



Submission in response to the Agricultural Competiveness Green Paper

AgriFood Skills Australia

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The Role of AgriFood

AgriFood Skills Australia Ltd (AgriFood) is the national body responsible for skills and workforce development for the Australian agrifood industry and regional Australia. *Our vision is the sustainable growth of Australia's agrifood industry through world class enterprises capability.* AgriFood develops and implements workforce development strategies and industry validated work standards to meet the current and emerging needs of agrifood enterprises, employees and students.

AgriFood is uniquely positioned to effectively address skill needs in agriculture, through industry and regional partnerships and proven innovative workforce solutions. It does this *by working across the entire agrifood supply chain, providing the only nationally comprehensive 'skills information brokerage' role, translating between industry, research, training providers and government.* The organisation has earned the trust and respect of the industry for its independence and delivery of results on-farm, in particular by being able to translate farmer skill challenges into practical training products and other local and within industry context solutions.

This Submission

This submission comments on policy ideas in the Green Paper where there is a correlation to training, education and skills. As there is some overlap between different policy ideas we have grouped them under common themes. This Submission should be read in conjunction with our earlier submission of 17 April 2014 which proposed various solutions to the challenges identified and what industry leaders, individual enterprises and our own on-the-ground experience tell us is needed. AgriFood has the capacity to help test new and innovative approaches, which may be proposed in the White Paper, given we have significant experience in delivery of regional models and programs in the skills, education and workforce development context.

The Latest Intelligence

A detailed analysis of the current and emerging skills situation is captured in AgriFood's annual 'Environmental Scan'. The 2014 E Scan has been provided to the Taskforce previously. Since then AgriFood has completed a further round up in-depth industry consultations in preparation for the release of the 2015 scan document. We have captured some of our learnings from the 2015 E Scan process in this submission.

Policy ideas (6) and (12) - Assist Farm Businesses

(12) Farm business improvement

Among the identified policy ideas are **establishing a program offering independent business advice and assistance to farmers to improve decision-making and performance**

This is a very important suggestion for the farming sector. Our recently completed 2015 E Scan industry consultations identified again that access to (and the development of) business skills was a critical need for all. This included understanding profit and loss through to sophisticated business planning, including export readiness. Business advice and assistance for farm business improvement needs to service the spectrum of businesses in the sector.

AgriFood has deep experience in this space having completed a number of skills needs analyses at enterprise, industry and regional scales. We believe there is an opportunity to undertake a thorough National Skills Needs Analysis for the sector, which would give clear guidance about the actual (versus perceived) skills gaps in the sector as they relate to business and other skills.

The choice of the mode of advice and delivery of business skills to the industry also requires careful consideration to ensure the approach is good value for money, is culturally appropriate for the farming sector and is the most effective and efficient solution to meet identified needs.

AgriFood's experience shows that urban-based models of business advice delivery are less effective and have lower acceptance in the farming context. This most appears to be a question of culture and also reflects the all-of life learning context of farming. Based on this insight we have developed models and identified the key skill sets which are the most value on-farm.

One leading example is AgriFood's Skilling Her Enterprise Program (SHE) – developed in the Western Downs in Queensland and also delivered in Western Australia.

The SHE workshops were developed to deliver business and management skills for women in the agribusiness sector. This program recognises the role which women play in 'running the business' when husbands and partners' are busy 'running the farm'. The aim is to provide rural business women with the opportunity to review their business and the role they play in the business, join an extended network of people working in agribusiness, meet other women and learn about training they can access. Importantly the training offered is developed and delivered locally, and feedback indicates participants use their extended networks and continue to seek further training following participation in the program.

Most importantly AgriFood programs, such as SHE, were designed based on both outcomes identified locally and the experience of the locally based facilitator who knows the needs of rural business women in the region. An emphasis is placed on sourcing technically qualified presenters who are knowledgeable about the local industries and who are based in the local region. This enables an ongoing relationship between presenters and participants post workshops which supports use of the existing local capability.

We also observe that the Green Paper has a tendency to view solutions in relation to farming skills in an exclusively agricultural context. This is a weakness given that agricultural businesses operate with a regional economy. Workers within a region can move between local industries if they have the appropriate cross-industry skills to do so. By taking a region wide perspective on farming skills needs, whole of industry and region solutions can be conceived. This has the added benefit of creating more opportunities for continuous employment for regional workers.

AgriFood Regional Networks

Further identified policy ideas under business skills are establishing a program to encourage collaboration between agricultural businesses by providing a networking service to bring interested parties together and creating national agricultural tertiary centres of excellence in regional areas for education, training, research and extension.

AgriFood has piloted its regional networks model, in five regions across five states, over the last two years. We discussed this in our original Submission in April 2014. Since then our network model has received a highly positive independent evaluation by ACIL Allen as well winning the South Australian Training Award for Industry Collaboration Award 2014 and it was one of three finalists in the National Training Awards 2014 in the same category.

Through our regional network we have shown that, by taking a regional approach to solving skills and training needs in agriculture, the likelihood of success is higher for individual programs which are delivered with that regional framework.

The need for a true collaborative partnership between government, non-government, industry and peak bodies to develop the capacity of the drivers of production has never been as paramount. No longer can each entity, stand alone and remain profitable. The attainment of kinaesthetic, business and human management skills requires a new provision model, with multiple entry and exit points, which involves a greater number of stakeholders and true partners. Our experience shows that this must be contextualised at a regional scale.

As funding cycles and policy change rapidly, innovative and nimble education and training providers must adapt to meet the challenges of their clients. Agriculture on the whole represents a thin and fragmented training market, with demand subject to a high degree of influence from seasonality, making it an unattractive industry to service for training

providers. Industries and regions will need to adopt new cooperative partnership models to develop local, place-based solutions which can attract and sustain financially the training needed in regions. A combination of “classroom”, on-line and in business/on the job training models are needed with innovative delivery and student servicing approaches (such as intensive modules and short courses) by training providers, to ensure the agriculture sector continues to have access to skills and training.

Farmers themselves can become the owners and drivers of the region’s sustainable workforce solutions, rather than the victims of it, with a realistic set of objectives. Our regional network showed that an honest broker within a region who understands the training and workforce development sector can be effective.

Outcomes from AgriFood regional networks

- Whole-of-region, cross industry, community and farm-driven approach; backed by contemporary international and local research
- Harnesses the support of existing networks; reducing start up time and engagement issues with quicker results
- Robust, skilled and mobile labour pool for agriculture; core seasonal workforce; cross-industry trained; transferrable/adaptable skills
- Provides a platform for more readily addressing other impediments to attracting and retaining workers and families in regional Australia, eg. the availability of adequate childcare services
- Much enhanced engagement with the training system – including increased numbers of trainees and new higher quality proposals for government skills funding programs.

Evaluation of the regional network model

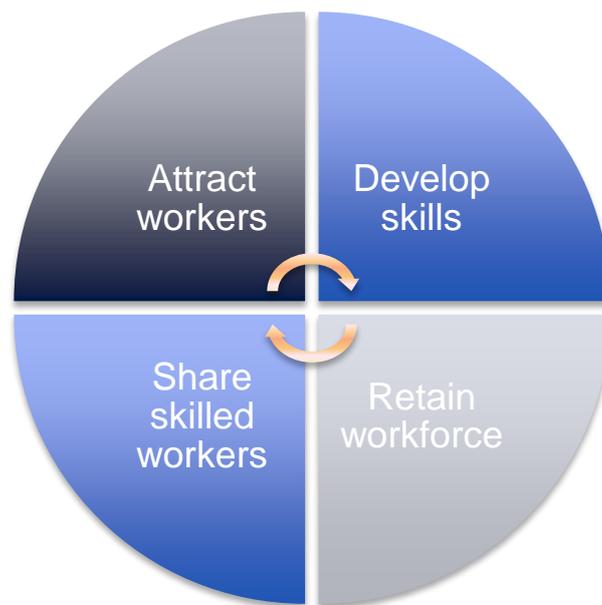
A major independent evaluation of our regional networks was completed by ACIL Allen in May 2014. It notes that there are multiple concurrent market failures that have led to underinvestment in skills and workforce development in the agrifood sectors. The Report finds that despite the relatively short time that has elapsed, there is strong feedback that the approach is well placed to meet local agricultural skills needs compared to similar programs. It enjoys significant support amongst all stakeholders who identify a new impetus for training and workforce development:

- Around 75 per cent agreed or strongly agreed that the relevant ANRI program was valuable and suited to local conditions.
- More than 40 per cent of survey respondents reporting an improvement in their understanding of the local job market.

- More than 60 per cent agreed or strongly agreed that ANRI had increased collaboration between stakeholder groups.
- Already more than 35 per cent of participants agree or strongly agree that the *productivity of their business* has improved as a result of ANRI.

The Evaluation goes on to find that this approach is not just able to develop networks, but can also shape the norms and values of those networks, or existing networks, through its programs. Important norms and values of networks include trust, reciprocity, cooperation, and acceptance of diversity.

The system is broad enough to address the skill needs of large and small enterprises, including new corporate agricultural models. The model has attracted a lot of attention nationally, with an increasing number of States and regional groups seeking support to establish similar initiatives. Indeed AgriFood is providing preliminary support for many such initiatives in various regions and supply-chains. National funding support and coordination is warranted.



The components of the program are at Attachment A.

(6) Strengthening farm businesses

Among the identified policy suggestions are **subsidising farm energy audits**. AgriFood has made a significant investment in researching this issue and testing the most effective means of delivering it. We have developed solutions-based energy reduction tools for on-farm use and we have piloted them successfully. They are highly cost effective to deliver and produce

early results in cost savings on-farm. Triple-bottom line sustainability is one of the key challenges for modern Australian farming, especially as farm sizes increase, capital intensity increases and as on-farm processing becomes more evident. Reducing energy costs is therefore a key challenge for farm business sustainability.

Our tools can be used stand-alone – with initial assistance and mentoring by AgriFood - or as a three stage program.

The program has three components – (i) a Seminar Process, (ii) application of the “Carbon Proof” tools and (iii) a short course program – called the Sustainability Essentials for Executives (SEE) program. The SEE combines the essentials of Business School strategy with enterprise-based training delivery to translate energy savings techniques on farm. Independent evaluation in 2012 by *Employment Research Australia* of the SEE was highly positive of the outcomes achieved.

Testimonial from the company CEO of ‘Alba Oils’ in Western Australia - participant in the SEE pilot program:

“Just thought I’d give you an update post program. I was quite invigorated again after the course last year and wanted to make sure that my renewed enthusiasm didn’t get lost in the usual day to day. So I briefed all the company involved in thinking about improvements to our processes and how this had to have a positive environmental impact as well as a positive financial impact..... We ended up reviewing our entire plant and the way we operate.

We then applied for and were successful in obtaining roughly half a million dollars in federal government funds under the Ausindustry program . We are committing more than one million dollars to this program ourselves on top We are introducing a number of new technologies and some of these I don’t think have ever been used before in Australia. Every person in the company has been briefed about what we are doing and why, and they are all really engaged and committed to this. It’s all rather exciting. At the end of the day lower waste is lower wasted profit (that’s my business hat). So guys thought I’d give you this feed-back so you hear about the positive changes that occur when you get the decision makers into a course such as SEE. “ *January 2013*

See Attachment B for more detail.

Changing Business models need a new skills paradigm

AgriFood recently engaged Nous Group to undertake two research tasks that support AgriFood in its mission to help the agrifood industry better meet its future education, training and skills development requirements. These tasks were identified by industry through our 2014 E Scan.

These two research tasks which were identified in AgriFood Skills Australia's 2014 Environmental Scan are:

- Analyse changing business models and structures across the agrifood supply chain and evaluate the implications for work organisation, workforce composition and job roles
- Scope current knowledge transfer models within the agrifood industry - including formal, non-formal and informal types of learning (and how it could better align with changing business models)

The first report on business models notes the profound structural changes that have occurred in the agrifood industry which, while not applying uniformly, can be summarised as:

- The increasing segmentation of the agriculture sector with the consolidation of many farm businesses, and a growing gap between low and high performing farms
- Stability in what is described as the 'amenity' farm segment among part-time farmers who value the amenity or lifestyle benefits that come with farm ownership
- Flux within the 'aspirational' segment as farmers either adjust out of farming or attempt to make the big leap into the 'productive' segment
- Ongoing growth in the 'productive' and 'corporate' segments which will continue to play a significant role in the increasing size and productivity of Australian farms.

Consistent with the Green Paper's overall findings that the general landscape is a difficult one, our report confirmed key drivers as being:

- **ongoing erosion of profitability** for producers and processors;
- more businesses are **actively seeking alternatives to bank debt** to grow their business;
- the **increasing levels of risk and complexity** ;
- Increasing consumer **demand for highly differentiated products** with specific attributes and characteristics; and
- the **rapid growth of social media** and low-cost ways to engage with partners and markets

The following longer term and more recent trends were identified along with the business models and structures associated with them. These trends will have profound implications for the future agrifood workforce:

- Australia's future agrifood workforce is likely to be smaller and more skilled (with strong growth in the proportion of professionals and technicians needed)

- Knowledge needs will be profoundly different: more advanced production techniques, leadership, management, mentoring, risk management, and the capability to translate R&D into products
- Larger and more sophisticated businesses (and some niche entrepreneurs) will have the resources and capabilities to access new types of knowledge and practices with minimal government support
- In agriculture, the challenge for policy makers will be to help those mid-size farm businesses with serious aspirations for growth make the 'leap' into the top bracket of productive enterprises
- Young farmers are best placed to make this leap, given they tend to be: attracted to larger farms, better educated and connected, more receptive to new technologies, and more open to risk.

The recommendations in our report as they relate to skills align with a number of the policy recommendations of the Green paper. However there are some points of differentiation which include:

- the need for a linked and collaborative approach which many enterprises will require support to participate in given they currently lack the knowledge or skills to engage effectively in collaboration.
- the need for a champion of skills and workforce development which can bring together diverse strands in a more comprehensive way – and address significant market failures which are present and which make estimating the terms the Return on Investment to training so challenging.
- Demand for formal education and training has typically been low given industry preferences for easier to access, more relevant informal learning modes, but there are moves to try and correct this.
- The number of higher education graduates, and VET enrolments and completions, have been falling steadily (and will not be helped by VET reforms that can tend to 'commodify' training certifications).
- There are opportunities to make formal education and training more relevant such as through greater use of skill sets, a new generation of agrifood courses and massive open online courses – but it is too early to gauge likelihood of success.
- Many factors stymie demand including: the challenges of delivering into regional areas, industry scepticism about the ROI of formal training, and a low regard for the career opportunities in the sector
- The willingness of employers to invest in workforce development will be tested by the increasing expectation that they contribute to government-subsidised programs e.g. the Industry Skills Fund

- Addressing the simultaneity of attracting a new generation of motivated, skilled and smart workers; supporting enterprises in the ‘aspirational’ segment of farming; assisting enterprises become true ‘employers of choice’ and supporting quality, translation and disseminating of knowledge.

Policy idea 14—Strengthening agricultural education:

There are a range of related policy ideas in the Green Paper on this topic they include **providing specialised learning in agriculture in the future** and the **benefit of a good agricultural education for a career** in farming.

The Green Paper highlights the need to establish comprehensive education for an agricultural career at secondary and tertiary level. Importantly it draws attention to the critical role of VET as well as higher education being critical elements in this equation. The role of VET however in our view, needs to be amplified.

The paper makes reference to some leading **Agricultural Colleges**. In considering this idea it is important to look at the overall business models of these colleges and what makes some successful and others not. Some agriculture colleges face financial barriers to their capacity to continue to service the sector. Encouraging these schools to diversify their sources of income and to provide more flexibility in the types and mode of training delivered will be required.

The need for clear advice and information on **education pathways for agricultural careers** is also highlighted.

AgriFood has been very active in assisting the industry to begin to address the significant problems of attracting young people into a career in the industry. We have done this in close cooperation with State governments and other organisations with similar objectives, including through assisting VET in Schools programs. We are also facilitating closer collaboration – with a specific collaborative framework - between regional universities, training organisations and industry to assist in the creation of qualifications which produce sufficient volumes of highly skilled job-ready young people.

AgriFood Career Access Pathway (AGCAP)

We agree with the Green Paper’s assertion that career pathways are critical to attracting and then retaining young people. Young people need to see where they can end up (and the diverse career possibilities offered in the sector) to have confidence that while every individual’s pathway will differ there are many opportunities for them in agriculture. This is especially the case in farming and agribusiness. AgriFood Career Access Pathway (AGCAP) is a key solution which we have developed to address this need.

The model has been trialed in north-west NSW and also in South West Western Australia (using similar elements). In terms of career development AGCAP is a new and exciting

initiative leading to rewarding careers in the modern agrifood industry. Operating through a distributed campus model, AGCAP presents a seamless educational pathway from school to vocational education and training and on to university.

The trial of the model in north-west NSW is now in its second year. Delivered through the distributed campus comprising five separate schools, the model recognises the shift towards a higher skilled workforce and the significant demand for paraprofessional job roles.

It integrates the notion of cadetships: Agrifood cadetships hold significant potential as a pathway from VET in Schools and national curriculum. Their technology and science focus should also open up far greater articulation into undergraduate programs than has previously been possible. Within many areas of industry, there is strong support for the notion of agrifood cadetships – both as an overt positioning statement on the higher skilled job roles now available in modern agrifood and as a means of giving bright people an attractive, employment based training pathway.

Through a combination of worksite visits, broadband and smart board technologies students engage with industry experts, specialist teachers, researchers and academics providing them with the latest insights, skills and knowledge about the agrifood industry. AGCAP covers the three educational sectors (schools, VET and Higher Education) allowing students to move between study and work as their careers develop and education opportunities arise.

Importantly, new job roles across food sectors at para-professional and technician levels are rapidly emerging in response to the need for deeper knowledge and higher level skills. Employment based training pathways do not exist to support entry into these job roles. There is strong support for this model – both as an overt positioning statement on the higher skilled job roles now available in modern agrifood and as a means of giving bright people an attractive, employment based training pathway. The model holds significant potential as a pathway from VET in Schools and national curriculum. Their technology and science focus should also open up far greater articulation into undergraduate programs than has previously been possible.

Schools Initiatives yielding results

AgriFood has been responsible for several projects which have been assisting to raise the profile for agriculture and food in school curricula.

Food in the Australian Curriculum was a national education program delivered by AgriFood, funded by the Department of Agriculture and completed by 30 September 2014. The program has been very positively evaluated by independent consultants. The aim was to raise the awareness of Australian agriculture, food and the supply chain amongst school teachers and students. The program supported quality teaching and learning about

agriculture, food and the supply chain industries in the curriculum areas of science, history, geography and technology. In addition, the program aimed to raise awareness of the career opportunities for young people in the industry.

The Evaluation conducted by ACIL Allen has identified four reasons for the success of the Program, in particular the classroom presentations and teacher workshops:

- The program was designed to specifically be well integrated with the needs of teachers;
- The reliance on capable and multi-skilled implementation staff ensured effective and efficient on-the-ground delivery of the Program;
- The opportunity for face-to-face contact with the target audience with teachers provided an effective starting point for other components of the Program;
- The administrators and Education Officers shared a clear focus on delivery of the Program against the project milestones.

The resources developed were generally well received with teachers appreciating the fact that the resources were:

- Easy to use, flexible, reader friendly, and well designed;
- Interactive, interesting, practical and easy to follow;
- Clearly linked to the Australian Curriculum;
- Available in electronic as well as hard copy.

AgriFood is currently participating in a further project **Agriculture in Education** funded by the Department of Education, with \$1m funded in 2013/14 and another \$1m to be funded in 2014/15. The objectives of the initiative are:

- To help teachers better understand the products and processes associated with food and fibre production and ensure that all students have an opportunity to understand their importance in the Australian economy.
- To support effective implementation of the Australian Curriculum through ongoing online teacher support materials and additional curriculum resources to support teaching and learning about food and fibre production.

The project consists of developing 26 x 5-minute videos demonstrating teaching methodologies and activities associated with agriculture and the development of 13 curriculum resources and teaching units aligned to the Australian curriculum (which includes 4 maths resources) to assist teachers to enhance their teaching and learning of agriculture and its associated food and fibre products and processes.

At least 12 resources will be developed on careers in agriculture, which will meet a major need articulated by agribusiness. Whilst there have and continue to be traditional resources produced outlining what farmers do, AgriFood will produce resources that showcase jobs

that can lead to careers in agricultural economics, agricultural and food science and agriculture related humanitarian work, both in Australia and in developing countries.

While these programs have achieved very encouraging results, an ongoing and sustained strategy which addresses schools, career paths, work experience and industry engagement is needed.

Policy idea 15—Strengthening labour availability:

Policy ideas here related to **expanded access to visa categories** and the **seasonal worker program**.

Measures which facilitate workforce mobility across agriculture and facilitate overseas workers have been repeated themes in AgriFood’s latest national consultation on skills needs, which will be reported on in the 2015 Environmental Scan. There appear to be some exciting initiatives by the private sector to fill this space, with governments needing to stimulate growth of private sector labour providers in addressing the peak seasonal workforce needs.

Such skills shortages relate to multiple industries in regional areas which means agriculture cannot be looked at in isolation. Individually while many of the recommendations in the Green Paper, and in relation to this policy area, have considerable merit there is risk of reinforcing a silo view of the agricultural sector if agriculture is considered in isolation. The sector must be considered from farm through the complex supply chain and with co-located industries in the regions if skills shortages are to be sustainably addressed.

The introduction of a **skills passport** is also an option that we continue to receive industry support for during our industry consultations. In the past, harmonisation and recognition between regions and states has inhibited its development. There are however some highly successful examples of the passport type approach operating within enterprises and across multiple sites and states. Generally they focus on foundational skills and/or induction skill sets. An industry wide skills passport would require strong industry buy-in and would complement Harvest Trail and other initiatives to support seasonal industries accessing labour requirements. Mutual recognition of such a passport would require a significant nation-wide effort.

In terms of achieving more available and mobile labour – and particularly into those areas where lack of skilled/ semi-skilled labour is a dramatic blockage to productivity – **creating incentives** through reduced taxation zones based on geography and ANZSCO coding could be considered. By taxing individuals less in specific occupations with lower paid jobs in specific regions, those jobs can become a more attractive proposition for local workers and

can reduce reliance on foreign labour. Our national consultations suggest Darwin and parts of Tasmania might be candidates to trial such an approach.

Seasonal Worker Program

The **seasonal worker program** while productive has not been without its significant critics in industry. Enterprises have reported to AgriFood that it is expensive, and there have been doubts expressed about the trustworthiness of labour hire companies, in addition some countries from where labour is being sourced are not being well-matched to the sectors using the scheme. For example, there is significant demand to open the scheme to workers from Cambodia, Vietnam and Thailand who come with the skills some industries need. Some growers consider these cultures to have a greater affinity/ knowledge to their industries.

Induction Skills

Regardless of whether regions and programs are sourcing labour locally, elsewhere in Australia or from overseas or from vocationally qualified high school leavers, one constant reiterated by industry is the need for practical “job ready” skills among new workers entering the agricultural workforce. Induction skills are necessary for delivering on this need so that farms can reduce the costs and time needed to have their new staff become fully productive.

AgriFood conducts numerous projects and programs to refine the skill sets which are necessary for delivering these solutions. Indeed these are often skills which are transferable between industries. As such, they lend themselves much more to the creation of mobile labour pools for regions and longer term skills resilience.

Policy idea 20/21— Improving the RD&E system:

Policy ideas include examining **funding to RDCs to drive tangible outcomes for farmers** to improve farm profits and establishing a new body, or tasking existing research bodies, to **coordinate cross-sector research**.

AgriFood’s comments and observation regarding the business skills policy ideas, relating to **creating regional integrated centres of excellence**, above are also pertinent here.

The policy ideas expressed in relation to RD & E are important and would be very helpful if implemented effectively. It is vital, however, that the role of Vocational Education and Training (VET) be amplified as it is an absolutely vital part of the extension process for R&D. R&D (creation of new knowledge) needs to be viewed as inseparable with VET (transfer and application of new knowledge). The two tend to appear as separate considerations in the Green Paper. This does not require additional resources but requires a reconceiving of an outdated way of working and putting in place a new business model.

Training and educational related programs run by RDCs are generally seen as effective in their own right. However, the ‘synopsis’ with the VET system still requires more attention. For example, training that is undertaken by RDCs sometimes does not take account of other training already way or planned in the regions where it is rolled out. Unless a local service provider is used, this can have the effect of “crowding out” or reducing the ability for more sustained training provision to farmers – where it is difficult enough for providers to derive sufficient income to maintain training services. More coordination with local industry and training providers would create a more effective and efficient result.

The food and fibre industry supports broadening the scope of VET so that it offers solution-driven approaches to skills and workforce development. This requires the VET system be expanded and re-engineered into a contemporary industry-driven system for skills and workforce development, capable of responding more quickly to need. Government reforms in the VET space have this objective in mind. This needs to be woven into the policy ideas which relate to RD & E. Indeed VET is essential to the process and is highly correlated to observable innovation on-farm and in the broader manufacturing context around the world.

Northern Australia

AgriFood has unique national capability in undertaking cross-sectoral skill needs and workforce analysis—in association with both agriculture/food as well as other key regional industries. This will be an important foundation for successfully establishing future industry and government initiatives and ensuring that training funding produces the highest return on investment possible.

AgriFood in partnership with key industry associations – NT Cattlemen and NT Farmers, and the NT Government, recently completed a skills and workforce needs as a preliminary phase to the development of workforce development plans covering the cattle, farming and forestry industries in Northern Australia.

An overall analysis of the consultation outcomes indicate that the key needs for business are:

- Access to appropriate and flexible training;
- Need for more flexible migration options;
- Attraction and retention of staff, particularly youth and Aboriginal people;
- Better transfer of knowledge resulting from research and development; and
- Stronger partnerships and dialogue between industry and government.

Industry Skills Fund (ISF)

The ISF is a welcome program which shows much more flexibility than its predecessors in terms of trying to deploy a more practical approach suited to the needs of Australian industry.

However, while the form of the final Guidelines are not yet finalised¹, AgriFood's view is that the ISF, and programs like it, will struggle to engage effectively with farmers. This is due to a range of factors:

- Heavy emphasis on contractual obligations is a deterrent for farms
- Industry co-contribution rate is generally too high for farmers to consider – especially given that training is considered a lower priority and they are cash poor
- Compliance requirements are intimidating – unless supported by an independent broker
- There is no funding available to support independent brokers or peaks to engage energetically to compose groups and applications.

The farm sector is not as cohesive and well organised as other industry sectors and therefore is at a disadvantage relative to other sectors. The sector therefore is at risk of falling even further behind other sectors in terms of the skilling of the workforce funding if the ISF retains its expected conditions for funding.

In these circumstances AgriFood strongly supports consideration being given to **granting special access for agriculture to the Industry Skills Fund** to assist the unique characteristics of this industry. This could include some amelioration to the factors listed above. This could take the form of **ring-fencing funding for regional areas and/or introducing a lower industry co-contribution rate** which currently is a disincentive for engagement by SMEs which still dominate the industry. This will be ineffective unless combined with **a brokerage or project management fee** to incentivise organisations to coalesce farmer participation. Assistance for brokering applications and project managing should also be considered.

¹ At the time of writing

Attachment A

AgriFood Regional Collaborative Skills Model

To establish itself and be successful this model, first secures the appointment of a well-respected business person from the region to serve as the Regional Manager. Secondly it conducts a regional jobs summit with all industries present, leading to establishment of a *Regional Steering Group* with key industry, government and community representatives participating. These groups have proven to be particularly resilient and in the case of NSW have continued on well beyond the initial project funding period.

The Regional Manager and Regional Steering Group assume responsibility for an interdependent six-part strategy, adapted to the specific needs of the particular region. The key components are:

1. **Research** – skills and labour demand timeline created with regional workforce and skills need profiles; peak labour demands mapped and structural adjustment challenges identified.
2. **Skills Needs Analysis** - done on both a region and sector-wide basis along with ongoing enterprises specific analysis with an established AgriFood survey tool
3. **Skills Recognition** – providing managers, employees and job seekers with effective approach to up-skilling while recognising existing skills; an effective tool in a workforce retention strategy; also identifies skill gaps and incorporates provision for up-skilling, gap training and achieving qualifications. General business skills are a major proportion of this activity.
4. **Employer capability** – innovative ‘employer of choice’ survey tool used to help diagnosis enterprise culture, systems and skills needs leading to better employee engagement, retention and adoption of best practice business management. Further support and advice made available to secure sustainable workforce development results
5. **Cross-industry Skilling** – delivery of transferrable skills sets required by multiple industries within the region, can provide a mobile workforce deployment strategy including local mentors. Very strong results realised between agriculture and other large industries such as fishing, mining and tourism.
6. **Innovative Engagement** - a sixth and rapidly expanding element which has emerged more recently. This allows for awareness raising, more advanced workforce development approaches and diagnosis, export skills, higher education/research organisation engagement, supply chain skilling and networking. Other local social/community interventions which are identified as key impediments to achieving ACRSS objectives can also be addressed – such as childcare solutions and suicide prevention.

These components are complimented with work in the local schools and illuminating career pathways such as through the AgriFood Career Access Pathways programs developed by AgriFood in the Northern NSW region.

Attachment B

Reducing farm energy costs for sustainability

A major AgriFood program targeting food and fibre producers in Australia to enhance triple-bottom line sustainability performance.

AgriFood developed and tested a model which puts Work Force Development into harness to solve concrete business problems – culminating in the Sustainability Essentials for Executives or ‘SEE’ program. This unique people-focused approach fuses the Vocational System with management school theory & strategy to deliver quick results for struggling food and fibre producers.

The target cohort in this program are highly vulnerable, particularly with rising energy costs, and largely unable to access and afford the necessary skills and support to achieve sustainability. The program results are now being widely replicated and leveraged by both industry and governments and have been adapted for use as energy savings tools in other agrifood sectors. Independent evaluation in 2012 by Employment Research Australia was highly positive of the outcomes achieved.

This program is supported by AgriFood’s ‘Carbon Proof’ workforce development tools (online) which have been contextualised and piloted nationally on farms and agribusinesses for reducing energy costs

The model and pilot project confirm that industry needed better mentoring, support for diagnosing ways to measure and reduce their energy costs, and more strategic input. It is most evident that cultural change and issues around work force development were the critical stumbling blocks to success in this arena – and the least well catered for, or understood. There are many formal courses on offer, development programs and technical workshops at both the VET and higher education levels which focus on certain aspects of sustainability. However, AgriFood has demonstrated that there is no course focused exclusively on leaders and owners of food and fibre producers – where the success or failure of industry sustainability initiatives are ultimately determined – and which is tailored to their specific needs.

Outcomes

- The tools developed and broad approach demonstrated has been adopted by some State Governments. The New South Wales Government, FOR INSTANCE, adapted it for its general sustainability skilling for manufacturing sector.
- The Australian Food and Grocery Council (AFGC), using the same model AS A PLATFORM, is hosting a series of seminars engaging with hundreds of companies on energy planning, practices and technologies to assist businesses in improving their efficiency.
- The SEE and Carbonproof project were recognised as ‘beacon’ projects by independent evaluators of the Workforce Innovation Program which provided the source funding².

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An Evaluation of Lessons Learned from Projects in the Workforce Innovation Program Justine Evesson and Sarah Oxenbridge employment Research Australia September 2013