

SUMMARY OF THE RURAL INDUSTRY WORKING GROUP REPORT

The report has been developed through examination of recent research and existing material, data analysis of available statistics, consultations with industry and training providers and analysis of questionnaires sent to industry practitioners. The analysis focuses on the sectors of wool growing, production horticulture, viticulture and cotton growing. The Working Group conducted an investigation into skill needs across these four sectors of the rural industry and strategies were developed to address them.

Rural Industry and the VET Sector

- The current VET system is based on the National Training Framework including Training Packages (containing qualifications, competencies and assessment procedures), registered training organizations, training agreements and New Apprenticeships. This provides a solid foundation for meeting industry training needs.
- While there have been a number of changes to the training system in recent years not all of these have been utilized effectively by the rural industry. Themes were identified for improving vocational education and training across rural areas, including the involvement of local planning agencies such as Regional Development Boards, the importance of training intermediaries (registered training organizations and private training operators), increasing the awareness of careers in rural industries to young people in both rural and metropolitan areas, encouraging training for productivity and income gains and overcoming cost, delivery and assessment problems. Training has a role in encouraging greater adoption of innovative farming and business practices.
- This report identifies a range of views and perceptions concerning skill related issues. It is a valuable insight into the factors which hinder skill development in an industry that is predominantly comprised of small businesses in regional and remote locations.

Benefits of investment in training

- The research highlighted several important factors about returns to employers from the provision of training. Returns on training investments are nearly always positive and sometimes very high
 - ❖ returns to training come in many different forms; in addition to increases in labor productivity and profitability, these include higher levels of value-added activities, innovation and better and more flexible forms of work organization
 - ❖ returns to training are highest when it focuses on specific business needs
 - ❖ training acts as a support mechanism for other changes in firms.
- There is evidence of under-investment in training in rural industries because many smaller farms are unable to capture the long-term return on the investment in training an employee if they are unable to employ people continuously, or on a full-time basis.

Current and future skill needs

- Both skill gaps and skill shortages were identified in rural industries. Skill gaps imply a need for upskilling within the existing enterprises and workforce, while skill shortages occur when skilled job vacancies are hard to fill at reasonable wages and conditions.
- Specific skill gaps and skill shortages were identified in the four rural industry sectors under analysis, and a number of factors were identified that influence the supply and demand of skills in rural industries. These include differential changes in output and productivity

across industry sectors, variations in employment prospects and farm incomes, an ongoing need for replacement and improvement in the skill base because of the age and gender profile of the workforce, poor technology uptake and a range of education and training needs.

- Training needs relate to on-farm training in language, literacy and numeracy and new farming methods and technologies, training in finance and management, new management skills and office practices and more flexibility in Training Packages. There is a need to implement the available flexibilities in arrangements for New Apprenticeships in the rural industry. There is also a need for cross-sectoral or cross-occupational training and cross-industry vocational training.

Barriers to satisfying skill needs

- A number of industry issues, vocational education and training system issues and skilling and reskilling issues were identified as barriers to meeting skill needs.
- While farmers endorse the benefits of training, opportunities for training are not consistent with farm employment patterns, which in general are not continuous or full-time. There is poor communication about training options to farmers.
- There is a need for training products to be consistent and integrated between the recognized and unrecognized training sectors and for linkages to be developed between the two sectors (i.e. the formal VET sector associated with qualifications and the informal system of training usually involving short courses not linked to VET and qualifications).
- A number of potential planning, participation and pathway-related barriers to satisfying skill needs in the rural industry exist in the VET system. These include:
 - ❖ the need for VET planning to address strategic skill needs
 - ❖ gaps in VET participation that tend to undermine skill solutions
 - ❖ the different training needs of specific rural industries
 - ❖ inadequate pathways to skills and qualifications which are disadvantaging rural industry.
- The industry recognizes the value of recent reforms to the VET system and the issues raised by industry are in the context of achieving a fully integrated and nationally consistent approach.
- The effectiveness of New Apprenticeships is currently being imperilled by differences across States and Territories, in administrative arrangements, employer incentives and interpretation of policies. The system would be greatly enhanced by a consistent approach to flexible training delivery including user choice, assessment procedures and employer incentive regimes across State/Territory jurisdictions. While VET-in-Schools programs have been embraced by industry, enhancements to the system, particularly national consistency, are required to improve their effectiveness.
- There is a need for reskilling and upskilling amongst existing farmers to bridge skill gaps in a number of industry sectors.

Initiatives and solutions

- Targeted and mainstream training programs addressing skill gaps in quality assurance, business planning, succession planning and computing as required for experienced farmers, were recommended.
- Training programs and strategies to upgrade existing rural industry skills to best practice and innovative management should be developed and implemented.
- Training programs and strategies should be developed to address skill shortages and gaps identified in the sectors of study:
 - ❖ shearers/shed hands
 - ❖ skilled stock and farm hands
 - ❖ on-farm delivery of new technologies in wool growing such as laser scanning
 - ❖ flexible training for woolclassers and management training for experienced shearers
 - ❖ orchard, plantation and packing skills in horticulture
 - ❖ middle-level skills (vineyard supervisors and managers) in viticulture
 - ❖ appropriate competencies at Certificate II level and agronomists in cotton growing
- Language, literacy and numeracy training programs, particularly targeting the casual workforce, should be made widely available.
- Innovative enterprise skill models should be developed to meet skill needs.
- Industry and relevant industry organizations should identify and promote links between the rural industry, VET providers and centers of excellence (including universities) to ensure the delivery of increased upskilling opportunities and career pathways to industry, in particular, the provision of opportunities for certificate level viticulturists to upgrade to diploma and degree levels.
- Training infrastructures, and deregulatory measures to extend the usefulness of the migrant and backpacker labour forces as a means of solving seasonal (harvest) labour shortages, should be developed and promoted.

Report Recommendations

Five key actions were identified by the Working Group as a means of addressing the issues impacting on skill needs. These are to:

- ❖ market and promote training to industry
- ❖ attune the VET system to the training needs of rural industry
- ❖ maximize flexibilities in the system to make New Apprenticeships work more effectively for rural industry
- ❖ develop young people for careers in the industry
- ❖ recommend short, medium and long term initiatives and solutions.