



Winemakers' Federation of Australia

**PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES**

**STANDING COMMITTEE ON
AGRICULTURE, FISHERIES
AND FORESTRY**

**INQUIRY INTO RURAL SKILLS
TRAINING AND RESEARCH**

MAY 2005

Presented By:

Winemakers' Federation of Australia

**PO Box 2414
Kent Town SA 5071
Telephone: 08 8222 9255
Facsimile: 08 8222 9250
Email: wfa@wfa.org.au
Web: www.wfa.org.au**

TABLE OF CONTENTS

1. Grape and wine industry overview	3
2. Summary of recommendations	4
3. Comment	6
4. Grape and wine industry responses	7
1.1. Does the industry have adequate access to vocational training?	7
1.2. Does the industry have adequate access to tertiary education?	8
1.3 Does the available vocational training meet industry needs?	8
1.4 Does the available tertiary training meet industry needs?	10
1.5 Does the available vocational training provide adequate pathways to work?	10
2.1 What are the future industry training needs?	12
2.2 Does the industry have the expertise and capacity to specify the skill-sets required for training and education to meet future needs?	13
2.3 What is currently being taught and will it meet future needs?	13
2.4 Does the wine sector training package meet current industry needs, and will it meet future needs?	14
2.5 Are the current VET quality assurance processes compromised or corrupted?	15
2.6 Would there be value in a government program that empowers industry to better specify its emerging skill needs?	15
2.7 Would there be value in a government program to provide for emerging skill needs?	16
4.1 What role should the government play in supporting education?	18
5. Sources of information	19

1. Grape and wine industry overview

The Australian wine industry is a major success story. Strong production and export growth, major investments, high levels of innovation, value adding and employment have contributed positively to the economy. Growth and development in other industries (like tourism and retail) and regional development are also major benefits.

There are 1,814 wineries and 7,957 vineyards in Australia. The value of production was more than \$4.4B in 2002-03 and export earnings totaled over \$2.2B in 2003-04.

Employment in grape growing and wine manufacturing increased by 60% between 1991 and 1996. In the subsequent census period there was a further doubling in direct employment, from almost 15,750 to over 30,100. Once allied supply industries are taken into account, the number of jobs supported by the wine industry was estimated at 57,000 people in 2001. This number has continued to grow since the last census. This growth has been, and will continue to be, of particular importance for regional communities in Australia.

More than 85% of national wine production is accounted for by 22 large and medium sized businesses. These businesses are national and international companies with significant corporate structure. Their wine production operations are highly automated, high volume and export focused. There is significant vertical process integration across all stages of business.

Ensuring that there is an adequate supply of appropriately skilled personnel is one of the key factors in ensuring ongoing industry growth. The closer the match between the outputs of vocational and tertiary training and the requirements of industry, the greater the benefit to industry, regional Australia and the Australian economy.

2. Summary of recommendations

1. To improve 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:

- Greater involvement of peak grape and wine industry bodies in all government decisions about access to vocational training.
- Continuing efforts to develop a training system in which it is realistically possible to operate nationally.
- Continuing efforts to modernise the TAFE system; in particular restructuring to enable on-site training and assessment services to be more accessible to smaller enterprises.
- To ensure relevance and demand for programs, all tertiary providers be required to consult with peak grape and wine industry bodies before commencing new programs in industry related fields.
- The development and endorsement processes for training packages be improved to capture the issues of all states and territories and deal with them effectively.
- Policy development on public funding for vocational training to take more account of the need for the grape and wine industry to up-skill existing employees.
- VET in schools programs to issue qualifications consistent with grape and wine industry standards in order to maximise employment outcomes for students.
- An avenue to be developed at a national level for peak grape and wine industry bodies to adequately engage with the tertiary sector.
- Greater involvement of peak grape and wine industry bodies in all government decisions about pathways from vocational training to work.

2. To identify 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:

- A detailed understanding of future grape and wine industry training needs in relation to various industry growth scenarios is required.
- Funding to be provided to manage a project which will specify the occupations and skill-sets required for training and education to meet the future needs of the grape and wine industry.
- The Wine Sector component of the Food Processing Industry Training Package FDF03 be separated to create an independent Wine Industry Training Package, and the next scheduled review (2006) is comprehensive and adequately resourced.
- VET quality assurance processes be redesigned to be practical and realistic so as to ensure consistent outcomes to students and employers.
- Greater involvement of peak grape and wine industry bodies in decisions about VET quality assurance processes.

- A government program that empowers the grape and wine industry to better specify its emerging skill needs be established.
- Once the emerging skill needs of the grape and wine industry are identified, the peak grape and wine industry bodies are included in government decisions about programs to provide for those needs.

3. To improve the provision of extension and advisory services to agricultural industries, including links and coordination between education, research and extension:

- One of the key outputs of the Grape and Wine Research and Development Corporation arises from the development and delivery of extension and training packages and services.
- Industry and research providers share the need for developing skills and opportunities to reinforce and promote a culture of innovation within the grape and wine industry.
- Speed to market is an essential part of innovation and the adoption of new technologies and coordinated extension activities are central to this activity.
- While the GWRDC can contribute to, and facilitate many of these processes, effective provision is often very dependent on state based structures (eg. Departments of Primary Industries) and Australian government programs. It is important new investments acknowledge all stakeholders at the outset so that program implementation is not handicapped by different timelines and approval processes.

4. The role of the Australian government in supporting education, research and advisory programs to support the viability and sustainability of Australian agriculture:

- Greater involvement of peak grape and wine industry bodies in all government decisions about education and training at both vocational and tertiary levels.
- Funding to be provided to the grape and wine industry to empower the industry to specify the skill-sets required for training and education to meet future needs.
- Continuing effort to improve all aspects of the vocational training system, especially focussing on improving the accessibility, relevance, responsiveness and quality of the system to grape and wine industry employers, employees and potential employees.
- An avenue to be developed at a national level for peak grape and wine industry bodies to adequately engage and dialogue with the tertiary sector.
- The Australian government has an excellent partnership with the grape and wine industry through the Grape and Wine Research and Development Corporation. This model is world class and permits and encourages recognition of government (eg National Research Priorities) and industry priorities for research and development.

3. Comment

A number of the responses and recommendations in this submission have been provided to reviews during the past 6 years, eg ANTA, NCVET, State Training Authorities.

The process of gathering information to provide accurate comment generates an expectation for improvement that will benefit business operations. While significant change has occurred, particularly to the vocational training system, businesses report there has been little improvement in the relevance and quality of training delivery and assessment.

It is often a challenging task to convince business, especially small and medium enterprises, of the value of investing in the learning and skill development of their employees. The challenge becomes more difficult when business commits resources to provide input to improvements, but their expectations for appropriate responses are not met.

With respect to the complexities of the education and training arena, we recommend that this inquiry focus on bringing improvements to the outcomes for business, employees and students from investment in education and training.

4. Grape and wine industry responses

Terms of Reference 1

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.

1.1. Does the industry have adequate access to vocational training?

Response:

The industry has access to vocational training throughout Australia. However, in most regions there is little or no choice of vocational training provider and very limited options for the manner of delivery. Enterprises with small numbers of people to train often find the available options unsuitable. National companies are unable to access consistent and suitable training delivery for their personnel in various states and regions.

Recommendations:

- Greater involvement of peak grape and wine industry bodies in all government decisions about access to vocational training.
- Continuing efforts to develop a training system in which it is realistically possible to operate nationally.
- Continuing efforts to modernise the TAFE system; in particular restructuring to enable on-site training and assessment services to be more accessible to smaller enterprises.

Background:

Most grape and wine production regions have access to one TAFE provider. In addition there is generally one private RTO in each state who is able to deliver training to the industry. This results in very limited or no choice for both employers needing to train existing personnel and students wanting to gain entry to the industry.

Rationalisation of TAFE services is not necessarily producing a positive result for the industry. In South Australia for example, rationalisation of the TAFE system has resulted in 1 program delivery unit for grape and wine industry training for the whole state. While the publicised intent of this process is to make the system more efficient, in reality it is reducing services in the regional locations of the industry. The type of services available are being standardised across campuses or rationalised between sites. This is making it increasingly difficult for smaller enterprises with small numbers requiring training to find training and assessment services that are suitable. Minimum number requirements and a greater emphasis on standardised delivery methods make training inefficient and uneconomic for the smaller business.

While in theory RTO's can gain national registration and provide training and assessment services across regional and/or state boundaries, in reality this occurs very rarely. The TAFE system appears to be focussed on a "local patch" mentality and the funding model for private RTO's precludes the setting up of national infrastructure. National companies who wish to set up consistent training processes for their personnel in various states and/or regions are frustrated by their inability to engage the services of one national training provider, and even more frustrated by the lack of communication and consistency of operation between TAFE's in different regions/states.

1.2. Does the industry have adequate access to tertiary education?

Response:

The industry is concerned that there may be too many providers of tertiary education.

Recommendation:

- To ensure relevance and demand for programs, all tertiary providers be required to consult with peak grape and wine industry bodies before commencing new programs in industry related fields.

Background:

The industry appears to have adequate access to tertiary education. In fact, the concern being consistently raised is the increasing number of tertiary providers who are including grape and wine related courses in their offerings. These additional courses are being set up with little or no consultation with industry and limited understanding of future industry demand for the skills being produced.

1.3. Does the available vocational training meet industry needs?

Response:

The Food Processing Industry Training Package FDF03 (Wine) is supported by industry and could provide a nationally consistent framework for training and assessment, but it is not available for use in Western Australia. The available vocational training does not meet industry needs to up-skill existing employees. VET in schools programs are devaluing certificate outcomes and potentially placing a barrier to employment for school leavers.

Recommendations:

- The development and endorsement processes for training packages be improved to capture the issues of all states and territories and deal with them effectively.
- Policy development on public funding for vocational training to take more account of the need for the grape and wine industry to up-skill existing employees.
- VET in schools programs to issue qualifications consistent with grape and wine industry standards in order to maximise employment outcomes for students.

Background:

The Food Processing Industry Training Package FDF03 (Wine) is used nationally as the basis for vocational training for the industry. The training package is supported by industry and provides a consistent framework for training and assessment.

The exception is Western Australia where the training package has not been endorsed due to state concerns regarding funding. The primary issue to be highlighted for this inquiry is not the particular features of the training package that concern WA; rather that the national development and endorsement processes for training packages do not sufficiently capture state issues and deal with them effectively. WA is a significant wine producing state, and yet the industry is required to use the outdated FDF98 version of the training package (developed in 1996, so almost 10 years old) as the basis for vocational training.

The major focus of public funding for vocational training is on students and potential new employees. Significant industry need exists in the area of up-skilling existing employees. Even when employers are willing to arrange fee for service training to up-skill employees, RTO's are not necessarily structured to provide this service efficiently. Areas of consistent frustration to employers include:

- RTO's need to place greater emphasis on managing on the job training and assessment rather than delivery of off site/classroom based training;
- There should be less emphasis on full certificate outcomes and individual units or specific skills training should be more accessible and available;
- RTO trainers and assessors need more experience in modern industry practices; and
- The existing process for recognition of current competence is cumbersome, inconsistent and expensive.

VET in schools programs are devaluing certificate outcomes and potentially placing a barrier to employment for school leavers. The nominal period for completion of Wine Sector Training Package Certificate 1 for entry level, full time industry employees is 12 months, and 18-24 months for Certificate 2. VET in schools programs are enabling students to gain the same Certificate 1 and 2 qualifications while working in simulated or real environments for a maximum of 2 days per week in Years 11 and 12. This means the VET in schools students have at best worked half the time of full time employees (24 months x 2 days/week vs 18 months x 5 days/week), and yet they are awarded certificates claiming equal competence. Industrial arrangements of the large industry employers in particular link rates of pay to qualifications, obligating the employers to pay all people with certificate outcomes the relevant rate. The VET in schools students have only half the experience, which places a barrier to employment for them as employers are reluctant to pay equal amounts to less experienced employees.

This issue also highlights a lack of national consistency in training and assessment outcomes.

1.4. Does the available tertiary training meet industry needs?

Response:

Interaction between industry and tertiary providers is very limited and accurate information on industry tertiary needs is not available. This is both in terms of the numbers of particular occupations and course content requirements.

Recommendation:

- An avenue to be developed at a national level for peak grape and wine industry bodies to adequately engage with the tertiary sector.

Background:

Through the work of the national grape and wine industry tertiary committee, the industry is committed to developing a closer relationship with the tertiary sector. The intent is to work in partnership to ensure that tertiary training better meets industry needs.

To date the findings of the committee include:

- There is not an avenue for industry to adequately engage nationally with the tertiary sector;
- There has been a large increase in the last 5 years in the number of tertiary providers including grape and wine related courses in their offerings. In some cases the qualifications and experience of lecturers has been inadequate and the industry has concerns that this problem will be exacerbated by further expansion in the numbers of providers;
- The major client and therefore focus of the tertiary sector is students, not industry;
- Insufficient information on both the numbers in specific occupations currently employed in the industry and how these might change in the future;
- There is not a recognised or consistent process for industry consultation in course development; and
- Financial pressures are resulting in a trend towards general courses to maximise class numbers rather than specialised courses that meet specific industry needs.

1.5. Does the available vocational training provide adequate pathways to work?

Response:

Pathways to work from vocational training are limited because industrial arrangements do not support part time new apprenticeship arrangements. The issuing of qualifications inconsistent with industry standards through VET in schools programs places a barrier to employment for school leavers.

Recommendation:

- Greater involvement of peak grape and wine industry bodies in all government decisions about pathways from vocational training to work.

Background:

As reported in response 1.3, vocational training where students gain less skills and experience than required of full time industry employees but receive the same qualifications, creates a barrier to their employment.

Part time new apprenticeships are not supported in industrial arrangements within the grape and wine industry, so vocational training to provide a pathway to work is not available via this avenue. The Australian Technical College initiative will not provide direct benefit to the industry, as the basis for vocational training in the colleges will be part time new apprenticeships.

Terms of Reference 2

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.

2.1. What are the future industry training needs?

Response:

It is recognised that the industry does not have an understanding in any detail of its future training needs, and that this is an impediment to planning for ongoing industry growth.

Recommendation:

- A detailed understanding of future grape and wine industry training needs in relation to various industry growth scenarios is required.

Background:

More than 85% of national wine production is accounted for by 22 large and medium sized businesses. These businesses are national and international companies with significant corporate structure. Their wine production operations are highly automated, high volume and export focused. There is significant vertical process integration across all stages of business.

The main factors to impact the industry in the next five years are expected to include:

- Increased use of technology;
- Increased compliance with regulations and standards; and
- Increased competition.

These factors are expected to impact future training by:

- Increasing the demand for more specialised training;
- Increasing the need for up-skilling existing staff rather than employing more staff; and
- Increasing the skill and knowledge requirement prior to employment.

These are general indicators only. It is recognised that the industry does not have an understanding in any detail of its future training needs, and that this is an impediment to ongoing industry success. Ensuring that there is an adequate supply of appropriately skilled personnel is one of the key factors in ensuring ongoing industry growth.

2.2. Does the industry have the expertise and capacity to specify the skill-sets required for training and education to meet future needs?

Response:

The industry has a lot of the expertise and capacity required to forecast future education and training needs, but will require assistance with developing research methodologies. Resources to fund a detailed national study are not available within the industry.

Recommendation:

- Funding to be provided to manage a project which will specify the occupations and consequently skill-sets required for training and education to meet the future needs of the grape and wine industry.

Background:

The industry is keen to be directly involved in forecasting future training and education needs. Through peak bodies it has the capacity to access business and personnel data and to undertake scenario planning. Some assistance would be required in determining the research methodology to ensure accurate and useful outcomes. Resources to fund a detailed national study are not currently available within the industry.

2.3. What is currently being taught and will it meet future needs?

Response:

Because the future industry training and education needs are not defined it is not possible to determine whether what is currently being taught will meet future needs. This reinforces the need for a study into future needs

Recommendation:

- Refer to recommendations in responses 1.4, 2.1 and 2.4.

Background:

Because the future industry training and education needs are not defined it is not possible to determine whether what is currently being taught will meet future needs. This reinforces the need for a study into future needs (refer response 2.1).

It is identified in response 1.4 that the industry needs a better understanding of both the current numbers in occupations and how they might change in the future. As a result it is not possible to determine whether what is currently being taught will meet future needs.

The industry has concerns that what is currently being taught is not meeting industry needs eg winemaking and viticulture are vocational courses and in some instances graduates have shown that they lack the skills and knowledge to perform the job.

It is identified in response 2.4 that the Food Processing Industry Training Package FDF03 (Wine), which is the basis for all current vocational training, requires updating.

2.4. Does the wine sector training package meet current industry needs, and will it meet future needs?

Response:

The Wine Sector Training Package does not currently meet industry needs. Industry is concerned that the changes to the ITAB/ISC/ANTA structure appear to have stalled activity regarding training packages at a national level.

Creating a Wine Industry Training Package independent of the Food Processing Training Package would benefit industry and the vocational training sector.

Recommendation:

- The Wine Sector component of the Food Processing Industry Training Package FDF03 be separated to create an independent Wine Industry Training Package, and the next scheduled review (2006) is comprehensive and adequately resourced.

Background:

Consistent comments in relation to the current Food Processing Industry Training Package FDF03 (Wine) are:

- The range of skills required by the industry are not sufficiently covered by the current Training Package. For example, logistics, engineering and production management are not included;
- The technical nature of the skills required is not sufficiently covered by the current Training Package. All aspects of work are increasingly technical, computerised, automated and high volume/high speed.

It is of concern that updates to the Training Package that the industry have developed and submitted have not been actioned after a period of almost 8 months. The changes to the ITAB/ISC/ANTA structure appear to have stalled activity regarding Training Packages at a national level.

The industry is also concerned that the proposed move towards consolidation of Training Packages across industry sectors could result in a Training Package even less able to meet industry needs.

A recommendation is currently with the AgriFood ISC that the Wine Sector component of the Food Processing Industry Training Package FDF03 be separated from that Training Package to create an independent Wine Industry Training Package. Benefits to this proposal include:

- Recognition of the current reality that apart from the name, the Wine Sector is a different Training Package to Food Processing;
- Provision of clarity and easier management for:
 - State Training Authorities
 - Registered Training Authorities
 - Employers
 - Trainees;
- Improved ability to deal with processes of implementation, maintenance and future amalgamation; and
- Greater acceptance by the wine industry.

2.5. Are the current VET quality assurance processes compromised or corrupted?Response:

Feedback indicates that the VET quality assurance processes are becoming increasingly onerous in their demands on RTO's and employers, but that the skills and knowledge of VET graduates is not improving.

Recommendation:

- VET quality assurance processes be redesigned to be practical and realistic so as to ensure consistent outcomes to students and employers.
- Greater involvement of peak grape and wine industry bodies in decisions about VET quality assurance processes.

Background:

Feedback indicates that the VET quality assurance processes are becoming increasingly onerous in their demands on RTO's and employers, but are not delivering better quality outcomes. This is primarily because the QA system is based on desk top / paper trail audits. Examples of compromises include:

- Considerable variation in the evidence requirements for assessment as competent;
- Considerable variation in the evidence requirements for recognition of current competence;
- RTO's using trainers/assessors who have no industry experience;
- A certificate for competence being mailed to a person who had only attended one class and had not completed any of the required assignments;
- Assessment not occurring "over time and a range of events to ensure that the candidate can consistently perform to the standards expected in the workplace";
- STA complaints resolution processes that have no provision for input from employers or industry associations, only from students and RTO's; and
- The grape and wine industry peak body for learning and skill development (Winetac) has not been approached for input into QA processes from any STA in the past 6 years.

2.6. Would there be value in a government program that empowers industry to better specify its emerging skill needs?Response:

A government program that empowers industry to better specify its emerging skill needs is required, as the industry does not have the internal resources to carry out the work. Identification of skill needs at the sector specific level will generate more accurate reflection of industry differences and opportunities.

Recommendation:

- A government program that empowers the grape and wine industry to better specify its emerging skill needs be established.

Background:

Response 2.1 identifies that a detailed understanding of future industry training needs is required, and response 2.2 recommends that funding is provided to the industry to manage a project to specify future required occupations and skill sets.

The preferred approach is for government to empower industry to better specify its emerging skill needs, rather than the government undertaking a general study, i.e. the needs of the agriculture sector as a whole. By empowering industry the research is likely to be more detailed and industry specific, with results more accurately reflecting industry differences and opportunities.

One possible approach would be the development of a generic national methodology/framework/process to ensure consistency of results, and to then supply that template to appropriate industry bodies with funding for them to undertake the research. Provision could be made to include the outcomes from any recent similar works to avoid duplication of effort.

2.7. Would there be value in a government program to provide for emerging skill needs?

Response:

It is likely that there will be value in a government program to provide for emerging skill needs. Until the emerging needs are identified, it is not possible to identify the type of program or the intended aims.

Recommendation:

- Once the emerging skill needs of the grape and wine industry are identified, the peak grape and wine industry bodies are included in government decisions about programs to provide for those needs.

Terms of Reference 3

The provision of extension and advisory services to agricultural industries, including links and coordination between education, research and extension.

- One of the key outputs of the Grape and Wine Research and Development Corporation arises from the development and delivery of extension and training packages and services.
- Industry and research providers share the need for developing skills and opportunities to reinforce and promote a culture of innovation within the grape and wine industry.
- Speed to market is an essential part of innovation and the adoption of new technologies and coordinated extension activities are central to this activity.
- While the GWRDC can contribute to, and facilitate many of these processes, effective provision is often very dependent on state based structures (eg. Departments of Primary Industries) and Australian government programs. It is important new investments acknowledge all stakeholders at the outset so that program implementation is not handicapped by different timelines and approval processes.

Terms of Reference 4

The role of the Australian government in supporting education, research and advisory programs to support the viability and sustainability of Australian agriculture.

4.1. What role should the government play in supporting education?

Response:

The following recommendations are a summary of the responses to the specific issues of the inquiry.

Recommendations:

- Greater involvement of peak grape and wine industry bodies in all government decisions about education and training at both vocational and tertiary levels.
- Funding to be provided to the grape and wine industry to empower the industry to specify the skill-sets required for training and education to meet future needs.
- Continuing effort to improve all aspects of the vocational training system, especially focussing on improving the accessibility, relevance, responsiveness and quality of the system to grape and wine industry employers, employees and potential employees.
- An avenue to be developed at a national level for peak grape and wine industry bodies to adequately engage and dialogue with the tertiary sector.
- The Australian government has an excellent partnership with the grape and wine industry through the Grape and Wine Research and Development Corporation. This model is world class and permits and encourages recognition of government (eg National Research Priorities) and industry priorities for research and development.

5. Sources of information

- An assessment of the accessibility, relevance, responsiveness and quality of vocational education and training solutions within the Australian grape and wine industry
-Wine industry national education and training advisory council (Winetac) 2004-2005
- National grape and wine industry tertiary committee, activities and findings
-Winemakers' Federation of Australia (WFA) / Wine industry national education and training advisory council (Winetac) 2003-2005
- Education, training and professional development for a sustainable industry, activities and findings
-Cooperative Research Centre for Viticulture (CRCV) / Wine industry national education and training advisory council (Winetac) 2002-2005
- Discussions with industry members and RTOs
Wine industry national education and training advisory council (Winetac) 2002-2005