



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND
FORESTRY

Reference: Rural skills training and research

WEDNESDAY, 16 AUGUST 2006

CANBERRA

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND FORESTRY
Wednesday, 16 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 Gavan 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

**BALNAVES, Dr Paul, Acting Branch Manager, Transitions and Attainment Branch,
Department of Education, Science and Training 1**

**CROSS, Ms Rebecca, Group Manager, Industry Skills Development Group, Department of
Education, Science and Training 1**

**JOHNSON, Mr Ben, Branch Manager, Skills Branch, Industry Skills Development Group,
Department of Education, Science and Training 1**

Committee met at 5.04 pm

BALNAVES, Dr Paul, Acting Branch Manager, Transitions and Attainment Branch, Department of Education, Science and Training

CROSS, Ms Rebecca, Group Manager, Industry Skills Development Group, Department of Education, Science and Training

JOHNSON, Mr Ben, Branch Manager, Skills Branch, Industry Skills Development Group, Department of Education, Science and Training

CHAIR (Mr Schultz)—Welcome. 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. The committee has received over 110 submissions and has held public hearings and inspections in Canberra, New South Wales, Queensland, Victoria and Western Australia. Today's hearing will, I expect, be the last one for the inquiry.

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 the 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 Johnson—I intend to make on behalf of the departmental representatives a brief opening statement to assist the committee, which will serve two purposes: to broadly update the committee with some information on initiatives undertaken by the Australian government since the submission was lodged with the secretariat in June last year and, more broadly, to talk about the Australian government's role, particularly in terms of the vocational training and education sector, to help guide the committee's questioning in this session.

Critically, in the 12 to 18 months post the provision of the submission to the committee, the Australian government has been in a process of negotiating a new national vocational and technical education and training agreement with the states and territories. In respect of the terms of reference for this committee, that agreement provides a particular focus through the planning processes of the states and territories to improve training outcomes in agreed national priority areas, including increases in Australian apprenticeship places and increases in priority training for rural and regional Australia, in particular for Indigenous Australians. It provides requirements on states and territories through their planning processes and funding for their publicly funded training organisations to improve industry engagement in the planning and targeting of that training delivery; to improve flexibility in the delivery of training, again, particularly to respond to industry need and industry demand in rural areas; and to provide improved access to training infrastructure in the states by industry.

It is probably important to emphasise that the funding that the Australian government provides through a specific purpose payment to the states and territories under the Skilling Australia's

Workforce Agreement supports training identified through a planning process that each state and territory undertakes on an annual basis as part of developing its vocational and technical education plans. In that respect the Australian government does not have a direct role in funding the activities of individual registered training organisations which are contracted by states and territories. Our role is principally to provide national policy leadership to the national vocational and technical education system to guide how that training effort is targeted.

Secondly, the only area that I will touch on for the committee to identify is the range of major initiatives that the Australian government has announced in the last 12 months, principally those which have a significant impact on training for rural and regional Australia. I will touch on three. The first of those is an announcement of a new national framework for careers and transitions advice, Career Advice Australia, which the Australian government launched in January of this year. The intention of the Career Advice Australia initiative is to provide an industry led national system to support the provision of industry advice, informed by local industry, to training organisations and to schools.

There are a range of elements in the submission that the committee currently has before it that refer to activities such as local community partnerships and structured workplace learning. That range of program initiatives has now been brought together under the common national initiative Career Advice Australia. The committee would be well aware of the Australian Technical Colleges initiative, which has moved into an implementation phase in 2006, and of the particular focus that those colleges may provide in supporting training in the trades in rural Australia.

I draw the attention of the committee to the work that has gone forward on the Australian Apprenticeships training delivery. As the committee may have noted from the submission, it is a key area of relevant funding and training support by the government to employers of individual apprentices and trainees right across the country but particularly in rural Australia, where we have some 39 per cent of all students participating. They are participating outside of regional areas, but a significant proportion of Australian apprentices are also participating in rural and regional Australia.

The area which is potentially of greatest interest to the committee is the body of reform work, which the Council of Australian Governments signed up to in February of this year, to drive a system of improving the flexibility of training delivery and national consistency of skills recognition arrangements in Australia. There are a number of elements of that work program which may help to inform the committee, some of which are due for a report around the middle of this year and some of which are being brought forward for a further report to the Council of Australian Governments in December this year.

CHAIR—Can I glean from what you have just said that there is a priority within the department for agricultural education training and research programs?

Mr Johnson—There are a range of initiatives and programs right across the department's different business groups, which have particular focuses on providing support to training and education services in rural and regional Australia. We can touch on some of those in the vocational and technical educational area but the committee may be aware that there are specific initiatives in our higher education and schools groups aimed at providing assistance to individuals and their families or institutions to support delivery of training in rural and regional

Australia. The department does have, through Dr Balnaves's area, a specific research capacity. A part of that research agenda is focused on looking at research needs and training trends for rural and regional communities and families.

CHAIR—I note that you referred to Australian Apprenticeships. I assume that this is the former New Apprenticeships program, so part of your program is to reword some of the programs because of the new direction that you are taking in some of them.

Mr Johnson—That is correct. The Australian Apprenticeships program is what was formerly known as the New Apprenticeships arrangements. Apprenticeships and traineeships, as the committee would be aware, have been a longstanding component of the national training arrangements. New Apprenticeships was established as a program under the current government in 1998. It has provided a very strong focus on growth of structured training delivery in rural and regional Australia.

CHAIR—Given the general thrust of where you are going at the moment, has the department mapped the skills needed in Australia's agricultural industry today? More importantly, have you mapped it for the next five years?

Ms Cross—The department contracts with industry skills councils. Industry skills councils have been specifically set up to look at the future skills needs of their industry and to develop reports that show how the industry skills requirements are changing and what the issues facing their industry are, such as retention or attracting new people, taking account of the demographics of the current workforce. We contract with the Agri-Food Industry Skills Council. One of its specific functions is to gather that sort of information on what the future skills needs of the industry are and to develop training qualifications that reflect those skills requirements.

CHAIR—What sorts of skills have you identified in this process?

Ms Cross—I will turn to the agri-foods information.

Mr Johnson—While Ms Cross is finding that detail, I might add that in our vocational and technical education groups the department funds a range of industry activity to work specifically with industry associations such as the National Farmers Federation and Rural Skills Australia. A couple of those streams of activity are around what we term education training advisers. The department currently contracts a number of education and training advisers, seven of whom are placed with the National Farmers Federation in 2006-07. There is also a range of programs known as the Industry Pathfinders programs. Both of those initiatives are principally focused on trying to work with industry to provide advice to their members about the national training arrangements, to promote activity and engagement with the national training system, to promote the Australian Apprenticeships arrangements and to build evidence and a better understanding of the skills needs and dynamics of the various sectors.

CHAIR—I gather that you are still undergoing extensive consultations with industry?

Mr Johnson—That is an ongoing feature of the work that the department undertakes. It is certainly not an initiative that has a finite time frame. As an illustration: the education training adviser contract arrangements have been in place for, I think, the last six or seven years. We

require quarterly reporting from those associations. The most recent report we have received from Rural Skills Australia—it may interest the committee, and I would be happy to provide it as an illustration—specifically identifies the uptake of apprenticeships and traineeships in rural and regional areas, the particular skills needs in some of those areas, and engagement and promotion with their members about national training arrangements. That is something the government has been committed to for a significant period, and it continues through our program activity.

CHAIR—It would be helpful if we could get a copy of that.

Ms Cross—The Agri-Food Industry Skills Council covers rural production, the Australian meat industry, animal care and management, conservation and land management, the racing industry and sugar milling. It looks at the training requirements across all of those sectors of industry.

CHAIR—How is DEST providing the leadership to ensure that the skills needs in agriculture are met?

Ms Cross—The national training system is very much an industry led training system. In developing the new training arrangements that Mr Johnson has referred to, as well as providing high-level goals about ensuring that industry needs are met and ensuring that individuals benefit from the training they are doing, we have created a system where industry is engaged at all levels. In order to meet industry's training needs, we have ensured that they are part of the policy-making processes. They have positions on the quality council, which looks at the quality of training and RTOs, and they provide advice to ministers through a national industry skills committee. Rather than government trying to determine the training needs of industry, we have set up arrangements whereby industry can have a direct say in setting policies, designing training qualifications and making sure that everything the training system delivers meets the needs of their employers.

CHAIR—I want to ask a couple of questions centred around the changes to the apprenticeship scheme that took place on 1 July this year. I am particularly interested in the removal of the two business incentives of \$1,000—the non-traditional female role incentive and the rural and regional skills shortage incentive. I understand that they had been available for several years to employers, including primary producers, engaging specific trainees and apprentices. Can you tell me why the limits to those business incentives have been removed with the change from the New Apprenticeships scheme to the Australian Apprenticeships scheme and whether you have included, replaced or removed further apprentice programs?

Mr ADAMS—And whether any of the savings go back into rural training.

Mr Johnson—I am happy to provide a broad response and then answer any subsequent questions the committee may have. In the May budget this year, the government identified changes in the Australian Apprenticeships incentive arrangements for employers. The government removed the incentives you have identified, Chair—the additional incentive for women in non-traditional occupations and, especially, the additional incentive for rural and regional areas. The rationale behind the changes for the removal of the additional incentive for rural and regional Australia was to ensure alignment between the occupations that are identified

for supporting incentives with a range of other initiatives of government in the incentives program.

What I mean by that is that the Australian government, in 2005, identified a number of new initiatives for Australian Apprenticeships, which were principally targeted at encouraging individual apprentices and trainees to undertake that training. Those were the introduction of a trade learning scholarship to provide direct payments to the individual apprentice at the completion of their first and second year of trades training and the introduction of a tool certificate trade initiative, which provides \$800 through the employer to the individual apprentice to assist them with the costs of commencing training. Those two measures were underpinned by a national list of occupations in skills need, which was provided by the Department of Employment and Workplace Relations.

Administratively, we had somewhat of an anomaly, whereby the additional incentive for rural and regional employers—the \$1,100, as it was last year for those employers—was built on a former rural and regional skills list, which had a range of occupations on it which the Department of Employment and Workplace Relations identified were no longer in national skills shortage. In essence, it was an administrative change to try and achieve alignment between that additional incentive and other incentives within the program. Employers of apprentices and trainees in rural and regional Australia are still eligible for all the standard incentives—the \$4,000 for commencement and completion, incentives for taking on an apprentice and trainee and a range of other special or additional incentives.

Part of the deputy chair's question went to asking where some of those savings have been returned to the Australian Apprenticeships program. The committee may be aware that the Australian government has just completed a tender process for the next round of apprenticeship services which commenced on 1 July this year. It is a three-year contract with those Australian Apprenticeships services, who have to provide national coverage to all communities across Australia with a particular focus on servicing the needs of rural and regional Australia. The service delivery framework for apprenticeships in the next three-year contract has new requirements for Australian Apprenticeships centres to provide much more direct contact and support to, again, both the individual employer and the Australian apprentices involved. Without the figures directly in front of me, my recollection is that the government agreed to a substantial injection of funds—in the order of \$18.2 million in 2006-07, I think—to support that additional service activity with regard to employers by Australian Apprenticeships centres in both metropolitan and rural and regional Australia.

CHAIR—You have basically diverted the money into different courses; you have not made savings.

Mr Johnson—In net terms, there was a significant investment of additional funds by government into the Australian Apprenticeships framework, if you like.

CHAIR—What is the logic behind a three-year program? Why not have a five-year program?

Mr Johnson—It probably reflects the history of purchasing arrangements by government to not extend commitments beyond the forward estimates and continue a process of reviewing contract performance. If we are talking specifically about Australian Apprenticeships

arrangements, the department undertakes quarterly monitoring of the performance of all providers to ensure that they have met, as an illustration, commencement milestones and commencements of apprentices in training in their service region. Their performance and future funding is contingent on them meeting all those requirements even during the life of the contract. My understanding is that the objective of the three-year time frame is principally to allow the government of the day an opportunity to review the servicing and redirect or retarget that servicing at a later date. We have had three major service rounds under New Apprenticeships arrangements in the last nine years, and they correlate against the purchasing arrangements under Job Network and the range of major employment and training initiatives that the government also supports under DEWR.

Mr MARTIN FERGUSON—You said you identified some areas where there were no longer any skill shortages. What are those areas?

Mr Johnson—More broadly, the Department of Employment and Workplace Relations developed a national skills shortage list, which is based on looking at a labour market analysis of needs in individual states and territories. I understand that that department used to publish that list on a national basis. They now produce individual state and territory reports. That information identifies occupations in recruitment difficulty, labour shortage or skill shortage. That material is effectively aggregated up to identify a picture of what is now known as the Migration Occupations in Demand List—MODL. That MODL is a national snapshot of the skills or occupations that are in national shortage. Hence, the government's decision to align funding under the Australian Apprenticeships Incentives Program against those major occupations. I can certainly provide to the secretariat a copy of the current MODL that DEWR have developed.

Mr MARTIN FERGUSON—But, more importantly, clearly those that were left off, which were previously funded under these programs, are no longer regarded as being an area of shortage?

Mr Johnson—That is correct.

Mr MARTIN FERGUSON—It is very important that we be given those too.

Mr Johnson—We could provide to the committee the qualifications which were previously supported under the additional rural and regional incentives list. There is an established list which identifies a broad range. Some of those, as the committee is probably no doubt aware from representations, revolve around horticulture, small-scale market garden production and others. I am not getting the package descriptions particularly correct, but we can provide those to you.

CHAIR—What about the apiary industry? We have heard evidence sending a very compelling message to us as a committee that we have created an environment where we are putting the bee industry at serious risk, and, more importantly, the bee industry at risk because of the pollination process, which impacts on about 63 per cent of the crops across Australia. There are no educational programs for beekeepers. That is one of the reasons we are interested to hear what courses or programs you have cut out based on the advice given to from state or territory governments—these are programs that were previously supported and paid for by the Commonwealth and that are no longer applicable. I think that what is Martin is getting at.

Mr ADAMS—You also mentioned extra funding that gave extra support to apprentices and to employers. Could you elaborate on that?

Mr Johnson—I certainly can. Again, we can provide that detail to the secretariat.

Mr ADAMS—Can you? If you could supply the detail to the secretariat, that would be okay. Now we draw up the skills shortages for the states and then concentrate on that. That is how it is done now, isn't it?

Mr Johnson—Effectively the Department of Employment and Workplace Relations provides that national profile of skills shortage needs. We have been in contact with Rural Skills Australia about the implementation issues associated with that budget change we have just discussed. We have committed with that organisation to monitor commencements of Australian Apprenticeships arrangements over the next couple of quarters and work very closely with them to identify any unintended adverse impacts on key industry areas.

Mr ADAMS—Dr Balnaves, strategically, are new industries and new directions in agriculture throwing up all sorts of levels—from the VET level to the technical level to degree level people—that we need in agriculture?

Dr Balnaves—Our research and analysis are in two things: how our regional economies are affected by education and training and how student aspirations and those areas are changing. An example of the sorts of things that we do is our support of a recent report by the Foundation for Rural and Regional Renewal on impacts of the drought on secondary access to education. Issues around agriculture and so on come up as part of that sometimes, but we do not have a deliberate general focus on agricultural education.

Mr Johnson—The committee may also be referring—I touched on it in part earlier—to a range of programs which the department supports under the National Skills Shortages Strategy. Under our Industry Pathfinders Project, for example, we have initiated projects to work with Australian local government management bodies to identify more flexible training delivery models to provide training to thin markets—rural, regional and remote areas particularly—to identify, again, a range of industry led or employer led projects to look at fast-tracking skills assessment and recognition of prior learning processes. There are beyond that broad framework and some direct programs like Australian Apprenticeships—

Mr ADAMS—Isn't all of that stuff coming through with your industry training bodies? Aren't they identifying all of that? Aren't they putting that together? Do you have a direct budget for rural and regional?

Mr Johnson—Not that I am aware of. As an illustration, again, the National Skills Shortages Strategy provides an opportunity for industry, including the agricultural sectors and rural and regional industry associations, to provide proposals directly to the department for consideration for funding. I am aware, for example, of the proposal that the chair referred to—the honeybee project that is being developed with DAFF is something that we are working jointly with them on. We receive a range of proposals directly through NFF or RSA or indeed any other major industry provider. Last year we were undertaking a number of projects in Victoria associated

with trying to re-engage older workers in the dairy industries and upskill employees in regional areas rather than just necessarily drawing new people in.

Mr ADAMS—Is there a formal process between the two departments?

Mr Johnson—A range of different committees deal with the issues, whether it is related to science or higher education. At this stage it is probably reasonable to say that there is not an overarching coordination or governance committee where those issues are brought together. But, again, clearly, some of the work that the Council of Australian Governments is driving forward around national training reform to the system will bring together even more closely some of the industry-specific agendas across Commonwealth government agencies.

Mr ADAMS—It seems like an industry that is diverse in itself and it is going through enormous changes. Coming at it from national resource management or changes in animal welfare or whatever, there does not seem to be a focus. What I think this committee would have picked up is that there is no focus on any sort of industry basis to say that these things are coming at you.

Ms Cross—Certainly one of the roles of the industry skills council, which I mentioned before, was to bring that sort of advice together. We used to have over 30 industry training advisory bodies and they were actually amalgamated so you could get some of that consistent advice. The industry skills council has put out a skills report which looks at all of the employment trends and therefore skills trends for their combined industries. We have made reference to some of the findings in our submission to the committee. We would be happy to provide you with a copy of industry skills report. It looks in great detail at the issues that are shared across the industries that it represents.

Mr ADAMS—The secretariat probably has that report.

Mr MARTIN FERGUSON—You started to identify something which is pretty important to us—that is, dairy farmers and older workers. Do you have any specific recommendations which we should be thinking about in terms of training of older workers?

Mr Johnson—What I think the department's overall experience has been in a range of these industry projects is that there are quite unique outcomes self-evidently revolved around some of those projects. Again, I am more than happy to provide the specific findings of any of those reports directly to the committee. Drawing a parallel to some work that we have been involved in in the automotive industry, which is broader than the scope of this particular committee, one of the issues in that initiative that we are looking at is trying to bring older workers into the workforce, providing intensive mentoring, support, skills audits and fast-track training. Surprisingly, one of the outcomes of that process was that it did not necessarily automatically translate into a high degree of retention and training. There was still, in that particular industry segment, a need for ongoing support to sustain those individuals in the workplace and effect organisational workplace training delivery with those employers. So generally what we would find is that the nuances of a particular sector, whether it is dairy or conservation management, would probably dictate the customisation of training delivery or needs. Essentially, as Ms Cross has indicated, our role is in trying to be guided by industry advice and industry leadership in that

area so that we are actually developing models which are relevant to industry rather than coming up with a template which can be universally applied.

Mr MARTIN FERGUSON—Could you supply that material? We think it is an issue that is potentially relevant to this sector. As to the Australian technical colleges—you might not have this material readily available today—how many are intended, how many are operational, how many apprenticeships or training opportunities are in place and how many of them are actually rural training opportunities?

Mr Johnson—The government's announcement of 25 technical colleges is unchanged. As far as I am aware, that commitment remains. Regarding 2006, currently five technical colleges have commenced or are commencing operation this year.

Mr MARTIN FERGUSON—What are their locations?

Mr Johnson—We can provide those details to the secretariat.

Mr MARTIN FERGUSON—How many training places are currently in place in each college? How many of those training colleges are rural schools related?

Mr Johnson—Broadly, in terms of the numbers, for this initiative we are expecting that the Australian technical colleges will provide in the order of 7,500 school based trades trained apprentices. I would have to take on notice—and we will provide the information to the secretariat—the actual distributions of the colleges and the particular occupations that they are providing for.

Mr MARTIN FERGUSON—It has been suggested that in the last month there has been a drop-off in the training take-up in New South Wales, for example. Is there any evidence to date that the changes to the business incentive scheme are having an impact on rural and agricultural apprenticeship commencements?

Mr Johnson—From the monitoring that the department has undertaken to date, I am not aware of any immediate adverse impact. We can update the broad information that the committee has at attachment E to the submission to reflect commencement activity in apprenticeships. The overwhelming trend illustrates continued growth in uptake and particularly growth in completions for Australian apprentices in rural and regional areas. As I touched on earlier, we are undertaking ongoing monitoring of the budget change and we are happy to provide that information to the committee.

CHAIR—That would be helpful. I think that what Mr Ferguson was getting at was that the committee has been advised that in July there has been a sharp drop in the number of rural and related Australian apprenticeship commencements in New South Wales. The figure is around 60 per cent below the figures recorded for the previous five years.

Mr MARTIN FERGUSON—You would appreciate the shortage of labour in this sector at the moment. Earlier this year, it was therefore announced by DIMA that, for the purpose of employment, the visa for backpackers was to be extended—for example, in this sector to 12

months. Were you consulted about that, including any potential training required to assist with that employment?

Mr Johnson—We have been in ongoing consultation with DIMA about the development of their skilled migration program, of which a review of visa arrangements is a part. I am only directly aware—and we have provided this information to previous committee hearings—of discussions that the department has had with the trade skills training visa arrangement side. I am not specifically aware of the arrangements that DIMA has developed with respect to backpacker or labour support arrangements over a shorter period.

Mr MARTIN FERGUSON—If I remember correctly, the visa is being extended from three to 12 months in this sector and from three to six months in hospitality.

Mr Johnson—I am broadly aware of what you are referring to, but I would have to take the question on notice.

Ms Cross—The bulk of Commonwealth training programs are for Australian residents, so I am not sure that there would necessarily be a training implication from the Commonwealth's point of view.

Mr MARTIN FERGUSON—I raised that because of your overall responsibilities, which include employment, and therefore it is pretty important in this sector. In that context, earlier this week the World Bank recommended that, given our problems in the Pacific, one option might be—and this is akin to issues relating to backpackers—that we bring in for immediate purposes an arrangement by which people from the Pacific islands could come to work for specific periods, with appropriate guarantees to come and go on visa arrangements. From an employment point of view in the rural sector, has this option been considered by the department?

Ms Cross—No, it has not been considered. This is something which would be looked at by primarily the employment and immigration portfolios. It is worth pointing out, though, that in the recent AiG report, where industry looked at its future skills needs, very few employers picked that migration or temporary migration was going to be the long-term solution to their skills needs. Most employers see that it is about retraining and upskilling their existing workers and they are focusing very much on that. It is certainly something which we can look at if it is referred to us. I do not believe that we have looked at it at this stage.

Mr ADAMS—What about the need for fruit pickers? There are a lot of different employers, I think.

Ms Cross—There are. I guess, for short-term needs, a number of employers are looking at a range of strategies. But, as I said, the AiG report and most of the reports from major employer groups look at the need to upskill their existing workforce as one of their key strategies.

Mr MARTIN FERGUSON—The reason it has been raised specifically in the context of the rural sector is that the reality is the rural sector can no longer compete for the purpose of retraining labour because of the demands of the resources boom. You need only to talk to the National Farmers Federation to realise that it is a supply issue, not just a training issue. With the best endeavours, it is going to be very hard to attract and retain people in this sector, just from a

pure wages point of view. I would have thought that the department, in association with the Department of Employment and Workplace Relations and DIMA would have been thinking about this, because it is potentially a major problem for the agricultural sector in Australia.

Mr Johnson—Regrettably, the representatives from our strategic evaluation group, which has the running on that policy and engagement with DIMA, are not able to be here this afternoon. We can take those issues more broadly back. The committee would be aware, though, as an illustration, that some of the work taken forward by COAG over this year is going to focus on improving arrangements to ensure that skilled migrants entering employment have their skills recognised effectively and on a nationally consistent basis. But that is principally around trying to look at accelerating recognition of prior learning processes than others.

Mr MARTIN FERGUSON—I am just asking out of interest because I had a look at that report. I just wondered what we are doing from a policy point of view as a nation.

Mr GAVAN O'CONNOR—I was interested in that comment you made about mature age workers and the support that you provide. You mentioned the dairy industry. Do you have a specific focus on other industries or on agriculture, or is it generic support?

Mr Johnson—Again—and quite specifically under the National Skills Shortages Strategy, because there are other initiatives—we are guided by the proposals that are developed by industry and brought to the department. If you look at the issue around engaging older workers or accelerating skills acquisition for existing workers, there have been a range of proposals of that nature which have been brought to us by the hospitality industry, the automotive industry and parts of the agricultural sector. But, as a process, we are not propagating those projects. For example, we are trying to work with the National Farmers Federation in RSA to identify where there are particular regional needs and then resource, support or partner initiatives that might drive that activity.

Ms Cross—There is also within the funding agreement with the states and territories a target to increase the number of older workers in training. That is a target of around 30,000 additional places. It is not specified by industry, but the states are required to meet that target as one of the funding conditions.

Mr GAVAN O'CONNOR—What assistance do you provide for agriculture teachers, for those in the field? Does the department provide any specific support for them, and what is the extent of the funding?

Ms Cross—Generally, the provision of professional development support to teachers and trainers in the training system is a state responsibility. There is, however, over \$4 million available under the national agreement for professional development of training teachers. It is largely focused on some of the findings of a recent review of training packages which came to one of the key issues for the rural sector that the training providers need to deliver the products more flexibly so that they actually meet the needs of the rural industry rather than being nationally driven. So there is over \$4 million for professional development, and it focuses on that sort of flexibility and customisation, amongst other priorities. But there is nothing directly from the Commonwealth in the VET area.

Mr GAVAN O'CONNOR—Just on another matter: you are assuming responsibility for ANTA, and there has been some criticism about the time it has taken to accredit courses. Do you have any comment on that? What are you doing to overcome those problems and perhaps the criticisms, because they are being made from several quarters to this inquiry?

Ms Cross—As a point of clarification, there are two separate processes. One is accrediting a course, which an individual training organisation can do. That is managed entirely through the state accreditation body. Perhaps what you are referring to is the endorsement of national training packages, which are then nationally available. I am not aware of there being any more delays than previously in terms of that endorsement process. There have been some delays in putting packages out to the system. That has been the result of the transition from one organisation to a new organisation. Most of the delays are brought about by the fact that to get a national training package up we require it to be signed off by all states and territories, along with employers and unions. That process to get people with quite different interests to reach agreement can in some cases take longer than anyone would like. I know that it can be a lengthy process, but that is so that we can get views from all the relevant parties and make sure that those views are properly incorporated in the training package design. I am not specifically aware of it taking any longer than it used to, other than a few teething issues in putting packages out to the public, and those issues were simply transition issues in the function moving from one organisation to another.

CHAIR—On that point, the evidence that we heard, particularly from agricultural colleges, is not only that the packages are a long time coming but that this is exacerbated by the fact that there are up to 600 pages of paperwork to fill in so as to comply. I would suggest that it would be in your interests to check it out and see what can be done to identify whether that is the norm. Even if it is not the norm, if it is occurring, then we need to cut it back, because that is outrageous. It is not only time consuming for the person going through the process but is a waste of resources.

Mr SECKER—I note that in some of the evidence you talked about food processing. Does that include food handling and hospitality or is that purely food processing?

Ms Cross—I suspect that food handling and food hospitality is covered by the hospitality industry skills council. It is about the processing.

Mr SECKER—That is fine. I needed to get that clear. I note the evidence saying that the VET—I am assuming you are talking about VET in schools—processing courses declined by 38 per cent between 1998 and 2003. In my experience in my electorate, a lot of that food processing training is done at the industry level rather than in schools—and I am not saying it is wrong to do it in schools. Are you addressing this decline? How are you addressing this decline?

Mr Johnson—As I touched on in my introductory comments, the investment of additional resources in providing industry information through Careers Advice Australia is intended to provide more industry input into the guidance and development of training arrangements and to support local community partnerships. LCPs, as they are known as, are one mechanism through which the Australian government supports in trying to build industry partnering with schools and other employers and training providers in particular regions. If there are particular concerns relating to industry sectors in food handling or processing, where there have been declines in

VET in schools numbers particularly, they would be identified. That may be identified as a strategic issue or priority for that particular LCP or that work cluster. I imagine that one of the constraints in that sector would be placement for individuals in work in out of school hours to get them into significant product handling and development. There may be a whole range of economic and other constraints driving that. I am not aware of the particular instance that you refer to, but we are happy to follow that up for the committee.

Mr SECKER—It is interesting to look at, for example, one region which is about a third of my electorate. The VET in schools has increased from 150 to about 1,200 students in six or seven years, so there has been quite rapid growth in VET in schools, yet there has been a decline in food processing. I accept what you are saying about the problems involved in that, but there has been a huge explosion in a whole range of areas. It is something I know a little bit about. My wife is an executive officer in a local community partnership, so I hear about it quite a lot. What sorts of problems do you face? For example, CSIRO has announced that it is closing its Mt Gambier office. One of the problems they put was the fact that they cannot get scientists to go there. Part of that is because they were not trained in that area. Are you receiving the same sort of evidence in other areas—that is harder to get people to go and practise their career in rural areas, especially if they have not come from the rural area in the first place?

Ms Cross—Certainly it is a huge issue for the mining industry. We get that sort of information from a range of industries. You would know that the mining industry looks at strategies like fly in, fly out. They move their entire executive to live in the regional area and so on and look at a range of ways to make it a more attractive place for families. I think that across the board there is a general sense that it is hard to get people. If anything, the drift is away from those centres. I think it would also generally be held that people who are from those areas and who trained in those areas do stay and work in those areas. It is something that we are conscious of. There are not any specific relocation initiatives or anything like that, but we do work with the industry to look at what strategies they can put in place to attract people. The mining industry is a good example. They have looked at Indigenous communities as a much bigger source of employment. That has required a lot of effort in terms of preparatory training for the Indigenous students and getting them involved with the company, but they have seen that as a long-term investment. We are certainly aware of the issue and I think different industries look at strategies that suit their industry to address that.

Mr SECKER—The drifts have been happening for a hundred years. They have probably accelerated a bit since the Second World War.

Mr Johnson—To add to Ms Cross's response, there are a range of research activities which the department is involved in within both the portfolio and the cross portfolios. A couple of quick illustrations of those are that the department has just completed an audit of science, engineering and technical skills. That audit was predominantly focused on trying to identify industry demand for agricultural science skills across rural and regional Australia. We can provide some further information if the committee is interested, but that audit process identified that there are currently sufficient skills in the agricultural skills sciences area to meet demand for the next six years but that there will be further challenges to that supply with shifting changes in migration and changing perceptions of the industry. The department has also been involved with the National Primary Industry Centre for Science Education in trying to develop a scoping study looking at labour force needs in the sector. So we have a direct program responsibility and

higher policy role but equally are involved in some of that broader audit and labour market force work.

Mr SECKER—Has the department looked at doing the Treasury training in the rural area in the first place? I have been able to get a university going in Mt Gambier and it has five full-time courses up and running. We have had the first doctors come out of the Riverland with Flinders University training. Of course, if they train in the rural areas, they are more likely to stay in the rural areas, whereas if they go off to the city it is much harder to get them back. Have you looked at the strategy of doing that training? For example, I think it is crazy that we do our viticulture training in the capital cities. Even agricultural training could be done better out in rural areas. I know there is New England and so on where that happens but it could be done in conjunction with the local TAFE, for example, so that they could do it in the local area. Has that strategy been looked at?

CHAIR—Can I come in on that point that Patrick has just raised. Generally in rural areas the market is too thin to support more than one RTO or, in most cases, their TAFE colleges. If the local RTO cannot meet the requirements of the employer or the apprentice or trainee, either in terms of content or timing of the off-job component, it can lead to frustration with the system. The DEST submission states that providers are being encouraged to offer more flexible training in an attempt to meet industry needs. The reason I came in with that is that what Patrick is saying would complement the very limited market that is available for TAFE courses. Why are we not working together on these things for two purposes: to keep the courses in agriculture in the agricultural areas, and to attract the people that Patrick is talking about into those colleges instead of pushing them out into the metropolitan areas?

Ms Cross—As a general observation in the submission we did note that 40 per cent of the students in the VET system are outside the capital cities, so there is quite a lot of provision—not necessarily in the agricultural areas—certainly outside the capital cities, if it is 40 per cent of the student population. Most of the decisions about where training is delivered, though, are decisions of state governments. So while we give them funding under a funding agreement and we have a priority of improving access to education and training and supporting community development, the actual decision on where to fund training is one that is taken by the state government. That is within the TAFE sector.

Mr SECKER—They wouldn't in the universities, surely?

Ms Cross—Within the higher education sector we have a greater capacity to influence that decision-making.

CHAIR—But therein lies the problem. The biggest criticism that governments of the day get, regardless of their political persuasion and where they are, is that there is duck shoving done between the various levels of government. Those sorts of excuses can no longer be tolerated because we have massive skills shortages in our rural and agricultural areas in particular. So it is all be more reason why we have to stop thinking so narrowly on past history and playing the political games, and open our visions up a little bit and think about the country as a whole. I do not know how you go about doing that, but surely there is a role for your department in coordinating some sort of seminars or talkfests between the various government departments to highlight that particular issue and do something about making it a reality. Because the longer we

keep saying, 'That is a state government issue,' or 'That is a federal government issue,' the more critical it becomes for us as a community to replace the skills we are losing.

Ms Cross—Certainly through the COAG processes last year and this year there has been a huge amount of attention on skills acquisition and looking at how the different levels of government can work together. One of the initiatives announced as part of last year's COAG work was a new regional skills shortage program where the Commonwealth has provided \$11 million to support the states in some joint regional skill shortage activity. It is a very flexible pool of funding so that it can be customised to different regional needs. The only real stipulation is that it is not to fund more research and more analysis. It is to actually put some solutions in place on the ground that will target skills shortages and address the issues that we all know are there. So, I agree with you completely and I think COAG has been a good process for looking at that. There is further work underway through COAG which is exactly about the different levels of government working together in these priority areas.

CHAIR—That is a commendable start. I do not know whether I am getting cynical in my old age but I have found that you can throw money at projects in a joint area of agreement but it is only as good as the auditing process to find out where the money is going and how it is being spent. That is a very big problem in terms of all of the money, state and federal, that is going around the countryside. There are not enough stringent follow-up checking procedures to find out exactly what those dollars are, in fact, delivering. What we are after is an outcome and if we do not audit it stringently we do not get an outcome. I think that is part of the problem as well. I just raise that for what it is worth.

Ms Cross—Mr Johnson will be responsible for monitoring the use of those funds so I am sure he will pay great attention to what they are being expended on.

CHAIR—It is very nice to know that we have somebody who has popped their head up.

Mr Johnson—But, as you have indicated, Chair, there is a range of work going forward. COAG are trying to identify resourcing of effort, particularly for the vocational and technical education sector and to identify a stronger framework for assessing performance against outcomes for training delivery. There is information and advice that supports the Ministerial Council for Vocational and Technical Education work that has been undertaken, for example, by the National Centre for Vocational Education Research on the workforce needs of the training sector. Those research pieces and initiatives are principally intended to inform the states in developing and targeting the priority of the training places and resourcing that they are going to be investing in. As Ms Cross has indicated, within the environment of the Australian government's requirements around Skilling Australia's Workforce, which is trying to quite deliberately achieve greater flexibility in the delivery of training to meet industry needs, industry engagement in that planning and priority is set in process. So, while acknowledging fully the points you make, we suggest that some of that framework is already in place and that there is an opportunity through the balance of this three-year funding agreement with the states for 2006 to 2008 to drive some of that reform jointly with the states.

CHAIR—Has any auditing been done into who is delivering the best outcomes? Who is giving you a bigger bang for your buck? Are you getting it out of the private RTOs or the government RTOs?

Ms Cross—There are satisfaction surveys, where we go out to employers and look at the degree of satisfaction with different providers. We do not have that at an individual provider level, but we have that satisfaction with TAFE and private providers. The general comment is that satisfaction rates are very high. I believe they are marginally higher for private providers than for TAFE providers but, if you go into further detail, there is sometimes less satisfaction with price, where they are more satisfied with the price of TAFE than of private providers. We do survey those sorts of things. One of the major pieces of COAG work that is underway is to come up with an auditing framework for RTOs that looks at the outcomes of training. There has been a lot of criticism that the audit has just ticked boxes to see if you had a training plan and to see if you had a business vision statement. The task is to move away from that—that is the perception—and have an audit system that looks at the outcomes of the training. Do the graduates have the skills that they should have? Are they getting employment? What are the pass rates? That work is due to be reported to COAG at the end of the year, and I think the reason it is of such critical importance is that people recognise that it is an area in which there is room for a lot of improvement.

Mr MARTIN FERGUSON—On this migration issue, some people might be doing some work. I was just looking at the department's *National industry skills report* of May 2006. In the appendix, on page 16, under the heading 'Proposed initiatives across all drivers: proposed strategies by sector', the first under the government heading is:

Increase use of skilled migration and develop better arrangements for recognition of overseas qualifications and skills.

So there must be some work being done. I would like that drawn out and brought back in terms of this sector.

Ms Cross—We are happy to give you advice on the work on overseas skills recognition. That is a compilation of the key findings from all the Industry Skills Council reports, and it is an area for licensing purposes where we are developing new arrangements.

CHAIR—Thank you very much for your evidence today. The committee certainly appreciates it. I said at the outset that the committee would probably have some further questions. It 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. The month-long time frame is centred on the time frame that we have to put the report together.

Resolved (on motion by **Mr O'Connor**):

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

Committee adjourned at 6.04 pm