



Australian Government



Australian Workforce and Productivity Agency

# Food and beverage workforce study

## Skills to grow our agrifood industry

October 2013

### **Australia’s agrifood industry is in transition. It needs to build a highly skilled and adaptive workforce to capitalise on new growth opportunities.**

Agriculture is one of Australia’s most productive industries and our farm output is on the rise. Our food and beverage processing sector is also growing and is now Australia’s largest manufacturing sector in terms of employment.

However, the industry faces significant change and challenges. The reality is that with limited potential to grow domestic markets, the future lies in finding new customers in rapidly growing and highly competitive Asian markets.

If we are to capitalise on export opportunities, the industry must attract highly skilled workers and better develop and utilise the skills of the existing workforce.

New technologies and a shift away from small, often family-owned farming operations to more concentrated, capital intensive businesses, are also pushing up demand for skilled workers.

And as many farmers approach retirement, the industry needs to ensure existing skills and knowledge are retained and passed on.

A new approach is needed which places more value on skills, training and workforce development, and where industry gets more involved in the provision of education and training.

### **Future outlook for jobs**

Employment projections over the next five years suggest a continued decline in employment in agricultural production and a slight increase in food processing employment.

However, it is likely that these projections do not fully capture the longer term potential growth if Australia secures a substantial share of expanding export markets.

Job openings will also occur as a result of the need to replace workers who leave, including the significant number who are likely to retire over the next decade.

The Australian Workforce and Productivity Agency has developed a suite of four scenarios to 2025 which show employment growth in a number of occupations. These include: Livestock Farmers, Production Managers, Agricultural and Forestry Scientists, Bakers and Pastry Cooks, Butchers and Smallgoods Makers and Aquaculture Workers.

### **Skills to grow the industry**

The agricultural workforce has a well-developed culture of informal learning, but both the agriculture and processing workforces have relatively low levels of formal qualifications.

Many workers in regional and rural areas do not have easy access to education and training; and it can be difficult for small businesses to provide funding and time off for training. However, in larger food processing companies there can be significant opportunities and resources for training and workforce development.

To meet future demand, the workforce will need higher level training to develop: entrepreneurial, leadership, management, mentoring and risk management skills; advanced production techniques; and the ability to translate research and development into successful new products.

Individuals will need to acquire adaptable skills which they can use across the food supply chain and be work-ready when they graduate.

For some sectors there will be a shift to higher skill requirements, while in others new technologies may de-skill traditional job roles which will require workers to retrain and re-skill.

For the industry to adapt to change and reach its full potential it needs to foster a culture of structured training and lifelong learning.



## Agrifood industry snapshot

- The agricultural production and food and beverage processing industries together employ approximately 553,000 people, and generate around four per cent of Australia's GDP.
- The industries generated export income valued at \$30.5 billion in 2011–12, representing 11.5 per cent of total merchandise trade.
- Around 60 per cent of Australia's agricultural production is exported.
- To increase jobs and export earnings the industry needs to expand its value-added exports, as current exports are mainly high volume and involve minimal processing.
- Less than 40 per cent of workers in agriculture and fishing, and 45 per cent in food processing, have a post-school qualification, compared to Australia's all-industries average of 62 per cent. Up-skilling the workforce can improve its ability to adapt to change and realise new opportunities.
- Women are underrepresented in the industry and make up only one third of the workforce compared to 46 per cent across all-industries. More women entering the industry will help meet skills and labour needs.
- The percentage of migrants working in this industry is below the all-industries average. However, migration is an important source of both skilled and unskilled workers, particularly in regional areas with seasonal labour requirements.
- There is a relatively high level of seasonal, casual and contract labour in the industry, particularly in agriculture and horticulture.

### Food production

- The agriculture sector is mostly comprised of family/owner operated and small businesses, with less than one per cent of firms employing 200 or more employees.
- The trend is away from family-owned farms towards consolidation and corporatisation. Between 1982–83 and 2002–03 the number of Australian farms declined from 178,000 to 132,000, but average farm size increased from 2,720 to 3,340 hectares.
- Employment in agriculture contracted by 11 per cent between 2006 and 2011, at an average annual rate of 2.1 per cent. Despite this, skills shortages persist in particular occupations.

- Agriculture has an ageing workforce. The median age in the agriculture and fishing sectors is 48 years, compared to an all-industries median of 40 years.

### Food processing

- Food and beverage processing is the largest employing manufacturing sector, the second largest in terms of output after metals processing.
- In 2011 there were over 13,000 businesses in the food and beverage processing industry in Australia, 99 per cent of which were small or medium enterprises.
- Almost three-quarters of industry revenue is generated by the 50 largest food and beverage companies, most of them multi-national corporations.
- The food manufacturing sector has a relatively young workforce, with over 40 per cent aged 34 years or less. Retaining food manufacturing workers is a challenge.

### Training and education

- There has been little growth in overall apprenticeship and traineeship completions in food-related training packages, with growth in Agriculture and Horticulture offset by declines in Food Processing, Meat Industry and Seafood training packages.
- Since 2007, there has been only a 2 per cent growth in students commencing food industry training packages annually, compared with a 6 per cent average growth across all training packages.
- Completions in food industry training packages have increased by just over 8 per cent per annum between 2006 and 2010, a slower rate of increase than that for all VET qualifications which is about 12 per cent.
- Less than a third of VET commencements in food-related training packages lead to completion of a formal qualification.
- For higher education, total undergraduate commencements in food-related fields have fallen by around 20 per cent over the last five years, although there are signs that this trend is reversing.



## Strategies for the future

The *Food and beverage workforce study* puts forward 13 recommendations to build an adaptive, skilled and innovative agrifood workforce. These recommendations are summarised below.

### A coordinated approach to workforce development

Currently there is no single body vested with the responsibility for setting the industry's workforce development agenda, and assigning priorities among the multitude of separate programs and policies.

This is resulting in some duplication and inefficiencies, and means available resources are not being prioritised in the most effective way. It also means that industry advice to government on skills and workforce issues is fragmented.

***Invest a single national coordinating body with the responsibility for driving Australia's food and beverage workforce development.***

The study recommends that a single body be vested with responsibility for bringing together representatives of industry, governments, employees and the tertiary education sector, to provide leadership on skills and workforce development across the agrifood supply chain.

The body would provide advice to government on policy priorities in education, training, skills, employment and workforce participation in the food industry.

The body would consider and implement the recommendations of the *Food and beverage workforce study* as part of its initial work program.

### Attracting and retaining a skilled workforce

Enrolments in food-related courses are not keeping pace with the demand for skilled workers. Potential entrants are often unaware of career opportunities in the industry or have poor perceptions of the working conditions.

The industry suffers an image problem among school students and young people in general. There is a widespread but incorrect perception, for example, that there are only limited opportunities for the rewarding exercise of scientific and technical skills in agriculture and food processing.

Many who wish to enter the industry have not had sufficient exposure to the required maths and science skills or agriculture-related studies while at school to do so.

***Ensure workers are attracted to jobs and careers in the food and beverage industry***

The study recommends a broad agrifood career promotion strategy, which focuses on developing career pathways between sectors. This should be supported by school programs which raise awareness of food production and available careers.

Professional development for teachers and career advisers would ensure they have the necessary knowledge of industry to promote interest in agrifood careers.

### Developing and using the skills of the existing workforce

With increasing competition in both domestic and export markets, higher skills are required to lift productivity through new technology and innovation.

The challenge is to build the skills base of the agrifood workforce and to increase the proportion of workers with post-school qualifications.

However, most food businesses do not have internal specialist workforce development knowledge. This means that activities such as job design, workforce planning and skills development which can improve business productivity and solve workforce problems are often neglected.

Business advisory services provided by government are a good source of information and guidance, but they don't always include workforce development advice.

Better integration of workforce development advice into these services would help small businesses to improve their capability in this area.

***Ensure the workforce has the skills and capabilities needed to take advantage of future opportunities***

The study calls for better workforce development advice for businesses, better integration of government funded business assistance programs, and public funding of industry standard qualifications and skill sets.

### Employers valuing skills and workforce development

Industry stakeholders have indicated that there is a general reluctance in the food industry to view traditional forms of training as an investment in the same way that, for example, the purchase of capital equipment is viewed.

To increase industry involvement in skills training employers need to have a better understanding of the value of training and of the returns on investment from training and workforce development.

***Encourage employers to invest in training***

The study calls for industry to grow a learning culture, particularly in farming and fishing businesses where informal, on-the-job training has historically been the norm.

A communication campaign aimed at employers, combined with the provision of workforce development advice, will help address this.



## Ensuring industry-relevant, quality education and training

Industry stakeholders report that graduates often lack practical skills and are not work-ready. To ensure skills are being developed to meet the needs of industry, greater industry involvement is needed in the design and delivery of courses.

Students, also, are seeking education and training that provides practical experience. This is not unique to the food sector, but it signals a need for more agrifood industry work-integrated learning programs such as apprenticeships, traineeships, internships and cadetships.

*Ensure training courses produce work-ready graduates with the skills food and beverage employers need*

The study calls on the food industry and training providers to work together to design education and training courses and to promote the integration of work placements into courses, including through the creation of more cadetships for newly emerging paraprofessional jobs.

## Increasing the diversity of the food workforce

Increasing the diversity of the food and beverage workforce is a key strategy to improve the supply of workers in the face of imminent retirements of older workers and to build the resilience of the workforce. It also ensures that there are different approaches to problem solving and decision making within businesses.

*Encourage underrepresented groups to consider a career in the agrifood industry*

The study recommends integrating literacy and numeracy training into food and beverage training courses, linking adult community education to vocational pathways and expanding Indigenous workforce programs to include a focus on food and beverage careers.

## Australian Workforce and Productivity Agency

The Australian Workforce and Productivity Agency (AWPA) is an independent statutory authority which advises the Australian Government on the nation's current, emerging and future skills and workforce development needs.

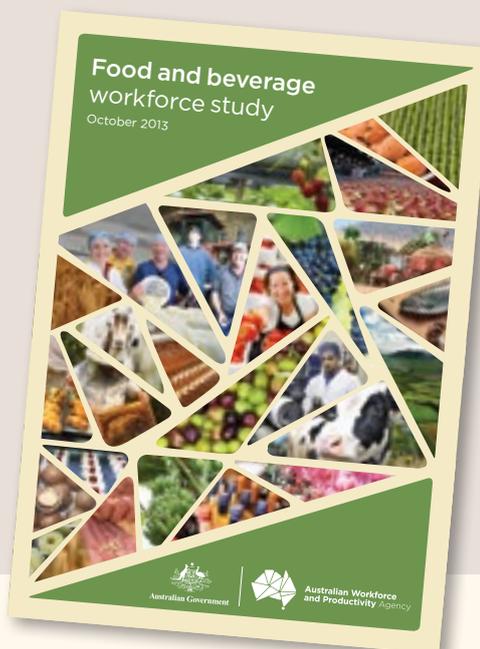
AWPA developed the *Food and beverage workforce study* in consultation with industry, unions and education stakeholders.

To view the full recommendations of the *Food and beverage workforce study* visit the AWPA website at [www.awpa.gov.au](http://www.awpa.gov.au).

## Contact us

You can view or order a copy of the *Food and beverage workforce study*.

Visit: [awpa.gov.au](http://awpa.gov.au)  
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Link to report:

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