

# **The Swan Hill Region Workforce Development Strategy**

The Current State - Agriculture  
Aug 2013

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## Glossary

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Term	Description
ABS	Australian Bureau of Statistics
DEEWR	Department of Education, Employment and Workplace Relations
Mid Murray Employment Service Area	A DEEWR area that includes the Swan Hill, Buloke and Gannawarra Local Government Areas
Working age population	ABS uses 15+ and DEEWR uses 15-64
NILFET	Not in the Labour Force, Employment or Training
MMLLEN	Murray Mallee Local Learning and Employment Network
LLEN	Local Learning and Employment Network
'Non employing'	An owner operator business, one does not employ any staff
Swan Hill LGA	Swan Hill Local Government Area, used interchangeably with Swan Hill Rural City Council region or municipality
Swan Hill City	The Swan Hill city segment of the Swan Hill Rural City Council
The Steering Committee	Swan Hill Region Workforce Development Strategy Steering Committee
SHRCC	Swan Hill Rural City Council
SHRWDS	Swan Hill Region Workforce Development Strategy

# Executive Summary

*The Current State - Agriculture*

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## Industry Trends

- Agriculture is the largest employing industry in the Swan Hill Rural City Council (SHRCC) region employing, approximately 1,445 people in 2011.
- Grape growing employs the largest number of people, approximately 400 people (ABS, 2011)
- The 'Other Grain Growing' segment, which includes barley, cereal, maize, and wheat (except when combined with cattle and sheep farming) is the second highest employing Agricultural segment in Swan Hill. This segment showed the strongest employment growth between 2006 and 2011.
- 'Other Fruit and Tree Nut growing', which includes, almonds, walnuts and tropical and sub tropical fruits, also showed growth.

## Employers

- The total number of businesses in the SHRCC municipality showed a minimal change between 2009 and 2011. The number showed a small decline from 1048 in 2009 to 1043 in 2011.

## Key Occupations

- Between 2006 and 2011 the number of Farm Managers (which includes farm owners) dropped by 14% from 939 to 858. This most likely reflects a smaller number of farmers who are operating larger sized farms.
- The number of livestock farmers dropped by 33%, from 120 to 80. (ABS, 2011).

## Workforce Development

- 2012 saw strong enrolments in Certificate III and IV Horticulture courses. Nearly 250 people in the Swan Hill LGA were enrolled in Certificate III or Certificate IV Production Horticulture courses which attracted Victorian Government subsidies.
- 58, or 8% of the estimated 722 school students in the Murray Mallee LLEN studying VET subjects were studying Agriculture

## Workforce Risks

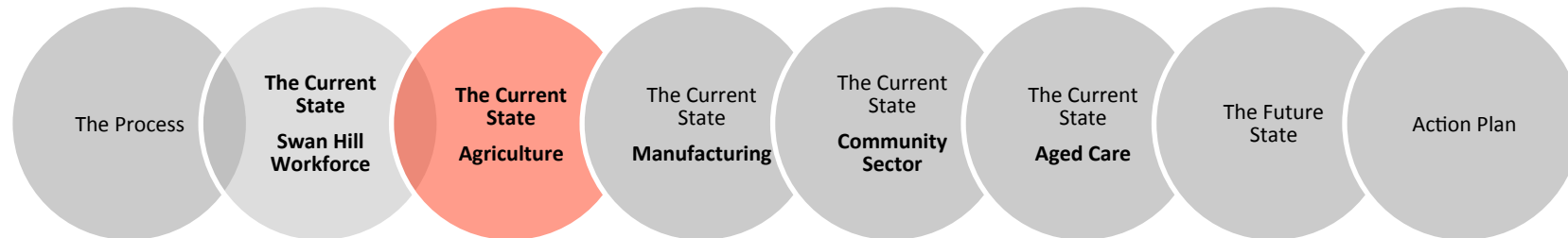
- Low awareness of local opportunities, career pathways and an out-dated image of jobs in Agriculture and Horticulture is making the sector unattractive to young people.
- The complexity and size of farming operations is increasing the need for IT, business management and people skills.
- People with the required skills are not attracted to the Swan Hill region.

## About this document

*The Current State – Agriculture is one of four industry specific snapshots that contributes to The Current State.*

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**The Current State – Agriculture** is one of eight documents that has been produced as part of the Swan Hill Region Workforce Development Strategy Project.



The Current State - Agriculture contributes to the body of evidence on which the Swan Hill Region Workforce Development Strategy and Action Plan has been based.

This document summarises relevant ABS data, local research and consultations with Swan Hill employers and training providers as well as the Swan Hill Region Workforce Development Strategy Steering Committee members.

This Current State – Agriculture focuses on Agribusiness Horticulture/Dryland/Food Processing in Swan Hill. Meat processing has been included in 'The Current State: Manufacturing'.

Moving from general to more specific data it covers:

- Growth segments in Agriculture/Agribusiness/Horticulture
- Number and size of businesses by Swan Hill regions
- Enrolment in Certificate 1 - Diploma qualifications (State Government funded under the Victorian Training Guarantee)
- A SWOT Analysis combining research with consultation findings
- Risks and suggested strategies drawn from the SWOT Analysis
- An Executive Summary covering the key findings

## Employment Trends in Agriculture in Swan Hill 2006 – 2011

*The grape, other grain and stone fruit segments employ the most people*

Agriculture is the largest employing industry in the SHRRC Region employing, approximately 1,445 people in 2011.

Between 2006 and 2011 employment in Agriculture dropped by 21%.

The 'Other Grain Growing' segment, which includes barley, cereal, maize, and wheat (except when combined with cattle and sheep farming) is the second highest employing agricultural segment in Swan Hill and showed the strongest growth.

'Other Fruit and Tree Nut growing', which includes, almonds, walnuts and tropical and sub tropical fruits, also showed growth.

Industry	2006	2011	% Change	
Grape Growing	600	401	33% down	↓
* Other Grain Growing	226	271	20% up	↑
Grain-Sheep or Grain-Beef Cattle Farming	214	127	41% down	↓
Stone Fruit Growing	188	184	2% down	↓
Vegetable Growing (Outdoors)	115	99	14% down	↓
Fruit and Tree Nut Growing, nfd	111	95	14% down	↓
** Other Fruit and Tree Nut Growing	110	120	9% up	↑
Agriculture, nfd	103	62	40% down	↓
Other Agriculture and Fishing Support Services	60	38	37% down	↓
Citrus Fruit Growing	53	45	15% down	↓
Dairy Cattle Farming	51	36	29% down	↓
Nursery Production (Outdoors)	43	31	28% down	↓
Sheep Farming (Specialised)	43	29	32% down	↓
Beef Cattle Farming (Specialised)	38	33	13% down	↓

Source: ABS Census of Population and Housing 2006 and ABS 2011. Table generated using Tablebuilder.

## Employment Trends in Agricultural Occupations in Swan Hill (2006 – 2011)

*The Agriculture sector is the largest employer though the numbers employed is declining*

The Agriculture industry employs the largest number of people in the Swan Hill region, though the overall number has declined by nearly 34% in the past decade.

Between 2006 and 2011 the number of people employed in Agriculture, Forestry and Fishing sector in the SHRCC region decreased by 21% to 1,445.

Between 2006 and 2011 the number of Farm Managers (which includes farm owners) dropped by 14%. This most likely reflects a smaller number of farmers who are operating larger sized farms.

Change in Main Occupations in the Agricultural / Horticultural sector (2006-2011)			
Occupation	2006	2011	% Change
Crop Farm Workers	495	349	29%↓
Nurserypersons	25	23	8%↓
Other Farm, Forestry and Garden Workers	41	34	17%↓
Livestock Farm Workers	46	29	35%↓
Agricultural and Forestry Scientists	37	32	14%↓

Change in Farm Manager – Type and No (2006-2011)			
Farm Manager Type	2006	2011	% Change
Crop Farmers	939	858	8%↓
Livestock Farmers	120	80	33%↓
Mixed Crop and Livestock Farmers	231	156	32%↓
Farmer and Farm Managers nfd	20	32	60%↑
<b>TOTAL</b>	<b>1310</b>	<b>1126</b>	<b>14%↓</b>

In the Australian and New Zealand Standard Industries Classification (ANZSIC), Farm Owners and Farm managers are included as 'Managers'. ('nfd means 'not fully defined')

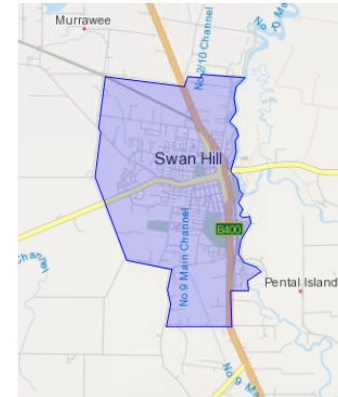
# Agriculture Businesses in Swan Hill City – No. and Size (2006-2011)

The number of Agricultural business grew between 2009 and 2011

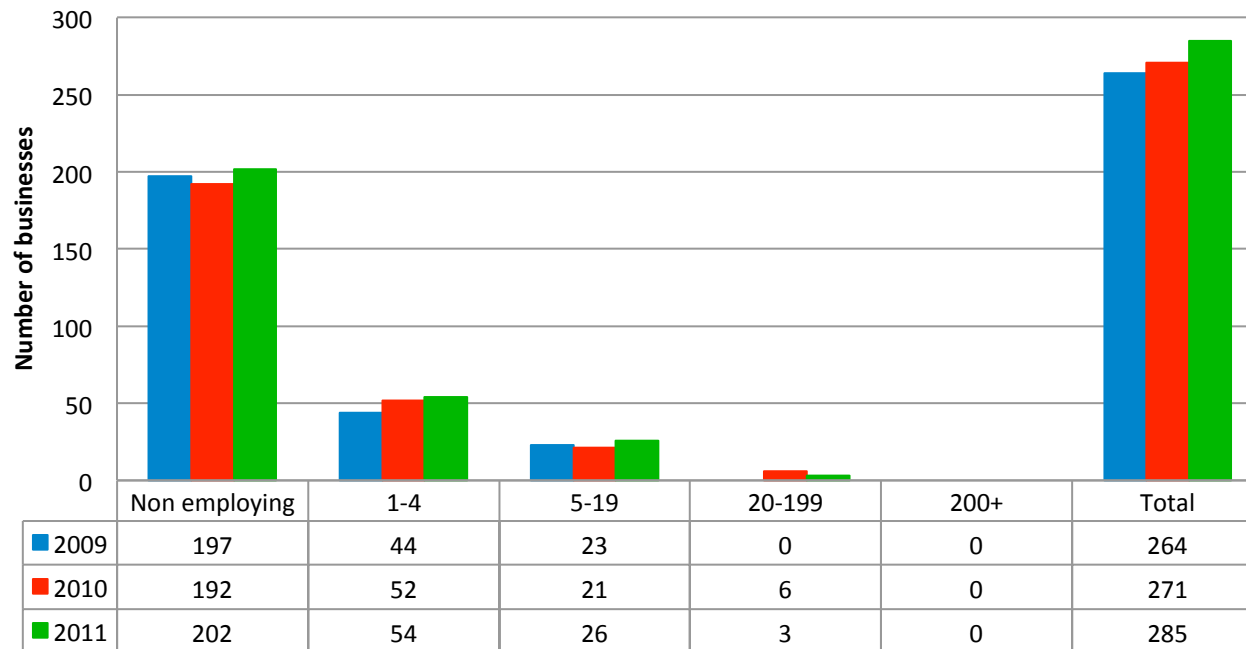
Between 2009 and 2011 the total number of Agricultural businesses in Swan Hill City increased from 264 to 285.

In 2011 there were slightly more businesses employing between 0 and 19 staff than there were in 2009.

90% of businesses employ fewer than 4 people.



## Agriculture / Forestry / Fishing - Swan Hill



Source: ABS, Counts of Australian Businesses, including Entries and Exits, June 2009 – June 2011

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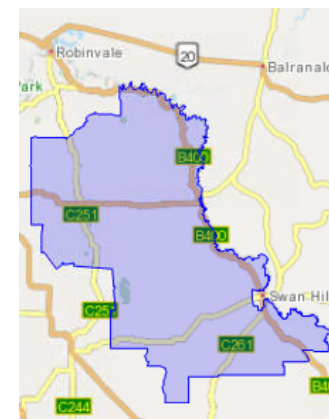
## Agricultural Businesses in Swan Hill Region (excluding Swan Hill City and Robinvale) – No and Size

*The number of business is slowly declining*

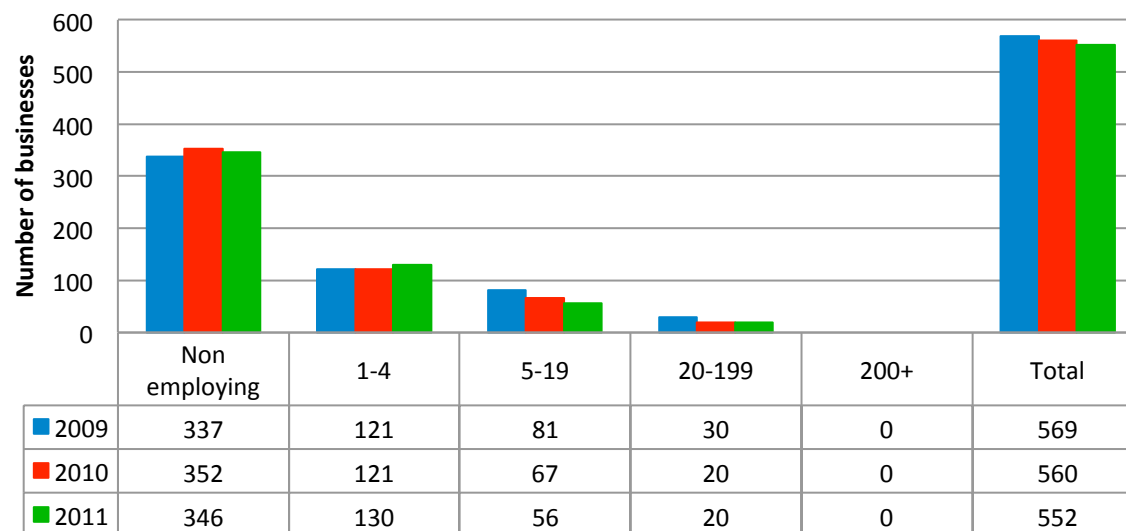
Between 2009 and 2011 the total number of Agriculture businesses in the Swan Hill region decreased from 569 to 552.

From 2009 to 2010 24 businesses exited the 5-19 and 20-199 employee segments, with an increase of 15 non employing businesses.

Between 2009 and 2011 there was a growth in the number of businesses employing 4 or less people and a decline in the number of businesses employing five or more people.



### Agriculture / Forestry / Fishing - Swan Hill Region



Source: ABS, Counts of Australian Businesses, including Entries and Exits, June 2009 – June 2011

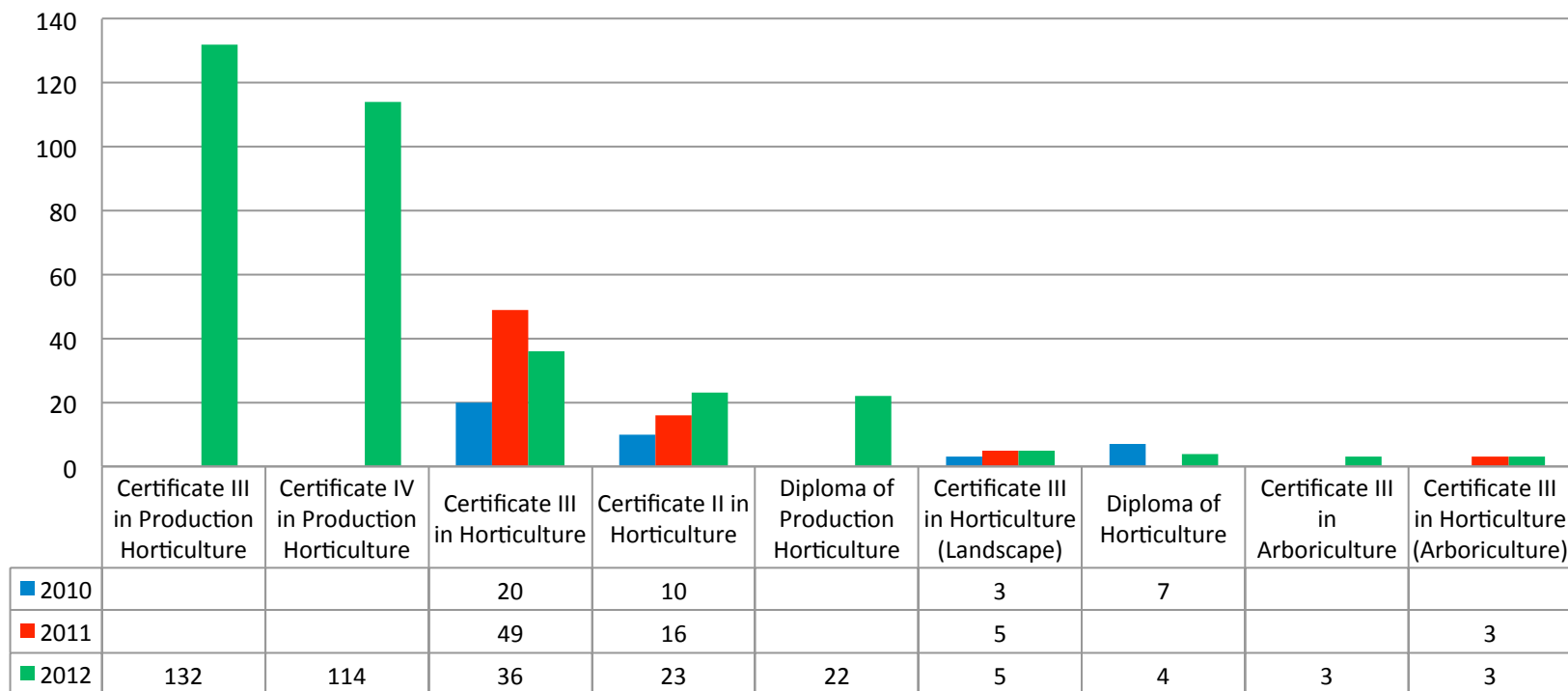
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## Vic Govt Funded Enrolments in Agriculture/Horticulture by Swan Hill Residents 2010 – 2012 (1 of 2)

*Enrolments in Horticulture are much stronger than in Agriculture*

2012 saw strong enrolments in Certificate III and IV Horticulture courses. Nearly 250 people in the Swan Hill LGA were enrolled in Certificate III or Certificate IV in Production Horticulture courses.

### Course enrolments for Agriculture/Horticulture by learners residing in Swan Hill, by qualification, State Government Funded only, 2010-2012



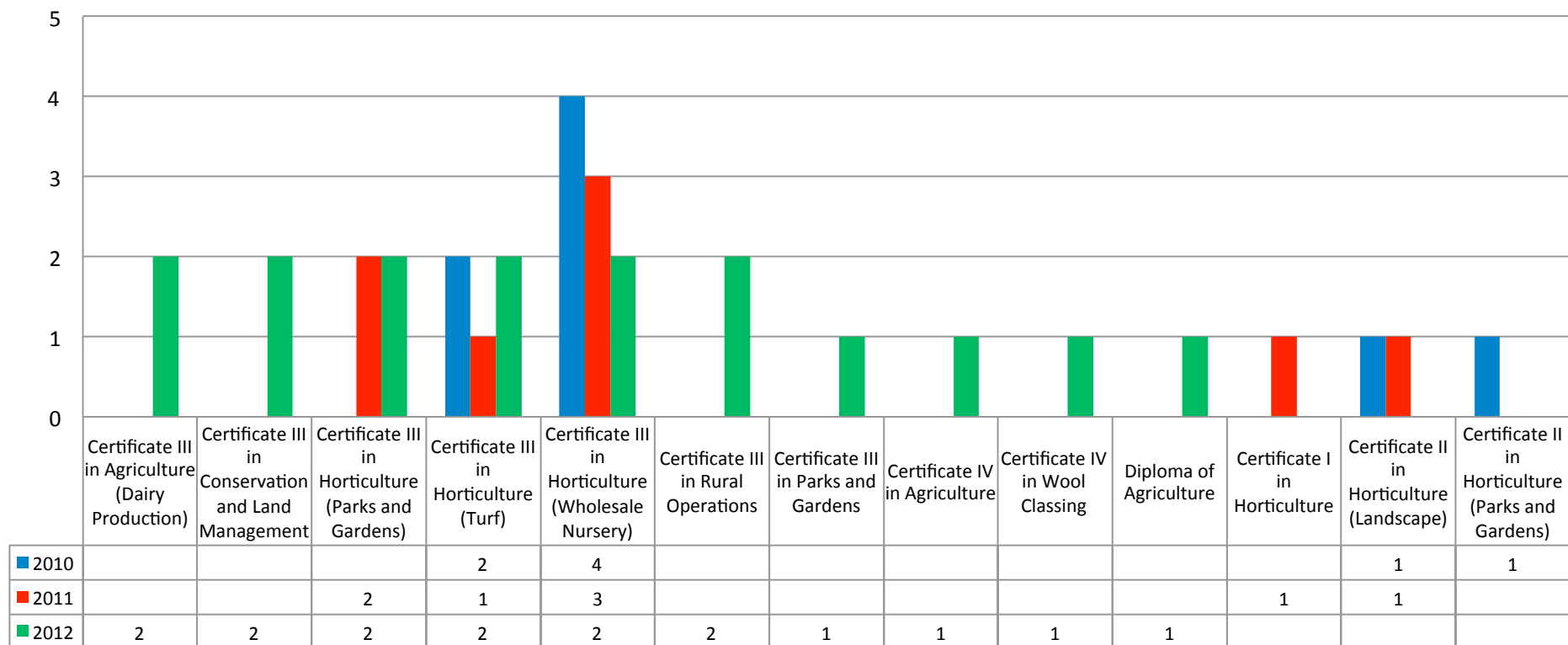
Source: DEECD report on Swan Hill selected industry sectors table 1

## Agriculture/Horticulture Enrolments 2010 – 2012 (2 of 2)

*There are a small number of enrolments across a large number of courses*

In 2012 few Swan Hill residents were enrolled in Agricultural qualifications that received State Government Funding. However the number had increased from 2010.

### Course enrolments for Agriculture/Horticulture by learners residing in Swan Hill, by qualification, State Government Funded only, 2010-2012



Source: DEECD report on Swan Hill selected industry sectors table 1

# Loddon Mallee Skills and Training Needs

Report on 'Skills and Training Needs of the Agricultural Sector by Allen Consulting Group Aug 2012



## Report on 'Skills and Training Needs of the Agricultural Sector' by Allen Consulting Group Aug 2012

### Demand

Stakeholders in **Loddon Mallee** identified the following as being in high demand:

- Managers and skilled tradespeople, such as diesel mechanics
- Shearers, wool handlers and roustabouts (in some parts of the region farmers who have moved away from livestock farming are slowly moving back)
- Truck/forklift drivers and fencers
- Skills associated with increasingly complex farm equipment (technical innovation)
- Highly skilled and reliable employees with advanced technology skills

Less demand for:

- Lower skilled employees

As a result of the drought, followed by the flood and the global financial crisis the following has occurred:

- A reduction in the regular employment base
- Where traditionally casuals were employed owners are now doing the work
- Where once permanent workers were employed they are now casual

### Attraction

- Hard to attract specialist skills
- Pool of available labour is low
- Difficult to match wages offered by counterparts in mining and manufacturing in Bendigo
- Housing is offered in Robinvale and social events are organised to curb the feeling of isolation, especially for partners of newly located workers
- RTO Riverlea Australia offers a range of training to employees

Source The Allen Consulting Group, 2012 , Skills and Training Needs of the Agricultural Sector

# AgriFood Skills – The Loddon Mallee Jobs Summit Outcomes

*The 16 April 2013 Jobs summit identified the following research activities*



Following the AgriFoods April 2013 Jobs Summit, a Regional Steering Group, comprising primarily regional industry employers, will be established to help guide AgriFoods National Regional Initiatives. This group will develop, adapt and implement whole-of-region strategies.

From the Jobs Summit the following key research activities will be refined and targeted towards local need:

- Research the major industries within the region to determine the broader skill needs. A Skills Demand Timeline will be developed to map peak demand across a mix of industries and identify suitable periods for training.
- Conduct a comprehensive Skills Needs Analysis with industry groups and individual businesses to identify skill gaps and training needs, that when combined will provide a broader regional picture.
- Skills Recognition is a means of retaining the existing workforce, recognising their current skills and knowledge acquired through prior learning, training and life experience.
- Employer Capability workshops will build management capacity in areas such as workforce planning, job design and work organisation. The Employer of Choice survey will identify workplace perceptions.
- Conduct a Cross Industry Skilling program once the transferrable skill needs are confirmed, in order to deploy appropriately skilled workers to meet peak demands across the different industries.

Source: AgriFood Skills Australia, Summary of 13 April, Jobs Summit

# Agriculture Workforce in Swan Hill

ABS data, local research and consultations with employers and RTOs were considered in this SWOT analysis

Strengths	Weaknesses/Challenges
<p><b>Largest employing industry</b></p> <ul style="list-style-type: none"> <li>• More than 1,400 people, 18% of Swan Hill's labour force work in Agriculture, more than in any other sector.</li> <li>• Two thirds of Agriculture workers in Swan Hill are classified as 'Managers'</li> <li>• Between 2006 and 2011 employment grew in the following two segments:               <ul style="list-style-type: none"> <li>○ 'Other fruit and tree nut growing', which includes almonds, grew by 9%</li> <li>○ 'Other Grain Growing which includes barley, cereal, maize, and wheat (except when combined with sheep or beef farming) increased by 20% (ABS Census, 2006 and 2011)</li> </ul> </li> </ul> <p><b>Supply of seasonal workers</b></p> <ul style="list-style-type: none"> <li>• Seasonal workers e.g. pickers, pruners and packers, are increasingly managed by contractors and the work is largely undertaken by overseas workers e.g. Pacific Island Guest workers</li> <li>• Contractors manage the work visas for overseas workers</li> <li>• International students provide a reliable source of labour</li> </ul> <p><b>Technology is increasing farm productivity</b></p> <ul style="list-style-type: none"> <li>• Farmers use IPADS/GPS on their tractors</li> <li>• Automation is replacing some roles e.g. grading of fruit</li> </ul>	<p><b>Accommodation</b></p> <ul style="list-style-type: none"> <li>• A lack of accommodation and access to farms for seasonal workers. The 'grey nomads' who came with their own accommodation, come less often.</li> </ul> <p><b>Difficult to fill roles</b></p> <ul style="list-style-type: none"> <li>• Farm managers generally need people who are multi-skilled, e.g. people who can undertake spraying, pruning, drive a forklift or truck and operate machinery</li> <li>• Employers have experienced local jobseekers being unreliable</li> <li>• Nursery staff, local workforce are deterred by the pay and conditions</li> <li>• Middle managers/supervisors are needed to manage crews</li> </ul> <p><b>Issues</b></p> <ul style="list-style-type: none"> <li>• Cost of contractors reduces hiring on some properties</li> <li>• Low interest in and awareness of careers in agriculture and horticulture pathways</li> <li>• People, particularly students, see local farming roles as picking, pruning and packing jobs</li> <li>• Students are not aware of the diverse roles in industry, technology used and career paths</li> </ul> <p><b>Ageing Workforce</b></p> <ul style="list-style-type: none"> <li>• Perception of a lack of succession planning</li> </ul> <p><b>Horticulture RTO</b></p> <ul style="list-style-type: none"> <li>• One RTO specialising in horticulture training has closed down</li> </ul>

# Agriculture Workforce in Swan Hill

ABS data, local research and consultations with employers and RTOs were considered in this SWOT analysis

Opportunities	Threats
<p><b>Support farmers to build business/IT/people management skills</b></p> <ul style="list-style-type: none"> <li>Facilitated groups of dairy farmers exist in other areas and this model could be used as an avenue to skill farmers in people management and HR areas of interest</li> <li>Explore roles local businesses e.g. accounting firms could play in supporting to build the needed skills</li> </ul> <p><b>Wholesale nursery</b></p> <ul style="list-style-type: none"> <li>Opportunity for a RTO to provide a Cert III in Wholesale Nursery qualification previously offered by local RTO</li> </ul> <p><b>AgriFoods National Regional initiatives</b></p> <ul style="list-style-type: none"> <li>Loddon Mallee Job Summit resulted in development of a Regional Steering Committee. Issues raised at Job Summit included the:             <ul style="list-style-type: none"> <li>need to develop a seasonal skills demand timeline</li> <li>need to increase the flexibility of training</li> <li>The need to address the image of agriculture for future generations</li> </ul> </li> </ul>	<p><b>Agriculture and Horticulture perceived as 'flat'</b></p> <p><b>Work Visa regulations can change</b></p> <ul style="list-style-type: none"> <li>Visa regulations directly influences the availability of seasonal and other workers</li> </ul> <p><b>Inadequate People Management/Business Management/IT skills among some managers</b></p> <ul style="list-style-type: none"> <li>Farm management and the use of equipment is requiring higher level of IT skills e.g. farm vehicles run on GPS</li> <li>Management of larger farms is requiring people management skills. Farmers often need the skills but won't necessarily need formal qualifications or have the time or inclination to undertake formal qualifications</li> </ul> <p><b>Perceived low interest in Cert III and IV level Agricultural qualifications</b></p> <ul style="list-style-type: none"> <li>Most training is in the qualifications that are mandatory for roles, such as First Aid, Use of Hazardous Chemicals, Fork lift driving</li> </ul> <p><b>Funding of Agriculture initiatives</b></p> <ul style="list-style-type: none"> <li>Agriculture employers are currently not involved with Swan Hill Inc.</li> </ul>



## Agriculture - Risks to be prioritised and Suggested Strategies

*Ideas and strategies suggested during the consultations are summarised against each risk*

Risks	Relevant to other industries	Ideas and suggestions from consultations
Low awareness of local opportunities, career pathways and an out-dated image of jobs in Agriculture and Horticulture is making the sector unattractive to young people	Yes	<p>Work with local schools, careers teachers, students and parent community to provide a realistic understanding of the work and opportunities.</p> <p>Explore implementing a program based on ‘Set your heart on a career in Accounting’ program focusing on higher level role in Agribusiness e.g. agronomists, technicians</p> <p>Link with the AgriFoods Regional Initiatives Project through the Loddon Mallee Steering Committee to build awareness of careers and roles in agriculture</p>
Low awareness of local providers in wholesale nursery qualifications will limit the number of suitable staff available	No	Raise awareness of course available
A lack of accommodation and access to farms for seasonal workers when it is not provided by contractors	No	Link with the AgriFoods Regional Initiatives Project through the Loddon Mallee Steering Committee

## Agriculture - Risks to be prioritised and Suggested Strategies (continued)

*Ideas and strategies suggested during the consultations are summarised against each risk*

Risks	Relevant to other industries	Ideas and suggestions from consultations
The complexity and size of farming operations is increasing the need for IT, business management and people skills	Yes	<p>Explore if facilitated discussion groups being used in the dairy industry could provide a model for discussion and knowledge sharing on these issues</p> <p>Explore if local accounting firms could play a role in knowledge and skills transfer</p> <p>Explore existing models of support such as, Rural Finance Victoria, Business Victoria, Small Business Victoria, VECCL, the Business Re-Education in Bendigo and AHRI Assist.</p>
People with the required skills are not attracted to the Swan Hill region	Yes	Build on initiatives of Swan Inc and the SHRRC to promote Swan Hill as an ideal place to live, work and visit
The Agricultural sector has been the focus of many consultation processes on skill shortages and it will be hard to engage if they see no action	No	

## References

*The following documents were reviewed in this Project*

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1. AgriFood Skills Australia, National Regional Initiatives, Summary of key research activities from the 16 April Loddon Mallee job Summit, 2013
2. Allen Consulting Group. Skills and Training Need of the Agricultural Sector, Aug 2012
3. Australian Bureau of Statistics, Census of Population and Housing, 2006 and 2011
4. Australian Bureau of Statistics, Counts of Australian Businesses, 2009, 2010 2011
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6. DEEWR, Labour Market Research and Analysis branch, Nov 2012, Mid Murray Employment Service Area, presentation by Sandra Taylor-Steele
7. DEEWR , Australian Jobs, 2013
8. Robinvale Mentoring Program: Training and Orientation Guide
9. Sunraysia Institute of TAFE, 2012, Start your Career at SuniTAFE 2012



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