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# HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND  
FORESTRY

(SUBCOMMITTEE)

**Reference: Rural skills training and research**

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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND FORESTRY**

**Monday, 14 November 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 Forrest, Mr Gavan O'Connor and Mr Schultz

**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.

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**Subcommittee met at 8.58 am****KILE, Dr Glen Ashley, Executive Director, Forest and Wood Products Research and Development Corporation**

**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 eighth public hearing for this inquiry, and it 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 Geelong 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. We will begin with the Forest and Wood Products Research and Development Corporation. 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?

**Dr Kile**—Thank you, Mr Chairman. I made a submission on behalf of the Forest and Wood Products Research Development Corporation. I guess it essentially covered two areas: the issue of tertiary forestry education, and also that of education or potential for education in wood products and processing to assist the development of the forest industries in this country; secondly, the issue of research and development supporting the forest industries in this country and the general degradation of the system in that regard. I made particular reference in the submission to the formation of Ensis. Since I made that submission in May, things have moved on quite a bit in relation to Ensis with its expansion to incorporate all the resources of CSIRO. I have subsequently written an article for the Commonwealth Forestry Review on the joint venture, Ensis, which I would be happy to table here. It provides some additional comment and thinking in relation to that particular venture. At this stage, that is all I would like to say as introductory comments.

**CHAIR**—Thank you very much, Dr Kile.

**Mr GAVAN O'CONNOR**—I will just go to the nub of the submission and your comments about tertiary forestry education and the apparent proliferation of institutions that are offering courses in this area. Would you care to expand generally on that?

**Dr Kile**—I was brought up in an era where traditionally we only had—I am not a forester; I am an agricultural scientist by training, but I have been involved in forestry for a long time now—the two forestry schools in Australia: ANU and the University of Melbourne. Since the deregulation of higher education, we have seen the development of a whole range of courses. There are currently about six supposed undergraduate courses teaching forestry in Australia. The three probably most credible courses would remain ANU, Melbourne and now Southern Cross. The others are perhaps too new to really evaluate them. What concerns me is the proliferation of courses.

Forestry is a specialised area and requires specialised teaching to support it adequately. With the general limitation on the number of students, I think that the traditional schools cannot continue to justify having the specialist staff to teach the courses, so they are under pressure. The new schools, as far as I can see, do not have the specialist resources to teach a highly credible course in forestry. So you are betwixt and between. I believe in a country the size of Australia that we do have to concentrate resources. The financial pressures on students have changed these days. We need to think about how we might support students. Maybe we need to go back to some more scholarship type arrangements to help students study some of these specialist courses in what might be locations away from their homes. The other thing—and perhaps it is a general issue for the primary industries—is that we need more resources devoted to marketing and promotion of these courses.

We are seeing the proliferation of forestry courses. What concerns me more, though, is the fact that the wood processing industry is expanding in this country. We see continuing investment; we see rationalisation, consolidation and an increase in the size of processing facilities, which are often quite technically advanced manufacturing plants. I believe we are seeing an emerging skill shortage in the sort of qualified professional who can move into plant operations and plant management leadership in the wood processing products area. That requires less of a biological background and more of an engineering and material science background.

I have been involved in some discussions over the last couple of years to look at the potential for establishing a wood processing and products course. The ANU has been the focus of that because it offers a good location. To actually run a course like that, you need access to the engineering and material science skills of a major university, and ANU certainly offers that. It was also guided by the fact that one of Australia's leading forest products researchers, Dr Phil Evans, was recruited to the University of British Columbia four or five years ago. He is probably keen to return to Australia after completing his initial term there. We did apply for a Federation Fellowship on his behalf last year to try to gain some seed support for this initiative and to bring back the person who could lead this activity. Unfortunately, that was not successful, but discussions are continuing with ANU, the industry associations and Dr Evans directly to see if we can develop this initiative further. What concerns me is perhaps we have places being handed out for forestry education, but it seems very difficult to recruit the resources and the supported places that might be required to develop a course like this.

**CHAIR**—Relating to the exporting of forestry expertise, we have heard evidence that there is a significant shortage of people qualified to talk about forestry in itself. As a result of that, there is a decline in the ability of the industry through the educational process to maintain the levels of high skill needed in forestry. Would you like to comment on that?

**Dr Kile**—Yes, I think that is probably true in general. Certainly, forestry education has changed over the years and the requirements have changed also. It is certainly not attractive to people, due partly to industry image and people's perceptions of rural based vocations these days. There is a real problem there for the future, and I think forestry is perhaps slower to recognise this because of the long-term nature of the activity. There tends to be a lag phase compared with some of the other rural industries in actually thinking about and responding to the situation that is before the industry.



**CHAIR**—That would indicate to me—and correct me if I am wrong—that there is a lack of forward vision or planning in terms of the need to fill many of the positions required to ensure that forestry remains viable. The evidence that we have picked up so far with respect to the forest industry also appears to me to be centred around the different forestry industry bodies not talking to one another and certainly not focused on marketing the positives about their industry. This is occurring to the extent that we are missing an opportunity to sell to those people that we should be targeting the benefits of getting into the forest industry, particularly regarding the flow-on from growing trees, and that is marketing trades that are conducive to the expanding wood industries in Australia. Would you like to comment on that? I know I have made a broad ranging comment, but it is all interrelated.

**Dr Kile**—There is recognition that we have some difficulty in coordinating industry at a peak level in Australia. We do have two major groups vying to represent the industry. From my knowledge of them, it is perhaps not as gloomy as you might suggest. They do actually talk to one another, but there needs to be better coordination on these higher level issues. As I say, there is a bit of a time lag here because of the long-term nature of this industry. People are slower to perceive the issues than perhaps we have been in some of the other industries. The industry is quite technologically sophisticated in the manufacturing process. You only have to see the job ads in some of the newsletters these days to indicate the difficulty that some of these companies are having in recruiting people to run some of these facilities. We essentially see one company cannibalising another to get the skills they need.

**CHAIR**—Do you think that is related directly or indirectly to the level of remuneration in the trade? Do you think the level of remuneration is significant to attract people into the industry?

**Dr Kile**—I am not familiar with the level of remuneration, but my feeling is that these companies are generally fairly good payers. The challenge is regional locations and these days working partners and how to accommodate that. As I understand it, it seems to be a general issue for the rural industries. The mining industry also experiences significant difficulties in this area.

**CHAIR**—Finally, do you think that the states, territories and federal government are focusing significantly on agriculture to instil a positive feeling out there in the community, to the extent that people are thinking about agriculture, or do you think there is a role for governments at all levels to play in terms of assisting with the marketing program? More importantly, do you think governments need to do more in terms of promoting agriculture as a viable career path option for younger people?

**Dr Kile**—Certainly governments can help set a positive environment for that. It is probably incumbent upon the institutions themselves to market their courses, but in my experience they just do not have the resources to run regular marketing and promotion activities to support their courses. This goes perhaps to the image of the forest industry in Australia. I think it has been pretty well demonised by the environmental movement; forestry and foresters have borne the brunt of that with the dismantling of the traditional forest agencies. Enormous experience in land management and fire management and things have been lost out of the system as a consequence of that.

Even today, despite native forestry essentially being reduced to a cottage industry on mainland Australia, you will still see a lot of denigrating comments about forestry and forestry practices.

Every artist and entertainer seems to believe it is their right to have a free kick about forestry, which does not help. These things get absorbed into the popular view of things of the world, and all native forestry tends to get equated with deforestation or logging of old growth and these sorts of images are created. That makes it less attractive for people to think about the industry. At those young ages when they are starting to make career decisions, they see forestry being associated with unsustainable practices and things, when actually the opposite is true. There is potential for government to help set a more positive image for that. Unfortunately, native forestry still tends to be a political football at both state and federal levels, as we have seen over the last four or five years in New South Wales and other states.

**CHAIR**—Yes, it is pretty sad really when Australia has a reputation for best practice in terms of forestry and a reputation for sustainability unmatched anywhere in the world.

**Mr FORREST**—We heard on Wednesday from the foresters association. I am trying not to get depressed here with your submission. It is a bit like the chicken and the egg; which has come first: the decline in student numbers or is it that the whole lot has converged?

**Dr Kile**—There has probably been a bit of convergence. It would take probably a PhD thesis to work out the cause and effect. We have seen a general decline in the attractiveness of agricultural forestry. We seem to go through these cycles. We have had it with nurses and teachers as well; these courses seem to become less fashionable. There is an issue there. In the case of forestry, it has been exacerbated by the environmental and political debates that have gone on around forestry. The University of Melbourne, for example, in a decade has gone from having entrance scores for forestry which were as high as law and medicine to basically accepting anyone who can pass a VCE now to take the course. I think that is indicative of the decline in status that we have seen.

**Mr FORREST**—It is not just forestry, though; it is agriculture across the board. I fought hard to get this inquiry because of what has been happening in Victoria. It is bigger than just forestry.

**Dr Kile**—Yes, it is bigger than just forestry, and you see the move to reduce degree courses from four years to three years to try to attract people into the industry. I do not think all those things are necessarily negative if they can be combined with the specialist education that is required. We do need to be flexible about the way we deliver some of these courses. We cannot necessarily just go on doing what we have done in the past. It is a significant issue for the future of these industries.

**Mr FORREST**—Trying to get on to something more positive: how do we do it? Do we go back to regulating the number of courses offered or try to let the market determine that?

**Dr Kile**—I do not believe that market forces necessarily work in these areas of specialised education. They are areas that you might recognise as national need, if you like. We need to be careful that we support those professions that significantly underpin wealth creation in this country. In the case of forestry, I would like to see cessation of additional funded places being provided for forestry courses around the countryside and perhaps over time some rationalisation of the current courses. Maybe we should also think about some accreditation of these courses to see which might be judged to be appropriate courses. That has international implications, because we do have the capacity to attract overseas students in this area. We need to somehow

provide the resources within universities to help market and promote these courses on a consistent basis.

**Mr FORREST**—I am just trying to work out how you would do that. The Commonwealth regulates the places. Would we call for a national tender for two universities? How do you physically—

**Dr Kile**—I am not au fait with all the arcane processes of funding of university courses in Australia and how those issues are dealt with. I am not sure how you would do that.

**CHAIR**—What about the issue of the private and government extension services? What should be the balance between the private and government extension services? Hopefully, after I have solicited an answer from you, you can offer advice based on your experience of how we can achieve a better balance.

**Dr Kile**—Forestry has never really been burdened with government extension services in the way agriculture has been traditionally supported through government extension. There has never been that sort of infrastructure.

**CHAIR**—Should we?

**Dr Kile**—There are mechanisms there that can probably deal with it. There is quite an active private forestry consultancy profession in Australia. There is some government support through the private forestry committees. Also, some of the states have private forestry groups within their resource management agencies. There is also the Australian Forest Growers, so I think there are adequate mechanisms in place to support that. Traditionally, of course, forestry has been a much more government oriented activity, but we are now seeing a lot of new forest owners through managed investment companies. Also, there has been an expansion in the number of private growers. The plantations are managed through these sorts of companies, so that is less of an issue; perhaps the issue is more pertinent in relation to private native forest management. The reduction in harvesting in native forests has tended to produce more demand from private native forests. There may be a case for more support to help private growers manage those resources effectively.

**CHAIR**—You mentioned previously the negative impact that the anti-forest groups and movement have created for the industry. I make the point that the industry are playing catch-up; it was not until about five years ago that they recognised, after some comments from politicians, that they needed to undertake an educational process through the schools system, particularly for year 9 and year 10 students, to paint the positive side of the industry rather than allow the negative momentum to continue. Do you think we need to do more of that? They have done a very good job, but going back to my comment: the industry seem to be in catch-up mode rather than being more aggressive in terms of their promotion of the positive side of the forest industry. Would you care to comment on that?

**Dr Kile**—That is quite a reasonable summary. The industry has been in catch-up mode. The front tends to spread all the time. Plantations were put forward as the alternative, and now they are under attack in various areas around Australia.

**CHAIR**—Yes, from the agricultural industry itself!

**Dr Kile**—In part from the agricultural industry, but also from the environmental movement who see that as a further opportunity, with issues such as chemical use and water and things like that. My own organisation takes a role in trying to produce well-researched information that can help industry deal with some of these issues. Last week we released a major study on the socioeconomic impacts of plantation over time, which looked at the impacts of plantation development in the Great Southern in Western Australia and the south-west slopes of New South Wales. We regard that as a positive contribution. It has produced some good quantitative information about plantations, as opposed to many of these things which are essentially perception based.

**CHAIR**—That was the area I was commenting on in terms of some of the positive stuff that came out. I actually represented the south-east part of New South Wales for a number of years as a state member.

**Mr GAVAN O'CONNOR**—Would you just outline some of the new opportunities in wood processing and the new skills that are required for the industry in the future?

**Dr Kile**—It would be on the scale of some of the investments that have been talked about, such as the potential expansion of Visy mill, a new pulp mill in Tasmania and the new Hyne mill in Tumberumba. These are very major capital investments. A higher level of technological skill is required to be au fait with the equipment and machinery used in those facilities. Additional work in product development is required, but it is the actual management of major capital investment facilities and leadership of the industry into the future.

Other countries have recognised this. Ten years ago the Canadians had a major consultation with their industry and decided to establish what is called the Centre for Advanced Wood Processing in the University of British Columbia. This offers a five-year course in wood processing and products, including 18 months out working with industry, so industry takes on these people as trainees during that time. When they graduate, they are ready to go into mills, at least in junior management levels of these organisations. That has subsequently been followed through. New Zealand is developing a similar training program, and South Africa; they are all using UBC as a model.

**Mr GAVAN O'CONNOR**—We do not have to reinvent the wheel?

**Dr Kile**—No. Interestingly, they managed to obtain something like \$20 million from the Canadian government and industry to establish this facility. That paid for the capital cost, and the remaining endowment of about \$14 million helps pay the costs of running the centre, including the salaries. I think there are some good models that we can follow.

**Mr GAVAN O'CONNOR**—The issue that you raised in your submission about CSIRO's division of Forestry and Forest Products, do you have some concerns there?

**Dr Kile**—I guess I should—

**Mr GAVAN O'CONNOR**—You can be honest here!

**Dr Kile**—I should indicate that I am a former chief of CSIRO Forestry and Forest Products.

**CHAIR**—You should have some in-depth knowledge of the issues.

**Dr Kile**—Yes, I guess—

**Mr GAVAN O'CONNOR**—We are into constructive criticism.

**Dr Kile**—I am not against the issue of the joint venture; there are some positives to it. The whole research system in Australia and New Zealand is under funding pressure. Combining our skills in some areas makes a lot of sense. I do not have a difficulty with the general concept. However, I am concerned that effectively all the resources of CSIRO Forestry and Forest Products have now gone into this joint venture as opposed to what has happened in New Zealand, where only perhaps two-thirds of the resources of the former forest research have gone into Ensis; the other third remains as an entity which they have re-branded as Scion. If this joint venture does not work, the New Zealanders can merely put their pieces back together and they will be able to maintain a significant research capacity. Two things concern me: first, whether this venture can most of the time really address our national interests; secondly—and I wish it well and hope this venture works—if it does not work, what happens then? Will CSIRO establish the FFP brand name or will it merely disperse the elements across other CSIRO divisions, and the forest products focus of that research activity will just be dissipated across the broader CSIRO? Those are my concerns.

**Mr GAVAN O'CONNOR**—You mentioned in the early part of your evidence an article that you wrote recently updating some views. Could you outline that?

**Dr Kile**—Yes, I was asked by the Commonwealth Forestry Review to write an article on Ensis and what it meant. I have prepared a two-page article that crystallizes my thinking on that issue. I am happy to table this for the committee.

**CHAIR**—Yes, we would be happy to receive it.

**Dr Kile**—My concerns are really those that I have outlined: will we be able to address our national priorities through this mechanism, and what happens if this does not work? Ensis initially has only been established for three years, one-and-a-half years of which have nearly gone. Already the chief executive of CSIRO has been suggesting in interviews that perhaps this entity in due course might morph into a privatised arrangement and I think that is a real concern. We really need to make sure that, having formed this entity, it is allowed to settle down and work. We need much less emphasis on reorganisations and restructuring and much more emphasis on research delivery.

**Mr GAVAN O'CONNOR**—The generic issue of the image of agriculture and forestry is one that this committee obviously has to look at, simply because, if people are not there to skill-up in the first place, then the whole educational edifice tends to be put under pressure. Do you have any general views as to how this image might be addressed? Over time we have seen a lessening of what you would call that day-to-day contact between many Australians and a rural experience, especially for younger students. Many of them do have the view that milk really is grown in cartons and is not produced elsewhere. That seems to be a perennial problem.

**Dr Kile**—Well, I do not have any magical solutions to these issues. We can only achieve something by all the relevant interests at all the different levels through the agricultural system trying to work together to help promote a more positive image, and perhaps being less defensive about some of the things that do occur within these industries. You are left with the impression that forestry is perhaps only tolerated by some of the governments around the country at the present time. Given what has actually happened, I think there is a very positive story to tell. These are important industries; a lot has happened, and a lot of positive things are still happening, even though the native forestry industry has been downsized quite significantly. Really just a shift in attitude and certainly some stronger messages from government would be probably quite helpful in this regard.

**CHAIR**—I would like to solicit some comment from you with regard to the marketing side of things, particularly relating to the reality that we import more timber than we can grow in this country. I think the figures about five or 10 years ago, when I had an interest in forestry in my position as a member of parliament, were that we imported about 60 per cent of our wood into this country. Do you think that is something that has not been pushed forward into the public arena sufficiently or aggressively enough?

**Dr Kile**—The figures keep getting quoted, but they do not seem to make much of an impact. We have run a net trade deficit of around \$2 billion a year for the last decade, and that has not shifted. In fact, it is potentially perhaps increasing through the good economic times that we have had. I would have to go back and look at those precisely, but certainly it has not diminished. Some of the present developments would help have a significant impact on part of that deficit in the pulp and paper side, which is roughly half of it. We import a lot of paper products, particularly printing and writing paper, so new pulp mills and things would go significantly to address that. We are importing increased quantities of tropical timber to make up for what we cannot supply from our native forests now. We are importing timbers of red colours to replace jarrah, because we cannot source enough of that material in the Australian market. There are moves to import eucalypt into Australia from South America. That is only held up at the moment because of a quarantine issue. That is another subject in which I have an interest. I have recently written an article for the Institute of Foresters of Australia on this, that we could end up adding eucalypt timber to our intractable balance of payments problems unless we are careful. That seems rather incongruous.

**CHAIR**—Finally, I was at a meeting the other day where the question was asked about the criticism of the forestry industry in relation to lifting land value prices because of the way in which they were purchasing agricultural land. The outcome of that was that people in the industry vehemently denied that, and made the point that they were in a competitive bidding situation with people, and in most cases they lost out to the purchase of property because of the inflated prices that were pushed to purchase from people outside the industry. Would you comment on that? It is disturbing for me to think that you are competing against people in agriculture to the extent where people in agriculture are saying that the industry is responsible for inflating land prices, when the industry is vehemently denying that it is.

**Dr Kile**—I would be very happy to send the committee a copy of our socioeconomics reports which were released last week that actually deal with this issue. They demonstrate that where you have additional competition for land, as you have had in the Great Southern in Western Australia over the last few years, you have seen an increase in the land values in those shires

where trees are being planted. Certainly they are in a competitive situation, and the facts show that there is some impact on land values. I would be happy to forward to the committee a copy of those reports.

**CHAIR**—That would be very helpful, thank you.

**Dr Kile**—That is the most up-to-date and most factual information we have based on the study of the ABS data and the land price data.

**CHAIR**—Dr Kile, thank you very much for your contribution. It has been very helpful and very informative. The committee seeks to glean as much information as it can from people who have put in a submission and want to make a contribution. We need to have information from the industry and from other people affected by rural skills shortage, warts and all. I appreciate the open and frank way in which you have given your evidence here today; it has been very helpful.

**Dr Kile**—Good. Thank you, Mr Chairman. I guess from my perspective, we are talking about the long-term national interest here.

**CHAIR**—That is right. Thank you.

[09.37 am]

**DENNIS, Mr James, Chair, Agriculture Standing Committee, Primary Skills Victoria (ITAB)**

**HALLIHAN, Mr Gregory, Executive Officer, Primary Skills Victoria (ITAB)**

**CHAIR**—I welcome representatives from Primary Skills Victoria. As I have said, we cannot obtain information and make recommendations unless we have input from people such as you. 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 Dennis**—Thanks, Mr Chairman. If I may be so bold, I will start proceedings and give an introduction and a brief description of Primary Skills Victoria and what its role is in rural training. I will then pass over to Greg Hallihan to give some details of our submission. May I take this opportunity to present our supplementary submissions?

On behalf of Primary Skills Victoria, I would like to thank this committee for the opportunity to make a presentation. I will give a brief rundown on Primary Skills Victoria's council. It is an industry training board situation, and represents quite a number of rural based industries—agriculture, horticulture, we would like to think is probably the larger industry, and I represent that through the Agriculture Standing Committee. We also have amenity horticulture, the seafood industry, conservation and land management, and animal care and management—two industries that have come on board through the training packages in the last few years.

The council has, as its membership, industry representatives and union representatives, specifically the Australian Workers Union and the Australian Services Union, which are the main employee unions involved in those industries. We also have a number of observers bringing expertise and knowledge to our meetings, such as Rural Skills Australia. The agricultural membership on the board is drawn from the education committee of the Victorian Farmers Federation which gives them a good base of representation. Farmers, as you are well aware, are a small business, and in definition, probably a micro-business. Quite often there are only one or two operators. So, it is a bit too much to ask for education to be at the top end of their minds in decision making. It is beneficial that the education committee in the VFF represent the interests of all farmers. Might I add that PSV has a very good working relationship with the employee side of the board, and I personally take great heart in the way in which the board works in a cooperative manner to solve education and training problems. We can happily leave the industrial side of things to the VFF as a separate issue, so it works quite well.

The role of Primary Skills Victoria is to be an interface between industry and government departments, both federal and state, but more particularly the Office of Training and Tertiary Education. When I was first involved with education and training on a local level, government



departments were seen as bogeymen, citadels that could not be accessed, devoid from the real working place and where training was being delivered. Certainly through Primary Skills Victoria and the industry training board, there is a real two-way movement of information. The people who work for us at Primary Skills Victoria are held in very high esteem by the department. There is a good flow of knowledge and understanding, and good results are developing from working with the department rather than against it.

There is a very good working relationship between Primary Skills Victoria and industry—because our executive members actually move through the communities—not only with farm organisations but also with the training providers. We gather information, determine where demands and needs are and try to address those needs. At this stage I will hand over to Greg to give some of the details of the submission.

**Mr Hallihan**—I will not take long. I have summarised the paper in front of you just quickly, and the council has suggested some possible solutions. In PSV's previous letter, the issues exploring the drift of young people to the urban area was raised. With no evidence of arrest in this decline, concerns abound as to the future of the expertise to maintain agricultural enterprises as well as the wider issue of the structural ability of regional towns to survive. A skilled work force is required to maintain the viability of basic services such as electricity, plumbing, emergency and medical services. The health of non-urban communities is critical, as I am sure you have understood time and time again throughout this inquiry. With the greater proportion of the population in metropolitan areas rather than regional centres, and with the general loss of connectivity of agriculture which was a feature of early generations, it is important that young people in metropolitan areas be encouraged and assisted to undertake programs in agriculture and, if necessary, provide these at locations in regional areas. I just add that even though this is directed towards agriculture, because we have a coverage of conservation, land management and horticulture, it is directed to those areas as well. It is not that we are favouring one over the other; it is just that agriculture is not seen as a favoured destination, and that is what we are looking at.

It is the industry's view that the earlier a young person is able to engage with the industry, the greater the chance of their viewing the industry as a viable career option, and that commencing the program at year 10 and not only year 11 should be seriously looked at, and even earlier as far as understanding the sector. With respect to options available to students within schools, the number of options has increased to the point where these can be seen as becoming confusing among parents and students alike; this is based on some research we did. The federal government's promotion of the school-based new apprenticeships by providing subsidies to employers has not necessarily helped, since there is considerable evidence that this has been seen by schools as an opportunity to shift costs, with funding liabilities being transferred to other state authorities. Further, in many cases, school administrators are not adjusting program schedules to ensure that those students undertaking school-based new apprenticeships and their school programs are not disadvantaged by missing the academic classes and subjects.

By way of background, a report was published in 1920 stating that in Victoria—and I assume this would be consistent across the rest of Australia—there were 20 Victorians to every farm, meaning there was a great chance of connectedness between cousins, uncles, aunts and the like. In 1970, this ratio had risen to 50, and is projected by 2030 that the ratio will be 400 to one. The chance of connectedness to the land is just running away very, very quickly. This has also been

supported by an RMIT survey of 700 students. Out of those, only 15 indicated their preparedness to move into agriculture, which is a fairly poor response. Also of note, it only takes a very small percentage of urban populations to gain interest in agriculture—to the point it is actually only point one of one per cent of urban populations—and we would not have a problem as far as getting people into agriculture training and also employment. Whereas, compared with other areas, we are looking at three times that to satisfy the demand. Without being presumptuous, the council has suggested that one way forward to solve this problem would be the establishment of year 11 technical colleges consistent with the current policy direction of the federal government, which has left agriculture off as a high demand area.

It is suggested that these schools would have an integrated curriculum where agriculture is used as a driving force for delivery of core subjects—in other words, it is integrated, not just an add-on and a dag at the end of the sheep, excuse the pun—and will provide a pathway for students in urban and large city centres to aggregate together in what would otherwise be thin markets. This would provide a strategic link between programs now offered within secondary schools and the VET sector, namely the school-based new apprenticeships, Ag in High, years 11 and 12, and VET in schools, and successful students would then enter directly into apprenticeships or universities providing agriculture degrees. That was a suggestion we would like to see pursued. It was also noted that some examples of this are available in Western Australia where traditionally there was a ratio of 60 to 40 between urban and non-urban participants in these schools; that has reversed, so we now have 60 per cent of those involved in those schools coming from urban centres. Of that 60 per cent, half of them are entering into agriculture in either direct farm apprenticeships or service industries.

With respect to the ageing farm cohort, the problem has been well canvassed, I am sure. What is less well appreciated is the issue of professional capital within training organisations and, for that matter, with the extension arms of the departments of primary industries in all states which have also been steadily depleted. In recent years, the loss of teaching expertise in both the industry environment and in the more formal training environment has exacerbated the problem associated with a lack of skilled work force. The pool of knowledge and breadth of industry understanding is becoming less comprehensive as the appreciable more technically skilled older cohort are replaced by often part time training operators with industry experience, but little time for preparation and increased levels of reporting protocols. They have a range of industry skills which are of great value, but may have a limited ability to communicate which can limit their capacity to act as trainers. The industry skills are not necessarily matched well to the technical craft of teaching.

The council has suggested a way forward would be the establishment of scholarships or cadetships in agricultural science with a second or sub-major in teaching. This would provide a pool of graduates who would be contracted for a period of time into extension, teaching in secondary schools or the VET system. It would also provide an additional career option that may be more acceptable to the current crop of career teachers where rural careers are not seen as attractive. The decline of agricultural scientists, agricultural degree holders just continues to go on, particularly where the major run of agriculture teachers who traditionally came into secondary schools had an agricultural degree. Now that is not the case.

A second way of moving forward on this would be the establishment of a formal exchange program between the vocational system and the departments of primary industries. This would

require formal letters of understanding—I am moving quickly forward so I do not take up too much of your time.

As to the final issue, which is a summary of that paper you have before you, the use in training of the national training packages for agriculture has met with a mixed reception. While the national rural training package underpins all accredited training in Australia, there are concerns surrounding the package and competencies within the training package. Lack of consultation mechanisms in the development of the training package to meet commodity specific training needs are seeing two parallel systems being developed. Instead of having one silo, we have two silos: those within the agriculture departments of government, and those within the accredited vocational system. This lack of engagement with accredited training is already appearing in Victoria where the Department of Primary Industries already delivers in excess of 300,000 student contact hours—that is how the training is calculated with bums on seats. This represents over 30 per cent of the total delivery in agriculture. The case advanced for this centres around the immediacy and differing learning styles of farmers as well as the criticism of the training package embodied in the submission. Training in rural sectors needs to be just in time, targeted, and not large qualifications, although training leads eventually to a qualification and is seen as a good outcome in respect of quality assurance and that type of development of qualifications.

In summary, the perceived disadvantages with the training package include: that the package is seen to be inflexible with qualifications becoming increasingly lengthy from certificate to advanced diploma; there are no nesting arrangements—people have to go back and start again. If they do a certificate II and go on to a diploma, they receive very few credits for it. Mechanisms to review the training package become laborious and complicated, and the current form of the training package is not readily used to develop pathways.

There are issues also raised in that paper dealing with a policy decision from DEST, which I will read out, because it is fairly important as far as long-term sustainability of the skilled work force:

Another issue likely to exacerbate problems with the uptake of the package again concerns the AFISC as the national training body, and which over the next two years intends to undertake a series of projects under the banner of continuous improvement. These are aimed at developing common units and qualifications across all industries within its jurisdiction (agriculture, horticulture, animal care, conservation, seafood, food processing and racing). While moving to reduce duplication in the packages which is laudable, industry believes that this action will create generic competencies that will lead to a loss in the specific technical detail required and this will result in industry's disengagement with formal training.

A way forward could be the development of a high-level steering committee between DAFF and DEST and national commodity groups. The aim of this committee would ensure that the silos do not continue separately on their own paths but relate very closely to each other and interact very closely to each other. This committee would ensure that standards development within the national training package truly reflects commodity needs and the clear long-term objectives of the government, for example, sustainable resources, not those of the educational bureaucracy, which is to reduce the number of qualifications. A strategy would be implemented to ensure the interconnectedness between the education system and the needs of rural skills development, that the research to practise outcomes within agricultural departments would be integrated with the delivery of programs, whether within the education system or through more informal mechanisms which are developing all the time.

**CHAIR**—Thank you very much, Mr Hallihan. As the Chair, and I know I can speak for my parliamentary colleagues, can I say that your contribution through your submission is a very significant one. It is the first time from memory in the hearings to date when somebody has come up with a very, very positive criticism of the current system and also highlighted the need to look at the primary skills, not just in your home state of Victoria but obviously the problem extends right across the country. I want to make the point that it is an excellent contribution and we thank you for it. One of the things that we as a committee require from people who come and give us evidence is an open and frank overview of their concerns compounding the problem of rural skills shortages, and you have done just that in your submission. I know my parliamentary colleagues will have a significant number of questions to ask you. I want to end up my saying thank you for the detail that you have put in your submission. It is very important because what we are talking about is the future of agriculture in this country. If we do not get that sort of information from people like you, we cannot make the appropriate strong recommendations that are needed to be made with government.

Before I ask Mr Forrest to ask any questions, you referred to school-based apprenticeship schemes which is an issue has been covered to some degree in the past. As an example, in the early 1990s the then New South Wales government opened up what it called technology high schools. Part of the process of marrying up a high school with a TAFE component was that it allowed year 10 students to do TAFE apprenticeship courses in the same environment. The object was that if a year 10 student wanted to take on a career path centred around a trade, he did two, three or four years in that environment and his years of study were credited against his apprenticeship requirements, so that when he left school he may have had two years up his sleeve of a four-year apprenticeship program. That has obvious benefits, not only from the trade's point of view but from the point of view of the cost to the student in terms of doing the four-year course against the two years outside of school hours. Would you care to comment on whether that sort of initiative would marry in with the points you have made regarding the state school-based apprenticeship schemes?

**Mr Hallihan**—In principle they work well. If that system can be put in place—and it is to some degree in place across Australia and Victoria—I think that, unless it has a strong connection to the land, it does not work very well. Even with the school based New Apprenticeships, statistically the numbers engaged in agriculture are very small. Horticulture is very popular, yes, but in agriculture they are still very small in relative terms. Our discussions have clearly highlighted that it is not where you have that connection with agriculture that you have that problem; it is where you do not have that connection with agriculture. I think that 75 per cent of the population in Victoria are in metropolitan Melbourne and its suburbs. Most of those people do not connect with agriculture. We need pathways to actually allow that to happen, which is that alternative model of the years 11 and 12 of ag college, where we can aggregate thin markets or thin participation together.

**Mr FORREST**—I can only reiterate the chairman's comments: this supplementary submission you have made is fantastic. You mentioned the lack of nesting arrangements. I wondered what that term meant. You have half explained it; could you just go a bit further. This surprises me, given a lot of effort has been put in to make sure there is a staging—that people get one ticket that is credited for the next stage.

**Mr Hallihan**—In the national system there was a policy decision in the development of training packages in the agricultural sector that anyone should be able to enter the training system from any level. That meant that, if someone chose to come in at a certificate IV/V level, they did not need to build a qualification from the lower levels up. There is some good commonsense in that. However, in practical terms, it negates against itself where someone cannot engage in a cert II—traditionally the level at high schools—and then do a cert III or IV and have everything they have learned added together to get their diploma or their cert IV or cert III. Nesting does not exist within our training package, and it requires a cooperative RTO or school to accredit and map any previous learning—whether it be through certificates or lifelong learning—to tick off and get them advanced status in their further qualifications. So, in principle it works well; in practice it does not. We have people having to do a lot more hours than they otherwise would need to do, which disengages farmers particularly from the qualification.

**Mr FORREST**—I will pick that point up. One of the other things we are looking at is good examples in other states. In the last paragraph of your first submission, you mention excellent examples of delivery at the secondary level. Can you give us some examples of those so we know what to go looking for.

**Mr Hallihan**—Western Australia is a good, solid example that has been there for a long time, particularly in respect of the changing weighting between urban versus rural participation and the fact that it is actually aggregating people together at years 11 and 12 into an agricultural career. When I say agriculture, it is a rural context, so you may not be on farm but you might be a service provider—you could be a welder, a fencer, a mechanic or any number of those. That is a good example to look at. Certainly in Victoria we do not have that capacity. Other states do, to varying degrees. New South Wales is a good example, where the ag colleges are still attached to the Department of Primary Industries or the ag department. Although it is not core business, I think out of this inquiry there needs to be a clear message that the two need to work more closely together, as in the silo of the ag departments and the silo of the education departments.

**Mr FORREST**—In your supplementary information you have mentioned an example of a brokered pathway that the Grains Industry Training Network has established with equipment suppliers in the driving of headers, which is one good way of getting an industry connection. Can you comment further on whether that is a key element in other industry sectors as well, machinery dealers and so forth.

**Mr Hallihan**—Taking a positive approach, when there is the establishment of 11/12 ag colleges, it would be imperative that they aim to build strong partnerships with machinery manufacturers—and, for that matter, any suppliers. One thing we have learnt along the way—and I am sure James will back us up here—is that ag students will put up with rain, hail, shine or whatever, but they really want to work on at least the same quality of equipment that they are working on out on the farm. If a facility or training organisation does not present the current technology in its equipment, then you would disengage the students—and farmers for that matter—very quickly. Those partnerships can be developed and they do work.

**Mr FORREST**—How do you do that, though? How do you get a John Deere or a Ford tractor company to take an interest in providing equipment for training? What do they get out of it?

**Mr Hallihan**—It is statistically proven—and this is the sales point that goes across—that the first piece of machinery a student will sit on is generally one they get attached to, particularly if it is seen as being very positive and well supported.

**CHAIR**—It used to be a common practice years ago, and it has died off.

**Mr Hallihan**—It was.

**CHAIR**—Just for my colleagues' benefit: I can remember various companies making a contribution to the TAFE system, not only to promote the industry but also as a goodwill process in terms of what they were selling to the industry itself.

**Mr Hallihan**—That highlights another area of the submission: the lack of capacity within educational institutions, whether public or private. In those days, generally speaking, you had someone who came through the industry who was passionate about the industry, then became passionate about communicating their industry knowledge, taking kids from unknown to known. Along with that, they knew Jim Smith down the road at the local mechanics or the local wholesaler and that came into the institute very well. That connectedness is not there anymore because we are losing that human capacity and capital. It is just not there. Those long, strong relationships are being lost, and we need to do something to bring the ag side of professional development back out.

**Mr FORREST**—A modern tractor today has space age GPS technology, and you cannot use the 20-year old Fordson that has been down in the workshop. What do the machinery dealer manufacturers get out of it that we could promote? What do they get out of it?

**Mr Hallihan**—It is predominantly that first stop, the first time someone operates that equipment. To an extent, I suppose, it is like taking it for a test drive, so they will use that equipment again and again. John Deere in particular are very big in that area—not only in agriculture; John Deere are very supportive on that methodology across primary industries.

**Mr FORREST**—They are overseas, but not here in Australia. They even have universities over there.

**Mr Hallihan**—Again, I really believe that, to make it happen, there has to be a relationship between the manufacturer or the wholesaler and the training institute. The Grains Industry Training Network were able to run the header courses to which you were referring because there was a champion—there was someone who started the process, introduced the two parties and said, 'There is benefit on both sides here; do you want to come on board?' In this case, obviously some of those courses that you were talking about are actually offered to farmers as well, to bring them up to date on the current equipment, so it is killing two birds with one stone.

**CHAIR**—So, as distinct from what I referred to before in the past, you are looking to more promotion of IT, the technology side of the industry, and cooperation between the educational process and the industry in the IT area. Is that right?

**Mr Hallihan**—I think agriculture needs to be marketed differently and more openly—that it is not just getting your hands dirty; there is all this new technology out there, namely GPS systems.

There is all of that but it goes broader as well—all the other services such as agronomy, things that were traditionally done within DPI where the capacity is not there anymore.

**CHAIR**—I think we have lost track of the problem in relation to the DPI, or the ag departments that came out of the state level. A lot of the services they used to supply—and I think that is what you were alluding to—have disappeared out of those government bodies.

**Mr Hallihan**—That is correct.

**CHAIR**—They are not being picked up to the extent that they should or could be picked up by private enterprise. That is where the gap is, and that is where the skills have been lost. Do you see a need for industry to become more proactive in terms of helping the education system to get back into that focus and fill the gap?

**Mr Hallihan**—Yes, to build the relationship again between the two silos. I think that has to happen at a strategic level, otherwise it will not happen.

**Mr GAVAN O’CONNOR**—Congratulations on your submission. If I can go to the detail of it. On page 5 you say:

There is a strong view that the SBNA—

The school based New Apprenticeship market—

... is being distorted by funding subsidies and the priority governments have placed on this program.

You go on to explain that. Can you elaborate on that?

**Mr Hallihan**—That is particularly with school based new apprenticeships. In some sense, if we had a really high participation in agriculture you would say that that was a benefit, even though the system is not working very well, in that at least they are engaged in agriculture and getting some taste for it. The fact is that they are not; they are tending to go to the softer, easier ones where they can gain experience. I would be surprised if this has not come out in some of the submissions, but the distortion is where subsidies are paid for school based new apprentices. That is seen as the driver for both the employer, and in this case very opportunistic new apprenticeship centres—it means they get their numbers ticked off. There has been a high intensity of activity pushing school based new apprentices within schools, which looks good on the government’s numbers as far as, ‘We have this many new apprentices engaged’. Many of them do not complete the apprenticeship because there is no way they can get through the apprenticeship in the period of time they are at school. Often it is really a way of gaining funding and satisfying other vocational outcomes within those secondary schools.

**Mr GAVAN O’CONNOR**—Rather than the industry needs?

**Mr Hallihan**—That is right, yes. It means they can cross-credit for units in, say, some of the sciences and things like that. I have a friend who used to say to me, ‘Give a teacher something as long as it is consistent, and they will find ways to work around it’. I think that is what often happens. I am not having a go at teachers here.

**Mr GAVAN O'CONNOR**—Can you expand on the decision of Melbourne University to withdraw from the TAFE program and the impact that might have.

**Mr Hallihan**—I think James could answer that one.

**Mr Dennis**—Yes. I guess Melbourne University had taken over effectively what were the ag colleges run initially by the departments. Obviously, their TAFE component involved dedicated hours for agriculture, whereas the other TAFE institutions have a broad base of training and they are not dedicated to agriculture, although they have agriculture in their portfolios. With the loss of Melbourne University as the driver or the main controller of those campuses, the new arrangements have actually split those hours, which is what we were fearful of. In the major case it is Dairy Australia taking over, with Goulburn Ovens TAFE, the dairy sector of the training. In the case of Glenormiston, South West TAFE has taken over the rest of the training.

While Greg has been talking about agriculture having a reasonably thin delivery capacity, by dividing that capacity again it is becoming more and more difficult for the various providers to justify spending the money and getting economies of scale to run programs. We are fearful that in fact those programs will be put on the backburner or just quietly disappear, because they are in fact competing with other industries and training that are cheaper to deliver. One of the biggest problems with rural training, because it is spread around and not regionalised, is getting the numbers of students to be trained. Also, it becomes much more difficult to deliver the onsite training effectively for the dollars that are allowed.

**Mr FORREST**—Western Australia did not go that way; they kept their agricultural colleges together in an entity, as I understand it.

**Mr Dennis**—That is right, and more is the pity for Victoria in hindsight. I am not quite sure why—Greg possibly knows better than I do—but in relation to sourcing funds, for some reason the department let it go. In the intermediary stage the Victorian College of Agriculture and Horticulture formed as a group in its own right. From a funding point of view they had to have some other body. They were too small, I gather, in the grand scheme of things as a funding proposition to be funded, so they needed to latch on with someone. Unfortunately, in hindsight, taking on a tertiary education facility as the overseeing entity was possibly the downfall in that a higher ed system running a TAFE system may well have lacked the dedication for the TAFE system.

One point I would like to throw in here is that having agriculture colleges like they used to have here, and which they have in WA, gives a focus for any young person in the metropolitan area who does not have access through relations or whatever to the farming systems. It gives them somewhere to go for training, if that is where their bent is. As Greg said, there is a significant movement from rural Australia to the cities for training and for people to get jobs. We need to get a small trickle percentage wise the other way. But, if there is no pathway for them, we are shot in the foot.

**CHAIR**—You have hit it right on the head.



**Mr GAVAN O'CONNOR**—Can I go to the lack of teaching expertise that you mentioned in your submission, both within industry and the formal training environment. Could you elaborate on that and this issue of the decline in professional capital in training organisations.

**Mr Hallihan**—Traditionally there were clear strategies in place to educate, in this case often ag degree holders, into the education system, and that was a clear pathway. They either slipped in as ag teachers in high school, they slipped into the TAFE system or they went into extension work within the departments.

**Mr GAVAN O'CONNOR**—So that no longer exists.

**Mr Hallihan**—That is correct.

**Mr GAVAN O'CONNOR**—So, to turn this around, we would have to restore that.

**Mr Hallihan**—I would suggest that there is an opportunity. The problem with all of this is that it costs money and agriculture is a thin market—you cannot change that. That is why the department of agriculture in Victoria got out of it; it was costing them money. It was not seen as their core business.

**CHAIR**—But it is costing us more money as a result of that.

**Mr Hallihan**—That is correct. That is why it needs to come at a policy level, otherwise it will not happen. In this situation, even if we offered some scholarships that had some tags attached, I think that would be a great benefit to adding to the capital that is out there. The existing capital in teaching in the current crop—as I suppose you would call it—are really farmers and other people who have specific technical skills who complete a Certificate IV in Assessment and Workplace Training.

I remember when I moved from my profession, which was mechanical engineering, into teaching, I realised that my discipline stayed the same but my profession changed. So I now had this great ownership of being a teacher and communicator, someone who was taking people on a journey. The cert IV in workplace training assessment does not engender that transition. You are still left back with your profession or your discipline and you miss a lot of those skills that actually are needed to deal with conflict and bringing people on that journey. We need ways of improving that capital.

**Mr GAVAN O'CONNOR**—You mentioned that aged cohort. You also mentioned the changing attitudes of students and what is required to train them. Can you elaborate on that, from your experience? Are we dealing with a new breed of student? Is it just people who do not have an innate understanding of agriculture that we are dealing with, or is there some other larger issue at stake here?

**Mr Hallihan**—I think there are larger issues; we could go into the supply and demand side. Clearly we have a problem attracting people into the industry, and part of that is opportunity and knowledge of the broad areas of agriculture. It has been said that industry has not played its part, which is most probably true.

**CHAIR**—What about the negativity surrounding the prolonged drought that we have been in? How much of that is impacting on the lack of interest from young people?

**Mr Hallihan**—Statistically, that loss of participation was long before the drought. The drought has exacerbated it, but the direction was on the downward trend.

**CHAIR**—All the more reason why we should talk up the positives.

**Mr Hallihan**—Yes.

**Mr Dennis**—I think farmers are probably their own worst enemy in that regard. You just pick up the paper and there is a dearth of good news stories and a propensity of when it is going wrong. It nearly always goes wrong on the farm.

**Mr Hallihan**—You talked about pathways. Enrolments within the conservation and land management area, or natural resource management, are skyrocketing, and a lot of those are from urban centres. Why is that? It is because of the green touch, as in people protecting the forests or protecting this or protecting that. What needs to be communicated is that they are not opposed; they are hand in glove. James has a wife who is passionate in the conservation area.

**CHAIR**—Most farmers are.

**Mr Hallihan**—Yes, and that needs to be communicated. It is not only farming; it is the rural communities that are at threat. All the positives need to be played up. We have not talked about marketing in this submission, and I know it has been marketed.

**Mr GAVAN O'CONNOR**—Can I go back to very basic levels now. We talked about this lack of connectivity that exists now between urban environments, young people and the land. It did exist before, when there were large families in rural areas. Many of those members made their way to the city and of course they kept up the family ties with those who remained on the farms. Their children spent holidays together. There was a natural connectivity that is not there anymore for a variety of reasons. Only yesterday I had some relatives out from Ireland—I had never met them before—and we were looking back over the family photos. In my father's generation there were 11 in the family. In his family there were four of us, and in our families there are two children. I think that gives us a snapshot of the fact that families are smaller and the opportunities for that connectivity are greatly reduced.

How do we get the trickle backwards, as you mentioned? How do we stimulate some interest in these matters at a very early age? Do we go back to the primary schools and make a discrete policy decision to encourage horticultural and animal welfare related activities in primary schools, and link that at that level into surrounding farms? I know, for example, a school in my electorate of Corio, which had that intention and aim but could not get funding for a fence around where they proposed to establish it. They believed it would have extremely positive effects for young students who were at risk, who had never had this sort of experience and this connectivity with the land and animals, yet they had to protect the asset with a fence and they could not get the resources for the fence.

**CHAIR**—They can now.

**Mr GAVAN O'CONNOR**—It foundered for quite sometime. Do we go to the secondary schools? I know, for example, that many secondary schools had dedicated agricultural elements in their curriculum that no longer exist. It seems to me that, if we are to begin that trickle back effect, we have to make some discrete policy decisions relating to primary and secondary education. Would you care to comment.

**Mr Dennis**—I think you have probably hit it very firmly on the head. It happened naturally before. I think we need to make it happen by another method. We are probably not going to have extra large families in rural areas to do it naturally, as happened previously. I think there is a DPI program called 'Agriculture in the Classroom'—it may go by another name—where they get a feeling in primary school that milk does not come out of a carton, as you mentioned in your earlier comments. It is no good waiting until years 11 or 12 and hoping that they will come on board. Kids want to be firemen and policemen and all sorts of exotic things at primary school, because they see those things happening. We need not only role models but opportunities for kids at that age to have a feeling for agriculture. I guess that is one of the big benefits of the royal show here in September—it is one of the few opportunities that kids of that age have to actually see anything in that respect.

The Agriculture in the Classroom program brings to the learning institutions backgrounds for them in doing their arithmetic—they are counting chickens; they are not counting logs or sticks or something. I think it is really important that you start at an early age with an introduction, and an awareness more than anything else, that it exists. Previously, the awareness was that you had relatives there and sometimes you visited them and sometimes they would come to town and you would talk about it. That is a significant part.

**Mr GAVAN O'CONNOR**—I think industry also has to take a greater role here. I know of one instance in my own family arrangements where a young lad, raised in an urban environment, got a vacant block of land and raised a calf. He got an obsession with raising an animal.

**Mr Hallihan**—Good on him; hallelujah!

**Mr GAVAN O'CONNOR**—We got some expertise in from the farm sector to mentor him. He is now an active and quite professional person in agriculture, and that is where it stemmed from—not sitting on a computer playing games but getting out and looking after an animal and being encouraged. I think there is a mentoring role for industry at that particular level. Where young students in schools demonstrate a capacity or an interest, they ought to be mentored along the way.

**Mr Dennis**—Yes. If the desire is there, they need a pathway or the opportunity for it to happen.

**Mr Hallihan**—Could I make a comment on that. The reason someone took an interest, I would suggest, was that he had a vision. I do not know how he picked it up, but he desired to do it. Someone had to do it for him. Often we can have the best curricula in the world—we can integrate science into the classroom, and teachers will tend to do that at either primary or secondary level, particularly if the resources are given to them. But the best thing in the world is to have someone who knows agriculture, who knows the earth sciences and who speaks with a passion, not a negativity towards it. They can capture those students and say, 'Listen, I know Jim

Bloggs up the road; I think we can do something here,' or they can ring the VFF and the industry to careers officer and things like that. So often these days we do not have those targeted passionate people within the school environments.

**Mr FORREST**—This is valuable evidence. I would like to suggest that the committee might want to talk further with Primary Skills Victoria. This is excellent stuff. It is offering solutions. You have been upfront and critical. I am with you with the lack of inclusion of agriculture in the technical colleges roll out from the Commonwealth. As a committee we have to try to change that. What is the makeup of your agriculture standing committee? Is it industry people as well as educators? How does the standing committee operate?

**Mr Dennis**—It tries to represent as many of the major agricultural industries as possible. The Australian Workers Union are also involved. We also draw on the TAFE sector. They have a state agricultural network of their own. We make sure the chair comes to our meetings so that we are dealing with the providers as well as the people who—

**Mr FORREST**—Who appoints the standing committee? Which minister: the state minister for education or agriculture?

**Mr Dennis**—No, the standing committee is drawn from the council. The agriculture members on the council are automatically members of the standing committee. Then we bring in extra expertise as required. With the other industries, because there are only four VFF members on the council, we try to increase that number to cover the industries more effectively but also bring in—

**Mr FORREST**—Who are you reporting to?

**Mr Dennis**—To the council. It is a standing committee of the council.

**Mr Hallihan**—The council of Primary Skills Victoria operates as an independent association. It is funded through a grant from the state government. Our key roles are to provide advice, to act as the conduit between industry and the education system within Victoria and to advise nationally. That creates the council. The council has a number of standing committees, one of which is agriculture. There are also standing committees on conservation and land management, animal care and management, seafood and aquaculture, and amenity horticulture. So the standing committees are constituted effectively by the board or the council of Primary Skills Victoria.

**CHAIR**—It sounds like a very constructive meeting. Mr Forrest actually pre-empted what I was going to comment on in my closing thanks to you gentlemen for the significant contribution that you make—and that was that, at some stage in the future, this committee may consider being in contact with you again to obtain further evidence. The contribution that you have made on behalf of your group today has been very positive. The evidence taken has also been very interesting inasmuch as your group covers a wide, diverse group of people within the primary skills area, which is unique in terms of the evidence we have heard from various groups previously. Obviously, you are thinking very much along the lines of the problems associated with rural skills shortages and you have a desire to do something about them. That is the most important point that I want to make. I would thank you for the time you have given here today

and hopefully, in the not too distant future, we can revisit your group to obtain some more views and solicit some more information from you. Thank you very much.

**Mr Dennis**—Thank you very much, Mr Chairman.

**CHAIR**—Would a member move that we accept this submission from Primary Skills Victoria.

**Mr FORREST**—I so move.

**Proceedings suspended from 10.32 am to 10.56 am**

[10.56 am]

**COULTHARD, Mr Andrew Trevor, Operations Manager, Faculty of Earth Science, Northern Melbourne Institute of TAFE**

**PAPPIN, Mr Wayne, Head of Department Agriculture and Animal Science, Northern Melbourne Institute of TAFE**

**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 Pappin**—I would like to make a brief introduction, if I may. I thank the committee for the opportunity to be able to be here today to address you on what is a very important issue not only for the inquiry, but also in the education and training that we can promote over the ensuing decades. It is important that we recognise that the Northern Melbourne Institute of TAFE is a major provider of agriculture training in Victoria, and probably one of the major providers of agriculture training in Australia. It provides training for a huge number of areas, not only aquaculture and a full suite of agriculture programs but also viticulture, wine making, animal studies, civil construction, transport distribution and warehousing—a whole gamut of areas in which we conduct training. As I said, it is a major provider of VET and rural studies training in Victoria.

Importantly, though, it is strategically located in the northern area of Melbourne to pick up the whole gamut of mixed farming activities as they operate around that part of Victoria and for the ease and convenience with which students can attend the campus and/or our thousand-acre broadacre farm that we operate near Whittlesea. It has extensive links with industry, training boards, networks and organisations that are all involved in agriculture of some sort or another. I believe that we have exceptional resources for the delivery of a whole range of training, in particular agriculture and aquaculture, and that includes the soon to be completed meat-processing and packaging plant at our Epping campus. As I mentioned, we have the thousand-acre broadacre farm near Whittlesea and a thousand-acre thoroughbred stud and vineyard at our Eden Park facilities. We have nurseries, wineries, vineyards, a herb farm, an aquaculture research facility and a fish farm. The training that we can offer is broad, particularly in the rural and agricultural areas.

The extent of our involvement covers areas such as the Primary Industry Curriculum Maintenance Management which the NMIT has conducted over the last couple of years. As I indicated, we have extensive courses across a full range, but next year we will be offering applied degrees in viticulture wine making, aquaculture and equine studies. The training is extensive and it is being developed for niche areas such as goats and deer—any of those areas that have fallen off the plate to some extent in finding providers who can actually train in those areas. We have developed curriculum and resource materials and provided the wherewithal

where people can actually attend classes either at our farms or at our Epping campus to pick up skills in those niche farming areas.

Some of the issues are tied up with the training packages. There are strengths and weaknesses in the training packages. Significant strengths include consistency of training and assessment across the national spectrum. As you would be aware, theoretically across all of Australia the training and assessment should be of a similar standard. If we are looking at that, the method of developing training packages creates a slowness of response to industry training needs. It creates some issues with currency, whether or not the training packages as they develop keep pace with the ever changing training needs and demands of agriculture industries, and that is something we need to address.

Generally, overall the department delivers 401,000 student contact hours, a large proportion of which is agriculture and, as such, we are ideally placed to be a key player in agriculture training in Victoria, given the facilities and resources that NMIT has to deliver those types of training. We presented recently a detailed submission. I will let that stand. I do not need to go into great detail or depth on that, just to indicate that I appreciate the opportunity you have given Andrew and me to come along today, and we are happy to answer any questions that you may have.

**CHAIR**—Thank you very much, Mr Pappin, for those introductory remarks. You certainly have a wide diversification of programs on offer through your organisation, covering agriculture, viticulture and horticulture. Is there a model similar to yours anywhere in the country that you are aware of?

**Mr Pappin**—At the risk of being corrected, I do not believe there is, not when you look at a faculty like ours with the huge diversity of teaching delivery plus the resources that the institute has developed to go with it. We have a 250-tonne winery at our Ararat campus which has 100 acres of vines. We are going to be running agriculture programs out of that Ararat campus. We have a 150-tonne winery at our Epping campus, plus a meat-processing and packaging plant that will be ready before Christmas, so we can actually start delivering training directly to the farmers in carcass quality and development. I personally do not believe that there would be much around Australia that would have that sort of range of diversity and resources.

**Mr FORREST**—There is a significant revenue-earning capacity from those enterprises?

**Mr Pappin**—There certainly is. It works basically as an amalgam, if you like, in providing resources for the delivery of training—which is our core activity, let us not forget that. We should not be training students to become productive farmers, profitable farmers or viticulturalists or anything unless we can prove that we can turn a profit in the development of our own resources. As that profit is generated, it is returned back to the institute to develop further teaching resources or to build facilities or whatever as required. Yes, you are right.

**CHAIR**—Where do you recruit your expertise to run your courses from?

**Mr Pappin**—From industry.

**Mr Coulthard**—It is an issue to gain the expertise, especially at the higher level, in new technology. We find it hard to recruit the right personnel because of limited numbers across the state of Victoria, or even nationally.

**CHAIR**—You state in your submission:

[NMIT] is of the view that relationships and roles between research and VET in Australia need to be clearly defined so as to provide maximum outcomes for industry.

What problems have there been with defining these relationships and roles to date, and how would you go about defining the relationships and roles between research and VET in Australia?

**Mr Pappin**—Could I allude to an overseas account. In Israel there is a clear delineation between the three levels of education—university, their equivalent to TAFE and their equivalent to secondary colleges. They have a very, very close working relationship with each other in the dissemination of research down to the farmer at grassroots level. The universities have the theoretical knowledge, which will be passed on to their equivalent of TAFE; the TAFE colleges would put that theoretical knowledge to practical research applications, to see whether or not it works; then it would be filtered down to the farmers from there as an ongoing practical application of whatever research they have been coming up with. One of our problems is that the farmer on the ground, who may be out in the Wimmera growing wheat, does not always get the latest research, either theoretical or practical, brought down to them. Unless they enrol in a TAFE course, they will not get direct input to that.

We need to find mechanisms to ensure that whatever theoretical research the universities come up with, and whatever practical applied research the TAFEs can verify as workable, get down to those farmers. With respect to solutions, we do our best as a TAFE institute to make farmers and agriculturalists aware of the courses we operate. We run them not only as full certificate courses but also as individual subjects and modules so that a farmer can upskill, if you like. That is the point where we pass on our latest applied or technical research that we may have had.

A classic is our aquaculture research facility and fish farm. We deliver a lot of classes at weekends and nights for people in industry who are picking up the latest applied research in systems development, fish health, water quality et cetera so they can take that back and put it into practice at their own worksites. Does that answer the question? It is that sort of issue we are looking at as being able to train the farmers without their needing to go to a library and reading a great wad of books so that they can get practical hands-on research experience.

**Mr Coulthard**—I think to a certain extent, because of the vast range of resources that we have, our staff are working with industry. To a certain extent they are more current than a lot of other providers who do not have those resources to go with them.

**Mr Pappin**—As we indicated earlier, we draw on the expertise and resources of industry, people who are actually on the ground practising who can teach. We bring them in to promote the delivery, as well as work to upskill our own staff to ensure that they retain industry currency, if you like.



**Mr GAVAN O'CONNOR**—Very briefly, how did you come to get your pre-eminent position, as you would describe it, in agricultural training. I know of your Preston campus. Where else are you?

**Mr Coulthard**—It all began in 1992 and it was by chance that it actually happened. We were looking at part-time, night-time horticulture programs, and the government of the time stipulated we had to involve agriculture if we wanted to take on horticulture. Basically we started in 1992.

**Mr GAVAN O'CONNOR**—Let me get it clear: it was an action, a policy direction, of government that stimulated you into the area?

**Mr Coulthard**—That we had to involve ourselves with agriculture, yes. That was in 1992 when the Epping campus was actually developed and built by the state government. From there, we have blossomed to the largest in the state, and we made a conscious decision to build the resources. If any sector of the industry looked viable and it was going to be ongoing, we built the resources to go with it. We had the support of our management at the Preston campus.

**Mr GAVAN O'CONNOR**—Where are your other campuses?

**Mr Pappin**—We have a campus at Greensborough, Heidelberg, the main one at Preston, one at Epping; then we have training centres at Ararat, which is the old Aradale Psychiatric Hospital, and the government ceded that to us. We planted 100 acres of vines and the 250-tonne winery. The herb and lavender garden is being put in place.

**Mr Coulthard**—And Yarra Glen.

**CHAIR**—You are saying that you were formulated in 1992 with a cooperative contribution by the then state government and, since then, you have had some pieces of government land handed to you and you have then managed those properties to the extent where you have continued to expand and increase your contribution to agriculture et cetera?

**Mr Pappin**—Yes.

**Mr Coulthard**—There is a mixture. With respect to Yarra Glen, that is the Yarra Glen racetrack, so we have a relationship with that centre. The institute purchased one of the properties Wayne mentioned outright. We lease another thousand-acre property where we have a relationship with a private company that assisted us. There was a need up at Ararat for primary training, and the state government approached us to take that one over.

**CHAIR**—Yours is unique in not only what you are offering but also the way in which you have expanded since 1992, which is a far cry from what normally happens when governments put money into something that starts off as a good idea. What are the reasons for that?

**Mr Pappin**—I think there are a number. One is a long-term goal as to where we think—

**CHAIR**—So forward planning played a big part of it?

**Mr Pappin**—Yes. Also having staff who recognise what industry needs with respect to its training not only for the present but also in its ongoing role. So the expansion needs to meet industry's training needs. That is crucial. TAFEs cannot function unless they have very close connections with industry. I will give an example. We run probably the biggest suite of thoroughbred racing, breeding and training packages anywhere, but we have very, very close relationships with Racing Victoria. We work in tandem with them. That has extended to the point where we write all the curriculum for the Hong Kong Jockey Club, for all of their training over there. We host their visits et cetera. The reason is being able to recognise what training is needed and to address those issues. Fortunately, we have an institute hierarchy or administration who, if the runs are on the board, are prepared to take the gamble and provide the resources and facilities. Up to this stage, I can honestly say we have yet to let them down. That would not happen anyway. It is a matter of the institute recognising where we need to be and the staff on the ground recognising that and it is a matter of being in close contact with industry, training boards, whatever it may be, to pick up where the training needs to be and where to go.

**Mr GAVAN O'CONNOR**—Let us get down to the detail of the training packages and the weaknesses. You have identified some of those in rural industries: they 'do not seem to have been able to take a forward looking view of skill needs, higher level technical competencies are generally lacking, and processes to update and maintain the content packages do not appear to be in place'. That is a fairly substantial criticism. Do you want to expand on that, Andrew?

**Mr Coulthard**—With the higher level technology, we are very close to industry and we have a lot of technologies that we utilise with our students, but we believe it is not covered in the competencies or the training package.

**Mr GAVAN O'CONNOR**—Could you give an example of that?

**Mr Coulthard**—GPS is not covered anywhere in there. Genetics are not in there to the level we require.

**Mr GAVAN O'CONNOR**—Any others?

**Mr Coulthard**—Genetics across all animals.

**Mr FORREST**—Irrigation technology?

**Mr Coulthard**—Yes, irrigation, that is another one. They now have competencies out on irrigation, but not to the level we require.

**Mr GAVAN O'CONNOR**—This is a fairly substantial gap that we are talking about here?

**Mr Coulthard**—Not substantial. I believe it just needs that topping up and refining. I do not want to be critical, but it just comes about by training packages that have developed what is now current; it is not looking for that future planning that we need to take.

**CHAIR**—No forward vision?

**Mr Coulthard**—I cannot condemn all packages. There are some good ones there, but some are lacking.

**Mr GAVAN O’CONNOR**—ANTA’s responsibilities are now in DEST. How do you think that will pan out?

**Mr Coulthard**—I am not sure. Gay Gallagher assisted in writing this—she was Primary Industries Curriculum Maintenance Manager and the one who had the role in Victoria of looking at the gaps—and, as curriculum manager, she was developing curriculum to fill those gaps. So then we were developing two systems: we had a national system and a state system. Her main concern was that they had a process at ANTA, and the rural production training package was signed off in 2003. To our knowledge, since 2003 there has been no update of that training package, but industry must have changed in those two years.

**Mr Pappin**—We all need to be conscious that, no matter what we are doing, the task at hand is not subsumed by too much bureaucracy, that there is a clear target that needs to be achieved. Workplaces need to ensure that the training packages that come out meet the needs of industry not only for now but also for the future, as we indicated.

**Mr Coulthard**—I assume you are aware of the Australian Quality Training Framework where we have standards applied by ANTA—it is auditable—and we have to abide by those because we utilise national training packages. When we are audited we cannot deviate from what the document does. So we are hamstrung in some way in that we have units of competency and assessment criteria—‘That is what thou shalt do.’

**CHAIR**—Could you expand on that a little bit. You are saying that the national training program is effectively handcuffing you guys from doing things that you have the capability to do but, more importantly, doing in such a way that what you are able to offer people in training will contribute to reducing the lack of skills training in the country?

**Mr Coulthard**—In certain areas, yes.

**CHAIR**—That is very interesting, and that is the sort of information this committee likes to hear. Would you like to expand on that a little bit and give us some examples?

**Mr Coulthard**—A bit of history. When we started in 1992, we had a document that was only state accredited. National training packages were not on the table at that stage. We were teaching to a curriculum document which at that stage was 13 years old. That was in 1992. We welcomed the training packages. We believe in them, and it is just that finetuning we are talking about.

**CHAIR**—But they are outmoded—that is what you are saying.

**Mr Coulthard**—By the time they hit the desk and they are useable by the providers, they are outdated. The states cannot handle it. I am part of a network provider group down here and I sit on the PICMM committee. We cannot supply the funding and the knowledge. We do not have that resources here. It does have to be achieved at a national level for consistency, but it needs that finetuning at the top.

**CHAIR**—Why is that process there? Do you think there is a lack of follow-up in terms of accountability when the government of the day makes the appropriate contribution in the eyes of the public or the ‘political exercise’ or whatever you want to call it and gives the impression that it is doing something positive but falls down on the point I just made about no follow-up procedures to ensure that somebody is held accountable for introducing it? Or do you think there is just a group of people in the bureaucratic system that are living in days gone by and have no desire to broaden their vision and offer something that will take us forward? I know that is a very difficult question to answer, but it is very important that we get those sorts of responses.

**Mr Pappin**—Distance from the coalface, I think, has a lot to do with it.

**CHAIR**—So they are remote?

**Mr Pappin**—Yes, remote. I understand the way the system works, so you will have people who are remote from the industry that we are trying to help. Then you get the bureaucratisation of the processes, which again you cannot avoid because somebody has to set the process in motion and somebody has to actually bring it to fruition. A number of years have probably gone by before we get the final package, as it has to go through ANTA, the various state training boards, OTTE—the whole works. The agriculturalist, the farmer, whatever, is looking at new techniques they have picked up for themselves either at the local post office or when they were talking with the local farmer down the road. Training tries to keep pace with that.

What we have done—and we are quite proud of it—is that we have gone out and, at the coalface, at the ground level, recognised what training needs to happen as it is progressing. We have tried to do our best to address that—with varying degrees of success, let us be honest. I think part of the problem is that it is just such a long time and a lot of people involved between initiation of the idea and the actual finalisation of a training package. Many people have input, and they do not always agree. Compromises have to be made, and those sorts of things all come into play.

**CHAIR**—I am asking the question because quite obviously since 1992 you have made a success of what you do. You are saying to this committee that you could make an even bigger success of what you are doing if you had those constraints removed because of the archaic way in which people that are remote from the system are handling the system on behalf of government. I find that reprehensible. I make the comments for what they are worth. It is really very important, as I said at the outset and I continue to say in this inquiry, that we get that sort of information from you guys. The bottom line is: if we do not get that sort of information from you guys, the rural skills problem that we have in this country will continue and it will be compounded unless we loosen up the system to allow people with the expertise to get in there and train people and put them back into the system.

**Mr Pappin**—And that is a fair point.

**Mr Coulthard**—One of the other issues is that there are a lot of sectors in primary industry that actually do not have a training package. The ostriches to a certain extent—but they are in a dilemma in that industry—and goats are covered. We are the only one delivering nationally what we call the Velvet Accreditation Scheme. We have been trying for a long time to get that program, so in the end in frustration we threw our hands up and the state of Victoria developed

that program. All those deer farmers out there are harvesting velvet, which is a high-priced commodity at the moment, and we have developed the program and are doing that nationally now. Apiary was another one: they actually listed 10 sectors for which they were going to write new training packages for two years ago, and we are still waiting on those.

**Mr Pappin**—Something as important as beekeeping—

**CHAIR**—When you say ‘they’?

**Mr Coulthard**—It got all mixed up with the introduction of the Industry Skills Council changing over from Rural Training Council of Australia. They made the mega industry councils. In that change and mix, I think they have dropped off to the side currently. I am not aware of anything being developed at the moment. As to farriery, we are the only one delivering farriery in the state of Victoria, and it is a legal requirement to actually have that qualification before you go on a racetrack. Currently we still do not have a national program.

**Mr Pappin**—We had to accredit a state training program to get one up for next year.

**Mr FORREST**—Which entity is that? We need to find out who it is, Mr Chairman, and get them in before the committee and hurry it up.

**Mr Coulthard**—Farriery.

**Mr FORREST**—The beekeeping one is crucial. We have had evidence already from the beekeepers. What was the second one?

**Mr Coulthard**—Farriery.

**Mr FORREST**—Who is the entity we need to follow up with?

**Mr Coulthard**—I am not sure where the equine sector actually sat in the Industry Skills Council.

**Mr Pappin**—This is part of the issue too. There is to-ing and fro-ing about whether something like farriery should be in animal studies or whether it should be in equine, so at the end of the day they fall off the plate.

**Mr FORREST**—Can you take it on notice?

**CHAIR**—Yes, you might take on notice the issue and perhaps make some inquiries and get back to the committee on that. I can understand the concern raised by my parliamentary colleague. We are getting little bits and pieces about this from various groups, and he quoted the bee industry as an example. It really is disturbing to think that an industry is being held back simply because there is a lack of commitment and interest by a group of individuals who may or may not be responsible to the government of the day.

**Mr Pappin**—It is a matter of somebody taking it by the throat and making it happen. That is really what is required.

**Mr FORREST**—This is more good evidence. I am really valuing this morning's contributions from the witnesses. I just wonder about the source of students. Being based at Preston, an outer northern suburb, are the students coming from all over rural Victoria?

**Mr Pappin**—Basically all over. A lot of our students, naturally enough, because of our geographical location, are urban. We have a lot of people into agriculture and equine studies who have not handled a horse, but we train them in that aspect throughout. We are attracting students from the north-east sector of Victoria. Because we are a fairly pre-eminent trainer, be it in racing or agriculture, students are attracted to us for not only the training we offer but also the facilities we have. There is no better place to learn how to be a farmer than on a thousand-acre broadacre farm that carries goats, sheep, deer, cattle, pasture, fodder and all that sort of stuff. Through our advertising mechanisms, our industry contacts et cetera, students come from both the rural and the urban sectors of Victoria. We have a lot of trainees around the state, as far up as Horsham, down to Warragul, up to Albury-Wodonga—depending on what they are.

Another logistical problem that we have is servicing trainees around Victoria. Even though it is not agriculture, a classic example is civil construction. Because of the logistics of getting staff up to assess and train in earthmoving around the state, a lot of TAFE providers pull back from it because it is economically virtually not viable. You are compressing the availability of training for those people who really need it. We are finding, as a big provider of transport distribution, warehousing and civil construction training, that we are spending more time sending our staff out around Victoria to do that training and assessment, which is a cost. There are also time lags, because they are often on the road, and that sort of thing. Our training, both in agriculture and anything else, is delivered virtually around Victoria, depending on whether they are trainees or people who attend the campuses or the farms.

**Mr FORREST**—You have made a success of it. We have evidence that the University of Melbourne cannot wait to get rid of the seven sites that it has. What is the difference between your approach and their failure?

**Mr Pappin**—I do not think there is any argument. We have been fortunate that we have had an institute that has been prepared to provide the resources, we have been able to hire staff with industry credentials second to none and we have our position strategically located so that we can have students come in. We are not down the far end of the state in a smallish regional catchment area. We have a large catchment area, and we explore that. We also have trainees and apprenticeships all around Victoria. We have picked up niche areas that nobody else has been prepared to do, so the fringe areas—that is probably not the right word—of the industry who also require training are coming to us. Taking all those things into account, and the fact that we are fairly astute in what we need to do to deliver training, we have been successful. We will only continue to be successful while the staff are hard at it, totally committed, and have a real desire to deliver training to the industry. Staff are not silly either. They know that, as they are expanding, their career opportunities are improved and their employment prospects are maintained. There is a lot of that in it. They are not bureaucrats, and they do not go to a TAFE college and work from nine to five and go home; they will work weekends. We run expos—wine expos; we have staff there all the time. We were at the Melbourne Show for the 10 days, and that has to be staffed every day for the whole time. I have staff who are prepared and willing to do that. It is that sort of thing that maintains your profile and, for lack of a better term, it gets bums

on seats. That is what they do. Drew might have some other views, but that is my view as to why we are successful and others may be falling by the wayside.

**Mr Coulthard**—Wayne touched on staff culture, and that is very critical. We have a philosophy of credibility long term. To achieve that, credibility has to come from industry to support us, so you have to achieve that credibility. Our philosophy, especially with new entrants and maybe more so at the lower level than the higher level, is ‘ready for work’. When particularly our new entrants leave, they hit the ground running on a rural property somewhere or whatever career path they choose.

**Mr Pappin**—Employable from day one.

**Mr Coulthard**—Employable from day one—that is what industry wants. They do not want someone who has been in a classroom and have all the knowledge and theory but cannot put it into practice. That is what industry wants.

**Mr FORREST**—Can I just pursue this niche type, horticulture intensive and equine stuff. You obviously have not tackled where we have many of the problems—dairying and broadacre. You have probably assumed that that was being handled, which it is not.

**Mr Coulthard**—We do broadacre as part of our training. We are very big on beef production. At one property there are 200 herd book-registered Angus that we have developed, and we have actually bred them up. Beef, goats, deer, sheep—yes, we are doing all that. And also cereal to a certain extent.

**Mr FORREST**—It is grazing, it is pastoral; it is not grain?

**Mr Coulthard**—We do a small amount of grain. As to your comment on dairy, because we are on the northern fringe, it was a deliberate decision that we were not in the dairying area. They now have actually contracted to the Goulburn, down Gippsland, to the Western District. There has been dialogue on actually looking at dairy in the near future up at our Ararat campus.

**Mr FORREST**—Did you show any interest in taking over any of the sites that Melbourne university are busy trying to unload at the moment?

**Mr Pappin**—No, the cost factor at those campuses is prohibitive. From my perspective, as head of department, we are going along quite nicely as we are, so we do not need to expand into picking up additional campuses, which would cost a lot of money to maintain.

**Mr Coulthard**—There was a lot of dialogue on it. The dairy industry wanted us to take over a certain amount, but we felt we were going to spread ourselves too thinly if we had taken them. That would affect our credibility.

**CHAIR**—Can I refer to research organisations. In your submission, you state:

Research organisations in Australia have not proven themselves able to efficiently address extension training needs and the outcomes of some research never becomes available to producers.

Would you like to elaborate on that?

**Mr Coulthard**—Probably the best is in the traditional areas—beef production et cetera. Traditionally, a lot of that research, as you know, is up at Armidale at the University of New England. Our involvement with that industry down here in Victoria, unless you actually travel to Armidale and become part of their workshops et cetera, was restricted. So we got the University of New England to bring it south and started off the beef workshops down in Victoria. That is the type of thing we have to continually do to spread it out at one central area. We actually started some of the non-traditional areas such as deer for Victoria, but then we spread it into other states. Probably one of the key factors there is having key centres nationally, to some extent.

**Mr GAVAN O'CONNOR**—You mentioned the high-level technical competency issue, and technology seems to feature fairly strongly in your submission, and the need to recruit highly specialised and technical people and you simply do not have the resources to do it. Is that the truth of the matter or is it that those people are simply not available to come into the profession?

**Mr Coulthard**—I think there is a mixture in there. Under our state system they are actually on a higher level of remuneration, so it is a cost factor for the institute to gain those people. Also, under AQTF there is a standard, 'Thou shalt be competent in what you deliver,' and we are audited on that. With the new technology, it is very hard to source that person, because usually out there is a minimal amount of people qualified with the new technology. We are bound by that standard.

**Mr Pappin**—We are in competition with the universities in terms of expert staff. Their capacity to pay, as far as I understand it, is far greater than that of TAFE. That is part of the issue. As Drew indicated, the drawback is that it is not easy to find the person with expertise who will fit the area that is in need of delivery.

**CHAIR**—What issues need to be addressed with the transfer of training responsibilities from the Australian National Training Authority to the Department of Education, Science and Training?

**Mr Coulthard**—I wish Gay Gallagher was here for that question. It is that shift over there. As we discussed before, we are concerned with this currency of technologies et cetera and the training package. As I said, back in 1992 we were back at that level where we had an aged document that we were working to, and we do not want to be back at that level again. There is a bit of a concern—I am not sure of the personnel involved from DEST—that there could be a reduction in staffing at RTCA.

**CHAIR**—What would you recommend the government address to make sure that that does not happen?

**Mr Coulthard**—Ensuring that the expertise and the staffing are there.

**CHAIR**—Before it makes a decision—like it is doing in this particular issue—it should have done its homework in terms of making sure that any transition or amalgamation of two systems was sufficiently researched to the extent that it would deliver some positive outcomes, that it



would not just give people more of the same because the people in it were preaching more of the same.

**Mr Coulthard**—We were always concerned when that transfer happened, especially from RTCA to the industry skills council, that a lot of staff left. We are not sure whether a lot of information and dialogue that happened has flowed back to the coalface.

**CHAIR**—How much of that do you think is attributable to the *Yes, Minister* syndrome whereby successive ministers of the Crown responsible for these areas are not undertaking an efficiency program of checking out their departments before they make a decision based on information from entrenched bureaucrats?

**Mr Pappin**—That may well be the case. I cannot directly answer that.

**Mr Coulthard**—I could not comment.

**CHAIR**—I will put it another way. Do you think that is part of the endemic problem that we have in rural skills training, because ministers of the Crown, whom I regard as managing directors of companies, are not up to speed with what is happening in their department and are relying on people who have a vested interest in protecting the status quo?

**Mr Pappin**—Yes, and probably below that, the bureaucrats are not talking to the people on the ground so that they can get the right research and information.

**CHAIR**—The very point I wanted to get from you.

**Mr Pappin**—It filters up to the top. It is a bureaucratisation, if you like, for lack of a better word. There are all those sorts of issues. You also have the issue of the funding model between ANTA and OTTE, and then you have the state body determining that it will put weighted priorities on the type of training. Through a bureaucratic process in Victoria, they can decide that all of a sudden training is more important in, say, aquaculture than it is in beef production. The way the funding model is set up through our Victorian structure is that we then have to address this so-called training model that says we have to teach aquaculture as a priority as opposed to, say, beef production.

**CHAIR**—Rather than a needs based approach?

**Mr Pappin**—Yes, exactly right. The other twin problem that we as training providers face on the surface is the ANTA funding models versus state funding models and how that impacts on what you can deliver and how you deliver it. In a lot of cases, it comes down to finances and resources.

**Mr FORREST**—A question was asked right at the start about the Israeli model. What is the key there? They have established good links with industry. What have they done that we have not done?

**Mr Pappin**—There is the university structure and our TAFE structure. The university structure is into research, there is no argument there. A lot of it is based on theoretical research

where somebody in the agriculture area will write a great paper on some disease that is going to attack pasture. It is written and assessed, it goes onto a bookshelf in the library; there are not too many farmers from, say, Kerang, who will wander in and pick up that particular piece of research and read it. We need to take that piece of research that has been written by a notable academic and experiment with that in an applied sense. So you have the theory; we apply it to see if it works. As we are applying it to see if it works, the farmers on the ground, because they are involved directly with us as part of our industry connections, can actually pick up that research. If it works, they can put that into practice on their farms. That is an overview of the way we envisage that it works.

There is no point in either TAFE colleges or universities spending millions of dollars on so-called research if the only people who read it are the people within the colleges. We believe that needs to be addressed. That is not a criticism of universities nor TAFE; it is just the way we seem to operate our structure. Whereas, in Israel, part of their mechanism is exactly as I indicated: the research is done by the university, it is trialled by the equivalent of TAFE colleges, and once it is found to be workable or whatever, or the bugs are ironed out, then it goes down to the farmer who then puts it into practice. In theory, that should lift the productivity of everybody over time, and also create new training demands. If new research developments are coming on-line, then training needs to be involved to establish it.

**CHAIR**—Thank you very much, gentlemen. We do appreciate your contribution to the committee's deliberations. Once again, I have to say that the quality of the evidence we have received today, particularly from people such as you, has been first-class. It has certainly given us some very good material to ensure that when we write our report and make recommendations the recommendations are positive, which hopefully government will pick up. Thank you for your contribution; it is very much appreciated.

**Mr Pappin**—Thank you for the opportunity; it is greatly appreciated. I do not know whether or not it is appropriate, but if any of you are in the region and would like to look at our facilities, we would be delighted to show you around. They are quite extensive and we are very proud of them, obviously. Thank you again for the opportunity.

[11.44 am]

**CRAWLEY, Mr Nigel Leonard Quinton, Director, Rimfire Resources Pty Ltd**

**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 Crawley**—I will just make some introductory remarks. Thank you for the opportunity to appear before you. We made it reasonably clear in our submission that we were not able to address the issue of rural skills training and research due to the fact that that is not an area of our business. What we have been doing, which may be of interest to the inquiry—regarding where we see a real opportunity or a lack of process or information in the industry at the moment—is actually encouraging people from a rural background to get into training or education.

We cannot comment on the style of training, but we see a real void in letting people know that there are fantastic careers in agribusiness and agriculture, and there are several different ways that you can go about obtaining those careers. As part of our business operations, our Grad-Link program is certainly one that delivers those objectives at the end from a tertiary qualification status for people, but we also see a need in terms of encouraging people from rural backgrounds or non-rural backgrounds who are interested in agriculture to get into the industry and realise some of the opportunities that are there. Our job in the Grad-Link program has really been to let people know that there are careers in agribusiness; there are some fantastic opportunities, and this is how you can go about doing it.

**CHAIR**—I would like to compliment you for recognising the need for a link and, more importantly, for taking the gamble and starting the business to ensure that that link is available. What prompted you to set up the business in the first place?

**Mr Crawley**—Our business essentially as Rimfire Resources has been trading for about four years, but as a recruitment business with an agribusiness focus, it has been trading for almost 10 years. It is on to its third name. Essentially, everybody in our business comes from an agribusiness background. We all had careers in agribusiness before we got into recruitment. The reason we got into recruitment is that, whatever the level, finding people is difficult. Our expertise is having an understanding of what the businesses are that we operate into or that we are finding people for, and we have an understanding of the cultural requirements for people who live in regional areas. Everyone in the business has lived in regional areas across the country, so we understand the requirements—that it is not just somebody who can become an agronomist or a territory manager for an agricultural chemical company; it is someone who has the ability to fit within a regional culture or a regional centre and be able to live and work in the community.

As to how the Grad-Link program came about, when the other director of the business, Mick Hay, and I—I do not know if I really want to put it on record that we probably were not the smartest guys to go through university—had completed our degree and our studies, we felt that we had a lot to offer. The biggest hurdle for us—and certainly mine—was that we did not really understand what opportunities were out there. I came from a dairy farming background. I went to Dookie Agricultural College and studied as many varied topics as I could, including viticulture, horticulture and cropping, but at the end of the day I would have known perhaps five or 10 per cent of the companies that we now actually recruit for. I had no understanding of how agribusiness worked from an employment point of view and the relationships and what not.

We also felt that people were being selected to go to graduate programs on their scholastic ability, not on their understanding of agribusiness, their ability to communicate effectively with people or their willingness to travel. That is probably one of the biggest issues we get from employers: it is no good having a graduate or an employee who can do the job when they do not want to go and live in regional areas or where the position might be. It is obviously a real problem.

We see ourselves as a stand-alone company. We are not a representative of any company or a government agency, so for us to go and talk to the students, we are talking about opportunities not with any one company focus. We are really about representing opportunities. Being that third party, we are not affiliated officially with any of the universities that are in our program. However, we get access to 17 or 18 different campuses around the country and we talk directly to the students. It is about providing opportunities for the students, not necessarily affiliating ourselves with just one institution.

We came about it because basically, when you talk to most students, it is quite scary. When they are about to graduate in agricultural science most of them do not understand what opportunities companies there are, and they do not understand the networks. They might see a position but they do not understand the relationship between companies. If you want to become a territory sales manager for an animal health company, perhaps the best thing you can do is start working for a company in distribution, like Elders or Landmark, and gain the knowledge from there, rather than just putting in an application for a job and not getting it because you do not understand the right way to go about it, becoming disillusioned and leaving the industry. Part of the program is to say, 'There are great opportunities out there; it is not all doom and gloom.'

**CHAIR**—The committee is interested in the point that you raised about an issue that has been mentioned in many of our hearings with respect to the focus on the educational side of agriculture, and a lack of focus to an enormous extent on the people out in the industry who have the practical skills. As a result of that, many people believe that a lot of the practical rural skills right across the broad spectrum of rural activity are being lost. Many of them, to which I refer from time to time, are the simple skills. It was interesting for me to hear today that your business is centred around the need to encourage those young people in rural industries who do not have the ability to beat the tertiary qualifications that many of them think they have to remain in the business to look at doing things in a different way through a different training process to get the jobs that they want. I am interested to hear that, because we heard that sort of evidence in Western Australia. We certainly heard it in New South Wales, and we are now hearing it from a different perspective from your point of view. I was interested, when I saw the name of the company, Rimfire Resources, because it has connotations of other things for me, and also for my

parliamentary colleague, as a person who came through the military. You state in your submission that Rimfire Resources has future plans to deliver further linked agricultural education products. Can you elaborate on what you mean by that and what these future agricultural education products are?

**Mr Crawley**—A product that we are working on at the moment is an extension of Grad-Link. Part of the program that we do with Grad-Link involves tertiary qualified graduates. They are graduates who are just finishing the final year of their studies in an agri-related discipline, be that in science or business. Part of the reason for that is that from a recruitment point of view most companies, be they in the fertiliser industry, seed, biotech, have a requirement that they prefer the majority of their staff to be degree qualified. The Grad-Link program focuses on that degree qualification.

The other program that we are looking at is really going back to that year 10, 11 and 12 school leaving level, and coming up with an information source. We are at the stage where we have the support from the commercial companies, and we have spoken to DAFF as well in broad principle, and organisations like the VFF and New South Wales Farmers. It is actually going out there and providing information to years 10, 11 and 12 students—who can be either regionally based or city based but nationwide—about the opportunities in agriculture. We believe from a business point of view that agriculture in general has faced a lot of really negative press—whether that be drought or lack of opportunities. We want to say, ‘There are fantastic opportunities; you do not have to go and get a degree, but that is certainly a worthwhile pursuit if it is something in which you see value.’ We are also saying, ‘If you want to go and work on a farm or if you want to go and work more on the production side, that is certainly a great start, and these are the things that you need to be doing, and these are the institutions that can provide further training.’

From that point of view, we are not only providing an information source on how you get that training, but also using examples of people we deal with, such as our commercial partners. We can tell them that the national sales manager of Nufarm Ltd grew up in Melbourne and then went and worked in an agricultural business, and worked his way up. It does not mean that just by having a degree you can succeed in agribusiness. There are several ways of doing it, but we want to let people know that you can do it, and these are the ways that you can go about doing it. It is really providing that information and taking a lot of the myth and mistruth about opportunities within agribusiness and putting it at that level.

There is a whole myriad of educational opportunities as a result of that, but we realise that, if people do not continue to study agricultural science, agribusiness and agricultural commerce, in five to 10 years time, when we are still recruiting people, hopefully, we will be in more trouble than we are now in terms of sourcing skilled people. The focus of a lot of the inquiries has tended to be more on the production or blue collar end of agriculture. We are seeing a real skill shortage at the professional graduate level as well. I would argue that there is as much of a shortage at that level as there is at the other level.

**CHAIR**—Given those experiences through your company, what suggestions do you have for government to further develop and implement strategies to inform career advisers, parents and students of agricultural career opportunities? What do you think government should be doing?

**Mr Crawley**—We believe they should be looking at putting processes in place to change the image of agriculture. That would probably be the first step. That can be as simple as outlining the opportunities that are available across the broad sector. There are some fantastic opportunities working within agriculture within government, but the students just do not know about it. It is very much information focused. For example, look at what the military does in terms of their advertising campaign for graduates or people to go and join the Army. If you are a 15, 16, 17-year-old boy or girl and you watch an ad and tanks are blowing up, there is a buzz, there is an excitement there, things are happening, people are interested in that. Agriculture is not a sexy image for young people to join. Also, a lot of people have a misnomer that to be in agriculture, you have to be a farmer, whereas there are some fantastic opportunities in agriculture in non-production, totally production related businesses, such as all the businesses that service agriculture, be they grain companies or commodity based, input based in fertiliser and seed. There are some fantastic things happening at the biotech level, in which the government is involved. From our point of view, it is actually promoting the image. We see something that the government can potentially assist in and really drive as well, because it is a national problem; it is not state based.

**CHAIR**—I would tend to agree with you there. I was very impressed by the federal government's ads to promote the opportunities that were available for people who were living in and affected by drought for exceptional circumstances assistance. I use that as an illustration of how positive advertising can assist a group in the community. I find it a simple contribution that government can make for a very modest fee that could result in stopping the haemorrhaging of our young people to the urban based fringes of our states, rather than ignoring the situation and allowing the haemorrhaging to continue.

**Mr Crawley**—Yes. One thing we would see, from our recruitment point of view, is that, as an ag graduate, you are not going to be as well paid as an engineering graduate—those statistics are there. A lot of people want to live in regional areas. A lot of people are growing up in regional areas and, as regional institutions and campuses are becoming more prevalent, there are opportunities for people to study regionally. It is really difficult to get people to move, but it is an important step to contain people that are already in those regions, whether they are working in agriculture or other sectors. It is not just agriculture; it is also saying that there are some fantastic opportunities in regional Australia and actually focussing on that. You may not get paid as well as your engineering graduate friends in Sydney, Melbourne, Brisbane, Adelaide or Perth, but you are probably not paying the same housing prices, you are probably not having the same community feel. There are a lot of really strong benefits from living in regional areas that are not being projected to people who are interested in studying agriculture.

**Mr FORREST**—Can I ask a commercial type of question. I am trying to get an idea of your motivation. You would obviously be paid for the placement of staff by one of the chemical companies or someone who wants—

**Mr Crawley**—That is correct, yes.

**Mr FORREST**—Are you getting any assistance with the costs involved in the work you are doing in establishing these other programs?

**Mr Crawley**—No, we fund that ourselves. We have a commercial arrangement with the companies that are part of the program, but apart from that, no.

**Mr FORREST**—You are funding it all as an investment, for an ongoing return?

**Mr Crawley**—Yes, we do. As with most things in our business, we started talking about it, and before we knew it we were doing it. We did go down the track, as I said previously, of looking at involving the universities, looking at accessing some funding at a state and federal level, and it just became too difficult. It was an opportunity and we felt that we needed to act on it. In the first year, we did it mainly on the east coast universities, and this year we rolled it out to South Australia and Western Australia, and next year we will be taking in Tasmania and the Northern Territory. Once it gained momentum, it just kept rolling. We are trying to take it away from not just people who have studied agricultural science; it is the people who want to work in agribusiness, as an industry. If you have done law, but you want to work in agribusiness, it becomes the vehicle to get those contacts.

**CHAIR**—Can I pick up the point that you made when you said you found it too difficult. When you say that, was it too difficult because the hurdles being placed in front of you to your inquiries about access to assistance were so insurmountable that you believed you could do more constructive things with your time than push through the bureaucratic red tape?

**Mr Crawley**—It was probably a combination of two things. One is that we do not understand a lot about putting forward proposals to the government; none of us has had experience in doing that. In many ways, we did not know how to attack that. Secondly, when we did talk to the relevant people, from the university point of view, it became evident really quickly that it got down to the size of the logos that would appear. One did not want to be placed next to the other and we thought, ‘That’s not what it’s about.’ It is about giving students the opportunity. Being a third party, or a separate party, made it really easy, because we did not have to comply with anybody in developing the program. We were developing it; we went to our commercial companies and said, ‘This is what we are doing.’ They were all ecstatic about it and really got behind it, and that really made it happen. We proved that we could make it commercially viable after the first year. As much as we would like to broaden it, we can continue to fund it and build it that way. We would love to get some assistance in running the program, but that would only be to develop it further. The other director, Mick Hay, is going to travel to the US in about a month’s time to look at how they do things overseas, because we believe they do some things well that are not applicable here. We are continually trying to improve it as much as possible.

**Mr FORREST**—Who are your clients? I am imagining them to be the Australian Wheat Board and fertiliser companies—

**Mr Crawley**—A lot of the key drivers are companies like Nufarm, Syngenta and DIRT Management Pty Ltd based at Horsham. Frank Delahunty has been a fantastic supporter of the program. Other clients are AWB, Landmark, Elders, Nipro—a company that is based in Moree. So it is not just the larger businesses. There is also NAB, a part of ANZ and Suncorp. It is the big guys as well as the little guys.

In saying that, NAB and Elders have graduate programs, but apart from that, none of them has an actual program where they can take a graduate and say, ‘You will be working here for three

months, here for three months, here for three months.' They recognise the need that, if they do not bring in graduates to their business somehow, they will have a lack of people in the future. For example, Nufarm took two people last year, and both of those started off in head office and will now go out to regional posts. This year, a couple of graduates are starting straight in regional areas, so it is on an as needs basis. They have recognised that they need to put people in; they cannot necessarily take 20 or 30 each year like the NAB has the capacity for, but they will be taking three or four.

**CHAIR**—What about the wool industry? What are they doing?

**Mr Crawley**—We have not approached anybody from the wool industry. From our point of view, we need to have businesses that have the potential to grow and develop graduates. In saying that, we have not approached any specific wool companies, but there are opportunities at Elders and Landmark for graduates through the program.

**CHAIR**—The reason I asked that is that we have heard evidence today that the number of wool classers has declined in Victoria through the system from, say, 65 to five. There is obviously a need for some training programs, and I would have thought that the wool industry itself would be aware of its shortcomings. That is only one sector of it; there is also the marketing and promotion side of it. The wool industry has a lot of fierce competitors around it at the moment with other fibres. I would have thought they would have been involved in postgraduate students to help lift the profile of their particular industry as well.

**Mr Crawley**—From a recruitment point of view, we have never really done a lot of work in the wool industry as such. We have done a little bit of work for a couple of trading businesses, but apart from that, our exposure to them is limited. That is one of the reasons why the companies involved in the program are ones that we work closely with. As much as we recruit across agribusiness, there are some sectors that we just do not do a lot of work in, and wool is one of those.

**Mr FORREST**—You said earlier that you are not actually recruiting farmers, but if you are doing any work for Delahunty and DIRT Management, that is what they need—professional farmers. Where would you source a professional farmer?

**Mr Crawley**—From what I heard before, I would also argue that the people in professional farms do want people who are degree qualified and have an understanding at a production level. Most of the production roles, the farm management roles, that we have recruited for in the past for larger farming businesses have been degree qualified. There are opportunities for people who have tertiary qualifications who want to go into a production based position; those positions are available. It is a mixture of having tertiary qualifications as well as practical farm experience, which they can gain from three or four years at university or at a campus or wherever. Those options are certainly available. From a recruitment point of view, we do not do a lot of work at that farm management level. One of the reasons is that it is a tough market. As much as there are a lot of opportunities, it is hard to find those sorts of people.

**Mr FORREST**—I had to laugh before when you were expressing your frustration at trying to get some attention to the establishment of programs; you just gave up and did it yourself, anyway. If you were trying to convince the Department of Primary Industries to funnel some



funding into some educational or information exchange forums or something—was it just getting like a bureaucrat to grasp the point of what you were on about?

**Mr Crawley**—Yes, it was. It was interesting this year when the DPI in Victoria ran their graduate program after our Grad-Link program. I approached somebody at the DPI afterwards and the comment they made was, ‘Yeah, we certainly know who you are because every graduate we have spoken to has said, “We’re not making a decision until after we have been to Grad-Link.”’ I thought, ‘Great, here’s an opportunity to say to them, ‘You are competing for students; become involved in the program and compete with them.’ They said, ‘No, we still run our own program; we would not be interested in doing that.’ Our job is to attract the best talent from around the country. There are people in Perth and Queensland who will work for the DPI if there is an opportunity there, and they might be the best person for the role. We see that the best thing for the industry is giving people the opportunity. If they are in Brisbane and they want to travel to Horsham and be based there to work for the DPI, and they are the best person for the job—

**Mr FORREST**—They are running those programs to recruit for themselves, not across the board to the industry as such.

**Mr Crawley**—There are two days in the Grad-Link program. Do you understand how it works? Do you want me to explain that?

**Mr FORREST**—Yes.

**Mr Crawley**—We go to all the universities and present the opportunities to them. We then go around and interview every candidate who applies. We select them based on a number of criteria: culturally based, their understanding and willingness to travel, how well they are doing in their course. I think we interviewed 330 this year and we selected 162 that came to two days—one in Coffs Harbour, one in Albury. At the day, it is up to the companies to explain what they do, how they do it and what opportunities there are. For the students, it is as much about understanding what goes on in the industry. After that, it is up to the students to chase the companies and the companies to chase the students. We step away.

We go around to all the universities. From a cost point of view, we can do it a hell of a lot cheaper than each individual company doing it, and we are seeing all of the students. There is absolutely no reason why the state departments cannot be involved. We had a chat to DAFF only about two or three weeks ago, and they were really interested. For them it is a timing point of view and the way that they do it. We think long-term that the person we were speaking to anyway was reasonably interested in what we were doing. That is an area that we are trying to develop because we would like to get the government agencies involved, because they are a large employer of graduates. For us, at the end of the day it is measuring how many graduates get jobs, because we want to create the feeling that if you want a job in agribusiness, getting to this day is reasonably important, because it gives you access to the people who make decisions. Having the government involved in that would certainly be something that would be beneficial.

**Mr FORREST**—That is something that we could talk to DAFF about and pursue that as a committee.

**Mr Crawley**—Mick had a meeting a couple of weeks ago and they were really positive but, for them, next year it is a matter of timing; the process has already started. We feel as though we can really add value to that.

**Mr FORREST**—Would they be prepared to pay the introduction fee or whatever fee—

**Mr Crawley**—From a cost point of view, it is not expensive. For us, it is obviously a commercial enterprise, but the cost to DAFF would be significantly reduced to running their own process at the moment—significantly. For us, it is about our time in doing the process. They are not paying for individual head recruitment and all those sorts of things. Our expertise is identifying the leading graduates coming through and presenting them to the clients. It is then for them to do it. We feel that the strengths of the companies are selling themselves; our strengths are really sourcing the right candidates for them. We believe there are real synergies there, especially considering the graduates are saying, ‘I’m not making a decision on what I want to do until I go and hear the information,’ which is essentially what we wanted to create, and we have been successful in doing it.

**Mr GAVAN O’CONNOR**—On an issue a little broader than your day-to-day activities, but it does impinge on the activities that you undertake, we have heard evidence in this committee about the image of the sector and how that image needs to be improved. Of course a positive image for the sector means that people are interested in entering it at what ever skill level, including the graduates with whom you deal. What is your view on that? What is coming through to you on how students view the image of the sector, and how do they get an understanding of what goes on in agribusiness? How can that whole process be improved because, at the end of the day, the sector needs talented people from the available pool coming into the industry?

**Mr Crawley**—We started looking at going back with our initial research into how we would potentially get this message across to years 10, 11 and 12. We have spoken at a couple of agribusiness forums for students based at the University of Queensland in Brisbane. We were slightly horrified at the image that the tertiary institutions were putting across of what happens in agribusiness. That made us realise that that image was not being portrayed properly, and that was a real barrier for people to get into the industry from a studying point of view or even working in it.

**Mr GAVAN O’CONNOR**—It was the institutions?

**Mr Crawley**—At one level we believe there is an issue. A demonstration of that was the understanding of the agribusiness food and fibre value chain, which we see as obviously input suppliers going right through to processors and manufacturers. From a university point of view it is, ‘Well, you have a cow; it goes to the abattoir.’ It differs with every one. Having that commercial understanding needs to be part of the message. Part of the message also needs to be that at a production level—a farmer who is based in the Mallee or on the Downs or in the cropping belt of New South Wales, understands who Nufarm, Syngenta and Bayer are, so when they see them as part of a program that is involved in encouraging careers in agribusiness, they feel as though these are companies they actually understand. It is that brand recognition that works really powerfully with students. It is also getting the message across and saying, ‘There are fantastic careers in agribusiness,’ and giving them examples of people who have done it. We

can give tangible examples of people saying, 'Yeah, I started working on a farm; I went and did this.' It is showing that where you start is not where you finish; and how you get there is completely up to you, and actually providing an information source.

For example, when I was considering going to Dookie, I only really knew of Dookie and probably Gatton—that was about all. I had no idea of all of the different institutions that I could have attended and got a degree at. In saying that, I am more than happy with the qualifications that I got, but I certainly would have loved to have gone to Charles Sturt University at Wagga Wagga; I would have loved to have gone to Orange; I had no idea that Armidale even existed, and did not understand anything about Curtin (University of Technology) in WA. There are some really strong campuses out there, and there are some great institutions, but they do not talk; they fight against each other because they want to get the students. That is great, but they need to be fighting together, and we feel as though we can potentially help them all do that. At the end of the day, as I said before, in 10 years time, if we do not have graduates coming through, our business is going to just get harder and harder. Instead of struggling to get a short-list of three for a territory sales manager or a national sales manager, we want to be picking from 10 to 15, not three. It is about encouraging people and saying: 'Look, you do not have to be the national sales manager; you can earn a very, very good living working in a production role, a sales role, marketing, wherever. You can be regionally based.' It is really letting people know about what opportunities exist.

**Mr GAVAN O'CONNOR**—From the point of view of students, as we speak, where do they get their information? Is it accurate? Is it comprehensive enough? What needs to be done in getting through to young people that there is a range of quite exciting careers in the sector that they might consider?

**Mr Crawley**—I think it needs to be done at years 10 to 12, before they—

**Mr GAVAN O'CONNOR**—It is before the tertiary—

**Mr Crawley**—I think so. The ones that we talk to and interview for Grad-Link have been at agricultural college or university for four years. If they have had a farming interest, they will know of some of the companies, but they get to Grad-Link and a lot of them say, 'I had absolutely no idea that these companies existed, or what they did.' It is about the relationships between the companies that they do not understand. Once they have a bit of an understanding of that, then they say, 'Right, so if I want to become an agronomist, the company to go and work for is Elders or Landmark or an ISD member of whoever.' If we can let them know at the years 10 to 12 level about those opportunities and a little bit about how the relationships work, that could be really advantageous in taking out a few of the myths that are out there about why you would want to go and study agribusiness. If you were a farmer, for example, in a hard-hit area and your son or daughter came home and said, 'I want to go to agricultural college?', you would say, 'Why do you want to do that?' I think some of the parents would almost talk them out of it, because their automatic perception is: why would you want to be a farmer? Well, you do not have to be a farmer. You could be working for one of the banks in the town and still be involved in the family operation. It is saying, 'There are great opportunities, but you can do it 45 different ways.'

**Mr GAVAN O'CONNOR**—Just on a matter that you may or may not wish to comment on: the perennial issue that is raised is that of state to government extension services and the fact that these have withered on the vine in the last couple of decades, and farmers themselves are not getting access to information and research. Do you have a view on that from your involvement in the sector, or is that something not within your purview?

**Mr Crawley**—Not really. We just do not do any work, so I would not be able to give you an accurate comment.

**CHAIR**—Thank you very much, Mr Crawley, for your contribution. It has certainly given us a new perspective on what is happening in terms of people's approach to rural skills shortages. I would like to compliment you on your company's innovative approach to filling a niche in that need. Thank you for the time that you have given today to bring your concerns and views. You have enlightened us also on the direction that your company is taking in terms of trying to assist the process of getting or keeping young people, more importantly, in our rural areas. It is very much appreciated. Your perspective with regard to your particular position is a classic example of what can be done by people if they are given the right information. Thank you.

**Mr Crawley**—Thank you very much.

**Proceedings suspended from 12.35 pm to 1.36 pm**

**SALE, Dr Peter Wykeham Gurney, Associate Professor, Agricultural Science, La Trobe University**

**SANDEMAN, Dr Richard Mark, Head of Department, Department of Agricultural Sciences, La Trobe University**

**CHAIR**—Welcome, gentlemen. 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?

**Dr Sandeman**—We will make some introductory remarks and certainly bring it up to date. The main points we made in the submission, with graduate agricultural education anyway, is that the numbers of students have been declining for many years, and we are still seeing that decline. In fact, the latest popularity polls for the entrance next year show that decline again. We have tried a number of different approaches to solving that issue over the years, some of them more successful than others. Probably the most successful was actually visiting schools. In 1997 we visited over 300 schools, so it was all staff and postgraduate research students involved in visiting schools that year, and we had a jump of about 20 students the next year. So that was a successful process. Others have shown much less success and we have not been all that happy; we have spent a lot of money on radio, television and newspapers without having much impact on students' views about where their careers ought to go or the opportunities that are available in rural and agricultural education as opposed to other areas.

We are firmly of the opinion that the demand for places in agricultural education is being very badly affected by the continuing bad press about rural farming particularly and a lack of good press about the opportunities that are available. Our course has no trouble getting students into jobs; most of them are employed within three months of finishing, and about half of them have job offers before they even finish. The demand is there but not from school leavers, and that is our biggest problem. How we address that is up to this committee in part; we have several ideas, but it is clear to us that you must have some sort of sea change in the way you bring students' attention to the possibilities and to the career paths that are available in the rural and agricultural business and industry as a whole.

On the research side, things are more optimistic. There is still a very big interest in research in agriculture and related industries in this country. There has been a move away to technology driven type research, and a lot of money is going into biotechnology, genetics and the other related technologies—computer technology and so on. There is a bit of a drop in terms of basic extension type research, getting the message onto farm and allowing farmers to use the sorts of results we get in other areas of research, and that has been going on for a long time. Of course, there is recent press in CSIRO about the possibilities of things falling back again still in that organisation, which used to be the major organisation for that sort of research—that and the departments of agriculture. Even in the departments of agriculture and primary industry around Australia, there is a much higher concentration now on biotechnology and the new technologies

and their impact. Despite that being there, I would not like to be able to point to too many actual applications of that sort of research on farm just yet. It will happen, but even genetically modified crops are not a major part of this country's agriculture just yet, and for good reason in some states.

**Dr Sale**—It really is frustrating to see the dilemma between the demand for the graduates and the lack of supply of the undergraduates; this is the mismatch. I was out early in the week at Bendigo talking to Landmark, one of the big agribusiness companies, and we were in this brand new building, all decked out and with open office space, and the fellow said, 'See that; we could fill it with 40 graduates we want for our company, and we can't get them.' We have tried. As Mark said, we have tried fairly actively over the last five years. It is just a downward slide. It is not a good prognosis for the top end of the skills market in the rural industries.

**CHAIR**—I will lead off by saying that your submission states that negative perceptions regarding rural careers pervade the media in all its forms. Are negative perceptions related to agribusinesses caused by the industry's own lack of positive marketing and, if so, how do we reduce these negative perceptions?

**Dr Sandeman**—To a certain extent it is caused by a lack of positive marketing, but to a certain extent it is caused by the type of media we have. The media likes an accident or a disaster, and if you talk drought or loss of markets and these sorts of things, they get a huge prominence in the media. To counter that, it would take a very large effort of positive news stories. To a certain extent it is built into the system, and unfortunately agriculture is in a situation where it has been under pressure for a long time and the continuing series of problems in the industry have made for good stories in the media. That is the way we go. There are a few positive things around, such as *McLeod's Daughters* or something like that which has a positive impact in terms of rural lifestyle and the things that go on. I do not think people even see that as a rural thing. There is a lack of knowledge that hits the countryside that you are dealing with. There is a feeling that it is a soap opera, perhaps, and it is drama; it is not real—whereas you see something like, as we did this week on *Four Corners*, the guys out at Condobolin having all sorts of trouble in the last drought. The wind-up was that they are still having trouble despite rain; people are still leaving the land. That really does make a big impression.

**CHAIR**—There is an ongoing negative contribution made by the urban based national media in particular. Do you think there is a role for government to lift its game and perhaps spend some of its taxpayer funded resources on putting out a positive marketing program in the way of, say, television ads? I ask that question in the context that when the government got the message from its backbenchers and the parliament in general about the problems related to the drought and the EC assistance packages not being picked up to the extent they should have been picked up, it ran a very comprehensive, and I believe effective, television campaign with very professional ads. That seemed to inject some positive movement in terms of EC assistance program applications. Whilst that was a good program in terms of helping people who were in the negative process, do you think we should be looking at perhaps making some funds available and doing some good ads, picking up the positives of education and skills and training in the rural sector?

**Dr Sale**—Let us face it, the free press are not going to do it. The press will not tell that positive story. There has to be intervention, I think, to get the balance because the system will not do it unassisted. We tried two years ago to get funding for a program to document about six

to eight real success stories in the rural sector. We were going to use it for the Australian Institute of Agricultural Science and Technology. We were going to beam it across Australia and it was going to be a webcast type device. It was going to spread the word. It was going to let the world know that some exciting things are happening out there and there are some positive things. It is not just doom and gloom. That particular program was not funded, and a second attempt did not fund it. I think we have to get some intervention, otherwise we will just get the one-sided fairly negative story coming across.

**CHAIR**—What about the criticism we have heard in evidence where people are saying there is an enormous focus on the educational programs at the top end and very little emphasis on the actual knowledge training issues, the common on-ground skills?

**Dr Sale**—At the farm level.

**CHAIR**—Yes.

**Dr Sandeman**—The trouble at the farm level is there is no real career path or skills set where you could say, 'Go and get that and you will become this.' There is not even an apprenticeship system available where you could do that sort of thing, where even on a home farm you could become an apprentice and a farm whatever joining up with a career path to farm manager or something like that. There is nothing you can point to and say, 'Okay, here is an education path to become a professional in the agricultural industry.' Sure, you can do courses in this and courses in that, but at that level I do not think there is anything you can specifically point a student to and say, 'Here is a career path, and from that you can go to a college of agriculture or TAFE and do this sort of thing, and then university, and you can see the whole path before you.' There is no such thing.

**CHAIR**—What about the suggestion that we perhaps should be introducing that educational process at the primary school level, starting at, say, year 8 or year 9 upwards, to get young people involved in what is available for them and what the opportunities are in agriculture at that level?

**Dr Sandeman**—Certainly that would be a good idea. At primary school it is a fairly basic thing. The Kondinin Group has tried various things in that area with the Work Boot series and so on which have been useful, but getting those things into the schools and even part of the curriculum is a very difficult process. The real impact in terms of bringing kids on is in secondary school. We are losing kids, such as my cousins, who leave school as soon as they can at 15 to go and work on the farm, but then they do not have any path to go down from there. If there is a problem with the farm or they have to go off farm to do other work, they do not have any skills to take with them.

**CHAIR**—On that point, you mention in your submission the difficulty you now have in visiting schools to promote agricultural science. Can you provide any examples of those difficulties, and how else do you try to market a degree in agricultural science?

**Dr Sandeman**—The main difficulty is the amount of time we have available. Universities are not quite as free with time as they used to be, so we are all working a bit harder. The other thing is access. When we started visits, access was relatively easy. Schools were very happy to take on

people to talk about various career paths. These days it is much more difficult. Everybody is out there trying to do the same thing, and schools have only a certain amount of time. It is fairly difficult to get access to schools unless you spend a lot of time building a relationship with them first and often helping with curriculum and other things, and not a lot of us have that sort of time.

**Dr Sale**—When we did the 300 schools, I was very much responsible. I played a big part in that. I virtually worked three months full-time to line up the whole program. My workload has doubled in terms of teaching extra courses because of staff cuts that have come through the sector and I just do not have the time now. That sort of effort mounted from within the university is almost untenable.

**CHAIR**—Why are the staff cuts occurring? What is the background to the staff cuts? Is there a mentality at university level that you do not need the number of people required because of the lack of demand in the agricultural sector, or is the problem more far reaching than that?

**Dr Sandeman**—It is not just the agricultural sector; it is any sector that is not performing—in other words, not bringing in the quota number of students. If your student numbers are dropping, then the income from your area is dropping, and they no longer can support that many lecturers, and that has been going on since the late eighties.

**CHAIR**—Would you agree that that is compounding the problem?

**Dr Sandeman**—Definitely.

**Dr Sale**—In our department or school, we were savagely cut in 1997 after a year of low intake. Really, it was touch and go whether we would survive. That year the music department was wiped out; we survived, and now we are slowly recovering. However, at La Trobe, the earth sciences department got the chop. Their numbers went down and they no longer exist. If this continues at La Trobe or wherever and the numbers go down, eventually we will get the chop.

**CHAIR**—That is what disturbs me. What are the universities doing in terms of ringing the alarm bells to governments or industries to that very serious problem and how it will impact on industry into the future? Are governments aware of the problem? Are universities aware of the problem, and is industry aware of the problem?

**Dr Sandeman**—I think the universities are. The Melbourne VCAH situation—the old college; the chopping of the colleges here—has certainly brought it to the attention of the state government. I do not think there is any doubt that they are in touch with it. I am not sure about the Commonwealth infrastructure. The Commonwealth is probably more concerned with overall management at the moment. Certainly the universities are trying to meet various demands in terms of teaching and learning plans and research quotients and other things.

**Mr FORREST**—We were concerned to have this inquiry. A few members of the committee worked hard to make sure we got the inquiry, so we are concerned. That is why we are here. We are looking to find solutions.



**Dr Sandeman**—Fair enough. I am thinking more about the department and its interaction with the department of education and the universities, not the MPs, whom I would regard as being a different group.

**CHAIR**—With due respect to the states, far be it for me as a member of a conservative government to defend the states, but the states cannot be held responsible for not picking up the serious problems related to the outcome of skills shortages in rural and regional Australia. As an example, we have had some criticism in some submissions about these new tech colleges that the government has announced. We understand—and we will certainly be taking it up—that there is a shortage of agricultural courses, if any agricultural courses are going to be offered in those new colleges. To me, that would indicate that, once again, there is an oversight of agriculture because the people who set it up are either ignorant of the fact that there is a problem in that area or they have ignored the problem and have not passed it on to the government. It would appear that governments can be criticised, but the initiatives undertaken by governments at federal, state or territorial level are only as good as the advice they receive from departments. There appears to be a mindset in the department that is focusing in one direction at the expense of another. Would you like to elaborate on that?

**Dr Sandeman**—It is a bit difficult; I do not know the details. Generally, the view seems to be there is a divorce between farming, which is seen as being on the downslide and in trouble all the time, and agricultural industries, and people do not associate the two as being interlinked, which is ridiculous: they are. The link is not seen with the likes of Elders and the big industries, the banks and so on, who depend on the agricultural process to earn their income. It is almost as if in setting up courses and those sorts of things, you are setting up courses to train people for the industry—accountants, economists and so on—but you are not giving them a base to understand what it is they are working with, which is agriculture production in one form or another.

**Mr GAVAN O’CONNOR**—Thank you for your submission and your input into the inquiry. You note in your submission the decline in applied agricultural research, homing in on the research area. Is there any outstanding reason for that—the applied agricultural research?

**Dr Sandeman**—The dominance of the new technologies has been in an area when money is short and everybody is competing for a certain amount of funding. There has been a swing towards the biotechnology, computer driven technology sort of area, and away from more basic research. That is not to say that it is not going on. Some of the CRCs are trying to concentrate a little more on that area. For example, wool and meat are spending well over \$20 million in genetic research, which has the potential to be very good and should be done, but wool stopped spending on blowfly research at the end of the nineties and, as a result, as soon as we have a problem with PETA and mulesing, what happened to blowfly research?

**CHAIR**—It was refocussed.

**Dr Sandeman**—Yes.

**CHAIR**—What you are saying is that it is reactionary rather than proactive?

**Dr Sandeman**—Yes, very much so.

**Mr GAVAN O'CONNOR**—What about the speculation that CSIRO is cutting its rural research programs?

**Dr Sandeman**—They have been for a long time. They got rid of various divisions and pushed them together, and that meant losses of people, and they moved people out of the Sydney labs for various sorts of agricultural research and put them up at Armidale, and that lost more people. It has been on the books for a long time; it is just a matter of making more fuss about it at the moment.

**Dr Sale**—It seems too that CSIRO does research on where the funding is from. If the funding ceases in that area and it starts over there, everybody swings across. It is sort of stop-start, depending on the funding. Everybody is short of cash, so that is the way it unfolds. There is not a lot of long-term strategic funding support to pursue goals like blowflies and what have you.

**Mr GAVAN O'CONNOR**—Getting back to the very basic levels about informing students, parents and careers advisers about opportunities in the sector; do you have any thoughts on how this might be done better? Your experience in getting around 300 schools would seem to yield—

**Dr Sale**—We are not alone in the concern. There is the concern; it is not coordinated, it is sort of fragmented. One of the things we are doing is opening up first-year agricultural science in the regional centres at Albury-Wodonga and Bendigo, and they will hopefully flow through to us in the second year. To do that, we want to promote this new development, so we are seeking in this instance commencement scholarships. We have been able to approach industry. Right now I think we have three—we may have five—\$2,000 scholarships paid for by various industry people in the Albury-Wodonga area. They are very keen and very supportive, and the question remains: how effective will this be? As we talk, this week we have to organise a lot of publicity and promotion to let people know that there are these opportunities, probably aiming at this stage of the year at the parents rather than the students, because the students are just getting over their year 12 studies and enjoying themselves, probably. Will that be enough? I am not sure, but we just have to create this awareness. It seems to me that industry is aware and wants to do something; we are aware; the government is aware, but nothing much is happening in a coordinated manner.

**CHAIR**—Because they are not talking to one another?

**Dr Sale**—Because we are not talking to one another. We tried, but we are so flat strapped just coping with the day-to-day issues. This sort of promotion work is over and above our teaching and our research, so a lot of academics do not get involved with it because that is not what they are there for.

**Mr FORREST**—The inquiry has been going for some time now. We are hearing from all of the states that there are just too many providers of agricultural education, and here in Victoria we are seeing the outcome of that with the effective closure of the Melbourne university's interest in its Victorian agricultural and horticultural colleges. Your submission made reference to that. You said:

... the Victorian College of Agriculture and Horticulture campuses have not been advanced by amalgamation with the University of Melbourne and in fact, their positions have been significantly eroded.

Do you want to provide some more information on what you are really saying with that statement, because the proof is in the pudding now?

**Dr Sandeman**—Exactly; the proof is in the pudding. In fact, it is worse than that. That was written before Melbourne decided to cut off the colleges or to leave them to others—the TAFE course parts of it, anyway. Now we have a lot of redundancies going on through that system which will shake out in the new year. In Victoria, we are going through the shakeout of numbers of providers quite dramatically at the moment, and it will be interesting to see where we are in 10 years, because it could be quite a different picture. Whether La Trobe will still be going, I do not know, but we have survived as a smaller group over the years, for a lot of years, and we have done it by some fairly draconian measures at various times but also a fair bit of innovation in what we teach and how we teach it. That process has to go on. There have been two attempts that I know of to amalgamate colleges, departments and schools and so on of agricultural science in Victoria without much success. Perhaps the current shakeout is the way it has to go.

**Mr FORREST**—It is a fairly painful political process.

**Dr Sandeman**—It is tragic; politically it is just hurting so many people and the industries. There is so much angst out there across the system, across Victoria, in this area. It is just tragic.

**Mr FORREST**—We have seen evidence in Western Australia when they were at this stage, and we are probably seven or eight years behind them. They have had excellent outcomes with the formation of dedicated agricultural colleges, and not trying to have one do all, with terrifically good connections between secondary education, industry and the natural steps into university. Why can we not make something like that happen in Victoria? What do the Western Australians have that we do not have? Why can we not make that happen?

**Dr Sale**—One observation is that things are fairly organised in the West in the game that I am in, believe you me. There is such close collaboration between the department, the universities, CSIRO; whenever there is work on, they are all together in the car, out they go, do the field work. It is just that they have had to, or they are, very, very coherent. They are very well connected. They are very well organised. They communicate; they talk amongst themselves. I do not think it happens quite the same way here. It is amazing just how well things happen over there in this applied research area in the rural sector, it is amazing. Maybe there is a lesson there, that they really have their act together; we seemingly have not, maybe because there is more competition here, perhaps, and there is less communication.

**CHAIR**—How do you stimulate that? We heard evidence from Primary Skills Victoria this morning, and they seem to have a reasonably good model where they are working in collaboration with the union movement et cetera to raise the issue of the problems associated with rural skills at the primary school level, and they have come up with what I believe are some innovative views on what we should be doing to promote it. That is why I asked the question about education at the primary school level. If they can do it, why cannot the other groups do it? It is one thing to be saying that people are very busy at the moment, but the bottom line is that, while they are being busy, it will get worse and worse. What do we have to do to get people to talk to one another about the problem? We would not know about it, except that a number of our members, and one in particular, have raised consistently the fact that there is a serious problem out there with rural skills. I have to say it is probably one of the best things that the committee

has done, because we are picking up exceptional pieces of information centred on the problem, which is compounding day by day. The problem can only be identified by people with the ability to recognise that people need to get together to highlight the issue. We can do it, but when our report comes out with its recommendations, it will only be as good as the response by the minister and the government of the day taking notice of those recommendations. It has to be complemented by a drive from industry, whether it is at university level or down at the grassroots level, getting together and pushing a united story to governments at all levels. Would you care to comment on that?

**Dr Sandeman**—Perhaps now is the right time to do it. It is certainly a time when the changes in Victoria are going through, and it is focusing people's minds in terms of where we are going and what we are doing. There ought to be some coordination, particularly from state governments, and the Victorian state government in this instance; it would be useful to have at least a coordinator's position available who could bring people together.

**Dr Sale**—Yes. I would say that in the last three years I have been very concerned about it, and from time to time I have put pen to paper but it never seems to progress very far. It goes along the lines of the need to form an industry-wide task force, with all stakeholders involved, and with joint participation, joint support and joint funding. We have to support, talk and plan and invest in some enlightened market research to find out what the issues are out there and get on with it. We have to come together, and this just has not happened. Your committee might well provide that.

**CHAIR**—Would I be correct in saying we have to come together at a national level?

**Dr Sale**—I think so.

**CHAIR**—We have a very good system operating at the moment called COAG. Are all of the agriculture ministers—as an example—dills, and are all the education ministers dills that they cannot perceive that there is a serious issue based on what is happening in their own areas and not bringing it together? That is a very good level to raise these issues, and I just ask the question: why are they not raising it? Why are they not bringing the concerns of their various communities for which they are responsible to each other's attention?

**Dr Sale**—Remember the previous Minister for Primary Industries in Victoria, Keith Hamilton, now retired. His last act was to bring together all Victorian stakeholders to have a workshop and talk about this particular issue. Then he retired.

**CHAIR**—He could not hack it?

**Dr Sandeman**—The initial talkfest did, but after that, there was nothing.

**Dr Sale**—There was a lot of talking and things came out of it, but there was no action. There was no follow-up, so things grind on down.

**CHAIR**—It does not say much for the bureaucrats, does it? The guy did an obviously sensible thing in getting people together. When he moves out of the way, the bureaucrats do not keep the momentum flowing. They had nobody kicking their backsides to do it.

**Dr Sale**—He just happened to retire, because it was his time, but you are right. It has arisen in the past, but again it just falls over.

**Mr FORREST**—Getting back to the issue of too many providers. The process you suggested is just too painful for everybody, isn't it? Let a natural attrition occur—

**Dr Sale**—Yes.

**Mr FORREST**—and it will take years to get momentum back. Is it the role of government, and therefore should this committee be considering making recommendations to start wielding a big stick into the allocation of places? What would you see as the way forward? Take your university as an example. If someone says, 'I'm sorry, you can't provide agricultural education any more; it has to go to state based tender or something and, at the end of the day, there cannot be that many providers,' how would that leave your university?

**Dr Sandeman**—At the moment, the number of places is driven by funding and, with the number of places decreasing, there is more pressure on each of the providers. If we found a way of increasing the number of students coming into the system, there would be less pressure on the providers and we would be looking much better. There would be less pressure to amalgamate also, I suppose. If there was a forced amalgamation into some sort of special agriculture college or university or whatever, the biggest problem would be that the number of students you got into it would not be enough to support it, full stop! In other words, you have to have something that is associated with the rest of the university to be able to teach the science of agriculture. There would not be enough places in Victoria to do that.

**Dr Sale**—It does not matter what you do to try to force these things, unless there is an inherent demand by young people to want to go into this career, it will all come to no avail. You cannot force them to do it; they have to want to do it. For whatever reason—and this is a worldwide phenomenon—a lot of the old agricultural science type courses have gone by the wayside as society has changed. I would dispute that there are too many of us, that we are producing too many graduates, because the industry cannot fill the places.

**Mr FORREST**—No, I am not saying there are too many graduates. There are too many providers competing for a reducing number of potential students. I think that is where the problem is.

**Dr Sale**—Yes, I am with you.

**Mr FORREST**—We are definitely not producing enough graduates. We all know that.

**Dr Sandeman**—There is no doubt we probably only need one provider in Victoria, but the problem is getting that, and also getting that in a form that is efficient and able to live on its own resources. At the moment, departments of agriculture are downsizing because they are just not bringing in enough money. That is not true of us at the moment; we are bringing in enough money. A lot of that extra resource comes from things like animal science, which is similar to the course at Melbourne university, which has also introduced that degree because it is very popular. Ag science per se has not been, and they are still having problems with funding.

**CHAIR**—Which leads us to the current issue—and you refer to it in your submission—where rural students are going to the urban based universities and taking up courses that remove them from any opportunity they may have had to do rural based courses. Is there a strong and compelling argument for more regional campuses to be established in rural and regional Australia?

**Dr Sandeman**—What sorts of courses? If you are teaching education and nursing, yes.

**CHAIR**—The general trend for governments of all political persuasions over the last 15 to 20 years, in my experience, has been to shut down their agricultural colleges and move them into the highly densely populated areas, and a lot of it has been hived off to universities. As a result, despite the public furore that has come out of the small groups of people in rural and regional Australia that are affected by it, there has been no inclination from any government, including the federal government, to recognise there is a need to put educational facilities back into the region. We spent 200 years emphasising the need to put infrastructure in rural and regional Australia—and I am generalising here—and what are we doing when we rationalise? We pull it all out again and create another problem. In your view, do we need a targeted movement into putting more rural based campuses for training purposes, at an agricultural level of multi-faceted skills, back into rural and regional Australia?

**Dr Sandeman**—It would be a useful idea from the point of view of holding students in their area and educating them there and then getting them back into positions and careers within their regional area. The problem is that the level of funding required would be well above what we are paid per student now because you have to put in enough people to be able to train in those courses, and the student fees and HECS and so on would not come anywhere near covering that sort of funding. Almost all rural campuses are losing money if you look at them purely from the point of view of student numbers.

**Dr Sale**—The other thing with agricultural science is that you need a lot of support disciplines to teach the course—botany, biochemistry, chemistry, physics: all of these people. You need these viable university departments in one centre to be able to teach. It would be pretty difficult and expensive to put all that into the bush.

**CHAIR**—Having taken into account those negative points about the cost and the type of people you have in there, isn't there a case for private enterprise and government to work collaboratively together and put private enterprise putting funds, expertise or whatever into the rural based campuses to help overcome the problems you are talking about? The point I am making is that if we are going to lose skills from all levels of our rural industries, rural industries have to recognise that if they are to have their needs fulfilled they have to make a contribution. Do you think there is a need to drive that a bit more aggressively than we have driven it in the past?

**Dr Sandeman**—There is certainly a recognition amongst the industry that they need to help. We are experiencing that. We are receiving some assistance in scholarships and in funding new course development from various industry organisations, including wool people, meat and so on, and industries around the regional areas. The level of funding you are talking about to do something like this is another quantum. It might be beyond just industry. Just funding one college in somewhere like Bendigo is a huge undertaking. I do not know what La Trobe's books

are, but I am sure that, if they did it properly, it would be either a lot smaller college or they would have to withdraw it completely. It is just a very difficult thing to see happening with the levels of funding we have—even with industry support, because industry's primary job is not educating students. It would be quite difficult.

**Mr GAVAN O'CONNOR**—You mentioned earlier that the trends in other countries are very similar to those in Australia and that that experience is reflected in a decline in agriculture and all that goes with that. Are there any models of how they have addressed this issue overseas that attract you? It does not matter if you cannot answer the question, but we would be interested to know if there are any countries that, in the face of this decline, have introduced some innovative measures that have at least provided the supply of students into these courses that is necessary to sustain them.

**Dr Sandeman**—The only thing I would say is that in Europe and America, where the supply seems reasonable, that is because it is because the industry is propped up. They have a very strong agricultural industry which is basically supported by the taxpayer. In that situation, which we definitely are not in—and probably do not want to be—you would probably keep your students because they can see that the paths are there.

**Dr Sale**—What happens with the models that I have seen—and I have not really seen much over there, just what I have heard anecdotally—the name changes and it becomes a department or a school of environmental science and agriculture and applied science and what have you. So they have had to broaden their intake to cover a range of courses as opposed to just relying on agriculture like they used to. They are changing with the times as the student demand changes. It is more a concern of the environment as opposed to straight production agriculture.

**CHAIR**—It is a pretty depressing situation when Australian farmers are recognised as some of the most efficient, if not the most efficient, group of farmers in the world and we are sitting here talking at the moment about losing that efficiency and that expertise because people outside of the farming sector, including government, fail to recognise the significance of their being as good as they are. With every day that goes by we are losing more and more of their expertise because nobody wants to have an input. That is why I mentioned the issue of COAG—it is platform that is there, with the collective brains. I did ask the question: were they all dills? There are surely some collective brains within that organisation that could generate a drive to get them moving. It has to come from somewhere and it has to be complemented by industry.

We have heard some very positive stuff from different groups in this inquiry. I think we have had eight hearings now, and we are picking up some very good information. I am happy for my parliamentary colleagues to correct me if I am wrong in saying this, but from my observation there appears to be a lack of aggressive drive from within industry itself—and I am talking about support industries and so on—that is needed to ensure that the required momentum that we are talking about is continued and increased. Would you agree with that observation?

**Dr Sandeman**—Certainly.

**Dr Sale**—Yes, I would agree. What we need are some real champions out there from industry, government, the education sector or whatever—

**CHAIR**—We need some pains in the butt; that is what we need.

**Dr Sale**—Yes, who are prepared to really get out and have a go; but we have not found those people.

**Mr FORREST**—I liked your last page, which has recommendations. That is good; that has given us some grist for the mill to chew over. You have spoken about an industry wide task force. I want to go back to this question that is bothering me, where you mention ‘the government’s strategy to encourage cooperation between tertiary institutions in the delivery of courses’. Again, the question is how to do that in a way that is fair to everybody and as painless as possible. I am struggling with that. I do not have in my own mind a process by which we can achieve that, other than to stand back and let it happen by natural attrition and pick up the pieces afterwards.

**Dr Sandeman**—If it is about encouragement then funding may encourage it. If you give enough funding towards it, people will be encouraged—either that or wave the big stick and say you have to do it. I cannot see any other particular mechanism.

**Mr FORREST**—A loading in the funding allocations that caters for the needs of regional campuses and the less efficient provision of the other sciences you need—is that what you are saying?

**Dr Sandeman**—Certainly, if you want cooperation between universities. The cooperation with Monash that we have now was brought about by circumstances both within La Trobe and within Monash. It really was not encouraged by any funding or anything—that came along at about the same time, which was useful. Perhaps collaboration with Melbourne might be on the cards at the moment—I do not know. I know that there is a certain amount of talking going on between La Trobe and Melbourne. I think that is mainly about Dookie and things like that; it is not particularly about the whole area.

**Dr Sale**—It is difficult. I have pondered over this question of how change can come about. I am probably speaking out of turn, but it seems that you have a number of institutions that have their own pride and their own reputation and you have vice-chancellors who are very protective of their turf. What can you do?

**CHAIR**—You are not speaking out of turn; that is the sort of comment we want to hear. I am serious: it is very important to the debate and it is very important to this committee that we hear those sorts of comments.

**Mr FORREST**—I will give you a classic example: Mildura. Sunraysia produces 25 per cent of the nation’s wine. It is ideal that that ought to be the location of the vigneron’s course, but it does not happen—you have to go to Adelaide or somewhere. That seems to be an ideal opportunity, but again the universities—especially yours because you are located there—are not going to do it unless they have some confidence that someone else is not going to do it somewhere else in Australia.



**Dr Sale**—Yes, but it has got to be viable, too—the tyranny of distance in Mildura, I tell you. We have had vit science offered at Mildura and we can hardly get any starters up there, even first years.

**Mr FORREST**—I know. But there are 27 wineries all calling out for winemakers.

**Dr Sale**— I know.

**Dr Sandeman**—Adelaide is closer than Melbourne, though, so Adelaide is the first port of call for most people who are interested in viticulture in Mildura.

**CHAIR**—It is a question of time, distance and convenience. Gentlemen, thank you very much for your contributions. It has once again been very helpful. We are so gratified by the contributions that people have made. We particularly encourage people—and I hope those people who are going to give evidence are listening—to give it to us warts and all. We know that we have our shortcomings as members of a parliament, and we have our shortcomings as members of governments of the day. We rely on your expertise and your experience with what is going wrong out there for us to be able to put together a report that is not only read by government but, more importantly, contains recommendations that governments will pick up. Governments are notorious for not taking recommendations based on reports put out by well intentioned members of parliament with evidence from the communities. We have to get to a situation where we can put some pretty compelling stuff in there that makes them sit up and take note. That is one of the reasons why, from time to time, I am not backwards in coming forwards in pointing out the shortcomings of my own government. Thank you very much for your contribution; it was very much appreciated.

**Dr Sandeman**—Thank you.

**Dr Sale**—Thank you.

[2.15 pm]

**LARKINS, Professor Francis Patrick, Deputy Vice-Chancellor (Research) and Dean Faculty of Land and Food Resources, University of Melbourne**

**CHAIR**—I welcome representatives from the University of Melbourne. 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?

**Prof. Larkins**—Thank you, Chair. I welcome the opportunity to make some introductory remarks. The University of Melbourne welcomes this inquiry because it does focus on a very important area of Australia's activities. The University of Melbourne has been a provider of agricultural education and research for over 100 years—and, I might say, we have every expectation that we will continue to do that for the next 100 years.

I might start by putting into context what I wanted to say by reference to the Productivity Commission's recent research paper, which I am sure your inquiry is well aware of, entitled *Trends in Australian Agriculture*. I would like to make three or four points that focus on issues that we have endeavoured to elaborate on in our submission. It is noteworthy, as the commission has indicated, that agriculture's share of employment has more than halved since the late 1960s, when it was around nine per cent; now it is around four per cent. Australia's reliance on agricultural products has really declined from two-thirds of total exports in the early 1960s to just over one-fifth, or 20 per cent.

The dairy industry highlights that. It is reported that 50 years ago the number of dairy farm workers was in the order of 60,000 in Victoria, whereas now the number of dairy farm workers has reduced to about 10,000 in Victoria. On the other hand, the size of the herds in Victoria is now more than four times as large and the productivity per cow is now at least twice what it was 50 years ago. This highlights the positive of the agricultural sector—the output has more than doubled in the last 40 years and there has been a big shift from the domestic to the international markets, either directly or through processing in an indirect way. What is striking—and this is highlighted by the commission—is that the proportion of the agricultural work force with university training is more than three times lower than the work force in general. From the point of view of University of Melbourne, it is three times lower than the average.

Another core difficulty is that agricultural workers are the lowest paid workers in the economy on average, and that is also highlighted in our submission. We have a situation where there are very low university skill levels going into the agricultural area and the agricultural workforce is the lowest paid. Because of international competitiveness, there is a growing importance of the off-farm support through professional services, and research has increased. It is in recognition of that fact that the University of Melbourne has sought to refocus its activities going forward.

Our great strengths are in forestry and ecosystem science areas, and we aim to be absolutely world competitive in that area. The whole area of plant, animal and food biotechnology is becoming increasingly important. We have just spent over \$120 million on a building and equipment for our Bio21 Institute, which will support that initiative. Then in the areas of horticulture, soils, water and agribusiness, we are active and will continue to be. While we will no doubt discuss a number of changes that have occurred at the University of Melbourne, I would like to put it in that context and then very briefly go to the submission.

We make five key recommendations. I will quickly touch on those and will be more than happy to then answer questions. The first, which follows on from your previous discussion, is that we do consider that it would be in the best interests of delivering quality educational programs if there were fewer providers. In particular, looking at Victoria, there are fewer vocational education and training providers and therefore an increased concentration of resources. We do think enough courses exist, but the major limitation is student demand on full-time campus courses, especially in regional campuses. I would be happy to elaborate especially on our Dookie experience, where we currently offer both higher ed and vocational education courses. I think a well coordinated state wide delivery system of TAFE skill based training is required. Research going on around Australia is, I think, generally of a very high quality. But, as in other areas, there is fierce international competition and the question is not so much about quality but about quantity. Are we making enough investment? Are we doing enough to support the industries?

In our submission we highlight that the students we deal with are not just from school. Really we see students falling into about five different categories, and I would be happy to elaborate on that. One of the important things is to be more effective in the transfer of opportunities from the TAFE sector to the higher education sector, the articulation programs. We do see opportunities there. We think that industry at the present time does not articulate well enough what skills it really needs—what skills does it need on-farm and what skills does it need off-farm. I think there is an important issue there, which we have elaborated on. In order to do research, strong links between education and research providers and industry groups are important. On page 5 of the submission we make suggestions about a number of initiatives that could be taken to increase that.

Finally, state and federal governments clearly need to provide leadership in this area. We do think that there is a case for the Australian government to increase its funding support for both the skills program and the research activities that they see as being in the national interest. We very much understand that there is competition for funds and you must demonstrate the national interest. There are a number of dot points on the final page of the submission, which we suggest are areas where an investment could return a significant increased dividend. I will leave it at that. I am more than happy to answer any questions.

**CHAIR**—Thank you very much, Professor Larkins.

**Mr FORREST**—Melbourne University has been strongly criticised in many submissions, and of course you would be well aware of that.

**Prof. Larkins**—Yes.

**Mr FORREST**—It is currently facing the crisis here in Victoria. Could you bring the committee up to date on where the university is at with its proposed closure of the seven rural based campuses and how it is going about resolving the difficulty of transferring the management to other providers.

**Prof. Larkins**—As I said in my introduction, I am the Deputy Vice-Chancellor of University of Melbourne. We have had two deans of land and food resources who previously attempted resolution of what was a very serious problem for the university, without success. With the resignation approximately one year ago of the dean as a member of the senior executive, and with a significant background as professor of chemistry and also a rural background, I was asked to have a look at the core strategic issues that were so problematic. I think you can summarise it by saying that there are too few students; there are too many resources, which are too widely distributed; and there are too many providers. I am talking particularly about Victoria and particularly about TAFE education.

As we state in our submission, there are now 19 institutes and several other providers providing agriculture related education. When colleges like Dookie, Longerenong, Glenormiston and McMillan were established, by and large they were the sole providers in Victoria of agriculture related education. They have found themselves subject to very significant competition from other TAFE providers which, as my colleagues from La Trobe indicated, have the capacity to offer a broader curriculum than, for example, Glenormiston or Longerenong—where I know, Sir, that you have a great interest. Longerenong offers agriculture related education but it cannot also offer to students courses in computer science, management and so on; whereas other TAFE institutes can offer a distribution of subjects. We have found that students—and this is true in higher education—like combined degrees and they are looking for a broader educational experience.

So the decision was made very much in consultation with the state government and the department of education here, and it was a decision of the university council. I should say that, after consultation with industry, they made the message very clear that, because there was great pressure for agricultural industries to be internationally competitive, the area they wanted us to focus most on, if we needed to focus, was higher education and research, arguing that there were several other providers available.

It was agreed with the state government that alternative providers for those courses we had offered would be sought. A precondition—and it is not a decision by the University of Melbourne; it is a decision by the state government—would be that the new providers must agree to offer the courses in the region, although not necessarily on the same campuses. That went to tender. While some people said there would not be interest in teaching the courses that the University of Melbourne currently teaches, that proved not to be the case. In every region of Victoria, there were several other providers who said, ‘We are willing to teach those courses in the TAFE area if the University of Melbourne does not wish to teach them, and we will add them to our programs.’ It was the department of education that made the selection, and my understanding is that they are offering contracts to the new providers to teach in the region the courses that are there.

The University of Melbourne has provided guarantees to our own students, where we need to teach out, that there will be the opportunities for those students to receive a University of

Melbourne award. All of the new providers, with one possible exception, have agreed that they would like to teach out the courses for the University of Melbourne rather than doing it ourselves. We have said that the resources we have in places like Glenormiston, Longerenong and McMillan are surplus to the University of Melbourne. The vice-chancellor wrote to the state minister saying that, as they are effectively crown grants with a covenant on them for agriculture related purposes, we were willing to either hand them back to the state or hand them to any other public body that the state so nominated. The state is going through a process of determining, if you like, an alternative owner to the University of Melbourne. We made it very clear that we had no intention of asset stripping. We saw ourselves, as a university, as the custodian of these resources on behalf of the community and, with the guidance of the state government, we would willingly transfer them to a new provider. That is the process that we are currently going through. When a new provider is found, we would be willing to transfer those resources.

**Mr FORREST**—When will the handover occur?

**Prof. Larkins**—That is a decision for the state minister. We have requested 1 January 2006, but it is not our decision. The other point I should raise, because it is an important one, is that, in discussion with the state government, we said we would be as accommodating as possible for this process because we did want to concentrate on higher ed and research. It transpired that, because of industrial relations activities, the only way we could provide an opportunity for our present TAFE employees to be re-employed was to make them redundant. One of the issues that the state government raised was the so-called transmission of business. The fact is that all of the University of Melbourne TAFE workers are classified as higher education workers and are therefore on a different award. Had we transferred our staff directly to the new providers, that would have constituted a transmission of business, which the state government made very clear would not be acceptable. So the only way through it is to make our staff free agents. We have therefore agreed, although the additional expense to Melbourne is very considerable, that we will offer, and we have already given, redundancy notices. My understanding is that more than half of our staff will be re-employed by the new providers. There is a significant golden handshake to the TAFE staff of the University of Melbourne as a consequence of this exercise.

**CHAIR**—That is all very interesting, but can we get back on to what we are here for, and that is to—

**Mr FORREST**—Well, hang on—

**CHAIR**—ask some questions about rural skills training. It is not centred around a particular facility in an isolated area.

**Mr FORREST**—We have an example here in Victoria of the end result if we do not get some positive input from the Commonwealth to ensure—

**CHAIR**—With due respect, can I say that Professor Larkins has given a fairly comprehensive overview of the situation and I do not think we need to go any further than that.

**Mr FORREST**—I was present at a public meeting in Horsham when the previous vice-chancellor and the previous dean gave a commitment to the community—

**CHAIR**—Can I call you to order and tell you that we are not running an inquisition on individuals here. With due respect, we are here to get information and evidence on rural skills shortages throughout the country. Let us get back to asking the professor some questions generally related to rural skills shortages.

**Mr FORREST**—The evidence is, and we will hear evidence again tomorrow, Mr Chairman, that this university is receiving considerable criticism on the way it has handled the outcome. I am trying to get the university's position on the matter on the record. I think that is fair and reasonable, and this is Professor Larkins' opportunity.

**CHAIR**—I think you should read the terms of reference for this inquiry again. Professor Larkins, your submission points to the flexibility the university offers in relation to course delivery and states that costs associated with this should be more fully recognised in funding agreements. Can you expand on that particular matter for the committee.

**Prof. Larkins**—Again, this is a principal focus on the delivery of TAFE programs throughout the state of Victoria. Over the years there has been quite a shift so that much of it takes place in the workplace rather than by the students coming to one location. The so-called off-campus delivery has become, for all TAFE providers, a very important part of the way in which they deliver the education. The shift has been from, if you like, residential agricultural colleges, where students would go for eight weeks or more and which are fully residential 24/7, to a situation where now more and more of the staff actually go into the workplace and deliver the courses.

We have found in our experience—and we have been the largest provider of agricultural TAFE education in Victoria—that there has been this progressive shift. Approximately half of our delivery has been off-campus, if you like, by needing to go to the workplace to use either the workplace facilities or something nearby. This is about the practical side of the area. If I can cite as an example the food industry, in particular dairy—the butter factories, cheese making and so on. More than 80 per cent of our work in that area is actually done in the factories. That is the big shift—you do not need as much physical infrastructure in one place to deliver some of these courses.

**CHAIR**—I take you back to your university. On Wednesday, 9 November, we took evidence from the Institute of Foresters of Australia. According to IFA, two of the main problems in Australian forestry tertiary education are a growing shortfall of professional foresters sought by the forestry industry sector, and falling enrolments at universities for forestry undergraduate courses. One of the universities that is offering that is your University of Melbourne, which I understand offers a bachelor degree and a graduate degree in forest science. Would you explain why there is a concern in IFA as to the growing shortfall of professional foresters sought by the forestry sector?

**Prof. Larkins**—I think it is a genuine concern, might I say, and we have taught forestry since 1909, so we have been there nearly 100 years. There is a serious decline in the numbers, and despite the promotion that one has endeavoured to do for forest science, our enrolments have been minimal. Like every other industry these days we get paid by performance; as a consequence if we do not have the students, we do not get paid. That erodes the base of your programs. We do have a major centre of excellence at Creswick, which is where our principal

focus is. We have combined with the state government, with the Department of Sustainability and Environment, to share our resources and to build together a strong centre, but we are short of students. One of the problems has been in first and second year—again, it is the problem we have had in other campuses—where the students like to do combined degrees and so on. We are endeavouring to shift the basis upon which we deliver those courses by now delivering the first two years in Parkville and then subsequently delivering the course at Creswick rather than the early years at Creswick, in a hope that we can attract more students because the jobs are there. It is a puzzle to me that in areas where there are good career opportunities, we just cannot attract the students. They are not seen yet as being attractive enough.

**CHAIR**—Having taken what you have just said into consideration, could you perhaps give us an overview of your thoughts on why we are losing so many foresters to their industry overseas? Why are we exporting foresters and compounding the problems of the shortage of qualified foresters? What is it that prevents them from staying in the industry here?

**Prof. Larkins**—I do not have a definitive answer to that at all. Underlying it is small numbers. Whether it be here or at ANU, in Queensland or in Tasmania, I think you will hear a similar story. There is naturally a free flow of talented people overseas. We have a strong alliance with the University of British Columbia. They have a forest science centre there, and of course in forest and biodiversity eco systems science, they align very closely with us. They are short of graduates as well. It is an international marketable commodity to have a good degree in this area. I think people are finding attractive opportunities overseas, and I guess we are not reciprocating enough, although we do get some flow from New Zealand, I have to say.

**Mr GAVAN O'CONNOR**—You state in the submission that government has a key role in assisting the promotion of careers in agriculture and related industries from the vocational level through to professional level. The need for a greater promotion has come through in other evidence. You give a particular role for the government in this. Is it just a matter of resource and funding? Do you have any wider views than that?

**Prof. Larkins**—I do not think it is just resource. There is an important perception as well. If you take the debilitating droughts that have occurred throughout the country, it is natural and entirely expected that various industry groups will talk about their industry being in crisis or will talk about the need for government funding. But then when you talk to school students and so on, they say, 'Why should I go into an industry that is in crisis? I only have to pick up a local paper and it says we need more drought relief and so on'. I am not saying they do not need drought relief—they do. The issue is how you counterbalance that with the fact that it is a major international export industry and to be internationally competitive you want highly skilled people. There are two mixed messages getting across into schools—not only drought, but the need for financial assistance from government. This does not resonate well with young students—that it is a bright industry with a great future. I think that is at the core of it.

With respect to Mr Forrest and his electorate, it is one of the most striking things that I have found in that region. I have been talking to the senior leaders in that community about how they balance up a genuine need on occasions, but not undermine the industry at the same time vis-a-vis young and impressionable students. That is the real dilemma. It is a sort of 'yes, but' situation.

**Mr GAVAN O'CONNOR**—Yes. It is a difficult and complex one, and we are just seeking views, when these forces come to play, as to how we might discern a role for government, if any, in that counterbalancing effect, because it is clear that the perception that comes through to young people in difficult times is not a positive one and that can influence the whole chain through in the skills formation in the education sector. Just going through your recommendations—and we thank you for those—in the final one, you talk about a particular role for the Australian government to play in the support of basic longer term research that is not directed to short-term industry needs. Could you offer some indication there as to what you—

**Prof. Larkins**—Yes, I was thinking about areas like biotechnology. Plant, animal and food biotechnology are areas where undoubtedly there is a whole question of quality pest resistant crops, for example, that require very sophisticated insect entomology type studies. I mentioned about the productivity of cows. For example, on average now cows produce twice as much milk as they used to some 30 or 40 years ago. That has not happened by accident, and it did not happen overnight. There has been progressive selective breeding. We have enough examples to recognise that the dividend may be 15 or 20 years away, but you have to make the investment now. That is always hard when there are short-term pressures. It is a very mature industry on one level that I believe we are dealing with here, so there are examples of outstanding research 20 years ago that are now paying a dividend for the industry. We need to take that into consideration. You really cannot have all your research with a very short-term industry mission focus. You have to have some which is much broader. It is a matter of striking a balance between those two. I guess it has been pressure, but in the Rural Industry Research and Development Corporation, there has been a trend to fund less of what some people call the discovery, blue-sky research. All we are saying is, it is in the national interest to keep a balance.

**Mr GAVAN O'CONNOR**—The issue of improved knowledge transfer mechanisms has reared its head in discussion with other people who have submitted that yawning gulf between the rather excellent research that might go on in your university and that particular research then gathering dust on the shelf, or finding its way into some journal and not really getting out into the paddock. Have you any views there, seeing that you have made the recommendation that improvement needs to be made there?

**Prof. Larkins**—Yes, and in the more substantive part of the submission I have elaborated on that. There is no one answer. Clearly my experience is that when field days are conducted, they are very well supported. For example, again with the dairy industry down at Glenormiston, we have been running some long-term pasture trials about different pastures for different times of the year. Whenever there is a field day to explain to farmers what pasture they might grow at particular times of the year, there is very good response for that kind of development. I do think the farmers in general are very receptive.

The wine industry is an interesting model. The wine industry, particularly out of South Australia as I understand it, does in effect monitor all of the papers that are published relating to Australian viticulture and so on. They actually have professional translators, if I can use that word, who translate them from the esoteric science to the practical, and then in their newsletter and so on, they propagate the discovery: 'This discovery has been made, it may have implications here, and this is where you can follow up.' The researchers themselves are not always the best people to do that translation. That is an area where potentially, industry by industry, we catch up.



**Mr GAVAN O'CONNOR**—When governments of whatever political persuasion introduce legislation into the parliament, that legislation is usually accompanied by an impact statement of some description. It may well be, for example, the economic impact or the family impact or whatever—perhaps we might put that requirement on the researchers in the tertiary institutions to supply an impact statement of their one, two, three or four best suggestions on how the fruits of their research might be applied at the farm level. It would bring well-needed focus to some of the research that is undertaken. Does that occur at all?

**Prof. Larkins**—It does now at a particular point. Most people undertaking research have to apply for external research funds, and therefore usually write grant applications, and pretty well as part of that submission these days, there are standard—

**Mr GAVAN O'CONNOR**—So that is the discipline on them.

**Prof. Larkins**—That is not enough, though. I think that you do need the translator, if you like, because you hear so often, 'Well, I heard the researcher say that but I really did not understand a lot; it was just all over my head'. There is a communication gap that the researcher is not always the best person to fill. He has to facilitate its happening, but is not always the best person.

**Mr GAVAN O'CONNOR**—Did the extension departments, for example primary industry, play that role in the past?

**Prof. Larkins**—They are gone.

**Mr GAVAN O'CONNOR**—They are gone now. How do we overcome that particular gap? I take your point about field days; I take your point about newsletters. I guess they are all part of the patchwork. I wonder is there anything else in a practical way that enables the fruits of research to be translated and then applied on farm for the benefit of the enterprise?

**Prof. Larkins**—In this state when I talk to a number of practitioners, they do lament the loss of those people who worked for the Department of Primary Industries and so on, used to, or Natural Resources or Sustainability, who were the translators to some extent, who could take the discoveries and then undertake the demonstration. There is a gap in that knowledge transfer that is worth reconsideration.

**Mr FORREST**—The farming community have taken matters into their own hands to some extent, and the Birchip Cropping Group is a fine example.

**Prof. Larkins**—That is an example, yes. The grains innovation people, the grains as well, yes.

**Mr FORREST**—At the top of page 6, you make reference to Target 10 dairy extension program as a good example of extension outcomes. Could you explain what that is?

**Prof. Larkins**—That is predominately the pasture science program which is running in south-west Victoria.

**Mr FORREST**—It is a state based initiative?

**Prof. Larkins**—It is state based, and there is also a 30-30 program just coming on, which is designed to increase by 30 per cent the efficiency of dairying—these are both dairying initiatives—using 30 per cent less resources. It is a really challenging program. These are consortia in which the University of Melbourne is quite prominent.

**CHAIR**—Professor Larkins, in evidence taken, the committee has received criticism of Melbourne University that you do not understand the philosophy behind TAFE and that you do not have the infrastructure to cope with TAFE's systems or keep up with its agenda. Would you care to comment on that?

**Prof. Larkins**—In totality of the university operation, the TAFE has been a small operation. We have over 40,000 students at the University of Melbourne, and we have diversity of faculties. The TAFE was a merger effectively in 1997 with the university and, as I say, has been focused principally on one faculty. Depending on the perceptions that people had, they may not feel that the university gave sufficient attention to the breadth of it. I think one does have to acknowledge that many of my colleagues in other faculties would not have seen it as core business for the university. This is one element of the determination by the council that, if we were not doing it well enough—and some of the criticisms of the university were justified—then we saw it as being very important and we should leave the space to providers who were fully dedicated to a TAFE agenda. What has transpired since the middle of the year in a way is a vindication of that because, as I said to Mr Forrest, there have been several other excellent TAFE institutes who have willingly said, 'We would like to deliver those courses'. The opportunity for us to refocus and to strengthen the TAFE agricultural delivery through a more specialist provider we hope in the end will be recognised by the community as being a win-win situation overall.

**CHAIR**—Thank you, Professor Larkins, for your contribution this afternoon. We do appreciate the time given by people giving evidence before the committee. It is all a learning process for us and, more importantly, it is not only a learning process in terms of the problems related to skill shortages across the country but also, it is an opportunity for us to get some valuable information that we can pass on to the government through our report. Hopefully the recommendations that will come out of this evidence taking process will be such, as I have said to other people giving evidence, that it will be positively acted upon, because we do have a very difficult situation in rural and regional Australia with skills shortages. It has to be addressed, and we have to find a solution to how we do that. Thank you for your contribution.

**Prof. Larkins**—Thank you very much indeed.

**Proceedings suspended from 2.56 pm to 3.11 pm**

**POOLE, Mr Robert Arthur, Deputy Chief Executive Officer and Policy Director, Australian Dairy Farmers Ltd**

**CHAIR**—Welcome, Mr Poole. 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 Poole**—I would like to make some introductory remarks, Mr Chairman. Thank you very much for the chance to appear before the committee. The establishment of the inquiry has in part been responsible for what has been a profound change in the dairy industry. It was the catalyst for us to hold an urgent review of skills and training needs in the industry, and as I will describe to you in my opening remarks, that has led to some fairly amazing changes in the last few weeks.

I am the Deputy Chief Executive Officer and the Policy Director of ADF; I have strong family interests in dairying and, through my ownership of our farms, directly employ apprentices in Pyramid Hill in northern Victoria, so not only do I represent the industry through our policy development but I have a strong personal interest in education skills directly.

Since forwarding the submission, two profound things have happened to us in the dairy industry. We have completed a priority setting process which has reconfirmed skills development as the absolute fundamental of our success. I cannot stress it any more strongly in terms of the direction and the energies that we plan to put into skill development. It is the absolute foundation we believe of the future success of dairying. That is not just on farm; it is at the service provision level and also at the research level. The next most or equally profound thing that has happened is the fact that, with the withdrawal of the University of Melbourne from vocational education training here in Victoria, through the review that I described earlier, we made a decision as an industry to bid for those dairy hours. That constitutes 80 per cent of the hours in the state of Victoria, which is the main dairy state. We did that in a consortium through our service provider, Dairy Australia, and in a joint venture with GOTAFE—Goulburn Ovens TAFE. We were successful in that bid, and as a result, through GOTAFE and Dairy Australia, the dairy industry successfully now controls 80 per cent of the vocational hours in Victoria. It is something we are very happy about and it describes the lengths to which we are prepared to go to influence education and training directly in the dairy industry.

At the forefront of our minds was the fact that we had to commit to that as farmers. It was not just about blaming the system or the structures of the past. We took equal responsibility for that as farm leaders, but we also understood that the structures were not necessarily there unless we were going to have some direct control over trading for us to do that. We did make that bid. We were not prepared to let dairy training disappear into the TAFE sector where we feel the outcomes of that were too funding driven, too input driven, not outcomes driven. We felt that the learning packages in the TAFE system were becoming less attractive to the dairy industry day by day. The decision of the University of Melbourne to withdraw was a once in a lifetime opportunity for us, and we went to great lengths to grab control of those hours.

Under the consortium of Dairy Australia and GOTAFE, we have now established the National Centre for Dairy Education—that is essentially the brand name under which we will operate. We hope to deliver outcomes which are outlined in the submission to this inquiry. That is what I was saying about the profoundness of the inquiry; it forced us to do the submission; it forced us to establish the principles by which we wanted to act. The University of Melbourne then withdrew, and we were able to instruct those who work on our behalf to try to meet the objectives of the submission. It has been quite a profound document for the future of the industry.

Whilst it is a Victorian initiative at the moment, it is 65 per cent of the dairy industry in Victoria, we hope to very quickly move the National Centre for Dairy Education nationally, and we will be looking at opportunities to joint venture with training institutes in other states.

The point of that background is that it is a case study into the extent to which industries have to go to make education and skill development work. Talking to other sectors such as grains in particular, they certainly wish they had done the same thing. The fact that I am sitting here telling you this story took an incredible amount of work in a very short space of time, and it only happened because the University of Melbourne withdrew. Had they not withdrawn, we would have been talking to you perhaps about a whole different set of initiatives that we would have had to have undertaken.

Some of the other issues I would like to talk to you about in more detail are the skills shortage in general and the current problems that dairy has in the labour market. We could probably place 1,000 people in the industry tomorrow if they were available. Also, our desire to work with governments, federal and state, in the future to build on the work we have done with this latest initiative with GOTAFE and Dairy Australia and perhaps help other industries. One of the risks of what we have done is that we will short suit some other industries by controlling those dairy hours. A lot of those dairy hours flow across into more generic programs, such as chemical user's courses. We do not want to have the effect on other industries that have not grabbed hold of the hours like we have. Again, thank you for the opportunity to appear. That is the new development since the submission, and it has certainly been good that we have done that work.

**CHAIR**—Thank you, Mr Poole. Can I say in my opening remarks to you that every member of this committee is well aware of the historical background to the significant changes that have been made in the dairy industry, much of it outside of the industry's doing. I would compliment you on the initiative that you have taken, because it is proactive, which a lot of other industries could look at it and emulate. We are very pleased to hear you say that your industry has been prompted by the wishes of this group of parliamentarians to undertake this inquiry. I have to pay tribute to my parliamentary colleague John Forrest who was one of the individuals saying to me on a constant basis, 'We have to have an inquiry into rural skills'. Having said that, I know that similar issues have been raised by other parliamentarians as well. It is pleasing from our point of view to know that that initiative on our behalf has created a significant and, dare I say, historical move by your industry to reinvent itself in a proactive and visionary way to look at what you can do to address the issues of skills shortages in your industry. As I said, other industries would do well to emulate the proactive approach you have taken, and you are to be commended for it, and so too is your industry.

We would now like to ask some questions so we can get an insight as to what that proactive move by your industry has culminated in with respect to the changes that you see and the

contribution that you can make to make your industry better in terms of the shortfall of skills. What marketing or other initiatives is the ADF involved in to attract new entrants into dairy?

**Mr Poole**—Thanks, Mr Chairman for those earlier remarks as well. The attraction of people to the industry, again through this recent priority setting process, is a high priority for us. Industry image for want of a better word, the way that our industry is perceived by several different sectors is absolutely also a high priority for us. We see that as part of what we call competition for resources. Dairying is in an interesting situation where a lot of the land in the dairy industry is in coastal regions or bordering large rural cities or, for that matter, large cities like Melbourne and Sydney, so that puts pressure on our labour force in competition with major rural cities and other forms of work. I made the comment to the National Farmers Federation, working on their skills document, that dairy cannot be really considered remote. Our skills shortage and the ability to attract people in dairying is not to do with location; in fact, it is the opposite. We compete directly with these other labour markets.

We have just established a project that we have called an investment guide to dairying. That is directly focused on getting more factual information about the opportunities to both work and own assets in the dairy industry as one example. Obviously, as to what I have just outlined, one of the key platforms for the new initiatives in education, which is included in our submission, was to build confidence in the training sector, to enter that sector, and for the people entering that sector to know that the whole industry was behind that, and that it would be delivered in the most relevant way that could possibly be delivered for future opportunities.

**CHAIR**—We have heard today about the propensity of the national press to only talk about the negatives in agriculture. It is pleasing from our point of view that an organisation such as yours is now talking up the positive side of it through this initiative that you have just told us about today. I must caution you that your move is good news, and it will not get the press that it deserves out there. I suggest that you talk enthusiastically about what you have done to the agricultural organisations that represent or purportedly represent—whichever way you would like to look at it—the rural farmer organisations throughout the country. I am talking about the farmers associations and particularly the National Farmers Federation. You could talk to them and give them a very positive story about how important it is to think positive and move forward. Thank you once again. It is one of the most exciting statements that we have heard today in terms of people's attitude to what has been a very depressing period of time, particularly for people in your industry and, more importantly, followed on by one of the worst droughts that this country has seen for over 100 years.

**Mr GAVAN O'CONNOR**—As the son of a dairy farmer from the Western District, I am very pleased to see that the industry has taken this initiative and full marks to you for doing it. To coin a phrase, it takes a bit of guts to take these sorts of steps as an industry. Obviously you have some visionaries who have honed in on the essential element for the industry's success over time. I note in the submission that you state, 'The needs of the owner/operator are the logical starting point for a learning oriented farm and industry.' What sorts of things are you doing to help your members recognise that this lifelong learning is absolutely essential to their survival? If you go back, the age of dairy farmers has been quoted as quite high. I would not imagine that this is a problem that would beset the new young entrants who have been able to stay in the industry despite the changes that have occurred, but certainly there would be a cohort there that this learning caper would not be native to them.

**Mr Poole**—The other area that I feel that we hopefully show a lot of leadership is in extension, and can I answer your question in that sense. On the back of the drought, we undertook a project called Dairy Moving Forward. You have probably been briefed to some degree on that. That has gone to the heart of addressing the needs of a certain section of farmers that need more support in developing on-farm change and on-farm learning. One of the big things we will do with this new initiative in the formal VET sector is link that better to extension, to the departments of primary industries around Australia, to the companies and their field staff. We feel that there is a degree of farmers, probably 15 to 20 per cent, maybe even higher, in dairy that will take up learning no matter how you give it to them, in what form, when, where or what. They will be information seekers, and they will take up the latest technology or even existing technology very rapidly. We feel that in terms of building relationships and one-on-ones, that can still be done. There is probably something like 2,000 to 3,000 service providers who see farmers on a fairly regular basis. The concept of one-on-one may have been thrown out of the DPI sector in Australia, but we have far from thrown it out of the dairy industry. The initiative under Dairy Moving Forward, called Taking Stock, was a one-on-one based initiative. It was working with factory field staff, DPIs, rural counsellors, basically anybody who was having regular contact with dairy farmers, to promote the concepts of business management and of linking business management to on-farm change and to on-farm learning. We are heading towards 2,000 farm businesses going through that program. We will not lose that initiative. It needs to be better linked to the VET sector so we can formally move people in from one-on-one activity into learning activity.

What creates profound change? If you look at that as a piece of research from our perspective, profound change in that group of farmers is based on relationships, people they trust, visits to the farm and signposting those farmers out into learning activities. Unless you have that, we will be stuck with this adoption curve that we have had in agriculture for 100 years. We think we have found a way that we can shift that to the right and promote learning, promote change through that network of service providers that is such a strong influence in dairy in particular.

If there is something else that I think other sectors can learn from, other than the Dairy Australia GOTAFE initiative and the Melbourne University hours, it is the Taking Stock initiative. We have changed our tune as farmers; we would as happily invest in the development of skilled service providers as we would in ourselves as farmers. That takes a lot of guts again to make that judgment to actually invest in a group of people that support you rather than investing in yourself directly. We strongly believe that we need to do that to have change.

To finish off on that: one area of great concern for us is the degree level training in agriculture. We have a strong sense that it is drying up to a trickle. Those people who are developing those skills through degree level agricultural courses are going into higher paid areas like banking and management, and we feel there is a potential crisis coming—and I will use those words, because we have discussed this a lot at ADF—in terms of this next generation of service providers in areas like agronomy and business management and specialist agricultural service providers.

**CHAIR**—You are certainly giving an indication in your latter comments that you are moving ahead very rapidly. Perhaps you might give due consideration to putting some of those thoughts on paper and providing it to the committee. I have no doubt that if that is your organisation's thinking, through you, it is certainly something that will benefit other industries. We would be happy to receive it.

**Mr Poole**—Yes, the Taking Stock initiative we hope to formally report on publicly almost as a piece of research, if you like, a piece of action research. I would be more than happy to do that.

**CHAIR**—We would be pleased to get that information from you.

**Mr GAVAN O'CONNOR**—There was a lot of evidence given this morning that might be of interest to you that would reinforce many of the views you have just expressed. One of the issues that has arisen is the role of the primary and secondary education system and the difficulty of accessing people at early stages and getting their interest. You have commented about looking for new ways to attract new entrants into dairying. You have noted that there are a few courses at the secondary level that would assist this. In your view, what is going on in secondary schools in relation to your industry? Is it a question that teachers who are sympathetic to the sector are not there, or that school administrations are pressed for resources and there is not the breadth of courses that might give you access into this cohort?

**Mr Poole**—I appreciate the question; it is a very good one, but it is not an area that I personally have a lot of knowledge about. I know that the VFF has expressed concerns over the changes to the cap on the cost of secondary apprenticeships. Strategically there is no doubt in our mind that we have to do better in secondary schools; there is no question about that. The challenge that we have had through the dairy employment management committee is how to get a return on investment on that type of activity. You can go to a hell of a lot of things and not generate many recruits. We have decided to make our focus the dairy farmer, particularly from an employer skills perspective. It is pointless to recruit someone to the industry to go on to a dairy farm where the working conditions and the job satisfaction levels on those farms are not absolutely maximised. Again we are taking a very self-aware approach. Our goal would be to move strongly up the rung of employment attractiveness by being good employers offering exciting working conditions. It is a good job to be a dairy farmer, but time has perhaps generated a negative view of agriculture and dairying in terms of the working conditions. We will work hard on that, on the employer side, before we probably focus back on the employee side. We will not ignore that, but probably our approach on the attractiveness side is to be as factual as we can. Dairying done well is a profitable business. Good workers in the dairy industry make good money, and there are excellent opportunities in the dairy industry, both as a farm owner and as an employee. That is just fact. We do not have to beat around the bush too much on that. Having said that, as to this employer area, we want to be better employers, and that is probably where we will target, again, through our initiative, through our education initiatives and our one-on-one initiatives. We have some good opportunities there.

**Mr FORREST**—That is a good outcome for McMillan. I was hoping for something similar with the grains industry at Longerenong; they are not there yet. One of the great things at McMillan was the strong connection from Vocational Education and Training right through to the diploma of dairy. Have you been able to keep that intact? It is almost like the tertiary qualification. You say you have taken control of the hours, but can you manage that, because that is good outcome?

**Mr Poole**—The McMillan example is a great model for us and it is one that we probably built a lot of our thinking around. We have managed to keep the senior staff member down there; I think we will keep all of the senior staff members at McMillan. Obviously we will keep most of the farm advisory committee around that as well, hopefully—those farmers who have put

passion into McMillan. Part of what my introductory remarks were saying is that people like those running McMillan, like the dairy farmers who were heavily involved in McMillan, did not have the support out of their industry leaders that they deserved. We have assured them that in this new initiative they will get the support they deserve; they will get the funding they deserve; and they will get the professionalism and the promotion of the course that University of Melbourne did not provide. I think we can retain all the best things of the past; I am sure we can. We would not have done it if we could not have, and we will take those things into the future with us.

The McMillan example is a really important one, because it is levels V and VI, which is the advanced diploma of agriculture (dairy). A big thing of interest to us is getting a lot more people through certificate V and VI. Running a dairy farm is now a complex business, especially if you go into employment as we just discussed. We would like to double the numbers of dairy farmers and dairy farm staff doing certificate V and VI, and that will involve ramping up the numbers, hopefully, going through that course at McMillan. I do not think certificates V and VI are on offer in dairying in any state other than Victoria, so this new initiative offers us the opportunity to build on what has been started at McMillan and build that around Australia. If you are a dairy farmer in Queensland, you could not have access to certificates V and VI at the moment, but we hope to change that very, very soon.

**Mr FORREST**—What about the infrastructure demands? Will you be required to fund all that as well?

**Mr Poole**—Only in terms of rental access to premises. The move to take over the hours previously managed by University of Melbourne did not involve any of the buildings or infrastructure. GOTAFE and Dairy Australia are currently negotiating with those who will manage Glenormiston and those who will manage Warragul and Leongatha campuses. Dookie will now be managed by GOTAFE, so they will have access to Dookie, but we have reassured our farmers that we will deliver in the existing campuses. We hope to do that into the future. The ownership of those is still a little unclear, especially in Gippsland.

**CHAIR**—I have noticed in some of the dairy producers in my electorate a recognition of the very thing that you have been successful in stimulating in your industry, and that is the need to diversify into other products, particularly dairy related products such as cheeses that are out in the community but have not been picked up as, dare I say, a cottage industry at the local level. I have seen a marked increase in the viability of those people who have used that vision. Is that the direction you are taking your industry, the direction of diversification and new techniques and technology issues, better management practices? Could you elaborate on the direction you are taking, the Dairy Moving Forward process?

**Mr Poole**—You have reminded me of one thing I should have said. Another important element of what we have done with the University of Melbourne hours is that we have also been successful getting the hours delivered under Gilbert Chandler, which is the dairy processing training. As to our vision with service providers, we as dairy farmers cannot sell milk; we have to have someone process it—that is true by law. Our focus on the supply chain again is equally visionary as it is on us as farmers. We are in a lot of trouble if we do not have an effective manufacturing sector, and that is particularly true in Australia. We are very exposed to the world market. The Gilbert Chandler hours are a critical part of what we have done, and we have really



thrown the challenge out to the manufacturing sector to make Australia a centre of excellence for manufacturing, processing, training—not just for on-farm training. That is a very exciting part of what we have done as well.

Yes, diversification absolutely is a critical part of dairying. That flows back to farm as well because, as you get a new development like colostrum products, as a farm manager you have to be able to take advantage of the higher prices that companies are offering for colostrum products. That will only get more rather than less as they look for more functionality in milk and essentially provide farmers opportunities to take advantage of those. That is a good question to raise as a strong argument for the need for on-farm learning. Opportunities in products like colostrum, nutraceuticals, pharmaceuticals will inevitably come in the dairy industry. They are there already, lactoferrin, et cetera. Not all of those things require us to do things differently on farm, but a lot of them do. As do the other demands of the community, such as environmental management, animal welfare management et cetera. We do not have our heads in the sand on any of that stuff. We want to manage it with government and control it in a reasonable way, absolutely. We do not want to do things that are not necessary, but equally, we want to display our credentials as an industry. Some of that also takes skills and on-farm change. That is equally as important to the future of the education sector and on-farm change.

The lack of confidence we had in the system, and still do to some extent—we have not proven ourselves as education providers through GOTAFE and Dairy Australia yet, we have only just done this, so we have a lot of work to do. We would never have turned to the VET sector to help us deliver Taking Stock and Dairy Moving Forward; in fact, we did not at all. We have invested maybe \$3 or \$4 million in that project, and not one cent of that I do not think has gone through a VET provider, because there was no confidence in that system to deliver on our behalf. Where we have influence, we hope that we can greatly change that, so these initiatives will equally be delivered through the VET sector as they are through the DPI sector or through the company sector.

**CHAIR**—Would I be correct in saying that, with this visionary contribution that you are making in terms of changes and putting confidence into your industry, not only have you complemented the skills that may have been waning in the industry but also you have opened the door for more skills to come into the industry, thereby increasing the potential for the industry to lift its contribution to the economy and to society in general by broadening the employment base of your industry?

**Mr Poole**—Yes.

**CHAIR**—I say that in the knowledge of what I have seen in a small way in my electorate, and I am sure my colleagues also have seen that.

**Mr Poole**—Ultimately we hope that is definitely the case. Going back to that resource question I raised earlier, we are trying to say to our farm constituents that a high milk price which we are enjoying in historical terms at the moment, at least in the southern area, is not enough on its own to guarantee a strong growing dairy industry. Unless through skill development you are absolutely utilising that resource you are sitting on, we are not 100 per cent confident that the industry will grow. In the nineties we grew almost without challenge at about five per cent a year in production terms, and probably in GDP terms as well through the nineties.

Those days are gone. Our farm assets are so highly demanded that you can sell your water and your cows and your land tomorrow, and the average dairy farmer will retire with quite a nice superannuation. That is what we are competing against. Unless we have the skills of the operator to generate a high return on that investment, I do not think the dairy industry will grow. As I said in my opening remarks, we do not underestimate the importance of education in our growth as an industry and our subsequent contribution to the economy. Have I made that link clear?

**CHAIR**—Yes.

**Mr Poole**—It is so fundamental for us now—not that we ignored it in the past, but the fact that we did not put more energy into this in the past is a poor reflection on us. If we are going to contribute to the rural economies in particular and the national economy as well, we have to have a higher support system for training.

**CHAIR**—Your enthusiasm is certainly permeating this committee, and it almost sounds like a crusade, and I think that is good. That is the sort of attitude and approach we need in the country, particularly in our rural and regional areas, and it is important that your industry stays there. Obviously it will do that, and do it in a way that sends a very strong message to the community at large that it is a different industry from what it used to be.

**Mr Poole**—I think your reference to the drought is a correct one, because that rocked us a lot. As I said, we had grown without even trying for 15 years, and to see milk production fall by 13 per cent in two years, after 15 years of growth, was a shock to the system for everybody.

**Mr FORREST**—Pathways are important, and you have recognised that in your submission. How will it work? A young year 10 student gets interested in becoming a dairy farmer; he does a VET connection and progresses through your system to advanced diploma. Then he says, ‘I would like to get into the food science processing area’. How do those pathway steps operate, and can you guarantee them as far as getting accreditation for each step?

**Mr Poole**—No, I cannot, and the competencies are not areas where I have focused a lot. I guess I have been a lot more broadly strategic than that. The more likely pathway in your example is the pathway probably to farm ownership, and the farm worker who goes through to certificates V and VI has been the one that is perhaps worrying us. The good part about dairy is that that person is highly likely to get quite a well paid job. We are interested in existing dairy farmers opening their minds to equity partnerships, different funding models through this guide to investment that I mentioned earlier. We would really like for people to open their minds to taking on partners into the businesses. If you look at law firms, accounting firms, if you look at my friend’s optometry practice, when they see quality people who they want to contribute to the long-term future of their business, they offer them a partnership in the business. That has not been the culture in agriculture. I think it should be the culture in agriculture, and part of this investment guide work that we will do will be to promote equity partnerships and new models for ownership in the industry. I do not want to diminish the importance of your question in terms of people moving on to degree level training, but it is not something that I have personally thought through.

**Mr FORREST**—Your focus is at farm level?

**Mr Poole**—Our focus probably has been more on maintaining investment at the farm sector, and we are unapologetic for that in one sense, in that the drought refocused the company sector and the supply chain on the fact that if you do not have milk, you do not have a milk company. The drought has been good from that perspective in that it has steeled our resolve right across the sector, companies included, to say that we must have a vibrant farm sector. If we do not have a vibrant farm sector, then you do not have a vibrant rural economy and a vibrant supply chain, and you do not have profitable Murray Goulburns and Pauls Parmalats and National Foods, so we have tended to be more focused on the farm sector. Having said that, and referring to what I said about Gilbert Chandler earlier, we want centres of excellence for manufacturing as well. We also want centres of excellence for the agricultural degree courses and the service provision that comes with them.

**Mr GAVAN O'CONNOR**—Dairying is an interesting industry from the point of view that it involves relationships with animals and relationships with the land, and of course, the family relationships are important to maintaining that productivity. It is an industry that has seen massive applications of new technologies. I am interested in item 4 in your terms of reference on page 9 of your submission, where you lay out the following principles—the basis for action, and if I could just suggest to you a modest amendment, that you insert the work 'research' there. Where you place an emphasis on education, what flows on-farm for a farmer who is in a learning environment is an enormous stimulation of their innovative capacity and their ability to undertake that on-farm research that then can be translated in an area to other farmers and can become a source of great productivity. This leads me into the issue of extension and how you see that research and extension task in this new model that you are developing?

**Mr Poole**—As I said earlier, a huge focus for us in this is to be able to leverage extension and education against one another to get a better synergy between those two. We see that as an exciting development. We are setting up some regional committees to help run the new initiative. One of those regions has suggested that the extension committee, which is already in existence, through consultation with the DPI here in Victoria, takes on the role of education, so that you instantly get that marriage at the local advisory level. The question you ask is one of balance in terms of funding, for example. Whilst we have been very focused on this as an initiative, it has not taken our focus off R&D, and one of the things that came through our priority setting process is resource competition means that innovation has to be at the highest level. To do that, you need cutting edge R&D, you need it to be as focused in an extension sense as you can so that the capacity to uptake et cetera has to be at the forefront. You have to have farmers identifying the real issues that they need that R&D to target. In fact, our chairman, Allan Burgess, who you would know, redefined it. We now call it ER&D, so we want the extension to come first—what are the real needs to address in the most professional visionary sense that we can have—and then go about doing the research. So there is probably another E on the other end, so it is probably ERD&E, but that extension has to come first. I think a vibrant education system is a big part of that, an integrated part but not necessarily a separate one. We have to get our head around GMO policy; we have to get our head around where we are taking the industry on issues like that—areas like robotics and labour productivity as equally as we have to get ready to support farmers on farms. There is a big spectrum there.

**CHAIR**—Thank you for that refreshing contribution. Can I say to you that one of the things you might think about in your extension for your model is adapting it so that you can make some money out of consultancy, because there is a door opening there for you. We always appreciate

the frank, open, honest and intelligent contributions by people. Your contribution has met all of those criteria today, and I do not say that patronisingly. That is the reality of it. It is good to see that you are encouraging with your obvious enthusiasm, a change of attitude and certainly a creation of opportunities within your industry, and that will certainly assist in ensuring a new gene pool, if I can put it that way. You are young; you obviously will enthuse other young people to pick up where you have started off, and that will create the gene pool for the changes that we need in industry right across the country to lift the shortage of the training pool that is out there. I just cannot say enough as chair of this committee—and I know that my parliamentary colleagues would agree with me—about your contribution to carrying your industry into the future. Good on you, and well done. It has just been a pleasure listening to what you and your industry have picked up. Can I say, tongue in cheek, that we appreciate your giving us a little bit of credit for the direction that you have taken.

**Mr Poole**—No worries at all.

**CHAIR**—Thank you for coming here today. It is very much appreciated.

**Mr Poole**—Thanks a lot, Mr Chairman.

[3.57 pm]

**COOK, Mr Colin Reginald, Member and South Australian Representative, Australian Agriculture Training Providers Network**

**KINSEY, Mr William, Committee Member, Australian Agriculture Training Providers Network**

**SCHAEFER, Mr Michael John, Outgoing Chairperson, Australian Agriculture Training Providers Network**

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

**Mr Cook**—Yes, Chair. I am the State Program Leader for Primary and Allied Industries from TAFE, South Australia.

**Mr Kinsey**—I am Deputy Principal of Tocal Agricultural College in New South Wales.

**Mr Schaefer**—I am Education Manager of Rural Studies at the Gordon Institute of TAFE in Geelong.

**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 make a brief statement in relation to your submission, or would you care to make some introductory remarks?

**Mr Cook**—We would like to make some introductory remarks for two reasons: first, on reflection, we think that our statement was a little too introspective and secondly, not perhaps representative of some of the macro issues of our organisation.

**CHAIR**—Feel free to expand on that and be a little bit proactive today.

**Mr Cook**—Okay. We are the Australian Agriculture Training Providers Network. We have membership from each state. That was particularly important for those of us from the non-eastern seaboard because typically lots of things in both public and private education have been dominated by the eastern seaboard. We think that Western Australians, Territorians and South Australians are an equal component of the national training framework. Our membership is both public and private; we have a significant registered private training organisation representation on our network. We formed as a result of the instigation of national training packages. It seemed logical that with national training packages there was too much scope for individual states to still be doing their own thing, so a nationally collaborative body such as ours was deemed and still is deemed to be an excellent means of gaining some consistency. Our typical students are from upper secondary through to school leavers and farm managers. Our typical staff, from the

provider organisations that we represent, are those with a degree and/or a trade, but more typically and more importantly, those who have a farm industry background or current farm industry involvement. Our network aims to provide a responsive, coordinated point of contact for industry and government, with training providers across Australia. We represent strongly to the Agrifood Industry Skills Council of Australia and we have strong ties with GRDC, AWI and a range of other industry R&D networks. We aim to collaborate those training providers across Australia with a view to achieving consistency of quality and sharing of information.

To complement the paper that we have submitted, we wish to present six key issues and recommendations. The first of these is that there is a strong unmet demand for trained people in rural industries, and you have obviously heard that before. We deal on an ongoing basis with industries that are short of shearers and wool handlers, viticulturalists, broadacre cropping and livestock operators and workers, and with industries in the pastoral zones with high turnovers of worker-level staff. We recommend that the government considers a strong national promotion of the role of agriculture to school students. Unfortunately, agriculture is 'dumbed down' in schools. By that I do not talk disparagingly of people who are attempting to teach agriculture in schools, but by and large results coming from secondary schools teaching agriculture is that most of the students who have an exposure to agriculture consider agriculture to be looking after chooks and chasing some sheep around. From that perspective, we are encouraging government, and we need our students, to see agriculture and related industries as worthwhile careers. A really positive stance is needed to overcome the current negative perceptions.

There are some really good examples of top operating agricultural colleges for school age students in Australia. My colleague from Tocal Agriculture College in New South Wales represents one such very good example. We recommend that the government considers extrapolating the Australian technical colleges concept to incorporate Australian technical agricultural colleges in those states where effective agricultural training for secondary age students does not exist, if for no other reason than to address the credibility image that agriculture has as a career.

Secondly, because of the strong unmet demand for trained people in rural industries, we recommend that a national approach to the funding of training of a skilled seasonal labour force is adopted. This labour force comprises school leavers, backpackers, migrants, university students, itinerant workers and, equally as important, farmers seeking some off-farm income in a diverse range of pursuits. The strategies I have just mentioned are actively encouraged by the NFF in their labour shortage action plan.

A key issue is that research and development corporations do not invest sufficiently in training. They are often heavily associated with the university sector as a result of their research program, but too often there are not sufficiently direct links with the intended recipients of the R&D programs. We recommend that R&D agencies are required to demonstrate, from a budget and actual perspective, how they have transferred research outcomes through effective training. We also recommend that RTOs, registered training organisations, be the nominated agencies for training delivery, be they public or private. We think this is especially important for the producers of tomorrow. There are some very good examples of how R&D agencies are investing in training and are collaborating with existing training organisations. AWI, Australian Wool Innovation, collaborates with existing training organisations in each of the states and builds on the training they provide or fills in the gaps. We put that as a fine example of how R&D agencies

may better collaborate and service industries by passing on the research and development findings they have. I will hand over to Michael.

**Mr Schaefer**—The third point is that current funding models in each state encourage RTOs to focus on the delivery of full-year, full-time training programs. In some cases there are discrepancies in funding models between states for the same units of competency, rates of funding and allocations of student contact hours which creates a bit of friction at times. Consistent advice from industry is that the provision of short, just-in-time skill sets training to match shortages is required. That is, less focus on full qualifications and more focus on short courses matching to improving (a) profitability, (b) employability, (c) safety, and (d) legislative compliance, which obviously has big financial implications. Our recommended strategy would be that more appropriate funding models be applied to the provision of required short-course training.

The fourth point is that ANTA and now DEST have introduced a national system of compliance to the Australian Qualifications Training Framework, AQTF. This involves a series of regular and rigorous audits. The audits place significant time constraints on RTO delivery teams but still do not directly assess the quality, relevance or methodology of actual teaching and assessment. More and more now we are finding that RTOs are bogged down with compliance driven activities rather than outcome driven activities—that is, educational outcomes where we are achieving quality skills and training with our participants—which therefore inhibits teacher effectiveness. A recommended strategy for this would be, first, that DEST be encouraged to direct the state agencies to adopt audit procedures which relate to the quality and continuous improvement of actual delivery and assessment—this is what the recipients of training would want rather than a paper trail; and, second, that networks such as the AATPN or end users be consulted in the construction of a more appropriate audit process. I will hand over to Bill.

**Mr Kinsey**—Recognition of prior learning, or skills recognition, is an important component of the national training package delivery. It enables farmers and others to be trained in areas that they do not already know rather than in skills that they already have. Skills recognition can be time consuming and expensive, almost as much as conventional training, and yet is not usually funded accordingly. There is very little funding at times for skills recognition for farmers compared with traditional programs. Our recommended strategy in this area would be that RPL is recommended by government as a necessary tool for the effective delivery of national training packages and funded accordingly.

Our final point: we believe that the Agrifood Industry Skills Council is not sufficiently funded to enable it to properly maintain the currency of training packages or to recognise the variety of stakeholders. RTOs rely on competency standards for the purposes of training and assessment. If these specifications cease to be current or reach industry benchmarks, industry sees the fault lying with us, the RTOs, rather than the competency standards.

There are several issues which are contingent on an effective national skills council, and we have outlined these in our submission. Some of them include a real danger that the number of training packages and the number of competencies will be further rationalised, thereby creating more generic units which run the risk of being content free or result in poorer quality training. Training may be judged by industry as being too general or not relevant to meet their needs. The Agrifood Industry Skills Council is currently conducting a scoping report of the conservation

and land management, CLM, training package, and this has common units with rural production and amenity horticulture training packages. Yet there appears to be no intention to include these other training packages in the review of the common units. By common units, I mean things like tractor and machinery operation, occupational health and safety, chemical training—these things are really important in all three training packages, and those involved in all of them should have some input into the redevelopment of those competencies.

Conservation and land management and rural production were endorsed in 2002 and 2003 respectively. Since that time, there has been no new version of these training packages, despite the critical nature of issues facing rural production in Australia—things like salinity, land and soil degradation, extreme drought, water shortages, and so on. The ANTA processes for continuous improvement do not appear to be working, suggesting that training packages are better able to reflect the status quo or recent past rather than having the ability to take a forward view.

We are in the business of training people for the future, but we tend to be using competency standards from four or five years ago. It is a bit like driving along the road with your eyes in the rear view mirror. That is the way we look at it.

There are valid concerns with the variability of chemical training in each state, and I am sure you have had many submissions about that; I probably do not tell you anything new there. There is certainly a range of courses available addressing competency standards over different periods of time, and we believe that that is to the detriment of farmers themselves. We believe that a lot of the fragmentation is driven by the farmer organisations, and there needs to be some sort of national strategy in that area.

Finally, our recommended strategy would be that a more responsive, better resourced national system of training package and curriculum support be instigated to ensure current risks to technical relevance, quality and therefore credibility are addressed. We would be happy to answer any questions.

**CHAIR**—Thank you, Mr Kinsey. Regarding comments by Mr Schaefer about the bogging down in compliance issues, could you give us some examples of what you are talking about there?

**Mr Schaefer**—Certainly. We have situations where, under the AQTF, we have extraordinary requirements. For instance, where people are handing out materials to students—whether it is information about the subject or an excursion, whatever—pages have to be numbered, version controls, dates, all sorts of things like that. Ironically, the audits do not even audit the currency of the information; they audit whether we have a date on the bottom and the name of the person. The focus on quality of delivery and the materials being used for that delivery to support the delivery, or even 360-degree feedback audit where you would actually interview students or employers of those students to see how good they are, those things seem to be completely left out of the audit.

**CHAIR**—Where does that compliance process come from?



**Mr Cook**—The Australian Quality Training Framework was devised by ANTA formerly and is now continued on through DEST.

**CHAIR**—What practical outcome does it service? It does not appear to me to be servicing anything but just making a pen pusher more productive in pushing more pen work out to the community.

**Mr Cook**—The majority of registered training organisations would endorse your view.

**Mr Schaefer**—Yes. Importantly, what is happening is in some cases, when people are looking at employing staff, they might actually err on the side of employing a person who is great with paperwork in lieu of a person who is great at teaching and delivery.

**CHAIR**—That is one of the things that disturbs me about what I have just heard from you. It is one of the things that quite obviously is helping to depress the ability of the industries to replace the skills that are in short demand in the community, and that worries me a great deal. It is something that continues to escalate. Is it any wonder that the only rapidly increasing sector in the community is the public service sector, and I do not say that with any detriment to all public servants, but that is the reality of it. There are some people in the public sector who are creating negatives to keep themselves occupied, to the extent where it is pushing down the ability of people to get out of the rut of addressing the skills shortages in the country. Would that be a fair assessment?

**Mr Schaefer**—Yes.

**Mr Cook**—Yes, it would be.

**CHAIR**—One of the things that I know is of interest to me and my parliamentary colleagues, and more specifically colleagues right across the broad spectrum of politics, is the reference to chemical training courses and what flows on from that—certification in most instances is for people who have handled chemicals very responsibly for 15 or 20 years; certification courses which quite frankly take up a lot of people's time, cost a lot of money and, in many cases, do not produce an outcome that you could say was complementary to the cost involved. I say that in an environment where, as a person who has been safety conscious for decades, you can always have an accident. It would be immoral of anybody to suggest that you do not have accidents. Why do we regulate to the extent where 99.99 per cent of people go about handling chemicals very responsibly, just because 0.01 per cent happen to do something that is bad. The point I make is that you will never stop accidents; sure, you can reduce their occurrence, but the warnings that are placed on the containers of chemicals today, and the knowledge of the dangers of not using those chemicals responsibly has created an environment where the industry is self-regulating safety control. Why do we have to have these chemical training courses? You alluded to the fact that the chemical industry might be the driving force behind it. Would you elaborate on that a bit more, please?

**Mr Cook**—If I may, the courses emanating for chemical safety training are the result of National Farmers Federation choosing to be self-regulatory and the courses have been designed by National Farmers Federation and now ChemCert Australia in response to farm industry concerns. We are the messengers, I guess, not the creators of those courses.

**CHAIR**—That is an interesting comment, because I do not know of any farmers in my area in any numbers who agree with the process that the NFF has taken. They are getting a minority view that is being placed unnecessarily on a majority; that just amazes me.

**Mr Schaefer**—It is important to realise that largely this is driven by legislation in each state. The APVMA, Australian Pesticides and Veterinary Medicines Authority, dictate what chemicals may be used and in what fashion. In some cases they even restrict purchase according to the types of chemicals. We have schedule 7 chemicals, the most toxic. At risk chemicals include the most toxic, chemicals that are prone to drift and those that leach into waterways and cause soil residue problems. There are requirements that people undertake training to use those legally. In Victoria, and each other state, there are differences because the regulatory bodies may differ. In Victoria, it is the Department of Primary Industries; in New South Wales, it is the EPA. The requirements that they set down are what we deal with. We are only delivering what the state body is enforcing. This is the difficulty we have, because it does affect morale, and it creates angst with our clients, some of whom are very experienced. Having said that, I teach these courses, and many lack some very basic information. I am glad to say that, when they go away, if I have been able to give them only one bit of vital information, it has been a success in my view. It is not a top-down thing from us; we are purely responding to an industry requirement set down by regulators.

**Mr Cook**—I guess your question is symptomatic of the final point Bill made with regard to the need for a national system to make sure that national training packages are timely, up to date, continually revised and improved, and made consistently relevant. If we do not have a national body that has the wherewithal to do that, we have a problem. It could apply to the chemical scenario you have just painted that is out of date.

**CHAIR**—Yes, for consistency, I agree with you. Given the history of the resistance to those sorts of approaches, how likely is it that that sort of initiative is going to be undertaken?

**Mr Cook**—Thirty per cent of the funding for education and training in most states comes federally, so there is a fair amount of clout that can be brought to the table in terms of—

**CHAIR**—You have given me the answer I wanted.

**Mr FORREST**—I have one question—it might not be fair to the three gentlemen, as they are not the authors of the original submission—and it is about the footnote on page 1 regarding the Western Australian experience. I gather it is there to draw our attention to something that is being done well in Western Australia. We already have other evidence on that, but essentially it is around the point that they report a 25 per cent increase in enrolments and that graduates have no difficulty in obtaining employment on graduation. Is there anything further you can add to that footnote?

**Mr Kinsey**—I think the footnote refers to the agricultural colleges in Western Australia which are part of the school system for students in years 11 and 12 who go to specific agricultural high schools or agricultural colleges and learn agriculture as well as other industry skills. At Tocal we have no trouble at the moment attracting young people into agriculture, and the skills shortage is real and current over the last few years. There is no way that we can fill all the jobs out there that we are contacted about. It is possible to attract students to agricultural colleges and high schools

with the right people, and industry will employ them if you do a good job with your training. I have found at Tocal—and I think the same applies in Western Australia—that when you get your teachers involved in the promotion of the school or college by visiting other schools and selling your product and selling agriculture as a really worthwhile career, then you will get the students coming along. It is a far better strategy to sell agriculture as a career than to use marketing people or advertising or what have you.

**Mr Cook**—We visited the Western Australian agricultural colleges environment because of the extremely good news coming out of WA with regard to their participation rates and the outcomes. I would have to say that the five agricultural colleges in WA, together with Tocal in New South Wales, are excellent models of how secondary age students are immersed in a training program that is totally about agriculture. It leaves the majority of the school based curriculum typical of most secondary schools alone and focuses on agriculture. The kids work, breathe and live a farming environment with exposure to many enterprises and they come away from those organisations really capable and enthused about agriculture as a career. I do not see that happening in lots of other states where agriculture is taught as a component of the normal curriculum, and it is almost like an add-on.

**Mr FORREST**—In South Australia, in your state, there is focus on an international agricultural college, isn't there? South Australia is trying a different mode of that.

**Mr Cook**—We only have schools that teach the normal school curricula. We have schools like Urrbrae, Cleve and Lucindale which have a strong agricultural focus. They are our best exemplars, but they do not come near, from resource, staffing or outcomes implications, to the examples I gave with regard to Tocal and WA.

**Mr FORREST**—My understanding of WA is that there is a very strong commitment from industry, with infrastructure—like big tractors and plant. Is that happening in New South Wales as well?

**Mr Kinsey**—It is to a lesser extent. We certainly get industry support through scholarships and through machinery, which is a big help to us.

**Mr FORREST**—Industry partnerships are a key in everything, aren't they?

**Mr Kinsey**—Yes. The fact that we have large commercial farms and that we have students 24 hours a day boarding for a period really does help us engender that ownership and personal development in students. The students learn to work and live together, to communicate, to resolve conflicts. The personal development side of it cannot be understated, which is very difficult to establish when you have a nine to three operation or a nine to three college without large commercial farms and the boarding element.

**Mr FORREST**—For example, a student project to birth a young calf and then to follow it through?

**Mr Kinsey**—That is right—things like running a small feedlot, preparing cattle and showing them what to do: the sorts of things you can do on a large farm where you have the resources. It is much more difficult to do at a small school plot with two cows and three sheep.

**Mr FORREST**—Can New South Wales boast anything like a 25 per cent increase in enrolments through the whole agricultural sector, like Western Australia boasts, or are you still working up to that?

**Mr Kinsey**—As you are aware, Murrumbidgee College of Agriculture closed down its full-time courses. Ours have gone stronger in the last few years. We have record enrolments. Our full-time course number this year is 126, which is the highest for 13 years. I cannot give you a percentage, but it is certainly much higher than the 85 or so we were down to a number of years ago.

**CHAIR**—Do you have a general concern about the direction that government is taking in terms of closing down some of these agricultural colleges?

**Mr Kinsey**—It is a difficult question to answer. Some colleges are going well; others are struggling for numbers. You have heard of the trends, no doubt, in the universities and the vocational sector of agriculture courses declining in enrolments. We have gone against that trend.

**CHAIR**—Why is that? Have you changed your direction to accommodate a need that has been able to keep you viable?

**Mr Kinsey**—It is very difficult to tell. We have put a lot of energy into promoting directly to schools via the teachers that do the training. It costs money and time to travel around New South Wales visiting schools. We are not always welcome at all the schools. Some schools do not want to lose their good students to an agricultural college.

**CHAIR**—I am being the devil's advocate here, but do you think that part of the problem you have with some of these agricultural colleges that has forced governments or influenced governments to undertake a cost cutting exercise in that area has been brought about by people who have been on the advisory boards of those agricultural colleges for a considerable number of years; in other words, people that perhaps need to be replaced by more forward-thinking, younger people?

**Mr Kinsey**—I am not sure that is something—

**CHAIR**—It is a difficult question to answer. I am just going on my observation, that is all.

**Mr Kinsey**—I do not think it is the advisory councils. I know those on the advisory councils in New South Wales; they are all really dedicated people. I think it is a matter of having the right people in the management of the colleges that are forward looking, who can promote, who can get industry support, who can get the information they need from the advisory councils to keep things going.

**CHAIR**—Thanks for that. Can I now move back to ANTA? Do you think that the move by ANTA to reduce costs has had a significant impact on the availability of needy training packages within the industry?

**Mr Schaefer**—We think it has. In fact, as recently as a few weeks ago we had our annual conference, and we had the executive officer of Agrifoods Skills Council attend. He was saying how difficult it has been for them to respond to requests from various state bodies for assistance in modifying competencies to meet industry needs. In fact, we wrote to this inquiry highlighting that as an issue. Since that meeting, we have been contacted and there have been some moves, quite quickly, to engage a person to consult around Australia to change those competencies. I am not sure if there has been some lobbying for some more money to resource that, but I think it has certainly become obvious to us that we were told it was a resource issue. We were told that essentially there were not the resources to give us the support that may be needed by our industry to keep competencies and training packages current.

**CHAIR**—Do you think there needs to be a more proactive approach by organisations such as ANTA to recognise that the initiatives introduced three, four or five years ago and that have just wafted along in the normal process of rural production need to be looked at again, given the problems that we are having with drought, soil degradation, salinity and those sorts of issues? In other words, do you think—and these are my observations from the evidence taken by the committee so far—that organisations such as ANTA are not proactive enough in doing some forward thinking and some forward research themselves to identify the problems that are there and the need to address them quickly?

**Mr Cook**—I guess part of the problem has been the demise of ANTA and its devolution into a component of the Department of Education, Science and Training. With that, there has been a decrease in the oversight of training packages and the updating, consistency and refinement of those training packages. I guess one has caused the other.

**CHAIR**—Do you think there has been a focus on the intellectual capacity of people running the system and less of a focus on people with practical skills? I ask that in the context of experience where, as an example, in the 1990s the Soil Conservation Service in New South Wales, which was delivering very positive outcomes for land-holders, was amalgamated with the biggest bureaucracy in New South Wales, the lands department, and the service disappeared overnight. That then forced private industry to try to cover the shortfall, and it has not done it that well, although in fairness to private industry it has done a fairly good job on it. Do you think that sort of scenario is applicable in organisations such as ANTA?

**Mr Cook**—I think it is a very similar scenario, and it runs the risk of those training packages running off the rails. Most training providers have put a significant investment, through professional development and industry consultation on a local basis, to making sure that the training package can service local communities in a particular region. If the training packages are not kept current, the same as if any good syllabus or curriculum in the older regime was not kept current, then it runs the risk of being useless.

**CHAIR**—What needs to be done there? Do we as politicians in our report need to send a strong recommendation to the government that perhaps part and parcel of the training process should be that ministers of the crown have to be trained in managing their resource and checking outcomes when they fund organisations such as ANTA?

**Mr Cook**—Absolutely. The one thing that I cannot come to grips with, as a representative within a state, is that we have national training packages and yet each of the states and territories

has a curriculum support unit which is there to implement those training packages. It would seem far more logical to have a strong centralised training package and curriculum support unit which provided that service to the states.

**CHAIR**—Particularly in an environment where the taxpayers are funding the financial resources to supply the service which is basically not accountable until a negative comes along and highlights the problem. In other words, the accountancy process within government itself could significantly contribute to the outcomes which are centred around a more positive application of the taxpayer's dollar to the extent where, instead of impeding the flow of skills training, it speeds up the process. Is that a fair observation?

**Mr Schaefer**—Yes. One thing that might be of great benefit to the industry, and I am including industry right through to providers and participants, is that when training packages have been written and reviewed there is provision of resources to support the delivery of that. This has not happened since 1998, which was the year of the first training packages. It seems quite bizarre that, when training packages or units of competency have been reviewed or rewritten, that was not the appropriate time to resource those particular units. This would save the country millions and millions of dollars in replication of work. When we speak to each other, every RTO is doing the same work—preparing support materials for the same units of competency. The replicated work is just absolutely absurd. It could be dealt with when we have a review. Part of that review would be to provide resources to support the delivery.

**CHAIR**—It could be solved very simply by putting a precursor to the package which basically says, 'This is what has to happen, and these are the outcomes that need to be achieved, otherwise the funding is not continued.'

**Mr Schaefer**—In addition to that, I am talking of resources that assist with delivery, particularly when we want to provide uniformity, given they are national training packages. Then, if there is any contextualisation required for a locality that differs from somewhere else, that is when the local stuff is popped in. It would be of enormous significance to the rural industry.

**CHAIR**—That is very helpful.

**Mr FORREST**—A question out of curiosity more than anything: the submission makes the point that it is more costly providing training to farmers because they prefer face to face. I would have thought that that particular clientele would be fairly adept and easy to train. Most of their whole experience is about practicality. Why does your submission make that point?

**Mr Cook**—I have three brothers who are farmers and the majority of their working day and life is spent in isolation. They value the gregarious, socially stimulating nature of a training workshop as distinct from picking up a project on line, assuming that the bandwidth is there to be able to do that, or picking up something by correspondence.

**Mr FORREST**—The context of the comment is against an alternative that has been offered such as over the internet or distance education. That is the context.

**Mr Cook**—Yes.

**Mr Kinsey**—The dropout rate for distance education programs right across the board is very high, particularly in agriculture. Farmers would much rather attend a one-day course, which is more expensive to run, than read a unit on the internet or be sent a package.

**Mr FORREST**—Okay, that has it in its context. Are there any other reasons it is more costly to deliver agricultural training?

**Mr Cook**—The component of thin markets, class sizes and those sorts of things. Compared to our city cousins, we have far higher infrastructure in terms of costs of delivery. If one of my staff is delivering at Mudamuckla, west of Ceduna, and he only has a pool of eight farmer clients there, it is a bit different to someone delivering in Light Square in the city with 40 students.

**Mr Kinsey**—And he needs a \$100,000 tractor rather than a bank of eight computers. It is much more expensive. You can put 50 people in a computer room and train them fairly cheaply—although you do need computers—but if you put 50 people in a paddock you need a lot of tractors and a lot of supervised training.

**CHAIR**—That does not even register on the scale of waste in other areas. The difference between that and pure waste is that that is delivering an outcome, it is keeping people on the ground and keeping those skills there, albeit in an expensive way. That is what we are here for today.

**Mr FORREST**—Is it a limiting factor that there is not a recognition of that higher cost in the remuneration scale?

**Mr Cook**—Most certainly. The funding models in most states, city to country, do not reflect the tyrannies of distance, the infrastructural requirements and the thin markets that are present in country communities.

**CHAIR**—There has to be flexibility in the system that allows for those sorts of contingencies, where you have isolated communities, geographic isolation, distance, people not being able to travel et cetera. Your contribution has topped off what has been a very productive day today. Thank you for your input. It has all been very beneficial as far as the committee is concerned. We sometimes get a little disappointed that not all of our parliamentary colleagues can be here to hear some of this evidence, but things happen and members have other commitments, of course, but it does not alter the quality of the evidence that we receive. As I said, your contribution today has topped off what has been a very interesting and productive hearing. I thank you for giving up your time to come here to give your evidence to the committee.

**Mr Cook**—Thank you.

**Mr Kinsey**—Thank you.

**Mr Schaefer**—Thank you.

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

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

**Subcommittee adjourned at 4.44 pm**