

27 September 2005

Ms Carole Gardner  
Migration and Population Study  
Productivity Commission  
LB2 Collins Street East  
MELBOURNE VIC 8003

Dear Ms Gardner

The National Farmers' Federation (NFF) seeks to respond to the Terms of Reference of the Productivity Commission Inquiry into the impact of Migration and Population Growth on Productivity Growth in the Australian Economy.

NFF has very recently released its Labour Shortage Action Plan (Action Plan) that identifies a range of solutions to resolve the impact of labour shortages currently being experienced in the industry and likely to be experienced in the future. The upshot being that there will be a barrier to productivity growth or productivity decline in the future if labour shortages in the agricultural industry are not overcome.

One of the evident requirements to resolve labour shortages in agriculture is the need for more people in regional Australia of both short and long term duration to meet the labour demands of the industry. The ability to attract people needs to occur through greater employment of Australians and migrants. In addition, it is clear that there needs to be infrastructure available in regional Australia to support increases in population including accommodation, transport and childcare. All these matters are addressed in the Action Plan.

As part of the Action Plan, NFF has addressed the need for a greater understanding, implementation and review of existing migration options. A discussion paper on migration is Appendix D to the Action Plan that includes the call for a feasibility study into the introduction of a Guest Worker Visa to supplement Australian labour for the purposes of lesser skilled positions that are currently not covered under skilled Migration Visas. NFF has sought feedback from the Discussion Paper by 31 October 2005 and it is intended to submit the responses to the Paper within the NFF response submission to the Draft Report of this Inquiry due in mid February 2006.

One significant area of evidence that is lacking that could be the subject of particular interest to the Productivity Commission is the need for economic data to show the decline in productivity for industries and the economy as a whole due to the fact that work is not undertaken as a direct result of labour shortages. While NFF has numerous anecdotal stories, such as the blueberry grower that had to leave 6 tonnes of blueberries unpicked last season, there is no quantifiable evidence on an industry basis to determine the lost productivity.

NFF submits this correspondence along with the attached Labour Shortage Action Plan and the Migration Options Discussion Paper to the Productivity Commission as our submission to the Inquiry.

Yours sincerely



**BEN FARGHER**  
**Chief Executive Officer**

*The voice of Australian farmers since 1979*



**National Farmers'  
Federation**

# *Labour Shortage Action Plan*

21 SEPTEMBER 2005

## Objective:

*Identify realistic solutions that can be pursued by the NFF to assist the agriculture industry in resolving labour shortages.*

# CONTENTS

<b>APPENDICES</b> .....	6
<b>GLOSSARY</b> .....	7
<b>INTRODUCTION</b> .....	8
<b>STRUCTURE OF THE ACTION PLAN</b> .....	10
<b>RECOMMENDATIONS</b> .....	12
<b>NATURE OF THE INDUSTRY</b> .....	23
Perceptions of the industry .....	23
Manual Labour .....	25
Skill levels.....	26
Career Path.....	28
Seasonal Influences .....	31
Remoteness.....	35
Environmental.....	37
Competition .....	37
<b>EDUCATION &amp; TRAINING</b> .....	40
Rural Skills Australia .....	40
Agri-Food Industry Skills Council.....	42
Department of Education, Science and Training .....	44
VET Sector .....	47
Tertiary Education .....	49
Access to training .....	51
Recognised Prior Learning (Recognised Current Competency) .....	53
<b>WORKPLACE RELATIONS</b> .....	56
Workplace Relation Regulation.....	56
Contracting & Labour Hire Arrangements .....	58
Human Resource Management Skills.....	60
Wage Rates.....	62
Occupational Health & Safety .....	65
<b>EMPLOYMENT PARTICIPATION</b> .....	67
Job Network.....	67
National Harvest Trail Information Service .....	69
Rural Recruitment Agencies.....	71
Accommodation .....	71

Transport .....	73
Taxation .....	74
<b>POPULATION STRATEGY</b> .....	<b>76</b>
Immigration Policy .....	76
Regional Population .....	78
Indigenous Population .....	79

# **APPENDICES**

Appendix A Independent Contractors' Kit for Farmers (NFF)

Appendix B Rural Skills Australia Recruitment Guide

Appendix C Farming Ahead: Farm Labour Research Report  
(Kondinin Group)

Appendix D Discussion Paper on Migration Options to Resolve  
Labour Shortages in the Agricultural Industry (NFF)

# GLOSSARY

ABS	Australian Bureau of Statistics
AFISC	Agri-Food Industry Skills Council
ANICA	Australian Network of Industry Careers Advisors
ANTA	Australian National Training Authority
AWA	Australian Workplace Agreement
DEST	Department of Education, Science & Training
DEWR	Department of Employment & Workplace Relations
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
ISC	Industry Skills Council
NFF	National Farmers' Federation
NQC	National Quality Council
NQTC	National Quality Training Committee
RCC	Recognition of Current Competency
RPL	Recognised Prior Learning
RSA	Rural Skills Australia
RTCA	Rural Training Council of Australia
VET	Vocational Education and Training

# **INTRODUCTION**

The National Farmers' Federation (NFF) has determined that an action plan needs to be developed to strategically define the NFF's work to combat labour shortages in the agriculture industry.

It is recognised by NFF that there is a national shortage of workers to undertake agricultural employment and this shortage will constrain Australian farmers ability to achieve their productive potential.

Prior to the onset of drought in late 2002, labour shortages were already being felt in the many sectors of the agriculture industry. The impacts of drought and the resultant loss of 100,000 jobs in the industry over an 18-month period from late 2002 to early 2004 is understood to have resulted in many agricultural employees leaving the industry permanently and also leaving regional Australia to work in larger towns or cities.

According to recent ABS statistics, only 30,000 of those jobs lost during the drought have been recovered and the industry across Australia is calling out for workers.

From the limited statistics and stories received by NFF, the shortages are not confined to one area or a particular skill set, rather it is an overarching problem that is exacerbated by the general labour shortages that exist across regional Australia and the entire economy.

In developing the action plan, it is evident that the labour shortage problem is multifaceted and has resulted from a broad range of interlinking factors.

For this reason there is no simple solution. It is clear that a broad national holistic approach is needed with NFF contributing through national policy development, facilitation and coordination.

This action plan does not highlight every possible solution to the problem nor does it go into a significant level of detail. Rather it seeks to provide a framework for identifying

the source of the problem, what actions are required, and where NFF can play a leadership role in pursuing such actions.

In many instances work is already being undertaken at a national, state or local level. But such work is being pursued in a vacuum, with limited consideration of the interrelationship with other activities or barriers to resolve the problem.

Since identifying the problem with labour shortages, some in the industry and sections of government have been more proactive than others in looking towards potential solutions. The action plan, therefore, not only outlines the issues and potential solutions but also identifies a number of case studies of how an integrated and coordinated approach can work to the benefit of farmers.

Agriculture is not the only industry facing this challenge. NFF should work with other industries, particularly those with a regional focus, to work together on these issues rather than competing for labour.

The action plan predominantly contains a very practical, realistic focus in areas that NFF can play a role. There are already a number of more specific programs in place at regional or commodity levels that should be read in conjunction with this overarching action plan.

We seek the ownership of industry with the assistance of governments to focus on implementing the solutions in a coordinated fashion to obliterate the silo affect and the duplication of resources to combat labour shortages in the agriculture industry.

# **STRUCTURE OF THE ACTION PLAN**

The Action Plan is divided up into five (5) broad sections that represent a range of issues that impact on access to labour for the agriculture industry. Those sections and subsections are as follows:

## **1. Nature of the industry**

- 1.1 Perceptions of the industry
- 1.2 Manual Labour
- 1.3 Skill levels
- 1.4 Career Path
- 1.5 Seasonal influences
- 1.6 Remoteness
- 1.7 Environmental
- 1.8 Competition

## **2. Education & Training**

- 2.1 Rural Skills Australia
- 2.2 Agri-Food Industry Skills Council
- 2.3 Department of Education, Science and Training
- 2.4 VET Sector
- 2.5 Tertiary Education
- 2.6 Access to training
- 2.7 Recognised Prior Learning

## **3. Workplace Relations**

- 3.1 Workplace Relation Regulation
- 3.2 Contracting & Labour Hire Arrangements
- 3.3 Human Resource Management Skills
- 3.4 Wage Rates
- 3.5 Occupational Health & Safety

#### **4. Employment Participation**

- 4.1 Job Network
- 4.2 National Harvest Trail Information Service
- 4.3 Rural Recruitment Agencies
- 4.4 Accommodation
- 4.5 Transport
- 4.6 Taxation

#### **5. Population Strategy**

- 5.1 Immigration Policy
- 5.2 Regional Population
- 5.3 Indigenous Population

Each sub-section contains a brief analysis of why there are particular issues relating to labour shortages, what is currently being done to address those issues, what additional work should be undertaken and by whom. Sub-sections also outline what policy, administrative or funding changes may be required. The analysis culminates with a number of recommendations for each sub-section.

The labour shortage problems faced by the agriculture industry will not be resolved if only some of the recommendations are acted upon. There must be a holistic approach if we are to have any impact in resolving labour shortages. As a consequence, while each sub-section of the Action Plan is structured around a particular issue, it is only if all relevant actions are taken that a farmer may begin to have the burden of labour shortages lifted.

# **RECOMMENDATIONS**

## **1. NATURE OF THE INDUSTRY**

### **1.1 Perceptions of the Industry**

1.1.1 That a qualitative and quantitative study be undertaken into the perceptions and aspirations of those working in the agriculture industry and those who may be interested in working in agriculture. The study should also consider the aspirations of the parents of potential agricultural employees and their influence on the decision making process. This recommendation will be subject to the development of a scoping paper to determine the cost/benefit and an appropriate methodology for such research. In addition, that an appropriate level of funding is sourced. It could be determined that the study be a component of the broader Campaign for Australian Agriculture.

1.1.2 Subject to the outcome of the study, NFF consider an appropriate communications campaign to encourage retention and entry into the agriculture industry.

### **1.2 Manual Labour**

1.2.1 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate to the undertaking of manual work.

1.2.2 Following the completion of the study, a review is undertaken of the material provided to students as to whether or not it is consistent with the messages that are required to attract people to work in agriculture highlighting the wide variety of work available in the industry.

### **1.3 Skill Levels**

1.3.1 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate to skill levels required in agriculture.

- 1.3.2 Following the completion of the study, a review is undertaken of the material provided to students as to whether or not it is consistent with the messages that are required to attract people with the necessary skills or a capacity to learn to work in agriculture highlighting the wide variety of work available in the industry.
- 1.3.3 Initiate discussions with the Federal Department of Education, Science and Training and Department of Employment and Workplace Relations on skill issues to determine what could be undertaken to reduce the negative connotations and whether agricultural jobs are correctly classified within the skill classification levels.
- 1.3.4 NFF facilitate a comprehensive study of the skills required by the industry in the next 25 years to determine the level of skills required and quantify and specify what job opportunities will be available, building on the Skills Audit recently completed by the Agri-Food Industry Skills Council.

#### **1.4 Career Path**

- 1.4.1 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate to career advancement.
- 1.4.2 Following the completion of the study, a review is undertaken of the material provided to students as to whether or not it is consistent with the messages that are required to attract people to work in agriculture highlighting the career paths available in the industry.
- 1.4.3 That NFF continue to pursue additional research into the impediments to the adoption of alternate ownership structures in Australian agriculture in order to provide more realistic opportunities for individuals with an interest in agriculture to get more involved and to take on a more active role in the industry.

#### **1.5 Seasonal Influences**

- 1.5.1 That the marketing of seasonal work is more effectively targeted to the type of worker sought by farmers rather than a generic approach.

- 1.5.2 Facilitate the development of a cost benefit analysis and appropriate guidance material that can be used as a tool for farmers, to determine whether the use of a third party is of benefit in the recruitment and/or employment of seasonal workers. Such an approach should support farmers to make a holistic assessment as opposed to simply a monetary cost benefit analysis.
- 1.5.3 A stocktake be undertaken as to the various activities of industry and government to attract seasonal labour and in particular, whether or not the more successful employers are implementing specific targeted strategies and if so, what can be learnt from such approaches? The stocktake should include a review as to whether or not the recommendations of the Harvesting Australia Report have been implemented, and if so to what level and have they been successful?
- 1.5.4 As a consequence of the stocktake, information be provided to assist in the development of marketing guidelines to attract seasonal labour. This could be incorporated as a second stage of the recruitment guidelines material developed by Rural Skills Australia, and encompass additional successful case studies.

## **1.6 Remoteness**

- 1.6.1 NFF facilitate the development of fact sheets to highlight to farmers innovative ways of how agriculture and other regionally based business has minimised the remoteness factor for employees.
- 1.6.2 State Farming Organisations increase liaison with State and Local Governments as to how remoteness factors can be overcome.

## **1.7 Environmental**

- 1.7.1 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate to the natural environment aspect of working in agriculture.

1.7.2 Following the completion of the study, a review is undertaken of the material provided to prospective employees as to whether or not it is consistent with the messages that are required to attract people to work in agriculture.

## **1.8 Competition**

1.8.1 A brief review is conducted to consider the strategies implemented by other industries to combat the labour shortage problem and whether there are any lessons to be learnt for the agriculture industry.

1.8.2 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate agriculture in comparison to other regionally based industries of interest including mining.

1.8.3 That case studies are conducted to develop fact sheets to highlight to farmers innovative ways of how agriculture and other regionally based business have worked to face competition and actually use it to their advantage.

## **2. EDUCATION AND TRAINING**

### **2.1 Ruralskills Australia**

2.1.1 NFF include education and vocational training as a component of its strategic plan. As a consequence, relevant resources should be allocated to education and training policy where it can assist in combating labour shortage problems.

2.1.2 NFF, in conjunction with RSA, seek commitment from the Federal Government to secure funding for RSA (eg through a 3-year contract) to ensure security and provide the capacity for long-term planning which will assist vocational education and training uptake in the agricultural sector.

2.1.3 NFF to clarify, in conjunction with RSA, other funding opportunities available for RSA through DEST or other sources.

2.1.4 NFF and RSA, to clearly define the link between the two organisations.

2.1.5 Review the effectiveness of the RSA communications strategy with NFF member organisations so that NFF member networks are being optimally utilised in the

delivery of vocational education and training advice and guidance to individual farmers.

## **2.2 Agri-Food Industry Skills Council**

- 2.2.1 NFF, in discussion with Agri-Food Industry Skills Council (AFISC), to clearly define the link between the two organisations.
- 2.2.2 Assist AFISC to seek increased funding from the Federal Government for AFISC in relation to maintaining the networks of each of the Industry Standing Committees to AFISC to ensure that effective communication occurs between the relevant industry sector and AFISC.
- 2.2.3 Encourage AFISC to ensure that competencies are consistent with agricultural industry needs and to continue to identify gaps in the market to promote new opportunities to encourage training for work in the agricultural industry.

## **2.3 Department of Education, Science and Training**

- 2.3.1 A greater focus by the industry on education and training that suits the demands of the agriculture industry and that Government reciprocate by ensuring policy acknowledges specific agriculture issues.
- 2.3.2 NFF consider appropriate representation on both the National Industry Skills Council and the National Quality Council to ensure that the specific training needs of the agricultural industry are taken into account at the highest level.
- 2.3.3 NFF, in conjunction with Rural Skills Australia, work with DEST to ensure that funding arrangements for Rural Skills Australia both now and in the future meet the needs of the industry at a practical level.

## **2.4 VET Sector**

- 2.4.1 The flexible and consistent objectives of the New Apprenticeship approach continue as opposed to preference being given to traditional trades.

- 2.4.2 Ensure that the agriculture industry, at a national policy level, increase its involvement to ensure that the priorities for the agriculture industry are being met by the Federal Government.
- 2.4.3 Encourage Government to undertake promotion to raise the profile of VET as a career path.
- 2.4.4 A review is undertaken of any industry and government/industry initiatives that have enabled an increase in the number of people training in agriculture certificates or where marketing of agriculture certificates has increased the uptake in the number of participants. Further, that findings of the review develop a fact sheet to assist industry at a policy and implementation level.

## **2.5 Tertiary Education**

- 2.5.1 NFF recognise that the development and promotion of agriculture tertiary education is an important component of the resolution of labour shortages and as such form closer relationships with the tertiary education sector and entities relating to that sector such as professional bodies.
- 2.5.2 NFF facilitate avenues to ensure that specialist agriculture career advice is provided through schools and forums such as career expos.
- 2.5.3 The national policy issues relating to tertiary education including HECS places and university funding allocations for agriculture courses are pursued when appropriate.

## **2.6 Access to Training**

- 2.6.1 NFF assist relevant bodies in promoting training with the objective of changing the farm culture to place a higher value on training with a focus on productivity growth objectives.
- 2.6.2 NFF assist relevant bodies to ensure that promotion of training includes a strong emphasis on flexible delivery of training and seek policy outcomes that may minimise the costs associated with delivering the training.

2.6.3 NFF seek greater support from the Federal Government in relation to the FarmBis program including on-farm assessments, better alignment of the program with labour shortage challenges and ensure support for farm workers.

## **2.7 Recognised Prior Learning**

2.7.1 NFF assist relevant bodies in promoting training with the objective to change the farm culture to place a higher value on training with a focus on productivity growth objectives.

2.7.2 Facilitate work to minimise the costs and associated time for farmers in coordinating RPL assessors to undertake assessments of farm workers.

## **3. WORKPLACE RELATIONS**

### **3.1 Workplace Relations Regulation**

3.1.1 NFF support deregulation to the Australian workplace relations system, in part, as a way to assist in the resolution of labour shortages.

3.1.2 NFF ensure that any education campaign to inform farmers of the impacts of Workplace Relations reform takes into account some of the systems that could be introduced to assist with labour shortages.

### **3.2 Contracting and Labour Hire Arrangements**

3.2.1 NFF facilitate the provision of information to farmers about the negatives and positives of utilising a contractor or a labour hire agency.

3.2.2 NFF continue to support the introduction of an Independent Contractors Bill to resolve the uncertainty relating to the status of contracting in Australia.

3.2.3 The NFF independent contractors kit is reviewed after the introduction of the Independent Contractors Act to ensure consistency with the legislation, additional work be undertaken to the template agreements and that the Kit is then promoted to farmers.

3.2.4 NFF increase its liaison with contracting entities such as Independent Contractors Australia.

### **3.3 Human Resource Management Skills**

3.3.1 In general terms, there is a priority need for Human Resource Management Systems to be more effectively adopted on Australian farms.

3.3.2 As a priority, NFF should review existing programs to develop a plan that encompasses assistance particularly from member organisations and Research and Development Corporations to provide a range of mechanisms to assist farmers to be aware of human resource issues and becoming more proficient in implementing human resource management systems.

### **3.4 Wage Rates**

3.4.1 NFF investigate the options of undertaking a widespread survey to ascertain the actual pay rates for all occupation levels in agriculture on an Australia wide and State and Territory basis.

3.4.2 That the information gained from the survey in 3.4.1 be considered as a tool to assist in promoting the agriculture industry.

3.4.3 Ensure that farmers are being advised of the “packaging” options available in determining how to set wages and conditions for employees.

3.4.4 NFF continue to pursue a policy of maintaining minimum rates but encourage employers to consider the merits of over award wages or establish agreements whereby each individual employee is paid at a rate that compensates them for their respective contributions to a businesses productivity.

### **3.5 Occupational Health and Safety**

3.5.1 As a matter of priority, the industry seeks sufficient funding, including government funding, for the development and implementation of a campaign with the objective to saturate the agriculture industry to such an extent that it creates substantial behavioural change by farmers to adopt farm safe practices.

## **4. EMPLOYMENT PARTICIPATION**

### **4.1 Job Network**

4.1.1 NFF engage with the Federal Government in relation to welfare to employment participation policy and programs.

4.1.2 Consideration is given by the Job Network Agencies in conjunction with the Department of Employment and Workplace Relations and NFF as to how to break down perceptions held by both the unemployed and farmers about working in agriculture.

### **4.2 National Harvest Trail Information Service**

4.2.1 NFF to liaise with the National Harvest Trail Information Service to ascertain requirements of the Service with the aim to increase the usage of the service by both employers and job seekers.

4.2.2 Increase the promotion of the service to farmers throughout Australia.

### **4.3 Rural Recruitment Agencies**

4.3.1 Information is provided to farmers regarding the negatives and positives of utilising a recruitment agency.

### **4.4 Accommodation**

4.4.1 The agriculture industry work with local government and the tourism industry to address accommodation shortfalls.

4.4.2 NFF facilitate the development of a fact sheet that could identify case studies of successful local stories of resolving accommodation problems whether commercial or on-site.

4.4.3 That NFF and State Member organisations approach Governments to remove any onerous requirements that would unreasonably limit the provision of commercial and on site accommodation to alleviate accommodation shortages.

## **4.5 Transport**

- 4.5.1 The agriculture industry work with local government and other local businesses to address transportation shortfalls.
- 4.5.2 NFF facilitate the development of a fact sheet that could identify case studies of successful local stories of resolving transport problems.

## **4.6 Taxation**

- 4.6.1 NFF seek, as a priority, that the Federal Government review the tax levels and eligible tax deductions of all seasonal workers particularly to create equality of the tax rate for all seasonal workers as opposed to maintaining a differential rate.

## **5. POPULATION STRATEGY**

### **5.1 Immigration Policy**

- 5.1.1 NFF supports the ability of farmers to use migration as an option to assist in the alleviation of labour shortages.
- 5.1.2 NFF, including member organisations, promote existing migration solutions to farmers to maximise their usage to resolve some labour shortages.
- 5.1.3 NFF distribute a discussion paper to ascertain feedback from farmers as to the usage of existing migration options, identify positive and negative attributes of existing visa classes, and seek feedback as to the potential for a guest worker visa.
- 5.1.4 That discussions commence with the Federal Government as to a review of existing migration options and the consideration of a guest worker visa in relation to the labour shortages being experienced in the agriculture industry, once feedback has been provided from farmers.

### **5.2 Regional Population**

- 5.2.1 NFF file a submission to the Productivity Commission Inquiry into Economic Impacts of Migration and Population Growth highlighting the particular issues for the agriculture industry in terms of migration and population growth.

### **5.3 Indigenous Population**

- 5.3.1 That NFF, in conjunction with relevant member organisations, work with Federal and relevant State and Territory Governments on the development of specific programs targeted at increasing the employment of indigenous people in the agriculture industry with a particular emphasis on remote pastoral properties.

# NATURE OF THE INDUSTRY

## Perceptions of the industry

### What do we know?

It is the understanding of the NFF that there is no data available that would provide specific information as to the perceptions of the agriculture industry by the labour market or potential future workers. Therefore, our knowledge of the agricultural workforce and the opportunity to attract more people to the industry is extraordinarily limited which requires us to rely on anecdotal evidence and generic data.

What we do know is that farmers are advising that labour is scarce due to a range of factors, one being the perception of the industry.

Perceptions of the industry in a generic sense are reflected in a study undertaken by the NFF in 2003. The key findings of that report are as follows:

- ✦ That rural and country Australia is perceived to be the backbone of Australia; and
- ✦ Farmers are confronted with a host of barriers and obstacles such as unreliable climate conditions, drought, isolation, low produce returns, younger generation leaving the land, and withdrawal of services.

Given the findings of the qualitative study, it is apparent that while the idealism of rural Australia remains there are inherent factors affecting the industry that undoubtedly deter people from even contemplating a career in the agriculture industry.

The generic study results are reflected in the anecdotal evidence as to the perceptions of the industry.

Conversely, there is also evidence that highlights the positive perceptions that exist in relation to agricultural jobs. Evidence includes a significant uptake in the number of people undertaking vocational training in the agriculture industry.

## Way forward

It is clear that the industry requires a better understanding of the thoughts, perceptions and aspirations of those currently working in the agriculture industry and those who may be interested in working in agriculture, both short and long term.

Information would then enable the industry to more effectively market itself as an industry of choice and, where necessary, instigate change.

A study may also assist in respect to policy development. While the industry may already recognise some of the policy roadblocks that could be affecting the labour shortages, a study of the perceptions of the industry can certainly reinforce or redefine the policy priorities.

The following recommendations are proposed:

- 1.1.1 That a qualitative and quantitative study be undertaken into the perceptions and aspirations of those working in the agriculture industry and those who may be interested in working in agriculture. The study should also consider the aspirations of the parents of potential agricultural employees and their influence on the decision making process. This recommendation will be subject to the development of a scoping paper to determine the cost/benefit and an appropriate methodology for such research. In addition, that an appropriate level of funding is sourced. It could be determined that the study be a component of the broader Campaign for Australian Agriculture.
- 1.1.2 Subject to the outcome of the study, NFF consider an appropriate communications campaign to encourage retention and entry into the agriculture industry.

# Manual Labour

## Do all jobs in agriculture require manual labour?

A perennial concern raised over working in the agriculture industry is that it requires manual labour. This concern infers that it is physically too hard in comparison to jobs in other industries and does not require much skill.

This perception is incorrect. It over generalises the true situation and fails to take into account the significant uptake of technology, science and mechanisation that has occurred in agriculture, and the impact that this trend has had on the nature of agricultural jobs (*further information about the myriad of jobs is available through "Ontrack", published by Rural Skills Australia*).

There is no doubt that there is still a range of jobs required in the agriculture industry that include skilled, hands-on employment but undertaking manual labour should not in any way been considered demeaning or too hard. The benefits of manual labour should also not be overlooked particularly in relation to health and fitness of an individual.

## Way forward

Any person interested in work in agriculture has to be cognisant that some agriculture positions may require manual labour that can be demanding and hard work. Therefore, the industry has to attract those who are interested in undertaking such tasks, if skilled, hands-on employment is required. However, at the same time, additional thought must be given as to what types of information is being provided to students, or prospective agricultural employees, on the nature of different agricultural roles and both the physical and academic requirements for certain careers.

The following recommendations are proposed:

- 1.2.1 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate to the undertaking of manual work.

1.2.2 Following the completion of the study, a review is undertaken of the material provided to students as to whether or not it is consistent with the messages that are required to attract people to work in agriculture highlighting the wide variety of work available in the industry.

## Skill levels

### What skills are required to work in agriculture?

The agriculture industry is no different to any other industry, that is, it requires a range of skills to complete the wide variety of tasks that occur on Australian farms.

It is evident that in more recent times, that higher levels of skills are required for the agriculture industry due to technological and scientific development coupled with the high level of quality of product required to meet market demands.

The term "skill" can be considered in either a broad or specific sense.

In the broad sense, skills to work in the agriculture industry have in the main for entry level and skilled hands-on employment, occurred through the experience learnt on the job. Therefore, the capacity to work in agriculture has predominantly relied upon an individual's experience in the industry or the capacity to undertake specific tasks that may have been learnt from other experiences.

With the advent of recognising trained skills through the introduction of competency standards and new apprenticeships, the term "skills" has more recently taken on a specific or narrow meaning, that is, have you undertaken the training to gain a skill or have you been formally recognised as competent?

There are two negative implications of the narrow approach.

First, jobs that do not necessarily need a certificate of training have been generally deemed to be unskilled jobs. Such connotations do not reflect the practical "skill" required to undertake such a task and the implications of not being skilled to complete the task successfully. A good example is fruit picking, there is a skill to picking fruit

correctly yet it is considered as an unskilled job. A term used in the industry to reflect this type of skill is “farm skilled”.

Secondly, the narrow approach implies that any job that does not necessarily require a certificate is a “dead end” job. This again is incorrect as such work can attract reasonable wages and provides an opportunity for those to get a “foot in the door” to employment.

NFF supports the pursuit of training and attainment of qualifications to assist in productivity gains at the workplace and to enable Australians to find employment. In an industry requiring greater skills at tertiary and vocational levels we support that process, however, there has been a lack of appreciation of the implications for those industries seeking to attract labour to undertake jobs that do not necessarily require formal training.

## Way forward

It is critical that potential agricultural employees understand the range of skill levels required for the agriculture industry and the greater skill levels will be required in the future given technological and scientific advancements.

In addition, it is also important to recognise the industry will always have a wide variety of tasks that require “farm skill” but are not necessarily acknowledged as such within the vocational education and training environment. These skills should not be underestimated, as they are the backbone of requirements in the agriculture industry to ensure product gets beyond the farm gate. These skills may not necessarily require formal training and/or workers may not be interested in obtaining formal training in relation to these skills but they should not be considered or given the term “unskilled” as this otherwise detracts interest in such work.

The following recommendations are proposed:

- 1.3.1 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate to skill levels required in agriculture.

- 1.3.2 Following the completion of the study, a review is undertaken of the material provided to students as to whether or not it is consistent with the messages that are required to attract people with the necessary skills for a capacity to learn to work in agriculture highlighting the wide variety of work available in the industry.
- 1.3.3 Initiate discussions with the Federal Department of Education, Science and Training and Department of Employment and Workplace Relations on skill issues to determine what could be undertaken to reduce the negative connotations and whether agricultural jobs are correctly classified within the skill classification levels.
- 1.3.4 NFF facilitate a comprehensive study of the skills required by the industry in the next 25 years to determine the level of skills required and quantify and specify what job opportunities will be available, building on the Skills Audit recently completed by the Agri-Food Industry Skills Council.

## Career Path

The term “Agriculture Career” is not a misnomer

There remains a common misconception that the agriculture industry offers plenty of job opportunities, but with the exception of farm ownership, limited opportunities for a career. This misconception is borne from a narrow view of what opportunities exists in agriculture, and fails to recognise that career opportunities with the agricultural supply chain extend far beyond the farm gate.

The high capital costs involved in purchasing a farm are also seen as a major impediment to career progression for an individual with an interest in primary production. As Australian farming continues to consolidate more opportunities are opening up for farm managers and permanent employees on major enterprises. While the role of a farm manager provides the security of a salary, irrespective of seasonal or income variability, in many cases a farm manager’s role is to implement the decisions of an owner, rather than to make the management decisions in their own right. This lack of autonomy and lack of control over the broader direction of a farming enterprise

can prove frustrating, and can make it difficult for a manager to identify a career path in growing with the businesses and enhancing success.

While the high price of property and farming equipment is likely to be prohibitive for a farm manager, without external financial backing, to purchase a viable farming enterprise, there are growing opportunities for individuals with experience in primary production to enter share farming, contracting or leasing arrangements and to '*have a go*' in their own right. These alternate ownership arrangements can provide a realistic stepping-stone, or a path, for an agricultural employee to move from employment into ownership or a greater stake in the management of an enterprise.

The impacts of drought are also seen as threat to long-term employment within the industry. All industries are hit by downturns that could result in a short-term impact on a career. It's a risk that all participants in employment face, but it should not necessarily detrimentally impact on career advancement. Therefore, impacts such as drought should not necessarily be considered as a long-term overriding detriment to a career in agriculture.

Likewise, commencing employment in agriculture and undertaking a manual or low skilled job does not necessarily mean that an employee has to continue with that job for the remainder of their lives. There are opportunities for advancement whether through experience and/or formal training within the sector if a person is so inclined. The experience of undertaking such tasks provides employees a very good grounding of skills that should be seen as a benefit towards advancement.

Farmers themselves also have to recognise the changing aspirations of the workforce.

No longer are people content to stay in the same job or with the same employer for a lengthy indefinite period of time particularly if motivating factors to remain with an individual employer are not present.

Analysis of each individual's aspirations has to be considered by a farmer to ensure they can retain them for a period of time that achieves a productive outcome for both the employer and the employee.

## Way forward

Identification and communication of the career paths open in agriculture will be an important component in any strategy seeking greater uptake of employment in the agriculture industry. This reinforces the changing aspirations of the workforce.

The promotion of new or changing opportunities in agriculture should be communicated and should seek to change the current narrow perception of farm employment to a perception of opportunities throughout the Australian agricultural value chain both in Australia and internationally.

If the perception of agriculture as providing a career path is to improve then part of that process requires the employer themselves to consider their own Human Resource Management structures. This will be critical to the success of the growth in the size of farms as there becomes an increasing reliance on employees as opposed to family involvement in the running of the farm business. Human Resource Management skills is addressed in section 3 of this Plan.

The implementation of more professional approaches to employment that identifies career advancement may well be a significant motivating factor for the employee.

Serious consideration also needs to be given as to the role alternative farm ownership structures can assist in providing realistic opportunities for farm employees and other individuals with an interest in farming to take on a greater controlling stake in a primary production enterprise. Work is underway in some sections of the industry in this area, such as the dairy industry, that should be considered as a potential model.

The following recommendations are proposed:

- 1.4.1 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate to career advancement.
- 1.4.2 Following the completion of the study, a review is undertaken of the material provided to students as to whether or not it is consistent with the messages that

are required to attract people to work in agriculture highlighting the career paths available in the industry.

- 1.4.3 That NFF continue to pursue additional research into the impediments to the adoption of alternate ownership structures in Australian agriculture in order to provide more realistic opportunities for individuals with an interest in agriculture to get more involved and to take on a more active role in the industry.

## Seasonal Influences

### Seasonal Demands will require additional labour at peak times

The very nature of agriculture will always result in increased labour demands for seasonal work. As a consequence, farmers need additional labour for short periods of time. These conditions do not necessarily equate to ongoing, secure employment.

It is in the area of seasonal work that Australian farmers are facing the greatest labour shortages, and these pressures are likely to remain for the foreseeable future.

The need for seasonal labour and its consequences on employment does not sit easily with either the aspirations of many Australians nor is it consistent with Government policy as to what is an appropriate job for the purposes of the attainment of employment. In both circumstances these perceptions have a detrimental impact on accessing sufficient labour to meet the seasonal demands in the agriculture industry.

The policy impact in terms of the attainment of employment for those unemployed persons will be reviewed in section 4 of this paper. The focus in this section is to recognise that there are seasonal influences on employment in agriculture that cannot be ignored and therefore, how do we “market” seasonal work. Solutions to attract seasonal labour have to encourage those who may be only interested in short-term work or coordinate an approach that ensures people interested in working in agriculture full time could have the capacity for ongoing work with a number of employers throughout the year.

Unfortunately there are additional factors that compound the difficulties farmers face in attracting seasonal labour. Issues such as the accessibility and affordability of transport both to and from work and in and out of a growing region, the availability of comfortable and appropriate accommodation, and working conditions, can all influence the attractiveness of a seasonal employment opportunity. These issues will also be reviewed and considered in later sections but their impact on the difficulty to access people for seasonal work cannot be seen in isolation from one another.

## Way forward

Seasonal influences and their impact on labour demands in agriculture will always be a significant problem. It is clear that seasonal labour shortages are a consequence of both the failure of employers to effectively link up with and attract prospective employees, as well as the absence of prospective employees all together. It is, therefore, necessary to address the problem on both fronts.

There are a range of potential solutions in terms of policy setting, industry development and promotion in regional Australia. Some of these solutions will be considered throughout this document but a general overview would suggest that seasonal influences and their interaction with labour needs must taken into account when considering who it is that we are trying to attract into seasonal work. To some degree this question will be dependent upon the type of work that is to be undertaken but the 5 key groups are as follows:

1. Regionally based individuals willing to work with an employer on an ad hoc basis
2. Young Backpackers either Australian or international
3. Retirees, the "grey nomads"
4. Contractors/Labour Hire Agencies
5. Unemployed

Each of these groups will have different considerations and influences as to how they will be attracted to the work. These "motivational" factors cannot be seen from a generic view, instead each group should be considered as a different market and strategies implemented accordingly.

As a consequence, we need to determine whether the current marketing and implementation practices undertaken by the industry in seeking to attract seasonal labour do in fact take into account the variation between the different groups. Are there case studies that can be used to highlight the most appropriate course of action to take depending upon the type of work required, what type of worker are they interested in attracting, where they are located and whether or not there are special needs of the identified workers that need to be met by the farmer? Further, the interaction between Government assistance in this area and industry could also be reviewed as to whether or not current practice is in fact successful.

It is recognised that a review was undertaken for the horticultural industry by the National Harvest Trail Working Group which culminated in the "Harvesting Australia" Report published in June 2000. It is understood that some of the recommendations contained in that Report have been implemented, others have not. It would seem appropriate given the call for labour has increased as opposed to decreased since the publication of that Report, that a review of the implementation or failure to implement the recommendations should be considered as part of any review of practices to attract seasonal labour.

In addition, a recruitment guideline document, CD and website was developed by Rural Skills Australia with financial assistance from various agencies of the Federal Government. The material contained in the document was predominantly focused on the employment law side of recruitment rather than the marketing strategies to attract and retain workers particularly for seasonal work. Given the material already exists it may be appropriate to further develop the material with a greater focus on how to attract and retain workers.

There is no doubt that the growth of labour hire agencies and contractors for the supply of labour has, to some degree, assisted farmers in accessing seasonal labour. The issues relating to labour hire and contracting will be addressed in section 3.2 of this Action Plan. Further, outsourcing of the recruitment process to agencies with the Job Network or private recruitment agencies will be addressed in section 4 of this Action Plan.

In an overall sense the farmer has to consider the usage of third parties as a way to potentially alleviate some of the difficulties associated with attracting labour but there are both pros and cons associated with utilising third parties to coordinate seasonal labour that need to be taken into account in determining the most appropriate course of action. Ultimately the general question remains the same – is the marketing approach of either the farmer or the third party effective in attracting labour and more importantly are the working conditions amenable and can a person be attracted to undertake the job at a price commensurate to the level of the task required to be completed.

It has been suggested that the introduction of a guest worker visa to enable international workers to come into Australia, may assist in meeting the current labour shortages that exist in relation to seasonal harvesting work in agriculture. The consideration of this suggestion is undertaken in section 5.1 of this Action Plan.

The following recommendations are proposed:

- 1.5.1 That the marketing of seasonal work is more effectively targeted to the type of worker sought by farmers rather than a generic approach.
- 1.5.2 Facilitate the development of a cost benefit analysis and appropriate guidance material that can be used as a tool for farmers, to determine whether the use of a third party is of benefit in the recruitment and/or employment of seasonal workers. Such an approach should support farmers to make a holistic assessment, as opposed to simply a monetary cost benefit analysis.
- 1.5.3 A stocktake be undertaken as to the various activities of industry and government to attract seasonal labour and in particular, whether or not the more successful employers are implementing specific targeted strategies and if so, what can be learnt from such approaches? The stocktake should include a review as to whether or not the recommendations of the Harvesting Australia Report have been implemented, and if so to what level and have they been successful?

1.5.4 As a consequence of the stocktake, information be provided to assist in the development of marketing guidelines to attract seasonal labour. This could be incorporated as a second stage of the recruitment guidelines material developed by Rural Skills Australia, and encompass additional successful case studies.

## Remoteness

### Remoteness is a state of mind

By definition, agriculture work means the requirement to work beyond the capital city limits, but does not necessarily mean that all agriculture work takes people beyond the reaches of towns or cities, nor should there necessarily be negative implications of working in country Australia. Remoteness is a state of mind and its impact on an individual will be dependent upon their individual circumstances and what they are seeking out of employment and living in country Australia.

The level of remoteness from a capital city will impact on employment primarily in terms as to what type of services are sought by the employee, the type of social interaction they seek, their transport capabilities and the conditions of employment that may affect the ability to travel beyond the farm gate.

For example, most seasonal workers may not necessarily be concerned with lack of general services or limited social interaction given the short period of time they may be located in a specific area of regional Australia but will be interested in access to accommodation and transport.

In contrast, the location of the farm and its distance from the nearest town and the nearest city may represent a more significant concern for a potential permanent employee.

Regardless of the type of work available, the locality of the farm will always be one of the determinants as to the level of interest by potential employees. Nevertheless, the impact of remoteness can be minimised through assistance that may be provided by the farmers or all levels of government.

## Way forward

Agricultural jobs cannot be moved into a city location. This situation obviously differs from many other businesses that have the capacity to move given the incentives that could be provided by local or State governments. It is, therefore, in the interests of not only farmers but Governments at all levels to ensure that farmers remain viable and sustainable for the economic future of the region given the dependency of regional areas on the success of agricultural businesses.

Remoteness will always be a factor but can be minimised through various incentives whether that be from a human resource management position in terms of rostering or travel entitlements through to community initiatives such as a free bus run from the town to local farms.

It is also important that Governments acknowledge the role that broader regional development and infrastructure investments can play in increasing the attractiveness of a region, and in helping to overcome labour shortages. Factors such as the availability and quality of education, child care and health facilities, the quality of roads and telecommunications infrastructure and availability of transport services can have a profound effect on the decision of a prospective employee whether or not to move into a region. This is a particular issue for families.

The following recommendation is proposed:

- 1.6.1 NFF facilitate the development of fact sheets to highlight to farmers innovative ways of how agriculture and other regionally based business has minimised the remoteness factor for employees.
- 1.6.2 State Farming Organisations increase liaison with State and Local Governments as to how remoteness factors can be overcome.

# Environmental

## Working outdoors is like a breath of fresh air

The very nature of agriculture work dictates that the work will predominantly occur in the outdoors and may include traversing across varying geographical terrains. From a sustainable management point of view, agriculture work requires an understanding of the environment within which you work. In that regard, it requires appreciation of natural resource management and consideration of farm safety as it relates to environmental factors (sun protection, vehicle usage in undulating terrain), and working in all types of weather.

## Way forward

The perception of agriculture in working outdoors and experiencing the natural environment is probably one of the positive attributes of agriculture employment that should be considered as a strong selling point.

The following recommendations are proposed:

- 1.7.1 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate to the natural environment aspect of working in agriculture.
- 1.7.2 Following the completion of the study, a review is undertaken of the material provided to prospective employees as to whether or not it is consistent with the messages that are required to attract people to work in agriculture.

# Competition

## Competition is fierce

The agriculture industry cannot deny that it faces stiff competition from other regionally and metropolitan based businesses to attract workers. With unemployment at

historically low levels, it is a reality that all industries are competing with each other to attract employees.

The mining industry is one of agriculture's fiercest competitors. Why? Because the mining industry has already recognised the difficulties it faces in attracting labour and has undertaken campaigns and strategies to combat the problem. Those strategies including improving the perception of the industry, initiatives to enhance the social and lifestyle experience for employees, creating greater career advancement and improving their safety record.

## Way forward

One of the toughest issues for farmers to face in terms of perceptions is comparison to other industries as it competes in the labour market.

Farmers may not be able to compete against the likes of the mining industry in terms of dollars but they can compete in terms of lifestyle, the type of work on offer and the natural environment within which the work takes place. But more than that, farmers have to be employers of choice rather than employers of last resort in terms of implementing human resource management and to ensure facilities are up to a good standard.

In some instances it may not be in the best interests for regional businesses to compete with one another but instead work together to attract people to their region.

The following recommendations are proposed:

- 1.8.1 A brief review is conducted to consider the strategies implemented by other industries to combat the labour shortage problem and whether there are any lessons to be learnt for the agriculture industry.
- 1.8.2 That the perceptions and aspirations study as recommended in 1.1.1 include a specific review of perceptions and aspirations as they relate agriculture in comparison to other regionally based industries of interest including mining.

1.8.3 That case studies are conducted to develop fact sheets to highlight to farmers innovative ways of how agriculture and other regionally based business have worked to face competition and actually use it to their advantage.

# **EDUCATION & TRAINING**

## Rural Skills Australia

### Background

NFF has a close working relationship with Rural Skills Australia (RSA) including membership on the RSA Board.

The primary function of RSA is to support and extend the understanding of the NFF membership on vocational education and training issues and training system reforms, and to increase the members involvement with the Federal Government's education and training reforms, training packages and New Apprenticeship pathways.

Funding of RSA is predominantly from Federal Government programs, through the Federal Department of Education, Science and Training (DEST). RSA is currently undertaking major contracts, particularly the provision of Education and Training Advisers (the ETA network) and the "School to Industry Project" originally established under a Memorandum of Understanding between the NFF and the former Australian Student Traineeship Foundation, currently managed by DEST.

Lack of security has been an issue for RSA given that funding has generally been granted on a yearly basis (sometimes for periods less than a year), which has created instability, impacted on the retention of quality staff, and has limited long term planning.

The relationship between NFF and RSA has been very beneficial and can be built upon to make greater achievements. NFF believes that a stronger relationship between it and RSA can be utilised to improve NFF's involvement in vocational education and training matters.

NFF determined in 2002 to exclude education and training in the NFF strategic plan. The basis of this decision being, education and training matters were already overseen by RSA and NFF had limited resources.

Now given a greater focus on education and training and in particular its role in alleviating labour shortages, it is appropriate that NFF include education and training within its strategic plan.

The implications of NFF's absence from the education and training policy agenda have now been heightened through the emergence of labour shortages. The recent decisions of the Federal, State and Territory Governments to identify education and training as a priority area, mean the demand for clear consolidated input from rural industries, through NFF and its state members is now greater than ever. NFF must ensure that the needs of agriculture are not dismissed or put in the too hard basket particularly with declining access to training in regional Australia.

## Way Forward

NFF needs to strengthen an already positive relationship with RSA and also determine the resources required to engage in the education and training policy debate at an appropriate level. NFF also needs to assist RSA in establishing greater security over its funding.

The following recommendations are proposed:

- 2.1.1 NFF include education and vocational training as a component of its strategic plan. As a consequence, relevant resources should be allocated to education and training policy where it can assist in combating labour shortage problems.
- 2.1.2 NFF in conjunction with RSA, seek a commitment from the Federal Government to secure funding for RSA (eg through a 3-year contract) to ensure security and provide the capacity for long-term planning which will assist vocational education and training uptake in the agriculture sector.
- 2.1.3 NFF to clarify, in conjunction with RSA, other funding opportunities available for RSA through DEST and other sources.
- 2.1.4 NFF and RSA, to clearly define the link between the two organisations.

2.1.5 Review the effectiveness of the RSA communications strategy with NFF member organisations so that NFF member networks are being optimally utilised in the delivery of vocational education and training advice and guidance to individual farmers.

## Agri-Food Industry Skills Council

### Background

Agri-Food Industry Skills Council (AFISC) is a new entity, which incorporates the work previously undertaken by the Rural Training Industry Council (RTCA).

The AFISC is one of the Federal Government's ten Industry Skills Councils (ISC), tasked with developing, maintaining and consolidating training packages across the range of Australian industries. Industry Skills Councils also play an important role in coordinating industry input into the development and review of training packages and in providing support to Registered Training Organisations, delivering against relevant competency packages.

Over the last 12 months, individual ISC's have been tasked with the development of Industry Skills Reports, however the recent review of future directions for VET has recommended that in the future, this role be taken on by DEST working in conjunction with other agencies and industry organisations such as NFF. This work will be affected by the new National Industry Careers Specialists (NICS) network to be implemented in late 2005.

NFF is not directly named as a representative to AFISC but rather the agriculture representatives are selected from the Rural Standing Committee (the former RTCA) of AFISC. NFF currently has an indirect link to the AFISC Board through 2 rural committee representatives.

While the Rural Standing Committee of the AFISC provides a conduit for industry input from both NFF members and the broader rural sector (animal health, amenity horticulture, land management etc), it is critical that NFF has a direct link into the AFISC

to ensure that current and future training packages are relevant to the changing training needs of NFF members and individual farmers and to ensure appropriate resources are devoted to the development of necessary competencies and materials to assist in the deliver of agricultural courses.

A concern has arisen from the outset of the establishment of the AFISC that the organisation does not only represent agriculture interests but also the interests of another 4 industry sectors being, meat industry, food manufacturing, racing and seafood. It is acknowledged that a proactive approach needs to be undertaken through NFF to ensure that the agriculture industry, as the biggest industry of the five sectors, is given appropriate and prominent recognition in the AFISC's Strategic Plan and investment program.

## Way Forward

There is no doubt that a greater relationship should be developed between NFF and AFISC in order to assist in addressing labour shortages and in particular skill shortages. It is critical that training packages and associated courses deliver employees with relevant and practical skills that can be directly applied in the workplace.

The following recommendations are proposed:

- 2.2.1 NFF, in discussion with Agri-Food Industry Skills Council (AFISC), to clearly define the link between the two organisations.
- 2.2.2 Assist AFISC to seek increased funding from the Federal Government for AFISC in relation to maintaining the networks of each of the Industry Standing Committees to the AFISC to ensure that effective communication occurs between the relevant industry sector and AFISC.
- 2.2.3 Encourage AFISC to ensure that competencies are consistent with agricultural industry needs and to continue to identify gaps in the market to promote new opportunities to encourage training for work in the agriculture industry.

# Department of Education, Science and Training

## Background

Historically there has been constructive working arrangements and dialogue between the NFF and the Department of Education, Science and Training (DEST).

A number of agriculture specific projects have been very successful through RSA including the development of OnTrack and the Recruitment Guide. DEST also facilitated and funded the Rural Industry Task Force Report for 2001 – 2003 as part of the National Skills Shortages Strategy, which has proved to be a valuable tool in identifying the key issues relating to skill shortages affecting the industry.

Another invaluable tool to assist with encouraging a career in agriculture that has been introduced by DEST has been the specialist rural “School to Industry Officer” which is part of the Rural Industry Engagement Project. This project has allowed RSA to put in place a network of rural careers advisors within the majority of States and Territories to promote rural careers to schools around the country.

The School to Industry Project has proved highly effective with many of the officers working directly with NFF’s state member organisations in developing and delivering tailored industry careers advice and in promoting opportunities such as School-Based New Apprenticeships, work experience and school activities within individual States. Funding for this project is scheduled to lapse in October 2005, and NFF has grown concerned that the new funding parameters outlined by DEST for the next phase of the program, to be known as the Australian Network of Industry Careers Advisors (ANICA), now focus on the delivery of a generalist, rather than a specialist approach to careers advice within Australia’s regions. NFF is concerned that these new parameters may impact on the future of RSA’s highly successful network and is currently working with both the Federal Minister for Education, Science and Training and the Minister for Agriculture to identify how the RSA network can be supported under the new framework.

Since the 2004 Federal Election there has been a greater push into promoting education and training, particularly in the VET sector, to assist industries with skill shortages (specific VET issues will be addressed later in this section).

There is no doubt that the increased energy in implementing new programs, redesigning industry consultative frameworks and reviewing existing programs will provide opportunities to positively influence the future directions of VET in agriculture, however at present, due to resource constraints, NFF is not in a position to actively engage in these discussions at a detailed level. This inability to effectively engage has the potential to result in the needs of rural industries, and broader policy considerations relating to education and training in regional Australia being overlooked in the policy development process.

In the period since the Federal Election, NFF has participated in a number of general discussions with the Minister for Vocational Education and Training and DEST representatives on the new VET framework. Given the unique challenges agriculture faces in relation to education and training, the Government has actively sought NFF's input in the development of the new VET framework and has extended the Federation the opportunity to nominate representatives on a number key consultative forum under the new framework.

Going forward, NFF along with the three other peak employer bodies, will have the opportunity to nominate a representative on the National Industry Skills Council, a peak Council that will provide strategic and long-term advice the Ministerial Council on VET. NFF will also have the opportunity to be represented on the new National Quality Council, that replaces the National Quality Training Committee (NQTC), a key committee focused on ensuring quality, consistency and continuous improvement in the quality of both training packages and VET delivery. The opportunity for NFF to be represented on the both the NISC and the NQC offer an unprecedented opportunity for the Federation to influence the direction of VET in Australia and to ensure that the needs of farmers, and rural and regional Australians, are effectively met by the VET system.

## Way Forward

It is clearly apparent that the education and training policy area requires additional focus by the agriculture industry as a component of resolving labour shortages in the industry. As previously specified in section one (1) of this Plan, the increased skill requirements to work in agriculture reinforce the importance of appropriate education and training for agriculture that can meet the demands of the industry and also prospective employees.

It is very difficult for the agriculture industry to call for the Government to place increased emphasis on rural training as a means of alleviating labour shortages, when the industry is not in a position to take an active role in the key debates as policy is progressed and implemented.

At present, NFF and the agriculture industry is not capitalising on the opportunities to work with governments in implementing a more flexible, relevant and effective education and training system. Without such engagement, it is likely that the unique education and training issues faced by agricultural industries will be overlooked.

The following recommendations are proposed:

- 2.3.1 A greater focus by the industry on education and training that suits the demands of the agriculture industry and that Government reciprocate by ensuring policy acknowledges specific agriculture issues.
- 2.3.2 NFF consider appropriate representation on both the National Industry Skills Council and the National Quality Council to ensure that the specific training needs of the agricultural industry are taken into account at the highest level.
- 2.3.3 NFF, in conjunction with Rural Skills Australia, work with DEST to ensure that funding arrangements for Rural Skills Australia both now and in the future meet the needs of the industry at a practical level.

# VET Sector

## Background

The growth of the VET sector in the agriculture industry has been considerable particularly in the last 5 years. This is as a direct result of the decision by the Federal Government to implement Australian competency standards for all industry skills, through 'new apprenticeships'. This differed from the previous system whereby there were two streams under the VET sector, apprenticeships, which focused on the traditional trades and then the second stream known as traineeships. The new system has enabled significant training to be undertaken in the agriculture industry that has occurred in conjunction with the growth of technology and the increase in compliance in areas such as food standards. It has also meant that the industry has had a great opportunity to highlight the career and skill pathways for employees, which was otherwise traditionally undertaken purely by experience gained on the job.

The capacity of the industry to provide certificates of competency based on national standards through new apprenticeships has been reflected in such materials as those developed by the OnTrack program and the success of the industry in continued growth of uptake of certificates despite continuing drought conditions over the past 4 years.

It is disappointing for the agriculture industry that the Federal Government has directed its attention to traditional trade apprenticeships, rather than industries that have been more progressive in harnessing the potential of competency-based training systems. This change is based on figures that indicate that the most acute skill shortages at a national macro level are being felt in certain trades. Those figures are not disputed, however, this narrow, reactive approach does not recognise the need to address general skills shortages across industries and specific regional needs or more actively promote all forms of vocational education and training as attractive career start options.

The change in focus by the Federal Government comes at a time where the overseeing body of VET, the Australian National Training Authority (ANTA) is repealed and its functions undertaken directly by DEST. The move to incorporate the functions of

ANTA is endorsed by the agriculture industry, however, the industry needs to ensure that the changes enhance as opposed to reduce the capacity of industry to influence the policy direction of the VET sector.

Although there has been a significant uptake of agricultural certificates of competency, it is acknowledged that the industry commenced from a low base and should aim for continuing increases over the coming 10 years. This is particularly pertinent given that continued rationalisation in the agriculture sector is resulting in large enterprises that are typically employing more skilled employees and more readily adopting new technologies.

Changing farm demographics, ownership structures and technological advancements will result in an ever growing demand for skilled labour within industry.

## Way forward

The success of the VET Sector is going to be critical for the agriculture industry if future labour supply is to meet the demands of the industry over the next decade.

As such, it is critical that the Federal Government does not lose sight of the reasons for the establishment of the New Apprenticeship structure in the first instance. All industries are experiencing labour shortages, it is therefore important that government initiatives are effective in promoting the merits of VET careers across all industries and regions.

Given the increasing demand for skilled labour, the VET sector also has to acknowledge it is competing with the tertiary sector in attracting prospective students. In that regard the aspirations of students and their families in comparing which post secondary education is the most appropriate, needs to be considered and met in marketing the VET choice. It is unfortunate that there are perceptions that a tertiary education is automatically a preferred approach without a consideration of the comparative long-term benefits of a VET approach. Policy initiatives have been raised by the Federal Government in relation to the perception of VET as a career path and the agriculture industry needs to strengthen its involvement in such initiatives at Government and industry level.

There are existing industry initiatives that have established the precedent of interaction between State Government, Registered Training Organisations and industry to resolve shortages, for example, in the wool industry. Recognising the reduction or non-existent State Government spending on shearing and shed hand training and a lack of coordination by local training organisations, Australian Wool Innovation has undertaken a program to increase the uptake of Shearer and shedhand training. Early reports indicate some significant successes from the program, highlighting the need to consider whether other commodity groups can undertake similar projects.

The following recommendations are proposed:

- 2.4.1 The flexible and consistent objectives of the New Apprenticeship approach continue as opposed to preference being given to traditional trades.
- 2.4.2 Ensure that the agriculture industry, at a national policy level, increase its involvement to ensure that the priorities for the agriculture industry are being met by the Federal Government.
- 2.4.3 Encourage Government to undertake promotion to raise the profile of VET as a career path.
- 2.4.4 A review is undertaken of any industry and government/industry initiatives that have enabled an increase in the number of people training in agriculture certificates or where marketing of agriculture certificates has increased the uptake in the number of participants. Further, that findings of the review develop a fact sheet to assist industry at a policy and implementation level.

## Tertiary Education

### Background

There are a wide range of specialised agriculture tertiary courses across Australia, however in order to meet the future needs of the agriculture industry, it is imperative that adequate HECS places remain available for these courses.

Given the technological and scientific advances in agriculture there is a growing reliance on specialist fields, which will require an increased effort in attracting suitable candidates. It is critical that tertiary courses in disciplines such as biology, chemistry, veterinary science, engineering, genetics, and plant breeding, provide students with information on the excellent opportunities available in the agriculture sector, and provide graduates with the skills and knowledge to capitalise on these opportunities.

The increase in the VET uptake also provides an opportunity for continuing education with progression from VET to tertiary education with agriculture specialities. It is important that VET students are provided clear information on these potential learning pathways and that universities offer appropriate recognition of VET qualifications when accepting students into relevant tertiary courses.

National industry liaison with the tertiary education sector has not been strong particularly in recent years and there seems to be a lack of promotion and understanding of what is available and what should be available in the future. It is understood, however, that there are strong research links between the agriculture Research and Development Corporations and universities providing specialist agriculture courses which may prove useful in better linking research into course delivery.

## Way forward

With the increasing need to facilitate greater skills in agriculture to meet the demands on industry in the future, industry has an important role to play in the maintenance and development of agriculture university education. This may not necessarily require a direct role by organisations such as NFF, but leadership will be required particularly at a national policy level in relation to HECS, Federal funding allocations to universities delivering agriculture courses and VET to Tertiary education pathways.

Industry involvement in relation to course development and promotion can be centralised through existing bodies such as the Australian Institute of Agricultural Science and Technology and the National Food Industry Strategy.

An important component will be encouraging prospective entrants into agriculture to enter into an agricultural based tertiary course. As with the promotion of the VET stream, it is critical that agriculture has a presence at a career advice level.

The following recommendations are proposed:

- 2.5.1 NFF recognise that the development and promotion of agriculture tertiary education is an important component of the resolution of labour shortages and as such form closer relationships with the tertiary education sector and entities relating to that sector such as professional bodies.
- 2.5.2 NFF facilitate avenues to ensure that specialist agriculture career advice is provided through schools and forums such as career expos.
- 2.5.3 The national policy issues relating to tertiary education including HECS places and university funding allocations for agriculture courses are pursued when appropriate.

## Access to training

### Background

The barriers to access training relates to both the physical locality of training providers and also the psychological impetus to adopt training as a component of human resource management on farm for both farmers and their employees.

The physical limitation for farmers and their employees in terms of distance creates difficulties in both costs and time. Further, training has to be made available at times that do not conflict with peak periods of activity on farms.

As with many industries, some farmers fail to recognise the importance of formal training for their employee, and therefore fail to invest in building the capacity of their farm staff. These cultural perceptions of employers towards formal training can limit opportunities for farm employees to access learning opportunities, to have their skills recognised and to grow in their positions. This may lead to a decrease in motivation to

pursue a career in farming or provide a disincentive for those considering a career in agriculture.

Cost can also be a limiting factor. The FarmBIS program has proved highly successful in supporting farmers to access farm business management training, with governments contributing to the costs of training through the FarmBIS rebate. NFF is concerned over the recent decision of the NSW Government not to deliver FarmBIS to farmers in NSW, and also in relation to the national trend of narrowing the scope of training that is eligible for support under this critical program. FarmBIS has been useful in supporting farmers to access simple informal group training, which often represents a catalyst to become more involved in formal training activities. Further FarmBIS has been limited to farmers and should be extended to support farm employees.

## Way forward

While there will always be difficulties in accessing training due to distance and location, there are ways to remove those barriers whether it requires training organisations to extend into new areas or alternatively greater access and/or utilisation of flexible delivery of training including distance or e-learning learning.

Barriers to training are not insurmountable and in many instances will be overcome if there is an existing level of motivation to undertake training in the first place particularly given the growth in flexible delivery of training models. But even with flexible models there still can be increased costs for farmers in comparison to other industries, for example, pursuit of structured workplace learning opportunities for on the job training but having the requirement to pay for workplace assessments and waiting for the availability of a workplace assessor.

There is, however, a role to play in minimising the barriers where possible such as funding access through existing programs such as FarmBis or extending existing programs. Further, promotion of training as part of business development could be promoted more widely with particular emphasis on greater on-farm productivity rather than training for the sake of training. That is, changing the culture to place a higher value on training.

The following recommendations are proposed:

- 2.6.1 NFF assist relevant bodies in promoting training with the objective of changing the farm culture to place a higher value on training with a focus on productivity growth objectives.
- 2.6.2 NFF assist relevant bodies to ensure that promotion of training includes a strong emphasis on flexible delivery of training and seek policy outcomes that may minimise the costs associated with delivering the training.
- 2.6.3 NFF seek greater support from the Federal Government in relation to the FarmBis program including on-farm assessments, better alignment of the program with labour shortage challenges and ensure support for farm workers.

## Recognised Prior Learning (Recognised Current Competency)

### Background

Until the Australian Qualifications Framework (AQF) was developed the vast majority of training was undertaken on farms through work experience without any formal qualifications with the exception of specialist positions requiring tertiary qualifications.

The development of AQF and in particular the national competency standards as they relate to certificates in Vocational Education and Training has resulted in substantial uptake of those courses which finally provide the recognition that farm work deserves, that it is not necessarily a unskilled profession across the board.

Formal qualifications are becoming a more important consideration in the rural jobs market, particularly where competency standards align with government regulatory requirements (heavy vehicle licences, chemical applicators licences, plant and machinery licences). For individuals who possess the capacity to undertake a task, but have not been through a formal training course, access to an efficient and cost-

effective process of Recognised Prior Learning (RPL) or Recognition of Current Competency (RCC) process can be particularly important.

Historically, RPL was an important component of the AQF system but has had limited impact in the agriculture industry. The lack of interest in RPL reflects the value farmers place on formal qualifications, a limited appreciation of what RPL could provide to a business and the costs and complexities associated with the RPL assessment process. For example, it provides through an assessor the opportunity to identify gaps in the knowledge of a farm employee that could prove important to the business, such as farm safety requirements. Formal skills recognition, training and associated qualifications of farm employees are also increasingly being required as elements of quality assurance and product certifications schemes for producers.

## Way forward

RPL is a good tool as part of an effective human resource management system to ensure that all farm employees are maximising their full potential to pursue productivity gains on the farm. It is, however, a time consuming and costly exercise for both the employee and also the farmer.

Part of the ability to increase the use of RPL is the facilitation of improving the perceptions of training and qualifications amongst the farming community as discussed in the previous section.

There is also the opportunity for relevant organisations to undertake a specific approach to RPL in terms of developing specific resources to aid the RPL process or to co-ordinate groups of farmers to undertake an RPL (RCC) process collectively, therefore reducing the cost to individuals.

The following recommendations are proposed:

- 2.7.1 NFF assist relevant bodies in promoting training with the objective to change the farm culture to place a higher value on training with a focus on productivity growth objectives.

2.7.2 Facilitate work to minimise the costs and associated time for farmers in coordinating RPL assessors to undertake assessments of farm workers.

# WORKPLACE RELATIONS

## Workplace Relation Regulation

### Background

Due to the historical structure of State Farming Organisations, the Federal Workplace Relations System covers a significant proportion of agriculture employers with residency under the Federal Pastoral Industry Award or the Federal Horticultural Industry Award. The exceptions to this rule being the Territories (covered by separate Territory specific awards) and Queensland, that is covered by the State jurisdiction.

Evidence suggests that the vast majority of farmers rely on Awards and/or informal agreements as opposed to progressing with formal agreements through Australian Workplace Agreements (AWAs) or certified agreements. This situation has led to farmers working in the centralised environment of the Award system.

The work undertaken by NFF to minimise restrictive work practices in federal agricultural industrial awards in comparison to their state counterparts or other federal awards is, to some extent, the reason why so many farmers have continued with Award coverage as opposed to pursuing agreements. The limitation of agreement making in farming businesses predominantly relates to the overly bureaucratic nature of the agreement making process as well as structural restrictions.

NFF has fought for greater flexibility and a decrease in the centralised nature of the Australian workplace relations regimes. Australian farmers support flexible labour markets so that:

- ✦ Productivity growth is rewarded for effort;
- ✦ Employers and employees can work co-operatively to the mutual benefit of both parties;
- ✦ Flexibility and competitiveness are increased by continuing to remove excessive regulation;

- ⊕ Employers and employees can negotiate workplace conditions at an enterprise level without undue intervention of third parties;
- ⊕ Employers with good management practices are rewarded and encouraged to respond to domestic and international demands by giving them greater workplace flexibility;
- ⊕ Employees who develop skills and increase their efficiency are rewarded;
- ⊕ Australian farmers believe that flexible labour markets need to be underpinned by a safety net of minimum conditions and entitlements focussed on core conditions and a minimum wage rate.

It is the belief of NFF that the existing workplace relations system in Australia, at both a State and Federal level, stifles productivity at the workplace and hence reduces employment options at the workplace. Further, the excessively prescriptive nature of Awards limits the capacity of employers and their employees to meet the specific needs of the business and its employees. Agreements have resolved some of those problems but the continued linkage between Agreements and Awards remains a significant challenge to create flexibility without being cost prohibitive.

Further, unfair termination provisions contained in Federal and State legislation have also contributed to unworkable environments due to the excessive administrative burdens on business that on balance creates an unfair advantage to the employee. These provisions also create barriers to resolving labour shortages because the perceived benefits of employing an additional person to undertake a job, seem to be outweighed by regulatory pressures an employer faces in actually employing a person to undertake the task.

Either way, excessive regulation through the Australian workplace relations system all contribute to labour shortages because they establish excessive and restrictive parameters that may not be achievable by the employer and/or potential employee, therefore, some employment opportunities become untenable to fulfil. This is not a labour access problem in the sense that there is not an individual available to do the job but instead a regulatory influence artificially creating labour shortages because the employer determines that in the overall interests of the business the position is economically unviable and hence the work is not undertaken and productivity suffers accordingly.

## Way forward

NFF believes that Workplace Relations reform can be an important component of assisting farmers in resolving labour shortages. NFF needs to work towards maximising coverage for farmers of any reforms within the parameters of constitutional requirements.

Workplace Relations reform should not be seen in a narrow perspective of industrial relations law but rather in a broader sense, that is, a tool to assist farmers in improving human resource management.

The following recommendations are proposed:

- 3.1.1 NFF support deregulation to the Australian workplace relations system, in part, as a way to assist in the resolution of labour shortages.
- 3.1.2 NFF ensure that any education campaign to inform farmers of the impacts of Workplace Relations reform takes into account some of the systems that could be introduced to assist with labour shortages.

## Contracting & Labour Hire Arrangements

### Background

While the use of labour hire agencies and contractors increases labour costs, there is no doubt that it significantly reduces the administrative compliance required of employers, reduces overhead costs and negates the need for direct marketing by the farmer to attract appropriate labour. These advantages are likely to balance or even outweigh the costs associated with utilising a third party.

The use of independent contracting and labour hire agencies has always been a facet of agriculture work and has become increasingly more popular. The popularity has occurred for a number of reasons, including the fact that farmers are looking for alternative methods as opposed to direct employment to resolve labour shortages.

However, there are some unscrupulous operators that operate particularly in the use of illegal workers. Evidence from the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) suggests that a significant proportion of illegal workers found on farms were not recruited by the farmer but rather by a third party. This evidence highlights the importance that farmers utilising third parties to coordinate labour should check the bona fides of the operator, require the operator to comply with Australian rules relating to working rights and ensuring there is a sound contract in place that includes penalty provisions that if breached and result in economic loss for the farmer, then the third party is liable for those costs.

The use of contractors and labour hire agencies is hampered by various state legislative mechanisms that deem contractors to be employees which creates unwieldily and unnecessary costs particularly in relation to workers compensation and occupational health and safety.

## Way forward

There are a number of significant benefits to the use of independent contractors or labour hire agencies. Additional information on these benefits, particularly in comparison to alternative methods could prove useful to farmers in determining the appropriate course of action.

NFF has already determined that it is not feasible to implement a register of approved labour hire companies or contractors, however, there are alternative mechanisms that industry organisations can implement to assist farmers with the use of third parties. They include material to facilitate appropriate arrangements with third parties including template service contracts and greater liaison with third party groups such as Independent Contractors Australia. NFF has already developed an independent contractors kit that is Appendix A to this Plan.

In addition, the Federal Government has announced that an Independent Contractors Bill will be introduced to more clearly delineate the difference between a contractor and employee and also seek to remove the deeming provisions in State legislation. The NFF has filed a submission in respect to the proposed legislation.

The following recommendations are proposed:

- 3.2.1 NFF facilitate the provision of information to farmers about the negatives and positives of utilising a contractor or a labour hire agency.
- 3.2.2 NFF continue to support the introduction of an Independent Contractors Bill to resolve the uncertainty relating to the status of contracting in Australia.
- 3.2.3 The NFF independent contractors kit is reviewed after the introduction of the Independent Contractors Act to ensure consistency with the legislation, additional work be undertaken to the template agreements and that the Kit is then promoted to farmers.
- 3.2.4 NFF increase its liaison with contracting entities such as Independent Contractors Australia.

## Human Resource Management Skills

### Background

With the exception of the large farming enterprises, the majority of farmers are like any small business, whereby there is no human resource manager, there is little or no training in human resource management and there is little time to concentrate on human resource management systems.

While industry associations can provide assistance in relation to human resource matters, such assistance has been historically focused on industrial relations to ensure compliance with Awards, unfair dismissal provisions and occupational health and safety compliance. This advisory role typically has not extended to wide aspects of human resource management such as reviewing human resource structures, recruitment, training, career progression, communication management, performance management, the working environment and Workplace Relations management. Industrial Relations or Workplace Relations management should be considered as a component of Human Resource Management as opposed to being the equivalent to Human Resource Management.

There is evidence that despite the limitations of running a small business, there is an increase in the number of farmers seeking to implement human resource management techniques. Further, there is some assistance being provided to farmers such as the Rural Skills Australia recruitment guide (Appendix B to this Plan) and a recent RIRDC funded publication by the Kondinin Group (Appendix C to this Plan). While these are useful sources of information they do not cover the all aspects of good human resource management.

## Way forward

To alleviate labour shortages, there are a range of policy initiatives that can be undertaken by Governments and industry associations to assist the agriculture industry in finding labour but the industry also has to help itself by considering whether or not their business is an attractive proposition for any potential employee. This analysis is not confined to whether the wages are high enough, far from it, rather fundamental human resource questions will be raised by employees or prospective employees such as; are the amenities in reasonable condition, is there support for training (formal and informal), is there any career advancement, what are the working hours, is there flexibility to meet family commitments, are there any non-monetary benefits, is there a proper written agreement, and what is the farm safety record of the property?

Human Resource Management concepts may seem to be “feel good” ideas that are not necessary on farms. Such attitudes in a supply constrained labour market only exemplify why farmers may have difficulty in attracting and retaining labour.

The use of basic human resource management techniques may mean the difference between a prospective employee accepting a job on a farm as opposed to pulling beers at the local pub or working at the local rural merchandising store or worse deciding to leave a region all together.

Assistance to farmers in implementing better human resource management systems has to be tailored in such a way that it is not onerous and that it is seen to assist in resolving labour shortages and improving productivity.

There are some programs already in existence to promote greater human resource management techniques, such as those available through the Dairy Business Network that could be reviewed and considered for broader implementation.

The following recommendations are proposed:

3.3.1 In general terms, there is a priority need for Human Resource Management Systems to be more effectively adopted on Australian farms.

3.3.2 As a priority, NFF should review existing programs to develop a plan that encompasses assistance particularly from member organisations, and Research and Development Corporations to provide a range of mechanisms to assist farmers to be aware of human resource issues and becoming more proficient in implementing human resource management systems.

## Wage Rates

### Background

The general perception of agriculture is that it is low paid. This general perception is incorrect and has to be considered in what context such a perception is held.

It is acknowledged that the Award rates of pay in agricultural awards are relatively low in comparison to like industries. However, Award rates of pay should not be considered the actual rate of pay, as they are by their very nature minimum rates of pay.

The Australian Bureau of Statistics (ABS) study into rates of pay, and specifically above award wages, does not include agriculture so it is difficult to compare above award rates of pay between agriculture and other like industries.

Anecdotal evidence would suggest that many agricultural employees are paid significantly above Award minimum wages.

Rates of pay should also not be seen in isolation. In many instances farm employees are provided non-monetary benefits such as a use of a farm vehicle, accommodation and food.

Nor should we lose sight of the fact that farmers' capacity to pay wages will be linked accordingly to what returns they receive from the sale of their agricultural commodity. Due to a general trend in commodity prices declining across the board and an increase in costs, there are always going to be difficulties, in some circumstances, for farmers to pay higher wages particularly in comparison to other industries such as mining. It should be noted that it is only due to significant productivity gains by the Australian agriculture industry that the industry has remained globally competitive. Farmers have significant price pressures that subsequently place pressure on the amount they can afford to pay their employees.

It is acknowledged that there may well be the situation that a small minority of farmers are not paying employees the correct minimum rate. NFF does not condone any action by a farmer that results in any employee not being paid their legal entitlements. It is apparent that if a farmer was not meeting minimum entitlements that it would automatically flow that they would have difficulty in attracting labour.

## Way forward

The perception that workers in agriculture are poorly paid, in general terms, is incorrect and needs to be overturned. It is of critical importance that the industry has evidence to disprove this perception other than anecdotal evidence. Such information could then be utilised as part of any promotion of working in the agriculture industry. Any study of actual pay rates should encompass non-monetary benefits. Nevertheless, individual farmers may need to examine their wage levels to determine whether it is at a sufficient level to attract quality employees.

NFF does not agree with argument that minimum rates of pay in awards should be increased to assist in attracting new employees to the industry. Such a position is contrary to the concept of minimum rates of pay and actually creates an environment that precludes farmers from employing, therefore, creating an artificial labour shortage.

Wage rates should be determined at the workplace depending upon the capacity of the individual worker, the productivity output and the level of remuneration an employer is willing to pay an individual for their work. That is, a market demand based approach to wages that is determined by the foundations of a good human resource management system and legal minimum requirements.

We cannot lose sight of the fact that the motivation of a prospective employee will not be based solely on the wage rate. There are many other factors that are taken into consideration in balancing up whether or not to work in a particular industry and for a particular business. Hence, while agriculture may not necessarily be able to compete at a wage level with other industries, they should have the capacity to attract labour with an overall package if such an approach is effectively managed.

The following recommendations are proposed:

- 3.4.1 NFF investigate the options of undertaking a widespread survey to ascertain the actual pay rates for all occupation levels in agriculture on an Australia wide and State and Territory basis.
- 3.4.2 That the information gained from the survey in 3.4.1 be considered as a tool to assist in promoting the agriculture industry.
- 3.4.3 Ensure that farmers are being advised of the “packaging” options available in determining how to set wages and conditions for employees.
- 3.4.4 NFF continue to pursue a policy of maintaining minimum rates but encourage employers to consider the merits of over award wages or establish agreements whereby each individual employee is paid at a rate that compensates them for their respective contributions to a businesses productivity.

# Occupational Health & Safety

## Background

The very nature of working on a farm means that there are inherent safety risks. Work can be undertaken at a number of levels to reduce those risks but ultimately farm hazards remain.

A significant amount of work has been undertaken by industry over the past 20 years seeking to reduce the numbers of injury and deaths on farms. Decreases have occurred but in more recent years there has been a plateau in the number of injuries and deaths. Most recent workers compensation figures are even suggesting that the number of injuries and deaths may be on the increase. As a consequence, it is critical for the health and well being of all those on farms that farm safety practices are implemented.

Safe farm practices and good safety records can assist in reducing costs associated with workers compensation, minimises the potential for prosecution from occupational health and safety laws, increases productivity and also attract labour who may otherwise shy away from working in agriculture due to its poor safety record.

An analysis of the data highlights that agriculture has one of the worst records for injury and death in comparison to other Australian industries. One of agriculture's competitors for labour, the mining industry, has substantially reduced its injury and death toll to the extent that it is now below agriculture. As a result, agriculture has lost one of its advantages to promoting agriculture as a career against mining, that is, the agriculture industry is no longer considered as a safer environment than mining.

Feedback is being provided to NFF that prospective employees are reconsidering the option of working in agriculture due to its poor safety record. There is, however, clear evidence to suggest that the industry is acknowledging the problems associated with lack of farm safety practices on farms and there is certainly leadership at the corporate and industry organisation level with farm safety considered a priority matter.

## Way forward

It is a critical component in the resolution of labour shortages in agriculture that the industry seeks to dramatically reduce the number of injuries and deaths on farms. Until those figures demonstrate a significant downwards shift, there will always be a general perception that agriculture is an unsafe industry to work in and as such should not be contemplated as a career choice. As a consequence it has a negative impact in the number of potential entrants into the industry.

It is acknowledged that there are already a range of initiatives and programs being undertaken by industry and government (State and Federal) to assist in the objective of reducing injury and deaths on Australian farms. In particular, the National Occupational Health and Safety Commission has just determined that agriculture should be added to the list of priority industries for the Commission to tackle.

The key concern at present is the lack of widespread adoption of farm safety training and implementation of farm safety practices. Therefore, the deficiency existing at present is the lack of behavioural change by the farmer to consider farm safety as a priority that needs to be immediately rectified.

The focus by governments in recent years has been one of compliance particularly as occupational health and safety regulations have become more stringent. The difficulty with that approach is that the message then gets diluted as a compliance red tape issue concerning employees as opposed to explaining the wide variety of business reasons why farm safety should be automatically a priority for the success of the farm. A strong targeted communications campaign may be necessary to push for behavioural change with an emphasis on business success.

The following recommendation is proposed:

- 3.5.1 As a matter of priority, the industry seeks sufficient funding, including government funding, for the development and implementation of a campaign with the objective to saturate the agriculture industry to such an extent that it creates substantial behavioural change by farmers to adopt farm safe practices.

# **EMPLOYMENT PARTICIPATION**

## Job Network

### Background

The Job Network is a national network of private and community organisations, government-funded, that provides employment placement services for unemployed people, particularly the long-term unemployed.

It is understood that a Job Network Agency is paid for a placement of an unemployed person in work. The more significant the position, in terms of number of hours and length of the contract, the greater the placement fee will be to the Job Network.

Additional funding is provided to the Job Network Agency to assist the individual become more job ready.

Overall, it is understood that the Job Network has been relatively successful and is utilised by farmers, particularly the specialised Harvest Labour Providers, but there are two areas of difficulty for farmers in using the Job Network system.

First, with the exception of the Harvest Labour Providers (of which there are 20 located in key horticultural areas of Australia), there is minimal financial motivation to place individuals in casual, temporary positions which are quite prevalent in the agriculture industry. Financial incentives for Job Network providers only really effectively kick in until a person undertakes at least 3 months full time work. This, therefore, means that for seasonal work the Job Network Agencies are not interested in accepting job placements that are less than those criteria.

Second, there is substantial evidence to suggest that while agriculture jobs are available for unskilled, semi skilled and skilled in all parts of country Australia at anytime of the year, those receiving unemployment benefits are simply not interested in undertaking work in agriculture. There is still a large number of Australians unemployed and receiving benefits but there are large numbers jobs that are open and do not

require previous experience but simply the willingness to receive on the job training. Further, many farmers refuse to even consider individuals who are on unemployment benefits usually because of previous experiences with people only working for a day and not coming back because its perceived to be too hard which is a costly exercise for a farmer. While this is an over generalisation, there is certainly evidence to suggest there is considerable cynicism amongst the farming community as to employing anyone who has been unemployed for a length of time. As a consequence farmers do not extensively utilise the services of a Job Network Agency, than would otherwise be the case.

A related issue is the eligibility criteria for beneficiaries of unemployment benefits that detract from undertaking seasonal work. For example, if a person works in a casual seasonal job for a couple of weeks and then cannot find employment, government benefits do not become accessible after 10 weeks of unemployment. This, therefore, is a disincentive to accept casual short-term work in the first place.

## Way forward

In some respects, following the policy announcement of the Federal Government at the 2004 Federal Election and subsequent statements, work is being undertaken to create additional conditions on unemployment benefits requiring those receiving benefits to undertake employment. This may assist the agriculture industry but the initiative could still be hampered by the conditions placed on the Job Network Agencies if the job is of a seasonal nature.

It is acknowledged that NFF has not been as proactive in the employment participation policy area as it could have been including the welfare to work reform debate. Many of the issues raised by NFF in the background section may be easily rectified if detailed discussions were pursued with the Federal Government.

There may well also be a role for the industry, in conjunction with the Job Network, to break down the negative perceptions of those who are unemployed and hence be more proactive to place positions with the Job Network Agencies and give an unemployed person a chance. The specific management of that individual may well

be assisted if the farmer has a more proactive human resource management system in place on the farm.

The following recommendations are proposed:

4.1.1 NFF engage with the Federal Government in relation to employment participation policy and programs.

4.1.2 Consideration is given by the Job Network Agencies in conjunction with the Department of Employment and Workplace Relations and NFF as to how to break down perceptions held by both the unemployed and farmers about working in agriculture.

## National Harvest Trail Information Service

### Background

The National Harvest Trail Information Service was established approximately 2 years ago as a direct result of a recommendation from the "Harvesting Australia" Report, that a job matching service coupled with information about the harvest trail was required to specifically promote seasonal work, which had been identified as a particularly acute problem for the agriculture industry.

The service provides a website of identifying all seasonal harvest work. The work is divided into two sections, seasonal work vacancies and farm hand vacancies. NFF has welcomed the opportunity for virtually all agricultural employment to be listed on the website.

The service is not just a job matching system but also promotes and explains about the different regions, the seasonal influences on employment and anticipates questions particularly relating to accommodation and training. A booklet is also produced providing a guide on areas that have seasonal work, when the work is available, how to get there and where to stay. There are also field officers assisting the industry in the promotion of the work.

While it was the belief of NFF that there were a number of teething problems for the service when it was first established, it is recognised that the vast bulk of those matters have now been resolved. The outstanding issue is increasing the marketing of the service to both potential employees and also encouraging farmers to place jobs on the service either directly themselves or through an agency.

## Way forward

The establishment of the Harvest Trail Information Service has certainly assisted the agriculture industry in promoting available positions and work in the industry in general, but there still is some way to go in promoting its use by both employees but more particularly employers.

Increased promotion may require additional resources and also the assistance of the agriculture industry as well as related entities such as the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) in relation to liaison with international backpackers with a working visa and also backpacker specialist organisations.

Given the limited contact NFF has had with the National Harvest Trail Information Service, it would seem pertinent that the industry, from a national level, reengage with the Agency and relevant DEWR officials to ascertain any specific outstanding requirements to meet the objective of increasing the use of the service.

The following recommendations are proposed:

- 4.2.1 NFF to liaise with the National Harvest Trail Information Service to ascertain requirements of the Service with the aim to increase the usage of the service by both employers and job seekers.
- 4.2.2 Increase the promotion of the service to farmers throughout Australia.

# Rural Recruitment Agencies

## Background

Due to the local nature of rural recruitment agencies, NFF does not have direct contact with such businesses and given the role of NFF, it is not appropriate that NFF seeks to develop relationships with any recruitment agencies.

It is acknowledged that while there are some upfront costs in utilising rural recruitment agencies, the costs can well be met through the reduction of the administration costs and time for the farmer. Agencies can also minimise the risk in terms of ensuring effective recruitment practices are undertaken and will usually be required to replace a placed employee that has not proved to be satisfactory at no additional cost.

It would seem appropriate that if a farmer is having difficulty in accessing labour and does not wish to use a Job Network Agency, then the use of a private recruitment agency may well prove beneficial.

## Way forward

As with contracting and labour hire agencies, NFF believes there is an important role to be played by recruitment agencies particularly if they are specialised rural recruitment agencies to assist farmers in resolving labour shortages.

The following recommendation is proposed:

- 4.3.1 Information is provided to farmers regarding the negatives and positives about utilising a recruitment agency.

# Accommodation

## Background

In many circumstances there are difficulties in accommodation being available for workers, particularly for short-term seasonal work.

The problems associated with accommodation were highlighted in the Harvesting Australia Report. At the time, recommendations were made for the industry to work with local communities and tourism bodies to address the accommodation short falls. It was further recommended that State Governments "*review their requirements for on-farm accommodation to ensure that where accommodation is provided on site for workers it is of a safe and acceptable standard, and to remove any onerous requirements that would unreasonably limit the provisions of such accommodation*". The final recommendation was to include accommodation options on the Harvest Trail website.

With the exception of the final recommendation, NFF is not aware of any proactive work undertaken to pursue the first two recommendations. In fact, NFF is advised that there has been recent legislation in one State, as an example, that creates very onerous conditions on building accommodation facilities on farms to the extent that it precludes such development. This is a significant problem where there are no commercial businesses meeting the demand and/or from a transportation perspective it is more appropriate to place accommodation facilities on farms.

It is also understood that where enterprising businesses wish to redevelop old buildings for backpacker and seasonal worker facilities the regulatory compliance including fire, heritage and disabled access makes such development cost prohibitive particularly if the rooms are being developed for cheap accommodation. While it is recognised that safety standards should not to be compromised, there could be the potential for other planning regulations to be waived if it was to meet a significant need for the viability of a sustainable agricultural business.

## Way forward

The issue of available accommodation remains and as such the first two recommendations of the Harvesting Australia Report continue to be ignored.

There may well be some local initiatives that exist that could be provided within a fact sheet to assist farmers in resolving accommodation problems.

The following recommendations are proposed:

- 4.4.1 The agriculture industry work with local government and the tourism industry to address accommodation shortfalls.
- 4.4.2 NFF facilitate the development of a fact sheet that could identify case studies of successful local stories of resolving accommodation problems whether commercial or on-site.
- 4.4.3 That NFF and State Member organisations approach Governments to remove any onerous requirements that would unreasonably limit the provision of commercial and on site accommodation to alleviate accommodation shortages.

## Transport

### Background

The locality of farmers in terms of a reliance on transport to travel to and from work has always proven to be a difficult issue. In many instances, particularly for full-time employees, accommodation is provided as part of the employment entitlements, which negates the need for transport to work.

The difficulties associated with transport are most acute with seasonal workers. As a consequence, the limited availability of transport and the cost of transport can deter workers from accepting work in the agriculture industry.

To resolve transport problems, solutions include transport provided by the local backpacker accommodation providers or the farmer themselves. In one instance, a number of farmers have collectively purchased a mini bus and shared the costs of ferrying workers from the town to the farms around the district.

Transport difficulties are another reason why farmers are relying more on contractors or labour hire agencies to be responsible for employment including co-ordination of transport and accommodation.

## Way forward

Effectively the resolution of transport difficulties is a local one.

The following recommendations are proposed:

- 4.5.1 The agriculture industry work with local government and other local businesses to address transportation shortfalls.
- 4.5.2 NFF facilitate the development of a fact sheet that could identify case studies of successful local stories of resolving transport problems.

## Taxation

### Background

The issue relating to taxation is limited to the taxation levels of those working in seasonal horticultural work and the fact that itinerant workers are unable to access tax deductions that are accessible to permanent workers

The current taxation rate for those working seasonal jobs in horticulture is 13%, down from 15% that was cited in the Harvesting Australia Report in 2000. That report recommended a decrease which was subsequently acted upon by the Government and reduced to 13%.

It was further recommended in the Report that the current tax rate of 29% for international backpackers undertaking the same task be reviewed with a view to also reducing the rate. The tax rate remains at 29%.

## Way forward

The agriculture industry is of the view that the objective behind the 13% tax rate should be applicable to all workers whether they are a local or international worker, so the industry can attract a greater number of international backpacker workers. In addition, NFF believes that, following recent reductions in tax thresholds, the 13% rate should be reviewed by the Federal Government with a consideration to reduce it to a lower rate.

The recent changes to the immigration policy that allows working holiday visa holders to seek a second visa if they undertake seasonal work is a welcome initiative but NFF believes it could be strengthened with a decrease in the tax rate. Hence the industry argues it is appropriate to revisit the consideration that the 29% tax rate for those working pursuant to a working holiday visa be reduced to that equivalent to Australian workers to remove the discrimination.

Further there may also be a consideration that seasonal workers are eligible for income tax deductions for travel and other expenses relating to seasonal work.

The following recommendation is proposed:

- 4.6.1 NFF seek, as a priority, that the Federal Government review the tax levels and eligible tax deductions of all seasonal workers particularly to create equality of the tax rate for all seasonal workers as opposed to maintaining a differential rate.

# **POPULATION STRATEGY**

## Immigration Policy

### Background

NFF believes that there are migration solutions available to farmers to supplement Australian workers when there are labour shortages that cannot be met by Australians.

There are a significant number of existing migration visas that can assist farmers from temporary migration visas through to the working holiday visa.

It is apparent that farmers are not effectively using the existing visa system and/or the existing visas or their criteria may not necessarily be consistent with requirements of Australian farmers.

The capacity to promote visas has been strengthened in the agriculture industry with the placement of a DIMIA officer with NFF to promote skilled visa options.

The use of migrant workers in agriculture has always been very strong but there are sometimes problems with migrant workers, being the employment of illegal workers particularly in seasonal work. This problem is obviously exacerbated when labour shortages are most acute as is the current situation. NFF does not condone the employment of illegal workers and wishes instead to focus on solutions for farmers so they are not forced to use illegal workers.

A significant development for the agriculture industry in terms of resolving labour shortages is the ability of working holiday visa holders to apply for a second 12 month visa if they have worked in a seasonal harvest position for at least 3 months within the period of their first visa. This should have significant impact for the horticulture sector, as it is understood that a large proportion of working holiday visa holders seek to extend their visas.

## Way forward

Despite the recent policy initiatives implemented by the Federal Government, NFF still believes there are more options to pursue with both existing visas and also potential new visa classes.

To ascertain the need for existing visas and the potential for greater flexibility, NFF has developed a discussion paper that will be circulated to the industry for feedback and comment. The discussion paper is Appendix D to this Plan. The feedback will then assist the NFF in its discussions with the Federal Government.

Further, NFF believes there is an immediate opportunity to consider extension to the working holiday maker visa in relation to increasing the number of countries who are eligible to apply for the visa. NFF acknowledges the importance of reciprocal rights being a fundamental condition of the visa, but the agriculture industry could play a role in facilitating the addition of other countries through international agricultural ties.

NFF also believes, given the acute need for seasonal workers and the likelihood that will continue in the future despite the pursuit of alternative mechanisms to resolve labour shortages, there is still merit in undertaking a feasibility study into a guest worker visa. Any consideration of a visa would have to be under strict conditions such as the following:

- Guest workers selected from Pacific Rim Countries and/or Countries receiving Aid from Australia;
- Guest workers selected from rural areas to enable rural skills gained in Australia to assist in long-term agriculture development in own country;
- Short-term stay to minimise any consideration to overstay the visa;
- Central coordinated body to oversee the program;
- Provision of an induction process and general training;
- Only approved farmers and/or labour agency be able to utilise the program;
- Farmers and/or the labour agency must comply with all Australian workplace Relations laws;
- Guest workers only selected for regional areas that cannot access sufficient labour through alternative means.

The consideration of a feasibility study and pilot program into a guest worker visa is also contained in the discussion paper.

The following recommendations are proposed:

- 5.1.1 NFF supports the ability of farmers to use migration as an option to assist in the alleviation of labour shortages.
- 5.1.2 NFF, including member organisations, promote existing migration solutions to farmers to maximise their usage to resolve some labour shortages.
- 5.1.3 NFF distribute a discussion paper to ascertain feedback from farmers as to the usage of existing migration options, identify positive and negative attributes of existing visa classes, and seek feedback as to the potential for a guest worker visa.
- 5.1.4 That discussions commence with the Federal Government as to a review of existing migration options and the consideration of a guest worker visa in relation to the labour shortages being experienced in the agriculture industry, once feedback has been provided from farmers.

## Regional Population

### Background

The regional demographic is changing with an increasing shift to the cities and coastal areas to the detriment of regional inland Australia.

As a consequence, the labour shortages seem to be more acute in regional Australia than in urban Australia because of the population shift. There are a wide variety of trends as to why this takes place that are not the subject of this Plan, but nevertheless the result is that population decline impacts on the capacity for all regional business to remain viable.

## Way forward

The Federal Government has recently announced a Productivity Commission Inquiry into Economic Impacts of Migration and Population Growth.

The following recommendation is proposed:

5.2.1 NFF file a submission to the Productivity Commission Inquiry into Economic Impacts of Migration and Population Growth highlighting the particular issues for the agriculture industry in terms of migration and population growth.

## Indigenous Population

### Background

Indigenous people historically were the mainstay of the pastoral industry in remote areas of Northern Territory, South Australia and Western Australia. With a strong affinity with the land there is a significant potential to engage indigenous people into the agriculture industry.

### Way forward

The opportunities to work with Indigenous communities to assist the agriculture industry with labour shortages have been strongly recognised by the industry and it is believed there could be significant employment growth over the next 10 years.

As a consequence, it is recognised in order to meet those opportunities, planning and implementation of suitable programs need to commence immediately.

Lessons can be learnt from a pilot program conducted recently in the Northern Territory that has identified key areas that are required to be addressed including mentoring, service delivery and timing, management training and cross cultural training.

The following recommendation is proposed:

- 5.3.1 That NFF, in conjunction with relevant member organisations work with Federal and relevant State and Territory Governments on the development of specific programs targeted at increasing the employment of indigenous people in the agriculture industry with a particular emphasis on remote pastoral properties.