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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND
FORESTRY

Reference: Rural skills training and research

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND FORESTRY

Wednesday, 9 August 2006

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

Members in attendance: Mr Adams, Mr Martin Ferguson, Mr Forrest, Mr O'Connor, Mr Schultz and Mr Secker

Terms of reference for the inquiry:

To inquire into and report on:

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

WITNESSES

**BITTISNICH, Dr Dennis, Manager, Innovation Policy Section, Rural Policy and Innovation
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**BOWEN, Mr Bruce, General Manager, Industry Partnerships, Training and Leaderships, Rural
Policy and Innovation Division, Department of Agriculture, Fisheries and Forestry 1**

**HILLAN, Mr Jeffrey, Manager, Farm Business Management, Rural Policy and Innovation
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**THOMPSON, Mr Ian George, Executive Manager, Rural Policy and Innovation Division,
Department of Agriculture, Fisheries and Forestry..... 1**

Committee met at 5.00 pm

BITTISNICH, Dr Dennis, Manager, Innovation Policy Section, Rural Policy and Innovation Division, Department of Agriculture, Fisheries and Forestry

BOWEN, Mr Bruce, General Manager, Industry Partnerships, Training and Leaderships, Rural Policy and Innovation Division, Department of Agriculture, Fisheries and Forestry

HILLAN, Mr Jeffrey, Manager, Farm Business Management, Rural Policy and Innovation Division, Department of Agriculture, Fisheries and Forestry

THOMPSON, Mr Ian George, Executive Manager, Rural Policy and Innovation Division, Department of Agriculture, Fisheries and Forestry

CHAIR (Mr Schultz)—I declare open this public hearing of the House of Representatives Standing Committee on Agriculture, Fisheries and Forestry in its inquiry into rural skills training and research. This is the 20th public hearing for this inquiry and is part of an extensive program of public hearings and visits, which is now drawing to a close.

During the course of the inquiry the committee has investigated whether the demand for knowledge and skills in the agricultural sector is being met by education, training and research programs. The ability of the Australian state and territory governments to provide and support these services is vital to the sustainability of Australia's agricultural sector.

Today the committee will hear from the Australian government Department of Agriculture, Fisheries and Forestry. 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 Thompson—Yes, I would like to make some brief introductory remarks. The Department of Agriculture, Fisheries and Forestry believes that modern managers in the agricultural sector need high-level business management skills, enhanced capacity to adopt and benefit from innovation, and ready access to skilled workers, if they are to compete successfully in the domestic and global economy. Only 18 per cent of people currently in management positions on farms have tertiary qualifications. This compares to 57 per cent in the general labour force in similar positions. Surveys of participants in FarmBis—the program which this department runs for rural education—show that those with qualifications are more likely to undertake subsequent training.

The Australian government is currently reviewing its role in rural skills training and research following the report of the Agriculture and Food Policy Reference Group—the group chaired by Mr Peter Corish. The department appreciates that there is an array of providers of public and private training products and delivery methods in the market for agriculture related training and extension. However, it is also clear that the choice and availability of alternatives in course level,

content and mode of delivery are valued by people in the rural sector. They like to see different ways of delivering their programs, and different people want to be trained in different ways.

Formal education in rural skills relies on contributions from all levels of education institutions, from schools through to universities. The agribusiness sector of merchandisers, industry groups, consultants and private trainers are critical to the development and maintenance of skills needed to ensure a profitable, competitive and sustainable rural sector.

I will give you a brief summary of some of the key points that we would like to make. The department believe that our role in the overall education, training and research environment is to facilitate the interaction of industry groups and providers to improve the participation in education, training and research to better meet the needs of the rural sector. We believe we have a role in assisting in national coordination, in forming and promoting national objectives in the area, in providing a capacity to link with the national R&D framework—and we are significant funders of rural research and innovation, as you will be aware—and in providing programs where a national approach is appropriate.

From our perspective, we look at training in the four levels of agriculture: technical operational skills, for example chemical certification; production management, which is training in farming systems management; management skills, the high-level skills in financial management, risk management and business operations; and tertiary skills and qualifications—which is the highest level of all but may touch on all levels.

Our programs focus on management and some production skills. Other training providers focus on different points along the skills continuum. For example, state extension services are most strongly operational at the operational level and the production level; agricultural high schools are very strong at the operational level; and agribusiness operates across the whole spectrum but is perhaps fairly light-on at the management end of the spectrum. Increasingly, segments within this continuum of training have matured, particularly at the production level. We have deliberately enhanced our focus on providing training and skills development at the management level. This is demonstrated in the progressive shift in the focus of the FarmBis program, which provides assistance for training towards management level programs. I have seen, from looking at some of the submissions made to this inquiry, that there is a substantial body of commentators also saying that this is a gap in the farm sector. It is a gap that FarmBis is attempting to fill.

From a public policy perspective, it is these skills at the management level that are integral to profitable and sustainable production. It is those that provide the broader public benefits in increasing self-reliance, improving risk management and building up community resilience—which underpins the department's investment in rural training. I would like to present the committee—and I think it has been provided to you—with an updated written submission of 9 August, which reflects progress in our programs identified since our original submission of 9 May. What it essentially includes is new information on: update and usage of our AAA programs in FarmBis and FarmHelp; the training programs we implement under the National Landcare Program; a number of activities undertaken by Meat and Livestock Australia and Australian Wool Innovation, who have received substantial Australian government funding; the activities of training related to emergency animal disease management and veterinary reserve training; and the training provided under the National Food Industry Strategy.

The essential message of our submission outlines the detail of some of our programs, the use made of the programs and the results from reports back to date on use of those programs. It provides a more detailed explanation of why the focus of FarmBis and many of our other programs is on that management level of training in the rural sector. I am happy to leave it there and answer questions.

CHAIR—Can I lead off and say thank you very much for coming in today. It is very much appreciated. It is important that we hear not only from the private sector and the educational sector but from government itself, as I said at the outset. One thing we have heard during the course of the hearings that we have had is about the issue of beekeeping and the lack of trained beekeepers in Australia. What we have been able to ascertain is that, unlike years ago, there are now no courses being offered. I have written to the Minister for Agriculture, Fisheries and Forestry, who has passed the issue on to the federal Minister for Education, Science and Training. What are your views on the importance to agriculture of beekeeping, particularly the beekeeping industry's close association with the very much needed pollination process? Can you offer us some comments about that? Can you, through your organisation, see any way in which you can assist the industry to successfully participate in educational processes in perhaps agricultural colleges or tertiary education facilities at some level?

Mr Thompson—I will perhaps answer some of the broad issues related to that, and Jeff Hillan will be able to fill you in on some of the detail about where we may be able to work with the beekeeping industry. Bees are a significant agricultural industry. They are not one of the biggest industries, by any means, but they are an important industry that employs people and produces a valuable product which is exported. So they are, from that point of view, an industry that is considered an important industry to our portfolio. You pointed out the importance of beekeeping as it provides pollination services to a lot of other industries. I have never looked at the numbers, but it is increasingly an important activity.

CHAIR—About 63 per cent of all crops are—

Mr Thompson—And there are in that industry contract pollinators in existence. So beekeeping is an important industry. Beekeeping is considered a primary industry in terms of all our programs. Beekeepers are eligible for FarmBis assistance for programs that are available. They also are eligible through the Rural Industries Research and Development Corporation to have research activities undertaken on their behalf. There is a small portfolio of bee related products undertaken within that sector. But they are a relatively small industry, and they go through their ups and downs. Jeff may like to comment on what the opportunities are for training. I think there have been some issues with the availability of courses. It is not the availability of any of our programs to apply to those industries; it is the courses which people can attend.

Mr Hillan—I note in some of the submissions you have received that it has been stated that beekeepers have not been eligible for assistance under the FarmBis program. That is not the case. Bee producers are eligible for training under the FarmBis program. That is the first point.

CHAIR—How has that been conveyed to the beekeepers if the beekeepers are giving us evidence that there is nothing available?

Mr Hillan—I think the confusion—like Ian suggested—is that training through FarmBis is at management level predominantly. I think the comments made to your committee are reflecting production level and lower level training. I think that is where that element of detail is. I guess the biggest thing that has changed recently is that the Agrifood Industry Skills Council is also looking at funding some lower level training that will be aimed specifically at beekeepers. In particular, the funding is going to be at certificate II, certificate III and certificate IV levels. Predominantly, that is below the FarmBis level. So hopefully that will fill in some of those gaps.

The department previously has given quite a bit of funding to the bee industry, starting back in 2001, when they took part in an industry partnerships program and received \$211,000 through to a program which has just been funded again through Industry Partnerships receiving up to \$150,000. They actually came to Industry Partnerships and asked for just over \$90,000 and the department, in discussions with them, lifted that to \$150,000 to make sure that they could do the job that they were suggesting they were going to do with that project. In between, a couple of other projects have been funded by the department. One of those was through the FarmBis program in a previous FarmBis. That was a program—worth up to \$211,000—to develop quality assurance programs within the bee industry. The last one is they received an additional \$81,000 in 2005 for a ‘taking stock’ program.

CHAIR—Would I be correct in saying that those programs are basically centred around the management skills of beekeepers, rather than the intricacy of the technology required to keep the bee industry operating and viable—in other words, skills such as the ability to sex bees and do all those sorts of things? That seems to be the criticism. I don’t think there has been a criticism—and my parliamentary colleagues can correct me on this—in terms of any skills that they have had access to or skills training that they have had access to in terms of their management process. It is the actual skills within the industry itself that they are concerned about.

Mr Thompson—Skills at that level are ones that we would characterise as being at the operational production level. Jeff might want to add to this, but he did make mention of the Agrifood Industry Skills Council, which is in the Department of Education, Science and Training. They are putting together that program for the beekeeping industry with certificate level training at levels II, III and IV. Those are levels at which you would do things like learn how to run hive hygiene and those sorts of practical operational issues. Those courses are not in existence yet. The qualifications and the standards for that are currently being finalised. I think around July was the date that we understood them to come into existence. Work at that level should fill that gap in the practical training.

Mr ADAMS—I think there were those levels. There was also the issue that the beekeeping industry is not quite big enough to set itself up in a mass and it needs some research in several areas. One relates to the possibility that we could get an influx of the pest that has destroyed the industry in California and other parts of the world. The beekeepers feel that one of these days they are going to end up copping that in Australia. How do they cope with that? They are not quite up to scratch on whether it is going to take some research on how to deal with it or whether people are looking at that.

Also, there may be other products, and there are questions about how to deal with this bigger picture of how you get people to pay for the pollination that is out there and other opportunities for them to make income. I guess the marketing and stuff they will have to deal with themselves,

but there is a reduction in honey being eaten in Australia. They are competing with everything else that goes on toast. I think it is an industry that is not quite big enough and does not get enough; therefore they do not have enough research dollars coming through our process. I guess they are looking for some assistance in that regard as well.

CHAIR—Possibly in the way of setting up a CRC or something like that, specifically centred around bees or in conjunction with some other program associated with agriculture.

Mr Thompson—That could be possible. DAFF does not run the CRC program. There have been calls made under the science portfolio for that CRC program, and it is focused on commercial type research, so perhaps the bee industry could do that. What we did do, and Jeff mentioned it, was provide them with money to undertake what is called a Taking Stock and Setting Directions project, which provides money to the industry to sit down at the industry leadership level and work through where their strengths, opportunities and weaknesses are and come up with a way forward. There was a report on that launched in September last year, setting future directions for industry—I do not have a copy with me.

Subsequent to that we have undertaken some action partnerships with them, which are doing things as opposed to preparing a report, and that commenced last month. We are providing them with \$150,000 to implement and communicate a national environmental code of conduct, which they identified as a priority to us, and an environmental training program. I am not familiar with the details of that, but it is basically issues about where the bees are going to be kept and how they interact with the natural environment. They put that forward as a priority to us.

Mr ADAMS—Because they are a very small industry that has an enormous impact, they are basically just playing catch-up. These things are just getting them up to an industry level. They really need some intellectual whack from a research point of view to take them to another level. I think that is what they are trying to do and we as a committee have taken them on a bit because we see their significance. They have not been able to get that recognition, and I guess we are asking you to maybe take that on board as well.

CHAIR—We do not want to dwell on the issue of bees because there are other very important issues centred around rural skills shortages, but I was recently in the United States and I talked to the USDA about the impact of the varroa mite, which is creating massive problems for them in California. They were very appreciative of the significant number of honey bees that they are importing from Australia. It is on that part of the industry that we really need to focus our minds. We do not have the technicians available to continue to build the industry to the point where it can satisfy the demand.

That, of course, is also dependent on how we, through our border protection processes, can keep the mite out of Australia. I understand it is now in New Zealand, and that has created another problem. It emphasises the need to ensure that we not only keep our area disease free but, more importantly, give them the opportunity to build an industry that is capable of supplying bees in the long term, I think, to New Zealand and certainly in the long term to the US, because it is a very serious issue. Unless anybody else has something to say on it, I just wanted to make that point, for what it is worth.

Can I ask you: how is the department actively working to reduce the impact of the skills shortage through agricultural education, training and research? How many programs are directly aimed at addressing this matter, and is the department actively encouraging industry to get involved in agricultural education, training and research?

Mr Thompson—There are a lot of issues in there. Perhaps I will try to answer as best I can. The agricultural sector has identified labour shortages and, in some cases, skills shortages as significant. There is not a lot we can do in terms of some labour shortages. Where other industries are closely adjacent and paying higher salaries, the market seems to prevail.

Mr MARTIN FERGUSON—It is called the mining industry.

Mr Thompson—It is mainly called the mining industry, yes. But that also has some advantages from the point of view of rural adjustment—where the farm sector is in difficulty, part-time or full-time work in the mining industry can be a saviour for a rural area. But in relation to skills, FarmBis is our major program, which is about addressing the management level skill in agriculture through the rural R&D corporations—and some of their activities are spelt out in more detail in our submission. We have the cooperative joint venture for rural extension, which is coordinated by the Rural Industries Research and Development Corporation involving most of the other R&D corporations and us, and which is doing a lot of work to most effectively coordinate how extension and transmission of information can take place.

We do not have any programs that directly target skill levels in universities or schools. What we do there is operate in the broader level through the education portfolio. But there are a number of activities that we do jointly with the states, with industry and with others in this area. For example, we are part of a committee structure that works with the states, the NFF and CSIRO about promoting agriculture to schools as an alternative, viable science based education. You cannot force people to study agriculture, but if you can make agriculture exciting, because that is where you get to do dissections of sheep instead of doing sports science or something, people might get enthused about it, or they might like to grow horticultural crops in a greenhouse as opposed to doing English literature. So we encourage science in schools with an agricultural alternative as a way of getting some practical experimentation. The state agriculture departments can be quite closely involved in providing field opportunities.

We have done some work with the Department of Education, Science and Training on a Primary Industry Centre for Science Education, which has some of the same objectives. We work with the Institute of Agricultural Science and Technology on packages for undergraduate and postgraduate training in agriculture. There is a whole-of-government initiative which Education, Science and Training may talk more about, if you are speaking to them. There is a coordinated approach looking at science education awareness, and agriculture is a major part of that. Agriculture provides one of the opportunities where people can actually do things, so that is where we are focusing in schools. We are working with the Primary Industries Ministerial Council in an initiative that looks at agriculture in schools and how governments can help and work with the R&D corporations to provide support in that area. So we are doing a whole lot of indirect things. We are not directly responsible for schools or universities but we can bring some resources to bear. We can liaise with the R&D corporations to provide opportunities for postgraduate scholarships or partnerships between researchers, university systems and other scientists to provide career paths. Jeff, is there anything you want to add?

Mr Hillan—That is a pretty fair summary.

CHAIR—We have received a significant number of complaints and concerns about the excessive bureaucratic and administrative processes and also about the administrative and bureaucratic processes in funding. Can you illustrate to us what measures your department has taken to ensure that the hurdles that see very good initiatives being undertaken by different groups in the industry are delayed so that it does not become very frustrating for people?

Mr Thompson—Jeff is the manager of our FarmBis program and will be able to provide the details, but at a principal level we seek to get rid of as much bureaucracy and red tape associated with providing FarmBis assistance as we can. We operate through a devolved funding model, in that our program essentially works from the middle up, but it responds to demand from the farm sector. Our money is put in jointly with the that of the states. We have a Commonwealth-state appointed committee, which is made up of industry, experts in education and the sector who determine what courses they are prepared to fund and promote. People then merely have to apply to a state agency to receive reimbursement for the cost of eligible courses that they undertake.

I do not believe we have excessive bureaucracy in there. There is a list of things that people can undertake. If they find a course that they want to do that fits within that list, they enrol in it, do the course and then they apply for the money to do it. That is a relatively streamlined process. But some time is taken by the state planning groups to go through and work out with industry and with educators what sort of courses are available, what quality they are and what the demands are in the rural sector. They then look at the future and then have those courses put on a list for recognition. So that can take a little while, but I think that is marrying up a top-down approach to get some quality with a bottom-up approach as to what people should be able to do. So they have freedom of choice regarding what they do within a fairly broad smorgasbord.

CHAIR—I don't wish to sound cynical but when I hear people talking about different levels of government working together on issues, I immediately see the argument that has been put to us looming on the horizon about the administrative and bureaucratic process. I just say that for what it is worth. The other thing that we have heard in relation to that particular issue is that the regular changes in policy settings are causing confusion and hindering the benefits that can be achieved from government programs. How does DAFF address the problems created in agricultural communities by continual policy change, and how regularly does that occur? Is that a true criticism or is it half-right?

Mr Thompson—I think it is a perception that you hear in relation to a lot of programs. The reality is probably only partly true. In relation to education and training, as I said, the FarmBis program is our pre-eminent instrument in that area, and it has been in place now for over 10 years, with essentially the same objectives—that is, to create a training culture in rural Australia, to raise the skills of farmers in change management, managing risk and raising their management skills. Over that time there has been a gradual shift towards management skills as opposed to production level support. But that has been flagged from day one, so there has been a gradual shift in it.

I would not accept that we have had dramatic changes in policy but there has been a gradual change in direction. But the perception from the farmer side is that, if names change, if different deliverers are involved, they often see this as an issue. One of the ways we have tried to address

this is by using people on the ground who can act as networkers or brokers to bring people along with where the course is at. For example, one of the things we have done in FarmBis which some people may see as a change in policy—we don't see it as a change in policy; we see it as a re-emphasis of it—is that in the last 12 months we have instituted what is called a targeted industry initiative. It is really a matter of saying, 'We're going to have training available more widely but there are some specific things about which we want to sit down with industry and work out what industry wants, and we'll put some emphasis on these areas.' That has received a lot of prominence, so they see that as a change in policy but it is actually a migration in policy that is responding to some of the comments that we have received from industry.

CHAIR—So you are actively engaged in dialogue with the people on the ground to formulate the consultative process?

Mr Thompson—To formulate the evolution of the program. The targeted industry initiative for example—the Queensland one—is being launched on Friday, but a workshop that did some work on that was held previously in Queensland. There were over 70 industry people together. We thought we would have about a two-hour meeting to work through it but it ended up taking all day, and they wanted to engage with each other so it was quite a dynamic environment. What came out of it were things like, 'Yes, we need management training and we need it to be holistic and integrated across environmental issues, farming issues, export issues—farmers see these as a whole.' So that will be reflected in some of the sorts of courses we will be trying to encourage people to participate in.

CHAIR—Of course the training side of it can override everything else.

Mr SECKER—You have mentioned the four different educational levels and you said the highest was tertiary. What was the percentage of farmers, for example, who were tertiary educated?

Mr Thompson—It is not the percentage of farmers who are tertiary educated but the percentage of farmers in the management position. We target our training at people who are either owner-operators of farms or managers of farm businesses. It was 18 per cent of people in the management position.

Mr SECKER—I am assuming that that is broken down to say, 'That is tertiary educated in the agricultural field', like agricultural economics or agricultural management, business management, that sort of thing.

Mr Hillan—My understanding is that it is actually just tertiary qualification.

Mr SECKER—That would account for me who, as a farmer, got a degree in economics and politics, but I can tell you now it was not much use to me on the farm. So that is a bit of a worry.

Mr Thompson—The research evidence, though, suggests that, while it probably helps people on farms to have an agricultural economics, a marketing or an agricultural degree to help them farm, the research evidence suggests that any tertiary qualification actually helps, because they have learnt some techniques in learning, they are part of that culture, and those sorts of people then go out and participate in other learning environments and field days.

Mr Hillan—I think you can even argue that an economics qualification is quite valuable.

Mr SECKER—With supply and demand. But that is just basic farming. I knew that before I did the degree. I think it is always very useful when you use those sorts of figures to look at benchmarks and compare them with those of other countries. I understand New Zealand is actually quite high in that area, but do you have any knowledge of benchmark figures for other countries?

Mr Hillan—I do not.

Mr Thompson—We would have to take that on notice. I think some of it is available and, as in New Zealand, my recollection is that in Europe there tends to be a higher level of education in farm managers, except then again they are also managing quite different farming operations. So I think the comparisons we would want to make would be with places like—

Mr SECKER—The United States, Canada—

Mr Thompson—The United States and Canada.

Mr SECKER—and Brazil. It would be useful, I think, to look at us compared to other countries. Certainly, in the last 10 years—with FarmBis, for example, and even before that—there has been a lot more specific training in specific areas. FarmBis, for example, is in a wide range of areas. Do you think that we are actually getting over some of the problems that we have had in the past because we have not had that training? Have you had an assessment or an audit of what you think you have achieved with FarmBis and the training that has occurred in a wide range of areas?

Mr Thompson—We are undertaking an evaluation of the success of FarmBis, in terms of that outcome level of reporting, now. But the regular feedback we get from the program is that there has been a high degree of satisfaction with the courses and people who participate tend to go back and do more courses, in one area or another. And there is a continuous stream of new participants who have not previously trained. I think it is hard to say whether we have turned the world around, but evidence that we have got back from other reviews does tend to show that once farmers start learning and see benefit in it, they participate on a more regular basis.

Mr Hillan—There is a brochure here that you might be interested in taking. On the back it has some of those statistics about participation and what people thought of it and what it has done for their business afterwards. We will leave those here.

Mr Bowen—ABARE have just done a survey of farmers asking them about FarmBis and the reasons they have participated and what they have got out of it. We are just looking through the results of that most recent one now. But the preliminary results fit in a bit with what Jeff said there. Those results were saying that something like 65 per cent reported their training had improved their productivity on their farms, and 26 per cent reported they had improved their natural resource management as well. So it fits in with the results that are in there.

Mr SECKER—I think we have also had evidence where you have different regimes according to the state, which has made it difficult for some areas. I wonder whether you have a comment about that and whether any steps have been taken to try to minimise that problem?

Mr Thompson—Certainly, to some extent, there are differences between the states in how the program is delivered. Different states do it in different ways—not to a great extent. There was a big change between FarmBis 2 and FarmBis 3. We have put together a common delivery mechanism, we have established common levels of maximum funding and put in place a state planning group, which is industry dominated, so it starts to take away the state border type thing because industries tend to ignore state borders. They are more worried about: ‘Are we getting the right issues for the grains industry and we don’t care whether it is Queensland, New South Wales or Victoria. We want things that pick up our issues.’ So that has put a greater degree of commonality across it. There still remain some differences when things are delivered at the ground level and we continue to review that. But some of those reflect the structures and opportunities for courses that are available, because different states have different levels of agricultural extension. We would like to continue working in partnership with the states in some shape or form in this area, because they do have extension offices, research that is being undertaken and field staff. Different states have different abilities to complement what we may be able to do. We are all interested in better managed resources and more profitable farms, so our objectives are the same.

Mr Hillan—The important thing there is that the current program reflects an evolution from previous programs. In moving from FarmBis 1 to FarmBis 3 to the current FarmBis, the program has evolved and has taken on criticisms of the program and has tried to reflect those in its current structure. Once upon a time there were probably many things that could be funded under FarmBis; now, it is quite stringent. It is a bit like: ‘Damned if you do; damned if you don’t.’ We want state flexibility and then we get a criticism of ‘state flexibility causes inconsistency’. It is a fine line.

Mr SECKER—I would back that up with my own experiences as a member of parliament, where I am getting far less complaints because my electorate covers all of the Victorian-South Australian border. Differences were there six years ago, but it does not seem to me to be as much of a problem now.

Mr Hillan—It is lucky you are not on the New South Wales border.

Mr SECKER—That is where most of the evidence has come from. We have also had evidence—and tell us if you do not have the expertise to answer this question—to the effect that we have also had problems with the cost and the red tape that they have had to go through with the accreditation of educators—for example, in agricultural high schools and things like that. I am not sure whether you are part of that process or whether you can comment on it.

Mr Thompson—The principle behind accredited training providers is something that has been built into Australian government policy for education and training for some time. If governments or individuals are going to pay for someone to participate in a course, you want some certainty that the people delivering it will be able to deliver up to a certain standard. It also fits in with that sort of competency level training. I think the broad concept is that with trainers, football coaches—everybody else—you need to know what you will get. It can be trainers at

level 1, level 2 or level 3 and I think that is now broadly accepted. But, on the detail of the cost of accreditation—

Mr SECKER—We have had complaints from teachers who have already been doing it for 20 years of \$2,000, 300 pages, so there seems to be not enough prior recognition of skills in educating. That is where the complaints were coming from, where teachers have been doing the job for 20 years and they have to go through all this process again.

Mr Hillan—I have been through the process and I have my cert IV qualification—whatever it is called. It was a rigorous process, but it was not onerous. In terms of people with longstanding histories of education experience, quite recently we have limited that a little and made it a little bit more flexible at that top end, not the lower end because we are still looking to maintain that quality assurance without—

Mr SECKER—Especially of the new ones.

Mr Hillan—But certainly at that top end we have spoken to the states and made that one a little bit more consistent.

Mr SECKER—Good. I am glad to hear it.

Mr MARTIN FERGUSON—I have a couple of issues. In your supplementary contribution, at page 7, you are one of the few who have referred to the need to have a look at training and upgrading of existing workers, especially those of a more mature age. Have you done any detailed work on what that type of training might involve, how it could be delivered and funded?

Mr Thompson—You would be aware of the average age of farmers?

Mr MARTIN FERGUSON—Yes.

Mr Thompson—That is probably not going to change. They are an opportunity in rural Australia and they should be used. That is the reason we see it as particularly important. Attracting people into the agricultural sector can be quite difficult, so if you have people living in rural areas who have an interest in it, they are the ones to train.

Mr MARTIN FERGUSON—You could get some eventually coming back from the mining sector.

Mr Thompson—Yes.

Mr MARTIN FERGUSON—It is like the building industry: when you are young, you can work and make big dollars. Then you have to go back because you cannot keep up with the pace of the work. I think this is a pretty important area. So you are just flagging it—you have not done any detailed work yet?

Mr Hillan—No, not particularly.

Mr MARTIN FERGUSON—I would have thought that is something we should be looking at. You also raised in the submission some specific programs such as the National Indigenous Forestry Strategy. What is that going to involve?

Mr Thompson—If you want more detail on that I will have to take it on notice. Essentially, it is a strategy that operates to encourage forestry on Indigenous owned or controlled land as an economic opportunity for Indigenous people. It involves providing them with the networks and support to develop forest industries and skills so that they can look after it on a continuing basis. There is an example of the project on the Tiwi Islands, north of Darwin. The Indigenous communities there are managing and running their own forestry enterprise now.

Mr MARTIN FERGUSON—The Tiwi Islands has been a longstanding forestry operation—

Mr Thompson—It has been taken over and further developed.

Mr MARTIN FERGUSON—It is owned by the private sector now—by Southern Plantations. I know of some potential investments in Northern Australia that will involve training up an Indigenous workforce. Could this program provide seed funding to assist in the delivery and execution of that training?

Mr Thompson—I do not have the details of that forestry program here today, but I could certainly take it on notice and get you some details of how it operates.

Mr MARTIN FERGUSON—Thank you. There is a chance to grow the industry in the north and provide real and lasting Indigenous employment—and there are some interested investment partners.

Mr Hillan—From a FarmBis perspective, Indigenous land managers are eligible for FarmBis assistance. So if there is an issue there, and it is at the appropriate level, we would be eligible.

Mr MARTIN FERGUSON—In terms of the changes in backpacker visa arrangements—longer employment opportunities and the use of 457 visas—what is the process of consultation between the Department of Immigration and Multicultural Affairs and your department? It is pretty important in terms of labour supply.

Mr Thompson—We are involved in the development of broad government policy initiatives in this area. We are involved in the normal whole-of-government consultation on that and provide our input to it. But we do not get involved in particular visa applications or that sort of thing.

Mr MARTIN FERGUSON—Have you made any recommendations? You have flagged the importance of training, but shouldn't the employers who take up these options to solve short-term difficulties be giving a bigger commitment to training?

Mr Thompson—All employers have a responsibility to train their staff. Our programs, as I said earlier, focus on the management level. We do not provide training at the operational level. Those sorts of people participate in VET programs, TAFE programs or the field day type programs that may operate in various areas.

Mr FORREST—I want to take up a question that Pat Secker was asking about. Without patting ourselves on the back, we can claim that FarmBis has delivered, even with all its frustrations, with different standards across state boundaries. I think it has benefited because it has been able to evolve and because it is demand driven. We are catching up to make farmers as business oriented as they can be. But the second part is to make sure we have plant breeders, researchers and animal husbandry specialists coming through—and also the agricultural extension people. It is a little outside DAFF's responsibility—it is more a responsibility of the Department of Education, Science and Training—but I hope you can assure us that you are involved extensively with the other department to make sure they get this right.

Mr Thompson—We are involved in a number of cross-portfolio working groups looking at coordination activity on science or science training and the skills mix in that area with other governments. So with anything that Education, Science and Training would be looking at to do with the adequacy of people available in certain areas of tertiary education, we are involved in a dialogue with them about how that suits agriculture's needs. R&D corporations are particularly active in this area. Where they feel there is a need for more plant breeders or whatever they can say, 'If we are providing funding for plant breeding or biosecurity research, build into that sufficient to enable postgraduate scholarships to be undertaken in that area or for an older plant breeder to take on what could almost be termed a tertiary qualified apprentice in plant breeding.'

The results of the wheat-breeding program do not come in two or three years. The varieties you are getting now are the ones they started breeding 10 or 12 years ago. It is a long-term process. Our R&D corporations are very aware of the issue of getting succession planning into the particular skills that agriculture depends on. I think a lot of them are related to biosecurity, plant breeding and plant production systems. The CRCs also focus on this area of succession planning in critical areas. We engage with them on a regular basis as to what coordination we can do across them and how to keep information together. It is an issue that is on people's minds.

Mr FORREST—That is good. But it starts early at a VET intervention stage in year 10 or year 11. A young person who enjoys science does not know there is a career path out in the regions being a plant breeder. It is important that we have those signals going—

Mr Thompson—I can give you one example of the sorts of things we do and it is done jointly with the R&D organisations but run by our own Bureau of Rural Sciences. It is the Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry. There is not a lot of money but it is a small grant plus a lot of recognition and an opportunity to network with their peers where people are doing good science in an agriculture area and they are recognised for that. It is something that we are able to do for agriculture science because we have R&D corporations but perhaps some of the others cannot do. So we can actually promote that and make it recognised. People can go back with newspaper articles and whatever. They are promoting how you can do some really exciting work relating to science and it is in agriculture.

You see that with a lot of the work that is being done in cutting-edge areas of biotechnology or whatever. It is related to agriculture because that is where you can do the work. Some of the exciting work with environmental management or pest and disease management can be done in agriculture and you can see the results a lot more quickly. For scientists it can be quite satisfying working in agriculture because somebody applies the work. It might take many years to get a new drug in the human health area approved, whereas the approval process is usually quicker in

agriculture. To have some new thing approved to apply to improving pasture production or some chemical system or some system for growing or watering or whatever, can be a three- or four-year period. That is encouraged through that recognition system. I think most of our R&D corporations offer postgraduate scholarships, as do many of the CRCs, and a lot of them also offer small awards for their researchers who are doing those things. Again, they are small, but it is the opportunity to bring people in to mix with people who are operational in the field. Then some opportunities for collaborative work can evolve from that.

Mr FORREST—Is there anything more that we could do, that this committee could recommend? Are there any gaps?

Mr Thompson—As I said, we have thought long and hard about how you promote agriculture as an occupation. Agriculture suffers a little bit because it is the small end of the gross domestic product, but it is still a significant export industry, it still employs a significant number of people and it is a profitable business. Plenty of people in agriculture do very well. We try to promote the overall image of agriculture.

It is hard to tell someone, ‘You must do agriculture’, but we can get someone who is interested in science and say, ‘You can actually do something if you do agriculture. For your school science experiment you can grow a little trial wheat crop and do something with it. You can actually breed something yourself and do it in your yard. You could grow some horticultural crops and sell them.’ It is a bit like saying that if you want a strong navy, you do not encourage people to strut around in uniform; you encourage a love of the sea. Let us get them interested in science and then say that the most practical way of doing something in science is actually related to agriculture in its broader sense and portray that image. It is not an easy task. Agriculture has to be done in rural areas. It is hard work. It could be remote. For some people it is not as profitable or glamorous as other activities. It is an overall image that we are trying to promote. The glamour parts of agriculture where science is at the forefront are in wine production, cotton or some of the animal production systems in Northern Australia. If you promote those and people see that then they say, ‘That is an opportunity.’ There are people flowing into aquaculture because they actually like fishing. They can get a job working with prawn farm on the Queensland coast and they think that is pretty good. Promoting a positive image of agriculture is, I think, probably as important as anything else.

Dr Bittisnich—There are a number of initiatives that the actual education providers themselves with regional communities are supporting as well. One of them is the National Primary Industry Centre for Science Education. That is running out of the University of Tasmania. That is a collaborative model between a number of different industry interests and the University of Tasmania. It is providing a number of curriculum resources to, again, raise the profile of agriculture not only at the school level but also in the community and at the regional level as well. At the end of the day, the majority of those students who are going into agriculture are usually from regional areas; they are not city students. There are a number of those activities which we are actually supporting, in particular through the RDCs—the research and development corporations. That has been identified through other activities which are being supported.

Mr Hillan—That particular program is about targeting year 11 and year 12 kids who are thinking about their future and taking them out and showing them what agriculture is about—

taking them through a milk factory or whatever and making sure that agriculture is one of the choices they have when they make their decisions.

Mr GAVAN O'CONNOR—I would like to go back to basics. The future of Australian agriculture in the 21st century is going to be based on smart farming and that relies on innovation and R&D. One of the particular vehicles for that is of course the cooperative research centres. Do you have a view on their strengths and weaknesses? You can be quite open with us here. It has been a model that has served some industries very well in bringing players together in larger networks to overcome particular problems. We would be interested in hearing your views.

Mr Thompson—Our department and our R&D corporation has participated in quite a number of CRCs. We have participated in the public benefit ones like the CRC for Freshwater Ecology, which did a lot of the work which underpinned River Murray work. We have been involved in weed CRCs and animal production ones. We have also been quite prominent in trying to encourage the ones related to those issues that are very prominent now relating to biosecurity and those sorts of things. The CRCs are very good at bringing researchers together. They are very good at focusing attention. They have also proven to be very good vehicles for communicating and harnessing the results of a lot of research across the country. They are actually a different model to the model that we fund R&D in our portfolio under.

Our model is about putting together a group of people predominantly representing industry but with some research competence. It involves purchasing research. They work out with the industry what sort of research that industry needs and then go out and buy that research for the industry. The CRCs are perhaps a complement to that. They operate more in terms of what sort of research can be done and link that up with what the industry needs. It is perhaps a more provider driven model as opposed to a demand driven model, but it is not necessarily wrong because sometimes people want research done in areas in which you cannot do research or are totally unaware that certain avenues of research could be quite profitable. So I think having our R&D corporations participating in CRCs has given our portfolio the best of both worlds because we have been able to marry up the demand driven with the provider driven. As I said, we have benefited from CRCs that are very production orientated like the one for cotton futures. It has done a whole lot of work in plant breeding in the cotton industry. We have also participated in quite a number that provide broader industry benefits like the weeds CRC.

Mr GAVAN O'CONNOR—What is your involvement in the agriculture for rural based manufacturing CRC? Does anybody know anything about that?

Dr Bittisnich—I think that is a rebid of the existing salinity CRC, so they have rebadged themselves with a different name. But essentially the activities they are going to take are pretty much related to dryland cropping and the issues around salinity. That is about as much as I can say.

Mr Thompson—I do know about that one. I do not know anything about one relating to rural based manufacturing. There is one that came out of the previous CRC for plant based solutions to salinity, which has now broadened into sustainable profitable agricultural solutions and is focused on dryland agriculture and alternative farming systems that can cope with variable

climate, salinity or whatever else. We have been quite closely involved in working on the needs in that area.

Mr GAVAN O'CONNOR—Can I go back to the discussion held earlier on the number of producers participating in repeat learning activities. Do you have any stats on that? Is it a 30 per cent come-back rate or a 20 per cent come-back rate? To what extent are the farmers who participate coming back for a second or third bite? I am interested in the stat.

CHAIR—If you do not have that, could you supply it?

Mr Hillan—I think it is about 40 per cent, but I will check on that.

Mr Thompson—I think it would be better to come back on that, because we want to make sure we get those numbers right.

Mr GAVAN O'CONNOR—Around this table, if I can conclude, Mr Chair, there would be a concern that, over some decades now, there has been a reduction in extension services at the state level. What is your involvement in the provision of extension services and what is your view on that? We are all aware that a lot of these extension services are now being provided by private companies, and I am not saying they are not good, but some of them are in their own interests at the end of the day. Do you have a view on the provision of publicly based extensions?

Mr Thompson—The evidence we have is that state resources for extension have declined, and in some cases state support for research has declined. As you said, the commercial sector is providing increased resources into extension, and some of that is very beneficial. If you go to a state like Western Australia, I think almost the majority of farms now have farm management consultants and they get very balanced advice on what they can use and what they cannot use, and they pay for the privilege. Presumably, since many of them take it up, they consider they are making a profit from it. Other people probably receive advice from the large numbers of agronomists and the like who work for some of the chemical supply companies and the like, and they probably provide very good advice on how to use that company's products but they may be a bit more reluctant to provide advice on competitors' products. But farmers are not silly—they can recognise when they are getting proprietary information and non-proprietary information, so I think they work their way through that field.

The state extension services are probably still there in many of the areas that provide that broader public benefit relating to public health, animal health and environmental management, but less so in the production side of the world, and perhaps that is quite consistent with that philosophy that farmers should be becoming more self-reliant and picking up that element themselves. That being said, we have not proposed to date to move into that area of suddenly providing farmer training to replace a production level activity that—if we are looking for self-reliant industries—they should be doing for themselves, but we do believe that somebody needs to provide the information to make that make sense.

The R&D corporations have put a lot of time and effort into being able to package the research results, not just as a result of a project but to put together a package of material that then can be provided on field days or repackaged by commercial suppliers in a way that suits farmers, and

some of them run their own programs or have provided seed funding to support farmer self-help groups. In addition to the commercial ones, we have things like the Birchip Cropping Group, which virtually runs their own agricultural training and extension service in the Mallee, and they have received not insignificant resources from a range of Commonwealth programs to underpin the research, to apply the research, to apply it to those areas. We see that as actually quite useful. It keeps it very relevant to the farmers.

Other R&D corporations have got together and run those things like the Grain & Graze Program, which has elements of natural resource management, elements of how to run a cropping system integrated with a sheep or cattle grazing operation. Land and Water Australia is operating in it along with Meat and Livestock Australia. It has had some wool innovation money and GRDC's grains work. Our field as a portfolio has been more at the level of providing the information that a range of extension providers could then make use of.

Mr GAVAN O'CONNOR—Many farmers are missing out on these sorts of things.

Mr Thompson—There could well be some farmers missing out because a group of farmers hungry for education will seek out field days and consultants to get that information for them. Other groups participate in a range of training and field days around the place, but I think one of the challenges we have had and which we have tried to address through FarmBis is that group of farmers that do not naturally come along and learn. As I was saying before, tertiary education in any shape or form seems to be desirable because those people know how to learn and want to learn, so they will seek out the courses or the information that is available. But those family farmers who are very busy, who, if they have spare time, may well be receiving off-farm income and who may have not even a year 12 level of education are harder to get to. We need some sort of very informal and much easier access because they are running the same sort of business with the same sort of risks and the same sort of management skill required as the farmer who might have an ag diploma, a much bigger operation and three employees. It is about getting to those small groups, and FarmBis has been quite active in that area.

Mr Hillan—People in that group are coming from a generation in which they might have had bad experiences at school, so to get them to come back into a training environment as informal as FarmBis is even difficult. There are a lot of different triggers that are making people make that decision to get involved or not.

Mr ADAMS—There has not been much take-up in the natural resource management area.

Mr Thompson—The take-up under FarmBis has been quite small. I think some of that relates to, as Jeff said, different farmers requiring different triggers. It is not easy to persuade somebody to come even to a subsidised course that takes a day or two days out of their farm business and say, 'What you're going to learn to do here is protect native vegetation.' It is a bit of a hard ask. Where courses are perhaps combined so they learn something about holistic grazing management—'What's that going to do? That's going to help me improve the productivity of my cattle and the pasture'—and in amongst that how you manage native pasture, suddenly it becomes equally relevant.

I think one of our challenges is to make natural resource management something that farmers want to participate in and that it could be eligible for under FarmBis. The other approach is

through some of the natural resource management programs being operated at the regional level where there are specific issues relating to irrigation management, control of effluent from dairy farms or whatever. They put in place specific, targeted programs, they work with an industry body that can give it some credibility and then they just deliver that program. It might be something they only do once or twice and then say, 'We've got 50 per cent of the farmers.'

Mr ADAMS—Is anything happening with extension officers in that area, from the department's point of view?

Mr Thompson—In the natural resource management area? The department supports a number of facilitators and coordinators in the area of natural resource management. Part of their tasks are bringing groups of people together to identify whatever their needs are. They also support through the Landcare program and the sustainable agricultural initiatives the placement of some people working in environmental and resource management within some industry associations, and they can broker some of these courses. In Queensland a number of the farmer organisations—and one of them is the dairy industry—have such an officer. They have put together packages which suit those needs. I think some of the NRM regional bodies have also done similar things where there are issues that are relevant to their concerns. They are trying to introduce a new farming system.

CHAIR—On that point, we have heard evidence of concern about the lack of extension officers in general. That has cropped up in three or four inquiries that we have been involved in.

Mr Thompson—That is the evidence that has come back to us: in the states, due to budgetary changes, the number of field staff they had have reduced and gone to other areas. As I said, our programs operate to provide the information of the management levels so we are relying on these other sources.

Mr ADAMS—I have issues or difficulties with natural resource management. There does not seem to be too much facilitation taking place in some areas where more extension may assist. We will wait and see.

Mr Thompson—As I said, farmers respond quite well to things when they can see the benefit quickly; when it suits their current system, and they need to make incremental modifications, not buy a whole lot of new equipment; and when it tends to return a profit in a farmer's time frame, which is three to five years. Natural resource management changes do not make immediate profits. They might in the long run. They might provide public benefit but they are often more difficult to demonstrate. There is perhaps a higher threshold to get people involved, so across Australia the submissions you have received may have indicated that the resources are thinner than people might like. But I am sure there are some examples within certain regions.

Mr ADAMS—There is also the issue of people losing something as a result of natural resource management. Stewardships and such things are not being established properly and good policy is not being put in place prior to a law being introduced which says that you cannot plough this paddock or you cannot do that because we will lose certain grasses or sags. I have run into this issue a few times where the bloke next door ploughed his grasses in 20 years ago, but now there is a new regime. Wool is not paying anymore so I may want to grow some poppies

or spuds but you say, 'You cannot do that because we want to maintain those sags and those grasses in the public interest.'

I have a few issues in that area where I think we need to have better selling or better understanding. There is also an issue of working out what is in the public interest, and if somebody is giving something up for the public interest then everybody had better pay for it—instead of just one person whose neighbour does not have to pay for it. They can probably still graze that land but they cannot put it into productive farming because they cannot turn it over. So those are the issues where I think the extensions may have been of some assistance.

Mr Thompson—The issues that you raised about property rights and the impacts of regulations on farmers, and who pays and who does not pay, are very much the issues which were put on the table when consultations were taking place over the last six months, on the future of the department's natural resource programs. So I am sure how to address those issues is to the foremost of people's attention.

Mr ADAMS—Sure. These issues that we are confronting are about the public interest and who pays. If somebody is going to pay then everybody had better pay. It should not be just one person copping it.

Mr GAVAN O'CONNOR—With due respect to my colleagues here and with due respect to the gentlemen who have appeared here today, we are all males. There has been great advice coming our way. We cannot help being male, of course; that is the way we were born. But you and I know that within the sector enormous wealth is generated by women.

CHAIR—Absolutely—more so today than yesterday.

Mr GAVAN O'CONNOR—They hold the key to some critical skills within enterprises and they also provide a very interesting source of innovative changes and an innovative culture by their willingness to branch into value-added areas of production, various other businesses and whatever. I noticed that there are programs that are specifically aimed at women in terms of training and I imagine that women would be accessing FarmBis to some degree. Do you have any stats on where women are appearing in this training paradigm?

CHAIR—Can I just extrapolate that out a little bit? We took evidence in Toowoomba, and this is what Mr O'Connor is alluding to. A woman from Conservation Farmers Inc. told the committee that in the Toowoomba area:

... a large majority of women did the books and marketed the grain and the men exclusively grew the grain. ... The other thing we discovered from the survey was that women find a lot of training and extension not very user-friendly. ... They often find that the training is not tailored or relevant to their farming needs or their enterprises—so they have travelled for two or three hours to attend a seminar and the information they have received is not that useful to them.

Other barriers to them attending were childcare, travel and other issues, yet these are the women who really need to be very sophisticated in their business management skills.

I think that emphasises the point that Mr O'Connor is making about what we are doing to help women. They play a very significant part in agriculture.

Mr Thompson—I certainly support your view that women play an important part in agriculture. They have an important role in change and adjustment on farms. In most farm businesses, if they are partnerships, women are equal partners. The split of who does what is probably reasonably accurate. We are a group of mainly men sitting around this table. We try to address it starting from the top down. FarmBis does not discriminate between men and women. We do whatever we can to ensure that FarmBis courses are friendly to the needs of women. Jeff can add a little about the nature of some of the measures.

We have tried to get gender diversity in our state planning groups because women bring different perspectives to some things. They often bring a fresher view because they did not learn to farm from their dad, who in turn learnt to farm from their dad. They picked it up from other sources. They also tend to have high levels of education. There is some truth in the case that the successful farmer is the one who married the nurse, the school teacher or the accountant. They are important parts of the system.

Starting at the top of our structure, we try to involve women. We are as friendly to women as we can be in how we design our courses, which courses we pick and how they are delivered. We work on information in the department through our capacity building for women in agriculture and through some of the RDCs. We focus on leadership and networking among women so that they can work with their own peers. The cotton RDC, dairy and fisheries have been quite active in that area. Jeff, do we have figures on women's participation in FarmBis?

Mr Hillan—Not with me. We can get those to you.

Mr GAVAN O'CONNOR—I am interested.

Mr Thompson—I also understand that the eligible costs for FarmBis have been modified to take account of women's frequent childcare responsibilities. Is that included as part of the eligible cost?

Mr Hillan—Yes, it is. So for women who are participating and require child-care facilities we pay for that child care through FarmBis. Everything we do is about one of our targets.

Mr Thompson—And it is not just political correctness; if you want to encourage women to participate, you have to make the program look as though women can participate. We encourage women to participate in training. We use a mix of women training providers where we can. If we are using consultants, they can often do that. Even promotional material like this, which describes the program, has a predominance of men on the cover, but there is a woman on there as well.

CHAIR—We can't do without them.

Mr Thompson—I agree. They are important in agriculture.

CHAIR—We are talking about the positives of FarmBis. We heard through the department of agriculture in Western Australia that FarmBis is on its last program cycle there. Is this the case and, if so, why?

Mr Thompson—Most government programs—and perhaps this is one of the reasons why people think we keep changing policy—are funded for three and sometimes five years. The current round of FarmBis runs out at the end of 2007-08, so there is 18 months further funding for the current round of FarmBis. That is not to say that FarmBis is coming to an end. All it is saying is that the funding provided in the budget for FarmBis reaches its conclusion in that year.

CHAIR—What is the cycle?

Mr Thompson—It is a three-year cycle. We are about halfway through the current round of funding.

Mr Hillan—Currently it is four years.

Mr Thompson—So we have done well. Mostly programs are three to five years. A review of the program is normal and they will appear in the budget as a lapsing program at the end of 2008, but that does not mean it stops. All it means is that it has to be reviewed.

CHAIR—So basically the answer is that it is a good program and you would like to see it continue and it is in the hands of the government as to whether or not it does.

Mr Thompson—Exactly. Farmer training is important and needs to continue. Its future will be reviewed in the normal budgetary process.

Mr ADAMS—You have ‘innovation’ on all your titles, I think, haven’t you?

Mr Thompson—Yes.

Mr ADAMS—What have you printed showing us what has been innovated in Australia in forestry, fishing and agriculture?

Dr Bittisnich—We have recently come out with a publication called *Innovating rural Australia*, which is our annual report of what the research and development corporation has produced. That has a number of case studies in it from each of the different RDCs to highlight what activities they have been involved with. What we have tried to do in the most recent version—which was released only in the last month by the parliamentary secretary—is reflect an NRM focus but right through to value-added chains at the end. We have a range of examples. We can provide you with the report if you wish.

Mr ADAMS—I would like one, because he has not sent me one.

Mr Thompson—I should also add that on 5 September here in Parliament House our R&D corporations are having a series of seminars, starting at breakfast and running through to some cocktails, promoting the research they have done and the benefits it had. I think their morning teas and lunches will probably highlight—

Mr ADAMS—They have done them before. They are good concepts.

Mr Thompson—They will do that again.

CHAIR—Can I unfortunately bring everybody in this area to the reality that, because we do not have a quorum—

Mr ADAMS—He is still coming back.

CHAIR—Is he coming back? Continue.

Mr ADAMS—The innovation is still going. What about the marketing side in exports? How are we doing there?

Mr Thompson—The structure we have is that the government provides, both in combination of government matching money and industry levies, roughly \$500 million a year for research and innovation. As we have said, innovation underpins the productivity growth. On the marketing, promotion and export side of agricultural production, our policy is that that is something that industry should be predominantly pursuing. If you look at some of the bodies like Meat and Livestock Australia or Dairy Australia, that is where they are active, and the government funding is primarily for the information that sits behind it.

Mr ADAMS—What about training? Do you think the corps ought to be a bit more involved in the training and the issues that we are looking at?

Mr Thompson—Everyone can improve and do a little more to make it more effective, but we do not believe their primary role is one of training. They have to assist with training and make information that is available fit into the training system. There are some niches they can fill in specialty areas relating to the extension of the information that they have generated, but their primary goal is to generate the information to underpin agricultural productivity and we would not want them to suddenly be distracted from that. While \$500 million sounds like a lot of money to spend on research, if you start running programs you can also spend a lot of money. The research is the primary activity that they have to do.

Mr ADAMS—Sure. Some of the evidence we have had is on those extension officers we have talked about in agriculture—that is, the ones I grew up with. There is a difficulty now with people doing a degree course and finding a place to do research and extension while they are learning. The private sector wants to buy people already capable of taking on the job and signing the contract. There is a lot less opportunity now for people to find niches to do research and train while they are doing that. Are there any thoughts on that?

Mr Thompson—I do not think that is unique to agriculture. When we had large government departments in the engineering field, for example, after leaving university everyone worked for a government department for two years to polish off their training as an engineer and then they moved into other fields. I think we are all suffering from the question of how you take a theoretical training and turn it into a practical one. I do not have any immediate answers to that; others might. But it is an issue at some of these committees.

Mr ADAMS—It has come up to us.

Mr Thompson—The government agency have got activities to do, we have research corporations which might be funding research and we have private providers. Some of the bigger

private providers do have the capacity to work with people in joint ventures, where they may be able to use people who have lower levels of experience.

We are evolving through a system, from an old system that was quite paternalistic and you developed your career through it, to a more market-driven one. I do not think it is an impossibility, but I think a lot of it is going to have to be covered by this better communication between people who have got money for research, people who have got facilities on the ground and people who have got opportunities for them to actually do real work. If we get them all together, we may be able to do it.

Mr Hillan—As for your previous point, I see the RDCs and a program like FarmBis dovetailing quite nicely together. The RDCs develop programs that are able to be funded through FarmBis, so the delivery is actually a continuum. There are lots of examples of those. There is BizCheck, and Dairy Australia have a number of programs, all with available funding under FarmBis.

CHAIR—When you are going through that process, how does the department incorporate client needs into its programs which will ensure a bottom-up approach?

Mr Thompson—There are two ways of doing that and the primary one—and Jeff will have more detail—I mentioned before. We have state planning groups in each of the states with predominant industry membership developing the framework under which the assistance for training will be paid. They go out and talk to their industry groups. With these targeted industry initiatives, they hold workshops and forums to work out what people need and then they consider what is available. The other way that we feed it in at the policy level is this. Another program is our industry partnerships program, which provides money to sit down with an industry and identify their threats, issues and opportunities. Coming through that process, quite often they say that they have got training needs in environmental areas or market access areas or disinfestation or quality assurance. Then those sorts of issues can be fed back to the industry groups and the state planning groups for the courses for which the subsidies are going to be paid. It is not totally bottom up. We are actually trying to get people who can represent not the bottom but one level above it, people who can do some considered work about what are the needs and what are the courses available, bring that together using networkers and then say to people: ‘Here’s a bit of a smorgasbord, but it’s all healthy food. Now we will provide subsidies for you to participate in these courses.’

Mr Hillan—All of those state planning groups are chaired by industry and have a majority industry membership, so we are getting feedback constantly from them about what the industry needs are. We also do an industry survey where we go out to industry and ask, ‘What are the requirements that you have?’ So we are also getting it formally as well. That is through the targeted industry initiative, where we go out to industry and say that we have some money. I think we need to point out that industry is also contributing, so it is a joint partnership about working out what is appropriate for their industry. Generally, there are needs type analyses where an industry will go through and work out what their requirements are, which they will feed back through FarmBis once they have done that. They can go back to the larger FarmBis bucket, having identified their training needs.

CHAIR—Do you have that sort of dialogue relationship with DEST?

Mr Thompson—We do not have a formal regular meeting with DEST on education and training, but we meet with them on a fairly regular basis about what they are doing in rural education and training. What we are talking about is an interchange and it is a quite reasonably inclusive complementary dialogue. As I said before, they tend to operate at that level of putting in place vocational education and training that is operational and in production and we have picked a different niche, so we do not overlap. We maintain that dialogue so that we keep the complementarity.

CHAIR—That is good news.

Mr ADAMS—I always have this thought as to whether industry is driving the agenda for training for its own self and I wonder if the actual person that is doing the learning gets enough out of that to be able to sell their skills on to someone else and is not locked into some agenda. Who looks after the student's interest as such?

Mr Hillan—At the end of the day it is a smorgasbord within the parameters of management-level training. I know that was a concern in the Toowoomba comment. To me it was that access and training had not fulfilled their needs. But to me it is a market: people can choose and ultimately people like that who are not receiving the correct training will go to the right people and those people that are delivering that stuff.

Mr ADAMS—As long as they are there.

Mr Thompson—There are other things we do in that area. First of all, there is the feedback we get from it and how we target courses in the future. The other thing that is just as important is that the training is provided through accredited trainers, so we are trying to put a level of quality assurance across it. By providing training at the management level, not all the training would be designed, say, purely for the bee industry. Elements of the training would lift above that; they would start to talk about things like financial planning options—

Mr ADAMS—As long as they do that I do not have a problem.

Mr Thompson—so that, if the beekeeper wishes to become a lettuce grower the next day, probably 50 per cent of his training, or 60 per cent if it was at the management level, would be equally applicable to any rural industry.

Mr Hillan—Going back to that lady in Toowoomba: at the end of a course people fill out an evaluation form. In that case, the form would go to the Queensland Rural Assistance Authority. If a significant proportion of people who went to the course were not happy with it, investigations would be made from that end. There is that feedback loop as well, so I was a bit surprised by that one.

CHAIR—So you do an auditing process?

Mr Hillan—That is correct.

Mr ADAMS—It was in a submission made to us, so you can have a look at it. I always get concerned that, if someone is not lifted up to a broader skill level, they get locked into a very narrow base. I think they are being let down by that sort of training.

Mr Thompson—We agree with that. We do not want to support training that says, ‘Once a wool grower, always a wool grower.’ We want training that asks, ‘If you have capital, land, water and your own skills, how can you use them to best effect? You might be a wool grower now, but next week you might be a sheepmeat producer and the week after that you might decide that cropping is a good way to go.’ We want to give them skills in financial management, marketing and risk management, so that they can all use natural resource management principles.

Mr ADAMS—So natural fibres are back? Maybe.

Mr Hillan—I have been looking for a bit of a break. I have been researching what red tape is involved in applying for FarmBis, and this morning I printed some stuff that you might be interested in having. Principally, there are two ways of applying for FarmBis funding. You can apply as a group—you go to a training provider with a number of other different people, and the training provider will do all the paperwork for you. The second way is as an individual and, again, the paperwork is very simple.

Mr ADAMS—Can you give us a copy of that?

Mr Hillan—You can have this copy.

Mr Thompson—This material is available on the web if you want to access it by that mechanism. Correct me if I am wrong, but I think a reasonable number of participants in FarmBis go as a group, so the provider fills out the forms for them.

Mr Hillan—The feedback we get is that about 90 per cent of people are happy with the level of administration.

CHAIR—That would be helpful. Is it the wish of the committee that the supplementary submission from the Department of Agriculture, Fisheries and Forestry be accepted as evidence? There being no objection, it is so ordered. Thank you for your evidence today. The committee has some further questions which will be sent to you by the secretariat in the next couple of days. We would appreciate it if the department could provide a written reply within a month.

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

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

Committee adjourned at 6.28 pm