CORRECTED VERSION

EDUCATION AND TRAINING COMMITTEE

Inquiry into agricultural education and training in Victoria

Glenormiston — 30 November 2011

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Professor S. Kilpatrick
The CHAIR — Thank you for appearing before the committee today. I will just point out a couple of things. Firstly, the evidence you give today is covered by what we call parliamentary privilege, which is the same privilege afforded to MPs. That is specifically for today only and not outside of this hearing. Secondly, these microphones are for the purpose of recording for Hansard. You will have the opportunity to review the transcript of the hearing, and if there are any errors that have been made you will be able to correct them. Thanks for coming. We have a number of questions for you. We will give you the opportunity to make introductory remarks, and then we will get into the questions if you like.

Prof. KILPATRICK — Thanks. Anita has already briefed me on what the questions are and they sounded quite extensive, so I probably will not say a lot up-front.

The CHAIR — Yes, sure. No problems at all. I will kick it off. Your submission talks about farm businesses that engage in learning activities being more profitable than other farm businesses. How strong is the link between profitability and learning?

Prof. KILPATRICK — I brought along the publication that the National Farmers Federation produced back in 1996 that demonstrated this link. This was actually my PhD study. I used the agricultural financial survey by the Australian Bureau of Statistics — which ran more often then than it does now — and had extra questions put on the survey about the kinds of learning activities that farm managers had engaged in during the previous 12 months. That was about all sorts of learning — everything from demonstration days through to formal courses. I asked them about how many changes they had made to the management of their farm business and whether they were technical, marketing or land management changes and so on. I sat in the Australian Bureau of Statistics Hobart office, which is where they do their agriculture statistics — they cannot do them anymore, but back in the 1990s they could — and analysed the data. What I found was that there was a link between attending learning activities broadly and farm profit. The link was through the number of successful changes — between two and five — made to management practices. If lots of changes were made, there was not that statistical link.

I did some qualitative research alongside this and talked to some people who attended one of five different learning activities — mostly courses but not necessarily formal ones — and looked at the previous research. The link showed that if you undertake education and training, you will start to be aware of more practices that might be effective and you will be better able to combine your resources — human, financial, land and so on — in an effective way. However, something I probably did not put sufficiently strongly in my submission is that you actually reduce the risk that you take because you understand the possible changes, implications and environment much better, generally speaking. The education and training equips you to understand that, so that means you are more willing to take risks because you are better informed. All those things together mean that education and training makes you better able to make effective changes. It is in that ability to stay up with what is happening in all sorts environments — the human social environment as well as the natural and financial commodity environments — where the link to profit lies.

The CHAIR — Do you think that a number of the farmers are aware of that positive link between profitability and education? Is that an area in which further work needs to be done?

Prof. KILPATRICK — Not all of them are aware. I think that needs to be enforced. My study back in the 1990s — I do not know if you remember but back then there was a report called New Horizons that the National Farmers Federation put out that suggested education and training might be something that farming organisations should think about. I encountered a lot of scepticism when I started to do the research, even from the statisticians in the agriculture area at the ABS. They said, ‘No, there is not a link’. I think it is better established now. What I have observed over the past 15 years or so since my research was published is that agricultural organisations were interested initially in education and training and all sorts of learning, but they have become less so in more recent times. Things like climate change have absorbed them. All sorts of learning will help you cope with climate change, but climate change has narrowed their focus. Coping with climate change is about making a whole range of changes and about learning. It is just one of the changes about which they seem, in my mind, to have lost that very important focus on learning.

The CHAIR — One last question in terms of this correlation. Do you think that the naming and branding of some of the courses and the course structure is quite often what attracts people to them? Is there a branding issue or a naming issue around a number of the courses that are offered?
**Prof. KILPATRICK** — With some courses, but then there was some research done some years ago, not just with farmers but more generally, about what people thought about study, learning, and a raft of things. There are certain words that people associate with hard, difficult and not attractive — that is, study and education tend to be associated with those. Training is a bit less off-putting, but even learning is difficult. I did another study, which I mention in here, *Managing Farming — How Farmers Learn*. When I did the pilot for that I went out and asked farmers, ‘Tell me about a change that you have made’; ‘How did you learn what you needed to know to do that?’, and a lot of them told me that they did not learn. What I ended up asking in the survey was, ‘How did you find out about it?’, ‘How did you go about getting information?’, and they all did that. They could tell me that, so how things are branded certainly makes a difference. Most of my work has not been with younger people. It has been with the existing farm workforce. Younger people are much more willing to think about training and education, particularly as time has gone on. There is a societal pressure that they need to do that. But when you are working for yourself, the certificates and things that you get from education and training do not really make that much difference. There is not an automatic pay rise, but there is in fact a pay-off; so how you market these things is very important.

**The CHAIR** — Is the word ‘profitability’ very important?

**Prof. KILPATRICK** — It should be a motivator. Then there is long-term and short-term profit and all those things like that; but yes.

**Ms TIERNEY** — Sue, in your submission you outline 10 features of effective training and recommend that they be incorporated into agricultural education programs. Can you provide any examples of existing agricultural education programs that incorporate these features?

**Prof. KILPATRICK** — My work more recently has not necessarily been with farmers. I am on the board of South West TAFE, which obviously has Glenormiston, where we are, and Marcus Oldham, but I am a little bit out of the less formal sector, so most of my examples are older than that. The most recent work I have done is in the training brokers area, where there are a number of TAFE studies. I have brought a copy of the report, but you can get it from the web, and most of those incorporate a number of those features of best practice. In Victoria RIST — I presume you are talking to RIST at Hamilton — uses a lot of those features. But there are even independent RTOs or consultants around the country who have some of these or all of them. I probably cannot give you any more examples than that.

**Ms MILLER** — You have been involved in the alignment of the extension of the VET sector. Can you outline how they currently interact?

**Prof. KILPATRICK** — Not necessarily systematically. Some providers — again, RIST is a good example — are aware of the need to align VET and extension. But I spoke earlier in response to David’s question about what farmers like to do, what do they think they need to do, and do they need to learn or do they need to find out. A lot of existing farmers see no need to have their learning or their extension aligned with the VET sector, and so the providers do not bother. Some time ago now, when FarmBis was operating — I was chair of the Tasmanian state planning group for FarmBis, which was around then — different states had different requirements about how that subsidised training was aligned, or not, to the VET competencies. In Victoria, if I recall correctly, the training had to be aligned, so that encouraged a lot of providers to think about aligning what was previously their extension up to VET competencies. At the time I did this work back in 2006 — which I suppose was only five years ago — the people that we spoke to who were not in the formal VET sector were not complimentary about a lot of the training that was happening in the formal sector.

**Ms MILLER** — Why is that?

**Prof. KILPATRICK** — They did not see it as necessarily relevant. In practice there are really two different target audiences for VET training. One is the new entrants to the industry, particularly for the lower level competencies, and extension is much more the existing farmers. The higher level competencies, which are about farm management, is where the link is; if you are ambitious, and you perhaps do not want to work on your own farm but you want to get on and be a manager for somebody like Macquarie, or somebody who owns lots of big properties, then diplomas and things are useful.

**Ms MILLER** — Just extending that thought, what strategies could you suggest to improve the alignment between the VET and extension sectors in order to make it more attractive?
**Prof. KILPATRICK** — I suppose the first question you want to ask is, ‘Do you want to?’ or ‘Do they have different purposes?’ But having said that, in all my work I found pathways between different sorts of training are really important. If you finish one course, you should have some idea of where that might take you either now or in a couple of years’ time when you want to go on. Financial incentives really worked before for providers under FarmBis. That is probably the way to do it, because the VET sector comes with the training sector money that goes with that.

**Ms MILLER** — You indicated that different states do different things. Do you think it would make sense to have things standardised in the different states right around the country?

**Prof. KILPATRICK** — The VET competencies are already supposed to be standardised around the country. Extension has got a warmer, more accessible sort of feel. It tends to be for you, in your area, and people like things that are clearly for them and that are not going to be wasting their time. A farmer’s time is precious, so if you are a dairy farmer in south-western Victoria, you want to know that the training or learning provider has targeted something for dairy farmers in south-western Victoria. That is always much more attractive than a diploma in farm management to a particular segment of the workforce. Somebody who is thinking about a career, and does not necessarily always want to be a dairy farmer in south-western Victoria, would be much more attracted to an agribusiness diploma or something like that. It is rather the long way round, and perhaps it has not directly answered your question.

**Ms TIERNEY** — Your submission highlights that industry organisations and government agencies need to influence agricultural training, so I have two questions: how effectively is this occurring at the moment; and secondly, what strategies can you suggest for improving industry and government consultation in the training sector?

**Prof. KILPATRICK** — I think it varies according to industry sector. Some are much more interested than others, and I said earlier that things have changed over time. For example, Meat and Livestock Australia used to be very interested in education and training but they are much less so now, whereas the dairy industry is more interested in education and training. How do you influence them? That link to profit that I mentioned earlier and the ability to make change and adapt should be a powerful incentive for industry organisations. They struggle with both having to represent their members but also trying to lead the industry. The people who are working or indeed who are in elected roles quite often understand the need to lead. But when the membership is concerned about water allocations on the Murray or something like that, then they are diverted.

**The CHAIR** — Sue, in your submission you identify the important role that training brokers play in identifying agricultural education. Could you outline the role of a training broker? Can you provide any examples of effective training brokers within the agricultural sector? Finally, is there a need for more training brokers within the agricultural sector, and if so, could you outline what you think is needed, in terms of these sorts of brokers, for the sector?

**Prof. KILPATRICK** — If you think about training as a market, you have got lots of small providers. We have talked about extension. You have got larger ones like South West TAFE in Glenormiston or the dairy out at Goulburn Ovens, but you have got lots and lots of smaller ones, so they are fragmented, and they are trying to access a market that is also fragmented — lots of people on individual farms. You have got a problem. The farmers might know what they want, but they do not necessarily know what they need, partly because they do not know what might be available.

The training providers are operating under a variety of systems. One of the things about the VET system is that you can customise and change training, so they actually have quite a lot of flexibility in what they can do. Here you have lots of possibilities and lots of people who may want training. What a training broker does is bring those two together. They understand and speak the language of both the farmers and the potential learners and the very complex training sector. If you are a farmer here you have a whole range of places that you can go to and what you have may be what comes through your email, letterbox or whatever. Training brokers fulfil that kind of linking role and ideally are also aware of emerging issues.

A lot of the training providers have a business, so they suffer from the same things that all small businesses do. You are working in your business, you have lots of government regulation, you have changing contracts and things, and you have to earn a crust. You do not necessarily need to take a risk about the next over-the-horizon
thing that your slightly unknown training market might be interested in. Training brokers can do that linking thing and also looking over the horizon.

You are looking for something that is more permanent. You really do not want to set up another structure for this; you want to embed it in the institutions that are around at the moment. If you look at the agricultural sector you see that they are either the industry organisations or government DPIs, which in most states are still relatively strong. There are those two possibilities, and that is why you use training brokers.

Good examples can come from all those sectors. I understand from Anita that you have already talked to or will be talking to the Grains Industry Training Network. When we did that training broker thing it was and as far as I am aware remains one of the very best examples of training brokerage. But there are others. There was a small farmer association called Biodynamic Agriculture in New South Wales that did this as well. Up in the Fitzroy Basin we found their NRM equivalent to the catchment authority in Victoria, which is a government agency. That formed a training brokerage role around some of those water and land management kinds of things. There was a private consultant in Tasmania; the dairy branch of the DPI formed a training broker role, which had their dairy farmer clients and they sourced training from a variety of providers to meet their needs. So there are some examples.

How do we get more? FarmBis that I mentioned earlier in its dying stages funded some industry initiatives. One of them was a follow-up to the training broker project, and there was a pilot in a couple of states. I was in Tasmania at the time, so I know more about that. They trained up five training brokers — I know one did not work particularly well, but the other four seemed to be out there and operating. One was a private company that did extension and they thought — I have not been back to check — they could make money out of training brokerage, not necessarily directly always providing the training themselves but being a training broker. It does not have to be a case of more subsidy; it can just be a case of making people aware of the market opportunity.

**The CHAIR** — It seems to me from what you just said that the best examples are the ones that work within industry associations and have the support alongside them, rather than them going off off their own bat trying to — —

**Prof. KILPATRICK** — I think so.

**The CHAIR** — Like the grains network, for instance.

**Prof. KILPATRICK** — Yes. I have just done some work, which is not necessarily relevant to this, on farmer health and how farmers stay healthy. I was surprised at how many farmers mentioned their industry organisation as a trusted source of things like providing mental health training and things. Some industry organisations embrace this wider role and others are a little scared of it, because they have small resources — a small management team — and they rely on contributions from the farmers in the form of levies and whatnot. It is the same as I said a moment ago in answer to Gayle’s question about the distractions of things like the Murray water allocation and things. It is how they arrange their priorities.

Education is actually a long-term investment. People are what make your industry work, adapt and change. I think there is good evidence that it is an appropriate investment for industry organisations.

**The CHAIR** — I have just one last question. You mentioned FarmBis a few times and some of things that worked really well with FarmBis. Do you think it is important to have an organisation like FarmBis? There are the agribusiness forums that are now taking shape and other activities. What support do you think is needed to further encourage and get the understanding coming back from your first point about the link between profitability, good training and good processes on farms?

**Prof. KILPATRICK** — It does not have to be FarmBis. FarmBis provided subsidies to farmers, which is why farmers liked it, but they also provided a bit of quality assurance around the training. As I said earlier, I think embedding what you have in existing organisations is good. You are probably better using things like the VFF, because that is an overarching body, or if you are thinking nationally, then the national commodity organisations like Dairy Australia, and using those to get involved in that kind of thing — certainly empowering these organisations. It may need a one-off project to reorientate people to think about organisations to work out what sort of strategy they could use. Awareness is part of it; over time priorities change and sometimes important ones get displaced. I think that is what has happened with education and training.
The CHAIR — I will ask another question if I could. We have heard a lot during our hearings thus far that one of the big issues is that the industry in general needs a bit of a makeover and that kids are not being encouraged to take up careers in agriculture. Whose responsibility do you think it is to ensure that there is sufficient promotion and awareness that there are some great opportunities for young people?

Prof. KILPATRICK — A lot of that is the industry. The industry in various forms is having a go. Years ago the agricultural science academics were trying to push this. I work for Deakin University, and we do not offer agricultural science. We have been thinking about offering something in the farm management space, but one of the hesitations is the lack of demand. The industry has had a bad rap. When I arrived here in the south-west I brought together a group of people to try to address the more general lack of aspiration in education and training, not just for agriculture. One of the things that came out of that was a series of pages in the Standard newspaper about different careers. We did one on agriculture, and we focused not on the farm but on all the careers around the farm — the accounting, the agronomy and some of the food processing and all those things.

I still do not think that people understand that a career in agriculture does not mean you have to get up to milk the cows early every morning, but that there are quite exciting careers and quite a few of them involve working for an employer where you have wage security so you are not always in the risky farming business. I think promoting the food sector in a different kind of way and perhaps using some of the new buzzwords around food security seem to be the kinds of things that might attract people. That is not just growing food and it is not just safe food; that is a whole food supply chain.

The CHAIR — Sure. Great. Thank you for that.

Ms MILLER — Are there any other recommendations that you would like to make to the committee today to improve the effectiveness of agricultural education and training here in Victoria?

Prof. KILPATRICK — I have given you a lot of things to be going on with, but my top three tips would be increasing the demand through making sure that the sector is right; thinking about the existing farm workforce as well as new entrants is very important; and harnessing and perhaps directing — I do not mean formally directing, but assisting — the industry organisations to focus on education and training.

The CHAIR — Sue, thank you very much. That concludes our questions. It has been very helpful in terms of what you have been able to present to us today, and we wish you well.

Prof. KILPATRICK — I hope so. It is always good to have the opportunity to see research attempt to inform policy, so I appreciate the opportunity. Thank you very much.

Witness withdrew.