



## **Submission to:**

The House of Representatives Standing  
Committee on Agriculture, Fisheries and  
Forestry

## **Inquiry into Rural Skills Training and Research**

### **Submitted by:**

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## **1. Executive Summary:**

The current skills crisis facing the rural sector cannot be attributed to only one issue but is the culmination of a number of factors which include: the poor level of remuneration of farm employees and to a greater extent farmers, the absence of any positive promotion of agriculture as a career for students at school, the ageing population within agriculture (average age 58) and their resistance to change (being up skilled or trained), the lack of acknowledgement by stakeholders that farming is a skilled profession, the inconsistencies of funding to support appropriate vocational education in agriculture and the lack of end user accountability in research in Agriculture.

Rural Industries Skill Training (RIST) has been providing training to the rural sector for 13 years and in that time we have delivered training to 12,200 farmers (farm employees) totaling in excess of 1.3 million hours of training. This training has been delivered across all parts of Australia with a major focus on the South Eastern parts of the country. RIST specialises in the delivery of short course training to rural producers who are involved in rural production.

RIST offers a unique model of accredited training where it responds directly to the skill needs of rural producers and delivers training on farm utilizing a mix of industry experts and vocational training techniques to ensure the highest standard of training and skill transfer is achieved. The model is based on pre and post course evaluation to ensure that the training offered results in positive on farm skill up take and on farm change in behavior, skills and attitude.

We see that the current and future skill shortages in agriculture as being one of the most critical aspects for the long term prosperity of the industry, this will be impacted by the rapidly increasing median age of farmers and farm workers and the lack of younger people entering the industry.

The issues we see as important for your committee to address are:

- Developing an in schools program which encourages students to see agriculture as a positive career move and providing curriculum subjects to allow them to pursue an interest in agriculture while at school. (Beginning at middle Primary – Year 5)
- Provision of direct Commonwealth Funding to Private Non Government Training Providers to deliver appropriate skill based programs to rural producers and rural employees.
- Standardise the criteria for the purchasing of training hours across Australia. Each State has a different schedule.
- More integrated Federal Governmental approach to funding skill development in Agriculture.
- Ensure that research funding is directly linked and accountable to on farm skill development and extension.

## **2. Background:**

Rural Industries Skill Training Inc. (RIST) is a Registered Training Provider (No 4198) and is Quality Assured to ISO/AS Standard 9001:2000 and complies with the Australian Quality Training Framework (AQTF) compliance guide.

The business employs 9 full time staff, 3 part time staff and 60 independent contractors (course presenters and program developers). In the last three years RIST has delivered accredited training to over 5,300 course participants. This equates to 535,000 hours of training conducted throughout Southern and Eastern Australia. The focus of training offered by RIST is short course skill development programs that provide course participants with the opportunity to gain knowledge and develop strategies to facilitate positive on farm change.

RIST is the licensee for Meat and Livestock Australia for Victoria for the delivery of training to red meat producers. In addition RIST is the licensee for the Dairy Australia Top Fodder Program for Victoria and South Australia. RIST also receives funding from the Department of Education, Employment and Training in Victoria and is registered with FarmBis in all states and territories.

The organisation regularly develops new courses as part of meeting the needs of rural producers and in recent times these new courses have included, Effective Pricing for Beef Producers (MLA), Diploma of Agriculture in conjunction with MLA, Sheep Nutrition, Water Management, Beef Herd Health and Top Fodder. The business employs qualified staff capable of designing, developing, accrediting and delivering new courses as required by industry.

Recently RIST was involved in the development of the MLA Price Risk Management Program for beef producers. (Effective Pricing Awareness and Effective Pricing Implementation). These programs are now available to beef producers throughout Australia. RIST was retained by Meat and Livestock Australia to re-align and re-develop all its EDGENetwork courses to competencies in the recently released Rural Production Training Package. RIST employs staff who have the capabilities and understanding to not only develop but align courses against competencies from the nominated Training Packages. This process includes the development of appropriate assessment tools to ensure that participants can demonstrate in practical situations their competence within a particular skill through on farm adoption.

### ***Experience in Rural Skills Training:***

The RIST Centre commenced operations in 1992 in Hamilton, Victoria and was established to the perceived lack of quality training suitable to Victoria's wool producers. Since its establishment RIST has conducted:

- In excess of 2,200 workshops
- Involving 1.3 million hours of training
- To 12,200 students
- Delivered workshops in all States of Australia. These workshops have been held in rural and regional centres, on farm and in capital cities
- Launched a Diploma of Agriculture in 2004 – currently have 15 students enrolled. A highly successful course targeted at young farmers in the western districts of Victoria.

A unique feature of RIST is the contracting of industry experts to present training at a location to suit the course participant. This helps to ensure the quality of RIST's training remains very high and the information provided is current. RIST also has a strong focus on ensuring the training offered results in the adoption of on farm change.

The Department of Employment, Education and Training in Victoria provides funding to the organisation to assist it to deliver a wide range of workshops to the agricultural sector in Victoria. RIST also delivers programs through funding provided by the Department of Primary Industries and the Department of Agriculture, Fisheries and Forestry (FarmBis).

The organisation is registered with FarmBis in all States and over the years has built a solid reputation as an organisation that is committed to the rural sector through the development and delivery of programs that effect on farm change. Eg. Triple P, LambCheque, Prograze, Advanced Wool, Productive Weaner Management and Sheep Classing etc.

RIST is a Registered Training Organisation which as part of its RTO status must undergo regular independent audits to verify its capabilities to develop and deliver accredited training. RIST is also a member of the Primary Industries Curriculum Committee and Victorian Rural Agriculture Network.

#### ***Current Industry Position:***

According to the April 2005 Vacancy Report produced by the Department of Employment and Workplace Relations; gardening, farming and fisheries were ranked the third highest level of skill job vacancies at 5,498. This was only exceeded by skilled trades people and the hospitality industry.

### **3. Discussion Points:**

The current rural skills shortage cannot be directly attributed to one particular issue but a range of issues. These will be discussed in brief detail below.

#### **3.1 Promotion of Agriculture in Schools:**

There are no industry/Government initiatives promoting Agriculture as a positive career move for students in our schools. Quite the reverse, in many rural and regional schools students who are not doing well academically are told to “go back on the farm”. The negative perception of agriculture as a career for those who are not seen as academic does nothing to encourage students to look to this industry for a future career.

In addition to this negative stigma there is a perception within the school system that agriculture is about farming, and there is limited information about the range of career opportunities that are available for students pursuing a career in agriculture.

This lack of career information and ability to undertake any agriculture subjects as part of a school curriculum will continue to limit the uptake of agriculture as career by the majority of school leavers.

The impact of the attitude within the school system that those wishing to pursue a skilled trade in agriculture are not intelligent enough to undertake higher education is self fulfilling. Farmers are

complaining that skilled farm workers or young people who are capable of being skilled are in very short supply. The people that they are forced to take are not motivated because they see this as a last resort employment opportunity or they have limited intellectual capability which limits their potential to become skilled.

### **3.2 Low Average Wages paid to Skilled Workers in Agriculture:**

There is substantial evidence both qualitative and empirical that the level of farm wages lags behind other skilled trades. The reason for this is a general ability for the agricultural (farming) community to pay. The industry bodies involved in agriculture are always advocating a status quo at any minimum wage enquiries. As a result of this the level of wages paid to skilled labour on farms is lower than other industries and is only pushed upwards by skill shortages (eg. Current shortages in shearers).

This situation will be difficult to reverse in that many smaller farmers probably take home less money than their staff over a five year cycle. The only way farmers will be able to increase wages to skilled labour is to increase their own productivity. This will require increased expenditure in training not only for skilled labour but for the farmers themselves.

FarmBis has been a great initiative of the Federal and State Governments to assist farmers up skill. There has been a significant uptake in training since the introduction of FarmBis, however there are still approximately 40% of farmers who have not embraced training.

Each State provides funding for training for vocational education in agriculture through the Department of Education (State) and this is supported by Federal funding through the Australian National Training Authority (now the Department of Education, Science and Training (DEST)). The criteria are different across Australia and there is little financial support for Private Training Providers. Much of this funding is focused on creation of employment opportunities and fails to take into account the importance of the skill level of the owner operator (farmer). Much of this training is focused on young people and ignores the demographics of the ageing population in agriculture.

There is a general unevenness in the provision of FarmBis and other educational funding across Australia which can limit the ability of farmers and farm workers to uptake training opportunities. An example is the lack of FarmBis in New South Wales, one of the largest States as far as agriculture is concerned.

An increase in skill levels across the farming community in general will lead to greater productivity and increased productivity will provide capacity for producers to pay higher wages.

### **3.3 Ageing Agriculture Workforce:**

A resistance to change and negative perception to training are characteristics of an ageing workforce. While there are exceptions to this (53% of RIST participants are over the age of 45) there are a significant number of older producers and rural employees who have not embraced training or undertaken any skills development programs. We estimate this number could be as high as 40%. The characteristics of this group are; earn a reasonable income from their operation to support lifestyle needs, are older males, usually well respected in the community, gather information from individual specialists (consultants), have a fear of participating in group activities because of their insecurity in their abilities and knowledge base, tend to employ people

in their own mould and age group and they do not see training as important for themselves and staff.

This group is peer group driven and can be influenced by leaders in their peer group. When introduced to sessional training activities and they see the benefits, they tend to become repeat clients in training activities.

This group of rural producers and employees are critical to the medium to long term success of agriculture and maintaining and upgrading their skill levels is very important. Due to the current demographic age spread of people involved in agriculture it will be a requirement that this group maintains an active involvement in managing their farming operations for longer as there is evidence that there will be fewer people to replace them when they finally retire or die.

In other words there is a need to upgrade this groups skills, maintain their motivation in agriculture and increase their involvement in agriculture for a longer period to ensure that the productivity in the agricultural sector is maintained and is not impacted by the predicted skill shortage when this age group bubble goes out of the industry.

Production type training is an area that attracts this group of farmers. They tend to feel more comfortable in the very basic type training particularly in growing pastures which equates to Certificate 3 which are lower level competencies than are currently supported by FarmBis and therefore they do not qualify for financial subsidy. Once they have participated in one activity they are more likely to become more involved in more advanced skill development programs.

#### **3.4 Lack of Acknowledgement of Agriculture as a Skilled Trade:**

This is evidenced by the lack of inclusion of Agriculture in the recent Federal Government announcement on Technical Colleges. Even though the locations of these colleges were in many regional locations, agriculture was not included as a recognized skill.

The level of skill required to participate in agriculture today is far higher than in the past and this skill needs to be formally recognized. Rural Production today requires skills in pasture management, animal health and nutrition, operating machinery, farm maintenance, occupational health and safety, environmental management systems, financial management, investment strategies, human resources management and extensive risk management skills to name but a few. This is no longer an industry that can be operated by unskilled labour or poorly skilled farmers.

This needs to be recognized at a Federal Government level and strategies put in place to not only recognize this but to promote this to the wider community.

#### **3.5 Inconsistencies in funding for Training/Skill Development in Agriculture:**

The funding for skill development or training in Agriculture comes from a wide diversity of sources and there is a lack of cohesion and uniformity across the nation. This is not only confusing for the participants at one level but a huge waste of resources at the other end of the spectrum.

Farmers and farm workers are offered a myriad of different types of learning experiences and skill development programs which are funded publicly and include: Funding through Department of Education, Science and Training to State Departments of Education, State Government funding through State Education Departments, Federal Government funding through FarmBis, State

Government funding through FarmBis, Federal Government Funding through particular research and extension initiatives, State Government Funding through State Department of Primary Industries/Agriculture, Federal Government funding through the National Heritage Trust (NHT) to Landcare, Catchment Management Authorities, Individual Farmer Groups, Industry funding from sources like Meat and Livestock Australia, Australian Wool Innovation, CRC's etc.

The vast range of skill development and training activities which are supported by both Federal and State Government funding can be broken into two streams, accredited and non accredited training. The major issue to be addressed in much of the non accredited training is the ability of stakeholders in particular the State and Federal Governments to measure the effectiveness of this skill development.

One of the key challenges facing the Federal Government is to understand the impact on productivity improvements and environmental sustainability of the funding streams being directed through the National Heritage Trust. Because a portion of this funding is supporting non accredited training and skill development it is difficult to measure the effectiveness of many of these programs on individual skill development and productivity improvements in agriculture.

One of the major impediments that farmers raise as a reason not to become involved in skill development or training is a lack of time. While this can be seen as just an excuse there is however a degree of reality to this issue. All of the stakeholders referred to above are competing for the farmers time and the wide diversity of activities make it very difficult for individual farmers to identify which activity to undertake.

Another issue is the devaluation of the "value of training" which occurs when organisations offer free programs to farmers which have a high value. While this can be seen as very philanthropic and many organisations funded by the Federal and State Governments see their role as giving away information. What is free is not valued and this leads to a general resistance within the rural community to pay an appropriate price for acquiring new skills. Thus there is a perception that unless training is heavily subsidised farmers will not attend courses.

### **3.5 Lack of accountability in Research Projects to end users:**

The Federal Government has a significant commitment to research in agriculture; these funds are distributed through a wide range on industry bodies and private organisations. The purpose of this funding is to provide improvements in productivity within the agricultural sector and increasing the environmental sustainability of the industry.

The ultimate beneficiary of the research findings should be the supply chain and the end producers and in a perfect world all information gained from research should filter down to the relevant stakeholder.

In reality there is limited knowledge sharing of research findings within the general rural community and ultimately to the end producer. There are cupboards of finished research projects sitting on shelves across Australia where the findings have never been conveyed to the end user (farmers).

Improved skill development within an industry needs effective and relevant research, however this research needs to include an extension and training component within the research project to allow for the dissemination of this information to the wider rural community. Sufficient funding

needs to be dedicated to research projects which require extension to ensure that appropriate training programs can be developed from the research findings.

#### **4. Summary:**

Our organization has substantial first hand experience in the development and delivery of training programs to the rural producers. We share a facility with the Department of Primary Industries in Victoria and have strong linkages to industry bodies such as Meat and Livestock Australia so have an intimate understanding of the operation of research in agriculture and the current limitations to its ability to be converted into do-able activities to the end user.

RIST is funded by the Government of Victoria while also utilizing the current FarmBis Program (with the exception of New South Wales) and accessing funding from other government and non government organisations.

As a Registered Training Organisation we have an in depth understanding of the current training environment within Australia and the positives and negatives.

The issues we have outlined in our submission are seen by us as critical limiting factors in the uptake of rural skills in agriculture and in the lack of implementation of major research findings within the industry.

Our organization would welcome the opportunity to appear before your committee to expand on this submission, contact Bill Hamill, Chief Executive Officer on (03) 55730943.