



Australian Government
Department of Education, Employment
and Workplace Relations



Australian Regional Agricultural and Mining Skills Project (ARAMS)

Final Report



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Introduction

This is the final report to Government from the Memorandum of Understanding Taskforce (the Taskforce) to the Department of Education, Employment and Workplace Relations (DEEWR) following the completion of the Australian Regional Agricultural and Mining Skills (ARAMS) project.

The Taskforce was formed following the signing of a MOU between the Commonwealth of Australia, represented by DEEWR, the Minerals Council of Australia (MCA) and the National Farmers' Federation (NFF).

The ARAMS project was funded under the Australian Government's National Skills Shortages Strategy, now the Workforce Innovation Program. The contract for the project was held by the NFF on behalf of the partners and overseen by the Taskforce.

The ARAMS project was designed to identify ways to develop and implement initiatives that could result in sustainable regional communities through the provision of an adequate and highly skilled workforce for regional Australian agriculture and mining.

In doing this, the project was asked to consider and develop strategies to optimise the effectiveness of government initiatives and programs, and improve training and education outcomes for communities on the ground.

Specific areas of attention the project was asked to address were:

- Improving employment pathways for new Australian Apprentices;
- Contributing to the development of workforce data to identify future skilled labour needs in each region;
- Developing strategies for employers to interact with employment and training intermediaries;
- Facilitating employer information sessions and promoting the project by consulting with employers, employment intermediaries and employer/industry associations;
- Establishing or strengthening the links between local employers and providers of relevant government services such as Australian Technical Colleges, TAFE, private registered training organisations and Area Consultative Committees;
- Identifying strategies to identify and assess the relevance of a potential employees' prior experience or formal learning; and
- Growing the pool of skilled labour in each region.

Three pilot sites were identified for the ARAMS project. The areas were chosen as they provided a mix of regional and remote locations and variations in sectoral and employer size.

Plot Site	Sponsor
Upper Spencer Gulf – covering region around Port Augusta, South Australia	The area was chosen to explore how the two sectors could work together to sustain the local workforce. The region has large pastoral properties and a rapidly growing minerals sector.
Central West – Dubbo and geographical locations of the Central West	This area is typified by a good diversity of agriculture and mining; mining is smaller and workforce typically is day commute rather than “fly in fly out”. The workforce is more stable and the focus was on regional rather than remote.
Townsville – Mt Isa corridor	This area has a large number of corporate agriculture companies and a mature minerals sector – big and small. Agriculture is still losing labour to the minerals sector and employment can be seasonal (cotton/sugar mills). Second tier mines are less likely to have established training programs. The strong defence force presence leads to a higher turnover of population and also more opportunities as there is a larger population base.

Rimfire Resources was selected as the Project Manager for the ARAMS project.

Three Local Coordinators were recruited on a part time basis to work with local agricultural, mining and associated employers in the three pilot sites.

The interim and final reports prepared by Rimfire Resources have already been provided by the Taskforce and provide the background for this final report to Government from the Taskforce.

As the project unfolded the dramatic change in economic conditions influenced the strategies and direction of project and highlighted the cyclical nature of the employment cycle in regional areas and need for sustainable delivery programs.

The change in mining circumstances during this period is well known, although it should be noted that, whilst there have been some high profile job losses in the industry, the total minerals industry workforce has only reduced to early 2008 levels and employers are continuing to experience skills shortages in some areas. At the

same time, there has been some improvement in the agriculture sector. However, this sector remains at a less than optimal level.

The signing of the MOU underpinning this project was a significant development in collaboration between the minerals and agricultural sectors, and is the first time that NFF and MCA have formally worked together to address an area of common concern to both industries.

For the project (and project managers) this was not without challenges on the ground as historically there has been very little, if any, co-operation between the two sectors – two of the major employers in rural and regional Australia.

Traditionally, the relationship has been, and continues to be, characterised by competition for resources – people and land - rather than identifying and working together to address issues that can benefit both sectors, and the rural and regional areas in which they operate.

Once on the ground, it became apparent to the Taskforce that we may have underestimated what was required to help local employers work together to develop strategic regional solutions.

At the three pilot sites, Local Co-ordinators had varying degrees of success in engaging with local employers to gain their ongoing participation in the project, particularly in the area of developing possible strategies to address the issues that had been identified. There were a number of contributing factors to this difficulty.

In some parts of the mining sector there was a lack of acceptance of a labour shortage (as distinct from a skills shortage) – companies had lists of people wanting to apply for highly paid semi skilled jobs on site and “fly in fly out” strategies were used to address local skills shortages.

Larger mining companies with well-developed training programs or existing local collaborative projects were unsure what additional value their involvement in the ARAMs project would bring to their company.

Agricultural employers, already feeling dispirited and un-empowered, could see little reason to be involved as their experience told them that it was all one way – agriculture to mining and little in reverse.

There was also considerable “fatigue and confusion”, particularly with smaller employers, about the range and level of government services already provided in this area. It was unclear to them how or what the ARAMs project could offer to assist them.

In particular, the Local Co-ordinators attempting to facilitate employer information sessions found it difficult to get employers to attend “another meeting and talk-fest”. Employers wanted solutions to problems not another meeting to discuss and identify them. Local co-ordinators had greater success in some areas working with small groups to consider specific strategies or initiatives.

However, while this may have impacted on the Project's ability to deliver tangible results as per the original contractual obligations, it was a useful and relevant insight for the Taskforce into the conditions and attitudes of employers and the challenges facing industry and government bodies seeking to overcome them.

The Taskforce believe that there is already adequate attention being paid to the promotion of career and employment pathways by the two peak bodies, and various government agencies and that there is no need for additional recommendations in that area from this report.

Finally, as canvassed in earlier reports to government, the ability of the Project to contribute to the development of Workforce Data proved to be beyond the capacity of the current Project. Existing data lacked consistency and had limited commonality, making it extremely difficult to draw comparisons or contribute in a meaningful way across regions.

Findings and Recommendations

Through feedback from employers and employment groups it became apparent to the Taskforce that it was misleading to use “skills shortage” as a generic coverall. There is a clear distinction in the marketplace between skills shortages and labour market shortages. For the mining industry it was a skills shortage – attracting and retaining skilled labour - as there were plenty of people willing to work in the industry, but not necessarily skilled. The agricultural sector was facing both a skill shortage and a general labour shortage.

Different strategies are required to (a) attract and retain high quality skilled labour and (b) ensure there is a ready supply of “job-ready” labour available to employers, as they impact on different people, motivations and circumstances.

The recommendations contained in this report are intended to address these two separate requirements. The regional development recommendation will contribute to addressing the skills shortage and the recommended training program is intended to address the labour shortage issue (and could be extended to address other labour or skills shortages).

The third major theme from the project managers report was a high level of “fatigue and confusion” amongst employers in regard to the provision, availability and accessibility of government education and employment programs, which in turn impacts on the effectiveness of these existing programs.

Employers have been exposed to a large number of Government activities initiated at the local, state and commonwealth levels. However, the number, similarity and reporting requirements of associated programs, can be a disincentive to participation for employers and disengaged workers.

The changes to employment initiatives announced by the Government, in particular the new Job Network and employment brokers, are welcomed by the Taskforce and should go some way towards addressing the current frustrations of employers.

These changes provide the opportunity for MCA and NFF to work with the Government to increase participation by ensuring that employers are aware of the changes to programs. It is also critical that there is a mechanism to assess the effectiveness of these changes, and to implement further reforms and improvements if required.

Recommendation 1:

That NFF and MCA acknowledge the Government's new training and employment initiatives; work with the Government to promote employer awareness and understanding of the programs; and participate in review and improvement initiatives.

Regional Development

This Project was the first attempt by the two industries to collaboratively examine labour and skills shortages from a regional perspective rather than a sectoral focus.

In its final report to the Taskforce, the ARAMs project manager identified regional leadership, collaboration and planning as key to attracting and retaining a suitably skilled workforce in regional Australia.

Specific areas identified by the ARAMs project manager and which the Taskforce will consider in future projects are:

1. Increasing the awareness and need for workforce planning to be included in regional economic development and infrastructure plans. Regional workforce plans that are structured and shaped by economic development plans can provide the framework for delivery and composition of government training and employment strategies.

A workforce development plan will also indicate the under/oversupply of the workforce and can shape and drive strategies to attract, develop, retain and deploy a suitable workforce.

2. Promoting the need and importance of regional bodies playing a central facilitating role in the development of strategies to attract, retain and develop an appropriate workforce. The Taskforce notes the Australian Government's current proposal to alter the current Area Consultative Committees and believes this may provide an opportunity to address some of the concerns raised in the ARAMs project.

3. Provision of leadership and strategic planning skills – many leadership roles in regional areas are volunteer roles, and individuals can lack the experience and expertise needed to develop strong regional strategic plans. The Taskforce will consider what tools can be made available to assist with workforce planning and development at the regional level.
4. Better utilisation of MCA and NFF’s existing networks and State organisations to promote the benefits of, and best practise in, regional workforce development planning and the collaboration between industry sectors, regional employers and the community. In the pilot sites, and in other regions across the country, there are good examples and case studies of regional development that the Taskforce agrees should be showcased to a broader audience.
5. Reinvigorating MCA and NFF’s current advocacy program to address macro policy settings to assist regional sustainability. Possible areas identified by the ARAMS project include:
 - Training incentives for employers and employees within regional and rural Australia;
 - Incentives to encourage people to relocate permanently to regional and rural Australia;
 - Assistance in building infrastructure to help retain people in regional and rural Australia;
 - Tax zone rebates; and
 - Attracting graduates through HECs benefits.

Recommendation 2:

That the MCA and NFF work together to develop a common advocacy strategy in areas of mutual benefit that will assist rural and regional communities grow the pool of skilled labour to support the agriculture and minerals sectors in each community.

Initially the focus of the advocacy strategy proposed by the Taskforce will be:

- 1. to improve the resources and capabilities available to regional communities to enable the development of economic development plans with a strong workforce development component; and**
- 2. to review and refine the macro level policy positions relating to the attraction, retention, development and deployment of labour in regional areas.**

Skills Training

The challenge for regional and rural Australia is to create a skilled and flexible workforce within their existing and potential community to meet current and changing employment needs.

The fallout from the global financial crisis has highlighted the need for regional workforces to be flexible enough to respond to changing economic conditions. When one sector experiences a downturn, the challenge is to ensure that people are encouraged to remain within the region. Transferability of skills is one of the ways to encourage people to remain within the region.

The Taskforce strongly supports the recommendation to provide employers and potential employees, especially those underrepresented in the employment market, with a recognised training program that provides basic skills competencies

The Discussion Paper at Attachment A was prepared following a working group facilitated by the ARAMS Local Co-ordinator in the Upper Spencer Gulf pilot area.

It recommends providing entry level employees – particularly those currently under-represented in the job market such as Indigenous Australians, women and school leavers - with training in generic skills that are transportable across sectors to make them attractive and “job ready” for a wide variety of employers.

The objective of the program is that entry-level candidates will receive a recognised qualification that is consistent across regions/sectors and industries.

The approach recommended by the ARAMs project manager moves from “sector” based training towards the provision of skills that contribute to regional employability and delivered in a manner that contributes to the “work readiness” of the entry-level trainee.

The program would be structured around “core” modules supported by electives and use training components from existing industry specific packages. Core modules would include basic OH&S requirements, working in teams, communication, licences, and mechanical reasoning skills.

Electives would reflect the employment characteristics of a region – mustering in Northern Queensland, horticulture in NSW, mining skills dependant on the type of mines such as heavy machinery, open cut or underground.

In progressing this recommendation, the Taskforce stresses the importance of ensuring that both the agricultural and mineral sector employers are encouraged to recognise and fully endorse this qualification. There may also be a need for additional collaboration with larger employers in a region to incorporate existing training programs into this qualification.

Recommendation 3:

That the Australian Government progress the development and implementation of an industry endorsed Regional Agricultural and Mining Skills training program to provide skills to entry level, mature aged and displaced workers to facilitate entry into either sector in regional and rural Australia.

ARAMS Reporting Requirements

In regard to the specific issues requiring reporting under the project the Taskforce reports the following:

Increases in the number of employees undertaking an Australian Apprenticeship which can be attributable to the Project.

There has been no increase in the number of employees undertaking Australian Apprenticeships directly attributable to this Project.

Increased participation by employment and training intermediaries including ATCs in the agriculture and mining sectors in each region particularly through more flexible delivery in remote regions.

There has been no directly attributable increase in participation by employment and training intermediaries, including more flexible delivery in remote locations. However, it is anticipated that the development of the Regional Agricultural and Mining Skill training program will lead to increased participation by training intermediaries with greater flexibility in remote regions.

Improvement in the acknowledgement by the agriculture and mining sectors in each region of the region's employment and training intermediaries including ATCs;

In all sites, there was already an acknowledgement of the region's employment and training intermediaries, including ATCs.

Increase in numbers of people undertaking formal training in the agriculture and mining sectors in each region which can be attributable to the Project;

There was no increase in the number of people undertaking formal training in the agriculture and minerals sectors in each region that could be directly attributed to the Project.

Improvement in the awareness of training opportunities by employers in the agriculture and mining sectors in each region;

In all sites, there was already a high level of awareness of training opportunities by employers in the agricultural and minerals sectors. Discussions with employers in forums and small groups may have increased this awareness but there is little evidence that this awareness was translated into employers offering more training spots to employees.

Increase in the creation of more demand for, and influence of the supply of, labour at the school level which can be attributable to the Project;

The MCA and NFF have significant programs to promote careers in the agricultural and mining sectors. There was no directly attributable increase in the demand for or the supply of labour at school level that can be attributed to the Project.

Increase in industry input into curriculum and training delivery in the regions;

There was no directly attributable increase in industry input into curriculum of training delivery. However, the two relevant Industry Skills Councils were involved in discussions around the development of the Regional Skills Program.

Increase in the awareness and uptake of assistance provided by Australian Government agencies and services such as Australian Apprenticeship Centres and Employment Services Providers which can be attributable to the Project;

There was no directly attributable increase in the awareness and uptake of assistance provided by Australian Government agencies and services such as Australian Apprenticeship Centres and Employment Services Providers. This may be related to the perceived difficulties that have been highlighted above in accessing some programs.

Increase in labour participation in the mining and agriculture sectors in the regions particularly by women, unemployed youth, mature age workers and Indigenous Australians.

There is no directly attributable increase in labour participation in the minerals and agriculture sectors in the regions particularly by women, unemployed youth, mature age workers and Indigenous Australians.

Attachment A:

Regional Agricultural and Mining Skills Training Program (RAMS)

Background and Objective to the Regional Agricultural and Mining Skills Training program

One of the areas for discussion in all pilot sites was skills development and transferability of skills.

As the project unfolded, (from January 2008 to the current – with the project to be completed in April 2009), the economic conditions changed dramatically which influenced the strategies and direction of ARAMS. The change in mining circumstances during this period of time is well known. At the same time there has been some improvement in the agriculture sector. However, this sector remains at a less than optimal level.

This experience highlighted to the ARAMS project that the challenge of a regional workforce is that it be flexible enough to respond to such changing economic conditions. If for some reason one of the sectors experiences a downturn in economic conditions, the challenge is to ensure as much as possible people are encouraged to remain within the region. Transferability of skills is one of the ways to encourage people to remain within the region.

Throughout the ARAMS project, employment practices and decisions of both sectors were examined to consider implications for the workforce. What this has highlighted in these discussions was that while skills were important, the mining sector in particular considered **employee “fit” and attitude to work** as important in making their selection decision.

Recognition of prior learning processes did not seem to have impact/effect when considering cross sector employment. Recognition of prior learning within each industry sector was seen as a positive experience and should be encouraged and supported.

However, what is perceived as beneficial was some training accreditation for initially entry level employees and possibility mature age to provide skills applicable to both sectors and other sectors within the region.

This “entry level” training would provide a number of benefits:

- Provide skills to participants that are applicable to other sectors – thereby enhancing the individuals’ “employability” within the sectors and the region;
- Provide a sense of each sector’s work nature, allowing for individuals to self select as to their preference for a career choice;
- Provide skills to the individual that will enhance their employability in other sectors within the local community.

It is envisaged that the training program will consist of a number of “core” modules. These core modules will be supported by a number of electives which will be regional specific. These regional specific modules will reflect the various economies of the regions – allowing for differences in electives from (for example) Upper Spencer Gulf and Cloncurry.

It is envisaged that the training will make use of technology such as simulation to heighten the experience of the participants in the training. It is also envisaged that the training will be conducted on site (on both agricultural and mining work places) to add to the quality of the training and thereby make the participants more job aware and job ready.

The RAMS training program will provide entry level pathways to careers in either Agriculture or Mining when fully endorsed by both industries. Career development would be supported by sector specific training. (Flow outlined in attachment 1)

Two programs in particular, the Certificate 1 in Rural Operations and the Certificate 1 in Resources and Infrastructure seemed to be two programs that offered an entry level opportunity.

Composition of RAMS Training Program

It is recommended that the core modules of RAMS Training Program consist of the following modules:

- Working safely and following OH&S policies and procedures;
- Communication in the workplace;
- Contributing to quality work outcomes;
- Understanding technology;
- Mechanical reasoning;
- Working in teams;
- Personal skills (problem solving, time management);
- Driving/large vehicle skills.

The electives could include the following modules, (depending on student need and local industry characteristics):

- Welding skills;
- Automotive skills;
- Business skills (including some finance/budgeting skills);
- Chemical certification;
- Use of hand and power tools;
- Apply basic first aid;
- Land management;
- Cattle handling;
- Carry out measurements and calculations.

The actual composition of the modules as either core or elective modules will depend on industry feedback.

Each of these modules would be subject to the employability criteria.