can argue about odd cases here and there where it has not been done so well and courses have fallen apart because they have not been relevant. Do you look at this in two different ways, as I am suggesting?

Mr Burnett—Patrick, I think you have made a very fundamental point about training for our industry and perhaps rural training more generally. The end user—the irrigator—has a range of skills they need. They are not interested in qualifications for qualifications' sake. They are interested in acquiring a specific skill to allow them to manage some part of their farm more productively. Certainly we are trying to focus our training on that. However, we do have a competency based national training framework, and it is important to try to align those short courses and specific subject training that we provide to farmers with that competency based framework.

It gets back to the point I was making before about being able to recognise their professionalism. At the moment, a farmer may have done a lot of the training you are talking about, be highly skilled at irrigation scheduling and be doing it extremely well, but the public sees a cocky out there having a go. He does not have anything to hold up to enable him to say, 'I am a professional at what I do.' That is a problem in terms of getting them the recognition that they are doing the right thing and getting them the confidence of the public. We need to move them on a journey to try and get them more interested in getting some formal recognition of the skills and experience they have. But your point is valid.

For the service sector, yes, qualifications are definitely what we are pushing there. We want to see them qualified. We want to see them able to be judged as a qualified practitioner of the services and products they are pushing. There is a course we would very much like to run for irrigators and, as you say, they are being encouraged to upgrade their systems. Many of the citrus growers in and around the MIA are looking to move from furrow irrigation, unpressurised irrigation, to some sort of pressurised system—microsprays under trees—but they do not know where to start. They will go down to the local agent and say, 'We want a pressurised system. What have you got?' Instead, they should say: 'Here are the performance characteristics we want

of the irrigation system. It has to be able to deliver these sorts of volumes over these sorts of time frames. It has to be able to operate at this kind of pressure, because we do not want highly sophisticated and expensive pumping equipment. It has to be able to be scheduled with these kinds of flexibilities. We want to either flush the leaves or not water the leaves. We want all these sorts of flexibilities. Consequently, what can you provide me with those sorts of performance specifications?' Many of the irrigators might know it, but it is difficult to get them to put that down in a brief, if you like, and then get three quotes on that brief so that they can compare apples with apples. Those are the kinds of practical skills that they need.

CHAIR—That is dependent of course on the ability of the person behind the counter to have the knowledge to give them the right equipment.

Mr Burnett—Absolutely. But I have to say, sadly, there are some people in my industry who do not have those skills and that is why we are taking this two-pronged approach. There is no point building up the capability of one sector of the industry unless you build up the capability of the other sector as well.

Mr SECKER—I totally agree.

Mr FORREST—The person over the counter sells pipe or solenoid valves or whatever. There needs to be a person who does not have an axe to grind, who can design a system and specify an outcome so that the grower has the potential to tender the supply of pipe and get a range of prices and economies of scale. I think that is what is lacking. What do you think?

Mr Burnett—Those people are there. There are irrigation designers and consultants who will do that for a grower. Increasingly, as the cost of installing a system rises above $100,000, and in many cases a great deal higher than that, it can be cost effective to get those people in. But it is an approach that is not commonly understood, or the value of it is not appreciated by many irrigators. They would no more get a consultant to help them specify and choose the appropriate irrigation system than they would to help them buy their next tractor. They know the sort of tractor they want. But you are right: those are the sorts of skills that are required. There are people who do it, but they often struggle to find growers who are prepared to pay to engage them to add that kind of value to the process. It comes back to Patrick's point: we need to educate the consumer, in that example, so that they can appreciate the value of getting professional help or at least know enough to ask the right questions themselves. We do not want to turn irrigators into irrigation engineers; we want to turn them into informed consumers, initially, and then into informed managers. Once they have the system in place, they can manage that system professionally.

Mr SECKER—Except that I do not have any training, but I do use some engineering skills in my irrigation.

CHAIR—That was the point I was making earlier. Can I ask you another question about page 4, particularly with regard to the RTOs—the private and the public ones. I refer you to the fourth paragraph, where you said:

All private RTOs and many public ones are structured around full cost recovery at least. This makes it very difficult to find RTOs able to deliver to small numbers in diverse locations. This is particularly so for technically based competencies and course work such as irrigation.

In terms of the lack of skilled people out in the rural areas, how much of a problem are urban based RTOs? How can we overcome the problem? What contribution can government make? I know that governments at both state and federal level are guilty of removing the funding. When they are looking for a cost-cutting exercise the first things they look at are those outreach programs. You might like to make some comments on that.

Mr Burnett—I will make a few points, then perhaps Jann would like to pick up on that. Two issues spring straight to mind. The first is the need for better clarity and consistency on the sorts of traineeships, incentives and support programs that are offered at the moment. Negotiating through the various state approaches to these things and interpreting them so that they are easily understood by a farmer or a small business rural employee is a huge problem. Many of our members go to the local new apprenticeship centre web site or the local NAC and come back saying: 'I don't understand what they're talking about. It's far too complicated and there are so many criteria to qualify for this. Am I in a skills shortage area?' They have all these sorts of questions: 'Am I employing Indigenous employees? Am I employing women in a traditionally male dominated area?' There are all these criteria that determine how much they can get and whether they are eligible for support. That is one of the issues: getting some simplicity and national harmony in those kinds of problems.

CHAIR—Expanding bureaucracies create that problem.

Mr Burnett—Absolutely.

CHAIR—They have to find all sorts of things to keep themselves employed.

Ms O'Connor—One of the real problems is the difference in the traineeship lengths from state to state. They vary from one year to three years. The criteria for state government payments to an RTO to go towards the training become very problematic and, while I do not have evidence, I have heard stories that if you enrol in a course and you are not a trainee it is one price and if you are a trainee the price goes up. The payment which is given by the federal government as an incentive to the employer to put on a trainee is not being seen that way. It is seen as being the money that is there to actually train the person. While in some states there is some money which goes to the RTO to train them, generally that incentive payment gets sucked up. The reality is that the only incentive there for somebody to put on a trainee in irrigation is simply the fact that at the end of it they have somebody who is qualified—and who may then go off and work for somebody else. So it is a very difficult situation. I am sure that was never the intention of the incentive payment scheme, but that is how it is working out.

As Jolyon was saying, the cost of actually running an RTO and training maybe two people in very diverse parts of the country becomes very expensive. They have to get their money back. If they are a business they have to make a profit. That is just commonsense. We have great difficulty because the people are so spread out and because the irrigation competencies cannot be all things to all people. As Patrick was saying, we are talking about not only two different areas; when I broke it up into sectors I ended up with about seven. By the time I took into account

rural, urban and retail users, it became very complicated. It is very difficult, as Jolyon said, for anybody who wants to put a trainee on. I am finding that most of them are just throwing their hands in the air and saying, 'I'm just going to put this bloke on and if there's training around I'll let him do it.' That is quite sad because we really need to increase the skills. While they will get a lot of their skills in the traditional way, by working with somebody and learning, there are some areas that they will not have that knowledge in. It is very difficult.

Mr SECKER—That is the area that I was going to raise. There are not only differences in the state funding of traineeships and so on but also differences in things such as FarmBis, which is very much where we are going to be involved here with the irrigation industry. I think New South Wales has stopped it.

Mr Burnett—Absolutely.

Mr SECKER—I am amazed that there is not an issue as to this. My electorate is on the border and my constituents say that if they were in Victoria they would get a higher level of FarmBis payment for the same course that they do in South Australia, yet they live only five miles from the border. There are a whole lot of towns along the Victoria-South Australia border that are in that situation, because they are treated differently by the different state governments. I say that I cannot do anything about that because it is a state government matter—but that is not what we are doing.

Mr Burnett—To specifically answer your question, there are two things. One is to review the funding incentives that are available and make sure that they are driving the outcomes that we really want.

CHAIR—Now you are getting to the nitty-gritty.

Mr Burnett—The RTOs are getting very good at cherry-picking the incentives that are out there and tailoring a program that maximises the incentive but does not necessarily maximise the outcome. So you get urban based RTOs providing services to rural people, flying out to areas and, as Jann says, sucking up that incentive payment. It is all about fitting what they are capable of in with where the incentives are, it is not about actually imparting skills and training these people. That is the first thing.

The second thing come backs to encouraging people to get involved in training, without imposing any more compliance requirements or regulation on the industry. We would match up existing compliance and regulatory issues with training so that if they do the training they have ticked off compliance as to existing legislation, whether it be as to OH&S or irrigation and drainage management plans. There is a whole raft of compliance issues that they have to satisfy. We could say that by doing this training that will cover some existing boxes that you could well have spent money on ticking. We could say, 'You've got those ticked now so there's your commercial benefit. You're reducing your costs by satisfying these compliance requirements by undertaking this training.' You are not imposing new ones on them—and I take your point about that; it is the last thing you want to do.

CHAIR—So in essence what we should be doing is perhaps undertaking a training program that trains ministers of the Crown to be more accountable and more responsible for the use of

taxpayers' resources and to act in their portfolios as private enterprise managers are required to act in their portfolios.

Mr ADAMS—So the position is that life is becoming a little bit more professional out there—isn't it?—so to make a living you are going to have to lift your game. As water is becoming more expensive, you are going to have to comply with natural resource management, and there is a whole new world coming down the pipe—excuse the pun.

Mr Burnett—Definitely.

Mr ADAMS—So there are going to be regulations about how you do things—and I take your point about that, and it is a matter of working through it—whether you work in with OH&S requirements or are complying with natural resource management. Don't we build courses along those lines? Maybe we are not there yet, but don't we go down that path of building those courses? I take your point about the training people coming from urban areas, but they are going to do that as they have got to make a quid. That is the path we are going down. They have to make a living and if we are setting up private trainers, private training organisations are going to take up the process. That is their job. They are about making a profit to be returned to whoever is funding them.

What I am basically asking you is, are we yet to find the incentives? We have to find the incentives to drive this training. There is going to have to be training. People are going to demand that. If you use water, they are going to demand that you use it properly and that you have some qualifications, because the runoff can cause problems. If you get it in the wrong place it can cause problems. When we have more corporates running large properties, they will just buy it in, but we are not there yet. What do you think along those lines?

Mr Burnett—I think we are getting there. We are not there yet, but under the national water reforms there will be more regulation and there will be an opportunity to tie that to competency and skill acquisition. Also, on a financial level, some of the rural water service providers could easily provide a rebate for or discount the cost of the supply of water to people who have demonstrated that they are competent and efficient irrigators. That may not be by having to do a course, Alby; it may be simply by meeting efficiency benchmarks or by recognition of prior learning and outcomes. It is rewarding good behaviour and, if you like, punishing bad behaviour by implication. It is the same point with the RTOs, Dick. I was not suggesting that we ban them. I think it is a good thing to have freed up provision of training and opened it up to the commercial sector—absolutely. But we have to make sure that the government payments and incentives that are on offer drive the right sort of behaviour and do not drive the wrong sort of behaviour.

CHAIR—We have to do comprehensive audits of where our money is going and how it is being used. Can I thank you, Jolyon and Jann, for the contribution that you have made. As I said earlier to other people, it is very important from our point of view that we have people in industry come to talk to us about their concerns and what they perceive to be shortcomings in terms of maintaining our skills level in industries throughout Australia. Without you coming forward, we do not know. We just do not get that information. I thank you for coming.

Mr Burnett—Tony asked for some supplementary information. We are very happy to provide that. Is there a time frame in which you have to get that?

CHAIR—Send it to the secretariat when it is convenient for you to do so.

Proceedings suspended from 11.27 am to 11.44 am

WARE, Mr Stephen Leonard, Executive Director, Australian Honeybee Industry Council

TAYLOR, Mr Warren Douglas, Managing Director, Australian Queen Bee Exporters

CHAIR—I welcome the witnesses from the Australian Honeybee Industry Council and the Australian Queen Bee Exporters. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. We have called you to appear together because of your interest in the same industry, but we will try to ask you questions separately, although we would welcome responses from either of you. Before we begin our questions, would either of you like to make some opening remarks?

Mr Ware—I would be happy to make some opening remarks. First of all, in relation to the submissions you have received, as you are probably aware, there have been some six submissions now from the apiary industry as such. That gives you an indication of some of the concerns that are out there, as far as the industry is concerned, regarding both the research and education available to industry. Most of the submissions highlight the problems of resources to a small industry which has a large footprint in the sense that it is essential for pollination to a large number of horticulture and broadacre industries. The flow-on effects are some $1.7 billion. Of course, the industry itself is only directly worth $100 million.

I think the industry is also unique in the sense that it has a large number of part-time or non-commercial beekeepers. There are some 9½ thousand registered beekeepers in the states of the Commonwealth, of which probably less than 2,000 are full-time commercial apiarists. Regardless of that however, the training requirements of the part-time, non-commercial sector are just as important to the commercial sector in the sense that disease control, quality assurance and environmental management are issues that are of concern to the whole industry. It is the old story that one bad apple can spoil the barrel for everybody else.

In our submission we have raised the issue of the lack of institutional resources to the industry. I think a number of the submissions do likewise. Having had a look at the other submissions, we do not disagree with the thrust of what is being said. We put on record our general agreement with the suggestions contained therein. Our own submission targeted a number of areas which we believe could be easily tweaked with little money but a change in resource and emphasis by the Commonwealth which we believe would make a big difference to the industry.

The first of those is the funding arrangements under the research and development funding, whereby the Commonwealth and the industry match dollar for dollar to 0.5 per cent of the GVP of the industry. We have raised the issue that in times of drought this falls down. We had the recent instance of the small hive beetle where we really desperately needed research funds and we did not have them as a result of drought. We would have liked to have seen a situation where we could have averaged that 0.5 per cent out, although with the Commonwealth allowing us to continue funding at some sort of level to maintain adequate research into issues of considerable concern to the industry.

The other issue we have raised is FarmBis funding. We are an industry that in the past has been heavily reliant on FarmBis funding to provide training. The reason for that is that there has been a lack of RTOs and resources in the education area. Some of that is being addressed by the fact that the industry, at long last, has developed its own competency standards. But we have had all sorts of problems with FarmBis as far as its administration goes and the differences in administration between the states and even the recognition of the apiary industry as an industry. One of the states did not even recognise apiarists as primary producers. The other aspect of having part-time beekeepers who go on to become full-time commercial beekeepers is an issue when some states do not even recognise them. We believe that, if nothing else, this inquiry should recognise that there is a real need for the FarmBis system to be overhauled and developed along the lines of supporting and identifying the needs of particular industries and using the funding to the best effect for both the industry and communities' resources.

CHAIR—Mr Taylor, would you like to make an opening statement?

Mr Taylor—Just a brief one. As the largest beekeeping company in Australia and as the largest bee breeding company in the Southern Hemisphere, our company suffers commercially from the skills shortage. We have recently been granted access to the giant US market and we are holding $3 million worth of orders for the next 10 or 12 weeks, which we will probably be unable to supply simply because we cannot get workers. We have a negotiated labour agreement with the government and with DIMIA and unfortunately DEST continues to put sticks in the spokes of our wheels and frustrate our efforts to bring in employees.

I was trained through the Hawkesbury Agricultural College; I specialised in apiculture and went on to build this large company. Since the Gatton and Hawkesbury colleges have closed down their beekeeping courses, nobody is coming out of institutions capable of assisting in the managerial type work of our business. I just hope that this committee can recognise a small but vital industry and do something to help reinstate at least one beekeeping course in Australia. One is all we need in order to have at least a small number of people coming out to become entrepreneurs, researchers and extension workers. If we could simply get that, I think we would be on the road to recovery.

Mr ADAMS—Could you qualify 'extension workers'?

Mr Taylor—Advisory officers.

Mr ADAMS—From state government?

Mr Taylor—I was an apicultural extension officer for seven years with the state government of New South Wales.

Mr SECKER—Mr Taylor, I am trying to understand the problem with importing skilled workers. You say that you have to do that—I think I am right in saying—because we do not have any training facility here.

Mr Taylor—Yes.

Mr SECKER—Are you able to get them reasonably easily?

Mr Taylor—No, we are not—and that is a good point. We have what is called a labour agreement. That is an agreement between the Department of Immigration and Multicultural Affairs, the department of employment and training and our company. Each 12 months we have to go through a monitoring process. This year we lodged our monitoring report on 7 July and we had no response from DET until 7 October. In that period, we were unable to apply for any more visas. So we have gone into the spring this year five employees short in our field operations and we still have not resolved it. We supplied additional information last week. They are just continually delaying and are trying to tell us that we are not doing enough training. We put on five trainees in the last 12 months simply to satisfy their requirements.

I wrote to the minister for employment and training last week and said that it is like flushing hundred dollar notes down the toilet: if they are not interested in beekeeping, they will not last. Of the five, one lasted for one day; the others lasted between one day and six months. We are trying to honour our obligations in this labour agreement, but we are being told by one particular bureaucrat in Canberra that we are not doing enough. We have had job vacancies for the last eight weeks with the Job Network and Optec and we have not had one application for a trainee. It is giving us serious problems.

Mr SECKER—Why do you think there is a lack of desire from young people to take on beekeeping? Is it because they are scared of being stung?

Mr Taylor—Looking at the book in my briefcase, which was published by the Department of Education, Science and Training, you will see that beekeeping is listed as a low-skills occupation with very few job opportunities. This was given to me by a graduating student only two nights ago and I said, 'I'll take that to the committee.'

CHAIR—Would you like to table that document for the committee's benefit?

Mr Taylor—Yes. This is the jobs guide.

Mr SECKER—I think you both have said that there is not much support from primary producers for the bee industry. I suppose there would be a huge variation in that support. There would be strong support from farmers like me who use bees for pollination services in the lucerne seed industry. Others perhaps would not be very friendly towards you because of what you did 20 years ago regarding the issue of Salvation Jane or Paterson's curse, where you put in injunctions. There is a variation out there. Is the industry itself doing anything to become a little more proactive in getting more primary producer support?

Mr Ware—The answer in short is yes. We have invested an enormous amount of resources in educating primary producers. I call it education because the evidence has clearly shown that if you use bees, whether you are in broadacre cropping or in horticulture, they lift production.

In broadacre cropping, we have done funded research projects with other research groups such as GRDC and we have shown that you put bees on canola and your yield increases. We have worked with the cotton industry to show that you put bees on cotton and you increase your yield. We have certainly worked with the almond industry, where bees are essential for pollination, to explain to them the importance of paying beekeepers a reasonable return for pollination services.

In Tasmania, we have recently produced a document which we hope to send to every primary producer in Tasmania telling them the benefits of pollination and explaining to them why we also should be paid a reasonable return for providing those services. Australia has been very fortunate in that we have not had any major diseases such as Varroa. If anybody wants to see what happens when there isn't a bee industry, they should go to the United States, where at this point in time they are seeking people to export bees out of this country into California to try to pollinate their crops.

Mr SECKER—Their almond crops?

Mr Ware—Not only almonds—a whole host of horticultural crops.

Mr SECKER—That has actually helped our almond industry, but it is a side-effect.

Mr Ware—It is a side-effect, but it is interesting the different philosophy. People just take it for granted: 'We will get some wind-borne pollination, we will get a few feral bees and we'll be right.' Specialist seed growers have known for a long time that you cannot do that. The people who have tried bees on their property are saying, 'Our yields did increase.'

Mr SECKER—I can certainly vouch for that, and in the canola industry. Is the bee association still opposed to the importation of leafcutter bees?

Mr Ware—No, we have never been opposed to the importation of leafcutter bees. The problem is we have never been able to successfully get them.

Mr ADAMS—What is a leafcutter bee? Could you just define them?

Mr SECKER—Normally American bees pollinate, but when they pollinate lucerne they get a knock on the head and they don't like it too much. The leafcutter actually comes in under and cuts the leaf and pollinates that way.

Mr Ware—We had a couple of beekeepers work with the CSIRO to import them. When they dipped the first lot, to make sure they didn't bring in any disease, they managed to kill them all. The second time around we had learnt from our mistake and we had another go, but only a third of them reproduced. We have had all sorts of problems trying to get them to reproduce here. So we have never been opposed to them. But the trials so far have been pretty inconclusive, if not downright failures.

Mr SECKER—How do your farmed bees interact with the native bees around the place? Are there problems caused by that?

Mr Ware—One of the worst things is that the managed bee industry is associated with the feral bee population. That is a problem. You do not see too many horse breeders claiming that they are responsible for brumbies running wild in the national parks. You do not see too many goat producers saying they are responsible for feral goats—

Mr Taylor—Or pigs.

Mr Ware—Or pigs. But in the apiary industry we seem to have this suggestion that we are responsible for feral bees when, in effect, there is a whole host of reasons. Since bees came out here with the First Fleet some of those interactions have been very adaptable to reproducing here and they are totally different from the managed bee population. Also in Tasmania—which one of you, at least, comes from—there is a population of bees we are trying to get a World Heritage order on. We have one of the few colonies of black bee, which is not even around in Europe. But we have managed to find it in Tasmania, by accident—apart from those on Kangaroo Island. Let me be clear that we support measures to rid national parks and the like of feral bees, but the managed bee population is not responsible for those ferals.

Mr SECKER—I wasn't suggesting—

Mr Ware—But a lot of people do.

CHAIR—It is certainly another mechanism for the National Parks and Wildlife Service to lock out another user group from national parks.

Mr ADAMS—Can we explore that a bit. Bees do play a very important role in propagation and whatever. Somebody has introduced the bumble bee to Tasmania—it may have been the tomato growers; I don't know. But there seems to be a lot of written information or allegations out there about what bees do et cetera. Is there a problem with bees in national parks?

Mr Ware—There is absolutely no problem.

Mr ADAMS—Is there some argument that we are doing something to our native species of plants by having bees go in there?

Mr Ware—Let me explain that, with reference to bees in national parks, the environmental footprint of managed bees is extremely small. In terms of the Australian agricultural industry, we would have one of the smallest environmental imprints there is. The issue of bees in national parks and public lands is often called the precautionary principle, which taken to an extreme basically means that you would not get out of bed because you would be wondering whether you might hurt something.

Mr ADAMS—It is a very good description, actually.

Mr Ware—We have produced scientific paper after scientific paper. We have had well-known conservationists do research. We have funded them and said, 'You prove to us that we are having an effect and we will take that research.' They have come back and said, 'No, we can't prove that you are causing problems.'

Mr SECKER—That would be a positive thing, wouldn't it?

Mr Ware—Depending on who you talk to. They would argue that any change to do with forest is detrimental. The worst example is in the state of Queensland. It is no secret that the Queensland government has made the decision that by 2024 all bees will be out of national parks. The department admits that they did not do any scientific research. That was a political decision because they lost one election, presumably because they lost the green vote. They

intend that by 2024 beekeepers will be out of national parks. Those national parks have tended to be old forestry areas. We have pointed out that it was the beekeepers in Queensland who prevented the logging of some of those areas that are now there. The beekeepers said, 'Do not take this resource away from us.'

So the issue of bees in national parks tends to get emotive, but we try to keep it on a scientific basis. We have produced a whole booklet, which outlines every scientific paper we can get our hands on relating to the effects of bees. I do not want to be here having a go at the Queensland government, which is Labor, and not praising the Western Australian government, which is also Labor, which created 30 new national parks and did not move one beekeeper. They said that they had to change sites on seven sensitive areas and created 216 additional places for beekeepers. We believe that is a sensible management plan as far as public lands are concerned.

Mr ADAMS—I am very interested in this because there is some argument about plantations with the same species of eucalypts, which will then somehow adapt and the ones that are along side the native forest will be manipulated in the longer term by bees coming into that forest. Is there much science in that area?

Mr Ware—There is a conference in India in November, where all the people who are into plantations are coming together to discuss the issue of what happens—the effects of pollination, the effects of bees and everything else to do with plantations. One of the issues that has been put to us, particularly in Queensland—because they did not understand it—was that they said, 'Don't worry about this resource you're going to lose in the national parks. You're going to have a new one because we're going to allow all these plantations to be grown and the bees will be able to replace the nectar you're losing on these plantations.' But the truth of it is that when those trees are nearly ready to start pollinating is the time that the logging industry likes to cut them down. Then we were told they were going to plant things between the trees. I am not quite sure what they were planting; but, anyway, we are still waiting to hear about that one.

Mr ADAMS—They will thin them out, and then you will probably have a chance. There is some work being done at the University of Tasmania on that sort of thing, so you might want to look at that. To come back to the industry, the industry is a bit casualised, isn't it? The people who come down and put the honey in the tins and the jars are only employed on a casual basis. Warren was talking about having some difficulty in retaining them. Do you employ them on a casual basis for three or six months of the year?

Mr Taylor—No, permanently.

Mr ADAMS—So you have a problem in retaining labour?

Mr Taylor—Beekeeping is a very easy industry to get into. You buy one beehive and then you buy 100 and then 200. So a lot of the people who have come to work for me are now my competitors. I trained them, and we are friendly competitors. The market is big enough for all of us, but their ambition is to get some basic training with our company and then move into their own. Some go into honey production and some go into bee breeding. So it is very difficult to hold long-term good people who love bees.

Mr ADAMS—Don't you have to pay them enough?

Mr Taylor—No, we pay them a lot. They still would prefer to have their own business and run their own place.

Mr ADAMS—I do not think there is much this committee can do about that, Mr Taylor, but are there other issues? I think in your submission you referred to imported honey and issues there. Would you like to touch on that? You have a problem with imported honey?

Mr Taylor—The Australian bee industry was fairly viable a few years back because we had the 14,000-tonne Australian market. Then a few packers decided when honey was short to import honey from Argentina and China, although it has reduced a lot lately simply because the price being paid to the Australian bee keepers is probably less than they can buy from Argentina for. So in maintaining a viable honey industry we were feeling the effects of imported prices.

Mr ADAMS—Were there any health issues in that area, any issues of disease coming in?

Mr Taylor—Not so much disease as chemical contamination, because the countries exporting it here had diseases we did not have and they were using certain carcinogens to treat them.

Mr ADAMS—So there were some issues around that?

Mr Taylor—Yes.

Mr ADAMS—What do you think the government can do to assist the labour issues? Maybe Stephen could comment on that. There are no courses at the moment in Australia—is that what I read in your submission?

Mr Ware—No, there are courses. But the problem is, up until now, they had not been part of the national training framework, because we have only just recently completed the competency standards. We then had a problem with that because the government amalgamated all the skills councils to form the Agrifood Industry Skills Council, which was an amalgamation of three or four councils. It is still being bedded down. It has a board of 14. We are still waiting for approval, because then the education minister abolished ANTA. It is not clear exactly what is to replace ANTA. Then some of the states decided to restructure their affairs. So in terms of timing it has been absolutely terrible. We are developing traineeships now. If we can solve the problem of who replaces ANTA and the education department can work out how the new system is going to work and we can get the rural skills council to sign off on the competency standards, which they are sitting on, we can move that forward.

The issue of imported labour is an interesting one, though. Three times now, we as an industry have sought to assist people to come here because we believed that they had skills that we did not have. One is a rather tragic case which is still before the government, and that is the case of somebody in Zimbabwe who was kicked off his farm. He was a queen bee breeder and he has been sponsored to go over to Kangaroo Island with the help of the beekeepers there, who have offered to pay his way. But because he is 67 they said: 'You don't have the skills anymore. You've got to go and find another home.' That is terrible, because he cannot go back to Zimbabwe.

Mr SECKER—He is 67.

Mr Ware—He is 67 years old. We have written directly to the immigration minister and everybody we can get our hands on to say, 'Look, this is absolutely absurd.' The other issue was that we brought in a French beekeeper. When I say 'brought in', we supported his application. It went on for ages. He wanted to migrate here and had the financial resources to do so. I do not know what happened, but the French police lost all his records and then they found them again. It went on for years before he got out here.

We get a large number of people—probably 100 people a year—saying, 'We want to come to Australia for a short period of time,' because Australia is recognised as one of the leaders in beekeeping, we export to 30 countries and our floral varieties are known around the world. They want to come here and work for a short period of time and experience beekeeping.

CHAIR—Can I come in on that point? Australia is recognised right throughout the world as being a very significant contributor to the apiary industry in terms of its research et cetera.

Mr Ware—Yes.

CHAIR—Why is it, given that comment, that both state and federal governments of the day refuse to acknowledge that significant contribution to the world market in terms of research et cetera and refuse to even consider funding a research facility to assist the industry?

Mr Ware—The issue always was down to money and resources and the fact of being a smaller industry. Most people think of bees and think of honey but really have no concept of what the industry is about. We are one of the most misunderstood industries around. We need to get that across. The other issue, which we have highlighted and Warren has highlighted in his submission, is that the other larger industries can go in and form cooperative research centres and the like. We do not have the resources to do that. The best we have got is the matching funding under the existing R&D arrangements.

Mr ADAMS—You have got levies?

Mr Ware—Yes, for which we and the industry are very grateful, because if we did not have that, we would not have any research going on, which would be a tragedy. Going back to the comment about the Australian industry, one of the industry members recently won a world honey competition from 107 countries. We have the best honey in the world. It spikes even more interest for Australia. We have a lot of people who say, 'I want to come to Australia for six months or whatever, work in the industry, experience it here and go back.' Not all of them are seeking to stay here. For people like Warren and others who face these short-term labour shortages, that would be a great way of doing it. The problem, as he has highlighted, is the paperwork. It is mind-boggling. There is a sense that everybody who wants a temporary visa is not going to go back. It is a real problem.

The other issue in relation to visas is that I have recently written to ASIO and to the minister for immigration because Australia in 2007 is going to host a world beekeepers conference and we expect 4,000 visitors to come here from all sorts of countries. In Ireland they had all sorts of problems with visas. We have already written to the government saying, 'This is going to be a big issue here as well.'

CHAIR—I want to follow up the whole issue that we have just been talking about. Can either of you explain this? I understand from reading Mr Ware's submission that the honey industry produces about $50 million worth of honey a year and it employs somewhere around 7,000 to 9,000 people. Mr Taylor in his submission talks about a $2 billion contribution directly and indirectly to the economy and about 11,000 people. Can we clarify the numbers? How many people in total do we employ in the two industries—the export bee industry and the honey-producing industry? That is the first question.

The second question is: what is the overall contribution to the community, taking into account the fact that the figure has been put up as $2 billion in an environment where we produce $50 million of honey itself? I finish by saying to you that I find it reprehensible that any government of any political persuasion would consider ignoring an industry to the point where it is going to put 11,000 Australians out of work. Not only would they be doing that but they would be destroying an industry and thereby making it necessary for us to import all our honey. In my view, the honey we produce is unbelievable. I just had a tin of honey from Dick's state of Tasmania, which was absolutely fantastic. I am a honey eater; I love honey.

Mr FORREST—You are a real honey!

CHAIR—Yes, I am a real honey. Would either of you like to make a comment on that?

Mr Taylor—There are 9,000 registered beekeepers in Australia but probably 8,500 of them have one beehive in their backyard in the Sydney suburbs.

CHAIR—Do they sell their honey?

Mr Taylor—They probably eat it. Stephen might have some more statistics but my guess would be that the total number of people employed indirectly in the bee industry on the production side would be less than a couple of thousand.

Mr ADAMS—Can we get a couple of figures? Would you have the amount of honey we produce and the amount we import, in total and in percentage terms?

Mr Ware—I will table a document recently completed by the Centre for International Economics. It contains all the statistics. There are no inconsistencies in the figures that have been used. The direct honey sales are roughly between $50 and $100 million. It really depends on the price of honey at a particular time and how you value it. Over time, as the honey price goes up and down you get different figures. The issue of pollination services is one where better economic minds than mine—the microeconomists and the like—have worked out the value of the services the bee industry provides to the other industries. The almond industry would not exist without beekeepers, and that is where you get the $1.7 to $2 billion. You get the flow-on effects from those.

There are around 2,000 people directly employed. The other part-time beekeepers would have to also include a number of primary producers who have mixed enterprises, and neither we nor the department have been able to quantify what exactly these people do or measure it. In fact, the Taxation Office wrote to us wanting to quantify it and telling us that we had to count the bees as trading stock. We are still wrestling with that one.

Mr ADAMS—They did it to the oyster growers, as well.

Mr Ware—We are going to build a race so we can put them through. These are the specialist issues we have as an industry. We have expressed concern about imports. I guess every other industry has concerns in relation to the pricing policy of some of the supermarkets. They say, 'Your price is too high; we can get it cheaper elsewhere—we can import it.' I am pleased to say that the major retailers are now stocking Australian honey, and imports have dropped to about 60 per cent over the last couple of years. The feedback from the consumers to us and even to the supermarkets themselves is that they do not like the imported stuff; they want the real stuff. That is heartening.

Mr SECKER—This is about skills. Is the industry being proactive and asking about a school doing a bee course? I studied bees—over 30 years ago, I hate to say—at Urrbrae Agricultural High School. In my state, and I am sure the same would be true in other states, there are a lot of schools in rural areas with these little skill centres. You could have one, for example, in my area around Naracoorte or Keith where they have strong seed industries, strong cropping industries, canola, lucerne, clover and all those sorts of things where the bee industry is very helpful and people are probably more likely to get involved. They can get their certificate I, II and perhaps III in VET training.

Mr Ware—That is what we are trying to do now and what we have said as an industry. We have obtained a small amount of funding under the future skills, future training network. We are currently doing an inventory of all the training materials that are out there. We intend to write up where there are gaps in that training material and then release it to any RTO who wants to use it. So if they want to run a beekeeping course we will give them the materials so that we have those resources available.

We have got the interest of institutions like the Bendigo TAFE. We have got a number of groups that have expressed an interest in doing beekeeping. What we have found—in New South Wales, anyway, under OTEN learning—is that all these courses end up getting filled up, which is one of the strange things. You run these courses and the interest is very high. What we have been trying to do is give the course materials to the RTOs. The problem with the RTOs is that there are some 10,000 of them. I think some of the earlier witnesses made comment that they tend to follow the money as distinct from following where the needs are, where you want them. So we are also doing a bit of work on distance learning and looking at ways in which we can potentially deliver the course training over the internet. But that is some way off, as you are probably aware, with Telstra services in some areas—which we will not go into.

Mr Taylor—That is a good point that Patrick made. In today's *Land* newspaper it says 'excellent education courses'. Farrer, Hurlstone and Yanco agricultural high schools are asking people to enrol. I tore it out as I sat on the train and I thought, 'I'll put it in my immigration file and I'll write to these schools and say, "What are you doing about beekeeping?"'

Mr WINDSOR—I would just like to follow up on this issue of imported labour or a skilled labour shortage. It is coming up in a number of submissions. It is in the construction industry and other industries as well, who we will be hearing from at a later date. The meat-processing industry, who we talked with this morning, are trying to get people into jobs that cannot be filled locally. Mr Taylor, in a fairly brief form, could you let the committee know the process that you

have had to go through to make application and to prove that those skills are not available in the country yet.

Mr Taylor—I had to go through labour market testing, obviously. I had to publish ads in the newspapers and go through Job Network. But I employed one of Sydney's leading immigration consultants to put up the case to government about why we needed a labour agreement.

CHAIR—Can I ask how much that cost, because that is important.

Mr Taylor—It cost $6,000 for the consultant to put up the case. This is only a three-year agreement with a 12-monthly monitoring, and they take four months to have a look at my monitoring, so I have got eight months effective. When they finally next week approve me 14 positions for this year, by the time I lodge the nominations it will be another two to three months before those people arrive here, just in time for winter. That is a frustrating position.

CHAIR—The season is basically half over.

Mr Taylor—We do not want to bring people in on tourist visas and do things illegally, because that could affect us down the track. We have got this serious problem this year. Fortunately we have had a couple of working holiday-makers, Frenchmen, come in, and they are working with us. They come from beekeeping companies in France. It is winter time over there. Their employers have asked us whether we could train them in Queen Bee. At least they are beekeepers who can work with bees, but I would much prefer to employ Australians. We brought in four foreign workers last year. We had the same problem with monitoring. They did not come in until about March. Two were from Poland and were trained in a Polish beekeeping school. They got homesick and went home. One was Syrian. On paper he looked good. He got one bee sting and we were fortunate we were five kilometres from Oberon Hospital, because we were able to save him. So these are the risks. After you pay all these airfares it is a pig in a poke: you do not know what you are going to get. I would much prefer it if people going through these agricultural high schools could be pointed towards our company and we could take them on.

CHAIR—What needs to be done in terms of a contribution by the government? We know that you are pushing for a research centre, and I understand why you are doing that. But what needs to be done by government in recognising the seriousness of the lack of skills in your industry? What needs to be done by both government and industry to promote the skills, importance and profile of beekeeping? I ask that in the context that it is quite obvious that, at state and federal level, the senior ministers of the Crown responsible for the portfolios that look after industry in agricultural and horticultural areas such as yours either are ignorant of its requirements in terms of the need for skills training or have been brainwashed to some extent by the people that advise them and think that it is such a small industry that they need not worry about it and can let it go to the wall. Would you like to make some comments on that?

Mr Taylor—Skills are important and the ability to suffer pain is important, but the willingness to live in remote areas is important. For us to breed the very best quality export bees, we have to follow where the rainfall has been and where the flowers are. Most Australians do not want to be away from their home base. That is where foreign workers fit in beautifully, because they do not have a home base in Australia. They do not care where they live. But we cannot use that argument because we have to use the argument based only on what the act says: skills. That is

probably the biggest problem with a company like ours. We operate 8,000 beehives. Most other beekeepers probably operate only 1,000. We are doubling the size of our queen bee breeding from 10,000 hives to 20,000 hives this year, but we cannot get the labour to manage them.

CHAIR—The bee industry would be at its peak during the blossoming period, which is the period prior to fruiting and harvesting of fruit and vegetables. There is already a market of retirees out there being utilised by those industries to cover their labour shortage, although not to the extent that they would like it covered. There are hundreds and thousands of them moving around the countryside supplementing their pensions and meagre incomes by picking fruit. Why could they not be targeted in the training process to contribute to the industry?

Mr Taylor—Provided they are not allergic to bees, provided they can tell a queen bee from a worker bee—

CHAIR—Sure. But that applies to anybody, doesn't it?

Mr Taylor—Yes. And to overcome part of our problem this year our company is planning to advertise in the central west for housewives for weekend labour, who can come in on Saturday and Sunday to catch the queen bees and put them in the shipping boxes. Then we will use our other limited labour to do the rest of the process from Monday to Friday. If we could get eight or 10 women who could turn up on Saturday morning and catch 10,000 queen bees—

CHAIR—That gets back to my point: what does government have to do?

Mr Ware—I would answer that in three ways. First of all, we need to get the existing system, which is supposed to work but which is really in hibernation right now, to work. You have had this restructure, but it is still not bedded down. You have 14 people on the board. I have never heard of 14 people on the board in any company that works effectively.

CHAIR—Who appointed them?

Mr Ware—It was the government—the minister.

CHAIR—Are they paid?

Mr Ware—I am not sure about their remuneration. I am sure they are all good people, but I think a 14-member board is very hard for any chairman to look after. The same goes for the rural skills council. It has been amalgamated and amalgamated and it is still not bedded down. We are coming in as an industry trying to get traineeships up and running because we have bedded down, and they are still working on how the office is going to work. So we do not have a delivery system to deliver the traineeships. We do not have a delivery system because we do not have the RTOs and we do not have the training materials, which we are trying to get but cannot until we get approval. We cannot get approval because they are still working it out. We are going around in circles. You ask: what can the government do? It could do its job and get these things to work. That would be No. 1.

No. 2 is in relation to the delivery mechanism, and the other industries have mentioned it. There are something like 10,000 RTOs. I am not quite sure how you become an RTO, but it cannot be too hard because there are so many of them.

Mr ADAMS—Your industry council could become an RTO.

Mr Ware—Yes, but we do not want to. We have enough to do without becoming an education provider. We would like a delivery mechanism somehow with the existing people—there are enough of them—so we can deliver the training to people. That is the second part. The third part is the issue that I have separated out—it is linked—of being able to allow some skilled labour into an industry. It has two effects. It not only solves the short-term shortage but also creates an immense amount of goodwill, and that goodwill flows through to other things.

Interestingly, one of the people who wanted to come over here and do some beekeeping happened to be a daughter of one of the major miners where Australia had substantial investment. They said, 'Can't she come over here for three months or whatever?' and they said, 'We'll have to talk to the immigration department.' That was a mistake. You could not explain to them who she really was. They said, 'She mightn't have the resources.' They said, 'Buy a unit for her while she's here.' I thought, 'You're kidding,' and they said, 'No, we'll buy the unit.' It was not that they did not have the resources. They were going to come and they were going to leave, but you just could not get through the paperwork.

Mr ADAMS—Could you describe catching queen bees. I do not understand the industry totally, though it is a fascinating one. Could you describe some of the work that is involved in the industry that you need people to do?

Mr Taylor—We operate a fairly unique queen-raising system using a box that has six rooms in it. Into each of those compartments we put a few bees and a queen cell that is due to hatch into a virgin queen the following day. Seventeen days later, we need staff to pull that little unit apart, take the queen bee and put her in a little cage with a bit of food. We put six attendants in with her—like they put on the plane to California today. We need people to do that. Then we have to raise the queen cells. We have to move the hives to better conditions and do a lot of other work as well. If we could get women to wear gloves and protective clothing and come out and catch the queen bees, that would relieve a lot of our problems.

Mr ADAMS—So a queen needs six attendants?

Mr Taylor—Yes.

Mr SECKER—What do you with the drones?

Mr Taylor—They come from other hives. They are not in these little ones.

CHAIR—They are sitting in parliament!

Mr ADAMS—So that is some of the work you need on your site. What about the honey side of the industry?

Mr Taylor—Because our company gives so many hives, honey is a by-product. Last year we produced $1.5 million worth of honey, five per cent of the Australian crop, and it is all sitting at our factory in Blayney because nobody wants to buy it. So queen bees give a good cash flow. Bulk bees, which is a swarm of bees, to California—

Mr ADAMS—Tell me about the packaging of that.

Mr Taylor—We shake the bees out of the beehives into a large bulk cage. That goes over to weighing scales and the boys weigh them out—exactly 1.36 or 1.86 pounds of bees in the little cage. There is a tin of sugar syrup in it and one queen confined to a cage. When that arrives in California, the beekeeper installs that in a hive that has died of some exotic disease. He then rents that hive to the almond growers. Two years ago almond growers were paying $US45. This year they are paying $US160.

Mr SECKER—For one hive?

Mr Taylor—For one hive.

Mr ADAMS—That is because of a disease strike?

Mr Taylor—Yes. We sell that packaged bee for $US80. The beekeeper puts it in a box, and he gets $160.

Mr ADAMS—Does the almond industry in South Australia rent bees for $45—

Mr Taylor—I would be surprised if they did not. They certainly used to. In the growing industry there are a lot of small trees. Within two to three years they will need 150,000 hives in the almond-growing industry.

Mr ADAMS—Is anyone paying for pollination services other than, say, the almond industry in Australia?

Mr Ware—Yes.

Mr Taylor—The lucerne industry does.

Mr ADAMS—So it is a diverse industry.

Mr Taylor—Yes. But honey producers are in difficult financial times. I met with three leading honey producers two nights ago, and they want to produce packaged bees. The market is there. They cannot make money out of honey. I said, ‘I will give you the technology, because the market is so big I don’t want all of it.’

Mr ADAMS—I know it is an emerging industry and it has in recent years come together and whatever. But the quality of honey varies between terrible honey that I would say comes out of Europe or wherever to magnificent honey that comes out of Tasmania—and probably other parts of Australia. I am a product of it. That is a marketing issue. I know when it gets to a supermarket, there are peanut butters and other spreads that go on the toast or on the kids’

sandwiches. Where is the industry in relation to that? The other question is that there was some issue about paying rent on government land in some states. Is that an issue now or has that been resolved?

Mr Ware—It was going to be an issue in New South Wales but it has been resolved. The New South Wales government has kindly backed down on that proposal.

CHAIR—Since Bob retired.

Mr Ware—Actually, Bob was the one who made sure that they backed down. In fairness to the outgoing Premier, he was quite supportive of the beekeeping industry, unlike his counterpart in Queensland.

Mr SECKER—He probably got stung as a child.

Mr Ware—Something happened, anyway. In relation to quality, Australia has invested and continues to invest strongly in marketing. One thing we did a couple of years ago which we got right was that when we were having all sorts of problems with supply in Australia we did not abandon our export markets. In fact, in Europe in particular we aggressively attacked that market. For the first time ever, we put it in prepacks and said that instead of blending it we would do straight-line Australian honey. We have a growing share of that market. If you go to supermarkets in Europe, you will find the Australian stuff, you will find some stuff from Argentina and you will find stuff from somewhere else.

Mr SECKER—And the rubbish.

Mr Ware—And the rubbish. Our market share over there is growing. We want to do more work in the medicinal side of honey, because we believe that is an enormous growth industry.

Mr Taylor—Enormous; unbelievable.

Mr Ware—We keep talking to researchers at the University of Sydney to find some decent research.

Mr ADAMS—What about the royal jelly industry?

Mr Ware—The royal jelly industry's problem is that it is very labour intensive. Our efforts to have our own have been somewhat frustrated by the lack of labour.

Mr ADAMS—But it has potential?

Mr Ware—We have a whole host of listed products that we believe have potential. But, as Warren said, in the queen bee and the packaged bee industry we get people coming in every week saying, 'Can you supply X number of queen bees?' and, 'Can you supply this?' We do not have people to supply them. We have a gap there that we clearly need to fill, and we have opportunities.

CHAIR—As Tasmania is the only state that has a royal, are they the only ones likely to start royal jelly production?

Mr Ware—Tasmanian honey is known worldwide. They have a very good little niche export market.

Mr ADAMS—New York and London.

Mr FORREST—We are addressing the education and training needs, but this is a committee of agriculture. I come from north-west Victoria. It was good to host the conference at Horsham earlier this year and get the minister to come. But I say to my apiarists that they have to focus on the benefit to agriculture. I have thousands of acres of almonds. That is the only industry that pays you guys to provide a service. I do not think the citrus industry does. The stone fruit industry should. That market approach ought to be the emphasis, rather than what you produce, which is the honey. That is where the big value is, but there does not seem to have been a tangible presentation of any research that indicates the value to horticulture that apiculture provides. That is where you need to put in a bit of effort.

Mr Ware—I agree with what you are saying. If anything, we have been a well-kept secret. We are starting to aggressively tackle that side of it. We are starting off in Tasmania because we have a small group there which we can target relatively inexpensively. We have put together everything from pollination contracts to an explanation to the growers about why it is in their interests to pay for those pollination services. From Tasmania, we have to expand that program around Australia. I would not agree with you that the almond growers are the only ones paying. That is not true. That depends on what area you are in.

Mr FORREST—Who else is paying then?

Mr Ware—There are strawberry growers, apple growers and pear growers.

Mr Taylor—We pollinate buckwheat.

Mr FORREST—What about the stone fruit industry?

Mr Taylor—Not so much stone fruit. There are a few small orchards on the fringes of Sydney that pay for bees, but there are not large commercial contracts.

Mr FORREST—Maybe you could drop us a line on who makes that contribution. As a committee, we can make recommendations to stimulate some of this. I hear your frustrations.

Mr Taylor—There is an ABARE report on the value of honey bees for pollination.

Mr FORREST—You have referred to that in your submission. Could we have a copy of that report?

Mr Ware—We have one here for you.

Mr FORREST—We can table that one.

Mr Ware—I think that has got some of the information references in relation to all those.

Mr FORREST—We have not even got to how to meet your training needs; we are still focusing on how to get you adequate and proper recognition.

Mr WINDSOR—I think the point Mr Ware made about 10 or 15 minutes ago that there is a circular argument around the problem of the 10,000 RTOs and the facts that government at the state and federal level are still procrastinating about structures, that there is no training centre and that there is frustration at the lack of capacity to get people from overseas to come into the country encapsulates the argument that a lot of groups are going to be putting to us. It says to me that part of the major problem here is government—not so much structures but the inability of government agencies to deal with the problem in a constructive fashion.

Mr Taylor—One thing I will say that the government has done is to introduce a regional sponsored migration scheme. That is helping a lot of beekeepers. I know about 10 beekeepers now that have been allowed to bring in one employee. They are honey producers. We are not eligible for that because we need 14 or 15 people.

Mr Ware—Could I also make mention that this FarmBis funding, which a lot of industries have utilised, is a problem because it is half-funded by the Commonwealth and half-funded by the states. It is a mishmash of whoever is on the board at the time. For a national industry, frustrations arise from the differences between states. They cannot agree on a common form. When you are a national industry and you have to apply to all of them, you find they all have different criteria. You have beekeepers who go from South Australia, Victoria, New South Wales and Queensland and find that they are in different criteria. Some of them are eligible in some states; some are not.

You also have a problem where they seem to go for things that are trendy at one point in time. Quality assurance a few years ago was terrific. Everybody got funding for that except us. Then we came along and said: 'We're at this stage. We're going through the whole industry update.' South Australia told us: 'That scheme's at an end. We've done enough quality assurance training.' I said, 'We haven't done any for beekeepers.' They said, 'These are the new guidelines we're under.' Even the federal government, who are supposed to have some sort of coordinating role and who we wrote to with all our issues and problems after they gave us some federal funding, have not given us a response. That area is very frustrating. There is money there. Then they say, 'We'll have a course to train people in how to use a chainsaw.' Then everybody goes and learns how to use a chainsaw, whether they want to use a chainsaw or not, because there is an RTO in their area that says, 'I can do that. Awesome, I'll get the money for it,' instead of focusing on what is needed.

Mr WINDSOR—I note that Cotton Australia have put in a submission to this inquiry as well and will be appearing later today. They talk about how the focus is on the provider and the trainee rather than the client. I presume you would agree with that.

Mr Ware—I saw the Cotton Australia submission. I actually agree. They were a bit more aggressive than we are; we are nicer people. The cotton industry tends to breed them that way. But I have to say that the thrust of what they were saying about the education and training is a valid point; they have got a point. Everybody gets surveyed to death. We are asked what we

think of these things, we tell them and then next year they ring us up again and say, 'You're on the list to survey. How is the farm business going?' You reply, 'Well, it's no different from the last time you rang us.' Then they say, 'We can't put that down. You just say yes or no to our questions and that's it.'

Mr FORREST—Maybe you guys should get more aggressive—get some sting in your tails.

Mr Ware—To make a pun. Yes.

CHAIR—Thank you very much, Mr Taylor and Mr Ware, for your contribution. As I keep saying to people who come in to bring us their concerns and give us information on the problems of their various industries, the contribution that you have made today is going to go towards us being able to put some constructive recommendations to government. The thing that we rely on, more importantly, is for people to be open and frank about their concerns. You have been doing that today, and we thank you for your time.

Proceedings suspended from 12.46 pm to 1.45 pm

COMYN, Mr Paul John, Program Manager, Education and Adoption, Australian Wool Innovation

CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Do you wish to make a brief statement in relation to your submission, or would you care to make some introductory remarks?

Mr Comyn—I would prefer to make some introductory remarks, and then draw attention to a number of points in the submission.

CHAIR—Please go ahead.

Mr Comyn—Thank you. I am here to represent Australian Wool Innovation, which, as you may be aware, is a research and development corporation looking to drive improvements in productivity and market development for the Australian wool industry. I understand you received a submission from Meat and Livestock Australia earlier this morning. In many cases it is a sister organisation to AWI and is a group that we work quite closely with, particularly in the area of research extension and training.

My submission identifies a number of key areas where I believe there are current gaps in the provision of education and training research services to the Australian wool industry. Wool is still grown on more than one-third of Australian farms. So, despite declining terms of trade, we certainly believe that it is a major rural enterprise that affects the viability of a number of rural and regional communities. I would like to address my comments to four main areas. One relates to career education and the issue of school-to-work transition in agriculture. We are currently involved in a national initiative with educators who have come together from each state and territory, in the absence of any national agenda, to try to identify opportunities for improved school-to-work transition arrangements for the agricultural industries. That demonstrates to me that there is a gap in government leadership and direction for the coordination for agricultural career-to-work transition. I think that the Department of Agriculture, Fisheries and Forestry should be directed to work with the Department of Education, Science and Training to facilitate a coordinated strategy that will integrate the activities of various stakeholders and improve resource allocation in this area.

We have recently become involved, albeit on the periphery, with work at a New Zealand human capability group in agriculture and horticulture, which has on a national basis tried to bring together the various industry organisations and school agencies to improve not only the way that agriculture is marketed but also how the various activities of individual agencies are coordinated. Obviously, with our federal system, that is more of a challenge for us, but I think there are still some gains that can be made in that area.

Secondly, I think the industry's involvement in the New Apprenticeships system should also be considered. One of the issues we have in the area of traineeships is that there are still some

differences in implementation arrangements in each of the states and that is particularly having an impact on the wool harvesting industry—by that, I mean shearers and wool handlers. It is also linked to the interest and/or capacity of the New Apprenticeships centres and group training companies to service rural industries. My experience over the last 10 or so years of being involved in rural education and training, both through a state ITAB and also through a research and development corporation, is that whilst the Commonwealth has funded organisations such as Rural Skills Australia to try and drive the uptake of new apprenticeships in the industry, group training companies I think still need greater direction and possibly greater support to more adequately service industries in rural and remote areas, particularly in relation to agriculture. It is a lot easier for an NAC in a regional town to sign up a retail trainee than it is to sign up a farmhand or a shearer/wool handler trainee.

I think also recent changes to the industry advisory arrangements in the vocational education and training sector have impacted on the industry's capacity to engage with vocational education and training and develop a learning culture within the industry. I think the amalgamation of the state and national ITABs into the agrifood skills council, whilst in its early days, is going to prove a retrograde step in terms of the industry's capacity to engage with the VET sector.

The third key point relates to the quality of technical education and training delivered in the school and VET sector. I think there is a crying need for professional development for teachers and trainers and also a greater need to link the activities of organisations such as Australian Wool Innovation and schools and the VET sector. At the moment, it is a complex system and a number of silos operate, and I think DAFF and DEST should be encouraged to work more collaboratively in regard to driving professional development for school and VET teachers in the state systems.

Mr ADAMS—Could you say that last point again.

Mr Comyn—I was suggesting that the Department of Education, Science and Technology and the Department of Agriculture, Fisheries and Forestry need to work more collaboratively to deal with the issue of professional development for teachers and trainers. There has been a withdrawal of professional development funding from within DEST over the last five or six years. There has also been a withdrawal of funding in relation to resource development. I think whilst some organisations like AWI and MLA, for example, have tried to fill that gap in terms of engaging with the VET sector and the school sector to improve the technical skills of trainers and teachers, it seems to me that that could be driven by a more coordinated program approach in partnership between those two key departments.

The last point relates to extension and research services. Interestingly, today I have just come from a board meeting of AWI where we discussed a policy on extension and adoption. We have currently invested around $6 million or $7 million over the next four or five years to fund extension networks in each of the states and territories, specifically targeting wool growers as a way to try to accelerate the uptake of research and development outcomes. In the context of withdrawing public services, RDCs like AWI are faced with a dilemma in that they do not want to commit sizeable industry funds to effectively set up an alternative extension and adoption network, but at the same time are faced with the challenge of driving the uptake of technology and adoption. The board in its discussions reaffirmed its commitment to grower funds being directed in that way.

One key element that seems to be lacking, particularly in extensive broadacre industries, is the use of consultants. In the grains industry, in Western Australia in particular, there has been strong growth in the use of agronomists and agricultural consultants to drive farm change, and that has happened because the Department of Agriculture in Western Australia has really scaled down its capacity to deliver those sorts of services to the industry. We are faced with the challenge in the other states, however, where the use of consultants is fairly low. Whilst I do not have a solution or a clear strategy at this stage, we have certainly been looking at ways to increase the use of consultants.

I think the way the FarmBis program is implemented has some bearing in this regard. Whilst FarmBis has been quite effective in supporting the involvement of producers in training, it does operate as a double-edged sword. It reinforces a culture of dependency amongst the industry and I think some gains could be made if FarmBis looked at creating more of a market in the use of commercial agronomic services rather than simply funding ongoing training. I think a lot of producers get onto a bit of a treadmill—'what have I done this year for training'—and a lot of it is not driven towards practice change. A lot of small providers who recognise that there has been a withdrawal of extension services have stepped into the market. FarmBis has enabled that to happen, and there is a bit of a treadmill going on in the way that training under labour market programs generated a treadmill of activity in that regard. I hope those comments will give you a picture of some of the issues that the industry is facing.

Mr SECKER—You recommended in your submission, and you just mentioned, that DAFF and DEST, the federal bodies, could be working more closely together. What about the state bodies? In South Australia, for example, the education system is delivering a lot of these skill centres, especially in rural areas. There might be a skills centre focused on agriculture in one school, on mechanics in another and so on. We have this interesting situation where the regional coordinators are selected by the local partnerships. It is half funded by the state and half funded federally, but we have these rules in the state education system that make it harder for everything to be coordinated. There are rules about having to be part of the teachers union and all sorts of silly little things. I think you have to go further than just DAFF and DEST; you actually have to look at the state system as well, because that is where it is being delivered.

Mr Comyn—I fully agree. I guess I was restraining my comments to the federal arrangements because of your legislative base, but—

Mr SECKER—That is changing, by the way, in the local partnerships. These regional coordinators will now be fully federally funded, but there is still argy-bargy with the teachers unions in each state about whether they have to be registered teachers and all that sort of thing.

Mr Comyn—I fully agree that some of those battles between Commonwealth and state agencies are a real barrier. Some of the reforms that I am aware of currently through the education and training system in relation to Commonwealth funding—as well as the management of programs and the recent delay over the re-signing of the equivalent to the ANTA agreement—indicate that there certainly is some room for improvement of coordination between states and territories, but at the end of the day it does come down to individuals in a local area being cognisant of what networks are there but also having the flexibility to involve people from other organisations. A program called Woolpro in Schools has been operating in Western Australia.

Mr SECKER—You read my mind; that is what I was going to ask you about next.

Mr Comyn—It has been quite effective. The state education department has been prepared to work with the state Department of Agriculture and they, unlike other state departments of agriculture, recognise the need to engage with the school community for that purpose. They are unique in the way that they have a network of agricultural high schools that drives that partnership. It makes a large difference. But that is not to say that there are not schools that focus on agriculture in the other states. So you have these silos where the state departments in the context of declining resources say, 'No, we don't think education is part of our core business,' so the potential benefits that Woolpro in Schools have demonstrated are unlikely to occur.

We funded a scoping study for the national expansion of the Woolpro in Schools program and ran into a bit of a brick wall amongst the state departments of agriculture. If you look at the way Woolpro in Schools operated, there were great outcomes for students, for the teachers and for the staff within the departments of agriculture because they saw up-to-date technical information being delivered into the schools and saw the shifts in the perceptions of students and teachers about the relevance of agriculture as a career as well as the skills that are required to operate in those industries. So there were some really good, all-round outcomes.

Mr SECKER—Can you tell us a bit more about Woolpro? If you are from Western Australia you might know what it is about but none of us are Western Australians. Can you tell us a bit more about what they do?

Mr Comyn—The Department of Agriculture puts aside resources and provides a facilitator, who basically joins some of the technical staff within the department in individual schools. They provide support to the teachers in those individual schools to review their curriculum and review how they are delivering in terms of teaching and learning and how current agricultural practices are picked up and delivered through that curriculum within those schools—for example, things like different grazing management strategies, pasture monitoring, rotational grazing and minimum till traffic cropping. These sorts of things are generally unknown to school teachers who might still be working off school resources that are 30 years old.

Mr SECKER—When there was not any minimum till.

Mr Comyn—Or rotational grazing, for that matter.

Mr SECKER—It has been around for a fair while, though.

Mr Comyn—So there have been some really good outcomes from that interaction. It strikes me that, from a national perspective in terms of the agencies with the dollars, some sort of joint partnership between state ag departments and the national department using this as a model or something similar to drive that connection would really deliver some improved educational outcomes that ultimately will support the ongoing viability of the agriculture industries in rural communities. Skill shortages around the place are well known and well documented in our industry and in others. I think the key to that is the choices young people make when they leave school and the perceptions they have of the industry but also how well the industry is lined up to support people in terms of career paths through scholarships or up-to-date technical materials for schools and things.

I would like to think that AWI in the wool industry is actually fairly progressive in that sense. At least we have certainly got programs in place that are addressing that. I do not know that that is necessarily the case across all RDCs. Whether or not there is an opportunity there in terms of the tied grants that the Commonwealth kick in in relation to sustainability and whether or not you want to broaden that further to pick up skill elements within sustainability is another thing.

Mr SECKER—I would like to find out a bit more about this because one of the things headmasters say to me is that when they try to bring in these new things they do not have the resources. They have to get the teaching staff out of their existing staff because they only get paid so much in their budget for teachers and they lose out. But if the department of ag is providing some of those resources, it has to make it easier for the schools to do it.

Mr Comyn—Mind you, it was only made possible through the injection of cash funds from AWI. We have actually withdrawn that this year because of a board decision, and the program is in a bit of a hiatus at the moment. It does come down to dollars. The technical information and the materials that can go into packages, if you like, that the schools can use are part of it but it is actually providing that structural link with technical experts in the industry that really seem to have lifted that program into another realm. Certainly I would be happy to provide more information on that.

CHAIR—That would be helpful.

Mr FORREST—We are getting quite a lot of criticism of FarmBis in submissions. You are not the only one there. It is a bit disappointing. We have a rail gauge problem happening all over again. It is funding that our parliament provides, and then we leave it to the states to do the nitty-gritty, but there is an absence of a national approach which your organisation would desire. Are there any further suggestions you can make about what you have already said?

Mr Comyn—In relation to FarmBis specifically, I have not had that much direct involvement over the last couple of years, but certainly one issue that stands out in my mind is the differences between the states in how they deal with the link with the vocational education and training system. In some states, there is a requirement for the training to be mapped against the competencies from the training package or, indeed, auspiced by an RTO in delivery. In other states it is slightly different. I think that, given that we are trying to drive a national vocational education and training system, DAFF basically has to come on board with DEST's agenda in making it a bit of a whole-of-government type of approach and, I think, giving more direction in the sorts of skill assessments that farmers undertake before they participate in training, in the role of registered training organisations in the delivery of FarmBis, in the role of competency standards and in the options for a recognition of prior learning and assessment that are driven through FarmBis. I understand that that varies between the states as well. So those are a couple of comments. But ultimately, I guess, because the states do bring dollars to the table—or most of them do, in this current round—you are tied to some extent.

Mr FORREST—I was interested in your comments about what is happening in New Zealand. It is probably because they do not have states. Can you offer any further advice on the New Zealand experience? Is that the key to how they have been able to progress country community support?

Mr Comyn—I think size is obviously an issue—and the lack of a federal system as well. They are only really now just starting to hit the ground in changing the way they are engaging with schools and regional communities. They are really focusing on the careers issue, but the seasonal labour issue is there for them as well. It is interesting because in some ways paralleling that—I mentioned that local group that has become active. It has been driven by Cameron Archer, who is the principal of Tocal ag college here in New South Wales. He has basically developed a bit of a network in each of the states and territories. Through the Australian Wool Education Trust—which AWI contributes to, and which is basically an industry bucket of money—they have been given some money to do a bit of a mapping exercise around the country of the different types of approaches to this issue that are being applied across a range of industries. I am on the committee as well, self-funded. We are just at the stage of finalising that report.

We have a workshop planned in November in Canberra to really sit down with people from around the country involved in this area, as well as bringing some industry people together, and the NFF are on board. That workshop will ask, 'Righto, where do we go with this, and what's coming out of the current practice that gives us a better picture of what works and what doesn't work?' but it will also try and get some perspective from some national organisations about where to go from here. It is all very well to say, 'Here are 20 programs that work pretty well,' but how do you bring that together and possibly introduce ideas that get industry to hook into a national program? That is where the New Zealanders have been successful, I think. Obviously the challenge for us is greater for the reasons stated but also just because of the number of industries involved. Our base is a lot broader.

If we get that to a point where clearly some signals come out of it then I think that will be ripe for some support, funding-wise, to actually drive that, at least to the next step by providing the resources to formally engage with industries in this area and look for some opportunities. That sounds vague because I do not know what they are. For example, in New Zealand they have put aside individual industry branding and come under a common brand for promoting agricultural and horticultural industries. They have an agreed program for the treatment of careers fairs and school-to-industry link programs. I imagine that the good examples that we are pulling out of this environmental scan would provide some opportunities in that regard as well.

CHAIR—You mentioned the meeting in Canberra of the various groups, including groups that historically are renowned for allegedly representing rural and regional farming groups. I asked this question earlier today, following on from some criticism that many of the decisions in skills training are being made in the more urban based areas and that the decisions are very narrowly defined and do not take into consideration the complexity of some of the skills. I used the example that rural based people are very innovative in what they do. If they are employed in an agricultural or a horticultural industry for a specific purpose, the purpose does not just centre around that specific purpose; it centres around their ability to be able to handle other skills that they have picked up in their careers, some spanning some 30 or 40 years, which people do not take into consideration when they are putting the programs together through the educational process. I do not know whether I have explained it well.

There appears to be a lack of commitment by the people running the educational programs to recognise and, indeed, to know all about the multitude of skills that are inherent in people who have worked in agriculture throughout their lifetime. I used as an example people who have

worked for people like Patrick Secker, a farmer. When things break down on the farm, they learn skills that keep things going and mend things, but none of that is taken into consideration when the skills process is undertaken by the educators, the RTOs, that are isolated from the coalface. Would you like to comment on that?

Mr Comyn—I certainly would. It is not necessarily a problem with the registered training organisations. It is driven by the way training packages are designed and the way that funding operates in relation to training packages—for example, the way that student contact hours are charged at certain rates for some industries versus different rates for others. There was an example of a project that sought to address that issue maybe six or seven years ago. The Rural Training Council, in consultation with Group Training Australia, introduced the multiskilling traineeship.

The idea initially was that it would provide an opportunity to span four or five different sorts of industries in a regional area, from hospitality to automotive to engineering to agriculture, and so forth. My experience was that it just ground to a halt. It was basically ineffectual because of the award arrangements that were in place, the demarcation arrangements between different training packages that were in place, how they were being implemented in the states and, basically, the lack of effectiveness of the group training companies that were involved in actually driving that through. Our view would be that that is still a model that should be explored further. The idea of a multiskilling traineeship—

Mr ADAMS—How skilled do you want someone to be? Do you mean having horticulture, agriculture and tourism all in one package?

Mr Comyn—Potentially, yes. It means that you could do—

Mr ADAMS—What about the payments?

Mr Comyn—That is where the award issues come in. The idea is that it is designed flexibly enough for someone to be able to say, 'Yes, I'll do a bit out of this one and a bit out of that one, because the two areas that I want to focus on are hospitality and horticulture,' for example. This goes back a bit. I think it just ground down because of the issues with implementation and vested interests, because it was being driven by Rural Skills Australia and the RTCA versus Group Training Australia. That has to be messy, but I think the model is still viable.

CHAIR—The first issue I would like to raise is about the programs being centred in the urban areas so that those people who are geographically isolated from the particular training program do not have the resources to go in there, while the bulk of the people picking up these courses—which were originally designed to assist rural based people to get into and maintain skills to keep their industries running—are urban based people who do not go out into the agricultural areas to work.

The second question is: how effective are these outreach programs? Are they going out there and delivering the education that these people need, particularly in the isolated areas of the north of Western Australia and the Northern Territory? We have heard various groups come in and criticise those programs because they do not think that they are taking into consideration the

need for those programs to be at the coalface, on the ground on the properties in those isolated communities.

Mr Comyn—To take your first point about study options that might be deemed to be rural being picked up by people in urban areas, if you look at the sea change phenomenon, for example, or hobby farmers and the growth of that phenomenon, I do not necessarily see that as a major issue. I guess the question is whether or not public funds should be directed towards those sorts of programs. At the end of the day the decision of whether or not they offer that sort of program is a decision for the registered training organisation to make, based on their assessment of what the market is. If Sydney TAFE have got a market for small farming programs because of people moving down to the southern highlands and they can make it pay, then well and good. And small holdings are a real issue for agriculture at the moment, in terms of sustainability, NRM, disease control and so forth.

On your second point, about outreach, all I would say is that effectively they are thin markets. You have got long distances and high costs. There is not a strong tradition of a learning culture within the industry, so it is hard for RTOs to go knocking on doors. There is also the issue of resources. So I cannot comment specifically on the north-western outreach programs. I think it is a hard slog for some of them out there, but they make it work.

I could give the example of New South Wales TAFE in the wool-harvesting industry. They have worked closely with the Shearing Contractors Association and have really driven the uptake of existing worker traineeships. There has been a great turnaround in the last five or six years from the time when they were really limping along and the skills centre at Dubbo was basically underutilised. So there are good examples of rural and regional RTOs effectively engaging with the industry. But it is not a common story, I would say.

CHAIR—To what extent do you think that the closure of agricultural training facilities in rural and regional Australia is contributing to the lack of skills that are available in rural and regional Australia? I am talking about the agricultural colleges that governments of the day seek to rationalise to save a few bucks. Not having the vision of what the long-term ramifications are is creating massive problems. Would you like to elaborate on that?

Also, I noticed that, in your recommendations, you say that DAFF should engage with industry more directly to establish priorities for each sector, so that the most effective use of funds can be achieved within more clearly articulated training priorities. How would you propose DAFF engage with industry more directly for a more effective use of those funds, and more clearly articulated training priorities?

Mr Comyn—I would have to agree with the first point about the closure of agricultural colleges. The debacle in Victoria with the University of Melbourne pulling out of rural vet campuses was sad to witness.

Mr FORREST—Hear, hear!

Mr Comyn—I think the situation in Queensland, similarly, has not been ideal. Notwithstanding the fact that they are thin markets, I think there is a responsibility on state and

national governments to maintain some infrastructure in those areas, because otherwise it limits people's options—but that is stating the obvious.

In terms of that point in relation to the recommendation, I think one of the challenges that FarmBis has faced is that, apart from saying, 'We are not going to fund skills training as we want to fund management related training', it really has not been very well directed. If you look at what the RDCs are doing, you see most are saying, 'We're starting to map what the current practices are: who is into rotational grazing or who is measuring faecal egg counts before they drench,' and they are getting a picture of what practices they want to focus on in order to lift the productivity and profitability of those industries. At the same time you have got a whole lot of resources going into education and training that is fairly broad. So making that recommendation is about getting DAFF to say that they must work more closely with the RDCs, for example, in setting training priorities for the use of FarmBis funds for their industries while DAFF is directly taking into account where the industries feel those key shortages are in a lot more targeted fashion than has been the case in the past.

In conjunction with MLA and GRDC, AWI started a bit of a discussion about trying to develop an integrated skills framework, drawing on the competency standards but going more specifically into practices for those industries, and then taking that to DAFF and saying, 'We want you to direct FarmBis money for our industries in relation to this framework and priority of issues that we deem to be relevant.' Industry Partnerships was the only bucket that seemed to be there at the time and then the election came and it all died away. We have continued to try to scope that cross-industry framework and we are about to launch into a best management practice program for the sheep and wool industry in conjunction with MLA. While we have not re-engaged with DAFF or FarmBis for that greater alignment, I still think the potential is there.

CHAIR—Do you think there should be more accountability in terms of how government departments are allocating taxpayers' funds? Given that I say 'more accountability', do you think there should be more accountable reporting in terms of the outcomes and whether we are getting bang for our buck as far as the allocation by departments of funds to these projects is concerned?

Mr Comyn—It is hard for me to comment. I have seen some of the evaluation work that has come out of FarmBis, for example. I think that demonstrates some good outcomes. I know that, at least within research and development corporations, the issue of evaluation and measuring the rate of adoption, for example, is certainly on the agenda and the messages from the Commonwealth have been that that has to be a priority. But I think there has been a slow process of change within RDCs to be able to really and clearly report on what the outcomes are from practice change right through to general outputs as well as the long-term financial impacts. So there is work in progress there, and I do not think there is anything more you can do in terms of what the current expectations are. More broadly across education and training programs and DAFF funded activities, I do not have a sense of how good or bad it is.

CHAIR—Do you think there is probably more focus on making people more efficient from a management point of view and a production point of view, which in itself is not a bad thing, at the expense of concentrating on creating a gene pool or a pool of people trained in skills that are needed to replace the skills of the people that are going out of the industry? My observation is that many people are ageing and there are no people coming in to replace them. I am not talking just about people who own properties or manage properties; I am also talking about people who

work on those properties. There does not appear to be a focus on where those people are going to be. There is no forward planning on how we are going to replace them when they move out of the system. Do you thank that is a deficiency?

Mr Comyn—It comes back to the planning arrangements that are in place and the comment I made before about the links between the agriculture industry and the education industry. RDCs, for example, are well-resourced organisations—particularly in the larger industries. For them to start focusing on labour shortages and issues related to education and training, skills development and so forth is a bit of a shift from their traditional mandates, which have been very driven by R&D. Even extension is something that they are grappling with and, to take that further, it is a bit of a cultural shift for research and development corporations to move that way. In the education system, that industry specific focus is not there. There are links between the education industry and the agriculture industry but in my view there is no coordinated, strategic approach to planning on those sorts of issues.

Mr ADAMS—You said that the group you are involved with was funding the Western Australian pilot project and that you have withdrawn the funds. The industry seems to want to buy people off the shelf without making a contribution to training. Maybe it wants to train people just to their level and do nothing to get systems so that we have got people who are trained to competent levels within themselves. Where do you see industry fitting in to help pay for the training?

Mr Comyn—I have a different view to the view that my board would have. Most of the board members are producers and I am not.

Mr ADAMS—I thought you were a bit disappointed!

Mr Comyn—It comes back to the point about what the mandate of a research and development corporation is. We just happen to have money and therefore are instruments for change in the industry. But they see their mandate as not stretching that far. Not just in agriculture but in other industries as well, it is always a challenge to develop a learning and training culture within the industry and to get industry to take responsibility for training and those sorts of issues. Some industries have been more successful than others. I think it is something that will happen gradually but, at the end of the day, the Commonwealth gives money to research and development corporations so there should be some strings attached to that, in my view. As I said, it is more my personal opinion than something that AWI might mandate.

Mr ADAMS—I am interested in your comment on the New South Wales shearing industry, particularly about whether you are getting enough people coming into the shearing industry. That seems to be going all right. Is that done by TAFE here?

Mr Comyn—Yes. We are in the middle of a wool-harvesting program. We are spending $3.9 million on shearer and wool handler training over three years. That is to step in and pump prime the education and training system, because of the lack of training and the lack of coordination that has been taking place. From AWI's perspective, there is a view that in the long term the current investments in new technology are going to have an impact on labour supply—particularly the upright shearing platforms. We are not talking about robotic shearing or Shear Express, which some of you might be aware of—the big truck that was going to come in and

solve everything. We are actually talking about small, semiautomated pieces of equipment that enable shearers to stand upright. That changes the way the wool gets handled in the sheds to some extent as well. So a lot of people who might have retired from the industry with back injuries will potentially be able to come back in and be effective members of the labour force if these bits of technology get picked up by the major contractors. If you take a medium- to long-term view over the next five to six years, I would imagine that skill shortages in shearing and wool handling will level out a bit.

Mr FORREST—Can I just explore something further? Paul, you have been critical of the Agrifood Industry Skills Council—probably because it is food focused, not fibre focused. That is my impression. But you have not elaborated. Could you do so? That is something we set up and we need to know if it is not working.

Mr Comyn—It is not so much that it is not working. I think it is probably early days yet for them to demonstrate how effective they are. I guess I am just observing the scope of the industries that they are covering and the resources they have to do that. I think most of the stuff that comes out of it will be pretty meaningless. It will be good, high-level stuff but it will not be anything you can really drive programs off because they are just stretched too thin over too wide an area. Because their state network has been removed, to some extent, through the restructure of the state ITABs and so forth, that again limits them. They are stuck in Canberra; they are supposed to be covering all those industries around the country. It is a big ask, in my view.

CHAIR—Thank you very much, Mr Comyn, for your contribution. It is very much appreciated. The committee is always pleased to have people come in and give evidence, because without that evidence we cannot make an assessment on what needs to be done and make the appropriate recommendations to government when we finally get around to writing the report. I appreciate the significant contribution you have made to assist us today in that regard. Thank you.

Mr Comyn—Thank you very much. I enjoyed the opportunity.

[2.31 pm]

LAMBERT, Ms Jenny, Chief Executive Officer, Nursery and Garden Industry Australia

McNAMARA, Ms Candice Louise, National Skill Development Manager, Nursery and Garden Industry Australia

CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Ms Lambert—I am the two-week-old CEO.

Ms McNamara—I have been the national skills development manager for our industry for the last eight months.

Mr FORREST—We did have a lady on our committee but she got promoted to a ministerial post.

CHAIR—Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Do you wish to make a brief statement in relation to your submission, or would you care to make some introductory remarks?

Ms Lambert—Yes, I would like to introduce a few issues that have been highlighted in our submission and some issues that are generally of significant importance to the nursery and garden industry. As the submission points out, the industry has some 45,000 employees across Australia. About a quarter of those are in the retail area but still involved extensively in plant care, and a quarter are involved in production. Again, production and retail are significant combined components of the industry. That is an important context when you are talking about agriculture. The subsets of agriculture are more than just farm-gate work. Of course, in our industry there is a totally integrated approach beyond the farm gate—in the terminology that agriculture uses. That is really important in the way that our skills need to be developed. Integration between retail, production and wholesale is very important. Plant care skills and horticultural skills are required all the way through, all the way up to when the customer takes the plant out and beyond. That is very important.

The other thing about our industry in the context of agriculture is that it is an extraordinarily high yield per acre industry. In these times of land care and land considerations, a very highly efficient production nursery producing both for domestic use and—hopefully, increasingly so—export use is very high yield per acre and can survive sustainably on 10 to 20 acres. Of course, many of our production nurseries use much larger land areas. Increasingly, production has been surrounding the urban areas, because that is primarily where the markets are. But, with land values becoming a big pressure point in cities, increasingly production is moving more and more

rural, which of course is very relevant to your committee's investigation of training needs for rural Australia.

There is another really important thing as a context point of the submission. Our industry has referred to itself as the amenity or ornamental side of horticulture or agriculture. I think the industry is just starting to see that that creates an image of lesser importance than the rest of agriculture—the idea that it is simply an amenity or an ornament—whereas plant life, of course, underpins many other agricultural pursuits. For example, in horticulture, our sector produces the plant life which oranges, apples and everything else are grown on, so we have a very strong edible component, which we have not really recognised. The other thing is that we have seen plants as the pretty end of horticulture and agriculture, whereas, from a global warming, environmental and lifestyle pursuits point of view, they are very important. The reason why I make this point is that we are facing significant problems that have arisen. In the current situation of water restrictions, we have been seen as the ornamental end and therefore the expendable end, as far as the water restrictions are concerned. It is very easy to say that we will water the green life less.

How is that relevant to training needs? It is relevant because training needs are very much linked with staff needs in general and attractiveness of industry. We need to do our bit as an industry. We seek for governments, both state and federal, to help us in raising the image and awareness of the importance of plant life in Australia and the value of working in the industry. Therefore, hopefully, we can address some of the problems we have in delivering skills into our rural and urban production areas, as well as our garden centres. That is a major contextual point for us. The issue of skills development, training systems and training courses is very much interwoven with the types of people that are being attracted into studying horticulture, and in particular studying nursery and garden.

I will pick out some of the highlights of training system issues from our submission. It is unfortunate timing that we have not completed the most significant project that our industry has undertaken in the training industry for some time—which is a detailed training needs analysis update for our industry. We are hoping that we will see the results of that early in the new year. We will be very happy to forward those results on to members of this committee, depending on where you are in your deliberations on this inquiry. Of course, in your broader committee work, it will be highly relevant. It will be very up to date, because it will involve extensive consultation.

We raise the issue of registered training organisations. We point out that there is still a little bit of suspicion about RTOs and the mix between self-interest and public interest. There are private and public providers. Our industry has a high public provider involvement, but there are limitations to what registered training organisations can deliver, particularly in rural Australia—as I am sure you have found—given the great difficulties in allocating resources to needs on the ground. Quite often, rural training providers are very much limited by what they can deliver. They may deliver a horticultural nursery program that is production based, whereas the needs in the Wagga region, or wherever, may in fact be retail as much as production. Those issues are really important. Quite often it can be a mismatch between what resources can be put on the ground in the economies of scale that we are talking about versus what is actually needed by local employers.

I would imagine this has been a strong theme for some time, but the other area of significance is the idea that trade courses—the horticultural trade certificate, for example—are a significant component of our program. The certificate III, and beyond, is really the headline issue for training for the horticulture sector. Our information indicates that around 2,000 people a year graduate in Australia with a certificate III or IV in horticulture. Then, hopefully, many of those people are retained, but we do not have any evidence of that. Hopefully, part of our analysis will find that.

The issue for employers is: is there a dumbing down of the trades? Their view is, for example, that what used to be a very significant component of the horticultural certificate, which was botanical—to be able to recognise a wide range of plants—has become simply one competency unit called 'recognising plants'. We can all recognise plants, but what the horticulturalists really want is a far more skilled outcome than that. Part of our role as an industry, but of course part of government's role, is to make sure these courses are meeting those needs. That is part of the dumbing down issue that is referred to.

The other thing is that there is one unit on recognising plants in a horticultural certificate of three or four years versus three units on trading online—online buying and online selling. I have been very fortunate to go around quite a range of nurseries in the last few weeks and I have not encountered one that has started to trade online at this stage. Although that is potentially the future for business in general, it is a very medium- to long-term view of nursery trade that there is going to be a whole range of electronic commerce solutions to buying and selling plants. They are not widgets. The quality of the plant, the quality of the outcome, is very important. There is a lot of trade face to face that is the essential element. They are the primary areas that I wanted to highlight initially. But I am very pleased to be here, with Candice, to answer what questions we can.

CHAIR—Your submission states:

The achievements of reputable RTOs are being undermined by those who are not providing the quality and standards as set out by government. The auditing process designed to maintain standards is failing to ensure adequate regulation of the RTO framework.

You will be interested to know that you are not the only one that has some concerns about RTOS and how they operate. How do you propose that registered training organisations be regulated and audited?

Ms Lambert—I remember that many years ago when I was involved in tourism and hospitality we were involved in what was then an industry accreditation panel. That was the precursor to what the governments then took over as the state accreditation system, and then that was brought in under the national system. But in those days it was a very immediate way in which the industry could review, and be part of the review of, programs. I think that in the haste to become national, or consistent and collective, in our response we can sometimes lose sight of the pointy end influence that industry can have on what they feel about both training courses and registered training providers.

Although I would be absolutely sure that the accreditation system for RTOs and for courses requires industry involvement, it is a long way removed from where we started 10 years ago

with a direct interface between representatives of industry and courses. In that move towards creating a more standard system we have probably lost a little bit of that direct influence. I would think that certainly from our industry's point of view, if not taken up by government collectively, a much stronger pointy end review of some of these programs with a lot more industry involvement would be a key step towards making the RTOs more relevant.

Mr SECKER—I note that in your submission you say that the machinations of establishing ITABs and training councils and creating national training packages—and the recent establishment of skills councils—have led training away from principles of adult learning. I actually had not noticed that in my electorate. But tell me what is happening there, why you think it might be happening and how we need to fix it up if it is occurring.

Ms Lambert—It again comes back to where we started with the shift towards competency based training. So what is it a combination of? Is it a combination of skills and knowledge or is it a combination of skills, knowledge and attitude? That was the huge discussion at the time. In looking at strictly non-training lines we have deviated in our view of what the vocational education and training sector says is competency based versus what used to be the broader principles of how adults learn. In many ways VET has gone back into integration in schools, so there has been a merging of educational and vocational responses.

By the time people get to age 18, 19, 20 and 21 and they are doing apprenticeships and post-school things, we probably need to revisit some of the ways in which adults learn that are less based on systemic vocational schools and more based on the old style system. We need to answer questions such as: how do adults best learn; what is their attention span; what are their needs; how interactive are the courses; are courses interactive in getting people involved? It is a broad anecdotal view that some of the industry are suggesting. I would not say it was universal.

Ms McNamara—Some of the things I have noticed from my brief time in this industry and from previously working with ITABs is that a lot of the interpolitics lead to the developing of programs and, instead of it being a case of 'We fit you,' it is a case of 'You should fit us.' A good example is e-learning. E-learning has its place. There is a great little tool box for horticulture that I give as an example. Although it might have its place with theoretical type programs like occupational health and safety, if we equate horticulture with open-heart surgery, if you knew your heart surgeon learnt how to do surgery online, would you want him cracking open your chest?

Mr SECKER—No.

Ms McNamara—That is an example where, amongst a lot of the politics of 'Let's push this program through,' we forgot all about the needs of the adult learner and making them fit within the framework set out, instead of the other way around.

Mr SECKER—Are you saying it is because e-learning might be a bit harder for adults?

Ms McNamara—No; it is just that it might not necessarily be relevant for that competency or that unit. As I said, e-learning has its place: it is great for teaching financial services, keeping up to date with the latest changes in legislation, but it is not necessarily a great tool to use for identifying plants, doing propagation, when practice makes perfect. There are some great e-

learning tools out there. A good one is the web site of froguts.com, which is one of the better examples of e-learning. I do not want to slate e-learning. It has its place, and I do not want it to get lost. The point is there was a big rush: 'Let's have e-learning; let's get everybody e-learning and that will get rid of the whole distance issue and cost issue,' instead of saying, 'Horticulturists need to know how to propagate a plant, how to do tissue cultures and so forth.' The only way to learn how to do that is to actually do it.

Mr SECKER—To do it in the real world?

Ms McNamara—Yes. In the politics, we forgot about that.

Mr SECKER—You are saying less of that is happening now?

Ms McNamara—I have been to only a couple of these meetings. The latest one was with the Rural Training Council, where there was so much politics within and across the different states that they forgot what adult learning was about. They did not consult industry on the best principles. They could consult others. It does not just have to be industry—it could be people who know about adult learning, who understand. As Jenny said, go back to: how do adults learn; what is their attention span; what exercises do they need to do to have a proper skills transfer?

Mr SECKER—So that is an area of skills learning that you see as a problem. What problems are you seeing with the New Apprenticeships scheme?

Ms Lambert—I refer back to the trade issue. Apprenticeships in general are probably the single biggest cause for comment among employers in our sector. The main problem, as I said, is that there is a sense of just not providing the depth of knowledge. Again, it is this knowledge and understanding and competency stuff. They want the knowledge as well as the skills. Competency is meant to be both, but we have deviated towards a certain emphasis. Also, I suppose it is that broader argument that, back when employers themselves went through, they were required to do a lot more. They had a lot more tests and there was a much higher standard and expectation of outcome. They really do feel that, at the moment, they just are not getting the outcomes they want.

Even in my short time, and certainly through this submission, employers are reporting that 10 or 15 years ago you could feel confident that as far as a production nursery was concerned you could leave an apprentice or a qualified horticulturalist to manage the plants. There was no expectation they could manage the business, but certainly you could feel comfortable that they had the knowledge, skills and aptitude, if you like, the approach and the reliability, to see it through. Employers are repeatedly reporting that a trade qualified horticulturalist is just not coming out with the same sense of comfort for them. So that is an issue. Are we keeping the standards? That is a big point in your own reference. As well as skilling Australia, government comment is about the importance of quality and outcomes and making sure that we feel we have the same—we are using the reference points that people were comfortable with 10 or 20 years ago and we should at least be making sure we should not be trying to just meet that target. Surely we should be saying that our graduates should be better than they were 10 or 20 years ago?

Mr SECKER—Can I be a devil's advocate. We are talking about apprentices here. If those people are sponsoring and employing those apprentices, shouldn't they actually be training them better as well?

Ms Lambert—Obviously any apprenticeship is a partnership between the employer and the employee. But the employers are saying that that was the case before as well. In apprenticeships there was always that partnership. There could be a need for navel gazing as well—in other words, we are doing poorer training on the job is the suggestion, virtually. Obviously the employers are saying, 'We don't believe we are doing it any poorer. We believe that the TAFEs and the system are not providing it well.'

Mr SECKER—So it is not really the New Apprenticeships scheme; it is the training that apprentices are getting that you are more concerned about?

Ms Lambert—That is right. There is nothing necessarily to indicate that the 'New Apprenticeships' approach is any different to the old apprenticeships or traineeships or whatever.

Mr ADAMS—The newer traineeship may be being done on the site and the person may not be going to TAFE. I do not know about the horticultural industry, but there are new apprenticeships where people never actually get into a TAFE college. They are actually taught on the process. Some of us believe that, with the Commonwealth government going into new technical colleges, there is going to be a dumbing down of technical training, and that we will go down the wrong line in the long term and end up competing with China and India and going backwards. That is another argument. I am very interested to hear—and I think Patrick was asking about it—that your industry people believe they are training apprentices up to their level but that they are not getting the course work. Is that right?

Ms Lambert—That is right. That is definitely the position. As I say, it is not necessarily suggesting that changing the structure of apprenticeships to the New Apprenticeships has made the difference. Far more so I would think they are saying that the move to the competency based approach, which is now 10 to 15 years old, had its benefits but it also certainly has had some problems along the way in the emphasis change, the shift from just knowledge, to knowledge and skills, and then a confusion about attitude.

One of the problems for our sector is that, because horticulture means different things to different people, the TAFE and RTO courses are attracting a wide range of vocationally focused people and people who are doing it as an interest. You do not have the same drive for business focus within a horticultural course that you might have in a building or plumbing course or whatever. It is unlikely that you would do a plumbing course unless you were going to be a plumber. That is an issue that we need to deal with as an industry. Certainly, the training providers need to be aware that, primarily, being a vocational system, they are producing for employers—employment—and for the economy of the country, and we need to maintain that job focus.

Mr ADAMS—There are linkages to greenkeeping and to horticulture—apples and other fruit, a whole range of areas—and there is also a university level diploma and the different certificate levels. Is that where we are getting mixed up? Do different levels come in? Have they been some of the things you are talking about?

Ms Lambert—I think the confusion may be at the entry point for many potential employees—knowing which path to follow.

Mr ADAMS—What linkages are there to these other things—right through?

Ms Lambert—There are obviously similar competencies and units that cut across the range of them. If you look at the average TAFE or significant provider program for horticulture, they could, in theory, be offering 20 or 30 different horticultural courses because of the specialisations, and that would obviously have to create confusion. When you look at the subsector, they are quite small. A horticulturalist (turf grower) belongs to a real subset of it.

Mr ADAMS—It is specialised.

Ms Lambert—Yes. When you get to try to manage the economies of scale in rural Australia, this overlay of complexity of skill requirements and numbers of employees and numbers of positions makes it very difficult.

Mr ADAMS—We had irrigators in this morning talking about irrigation. They said that people trained in horticulture are not quite what some irrigators need. They would certainly have some competencies, but how far do you go? I would be interested in whether you have any more to say on that, because I think it is a very big area. I think some employers and industry groups would want to lump it all on one person but I think that is too much—this trying to get too much skill in one area—and it will not work.

Ms Lambert—I certainly think there is a danger in trying to be all things to all people. You can multiskill in the workplace but you have to have a qualification as a starting point and then go from there. In terms of trends in the industry, horticulture (landscaping), for example, is a growth area of the industry. Good old Jamie Durie in *Backyard Blitz* can certainly help in growing landscaping. Also. the trend in do-it-for-me is making an enormous difference to the way the nursery and garden industry is orientating its skill needs. In other words, with these water shortage problems, even retail garden centres have had a significant reduction in the demand for green life but the demand for landscape design is being maintained, if not increased, so you will see a merging, if you like, of needs. Nowadays a retail nursery can also do production and landscaping, and you will see that there will be a need to merge some of them together. There will always be a need in the production nursery for a very well-qualified, very knowledgeable horticulturalist.

Mr ADAMS—Sustainability, using less water, natural resource management and weed management are areas of skills that people will need in order to manage native areas or whatever.

Ms McNamara—Being more environmentally responsible.

Mr ADAMS—With all those sorts of things, you would have to get a competency level for that in the process.

Ms Lambert—Yes. What employers primarily look for from the certificate III apprenticeship, though, is whether the apprentices know the basics as best they can. If they know that stuff really well then we as an industry—

Mr ADAMS—Which involves what?

Ms McNamara—It depends on whether you have a nursery which does tissue culture versus just propagation. They are different. But, for instance, with the physiology of plants, if you do not have a person who understands the difference between the petals and the—

Mr ADAMS—The leaves.

Ms McNamara—If they do not and they are on their second year at that point, I think there is an issue there. The basics are not just about the plants; they are also about, as you say, environmental and occupational health and safety matters. If I had my way, there would be basic computing skills in there as well, because those are not included, and that is the trend. But the basics should be in there—very well. Employers are not designed to be trainers, so the hard part, the part that requires training skills, should be done by the training provider—so that the employer can build on that and does not need training skills to provide that training.

CHAIR—I am looking at your submission, particularly at issue 2—that is, funding and not being able to access funding. You are just voicing the concerns of a number of small organisations which have basically told us things along a similar line. Would you like to elaborate on that and give us an example of the sorts of frustrations that an organisation like yours has in regard to accessing development funds for skill development?

Ms Lambert—The funding issue is on two levels. The first is whether, as an industry, we can smash through the radar of being a subset of horticulture, which is a subset of agriculture. That is an issue for us as an association—to try and smash through some of that barrier, to understand the system well enough to be able to access funding on behalf of members. The second issue there, which you are primarily referring to as well, is the ability for the employers in a small to medium sized enterprise to access funding. If you look at the broader nursery and garden industry, many of those are franchised, one-person operations. Their skill set is important. When they choose to take on another person to help them, how do they work out what access or what financial journeys they have? In the small enterprise with fewer than 20 employees, it is working your way through. For example, in the rural context, we were looking at one thing today and saying, 'What assistance can be provided for people who don't have the right horticultural—in brackets—course available to them at their local regional point and have to travel quite some distance?' You try and work through what assistance can be provided to do that, in travel allowances and accommodation—

Ms McNamara—And through a state.

Ms Lambert—And it is state based or it is—it is very difficult to try as an employer. We were finding it hard, let alone the idea that an employer could say: 'Do I take on this apprentice? I really need to train an apprentice, but the course they require is horticulture (nursery production) and that is not there; it's going to be down there. What assistance can they get?' Because, as Candice says, distance learning is just not going to do it. It is not going to be the solution for

these types of hands-on skills. So access to single points is a really important thing for employers, and we are just not there yet.

CHAIR—What about the smaller organisations not being part of the information stream?

Ms McNamara—When Jenny and I are discussing this, we see it as part of our role as an association to provide that information. We look at it this way: if we were not there, if something happened, there is no redundancy, and where do the employers find that information? We do have people who do not have computers. They cannot just go and Google it or, for example, use the wonderful web site called training.com.au. They do not have access, maybe, to the internet. We could say, 'Yes, then get access,' but unless you are in the right group speaking to the right person at the right time, you get left out.

CHAIR—What about the role of your local members in disseminating the information? As a local member, I put things in my newsletter and I tell people where they can access information on specific grants. I do that as a matter of course. Do you get any of that sort of information?

Ms Lambert—It is either not widely practised or not widely understood. In other words, in your electorate that may be something known to your constituents but it is certainly not being fed back from the information that we have seen.

Mr ADAMS—I think we have seen today how a government could help. Maybe our report could look at this with smaller groups—the beekeepers' is one and yours is another—as to trying to break out of that culture and flagging that you need some help from government to focus on where the training needs to be and on your structures and whatever else there is.

CHAIR—A very good point has been raised in terms of individuals and small groups not having the electronic equipment they require to get access to internet web sites and all those sorts of things. It must be very difficult.

Ms Lambert—It is. It is certainly an area that has very quickly come onto my horizon. I have gone from an industry that was 100 per cent electronic—people sat in front of their computers and if you sent them an email they would see it immediately—to an industry whose people might have internet access—and, as Candice says, definitely not all of them do—but are not sitting by their computer all day or are not sitting by their computer very often at all or may dial up only every now and again.

Mr ADAMS—You cannot plant roses while sitting at a computer.

Ms Lambert—That is right.

CHAIR—And it is only because you have got people paid full time to just do precisely that: scan the internet web sites all day to pick up the grants—

Ms McNamara—We have a lot of people who still work on fax.

Ms Lambert—The bulk of the industry works on fax.

Ms McNamara—We are hoping that time will change that. You cannot work on only a computer. You have to have the infrastructure. Out in the rural areas there is not broadband so that you can download things nicely and quickly. You have got to dial up, and that can be very frustrating.

CHAIR—So Telstra is not living up to its advertising program?

Ms McNamara—I have no comment.

CHAIR—Are there any further questions?

Mr FORREST—Mine is really more of a stupid question, because your submission is telling us what a lot of the other submissions are telling us as well. I am trying to get a handle on your constituency. Having heard those recent comments, my impression of nurserymen is of what I have among my constituents on the Murray River. They are multimillion dollar operations, they have probably got 20 employees, they are state of the art with the latest variety of stone fruit, vines or almonds. Could you satisfy at all my curiosity about your constituency?

Ms Lambert—Yes. It may be that their horticulture is in the stone fruit industry rather than in nurseries and gardens. They may be nurseries in the sense that they may be propagating the plants to go on into the stone fruit industry. If so, there are certainly large nurseries among them. Like any industry of businesses, we have large groups. If you look at our demographics, you see there are 20,000 businesses within a 45,000-employee industry. There are a lot at the franchise-single operator end of the industry—the Jim's Mowing franchises and those sorts of franchises. There is that garden maintenance end, there is the landscaping end and there are the retail nurseries or garden centres, as they are called nowadays. About a quarter of those are in retail as well as production. In other words, in a country town there is quite likely to be a production and retail nursery, so they are producing plants from seeds or from cuttings, propagating the plants and either selling them at the farm gate equivalent—the nursery gate—or sending them on to retailers in other locations.

Ms McNamara—Bunnings and so forth.

Ms Lambert—Yes, Bunnings—and through to the local garden centre in town. So the constituency is involved with Greenlife at the propagation or production point, but at the retail end it would be involved in Greenlife and allied products, such as potting mixes, pots and plants—and all the way through to the average retail garden centre nowadays, which may get 30 or 40 per cent of its business out of home wares. If you go into a garden centre these days it is really a lifestyle centre as opposed to just a plant life centre.

As I say, the increasing trend is for those retailers to be involved in the do-it-for-me landscaping side. We are seeing a major employment shift to landscaping, both in horticultural training and in the business on the ground. In other words, you are seeing a market shift away from the purchase of plant life and people doing their own gardening to people getting someone else to do the gardening. That is why there is growth in businesses like Jim's Mowing as well as the landscaping places. That is the difference, because we may fit into agriculture but we are a fully from start to finish industry, if you like, which just happens to be lumped into agriculture because we have a big production—

Mr FORREST—Are you the only industry group with an association? I would be fascinated to know if any of the big nurseries I go to are members.

Ms Lambert—I would say so. We have about 1,350 members. Using the old 80-20 rule, we estimate that certainly over three-quarters of the production would be covered by our membership. The little ones are likely to be and, occasionally, you may find the big ones are not. The other important thing about what we do is that not only do we have a membership component but we also have a levy payer role because of the horticultural levies involved. So our training brief is broader than just for members; it is for the whole industry.

Mr FORREST—Do you have an input into Horticulture Australia?

Ms Lambert—Yes, we do. We are one of the eight senior partners in Horticulture Australia.

CHAIR—Thank you for your contribution and for enlightening us on your industry and, more importantly, some of the problems your industry faces. Some of the problems that you have highlighted today have been mentioned in evidence from other sources, so they are similar in many respects to some of the concerns we have had raised by other groups. Thank you for making your time available.

Ms McNamara—Thank you for the opportunity.

Proceedings suspended from 3.12 pm to 3.25 pm

BROWN, Mr Alan, Chair of the Rural Affairs Committee and Board Director, New South Farmers Association

CASEY, Ms Brianna, Senior Policy Manager, Rural Affairs, New South Wales Farmers Association

CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. Do you wish to make a brief statement in relation to your submission, or would you care to make some introductory remarks?

Mr Brown—I would be happy to make some remarks. First of all, thank you very much to the committee for the opportunity to appear. New South Wales Farmers is an apolitical and voluntary industry body representing the majority of commercial farm operations throughout the farming community of New South Wales. It is not just their businesses and agricultural issues we support; the association also recognises that these farm operations are made up of people—farmers and their families—who are part of rural and regional communities right across the state. These communities have raised skills shortages and training needs as areas of particular concern.

The association—in particular, the rural affairs committee that I am chair of—recognises the importance of vocational training, education and research in maintaining the viability, innovativeness and sustainability of Australian agriculture. Each year we do a priority-setting exercise, and this year we have put education as our No. 1 priority. Obviously it takes in a wide variety of subsets beneath that, but that is how the committee views the whole education thing. In my other life I am a part-time TAFE teacher. I teach in agriculture at North Wagga. I have taught a whole variety of agricultural subjects, so I am well aware of the needs and, particularly, the lack of training that is going on. Agricultural management is where the big lack is—particularly in agronomy, which is what I teach.

We strongly advocate a learning culture within the rural sector of New South Wales and recognise the benefits of actively engaging farmers in seeking opportunities for learning. We have had a rural skills development manager on staff since 2004, based in Dubbo. Her job is to seek out and develop learning opportunities that meet farmers' needs and help improve industry viability. We could not be more delighted at how busy she has been.

Obviously you have a copy of our submission, so I will not go into great detail, but I would like to quickly summarise some key issues. I would argue that the most significant and disappointing limitation to improving the availability, adequacy and affordability of education and training services in New South Wales is the failure of the New South Wales government to deliver on its commitment to FarmBis 3. FarmBis 2 funding in New South Wales ran out in September 2003, nine months earlier than the scheduled program end of 30 June 2004. Farmers in New South Wales have therefore been without FarmBis subsidised training for more than two years, leaving us at a distinct disadvantage to our interstate peers.

For example, Dairy Australia recently called for participants in the sixth round of the national leadership development program for the Australian dairy industry. This program is registered with FarmBis in each state, meaning that farmers are able to apply for a subsidy to support their participation in this innovative and progressive program. Dairy farmers in New South Wales are now unfairly disadvantaged compared with their interstate counterparts, as obviously the FarmBis subsidy cannot be accessed. This is extremely disappointing, as New South Wales based dairy farmers have been strong supporters of the program in the past, with FarmBis 1 and 2 subsidies greatly assisting them to fund their participation.

The association's dairy committee has advised me that they expect a dramatic reduction in participant applications from New South Wales, if any at all, as a result of the absence of FarmBis subsidies for this important course. Whilst the New South Wales government has introduced an alternative agricultural education strategy, of which the Profarm component was supposed to replace FarmBis. This strategy certainly does not appear to be meeting the industry's training needs.

Another key area that we are hopeful the committee is also interested in is the important role played by our agricultural colleges in educating our rural youth. There are two agricultural colleges in New South Wales—CB Alexander College, which we refer to as Tocal, and the Murrumbidgee College of Agriculture. We understand that interest and course uptake at Tocal remains extremely high, which is excellent to see. The college offers both full-time and part-time courses as well as short courses and home study. Perhaps it is this wide range of learning styles and delivery methods that help make it so popular.

The association was extremely disappointed to see the closure of residential courses at Murrumbidgee in late 2003. The college still provides a range of adult education and training services for the rural sector but no longer provides residential courses. These residential courses were of particular importance to farmers located in more remote areas of the state, particularly the western division. This is part of the reason we have been working closely with the ICPA, the Isolated Children's Parents Association of New South Wales, in an attempt to provide innovative ways by which the residential facilities at Murrumbidgee can be reopened. It is essential that affordable residential options be provided for college students originating from more remote areas of the state. Leaving these excellent facilities vacant is a waste for students, the college, the community and the agricultural sector more broadly.

It is important to understand in agriculture that there is no mandatory requirement for training. The only mandatory requirement in New South Wales is for chemical training, which is a two-day course with an update every five years. You need to attract students to voluntary education. It is not like plumbers, where you need to leap over a particular bar to become a licensed plumber; you can become a licensed farmer tomorrow morning—just buy a farm. So we need to be innovative in the way that we attract students to training.

The final area I wish to draw your attention to is the skills needs of agricultural industries in New South Wales. As you may be aware, the Standing Committee on State Development, a committee of the New South Wales Legislative Council, is currently conducting an inquiry into skills shortages in rural and regional New South Wales. The association has provided a detailed response to this inquiry, which we would be happy to provide you with a copy of.

The range of skills sets required in rural communities is diverse and growing, particularly as we transition to new technologies in many rural sectors. The skills required range from chemical application to OH&S to financial management to negotiation. However, demand for labour is projected to be in the areas of health and community services, property and business services, accommodation and cafes and restaurants. While there is a need for workers in the agricultural sector, we may miss out due to competition from the above sectors even though we are willing to pay competitive rates.

Agriculture has the highest proportion of workers aged 45 years or over. In light of the fact that not many young workers appear to be entering the agricultural sector, a short-term solution for addressing skills shortages in agriculture would be upskilling the existing work force, especially as the sector adopts new technologies to improve efficiency and productivity.

There are a range of barriers to meeting skills needs in the agricultural sector in New South Wales. We have mentioned some of these in our submission. In short, these barriers include the following. Many of the current training opportunities are inappropriate for farm workers—because of, for example, time away from the farm, delivery methods, appropriateness of course content et cetera. Training costs are often too high, which is why FarmBis subsidies have been so successful across the country. Training options are often poorly communicated and coordinated. Access to fixed training facilities, such as agricultural colleges, is often extremely limited, highlighting the importance of providing flexible delivery options as well as residential facilities at Murrumbidgee. It therefore follows that the various training options need to be considered in terms of the appropriateness of training, funding and training institutions.

As a closing comment, I thank the committee for tackling such a complex but important set of issues. The association is committed to working with all levels of government in seeking solutions to these rural skills, training and research challenges. As with most issues in rural industry, whilst there are a range of challenges in this area, I strongly believe that these challenges present us with just as many opportunities. I would be happy to answer any questions, if I can.

CHAIR—Thank you very much, Mr Brown. Ms Casey, do you want to make any comments?

Ms Casey—No, I think Alan has covered it well.

CHAIR—Is the rural skills inquiry that you are talking about the upper house inquiry of the New South Wales parliament?

Mr Brown—That is the one.

Ms Casey—That is right.

CHAIR—We do not have a copy of that, so we would be happy to receive as evidence a copy of that inquiry. It is good to see our New South Wales counterparts following in the footsteps of the lead taken by the federal committee. It is still an ongoing inquiry, I am told.

Ms Casey—That is right; there are some public hearings—

CHAIR—Anything you can give us to assist us in terms of seeing some other people's views on that would be very much appreciated. Your submission states:

> A large proportion of our rural youth are keen to pursue long-term careers in agriculture.

Where do you draw that conclusion from and what figures do you have to support that statement?

Mr Brown—I will start by giving you one example. You may or may not be aware that the New South Wales Farmers Association put out a concept study on first farmers. We worked with the state government of New South Wales to try to provide finance for young farmers. We have had in the area of 500 phone calls relating to that.

Ms Casey—Close to 1,000 now.

Mr Brown—I beg your pardon. It was 500 a couple of weeks ago. I was in the Brianna's office this morning when she got another inquiry. There is an enormous demand out there for finance for young farmers. We pitched it specifically at that group. That is all we said it was. It was to provide avenues for young farmers to access finance to get onto the land. There is an enormous demand out there, with people waiting to go into agriculture if they can get an opportunity. Obviously we cannot provide ownership opportunities to every person, but there are lots of other avenues for young people to go into agriculture—other than farm ownership alone. It has been an object lesson for us, because we did not expect anything like the reaction that we got. We have a young farmers forum, which we run every year to try to build linkages with young people. We have been told over and over again that young farmer finance was the key—

Ms Casey—Barrier.

Mr Brown—Yes, the key barrier to young people going into agriculture. This has been an object lesson to us.

Mr SECKER—Would some of that borrowing be harvesting contractors as well? Finance for some involvement in the rural industry that is not necessarily the buying of land?

Ms Casey—It looked at a range of options. We put a proposal for a concessional finance model to the New South Wales government earlier this year. It was mirroring what is available through the Rural Adjustment Authority in Queensland and what is available in Victoria. It was to facilitate a staged entry into farming, so it might be that you purchase a block next door or you might lease a farm and eventually go through a staged process to purchase it. It was also looking at the purchase of machinery and things like harvesting, as well, so it was a fairly wide scope. As Alan said, we thought there would be a degree of interest, but to say we were bowled over by the response is an understatement, because they keep coming in.

Mr SECKER—They are loans outside the normal commercial loans being offered by banks, so obviously you have been able to put up a package that offers pretty competitive interest rates. Is that how it works?

Mr Brown—Basically, yes, but it is a means of accessing additional finance over the top of what banks are prepared to loan.

Mr SECKER—Is this an existing program or was it just to show what interest there was?

Ms Casey—The concept has been supported. The former Minister for Natural Resources, Craig Knowles, came out and supported our concept in July this year. There is currently a working group in progress, consisting of the Department of Primary Industries, Department of Natural Resources and the Rural Assistance Authority and working with the association to finalise the detail. We are working on a Christmas or 1 January time frame. Interestingly, one of the priorities that we have identified, and it has certainly been supported by others in the working group, is the need for us to build a mandatory training component into this scheme. So in order to access this finance package there would be, as we are envisaging at the moment, a compulsory financial management training component. We are talking about not an Australian Institute of Company Directors course but some sort of financial management training to ensure that we have that level of confidence. We are also talking about some sort of natural resource management training component as well, just to make sure we are picking up on this theme coming through with young farmers at the moment: they want to be very sustainable.

CHAIR—Are these young farmers who would otherwise have gone off the land but are willing to stay, or are they new people coming into agriculture?

Ms Casey—They are very much a mixed bag. We have had a number of young farmers who were looking to move to Queensland to purchase their first property. My background is with the Queensland Farmers Federation. We had a lot of interstate migration because the Rural Assistance Authority offered such a fabulous scheme. You had to have been living in Queensland for two years to access it, and there were young people who were choosing to cross the border and invest in Queensland because they could attract this young farmers finance. So we have a number of people now saying, 'Perhaps I will invest in New South Wales instead.'

We have young people who are at the University of New England studying agriculture, are dedicated to agriculture and desperately want to stay on the land but who are not sure how to go about it. They are people that we would have expected to stay in agriculture and we are helping them to stay. There are also people who operate businesses in Sydney who want to have a tree change and can see this as a great opportunity, so it is really a mixed bag.

CHAIR—That is good to hear because it gives you some heart about the haemorrhaging of young people out of the rural areas. I am well aware of the problems associated with the residential course at the Murrumbidgee College of Agriculture—I live not far from there. Can you outline your particular concerns relating to the closure of residential courses at that college? And can you answer the question: what can the Australian government do to influence what is obviously a state government issue?

Mr Brown—I will start, and hopefully Brianna will help me out. There is a real problem with the transition of young people from the home environment to tertiary training and, if that involves travel to big cities as well, it becomes a very difficult mountain for them to climb over. Murrumbidgee did provide what I think was an important alternative to tertiary university level training which involves long-distance travel. Also, Murrumbidgee was extremely good at

providing rangeland management type courses that are not well covered anywhere else. There is a course in Queensland that is somewhat similar, but New South Wales is half Western Division—half the land area—and, while there are not big numbers of farmers out there, it is important that those people are given training in how to manage that environment well. There is a whole range of things that could have been done better out at Murrumbidgee rather than just closing it down and saying it is all too hard.

CHAIR—What about the contribution that you feel the Australian government could make to influence the state government to reopen or maintain the residential courses?

Ms Casey—I do not think there is any short answer to that one, and we do not have it clear in our mind exactly what the role of the Commonwealth could be at this point in time. This process itself is going to highlight very clearly to the New South Wales government where some of these skills gaps are and what some of the opportunities that we have are, so I think even just putting a spotlight on the issues will be helpful. I think we also need to look at groups like the Isolated Children's Parents Association who are liaising with the federal education minister, as well as the state ministers, to try and utilise that facility better because for them—and we are not just talking about isolated children west of Wilcannia; we are talking about kids who might be only 100 kilometres from a major centre—it is critical that they have this residential option. As parents of kids who have grown up and had School of the Air and all of these different types of schooling that city kids are not used to, we know that we need to have that stopgap that Alan was talking about. So the short answer is: we would love any ideas that you can provide us with as to how we could interact better to get this thing operational, because it is a wasted opportunity.

CHAIR—So you quite rightly see that this committee's role is to highlight the fact that the rural skills shortage problem is going to be extrapolated out even more unless we allow these residential courses to be maintained at the residential colleges, let alone keep the residential colleges which some state governments are looking to do away with.

Mr Brown—It is also important to emphasise that, with the actual provision for training in agriculture—other than at universities; and places there are limited enough anyway—in New South Wales now, there is almost no provision of training at a management level below university standard. I work in North Wagga, and that is a full-time certificate IV and diploma course. We have an average of only 12 students a year, but there is nowhere else—other than TAFE and Tocal—providing that sort of training. And we need those people: they are the farm overseers and the farm managers.

Universities have basically abdicated from hands-on training. You would be aware of CSU, which is nearby; they have left hands-on training behind completely. We get lots and lots of students in who are very young but want hands-on training at a better level. By that I mean practical training, which is what they get at certificate IV level. There is bugger-all of that being provided anywhere else around the state. And TAFE are not very good at it; they are just the only ones who are trying.

CHAIR—That leads me to the next question, which is directly related to this comment in your submission:

Eight 'priority regions' in NSW were nominated for the new Technical Colleges, namely the Hunter, the Illawarra, Queanbeyan, Port Macquarie, Lismore/Ballina, Dubbo, Gosford, and Western Sydney. The Association is concerned that these 'priority regions' have exposed clear gaps in terms of rural and remote representation.

Before I ask the question, let me say: I agree with you! Can you outline your concerns with the establishment of priority regions for technical colleges in New South Wales? What gaps have been exposed in terms of rural and remote representation? I am asking you to expand on that concern. It is a good concern, and it is a real concern.

Ms Casey—The Riverina is a classic. There is just nothing there. We have been monitoring the roll-out of the Australian technical colleges with interest, because when they were first announced I was quite excited by the subject, and what the intent was and where it could go. I know I am biased—I love agriculture; I work in it, I have all my life and I will not be changing that any time soon—but I do not see that we have the agricultural focus that we need through those Australian technical colleges.

I thought it was a real opportunity for us to look at those alternate pathways that Alan was talking about, but I feel a little bit let down, to be honest. We could probably take a more proactive role in trying to buy into the process better, but the regions are not necessarily appropriate for us. The course delivery options are not appropriate for us, and I do not think that—and I am being very critical here—the right questions were asked when the whole topic was raised to begin with. I think, even when we were looking at doing submissions ourselves, the questions were not within our scope. I am not sure whether that addresses the question.

Mr SECKER—Surely you would have to say that eight regions are better than none.

Ms Casey—I will take those eight regions over having none, but—

Mr SECKER—I have the same complaint, because I have got three clear regions in my own electorate. I have got a big region that I would like to have one in. I am actually working on getting one in the next round—I am saying that we have to expand it. And perhaps, in Riverina, you need to go and see Susan Lee and say, 'Let's work on a concept and an option,' because a country technical college will be a lot different from a city one. It may actually be that you might have one central campus, but you will have fourteen subcampuses.

Ms Casey—Yes, cluster networks and—

Mr SECKER—Skills centres.

CHAIR—In fairness to the criticism, the reason I agreed with it is that these particular campuses are very close to one another in a given area, and that is the problem.

Ms Casey—It really is. I think you had Ralph Leutton from Cotton Australia here earlier today. We have certainly been liaising with him on opportunities for other areas.

Mr SECKER—My argument about the whole thing has been that they picked areas of high unemployment, whereas in actual fact they should have picked areas of low unemployment, because that is where the skills shortages are.

Ms Casey—That is it!

Mr FORREST—I am just interested in the scholarships offered by the association. There are five scholarships worth five grand a pop.

Mr Brown—I am very pleased to update that: they are to be seven this year.

Ms Casey—That is for the coming year; that was a very recent announcement.

Mr FORREST—What process do you go through in making decisions about awarding scholarships?

Mr Brown—We advertise, and we have a set of criteria which the applicants have to meet. We then go through a culling process, to cull the applications down to an interview group, in much the same way as you would take someone applying for a job.

Mr FORREST—How long have you been doing that?

Ms Casey—More than five years.

Mr Brown—Yes, quite a long while—as long as I have been there.

Mr FORREST—So you haven't had an opportunity to evaluate the outcomes, I suppose.

Mr Brown—Only anecdotally. One of the outcomes that I really like is that rural affairs, which I am the chair of, has a scholarship winner as one of its committee members. That is a sideline. We do not set out to achieve anything specific. We set out to reward people who are obviously working hard to build up their skill level. As you know, going through university, in particular, is a very expensive process. It is limited to members or members' sons and daughters. We try to identify people who could use support and to give it to them.

Ms Casey—In the criteria we look at, the students do not need to be studying agriculture. In fact, this year we had a range, from a potential surgeon to an agronomist to a woman who was studying men's mental health issues. So there is a real spectrum of issues there. But basically we would want to look at young members or children of members who have a demonstrated commitment to community. They may be involved in the rural fire service or they might be in the local netball team. They are involved in community issues that show that they are not only operating in a rural area, but they are part of it; they are living and breathing it. We look at their academic performance because, to be frank, it is an investment for us and we want to invest in a student who is going to make it through their degree. We look at where they want to go with their career. Some of these kids are really honest, and they will say to us, 'I am studying to be a pilot. I think I will be an international pilot and, frankly, I will be based in Sydney.' That may or may not meet our needs, but it is an admirable pursuit.

One of the delightful things about one of our scholarship winners this year, who is studying medicine and surgery, is that she goes back to her school in the Riverina every year and talks to year 11 and year 12 students about alternative pathways to get into medicine and surgery. She was not a 99 or a 100 TER student. She was a student who struggled through high school. She

was a rural student who desperately wanted to practice in a rural area. She looked at alternative pathways and now she has initiated a rural students' network within university. She comes back and mentors kids. They are just fabulous students. They are really wonderful.

Mr SECKER—She is studying medicine?

Ms Casey—Yes.

Mr FORREST—You don't deliberately tailor them to bachelor of agriculture?

Mr Brown—No, not at all.

Ms Casey—We have one priority area every year, where we identify a shortage or a need or a priority within the association. For the last two years that has been agriculture, so we have made sure that at least one of those five is agricultural—agriculture management, agricultural science or veterinary science. We had a vet go through this year who is actually studying in Queensland.

Mr SECKER—You don't have to have a score of 99.6 to make a good doctor.

Ms Casey—That's right.

Mr SECKER—That is the score that is there to reduce the number of applicants, rather than there being a need for that score once you get in. Plenty of good doctors would have got 85 in the past.

Mr FORREST—So the scholarship program is a broader rural policy rather than attacking the issue of making sure we get the best farmers.

Ms Casey—The scholarship program has a rural communities focus rather than an agriculture focus, if that makes sense.

Mr FORREST—My anxiety is about where we are going to train the farmers of the future. I know the rural doctor issue is a problem but surely farmers should be investing in themselves. Wouldn't you think it would be better to constrain it to a level of animal husbandry or—

CHAIR—Or, more importantly, if they want to be trained as future farmers. A lot of them are opting out because they do not want to work from dawn to dusk for 15 or 20 grand a year. They can go out and get $60,000, $80,000 or $100,000 a year by taking up a career such as the international pilot career you were talking about. Countless numbers of people I have spoken to over the last 12 months have done exactly that—become helicopter pilots, flying in the Whitsundays.

Mr Brown—The other key point, which I alluded to earlier, is that not everyone is of the view that formal tertiary training has a lot of value in agriculture. That is something we need to break down.

CHAIR—Absolutely—I couldn't agree more.

Mr Brown—The worst types of farmers are the farmers' sons, who have a very limited view based on what dad told them. If you can get them off that—

Mr SECKER—I don't know—I used to disagree with my father a lot.

Mr Brown—I find this all the time as a TAFE teacher. Often the first thing you have to do is break down the barrier that the student builds based on what dad has told them.

Mr FORREST—I was leading towards the provision of scholarships to help at the vocational or training end—perhaps a course in soil science, or something like that. Is the association considering that approach?

Ms Casey—If money was no object, absolutely.

Mr Brown—If you would like to chip in, we will identify the right people for you.

Mr FORREST—We are going to be kings for the day when we write our report.

Ms Casey—We would love some more support. Alan and I are based in the Rural Affairs Committee in our association—although Alan, as a board member, has a much broader scope. From our perspective we have not only education as a priority but also health, bushfires, telecommunications and a range of issues. For us, some of those service sectors are just as critical as the actual farmers themselves, within a rural community context, so it is really important for us that we are providing scholarships that assist doctors, nurses, mental health workers, community leaders, small business operators and accountants, because they are all crucial ingredients of a healthy rural community. In an ideal world I would love to throw money at it.

Mr FORREST—I have a problem with it being the agricultural sector's responsibility; those things are government responsibilities, I think.

Ms Casey—There is a real gap because they are not being met.

Mr FORREST—We are trying. We have programs like scholarship assistance for rural doctors, and we leave your industry association to look after the industry. That is my view about the scholarships; the funds might be better directed to making sure that we get future farmers.

Ms Casey—You fit our community gap and we will provide the ag ones. How about that?

CHAIR—Can you outline your concerns with the review of existing Faculty of Rural Management courses and staffing arrangements at the Orange campus of Charles Sturt University? Who is driving it and what is creating it?

Ms Casey—This has come up this year in particular and it is basically to do with the change in ownership of the campus. Since the new ownership structure has been in place they are reviewing the courses on offer, how they are being delivered and what the priorities are. The key concern communicated to us from our membership is from people who have gone through that university process. The primary concern is the future of the agricultural management degree

specifically. To our knowledge it is the only multidisciplinary management degree from an agricultural perspective in the country, let alone in New South Wales. We are trying to maintain a very active role as part of the review process and the university has been very good in enabling us to play a role in that to ensure that the courses they are offering meet the needs of our members but more importantly that this management function we are talking about for those students who are tertiary minded is maintained and enhanced.

CHAIR—Where is the drive coming from? I presume it is a drive from the top with a change to academics at the university who are city centric educated. Am I right in saying that? Is that basically it? The thing about this committee is that you expect people to be pretty frank. When we do our report we need to be able to point out to the government the shortfalls of the system, warts and all. If we do not do that then the impact of our recommendations fails.

Mr Brown—I am trying not to be too brutal but my view is that agriculture does not enjoy a particularly favourable view from a lot of academics.

CHAIR—That is why I am asking the question. It is not the first time I have heard this, I might say.

Mr SECKER—There was some CSIRO nonsense last week.

Mr Brown—To be fair, the CSIRO thing was a particularly poor piece of reporting as much as anything else. If you look at any of the universities, agriculture is not viewed as one of their favourite subjects.

Ms Casey—It is not a sexy course. It is not something you can throw into your brochures and your paraphernalia for universities.

Mr SECKER—Is accounting sexy?

Ms Casey—It depends on your background.

Mr Brown—In terms of attracting students, you cannot do accounting without a degree, whereas you can do agriculture without one.

CHAIR—The issue is that the extension of these universities into places like Orange and Wagga Wagga happened because there was a need for that sort of education in agriculture. Here we have a change of culture occurring which is going to see those universities that were supplying services to agricultural demand now reverting back to the type of training that occurs in the urban based universities again. That in itself is alarming because it is going to increase the evolution of rural schools away from our rural areas. It is a pretty serious issue that you have raised. I compliment you for raising it.

Ms Casey—It is an issue that we are taking extremely seriously—

CHAIR—And you should.

Ms Casey—for that very reason. This is a unique scenario, a unique course and a unique location. I would be horrified if there was a top-down approach where academics looked at a degree or a school that was not necessarily up there with some of the more traditional or attractive courses.

CHAIR—It would really disappoint me to think that the remuneration or income that could come from offshore was going to drive away the need for agricultural training in universities in our rural and remote areas.

Mr Brown—But that is a fact of life.

Mr SECKER—Can I ask why you are suggesting that there is more financial incentive to take on an apprenticeship for one year than there is for four? Is that because we have gone from three equal time payments back to two—one at the start and one at the finish?

Ms Casey—Exactly.

Mr SECKER—You would prefer it if we were back at the three?

Ms Casey—Yes.

Mr SECKER—Either 1½ or 3. I can see the logic in that.

Ms Casey—That has certainly been the feedback from the membership.

Mr SECKER—It is a good point. I agree with you.

Mr Brown—I want to add something on the area of traineeships. As I said, I have been in TAFE for a long time. One of the most important avenues that I see is traineeships. We get in entry level people. They are just entering the work force. They are usually under 20—they are generally 17 or 18—with very little high school education. They have basically got to year 10. Some of them may have staggered through to year 12. But to get them into a traineeship is critical because it opens the door in their own minds to training. The only training they want is how to make the ute go a bit faster. What we try to do is say to them: 'There is another world out there beyond the farm gate. It is a little larger than an individual farm enterprise. This is your access to it.' It is absolutely critical that we create those pathways for people going into the agricultural culture—in the same way that you would in plumbing or electrical or a dozen other trades. The number of trainees going through Wagga now is quite small. The potential is much larger. But it is a matter of attracting those people, because—and I am not advocating mandatory training—they do not have to do anything to become an agricultural worker. But if you can get them through the door, give them a little bit more vision and get them to take on a little more than just the farm gate stuff—

CHAIR—What about the technology high schools like the one at Young, which the New South Wales government introduced? Year 10 kids can go into the TAFE component at the school regardless of what—

Mr Brown—I was about to say—

CHAIR—That was originally designed to assist the apprenticeship scheme. Kids could go and do a trade for two years, from year 10 until year 12, and have that accredited against their apprenticeship time when they left school if they wanted to go on to the full-blown apprenticeship. All they had to do was their third and fourth year and they were qualified. What about that system? Do you think that has merit to it?

Mr Brown—I think there is a lot of merit in there. I worked in the VET scheme quite a lot. When I first started, the last thing I wanted to do was teach high school students. But the people who come through the VET system were just wonderful. They turned me around completely. With 16-year-old or 17-year-old year 11 students, when they are at school they are there because they have to be there or because Mum and Dad said they had to be there. But when they come to TAFE it is totally voluntary. Their attitude was marvellous—it really was. That was, if you like, the first chance to open the door and say, 'Have a look—there is some value out there in further education.'

CHAIR—I was part of the government that introduced that scheme in the early 1990s. It was really thrilled about it.

Mr Brown—It is excellent.

Mr FORREST—I have a question on the lack of willingness of New South Wales to fund FarmBis. If it was us rolling up a program like that, we would cop political mayhem. How does the state government get away with not funding or making a commitment to FarmBis? How does it happen?

Mr Brown—If I could answer that question, I would solve the whole problem overnight. We have a city centric government that gets away with murder as far as regional New South Wales goes, and this is the worst example I have seen. It is absolutely dreadful. The problem is that it affects a small part—three per cent—of the population; the other 97 per cent do not give a toss. We think it is the poorest decision that we have seen from the state government in a very long time, because the alternative they offer, which is ProFarm, is essentially a rehash—correct me if I am wrong—of their existing courses with a new badge on the top and no financial incentive whatsoever for people to actually do them. It is a particularly poor decision.

Mr FORREST—So the alternative they have offered is a mickey mouse alternative that is not being used because it does not work?

Mr Brown—It is not totally useless; there are elements in there that are good. But it is a rebadge of an old set of courses.

Mr FORREST—Token courses.

Ms Casey—It is token, and it is not commercially competitive. Some of the courses that are offered under the ProFarm badge are similar to courses that the association actually offers on chemicals or OH&S. We have a members rate as well as a non-members rate. Even our non-members rate comes in underneath the price of doing training through ProFarm. So not only does it not attract a subsidy but it is actually more expensive than what is out there on the market.

Mr Brown—This is where the Murrumbidgee problem comes along, because they are hogtied to a bloody useless set of courses. It could be much better if it were done in a different way.

CHAIR—It is reminiscent of the evidence we heard from Western Australia, isn't it? It is happening all around the countryside, and it is pretty disturbing. Some of the evidence that you have given us today as part of this inquiry has reinforced the concerns that we have heard about in other states regarding not only the direction that state governments are taking but also some of the RTOs in terms of offering courses in places where they do not attract the people that we need to keep our agricultural skills gene pool alive and healthy.

I thank both of you for coming here today. It is very much appreciated. As I keep telling people who have come to raise their concerns about the rural skills shortages across Australia, if you do not come and tell us, we do not know. Whilst some of the political process is frustrating at times—because you pass the message on and it does not go anywhere—at least, if we get good information through these inquiries, when we put our report together we can put some flesh into recommendations that we hope will be picked up and will ensure that there is a positive outcome in reinforcing the need to keep our rural communities viable. I get frustrated, as I know many of my parliamentary colleagues from rural electorates on all sides of the parliament do, when I think back to the history of this country. We have put infrastructure into it for 200 years and we are breaking our necks to take it out and destroy the very thing we have created.

[4.09 pm]

ROGERS, Dr Gordon Stephen, Managing Director, Applied Horticultural Research Pty Ltd

CHAIR—Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. Do you wish to give a brief statement in relation to your submission, or would you care to make some introductory remarks?

Dr Rogers—I have made some notes about things that I could talk about, but I am not sure how you want the session to run. Perhaps you want to ask questions and, if there is anything I want to say at the end, I could perhaps add it then.

CHAIR—If you could give a brief overview of the concerns that you have, we will ask questions of you afterwards.

Dr Rogers—I come as a representative of Applied Horticultural Research, but I am also a Principal Research Fellow at the University of Sydney in the agriculture faculty there. I have a foot, if you like, in that private R&D area and also in the university sector. Our work is mostly in horticultural research, mostly to do with vegetable crops. There is also some work in grapes and that sort of stuff. In relation to research, what I see in our work—and it is pretty common generally in agriculture—is that there is not very good communication or linkages between industry groups and the needs of growers, farmers, rural processing operations and that sort of stuff.

It is as if there is a group of researchers with a lot of skills, knowledge and access to scientific information. Then there is industry that has problems—and also opportunities that could be exploited—but there really is not as much understanding or linkage between those two groups as there could be. Some of the things that we try to do are research projects that are more applied in nature and that try to take some of that built-up scientific knowledge that often just sits in journal articles in the literature and apply that to problems and issues that relate to growers and companies. I think that is an issue—I am not sure how you work on that—but that is an issue in the research area.

Mr FORREST—Does some of the problem lie in the fact that some youngster does their PhD on a particular aspect of gene technology for a carrot and the work they have done does not get transmitted, developed or out to the coalface? Isn't that one of the weaknesses?

Dr Rogers—I think it is, yes. There are no real mechanisms set up for getting that information out to where it can be used. Scientists do that: they get a grant and do a PhD in a very specific area, particularly in plant science. A lot of that plant science now is molecular in nature and very specific. In many cases, it is sort of like they forget why they are doing it. They write up the papers and they are rewarded for that: they get the PhD. Or, if they are scientists, they write

papers and are rewarded for the number of papers they write—rewarded with grants and that sort of thing. But, really, there is no way of getting that information out to growers. There used to be a system of extension officers, but that is less the case—

CHAIR—A lot of those extension officers went by the wayside in the cost-cutting exercise. They were the first ones to go, unfortunately—the most important people of the lot.

Mr SECKER—They did. We have not had any in South Australia for 10 years. It is interesting that you mention that, because I was talking about Rob Banks before. He started up Lambplan, growing sheep at quicker rates, but he did his PhD on flies. He used the same principles he had learnt from flies on sheep, and that worked very well.

I had a quick trip to California earlier this year and went to the universities. I was enamoured of the land grants set-up there. Perhaps it would be useful for you to describe to the committee how it works. I found that there was a greater connection between industry and the universities over there. It was enormous. It is a big economy, fair enough, but there is a huge connection, with industry driving what the universities are pushing out.

Dr Rogers—That is right. Under the land grants system in the US there are people who specialise in extension—that is, giving advice to growers and industry—who are based at universities and are part of a faculty. They can go through promotions and can get up to the level of professor in the university, but their focus is to take the research findings to the growers. Usually they are in the same building and work very closely with the research scientists. Their focus is on taking that information out to the growers. They also bring information back in, too, about what are the industry issues, problems and opportunities. That does seem to work really well. It is a lot better there. Here the extension officers were part of the departments of agriculture, and there has not been a very good linkage between universities and departments of agriculture anyway. Now most of the extension officers are gone, so it is difficult.

Mr SECKER—Is the horticultural council working with VET in Schools? I know that they are in the Riverland in South Australia. They are developing horticultural VET courses. There is a very strong one at Glossop High. To me, that is the way to do it: to get industry involved at school level, VET level and perhaps at universities. Are you aware of much other stuff that the horticultural council is doing in Australia?

Dr Rogers—What do you mean by the horticultural council?

Mr SECKER—You are from Applied Horticultural Research. Sorry. My apologies; you are not from the horticultural council.

Dr Rogers—No.

Mr SECKER—But what would your comment be on that idea of industry getting involved at all levels?

Dr Rogers—I heard you mention to the previous witnesses the image issue with getting students into agricultural or horticultural courses at universities. That is a big issue. I was part of the Australian Society of Horticultural Science for a few years, and one of our key issues was to

try to somehow raise the profile of horticulture particularly—but I think it applies to agriculture too—for young people, to get them interested in doing those sorts of courses. When people actually do get into it, by accident half the time, they find that there are job opportunities and it is a very vibrant and rapidly changing area. It is a food production industry really. Horticulture gets mixed up with gardening and that sort of stuff. It has an image issue. If people could see that you can actually make some money in it and the work is interesting and those sorts of things, that would really help.

CHAIR—Your submission states that the Australian government should:

Determine and document the skills required by the various jobs in the horticultural and agricultural industries ...

Isn't that best undertaken by the horticultural and agricultural industries themselves?

Dr Rogers—Yes, it could be. In relation to that point, I was not sure whether or not that had been done.

CHAIR—Regardless of that, would you like to give us your views on what you believe government could do to assist in that respect?

Dr Rogers—The skills that are required?

CHAIR—Yes.

Dr Rogers—Different levels of skills are needed. If we are talking about growers and industries to support those growers, there is a need for training people who work on farms—some agronomic training in machinery, farm skills and those sorts of things. That is one area. There is a need for training in the professional service area, which is currently done by universities. That involves people who work for support companies and give advice. There is also an emerging need for training in the management areas of farming operations. The trend in horticulture is that the number of farms is declining rapidly and the existing farms are getting bigger. The prediction I have seen is that in 10 years time we will be looking at about 25 per cent of the growers that we currently have—perhaps even less. The operations are getting bigger and the people running those operations really need to run them as a significantly sized business. A lot of them spend too much time on tractors and not enough time working on their businesses and running them professionally. So there is a need for training in that area.

CHAIR—We have had evidence which seems to be similar from state to state and we have heard evidence from various organisations within the states that differs. My observation of that is partially centred on the lack of a common exchange of the problems. Do you think there is an argument for this committee to look at a national database which identifies the problems that are compounding the lack of rural skills across Australia? Incorporated in the national database would be a mechanism to put together a group of people from across Australia that can do something more cooperatively in making some positive moves to fixing the problems that have been identified.

Dr Rogers—Yes, there is. I have been speaking to Wendy Erhart, one of the owners of Withcott Seedlings/Smart Salads. They grow seedlings, salads and a range of things. They

employ a couple of hundred people. It is a very progressive business. They have set up their own training program within the operation.

Mr SECKER—They have become a self-operated RTO.

Dr Rogers—Yes. They are investing about $120,000 a year in that because they cannot find trained people in the industry or the sort of training that they need. Wendy made the offer that if you wanted to visit and talk to her about how they run it and how it works she would be more than happy to talk to you about it.

Mr SECKER—You can only do that when you are big enough.

CHAIR—Has there been a submission from them?

Mr SECKER—Not that I am aware.

Mr WINDSOR—I have a couple of questions which may be outside our ambit but I would be interested in your comments. There has been a consistent flavour through the submissions about why young people are not being attracted to agriculture and what we can do about it. How great are the broader implications of government policy on people's attitude to agriculture and in particular horticulture? My second question is about the policy of government that looks more at a commercial return from research, particularly in regional universities. Because of their size, they are possibly not as competitive as some of the larger universities. What is that sort of policy mix saying to you as an applied researcher and to young people who may well be making decisions about agriculture and where they go in the world?

Dr Rogers—Other than the fact there is an image issue, I am not sure why young people do not choose agriculture and horticulture careers. Are you asking whether the type of research that is available in those areas is a deterrent to them or is not attractive to them?

Mr WINDSOR—There are the broader policy implications of global trade, the economics of agriculture and the capacity of agriculture to pay compared with other areas that might pay more. You posed the question in your submission: why are we not getting more people into agriculture? Why do you think we are not?

Dr Rogers—There is a perception that rural industries are generally in decline. I do not think that is the case, but the things reported in the media are generally the bad news. The good news goes on programs like *Landline*, which people do not generally see. The bad news stories get onto the news and people are all aware of those—banks closing and stuff like that. It gives the impression that rural industries are generally in decline.

Funding going to applied research and people wanting outcomes from research in the shorter term are good. People looking at what sort of area of research they are going to get into might see that there are more opportunities in an area other than basic research, like in the medical or engineering areas. Those fields are a bit more specific, but there are some issues. If you work in applied research you tend to publish your results in journals that are rated a bit lower on the scale of journals in the academic world. If you do molecular or other fundamental research, you get published in higher impact journals. If people are looking at their academic career, it is a

disadvantage to be working in applied research. They are better off working in a more basic fundamental research area. I am not sure that people going into undergraduate courses are aware of that really. But in postgraduate courses it is an issue. There should be a mix. There needs to be a mix of applied research—the sort of stuff we do—and the more basic research that is funded by the Australian Research Council. You need both of those going.

ACTING CHAIR (Mr Forrest)—Dr Rogers, thank you for your submission. It is a good one. It is short and punchy. You have made some recommendations for us to consider. You are obviously not being paid to be here to make these representations. We appreciate that. It is in the interests of agriculture.

Mr SECKER—You are the first person to bring up the land grant university stuff, which is useful.

ACTING CHAIR—I will be expecting a report from you, Mr Secker.

Mr SECKER—Read my report on my trip. It is on the public record.

ACTING CHAIR—Okay. Is there anything else you wish to say?

Dr Rogers—I think that land grant thing is a very good model. I do not know whether it is possible to adopt that here.

Mr SECKER—It is something that Eisenhower brought in about 50 years ago or so; it was a long time ago.

Dr Rogers—I am not sure of the history of how it was set up.

Mr SECKER—It might be useful to get a briefing on it, if we could, for the other members of the committee.

ACTING CHAIR—If there is anything that you would have liked to have said but you think of it on the way home, you are welcome to write us another letter.

Dr Rogers—I think that is about all I wanted to say. Would you be interested if Wendy Erhart was willing to put a submission in or to speak to you?

ACTING CHAIR—Yes.

Mr SECKER—Whereabouts is her place?

Dr Rogers—Withcott Seedlings is in the Lockyer Valley, just west of Brisbane.

Mr SECKER—So it is not that far out of Brisbane?

Dr Rogers—It is about an hour from Brisbane.

ACTING CHAIR—You could encourage her to make that submission.

Dr Rogers—Are you having a hearing up there at all?

ACTING CHAIR—We are thinking about the new year. This inquiry will go throughout the new year, so we are trying to establish where we might go. We want to see hands-on stuff—good outcomes and good models.

Dr Rogers—In terms of a rural business, that has been a real success. It is a fantastic operation to see. If you wanted to go and have a look, they would be willing to show you around. It is a real standout operation.

ACTING CHAIR—A formal submission from Ms Erhart would enhance the possibility of that happening.

Dr Rogers—All right; I will let her know.

Mr SECKER—I just noticed a point here. You were saying that the research by CSIRO is becoming increasingly focused on confidential research. That is probably not a good trend, is it?

Dr Rogers—That is interesting. You would have had a submission from CSIRO, I am sure, but my understanding of how they operate is that a lot of their work is privately funded. The implication of that is that the results are confidential. It is quite a change in the—

Mr SECKER—It goes against the whole notion of sharing science around the world, doesn't it?

Dr Rogers—It does, yes.

Mr SECKER—I do not know whether you could have a patent arrangement so that you could have the results kept confidential for two years but after that they could be free to the world.

Dr Rogers—I think there are those sort of arrangements, and we work a bit like that too, in a sense, in that we hold on to some things for a little while and then release them.

ACTING CHAIR—It is a deliberate approach, though, to encourage our research organisations to be commercially focused—to research something that has a commercial outcome. So you have indicated one of the downsides, that, when the information they generate has been funded by a commercial entity, that intellectual property must stay with the commercial entity. It does mean, though, that the focus is towards commercial outcomes—not just pure science.

Dr Rogers—That is right. I think that is why you need both. I think it is more important that the pure science and the more generally applicable research get done and are available to everyone. But then maybe there is an opportunity for the more applied research, the purpose of which is to be valuable to industry. If you work for a company and they want you to do some work for them, then the research has to address issues that are going to help them be more profitable. It has to be focused on what they want to do. And if they are in business they are

always looking for a competitive edge over someone else, so they do not want that information to be available to their competitors—at least, not straightaway. It is a downside of that sort of arrangement.

ACTING CHAIR—So your counsel would be to urge a balance? We must continue to have the pure science but you would counsel balance. Is that what you are saying?

Dr Rogers—I think you need to have both. I think you need the basic research, and you then need the applied research to take that to industry and really use that to develop something that they can use. We do a lot of work with a group called One Harvest, which produces bagged salad mixes and that type of thing. That company's business is based on salad and vegetable crops. It is surprising in the business what they do not know about the science and about aspects of how to grow and aspects of handling et cetera. So they need some input from the basic research. It is a good mix. It is a good balance.

Mr SECKER—I notice one of your specialities is soil moisture monitoring. Demand for that is going to get bigger and bigger as time goes on. That is a good area to be in.

Dr Rogers—It is.

Mr WINDSOR—In terms of this issue of pure research and the commercialisation of research that we were talking about a while ago, where do you see the CRCs fitting into that? Do you see them as being a marriage between the two, where various industry groups plus the educational institutions come together and share the research? How do they fit into this program?

Dr Rogers—I think they do fit into that. I think that is sort of the idea of the CRCs really. My understanding of them is that they have a basic research component and an applied research component, and a lot of their funding is from private enterprise as well as government. So I think they fit into that pretty well.

ACTING CHAIR—That completes our questioning. Thanks, Dr Rogers.

Dr Rogers—Thank you for the opportunity.

[4.36 pm]

LEUTTON, Mr Ralph David, Program Manager, Policy and Legislation, Cotton Australia

ACTING CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I should advise that these hearings are formal proceedings of the parliament and consequently they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter that may be regarded as contempt of the parliament. We would like to give you an opportunity to make a brief statement in relation to your submission; there may be points you might like to add to since making it. I thank you for taking the trouble to put it together. It has some good, punchy recommendations you would like us to give support to. This is your chance to add to your submission, and then we will proceed to some questions. I must apologise in advance. You are down to the best of the committee! We are hearing evidence in Newcastle tomorrow and some members have had to catch planes to go there, and we will lose Mr Secker shortly.

Mr Leutton—Thank you for your time. I recognise the pressure on you all. Cotton Australia is the peak organisation representing the cotton-growing industry throughout Australia. The cotton industry has had some concerns for quite some time with the VET agenda in this country—vocational education and training. We are not here to talk about PhDs or degrees. We are here to talk about people driving the tractors and working on the farms.

The critical issue facing us right now is not particularly training but one of just labour shortages. We do not have hands and feet on the farms to do the jobs. I think we are not unique in that as an industry; other industries are facing the same problem. However, once we get the hands and feet on the farm, the issue we then face is how we get them skilled to a position to be able to carry out the routine tasks required on that farm to produce the cotton as we need it in an effective and efficient way.

This country has the Australian Quality Training Framework, which is quite extensive. There is no doubt that that identifies a very detailed and quite impressive set of competencies. For your record, I should note that I am a director of the Agrifood Industry Skills Council, set up by Minister Nelson, and I am the treasurer of the Rural Training Council of Australia. However, while we have this very detailed training structure in this country, we have lost total sight of the client for that—the client being the employer. I believe that right now we have an alphabet soup of jargon that is confusing the client, the employer on the farm, to the point where he does not know anything about training, does not understand training and just goes and finds what he can where he can—or where she can.

As Cotton Australia a couple of years ago we got quite concerned with this because we were trying to match what was required of us by the bureaucratic agenda and not delivering the numbers, and we could not work out why this was the case. Then we thought, ‘Hang on, no-one is listening to us.’ When you stand up in a meeting with farmers and training comes up, the degree of glazing of the eyes is quite embarrassing—they either have to go to the toilet straightaway or they do not want to talk about. So we thought, ‘How do we turn this around?’ We felt that by talking in this jargon we were losing the farmers and if we talked in their

language we could get some outcomes. So we said to be agenda people: 'Unless you dance to our tune we are out of here. And our tune is: we want a brand.' If a young person walked up to a farm and said, 'Look, I have a Cotton Basics certificate and that certificate means I can start a tractor, I can start a siphon and I know the basics,' the farmers will say, 'Great, go to work.' The farmer does not need to know the certificate has all the quite detailed fine print on the back; that is for the bureaucracy and that is quite fine. The issue for the farmer is that he knows that that person can do that job. We are also looking at cotton intermediate and cotton advanced as we move up through the structure of the farm.

So we are actually challenging and, I could say probably politely, shaking the tree very hard for this whole training agenda. I believe it is time we stop talking the jargon, use what the framework has for us and get out and do something positive with it on the farms. Listening to your previous presenter, I hear there is a need for PhDs and degrees on the farm. I have a Master of Science degree and that is great. But what we need is the people who drive the tractors. You do not need a PhD to drive a tractor and that is where our shortages are. Perhaps I should leave it for questions now, but I would suggest that the recommendations really try to get some outcome. I would suggest that this committee could get through to Minister McGauran now and to Minister Nelson and say, 'Let's get through this cloud of jargon, get down to the kitchen table and say, "What do you need, client, employer? And what can we do with our product, employee, to put it in front of you?"'

ACTING CHAIR—I can remember serving on a prior committee, with the chairman of this committee, looking at a harvest labour challenge and visiting all the cotton-growing areas up around Moree. The demand then was just for chippies but not just for someone who walks off the street—they had to know how to chip weeds. There is a fair bit of skill even in weeding cotton let alone in the science required for the spray programs and so on. You make a really good point in your submission: 'Cotton Basics' rather than a 'Certificate II in Agricultural Production with Modules RTCA'. I know what you are saying there, and your submission really does not pull any punches either. That is what we like: do not waste time, get to the basics. It is quite critical of a number of things that we thought we had put in place and they worked. It is a bother to me that you say that a lot of what we have done is just a joke to the people on the ground who we are trying to get the benefit to. How strong is that, or are you just putting in strong words like that to make sure we get the message?

Mr Leutton—Both. You have got the message. And, secondly, it is. As an industry and as a rural industry, we have had so many skills shortage analyses. As I say in the submission, we are analysed to death but we do not see any outcomes for that. Through this Agrifood Industry Skills Council—and I am trying to influence the direction of that council—we were about to embark on another skills shortage survey. I said, 'What for?—

Mr SECKER—We already know where they are.

Mr Leutton—'Go back to the library and look at the last one we had just three months ago. It is out there; we know it.' The major shortage now is just hands and feet. Once we get the hands and feet there, talk a language they understand—this is the issue. I do not shy from being hard-punching in that submission because I have been involved with this agenda now since 1991, through the dairy industry and now through this industry, and it has not changed. The bureaucracy has captured this very significantly and it has lost sight of its client. This is the key

issue we are facing. Unless we come back to the fact that we have an enterprise called the farm and that enterprise has a manager who is an employer who needs some staff to do a job and they are skilled to that job, then we are on a downward spiral in this country. It is not the fact that it is hard work on a farm, it is the fact that we need to get people onto the farms. That is my concern. With all due respect, it is a joke out there when they come out to do another skills survey. We just did that three months ago. What do we have to do another one for?

To illustrate my point, we have a situation where 95 per cent of our farmers are introverted data collectors. They are educated in the university of the farm, which is a very hard university. We have scientists and others who are 95 per cent introverted data collectors educated in universities and through bureaucracies. One is speaking in Latin and the other is listening in ocker and they do not understand each other. We need someone to translate. Cotton Basics is a translation, that is all it is—we have not done anything new. We have taken it off the shelf and put a different set of words on the front of it. Behind it is the same stuff. If we can get our agenda to start speaking to the kitchen table then we will get some outcomes.

ACTING CHAIR—It is from the bottom up—taking the sort of person you need and designing a curriculum to make sure that is the way they get trained.

Mr Leutton—Exactly. That is what Cotton Basics was. When the Rural Training Council said to me, 'Ralph, what do you want?' I said, 'I want someone to walk on the farm who can start a tractor, do this, that and the other.' They said: 'Oh! Here's a module for that, here's a module for the other.' I said: 'Okay. Don't call it a certificate of whatever it is, just call it "Cotton Basics".' It is basic training and the farmer understands that. The person being trained understands that. That is what we are on about.

ACTING CHAIR—So it is not about someone with intricate knowledge of insecticides and all the insect problems the industry has.

Mr Leutton—That would be cotton intermediate or cotton advanced.

ACTING CHAIR—Have you worked to that stage as well?

Mr Leutton—We now have engaged our CRDC, the Cotton Research and Development Corporation, with our CRC to work with Cotton Australia to start to implement the next boxes. We have a meeting coming up in about two weeks time to discuss the strategy to achieve that. We have a full-time staff member in the CRC who is looking at VET now. I think this is a major step forward. We have to start to do that as industries and also as bureaucracies and grab hold of it and say, 'Okay, what does it really mean?' Right now it is a bureaucracy servicing a bureaucracy. We have farmers out there saying, 'I can't get someone to drive my tractor.' It is all there. They are just not talking to each other.

Mr WINDSOR—We are seeing this across a number of areas. I missed a couple of submissions this afternoon but there was a very interesting submission this morning from the beekeepers. It is a small industry, which is not as organised as the cotton industry, but this sort of rotation of nonsense that you are referring to—sorry to put words into your mouth—was exemplified by those people as well. They are in this dreadful situation where they cannot get the

skills they need—and a lot of those skills are fairly basic but they are specific to an industry need—and they are unable to import the labour from overseas when they cannot find it locally.

Mr Leutton—That is right.

Mr WINDSOR—They highlighted the point—and I would like you to comment on this—there are something like 10,000 RTOs out there now. You made a point about the training not being reflected to the client, it is reflected to the trainer. They went a little bit further than that and said it is also reflected to the profitability of the organisation that offers or gives the training. How does Cotton Australia reflect on the private organisations that are out there now supplying training, particularly in the heavy equipment and other areas?

Mr Leutton—If you look at the packages we have got, like the conservation and land management package and some of the other packages around, we are so caught up in that package structure and in the jargon. The registered training organisations—the RTOs, the TAFEs and those structures—are so caught up with the package that if you walk up to them and, as the chairman said before, you say, 'I'd like to get this person trained in these things,' they will say: 'Oh, here's a package for that. The person has to go through this.' You lose sight straightaway. I think the problem we have is that there has been—I say this carefully—a gravy train out there that these people have been feasting on. I should also declare that I chair a private registered training organisation, Farmcare Training Ltd, and we are focusing on delivering products to our clients, to the employers. We have contracts with RailCorp and a whole range of people. Mainly our training is focused on chemical training. We are broadening that scope.

But we also have brought our field staff in under Cotton Australia's hat. We have seven field staff out there servicing our members. They are all certificate IV trained trainers—for the jargon. They are protected under the registered training organisation FarmCare Training. So they can deliver Cotton Basics to a cotton grower in his shed: get four of his staff there; let us do this; let us get it organised. How much does it cost the grower? The cost of the paperwork. We do not have, then, the kind of structure that is going to make $500 a student out of this and then, say, walk away to the bank with the money. We want to make sure we deliver outcomes on the farm. With all due respect to some of our structures out there, some of the very large structures are not focused on outcomes; they are focused on numbers, as you just said.

Mr WINDSOR—They need a class of 20, and they need to do it at Dubbo, not at Warren.

ACTING CHAIR—We are hearing this from everybody.

Mr Leutton—Yes. And unless we get this kind of stuff delivered where it is needed—not necessarily on every farm, but it might be that you go to Warren rather than staying in Dubbo or you go to Gulargambone or wherever it might be and deliver it there, or go onto the farm. If three or four farmers have half a dozen staff, why can't we deliver it there in the shed? That is what it is all about. This stuff is practical, hands-on training. It does not need a classroom with 47 computers. It needs delivery where it can be utilised.

I think this is the problem we are facing. We have been caught by an agenda. With all good intent, I think government many years ago set up the training levies and all that type of thing,

and we set up an industry that now is servicing itself. It has lost sight of what it is supposed to be doing. How do we bring it back into reality?

ACTING CHAIR—Some of it is because it is trying to be too broad a certificate of horticulture III for someone who could end up in the stone fruit or table grapes industry; whereas you are specific. Cotton Basics would not mean anything to somebody when he walks onto a stone fruit farm.

Mr Leutton—It could. We just branded it that way. It has basic tractor driving. Is that different on a cotton farm to on a wheat farm?

ACTING CHAIR—No. The bushes are bigger, that is all.

Mr Leutton—There are not many different things in that basic level. Obviously, when you get to an advanced level you are looking at the pesticide, insecticide and biotechnology. They are very focused, very specific issues. But at the VET training level, where most VET is focused at the certificates I to III level, is there that much difference? Do we have so many packages? In my task with the skills council, I chair the review of the conservation and land management package at the moment, which is again another nightmare of jargon. I went through the packages we have. There are about 13 packages—different, identified, coded with seven-number codes—that have conservation and land management in them. How different is conservation and land management? I would have thought it would be very similar. Why do we have so many different things? There might be two or three variations you might accept, in different kinds of land structures or whatever, but why so many? That is what we are saying.

There is a supermarket out there called competencies. They range from level 1 right through to level 5 or 6. The competency is what we are talking about—the starting of the tractor. That is what we are talking about. As I get Cotton Basics, I walk into that supermarket of competencies. I am shopping for cotton basics. I walk down and there is the tractor-starting module; I put it in my basket. There is the next one; I put in my basket. Brand that 'Cotton Basics' and you go out and do it. I am not reinventing wheels; I am just making it palatable to the consumer. I am focusing on the employer.

ACTING CHAIR—Who is delivering that training, then, through the region?

Mr Leutton—We are testing it right now. We are using Tocal agriculture college in New South Wales. Our own field staff are able to deliver on farm. So we are looking at years 11 and 12 in high school, that same equivalent in the rural colleges and also TAFE. Anyone can deliver that, but we are looking at TAFEs as well and things like that. Tocal is our keen focus at the moment.

ACTING CHAIR—Somebody down in my area would not be able to deliver that training, because we are focused on different commodities.

Mr Leutton—Of course they could. Let us say that in your area there is a grape training requirement. What is wrong with 'grape basics'? It is just a brand.

ACTING CHAIR—It could be something as simple as pruning grape vines.

Mr Leutton—As simple as that. That is just a simple competency that is developed. The person does not have to do a package to trim a vine; he just has to have that competency. So the grape industry in your area could have a field person out there who says, 'I'll just train you in how to prune,' gets half a dozen guys—or one guy—in a shed and says, 'This is what it's all about. Here's the competency. I've assessed that you can do it properly. I'll tick your little passport or whatever it might be that you want to have, and away you go.'

ACTING CHAIR—How would it work? If a young fellow who has just finished Cotton Basics and spent 12 months in the industry wants to have a bit of a look around Australia, shows up in one of my almond orchards and says, 'I've got basic cotton,' how does the recognition of that prior learning flow through? He can drive a tractor and possibly a forklift. He knows how to use a chainsaw and stuff like that. He has some basic skills. That is going to be one of the challenges. We have such a mobile work force today.

Mr Leutton—There are two ways. Firstly, because of the reputation of Cotton Basics, people will say, 'This guy knows what he is doing because he comes from the cotton industry. Secondly, as an offshoot of Cotton Basics we have a derivative called Cotton Plus. It is cotton plus cropping, horticulture or cattle. He can have his Cotton Basics training and some added training if he wishes. He might say: 'I'm going to travel. I'm heading south and I'll end up in the horticulture area. I might do a couple of modules and get those competencies added to my cotton basic.' So he will end up with a Cotton Plus. It is another piece of paper that says 'Cotton Plus'. When he turns up at the farm in your area, he has his Cotton Basics and his Cotton Plus and that is all he has to say. The farmer will recognise it and say, 'This guy's Cotton Plus has orcharding in it. Let's get to work. He knows how to start a tractor. He knows how to use a fogger. He can do some spraying for us.'

ACTING CHAIR—About six years later, after this young fellow has done a series of these through a range of industries, he wants to go back to Goondiwindi because that is where his girlfriend is. He has come back and he now has a horticulture certificate III in viticulture. But he has foreman status now. He can offer management skills. How do you get that passed through so that his competencies are recognised?

Mr Leutton—We can then actually go to our next level and look at cotton intermediate. We go to Tocal or get someone from Tocal who is on the road to come up to Goondiwindi or Moree and assess this person's skills and competencies. He will then say, 'You have all of the requirements—here's your cotton intermediate certificate,' or 'Fill in this bit on cotton because you're not too sure on some of the biotechnology—do that bit and you're ready to go.' We are not out to make things difficult. If someone has a skill from another industry, why can't we use that? We can recognise it.

ACTING CHAIR—Yes, that is the challenge.

Mr Leutton—He does not have to have this huge jargon of certificates. If he says, 'I can do that,' you can say, 'Okay, there is your intermediate badge.' It is just a piece of paper—that is all it is. What we are proposing—

Mr WINDSOR—It is a passport in a sense, isn't it?

Mr Leutton—Yes.

Mr WINDSOR—Obviously if he has been working on a property, the owner of that property would recognise that he has those skills. If he goes from me to John, John may not accept that he has all of those skills. But if he takes his passport with him, John at least knows that he has a certain level.

Mr Leutton—I am a bit old-fashioned. I am a scout leader. In scouting these days we have a passport. If a kid comes into the scouts, there are three levels of badge—the red, blue and green levels—that he has to go through if he wants to be successful at the other end. He carries a little passport in his pocket. As he does a badge, the scout leader signs that off. He gets his badge and puts it on his shoulder. When he gets enough badges he gets his red badge. Then he does some more and gets his green badge and so on. What is the difference? As Tony has just said, if you have your tractor driving skill you can sign it off on your passport. You can say, 'I have those 10 points now, so that is my Cotton Basics; I have 25, so that is my cotton intermediate,' or whatever it might be.

We are still in the throes of developing some of the advanced, high-level stuff. The issue is how we shake the tree to get outcomes. We have these huge buckets of money that people talk about in the training agenda and it never gets anywhere near the kitchen table. It ends up in a TAFE or a university or a large RTO somewhere and that is where it seems to stop. We need to get the outcomes at the farm so that the guy is driving the tractor or managing a group of staff as a foreman or managing the property as either the owner or the senior manager.

ACTING CHAIR—We are trying to formalise, with tickets and pieces of paper, a natural system that used to happen: as you got older you accumulated a whole range of skills. Most farmers are like that—they do not have a ticket, but they can pull a motor to bits and put it back together. But for them to take responsibility for someone else's motor they need a ticket. We are trying to formalise an informal process. You could remember me from when I was in my 20s and I show up when I am 30 and say, 'I'm foreman material now; I want a job on your farm.' I used to bring references from previous employees that said, 'He's managed fifty people.' But the bureaucracy tells us that you have to have national standards and be confident that the employee is qualified in horticultural certificate III, for example. It is about uniform competency. I am just trying to make sure that adopting your approach will not mean we end up with a plethora of things. For example, having a certificate of horticulture II, which qualifies you to prune a grapevine, does not qualify you to prune a stone fruit tree, because there is different management of the way things grow. So there are two separate courses to qualify to prune a tree and a vine, and yet they are not a lot different.

Mr Leutton—We are not trying to pull that apart. We are still using the competencies. You are right: there needs to be a national structure that says, 'This is how you start a tractor here and over there; this is how you use a chainsaw here and over there.' There are safety issues and that type of thing. What we are trying to say is that, when you talk to the employer about that, do not talk in the jargon. Do we need all these packages? Do we need 13 different CLM packages? Two or three might be all we need. It is all because a group is set up for an industry and says, for instance, 'We're going to look after the seafood industry. We're an RTO; we need to form a package to deliver to those people.' They spend all their time forming the package and forget about the fishermen. Now that the package is recast they have their own CLM—there is a CLM

in the fishing industry. They have re-formed and recast it—invented another wheel. Do we need to do that? A recommendation in my submission was that we need to shake that tree really hard to get some rationality back into the national structure. We are not trying to pull that apart; we need it.

Mr WINDSOR—You were talking about jargon; you might just explain what this recommendation means:

That the committee calls for a review of the current state of knowledge of cultural issues relating to intergenerational transfer of rural enterprise decision making and the level of knowledge of current decision makers with respect to human resource management.

Mr Leutton—I thought that was a good set of jargon!

Mr WINDSOR—I could probably interpret that to mean four things! Could you tell us what you mean?

Mr Leutton—The lead-in to that recommendation was that we are facing a number of issues in rural industries these days. One is obviously the shortage of hands and feet. Once we get the hands and feet onto the farms it is about how that employer then manages his human resource. As we heard from the previous witness, many farmers spend time running their tractors rather than managing their businesses. That is probably because they are introverted type people and it is very hard for them to manage people. The manager needs skills to manage the human resource. The prime asset of the farm or enterprise is the employees, but the asset is seen as the land and the tractor. Without someone to drive it you are going nowhere. The problem we face is that many of our landowners and land managers are baby boomers—people like you and me. Their employees are from the X, Y and dot com generations. They have two totally different work ethics.

Mr WINDSOR—That is a disgraceful thing to say!

Mr Leutton—When I started work, if I had gotten a job in a bank and stayed there for the rest of my life, my parents would have been absolutely satisfied and so would I. My sons—

ACTING CHAIR—Backpacking through Europe, I bet!

Mr Leutton—Yes. They work hard when they work, but it is a different work ethic. To translate my jargon, how do we get the human resource manager on the farm to better understand and utilise more effectively and efficiently that human resource that is going to move a lot? Mr Acting Chairman, your person has gone from cotton today to your pruning appliance tomorrow and off to the cattle country the next day. They will do that and they will work hard while they are doing it, but they will just keep moving.

How do we actually utilise that? How do we have the manager utilise that? At the skills council, we have the meat industry really crying out for long-term employees, but they are baby boomer employers looking for the same approach in the new generations. How do we get them to work smarter with a group of employees who are going to move? Do we set up structures within our systems that say: ‘Let’s work on a three-year turnaround of staff. We train them in the

first year, we get two years of good work out of them and we overlap by one year with another new generation coming through'? Is that what we do? To do that, we have to change the paradigms of the employers, because they are looking for someone to work for them for 25 years. The new generation is not going to do that.

Mr WINDSOR—It is a major shift, isn't it?

Mr Leutton—It is a huge shift.

Mr WINDSOR—One of the comments you made earlier impacted on me, at least. You made the comment that we are looking at a supermarket of competencies. There is a 'passport' concept of these people moving about—not starting work on a farm at 15 and retiring at 65, and everybody knowing they are competent because they—

Mr Leutton—They have always been there.

Mr WINDSOR—They are part of the woodwork. I would just like the secretariat to note the phrase 'supermarket of competencies', because I think it is something that we should try to flesh out. It reflects the changing nature of young people at work.

Mr Leutton—We need the committee and your ministers, as you referred to, to be able to come to the bureaucracies at all levels and say, 'Here is the concept.' Industry needs to get off its seat and do something as well. Without industry going to the supermarket and saying, 'That is the competency we want, and let's put this badge on it for the moment,' we will not get anywhere either.

One other recommendation, after the one that Mr Windsor just referred to, is the better use of FarmBis. As we go higher in our skills on the farm, one of the concerns we have is that you can now get support to go to a FarmBis course to do international investments, but you might not even have a budget on your own farm. How can I be trained to do international investing when I do not know how I am actually performing at home, in my own business? Is that good, effective investment of government money in that training?

We fully support the FarmBis structure. We all see that as a major input to the training agenda. But we propose that, to get FarmBis support, you should need to demonstrate an effective business plan on your farm. In a way, it is against the very nature of FarmBis. If I cannot demonstrate a business plan, then why should I get support from the FarmBis bucket of money? Perhaps the first investment that FarmBis makes in me is to develop my business plan.

I have been talking to Senator Colbeck about this. We need to get bang for our buck. The government needs to ask, 'Are these businesses working properly? We have lots and lots of money being poured into all these different avenues. Where is the bang for the buck?' That is what worries me.

ACTING CHAIR—You have to be careful not to make FarmBis more than it is. A lot of it is about trying to get a different type of person. I appreciate that the cotton industry is progressive and big; we are trying to move a different generation of people to be progressive and listen to

their grandsons and not listen to grandpa. You have got to be careful about FarmBis, because that is what that does. You are talking about something in addition to that, I think.

Mr Leutton—I appreciate what you are saying. I do not think we are on different pages; I think we are on the same page. I am saying that to effectively utilise the FarmBis investment we need to make sure that even the simplest form of business approach to the enterprise is being utilised. I have worked in a number of industries and I have worked in the extensive grazing industries. I would ask some of my colleagues and friends there, 'What is your return in dollars per kilogram of meat?' and it was very difficult for them to tell me. I went from there to the dairy industry and asked: 'What is your return in cents per litre? What is your margin?' And they could tell me. I came to cotton, where there is much more of a business approach.

ACTING CHAIR—And what is the return on their investment, too? They have millions locked in there.

Mr Leutton—Exactly. So this whole thing is about business. If we are looking at a lifestyle on the farm, that is a different matter. I would suggest that is quite a legitimate pathway for someone to take, but do not expect investment in that. If you choose a lifestyle that includes being out there driving tractors, then good, go for it, but do not cry if things do not go right. If your business uses water to irrigate cotton or you use tractors to grow wheat or you use pruners to grow grapevines, let us talk business. Until we start to get smart in our business—and that goes right back to VET training—then what is the future for agriculture in this country?

ACTING CHAIR—When I look at the most successful horticultural activities in the world I come from, they are being conducted by people who have had the best education. They do not have masters degrees, like me, or bachelors degrees; they just started at 15 and said to their dad, 'What are we growing that for? They are not paying us enough.' Now they are growing things like onion seed and asparagus. That used to be a noxious weed. One of the most successful horticultural occupations at Nangiloc is exporting asparagus to Japan. The principal of the business is a farmer who used to grow wheat.

Mr Leutton—There is no reason why that person's skills could not been recognised and he does get a piece of paper if he wants it. He is from the university called 'the farm', which is a very difficult university to train in, but the outcomes are very positive. Can he manage his staff? That is the next question.

ACTING CHAIR—That is interesting. He uses other people to do that.

Mr Leutton—This is about the paradigm shift, from being a farmer to being a businessman who has a farm. When I am in business, I have to manage staff. My assets are staff, tractors, soil and water—staff first. Having tractors, soil and water but no staff is pointless, so my key asset is other people. How does he manage that? What could we do to get beside him and give him those skills? The basic core of cotton advanced, once we start to work on that, will be business planning. Added to that will be human resource management, OH&S, IR and the rest of the alphabet soup. The key thing is: what is the business all about? Once we start to work on that then we start to think about the long-term sustainability of the business. That business might include farming, environmental, social and cultural outcomes.

ACTING CHAIR—How do you teach someone to manage a picking team or a chipping team of 50 people from 50 different cultures?

Mr Leutton—In my private life, my wife and I run training courses in personal development, group dynamics and communication. It is all about understanding people. We have done work with nationals in Papua New Guinea and there is no difference wherever you go. There are the same issues, people have the same personalities and they act the same way in groups. Once you understand that, you can then maximise the return from the person. You are not using the person but you are getting more out of them because you actually know what they are going to do and how they think. You do not have expectations that are unrealistic for that person; you have realistic expectations. If we put those kinds of things into the tool kit of skills for managers and owners then we will start to see more effective use of a bunch of 50 chippers. I think that is what we are on about. I think the whole FarmBis investment in this country would be more effectively and efficiently utilised if we started to look at those kinds of issues. As I said earlier, the gravy train is the large training deliverers that bring people into large brick buildings. How does that actually fit into the scheme of things? That is the challenge we have.

Mr WINDSOR—I asked a previous witness about the implications of broader government policy, and even global policy, in relation to agriculture—the competitive nature, the downward pressures on prices et cetera, the fact that some of the industry groups have been taken out by overseas competitors and the impact that has on young people entering agriculture and seeing it with a positive future. Do you have any views on other areas of policy that are having a negative impact on the perception of agriculture or the reality of agriculture's future?

Mr Leutton—Yes; I will come at it in a couple of ways. Right now, the shortage of staff in agriculture is not due to a lack of people; it is due to a lack of money. Why would you work on a farm when you can work on a mine which is an hour-and-a-half drive away—you can drive in and drive out for four days on and four days off—driving a truck getting $100,000-plus a year? You get all your accommodation, food and keep given to you for $70 a week. Why would you work on a farm? Right now we are facing the issue of another primary industry that is on a boom cycle and can afford to draw the staff away. So that is an issue we have. I believe agriculture has some huge barriers to face. At Cotton we have formed a staff shortages task force to look at that. On Monday week we will sit down and ask: 'What can we do about that? We cannot afford to pay more, so how do we attract staff?' It is a basic, on-the-ground, money-in-the-hand type of issue.

There are state government issues of resources in regional areas. That is state government policy which is impacting. Then we have the federal issues of trade. I believe that the World Trade Organisation debates, the Cancun discussions—all those types of things—do impact right down to the farm level. There is no doubt about that. That is why I believe the farm manager being in business, rather than being a farmer, and being smarter in business is the issue we have to face. Let us look at the global picture. Which is smarter for me as a farmer in Australia: to grow an orange that is only good for juicing and to go up against the Chilean concentrates coming in, or to grow a table orange which is really juicy to eat?

ACTING CHAIR—Best orange in the world, by the way.

Mr Leutton—I would be silly to grow juicing oranges, wouldn't I? But how many of the growers are growing juicing oranges? No wonder they are being impacted. In that higher level training branding that I am talking about—that advanced level—we need our people to be business focused. If our markets overseas want 32-millimetre diameter cherries with a red spot on the back sides of them, why are we growing blue ones? That is where the broader policies of government will impact. It is not just in agriculture; I suggest there are quite a few business sectors in this country that need to focus on what they are doing and whether they are doing it smart enough.

I would suggest, unfortunately, Australians have the capacity to produce some very capable, effective workers and thinkers, but then we lose them overseas. How do we keep those people here and get our businesses working so that we get the outcomes we want? Let Chile grow oranges for juicing. Let Uzbekistan grow cotton that is low grade. We grow damn good cotton; it is high-grade cotton. It sells first. If we want to grow low-grade cotton we go into their marketplace and we do not sell. We have to be much smarter in our approach to our business. That is where we have to settle it. I am not sure whether I have totally answered your question.

Mr WINDSOR—When you look around, we produce very good wool; the quality is excellent, and our wool growers are going broke. I think our sugar industry has been reasonably efficient in productivity et cetera, but its cost structure cannot compete. We are seeing the impact of other nations on the cotton industry. The cotton industry is a great industry, in my view, but there are a lot of domestic pressures on the cotton industry as well. The dairy industry is another example.

Mr Leutton—I am not really qualified to make this next comment, but I would suggest as an observation we need to see the implications of the government's IR reforms. Is that an issue we are facing? Is that a broad policy issue which will impact on those issues you mention? In a previous life I worked in the clothing industry—I managed a quite large clothing factory. The textile industry in this country is closing down. Why? Because of IR. It is cheaper to go to Fiji. Does that mean the quality of the product is any different? No, it is the same. It is IR. Is that an issue we need to face in this country? Like I said, I am not qualified to talk on that, but these are the policy issues which come out in the periphery of this whole debate.

We need very effective, smart businesses. Again, I cannot comment on the sugar industry up front, but what is their competition? Is it the very mechanised Brazilian industry? Is it one that has sheer bulk of good quality sugar? What is the problem with the wool industry? We have the best damn wool in the world. Why are we going broke? Is it because we have farmers growing wool, or do we have businessmen growing wool? I may be being cruel to some of our wool producers, but is that the case? I think we need to get really serious about this and say: 'If you want the lifestyle of growing wool then good, but don't cry if you don't get any money for it. If you want to be in the business that produces a wool fibre, let's talk turkey.' Let us bring FarmBis and that kind of thing into play to make sure that we get the right outcomes.

We should go right back to the people who are herding the sheep and shearing the sheep. Are they in the right business position and are they trained properly to do that? Do they have the sheep shearing basics? That is what we are talking about. Are we getting effective business management on our farms? That is the issue. Fortunately or unfortunately, the cotton industry is very much a young industry focused on business. I would say that I do not represent cotton

growers; I represent people who are businessmen who use water to grow cotton. If the cotton price falls tomorrow they will not grow cotton next season; they will grow something else, because they are in business.

ACTING CHAIR—It is it a mum and dad industry? Is a cotton grower a mum and dad style person?

Mr Leutton—It covers everything. It ranges from the mum and dad family farm right through to large corporate farms. It is the same, I dare say, in the dairy industry, the beef industry and the wool industry. You have the likes of Twynam out there—large corporate wool growers—down to the family wool grower. There is the full gamut in all of our industries. Even in the wine industry I would say it is the same story.

ACTING CHAIR—We will have to wrap this up because I have a plane to catch. Ralph, if there is anything that you have forgotten to say, I can give you the opportunity.

Mr Leutton—I will quickly mention my second and third recommendations. I really recommend that this committee makes the comment to Minister McGauran that he should work with Minister Nelson, Minister Hardgrave and Senator Colbeck to see what they as a group of ministers can do to look at this. Minister McGauran, through the guidance of this committee, could put together an industry group to ask: 'What is it that we really need out there on the ground?' I would suggest that unless we actually get some action we are just flapping our gums.

ACTING CHAIR—I know that it has taken you two years just to get Cotton Basics, so we have a challenge ahead of us. Thanks again for the time and trouble you have taken. It has been a good session today. We have been at it all day. We had some really good discussions. Thank you again.

Mr Leutton—Thank you.

Resolved (on motion by **Mr Windsor**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 5.23 pm