

**Submission to
House of Representatives
Agriculture, Fisheries and Forestry Committee**

~ Inquiry into Rural Skills Training and Research ~

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Introduction

NSW Farmers' Association (the Association) is an apolitical voluntary industry body representative of the whole farming community in NSW. Through its commercial, policy and lobbying activities it provides a powerful and positive link between farmers and the public. Currently the Association has more than 11 000 members across NSW.

Rural communities form the economic heart of rural Australia, and the cultural backbone of our nation. Australian agriculture produces \$36 billion in food and fibre, and is the foundation of a \$55.3 billion food processing industry and a \$74.6 billion food retail service. Combined with flow-on effects throughout the economy, Australian agriculture contributes almost 10% of our GDP, 11% of employment and almost 20% of exports.

More than 780 000 jobs around Australia depend on farmers, while the farm sector supports 1.6 million jobs in total. In 2001/02 – the last financial year not dramatically impacted by drought – agriculture contributed \$10.2 billion to the NSW economy and employed more than 122 000 people. This represented 26% of the total value of Australian agricultural production.

The Association recognises the importance of vocational training, education and research in maintaining the viability, innovativeness and sustainability of Australian agriculture. Education and Training is a priority issue for the Association's Rural Affairs Committee, which is charged with improving the access of rural and remote farmers across NSW to adequate services and training. The House of Representatives Agriculture, Fisheries and Forestry Committee's inquiry into rural skills training, research and extension is therefore of particular interest.

The Association strongly advocates a learning culture within the rural sector, and recognises the benefits of actively engaging farmers in seeking opportunities for learning. This was formalised in 2004 with the appointment of a full-time Rural Skills Development Manager, based in Dubbo. This critical member of staff seeks out and develops learning opportunities that meet farmer needs and help improve industry viability. The long-term benefits of this approach are significant.

The Association is in the unique position of having a well established regional network, allowing direct information flow to and from the farming community. This regional network is the heart of the Association. It consists of 12 Regions subdivided into 113 District Councils,

representing a total of 319 Branches. Each Branch member provides direct feedback to the Association through the Executive Council, which consists of elected members for each Region. This regional network is supported by a team of 13 Regional Service Managers who are based locally to provide the on ground promotion and organisation of farming events and an efficient communication link between Head Office and each Region.

The Association offers the ability to communicate quickly and regularly with the farming community, meaning that the organisation is well placed to not only identify the skills needs of the NSW farm sector, but also respond to them.

Terms of Reference

1. *The Availability and Adequacy of Education and Research Services*

The Association is committed to ensuring that rural families have access to high quality education services. Education plays a vital role in delivering agricultural competitiveness and provides an opportunity to nurture our vibrant rural youth. Whether attending a local rural school or boarding in a major regional centre, students should be allowed to attend the education institution of their choice. However, this choice can be significantly influenced by the availability of adequate and affordable facilities, access to educational allowances and reliable, all-weather transport. Whilst some regions have seen improvements in some or all of these areas, there is more work to be done to achieve more equitable education services for students in rural and remote NSW from preschool right through to tertiary and vocational education.

1.1 *Agricultural Colleges*

A large proportion of our rural youth are keen to pursue long-term careers in agriculture. In order to encourage the continuation of these positive pursuits, it is vitally important that students have access to a range of tertiary institutions, including Colleges of Agriculture. NSW has two agricultural colleges, namely the CB Alexander Agricultural College and Murrumbidgee College of Agriculture.

The CB Alexander Agricultural College is based in Tocal in the Hunter Valley. The college provides full-time and part-time award courses, short courses and home study courses to assist farmers and landowners.

The Murrumbidgee College of Agriculture is located in Yanco in the Riverina. Farmers within three hours of Yanco grow all of Australia's rice and the majority of NSW grapes, while the area also has two of the largest feedlots in NSW and the state's second largest chicken meat producer. As such, the college is ideally located to service the thriving agricultural sector in the Riverina of NSW. The college provides a range of adult education and training services for the rural sector. Until December 2003, the college also provided residential courses, of particular importance to farmers located in the more remote areas of the state, especially the Western Division.

The Association remains extremely concerned about the closure of residential courses at the Murrumbidgee College of Agriculture, as it has removed options for future students in the southern and much of the western regions of the state to undertake agriculture related courses. The decision by the NSW Government to close full-time, residential courses at the college was made without consultation with key stakeholders, including students, staff, the Management Committee and local communities.

The questionable process adopted in announcing the closure of residential courses was also recognised by the NSW Legislative Council, as outlined in the following excerpt from the Chair of the General Purpose Standing Committee No 5¹, Mr Ian Cohen MLC:

The decision to cease full-time residential courses at Murrumbidgee College of Agriculture (MCA) was announced by the Minister for Primary Industries on 3 September 2003, and all residential facilities at the College were closed by the end of 2003. While some consultation was undertaken in formulating the original 2000 Report, the final decision was made without fully consulting teachers, students or the local community and has been the subject of considerable concern by the affected communities. The lack of consultation was a major factor in influencing the Legislative Council to refer the matter to General Purpose Standing Committee No 5 for inquiry and report.

The Association shares the views of the General Purpose Standing Committee No 5 that “residential facilities are a necessity rather than a luxury for isolated students, indigenous students and farmers attending short courses at MCA”¹. Furthermore, the Committee’s recommendation that “the Department [of Primary Industries] explore, in consultation with other agencies, innovative ways by which the residential facilities at MCA can be reopened” is fully supported by NSW Farmers Association. It is vitally important that affordable residential options are provided for college students originating from more remote parts of the state. The residential facilities at the college are a wasted resource, not only to the college and the local community, but also to the agricultural sector more broadly.

While most of the courses previously available at the Murrumbidgee Agricultural College were offered through Tocal in 2004, there are factors that inhibit this learning. The differences in geographic conditions mean that practical learning is done in an environment that is substantially different from the farming conditions faced in the south and west of the State. While some practical work in these areas is possible, this is not a substitute for daily

¹ Murrumbidgee College of Agriculture : [report] / General Purpose Standing Committee No. 5. [Sydney, N.S.W.]

exposure to particular geographic conditions. It has also meant that the specialisation in relation to irrigation / rangeland environments can not be adequately addressed.

It is alarming, although not surprising, to note that only one student in fact transferred from Murrumbidgee Agricultural College to Tocal in 2004. This is despite the assumptions made by the NSW Government that students would simply transfer, and the fact that 10 travel scholarships were available to encourage continuing students to transfer to Tocal. Again this brings into question the process by which the decision was made and the possible poor timeliness of communication to students about the assistance available to them to continue their education at Tocal.

The Association strongly supports the re-opening of MCA, taking advantage of its unique position to focus on irrigation and rangelands issues. Until the residential facilities are re-opened for the purposes of providing adult education and training services to the rural sector, access to these services will be increasingly difficult for rural and remote students.

1.2 Technical Colleges

As a result of the decision to abolish the Australian National Training Authority in July 2005, its former responsibilities will be transferred to the Department of Education, Science and Training. As part of the transition, 24 Australian Technical Colleges will be established across the country to provide tuition in both academic and vocational education for students in Year 11 and 12. Eight 'priority regions' in NSW were nominated for the new Technical Colleges, namely the Hunter, the Illawarra, Queanbeyan, Port Macquarie, Lismore/Ballina, Dubbo, Gosford, and Western Sydney. The Association is concerned that these 'priority regions' have exposed clear gaps in terms of rural and remote representation. Moreover, it would appear that the Australian Technical Colleges will be limited to 'traditional trades', rather than including training specific to the rural sector. It is therefore questionable whether these new colleges will address skills shortages in rural and related industries.

The final report of the Rural Industry Task Force – *Back to skills: redressing current and emerging skills shortages in rural industries*² (part of the Australian Government's National Industry Skills Initiative) – identified a range of skill shortage areas. A key finding of the report was that "the Task Force believes that it is important that rural and related New

² A summary of the final report of the Rural Industry Task Force for 2001/03 (http://www.getatrade.gov.au/documents/Summary_of_the_final_report_of_the_rural_industry_task_force_for_2001-2003.pdf)

Apprenticeship commencements be encouraged and closely monitored during drought recovery. Pressure must be maintained on State and Territory Governments to appropriately resource New Apprenticeship Delivery². It is therefore unclear why the briefing material supporting the Australian Technical Colleges does not appear to include training for rural and related industries as a priority.

1.3 University Training

A range of tertiary institutions offer agriculture-related degrees, however, the Association is concerned that both the uptake and availability of these degrees appears to be trending negatively.

In the case of uptake, members have reported key factors as isolation; the cost of living away from home; increases in university fees; and difficulties accessing Youth Allowance. Whilst these issues are often shared by urban students, the tyranny of distance exacerbates the impact for rural and remote students. The Association recognises the importance of our youth to the ongoing success of rural communities, and is committed to providing opportunities for young people to learn new skills that will add enormous value to both their industry and their community. The Association offers a Tertiary Scholarship program to encourage the further development of tomorrow's industry and community leaders. Every year, the Association awards five scholarships worth \$5 000 each to tertiary students in NSW. The scholarships are awarded on the basis of all round ability, leadership qualities, a commitment to agriculture and academic achievement. This competitively sought after scholarship program assists rural and remote students to study in whichever field they choose, not necessarily agriculture related. For example, the 2005 scholarship recipients include students of Medicine/Surgery; Veterinary Science; Nursing; Rural Science and Physiotherapy. The scholarship recipients' impressive commitment to agriculture and rural communities help to ensure that rural NSW continues to thrive based on a strong skills-base.

In the case of availability, the Association is maintaining a close working relationship with all major tertiary institutions in an attempt to provide regular input and feedback in terms of course content and structure. The Association is particularly concerned by the review of existing Faculty of Rural Management courses and staffing arrangements at the Orange campus of Charles Sturt University (CSU). Until 2004, the University of Sydney managed the campus, which offered a number of degrees of critical importance to the agricultural sector. This campus is now managed by CSU.

The Association was advised of the review in early 2005. Whilst the review appears quite broad in nature, the Association is extremely concerned that the review may lead to the demise of the Farm Management course previously provided by the University of Sydney, and now offered through CSU.

The Farm Management course offered by the university is one of few in the country that offers a truly multidisciplinary training ground for future farm managers. Whilst some other universities offer agricultural science and agribusinesses degrees, the management model that has been put in place through the Farm Management course is quite unique, and has been extremely well received by the farming community. Given the labour shortage being experienced across much of rural and remote NSW at present, it is vitally important that this course be maintained and strongly supported. As such, the Association is providing a submission as part of the review process.

The Association will continue to monitor both availability and uptake of tertiary education to rural and remote students as an ongoing concern.

1.4 FarmBis

Perhaps the most significant and disappointing limitation to improving the availability and adequacy of education and research services in the agriculture sector is the failure of the NSW Government to deliver on their commitment to FarmBis III.

FarmBis is a Federal program matched dollar for dollar by the State Governments, offering a subsidy towards the cost of specified training courses that encourages farmers to improve their business and natural resource management skills. In early 2003, expenditure was exceeding expectations in NSW and the subsidy was reduced. Quality Assurance (QA) and Chemical User courses were then excluded from FarmBis. This training made up a significant proportion of the FarmBis expenditure. FarmBis II funding in NSW ran out in September 2003, nine months earlier than the scheduled program end of 30 June 2004.

Just prior to the commencement date of the new program, the Federal Agriculture Minister, Hon Warren Truss, announced significant changes would be required to implement FarmBis III. To avoid delays in implementation, Minister Truss offered to extend the old program until December 2004, while the new details were being ironed out. Some states accepted the offer. The NSW Government did not, meaning that the training gap continued.

There was no reference to the future of FarmBis in the NSW Budget handed down 24 May 2005. The NSW Government announced two days later that FarmBis III would not be implemented in NSW, meaning that NSW farmers would be the only farmers in the country not to have access to this very popular program.

The NSW Government has since announced that it will introduce an alternate 'agricultural education strategy' with a \$5.8m budget allocation, which will include:

- Residential courses and distance education for students, leading to Certificate and Diploma qualifications;
- A pilot program to provide specialized short courses for part-time farmers; and
- The creation of 'Pro-Farm', a series of short courses for farmers and agribusiness professionals.

The Association was not at any stage consulted by the NSW Government prior to the announcement of this alternate 'agricultural education strategy'. In fact, despite the new program being scheduled to commence 1 July 2005, as at late June 2005, the Association had still not seen any detail on the new approach, other than a basic overview listed in a media release from the Minister for Primary Industries.

The Association has grave concerns about this new strategy. It should be noted that the \$5.8m allocation covers all three aspects of the package. It would therefore appear that only a small portion of these funds will go towards those courses that will be subsidised, as the Department of Primary Industries has since advised that not all courses will attract a subsidy. The \$15 million previously allocated by the Federal Government for FarmBis III in NSW is now lost for the training agenda. Moreover, industry was not consulted at any stage about this proposal, which could effectively lead to a monopoly in the training field in NSW.

The Association is seeking urgent discussions with the NSW Government on this issue. However, the signs for the future of rural training in NSW appear quite ominous at this stage.

2. The Skills Needs of Agricultural Industries in Australia

The range of skills-sets required in rural communities is diverse and growing, particularly as a result of transitioning to new technologies in many rural sectors. The ageing population in rural areas, combined with rapid declines in the number of young farmers entering the industry, is leading to skills shortages in a number of areas.

A study conducted by the Victorian Department of Primary Industries has revealed that the number of young farmers is rapidly declining in Australia, falling by 60% in 25 years³. Just 3300 people aged under 25 entered farming between 1996 and 2001. The exodus of rural youth to coastal cities in search of jobs has resulted in the average age of the Australian farmer being 50. If this trend continues, NSW could lose a generation of young farmers, leading to massive skills shortages.

The ACTU Background Paper – *Australia's looming skills shortage*⁴ identified that Australian industry is facing a severe skill shortage in the coming years – largely as a result of an ageing industry workforce and a decline in the rates of apprentices in training. In the manufacturing industry alone – a sector critical to rural communities – a shortage of 130 000 skilled workers is predicted in the next five years. The paper referred to research conducted by the University of Western Sydney confirming a long-term decline in the proportion of apprentices in training, which the ACTU estimates translates to a shortfall of up to 25 000 apprentices a year. The paper also made reference to a recent Australian Chamber of Commerce and Industry survey, which identified skills shortages as the number one constraint on business investment, with severe skills shortages already being experienced in country and regional towns as well as in suburban metropolitan areas. This was supported by a recent Australian Industry Group study, also quoted in the paper, which found that 60% of businesses in rural NSW are suffering from skills shortages. The ACTU calculates that the skills shortage in traditional trades alone is set to cost the Australian economy up to \$735m a year in lost output – or in real terms almost \$9b over the next ten years (almost \$3b of this in NSW).

The drought has exacerbated skills shortages in the bush. More than 100 000 jobs – one in four – have been lost to the agricultural sector as a direct result of drought. Using standard ABS multipliers (where a \$1 million drop in agricultural output leads to a consequential loss

³ *Young farmers thin on the ground*. ABC NewsOnline. 10 February 2004.

⁴ *Australia's looming skills shortage*, July 2004. http://www.actu.asn.au/public/news/files/skill_shortage_paper.pdf

of 13 jobs across the non-agricultural economy), the flow-on job losses stemming from the estimated loss of \$8 billion from farm GDP would be some 100 000 people in other (non-farm) sectors. Further, there is a large time lag associated with bring these skills back rural communities, meaning that the full impacts of drought on employment and skilled labour may not be felt for years.

3. The Provision of Extension and Advisory Services to Agricultural Industries

3.1 FarmBis

As stated previously, farmers and rural communities in NSW are now at a disadvantage to their counterparts in every other part of Australia due to the absence of FarmBis III. FarmBis training has not been implemented on the ground since September 2003 – almost two full years ago. Due to the extreme financial impacts of drought, many farmers simply could not afford to seek out alternate training without the assistance of this critical program.

The Association is concerned that without the previously successful structure in place through FarmBis, the linkages and coordination between education, research and extension could diminish to the point that they no longer exist. This would be a catastrophic outcome for farm families and rural communities across NSW.

3.2 Research Stations

In terms of research in particular, the Association was extremely concerned by the announcement in June 2004 that the NSW State Government would close agricultural research stations in NSW. The Government proposed at least 10 changes, which included re-locating the dairy research function at Wollongbar to Menangle; Temora Agricultural Research and Advisory Station to Wagga; and the Gosford Horticultural Research and Advisory Station to Menangle.

The Association was extremely concerned about the research implications of this threat. Research on climate and soil types from specific regions is extremely valuable and if this is taken away and moved to another area with different variables, the results may be of little use elsewhere.

The threat of closure also meant significant job losses in local communities, particularly at the large stations in Gosford (affecting 58 staff), Deniliquin (affecting 20 staff), Temora (affecting 36 staff) and Grafton (affecting 36 staff).

The Association sought a commitment from the Government to keep these research facilities open and formed Taskforces in local areas in conjunction with local supporters as part of this process. The Association also organised public rallies in Grafton and Temora to show the Government the concern of these local communities. At the Association's 2004 Annual

Conference in July 2004, the Minister for Primary Industries announced a moratorium on the closure of key research stations in Temora, Grafton, Gosford and Deniliquin. It was then confirmed in September 2004 that the Gosford, Grafton, Deniliquin, Temora and Trangie research stations would be retained. A Memorandum of Understanding (MOU) was signed by the Minister for Primary Industries, the Public Service Association, local farmer groups and the Association 24 September 2004 to make sure the capability of the research stations are maximised.

The research and extension services that the farming community stood to lose were staggering. Whilst a positive result was eventually achieved, the lobbying efforts are evidence of the need to fight to retain our vitally important research and extension services. The Association is firmly of the view that these services should not be perceived as a luxury that needs to be fought to be retained – they are a basic necessity to the farming community, and long-term certainty is required in order for industry to have confidence in moving forward.

4. The Role of the Australian Government in Supporting Education, Research and Advisory Programs

4.1 FarmBis

As stated previously, the Association has viewed the Agriculture Advancing Australia FarmBis program as one of the critically important mechanisms by which the Australian Government can support education, research and advisory programs to support the viability and sustainability of Australian agriculture. However, farmers and rural communities in NSW are no longer able to access this vitally important program. NSW Farmers Association is keen to discuss with the Australian Government – as a matter of urgency – alternate means by which the Australian Government can work directly with the Association to support education, research and advisory programs.

4.2 Rural Student Access to Tertiary Education

Many young people from rural and remote areas leave school highly motivated and ready to continue their education through a tertiary institute to prepare themselves for their chosen careers. Unfortunately, far too many find the hurdles and obstacles insurmountable, with many good students missing out on a learning and life opportunity that most urban students take for granted.

In 2001, 59% of all youth were living with parents either as dependent students or non-dependent children, with the proportion of young adults living in the parental home, particularly in the 20-24 years age group, having increased since the 1980s⁵. The Isolated Children's Parents' Association (ICPA) has advised the Association that 76% of full-time students and 58% of part-time students attending University in Australia live at home. Most students from rural and remote areas must take a year off after leaving school in order to earn the required amount of money to qualify for 'independent' Youth Allowance. Of those students who defer, ICPA has advised that 55% are struggling to support themselves.

The start-up costs associated with commencing tertiary studies (whether at University, Agricultural College, TAFE or a private institution) are significant. These costs include fees, books, travel, basic furniture, stationery, computer etc, which can amount to approximately \$6 000, with ongoing weekly costs on top of approximately \$350/week. Tertiary students

⁵ Australian Bureau of Statistics (2004): 2059.0 Census of Population and Housing: Australia's Youth.
<http://www.abs.gov.au/Ausstats/abs@.nsf/0/ab3f340b33c8abc4ca256e97007a7857?OpenDocument>

living at home are often in a position to use their Youth Allowance payments for books, course costs and even entertainment. Unfortunately, the Living Away from Home rate of the Youth Allowance does not reflect the costs for students from isolated areas. In addition, the small amount of money a student can earn before it affects Youth Allowance payments presents more difficulties for young country people struggling to make ends meet.

The Association supports the ICPA as it continues to lobby for a Tertiary Access Allowance. This would be a separate, stand alone allowance for rural and remote students who are forced to live away from home to further their education (similar to the Apprentice Scheme).

In 2000, the Human Rights and Equal Opportunities Commission (HREOC) highlighted the causes for the poor tertiary uptake of rural students. Sadly, there has been little improvement in the five years since the findings in the report were released. This is a key area where the Australian Government could make a significant difference.

4.3 Apprenticeships

Members have reported widespread support for the New Apprenticeships Scheme, which also includes traineeships for farming where a son or daughter can be employed. Regional centres and small towns alike have reported difficulty in securing enough apprentices, while smaller communities find difficulties with block release, which encourages the apprentice to move to a bigger centre to complete the apprenticeship. It is also said that there is more financial incentive to take on an apprentice for one year, rather than four.

The Association concurs with the comments made by the Federal Minister for Education, Science and Training, Hon Dr Brendan Nelson that a cultural change is required to change the huge emphasis currently placed on a University education by schools and families. More emphasis must be placed on promoting careers based on practical skills as vital to Australia's economy and development, and equally as rewarding as those requiring a University degree.

If the viability and sustainability of Australian agriculture is to improve, education, research and advisory programs must be not only supported, but championed. The Association is keen to discuss with the Australian Government opportunities to jointly promote the vitally important role that education and research play in moving our innovative and exciting industry forward.