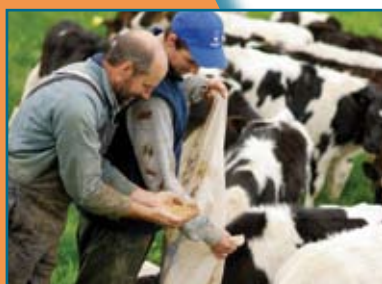




Workforce planning and action for the Australian dairy industry

The People in Dairy:
People Capability for the farm sector
(Stage 1, Modules 1 to 3)



GARDINER FOUNDATION

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- Workways Associated, Inc.

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1. Executive Summary

The People Capability for the Farm Sector project (Workforce planning and action for the Australian dairy industry) has developed a process for regional groups to better understand the current system of people development in their region so they are better able to influence and improve workforce planning.

The project has identified that the Australian dairy industry needs to prioritise workforce planning and action to ensure it has the people it needs to underpin farm sector development. This will require:

1. **Ongoing national and regional capacity:** to respond effectively to the business and demographic risks to which the dairy industry is exposed in order to improve attraction, retention and development of its people.
2. **Clear definition of the people needs of the industry:** to influence the activities and priorities of public policy, training provision, regional development and employment services. This requires both key data about people in the industry (harvested on an ongoing basis) as well as strategies to engage people and organisations outside of the industry who contribute to addressing industry needs. (e.g. employment or training brokers or intermediaries).
3. **Increased capacity of farm businesses:** to derive value from attracting, retaining and developing their people. Understanding how farmers derive value and the benefits from training to increase capacity in this area is required.

To achieve this vision, the following activities will be required:

- A national workforce planning and action group to co-ordinate effort
- A better understanding of the national and regional dairy farm workforce development system, including:
 - Comprehensive and on-going data harvesting, analysis and interpretation on: the people deployed on farm and how they enter, develop and move through the farm sector; tracking of training graduates (e.g. from NCDEA); the size and characteristics of current and future labour demand; and, workforce development issues at a regional scale
 - Active fore-sighting on labour and employment issues
 - Sharing of workforce development strategies between regions

- Better support to dairy regions for prioritising and acting on workforce development, including:
 - Supporting regions to apply the workforce planning and action process developed from this research
 - Supporting regions to engage effectively with stakeholders to address their workforce needs
 - Influencing government and other stakeholders to address needs

The outcomes envisaged from this investment in prioritising workforce planning and actions are likely to include greater visibility of the impact from attraction, retention and development activities; greater co-investment by employment services because they are better informed regarding dairy industry needs and there is alignment with their core business; greater farm profitability and an industry that is more attractive to potential entrants.

This report describes the findings from three modules of work. We began by reviewing workforce planning approaches in the rural and non-rural sectors and setting out a position paper on workforce planning and action for the Australian Dairy industry. The next step was to build a process that any region could use to better plan and act around regional workforce development. This process was developed using a sub-region in Gippsland as a case study (the Baw Baw Shire) and is represented diagrammatically below in Figure 1. The final step was to engage with stakeholders who influence workforce development in regions to support the use of the method in more dairy regions after the completion of the project.

The review of workforce planning approaches (Module 1) found that workforce planning needs to be considered as a process that supports a strategy to ensure the dairy industry has the people it needs. Workforce planning fulfils a risk management function by addressing issues that impact on the ability of an industry or sector to secure its workforce. It is also dependent on data and information to quantify issues of labour supply and demand. It also must take a systemic view of workforce development and not just attempt to meet gaps between demand and supply. A systemic view is mindful of the attractiveness of the work on offer, the way people enter and move through a sector, how skills are formed, how policy is affecting employment services and works within the stresses and pressures on businesses. Importantly, workforce planning

approaches need to be about action – and having the capacity to act in this systemic way.

The sub-region case study (Module 2) explored the current status of skills and knowledge and the services in the region around people capability. It examined the current market failure in recruiting, retaining and developing quality people in the region, as well as the on-farm demand and support of people for the industry. Further, identification of the points of intervention and alignment with government and policy priorities was examined. From this, a process was developed to allow for scaling up or out from the sub-region to take action in workforce development at a regional scale. The process is conceptualised as an ‘action wheel’ (Figure 1) consisting of three levels of activity.

- 1. Formation of a regional workforce planning and development group that oversees planning and action in the region. (Wheel Hub: Regional Core Capacity)

- 2. Data gathering and engagement with key groups around dairy industry needs (dairy industry conditions, regional labour market supply and demand features, identifying and mapping regional stakeholders, identifying regional priorities for action and sourcing funds suitably aligned to industry needs), (Wheel Spokes: Building an implementation plan), and
- 3. An implementation phase in which action is taken on identified priorities by engaging farmers and working with the right industry and employment services groups to achieve intended outcomes. (The outer wheel: working with employers and candidates).

The project identified that much of the regional data gathering is best compiled nationally and provided as a service to regions to support their engagement with stakeholders (National Workforce planning and action group).

The project has developed a robust approach for regions to plan and take action in workforce development. It is recommended that the approach be developed further with more regions as they plan and act on workforce development.

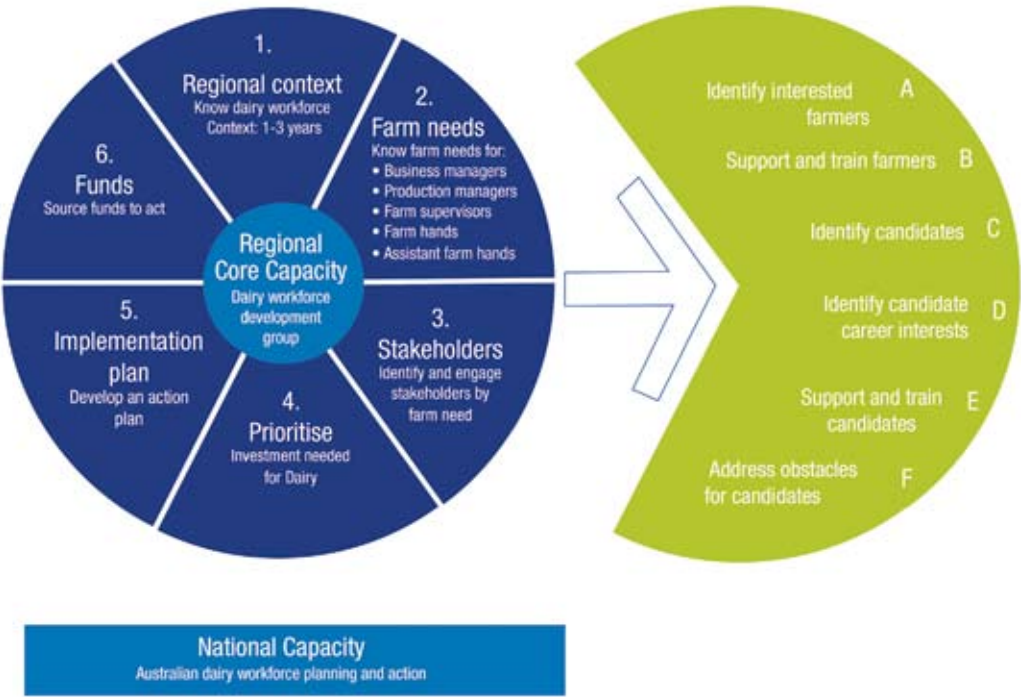


Figure 1: The action wheel for dairy workforce planning and action.

2. Introduction

Attracting retaining and developing people is key to the dairy industry's future. In the farm sector alone, an estimated 31,000 people work on dairy farms, with approximately 12,000 holding a paid position. An increasing number of farms are run with more than the owner and/or partner (66% in 2008 cf 57% in 2007) and 57% of farms have paid workers. Although the number of herds has declined with farms exiting, the farms remaining have increased herd size with the national average now 248 (Dairy Australia, 2008). Over the past five years, 59% of dairy farms have attempted to fill a position vacancy and just over half these farms experienced difficulty finding the right person. This has resulted in a negative effect on farm performance in many cases (25% of all dairy farms). Further, staff retention has also been an issue on 36% of dairy farms where staff are employed (22% of all dairy farms) and this has also affected farm performance in a number of cases (17% of all dairy farms), yet only 38% of these farms provided written job descriptions (Dairy Australia, 2008).

The ability of the dairy industry to attract, retain and develop people is influenced by external issues like the ageing population, population growth, aspirations of young people, role of competing industries (for pay and conditions), needs of people entering the industry and training availability. These issues have attained a high-profile in the public domain under headings like "skills shortages", "work-life balance" and "the ageing workforce", and represent a source of extreme demographic risk to businesses and workforce development strategies (Strack, Baier, Fahlander, 2008; The Australian National Audit Office (ANAO), 2005).

To ensure there are enough people of appropriate capacity to meet the demands and needs of the Australian dairy industry's farm sector in the medium term, collective action by the organisations that influence or have a stake in people capability is required. It has been identified that collective action by the dairy industry in farm workforce development is warranted for 3 reasons:

- a. industry investment in improving attraction, retention and development has not delivered the desired outcomes at a regional level (Nettle, 2006);
- b. market failure in attracting, retaining and developing people resides in national co-ordination and leadership in people development as well as in effective support to farmers and advisers in changing practices;

- c. individual dairy businesses cannot on their own influence the development and delivery of employment services.

This project is based on the question of whether an industry consisting of approximately 8000 individual businesses can *realistically* plan and act collectively in people capability and workforce development.

As a starting point, it is suggested that collective action requires:

- a. an understanding of the current system of how people are attracted, retained and developed in the farm-sector
- b. a framework to assess, prioritize and align investment in people capability
- c. confidence to act.

To date the dairy industry has limited collective intelligence in this area. This is partly because a lot of the information and data about recruitment and retention are held outside normal industry databases (e.g. Census, ABS) and a number of organisations (particularly government) contribute in this area but are not normal partners of the dairy industry (e.g. Department of Employment and Workplace Relations).

Overall there is limited information and appreciation of:

- The number of people required on-farm in the medium term
- How to best attract people who are, or could become, the human resource needed
- Where people will come from and why
- How people will develop within the industry and the possible career trajectories
- What the barriers are to these paths
- How employment organizations (e.g. Centrelink, job networks, LLEN, etc) could contribute to dairy industry needs.

Further, this information should guide:

- What interventions each major funding group could invest in to best influence required outcomes and
- What *relative* priority be given to the many good ideas industry currently has.

This project was designed to address this gap by developing a process to understand a region's system of developing its people so that regions are better equipped to intervene successfully to build people capability.

3. Project aims and objectives

This project aimed to develop a process for regional groups to better understand the current system of people development in their region so they are better able to influence and improve workforce planning.

A case study “sub-region” was chosen so that the process developed would be grounded in an understanding of an actual system of workforce planning and people development.

The intent is to test the process that was developed in this and other regions.

Project outcomes and benefits

1. A workforce planning process that allows industry and the community it is within to understand and articulate career paths, enable action on gaps in capability, prioritise efforts and track results.
2. Increased return on investment from people capability due to efficiency gains and better targeted action (effectiveness) of industry.

4. The research approach

The research was divided into three modules:

1. A literature review to develop a considered, evidence-based position for industry workforce planning and ensure a robust development of a workforce planning approach

2. Development of a robust workforce planning and action process that could be applied at a regional and national level of the dairy industry to improve workforce planning.
3. Stakeholder engagement toward trialling the developed methodology.

The work program for the research is outlined in Figure 2.

Module 2: Design a process to understand a region’s system of developing its people on-farm using a sub-region as a case study.

- Gather appropriate data together
- Identify data gaps
- Complete a system ‘map’ of current interventions
- Document approaches as a model of capability planning
- Consult and liaise with industry regarding the process.

Module 1: Review of people capability work in the rural (and other) sectors to inform the design of Module 2.

Module 3: Build commitment in industry for the funding of testing of the people capability planning model.

November 2007

Timeline

November 2008

Figure 2: Program of work – “People Capability for the on-farm sector of the Australian Dairy Industry”.

5. Key events and activities of the project

The project involved a variety of activities, events, interviews and consultations in the cycle of honing the research approach, gathering data, engaging stakeholders and informing groups of the project and its progress. A table of the key activities and events of the project is provided below.

Date	Event/Purpose	Who was involved
December 6 2007	Project team meeting and planning	Project team and invited participants
January 29th 2008	Project team meeting	Core project team
February 19th 2008	Project team meeting in Gippsland: Definition of case study sub-region	Project team and invited participants
March 6th 2008	Teleconference – project team	Project team and invited participants
March-April 2008	Data harvesting and analysis – Baw Baw region	Damian Oliver
April 15th 2008	Progress update on module 1 and 2	Workplace Research Centre (WRC) and The People in Dairy (TPiD)
April 24th 2008	Stakeholder engagement planning (May 26-27)	Core project team
May 1st 2008	Teleconference on labour market supply and demand results and draft farmer survey for Baw Baw	Project team and invited participants
May 20th 2008	Teleconference on data analysis and interpretation reports for stakeholders and the project team	Damian Oliver and Ruth Nettle
May 22nd 2008	Briefing on project to Dairy Australia manufacturing and careers team	Pauline Brightling and Ruth Nettle
May 26-27th 2008	Gippsland field work (stakeholder interviews, stakeholder meetings and data collection)	Project team and invited participants, employment services groups in Gippsland
June 3 2008	Project information session and presentation to National Farmers federation, UDV and ADF representatives	Pauline Brightling and Ruth Nettle
June 10 2008	Phone interviews with Baw Baw farmers	Ruth Nettle
June 26th 2008	Gippsland field work (farmer meeting on demand for employment services and likely workforce needs).	Damian Oliver and Ruth Nettle
August 8th 2008	Combined project meeting with stakeholders regarding next steps for industry. All project reports tabled: a) a draft position paper on workforce planning and action; b) Labour supply and demand in Baw Baw; c) Institutional mapping of employment services; d) Draft methodology of the action planning process; e) conclusions and recommendations.	Project team and invited participants, ADF, DA, NCDEA, ADEEP project
August 15th 2008	Project presentation: Gardiner Foundation and Dairy Australia	Pauline Brightling, Ruth Nettle, Paul Ford, Jan Mahoney, Steve Coats
August 29th 2008	Teleconference on full project results and development of an implementation plan for Gippsland	Project team and invited participants
September 9th 2008	Project briefing to Murray Goulburn	Ruth Nettle
October 13th 2008	Project presentation and developments presented to Dairy Australia's people capability in manufacturing group.	Ruth Nettle Steve Coats
October 30th 2008	Journal article on workforce planning developments submitted to Employment Relations Record – 'From workforce planning to regional collective action – developments in the Australian dairy industry'	Ruth Nettle and Damian Oliver
November 14th 2008	Develop application for dairy industry to be part of a National employer broker panel	Ruth Nettle, Pauline Brightling and Jim Williamson
December 2008	Final report preparation	Ruth Nettle and Damian Oliver

The following section reports on results from this program of work.

6. Results

The first section provides an overview of the main findings from the literature review and development of the position paper in workforce planning for the Australian dairy industry (All the appendices referred to in this section can be found at www.thepeopleindairy.org.au/projects or <http://www.landfood.unimelb.edu.au/RIRG/>).

The second section describes the process for regional workforce planning and action developed with illustrations from data and field work results from the case study of a Gippsland sub-region (Baw Baw Shire) (See full reports located in Appendix 2,3,4,5 – www.thepeopleindairy.org.au/projects).

The third section describes the recommended approach to stakeholder engagement with respect to workforce planning and action and conclusions and recommendations arising from this work, including further research and development.

6.1. A position on workforce planning for the Australian Dairy Industry

People capability in the dairy farm sector concerns how the dairy industry organises its workforce planning to ensure it has the right number of people with the right skills to meet the needs of dairy farming into the future.

There is an increased focus on workforce planning in many sectors because of the high cost of attracting and retaining staff within organisations, skills shortages in many areas alongside increased demand for higher-skilled professionals and interest from organisations in improving the work-life balance of employees given increased work intensification (Davies and Sofo, 2007).

Can the dairy industry learn from how other industries and organisations conduct their workforce planning activities? What evidence is there of successful workforce planning and people capability development processes? What lessons have been learnt and what traps exist in the workforce planning domain? A review of literature and workforce planning initiatives in the rural and non rural sectors was completed to answer these questions. The following section provides an overview of the findings of review of literature and reports on people capability and workforce planning initiatives in the non-rural (e.g. manufacturing, health, public-

sector, VET and engineering) and rural (e.g. livestock, horticulture, cotton) sectors.

In these sectors, workforce planning is primarily a process that supports the strategy of organisations toward ensuring they have the people they need, thereby addressing risks associated with securing an organisation's or sector's workforce. All approaches have been dependent on data and information to quantify issues of labour supply and demand. The effectiveness of workforce planning is dependent upon the extent to which a systemic view of workforce development is taken by the proponents and leaders of the process. In systemic approaches less emphasis is given to "filling gaps" between demand and supply and more attention is provided to:

- the attractiveness of the work on offer,
- the actual stresses and pressures on businesses,
- the way people enter and move through a sector,
- how skills are formed, and
- how policy is affecting employment services

Importantly, an ability to act systemically was central. (See: ANAO, 2005; Davies and Sofo, 2007; Boxall and Purcell, 2003, Buchanan, et al., 2001; Buchanan et al., 2002; Buchanan and Briggs, 2003).

Successful workforce planning involved:

- a. Strong alignment between the collective workforce planning strategy of an organisation or sector and the reality facing businesses. This is important for identifying viable options for meeting workforce needs. Buchanan et al. (2003) suggest that the pressure on businesses to increase labour productivity and the constraints within businesses from "full deployment" directly affects the time employers have to transfer skills and nurture people development. This is a particularly pertinent implication in farming whereby the "skills incubator" of the family farm has declined in prominence and formal training has not fully compensated.
- b. A broad appreciation of skill and skill development beyond technical competence to include cognitive (thinking) and behavioural (socially aware action) dimensions. This appreciation of the importance of cognitive and behavioural capacities of employees extends the possibilities for addressing skills to include work design, work conditions and seeking innovative approaches to addressing employee-side needs. For instance, a study into skills shortages in the racing industry (Buchanan, et al., 2002) found that track riders are often casual

employees and unable to earn a “living wage” by this work alone, yet the industry was lamenting a shortage of track-riders. Through a new initiative, racetracks hired a group of track riders and offered training and work at the racetrack during the day, boosting retention. This re-think of supply-side issues in workforce planning toward making links between the real needs of employers and employees is central.

- c. A balance between the need for deployment (exploiting potential) and development (skilling-up for future needs) rather than just numbers of demand and supply. Buchanan, et al. (2003) found that when occupational skills are being reproduced at a slower rate (i.e. when deployment is prioritised over development) there is increasing pressure on workforce numbers.
- d. Ownership of the workforce development issues by sectors themselves (i.e. not relying or blaming others). Buchanan, et al. (2003) observed that the roots of the difficulties in attracting young people to sectors did not simply lie in image problems, ignorant career advisers, or more attractive alternatives – but in sectors themselves who were doing little to address the problem and instead spent large expenditures in advertising to attempt to address misperceptions of career opportunities – despite few people in the industry willing to recommend their career to their children.
- e. Stakeholder commitment and participation in planning and implementation.
- f. A priority on building capacity to take action on workforce development – i.e. improving the ability to prioritise action, effectively broker mutual outcomes, implement activities and monitor results. Davies and Sofo (2007) recommend investment in workforce planning specialists. This will increase the relevance of funded programs by ensuring that the goals or outcomes are aligned directly to the needs of the sector.

These areas that underpin successful workforce planning approaches provide insight into the features required in a dairy industry workforce planning and action framework. For workforce planning and action to achieve the desired outcome of securing a dairy industry workforce the following position is suggested:

Dairy workforce planning and action is a national priority for collective action by the dairy industry

- A workforce planning and action process becomes routine for national and regional industry development groups.
- The dairy industry harvests and interprets regional labour and workforce data on an ongoing basis to inform the industry and its stakeholders of

farm workforce supply and demand issues and implications of changes in policy and its impact on workforce development.

- Investment in activities in workforce development are prioritised and their impact monitored.
- Investment is made to improve the capacity of regions and national groups to improve attraction, retention and development of people.
- Workforce planning and action informs industry training priorities and initiatives (e.g. NCDEA).

Dairy workforce planning and action engages employment services

- Workforce planning and action data informs key stakeholders about industry needs, changes in these needs and emerging issues. This informs the activities and priorities of public policy, training, regional development and employment services.
- Workforce planning and action provides brokers or intermediaries who understand industry needs and who build relationships with those people and organisations that can help meet these needs.

Dairy workforce planning and action supports farm business goals

- Workforce planning and action builds the capacity of employers to:
 - attract, retain and develop their people; and
 - offer decent work.
- Workforce planning and action increases the value of training to farm businesses by:
 - linking training to workforce outcomes; and
 - supporting the effective deployment of people on-farm.

Workforce planning and action achieves outcomes for industry

Outcomes identified from investing in better workforce planning include:

1. Greater impact from attraction, retention and development activities
2. Greater co-investment by employment services that meet mutual needs
3. Better informed employment services to dairy industry needs
4. Greater farm profitability
5. A more attractive industry to potential entrants

A process for the industry to conduct workforce planning and action that embodies this position was required. The next section of the report provides an overview of the methodology developed to support regional workforce planning and action.

6.2 A process for workforce planning and action – development of the “action wheel” and templates and tools for regions to use

The insight gleaned from the review of workforce planning approaches and the experience of conducting a feasibility study into an entry-level focused attraction and retention project in Northern Victoria (Dairy Australia, 2008b) has provided a basis for the conceptual development of a dairy farm workforce planning and action process that supports farms, regions and the national industry in acting in workforce development.

The process developed is best described as an “action wheel” involving two levels of planning and action driven by a regional dairy group supported by the national dairy industry. This “action wheel” for workforce planning and action in the dairy industry is summarised in Figure 1.

To understand the “action wheel” start at the central hub. This is the core of the approach and requires a regional workforce planning working group, or some other local structure that is capable of driving, administering and evaluating the workforce development activities.

The workforce development activities include the spokes and outer wheel. These activities are summarised in the Methodology document (Appendix 2) and reported in full using the Baw Baw case study (Appendix 3, 4 and 5). The spokes of the wheel represent the data harvesting, analysis and interpretation required to prioritise activity and engage stakeholders in regions. The outer wheel sets out the process for enacting workforce development, starting with identifying interested farmers. Experience in the case study sub-region suggest that a National Workforce Planning advisory group supports the activity of regions by providing access to national stakeholders, providing necessary data analysis and interpretation for regions, and a monitoring and research capacity to support continuous improvement between regions. This capacity is represented in the action wheel diagram as the underpinning National Capacity box.

The next section describes the workforce planning and action process or “action wheel” in detail using examples of the application of the method in the Baw Baw case study sub-region.

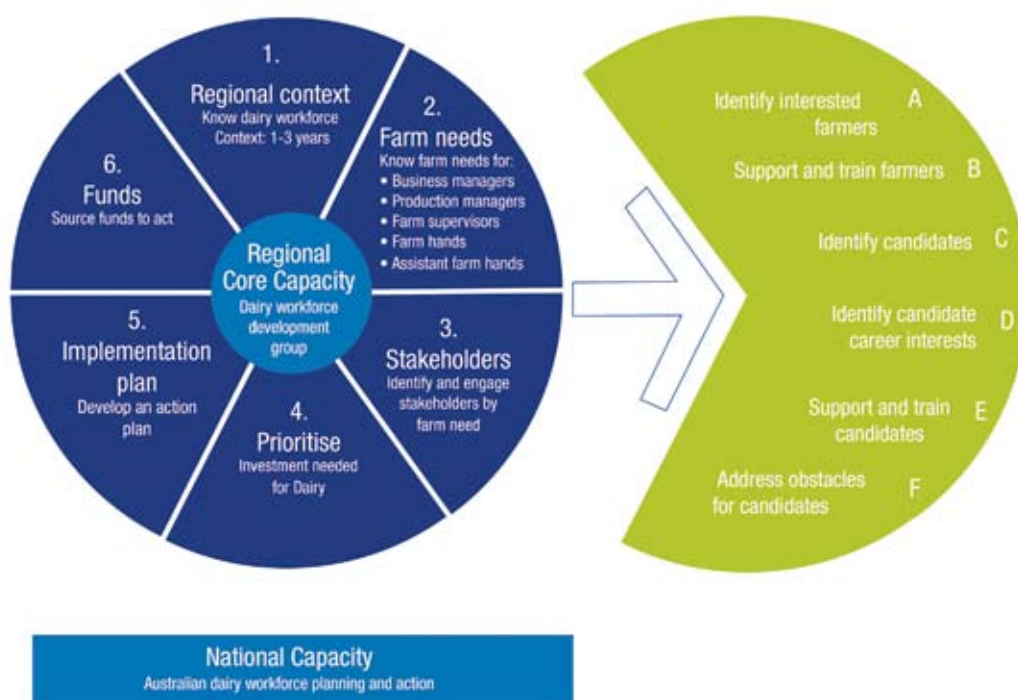


Figure 1: A conceptual framework of a process to guide workforce planning and action in the dairy industry.

6.2.1. The hub: A regional capacity in dairy workforce planning supported at a national level

To improve workforce planning at a regional level begins with ownership, an ongoing commitment to dairy farm workforce development and designated resources to the task through time. This “hub” establishes the process for preparing a workforce development strategy. Historically this role has been variable in regions and highly dependent on the relative priority a region places on workforce issues, as well as leadership, interests and capacity residing in the region. This project has identified that the changing nature of employment services and dairy farm needs necessitates an ongoing capacity in dairy regions to understand the operating environment and target planning, action and funding. This is conceived as a “Regional dairy workforce development group” consisting of the key groups that can plan and take action in workforce development in the region, and connect with the industries national workforce development group.

As part of this project, a pilot group was formed and provided oversight and “reality-checks” to the development of the workforce planning and action process. This group included the project team and a regional dairy industry development program Executive Officer and Chair (GippsDairy). In future, it is suggested that representatives from outside the dairy industry be recruited into this core planning group based on their expertise, and the degree of alignment between their interests and the region’s dairy workforce needs. Potential representatives might include local school career advisers, local learning and employment network coordinators, welfare agencies, regional development groups or local government development officers, etc.

The key activities of the Regional dairy workforce development group identified from this project include:

1. Know the region’s workforce context: 1-3 years
2. Know on-farm needs for:
 - Business managers
 - Production managers
 - Farm supervisors
 - Farm hands
 - Assistant farm hands
3. Identify and engage stakeholders
4. Prioritise Investments needed for dairy
5. Develop an implementation plan
6. Source funds to act

Each of these activities (represented in the action wheel as the “spokes”) is described below with examples of the way they were conducted in the Baw Baw Shire.

6.2.2. The wheel spokes: Planning activities of the regional dairy workforce development group

Whereas the central hub of the wheel was considered as the driving force of workforce planning and action, the spokes of the wheel represents what the organisational capacity of this group needs to be and their main activities.

Know the region's workforce context: 1-3 years

The region's workforce context involves building an appreciation of the demographic, economic and social profile of the region in which dairy is sourcing its workforce, and the factors that are influencing farm workforce supply and demand. This includes an appreciation of the national and global operating environment and growth prospects for dairy (a driver of demand for people). The dairy industry itself has excellent information regarding regional production profiles, attitudes towards the industry's future, perceptions of the major challenges faced and levels of investment in the industry through Dairy Australia's Situation and Outlook reports and National Dairy Farmer Surveys (2004-2008), ABARE and ABS. This can provide the basis for understanding the influence of industry context on likely labour demand.

A snapshot of some of the pertinent features gathered together for the Baw Baw regions workforce context; 1-3 years is provided in Box 1. An example of some analysis drawing on dairy industry data to understand the conditions for farm labour demand is provided in Box 2. The full report on the Baw Baw labour demand can be found in Appendix 3 (www.thepeopleindairy.org.au / workforce planning).

With respect to factors influencing workforce supply and demand, an analysis of the region's labour markets with a focus on issues impacting the dairy workforce is required. Labour supply covers the demographic profile of pools of available labour, the main competitive industries for labour in the area, and the characteristics of the current dairy labour market (including age, employment status, hours worked and qualifications).

Regional dairy groups responsible for workforce planning and action require an analysis of labour supply in order to answer critical questions about the labour market (and the community) from which the industry must source its labour. The characteristics of the local labour market will strongly influence what workforce development strategies are likely to be successful. In particular, key characteristics to be understood are:

- Level of employment and unemployment
- The participation in employment, by gender
- The average income levels of the community



- Where most people work, including the main industry of employment and the occupation
- Level of connection of the region to dairying.

The factors to focus the data capture and analysis are represented diagrammatically in Figure 3 and the steps to sourcing and analysing data to make sense of labour market supply for the dairy industry are outlined next.

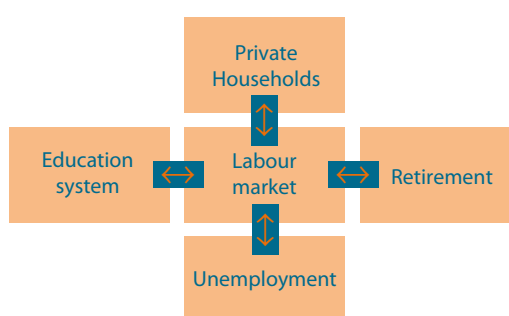


Figure 3: Understanding labour supply in dairy regions – areas to focus on.

Box 1:

The Baw Baw Shire workforce context: 1-3 years

The Baw Baw Shire is located in West Gippsland, approximately 100 km east of Melbourne.

Agriculture remains an important part of economic and social activity in the Baw Baw Shire. Farming and food processing remain important industries in the region. In addition to dairy, the shire also hosts significant fruit, mixed vegetable and potato farms, as well as logging. The major population centres in the Shire are Warragul and Drouin. Compared to many other agricultural centres, the area is well connected to Melbourne with a regular train service and a rapidly encroaching commuter belt. The aging of the population will present future challenges for the area. People aged over 65, currently just 15% of the population, are expected to comprise 21% of the Shire population by 2016. This represents a faster ageing of the population than Victoria or Australia.

Box 2:

Analysing industry conditions to support the analysis of labour demand in Baw Baw Shire

Dairy Australia estimates that milk production nationally for 2007-2008 will be between 9.0 and 9.2 billion litres. Farmer projections for production have been dampened by a reduction in the number of cows milked at the peak of season, high grain prices, slow recovery of fodder availability. These factors are offset by the high farm gate milk price. ABS and dairy survey data suggests that the number of cows available to be milked in 2007-2008 will be down 4%-6% (Dairy Australia, 2007). The capacity of the industry to recover at the national, state and region level will depend on

- absorbing capacity from farms that have exited
- attracting labour to replace employees who left during the drought.

The National Farmers Federation had identified demand for 50,000 workers in agriculture, including 150,000 to replace workers who have left over the past five years. This recovery means sourcing farm workers is an increasingly significant challenge. Existing surveys show that an increasing number of farms nationally, and in Victoria, are finding labour a challenge. In the 2008 Dairy Australia Situation and Outlook survey, 14% of farms believed labour was a challenge for the enterprise. In the 2008 survey, more than a third of farms nationally (38%) indicated that they had difficulty finding the right people all of the time or most of the time. In the same survey, a quarter of farms (26%) indicated that their difficulties finding the right people had had an impact on the performance of the farm business (see table below).

Recruitment experiences in the past five years and perceived impact on the farm business

	% of all farms responding
Tried to hire people to work on farm	59
Level of difficulty in recruitment	
Always had difficulty finding right people	17
Had difficulty finding right people most of the time	21
Rarely had difficulty finding right people	15
Never had difficulty finding right people	6
Impact on farm performance	
Difficulty finding right people has affected performance of farm business a great deal	11
Difficulty finding right people has affected performance of farm business a little	15

Source: 2008 Dairy Australia Situation and Outlook Survey

Regional data capture, analysis and interpretation

Analysis of a region's labour supply mostly uses census data because it is possible to report on a large amount of data about specific populations in quite small areas. Three main types of census data are most useful:

1. Community Profiles data¹ including:
 - a. Basic Community Profile (BCP),
 - b. Time series profile (TSP) comparing the 2006 census results to the 2001 and the 1996 census results); and
 - c. Working population profile (WPP): a compilation of tables produced by the ABS for every geographic area in Australia, from Statistical Local Area to the whole nation.
2. Australian Bureau of Statistics (ABS) free-of-charge tables from the web-site to gather slightly more complex or detailed data, such as a full classification of industry of employment.
3. ABS custom tables produced for a fee to access data about specific populations (such as those working on dairy farms in Baw Baw Shire).

Using data from these sources, a profile of a region's labour market can be compiled and implications for the dairy workforce examined.

The Local Government Area (LGA) is chosen as the basic unit of analysis for labour market analysis as it is widely used as a reference category by many government agencies at the federal, state, and local level as well as by other agencies and groups. In particular, the Australian Bureau of Statistics (ABS) structures its data collection around LGAs. The Local Government Area is also a unit for decision-making, with councils having important involvement in economic and social affairs, so it is useful to provide accurate and specific data for decision-makers. Where local government areas are small, or where dairy farmers are widely dispersed, it may make more sense to group LGAs together as a single unit of analysis.

During the project, data harvested was stored in an easily accessible format and presented as a 'dynamic Excel spreadsheet'. Box 3 (next page) provides an example of the overview of labour market data available for each dairy region in Victoria.

An example of the data capture, analysis and interpretation of the Baw Baw region labour supply is provided in Boxes 4 and 5. A full report and labour supply analysis for Baw Baw can be found in Appendix 2 (www.thepeopleindairy.org.au/projects).

Footnote

1. Community profiles data provides information about population, age, gender, qualifications, broad industry of employment and labour market status.

Box 3:

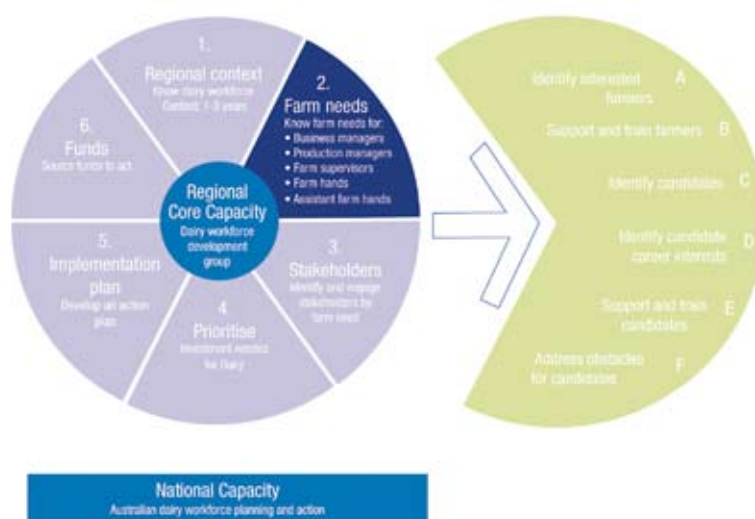
An example of a spreadsheet output of labour market analysis in the Baw Baw Shire available for all dairy regions

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		Key figures <table> <thead> <tr> <th></th><th>N</th><th>%</th></tr> </thead> <tbody> <tr> <td colspan="3">1. Employment Composition (based on place of usual residence)</td></tr> <tr> <td>Employed in Agriculture</td><td>1954</td><td>12%</td></tr> <tr> <td>Employed in Dairy Farming</td><td>857</td><td>44%</td></tr> <tr> <td>Employed in Dairy Farming (proportion of all industries)</td><td>857</td><td>5%</td></tr> <tr> <td>Employed in Other Dairy Industries*</td><td>261</td><td>2%</td></tr> <tr> <td colspan="3">Dairy Farming Specifics (based on place of work)</td></tr> <tr> <td>Dairy farm workers who are female</td><td>301</td><td>35%</td></tr> <tr> <td>Dairy farm workers who are under 30</td><td>108</td><td>13%</td></tr> <tr> <td>Dairy farm workers who are employees</td><td>175</td><td>21%</td></tr> <tr> <td>Dairy farm workers with a university degree</td><td>44</td><td>5%</td></tr> <tr> <td>Dairy farm workers with a Certificate III or IV</td><td>9</td><td>20%</td></tr> <tr> <td>Median Working Hours - Owner (per week)</td><td>70</td><td></td></tr> <tr> <td>Median Working Hours - Employee (per week)</td><td>42</td><td></td></tr> <tr> <td>Median Individual Income - All dairy farmers (\$ per week)</td><td>\$570</td><td></td></tr> <tr> <td>Median Household Income - All dairy farmers (\$ per week)</td><td>\$1,224</td><td></td></tr> <tr> <td>Median Family Income - All dairy farmers (\$ per week)</td><td>\$1,286</td><td></td></tr> <tr> <td colspan="3">2. Labour Market Indicators</td></tr> <tr> <td>Unemployment rate</td><td></td><td>4.9%</td></tr> <tr> <td>Youth unemployment rate</td><td></td><td>9.9%</td></tr> <tr> <td>Male Participation Rate</td><td></td><td>67.9%</td></tr> <tr> <td>Female Participation Rate</td><td></td><td>53.7%</td></tr> <tr> <td>% young people taking part in education</td><td></td><td>52%</td></tr> <tr> <td colspan="3">3. Economic Activity</td></tr> <tr> <td>value of agricultural goods produced</td><td></td><td></td></tr> <tr> <td>value of dairy farming goods produced</td><td></td><td></td></tr> <tr> <td>area of land devoted to agriculture</td><td></td><td></td></tr> <tr> <td>area of land devoted to dairy farming</td><td></td><td></td></tr> <tr> <td>number of farms</td><td></td><td></td></tr> <tr> <td>number of dairy farms</td><td></td><td></td></tr> </tbody> </table>		N	%	1. Employment Composition (based on place of usual residence)			Employed in Agriculture	1954	12%	Employed in Dairy Farming	857	44%	Employed in Dairy Farming (proportion of all industries)	857	5%	Employed in Other Dairy Industries*	261	2%	Dairy Farming Specifics (based on place of work)			Dairy farm workers who are female	301	35%	Dairy farm workers who are under 30	108	13%	Dairy farm workers who are employees	175	21%	Dairy farm workers with a university degree	44	5%	Dairy farm workers with a Certificate III or IV	9	20%	Median Working Hours - Owner (per week)	70		Median Working Hours - Employee (per week)	42		Median Individual Income - All dairy farmers (\$ per week)	\$570		Median Household Income - All dairy farmers (\$ per week)	\$1,224		Median Family Income - All dairy farmers (\$ per week)	\$1,286		2. Labour Market Indicators			Unemployment rate		4.9%	Youth unemployment rate		9.9%	Male Participation Rate		67.9%	Female Participation Rate		53.7%	% young people taking part in education		52%	3. Economic Activity			value of agricultural goods produced			value of dairy farming goods produced			area of land devoted to agriculture			area of land devoted to dairy farming			number of farms			number of dairy farms		
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prepared for Dairy Australia by the Workplace Research Centre using data supplied by the Australian Bureau of Statistics, 2008.

Know on-farm needs for people (demand)

Farms vary in their demand for people. Some farms require people with experience or for management roles, others need part-time relief from seasonal work demands, others might require a mix of part time and full time farm hands. Some farm owners and managers are growing or changing their business and have increasing demand for people. It is important for regions to understand the size and characteristics of current and future labour demand in order to prioritise a region's focus in meeting workforce needs. This information is rarely available. There could be many ways for regions to gain insight into the demand from farm businesses for people in the short-medium term, and in the Baw Baw Shire, a fax-back survey of local dairy farms was developed and trialled. A summary of the method and approach used to assess farm labour demand in the Baw Baw Shire is provided in Box 6. A summary of the report of key findings from this survey is provided in Box 7. A full report on the results from the analysis of labour demand in Baw Baw Shire can be found in Appendix 3 (www.thepeopleindairy.org.au/projects).



From the emerging data on labour demand, regions can begin to identify the types of people and positions available and the offerings available in the region to match this demand. An example of how the emerging implications of an analysis of labour demand can guide workforce planning is provided for the Baw Baw Shire in Boxes 7 and 8.

Box 4:***Features of the labour supply profile of the Baw Baw Shire and implications for dairy farm workforce planning.*****The Demographic and Educational Characteristics of Baw Baw Shire**

- The population of the Baw Baw Shire grew by 11 per cent over 1996-2006, slightly less than the state and national average of 12 per cent but more than the surrounding Gippsland region, which grew by 5 per cent over the same period.
- The population of Baw Baw Shire is aging more rapidly than the rest of the state. The proportion of people aged over 65 is currently 15 per cent and will continue to grow, while the total number of people under 15 decreased from 8480 in 1996 to 7947 in 2006. This will restrict the available labour supply in the future.
- Nearly a quarter of the population has a post-school qualification, which is close to the national average. However, Baw Baw Shire residents are more likely to have trade or certificate level qualifications than university qualifications.
- There has been a strong growth in the number of Baw Baw Shire residents with Certificate III/IV qualifications, especially among those aged 15-24: 18 per cent of the population aged over 15 and 7 per cent of the population aged 15-24 have a Certificate III/IV qualification.
- Young people in the Baw Baw Shire are as likely to attend TAFE and less likely to attend university than young people in Victoria and young people in Australia. Less than one in ten young people in Baw Baw (8%) attends TAFE and a similar proportion (7%) attends university.

The Labour Market Indicators in the Baw Baw Shire

- Unemployment in the Baw Baw Shire (4.1%) is lower than the surrounding region (6.4%), Victoria (4.7%) and Australia.
- The labour market participation rates for males (68%) and females (54%) in the Baw Baw Shire are near the state and national averages.
- Female part-time employment makes up a greater share of all employment in the Baw Baw Shire (24%) than in Victoria (21%) or Australia (20%).

Implications for dairy farm workforce planning and action

- The supply of labour overall in the Baw Baw Shire is approaching capacity, with more people retiring from the labour market than young people entering.
- Given the labour market demands of the prominent agricultural and manufacturing industries, the proportion of young people enrolled in TAFE should be higher, which may make it harder to find skilled labour.
- The labour market participation rate is as high as the state and national average.
- A workforce development strategy that aims to draw people not currently in the workforce could best focus on drawing in population from surrounding areas with lower participation rates and higher unemployment, such as La Trobe.
- A workforce development strategy that aims to target females would need to take account of the higher proportion of unemployed women seeking part-time rather than full-time employment.

Features of dairy farm employment in the Baw Baw Shire and implications for dairy farm workforce planning

Dairy farming and related industries in the Baw Baw Shire

- The proportion of the population employed as Managers (including farmers) declined from 23 per cent in 1996 to 17 per cent in 2006. The occupational categories increasing their share of employment over that time included professionals and community and personal service workers.
- The proportion of the working population employed in agricultural industries declined from 18 per cent in 1996 to 11 per cent in 2006. The fastest growing industries over that period were education and training, and health care and social assistance.
- Very few young people are employed in agriculture, with most working in retail trade, accommodation and food services, and manufacturing.
- Dairy farming is the largest agricultural industry in the area (employing 857 Baw Baw Shire residents, or 44 per cent of all those working in agriculture), followed by sheep, beef cattle and grain farming (21%), and mushroom and vegetable farming (12%).
- In addition to dairy farming, 261 Baw Baw Shire residents work in other dairy related industries, such as cheese and other dairy product manufacturing.
- Younger dairy farm workers are much more likely than older farm workers to have post-school qualifications, which should improve the skills profile of the industry over time.
- Dairy farm workers in the Baw Baw Shire are working longer hours on average than dairy farm workers in Victoria. Owner managers are working an average of 70 hours per week (the state average is 60) and employees are working 42 hours (the state average is 40).
- 18 per cent of all workers in dairy farming work part-time. Females are more likely to work part-time (32%) than males (10%) and employees are more likely to work part-time (28%) than owner-managers and contributing family workers (15%).
- The median individual income for dairy farm workers in the Baw Baw Shire is lower than the median individual income for dairy farm workers in Victoria, but the median household income and median family income is higher. This may reflect a greater contribution of family members and/or more alternatives for partners to access other labour market opportunities than in other dairy farming areas.

Dairy farming workforce in the Baw Baw Shire

- The number of people working on dairy farms in the Baw Baw Shire declined from 1100 in 2001 to 821 in 2006.
- The number of employees working on dairy farms in the Baw Baw Shire declined from 262 in 2001 to 175 in 2006. Consequently, dairy farming in the area is now more reliant on business owners and contributing family workers for labour.
- A third of all workers (296, 36%) in the industry are female.
- 108 workers, or 13 per cent, of all dairy farm workers in the Baw Baw Shire are under the age of 30. This is lower than for all Victorian dairy farms and lower than the general workforce in the Baw Baw Shire.
- In contrast, a higher proportion of all dairy farm workers in the Baw Baw Shire are aged over 50 (46%) compared to dairy farm workers in Victoria (39%). This is also the case for manager-owners and employees.
- A third of all dairy farm workers in the Baw Baw Shire (34%) have some form of post-school qualification. The most common level of qualification is Certificate III/IV (20%). This is similar to the level for all Victorian dairy farm workers.
- Agriculture, while still the largest industry, is declining in importance as service industries like health care and social assistance and education and training continue to grow.
- Workforce development strategies must therefore take account of the opportunities for employment which are being offered in those industries, including pay and salary as well as working conditions such as flexibility and career pathways.
- The working conditions in other dairy-related industries might also be relevant, especially to attracting or retaining more skilled or experienced workers.
- Likewise, any strategy to increase the number of young people working in the dairy farming industry must take into account the prevailing salary as well as working conditions such as flexibility and career pathways in industries such as retail trade and food and accommodation services.
- Former dairy farm employees may be a potential source of future labour.
- Even without employment growth, the Baw Baw dairy farming workforce will need to attract new labour to replace the retiring workforce. This issue is more acute in the Baw Baw Shire than in other dairy farming areas in Victoria.

Box 6:

An example of a method to gauge labour demand – a farm fax-back survey in the Baw Baw Shire

A survey of farmer demand was constructed for the Baw Baw Shire to identify the immediate workplace scenarios in relation to recruitment and turnover. Results were expanded through a focus group held with interested farmers who had completed the survey. In order to effectively characterise the demand for labour in regions, a farm career hierarchy was used to define the type of positions to be filled on-farm (i.e. Assistant farm hands; Farm hands; Farm supervisors; Production managers; and Business managers). The survey was designed to provide information on current and projected labour demand as well as preferred recruitment methods, wages, hours, and conditions currently on offer in the local area.

The population surveyed was based on Dairy Australia levy payers with postcodes from within the Baw Baw Shire. In total, 497 names and addresses were obtained from Dairy Australia. A one-page questionnaire was sent out through GippsDairy with instructions to fax or post back the response. A reminder letter with another copy of the survey was sent one week later. Twenty-one letters were returned to sender. In total, 59 usable responses were received. This results in a response rate of 13%.

A copy of the questionnaire is provided below.

Dairy farm workforce planning – Gippsland (Baw Baw shire)

FAX BACK TO: 5623 4671: What are your current and expected farm workforce needs for 2008/09?

Your name	Your address	Your phone no.

GippsDairy is looking at ways to better match demand for staff on dairy farms in the Baw Baw region with the local labour supply. We are investigating working with employment groups so they better understand the requirements that dairy farmers have. This work is in the trial stage. If you have staff or are looking for staff in 2008/09, your completion of this survey would be extremely useful to us. The survey can be faxed back to GippsDairy (5623 4671) or posted to Danielle Auldish, GippsDairy, P.O. Box 1059, Warragul, Victoria, 3820 by 12th May 2008.

Q1. Currently, how many people other than you or your family work on the farm in a paid role?

Q2. How many cows do you expect to calve down in the next season (2008/09)?

Q3. Are you currently looking to recruit staff for your farm? (Tick which applies)

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Q4. Do you expect to be recruiting staff during 2008/2009? (Tick which applies)

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Q5. What type of methods do you use to find suitable workers? (Tick as many as apply)

Advertise in local & regional Newspapers	<input type="checkbox"/>
Advertise in The Weekly Times or other agricultural newspapers	<input type="checkbox"/>
Advertise in dairy company/supplier newsletters	<input type="checkbox"/>
Asking the Job Network – Government funded employment agencies	<input type="checkbox"/>
Asking dairy company/supplier field officers	<input type="checkbox"/>
Using local "word of mouth" – e.g. community and sporting contacts	<input type="checkbox"/>
Using farm consultants or specialist farm employment groups	<input type="checkbox"/>
Using private employment agencies	<input type="checkbox"/>
Other (Please state.....)	<input type="checkbox"/>

Q6. Do you have written position descriptions for all workers/positions on your farm? (Tick which applies)

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

THANKYOU - This survey is part of a Workforce Planning Trial Project funded by Gardiner Foundation and Dairy Australia. For more information call Dr Ruth Nettle (ph: 83444581, 0419569684). Please tick This box if you are interested in being contacted for future dairy farm workforce planning activities ☐

Q7. What type & no. of workers are you currently looking for/expect to be looking for? (Tick as many as apply)

Job position	Recruiting Now? (tick if yes) How many?	Recruiting some time in 2008/09? (tick if yes) How many?
Farm Business Manager or Sharefarmer	<input type="checkbox"/>	<input type="checkbox"/>
Production manager (e.g. Herd or pasture manager)	<input type="checkbox"/>	<input type="checkbox"/>
Farm supervisor (e.g. Milking supervisor)	<input type="checkbox"/>	<input type="checkbox"/>
Farm hand (e.g. general duties with experience)	<input type="checkbox"/>	<input type="checkbox"/>
Assistant Farm Hand (e.g. assistant milker, casual employee)	<input type="checkbox"/>	<input type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>

Q8. What is/will be the average number of hours worked per week; the number of working days per fortnight and the wages paid for workers in these roles on your farm? (Leave blank if the role is not on your farm).

Job position	Av. No. of hours worked per week	No. of working days in each 14 day period (fortnight)	Weekly wage paid or offered (i.e. total weekly wage or hourly rate)
Farm Business Manager or Sharefarmer			OR (\$/wk) (\$/hr)
Production manager (e.g. Herd or pasture manager)			OR (\$/wk) (\$/hr)
Farm supervisor (e.g. Milking supervisor)			OR (\$/wk) (\$/hr)
Farm hand (e.g. general duties with experience)			OR (\$/wk) (\$/hr)
Assistant Farm Hand (e.g. requires supervision, inexperienced)			OR (\$/wk) (\$/hr)
Other (please state).....			OR (\$/wk) (\$/hr)

Reporting labour demand in the Baw Baw Shire from analysis of the survey results

Industry Context in the Baw Baw Shire

- Situation and Outlook data for 2008 shows that farmers are increasingly optimistic about their future prospects and are planning to expand herd sizes.
- Consequently, farmers perceive that labour issues such as recruitment and retention are becoming more of a challenge.

Current Labour Profile of dairy farms in the Baw Baw Shire

- Most farms in Baw Baw are small (less than 150 cows) and have no paid labour.
- Of those farms with paid labour, nearly half have only one employee.
- Less than one in six farms have three or more employees.

Likely recruitment on Baw Baw Shire dairy farms

- One fifth of farms responding to the survey were currently recruiting to fill a paid position.
- A third of farms responding to the survey expected to recruit some time in the 2008-2009 season.

Recruitment methods in the Baw Baw Shire

- Most farms responding to the survey relied on word of mouth to advertise vacancies.
- One in six farms responding to the survey used local newspapers.
- A similar proportion used dairy company field officers.
- Less than one in 12 used the job network.

Positions sought in the Baw Baw Shire

- The most commonly sought positions by a very large margin were farm hands and assistant farm hands.
- Extrapolating these results, this is likely to result in approximately 50 vacancies for farms hands and 50 vacancies for assistant farm hands over the 2008-2009 season (see top table).

Working conditions on farms recruiting in the Baw Baw Shire

- Manager and supervisor positions were expected to work long hours on average.
- There was diversity in the number of hours worked by farm hands and assistant farm hands, with long hours (> 50 hours per week) and 12 day fortnights required by some and part-time hours worked by others (see centre table).
- Pay rates on offer compared quite favourably with the award rates and those offered by employers in the construction, metal and engineering, and retail industries (see bottom table).

Box 7 continues at the top of the next page.

Current and likely demand for labour 2008-2009 on dairy farms in Baw Baw Shire

Position	Current Demand	Likely demand rest of 2008-2009	Total demand 2008-2009
Business Manager	3	3	6
Production Manager	7	3	10
Supervisor	3	3	6
Farm hand	20	30	50
Asst Farm Hand	23	30	53
Other Position	7	2	9
Total			134

Source: Calculated from Baw Baw survey

Hours of work

Position	N	Min	Max	Average
Farm Business Manager	3	20.0	60.0	46.7
Production Manager	6	40.0	65.0	51.7
Farm Supervisor	2	40.0	40.0	40.0
Farm hand	16	14.0	60.0	38.7
Asst Farm Hand	10	5.0	50.0	30.6
Other	4	4.0	30.0	14.8
All positions	41	4.0	65.0	36.7

Comparative pay rates – dairy farm positions and competitor industries.

	16 year old	20 year old	Senior	Casual Loading
Qualified Carpenter	-	\$18.73	\$18.73	25%
Safeway Sales Asst	\$8.63	\$15.54	\$17.26	20%
Builder's Labourer	\$6.85	\$14.34	\$16.30	25%
Qualified Fitter		\$13.85	\$16.21	25%
Apprentice Fitter	\$6.81	\$8.22	\$12.76	NA
Apprentice Carpenter	\$8.57	\$8.57	\$8.57	NA
Pastoral Award - Grade 2	-	-	\$14.13	25%
Pastoral Award - Grade 3	-	-	\$14.79	25%
Pastoral Award - Grade 1	\$6.73	\$12.12	\$13.74	25%
School-based apprentice	\$7.78			20%

Box 7 continued ...

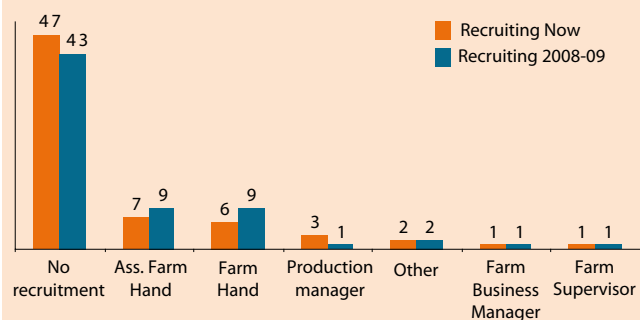


Figure 4: Expected positions to be recruited in the Baw Baw Shire – August 2008-2009.

Average hourly rates of pay – survey of dairy farmers in Baw Baw recruiting in 2008-09.

Position	N	Min	Max	Average
Farm Business Manager	...	...	...	...
Production Manager	5	\$19.00	\$26.66	\$22.38
Farm Supervisor	...	...	...	...
Farm hand	14	\$14.74	\$25.00	\$18.36
Asst Farm Hand	8	\$8.00	\$25.00	\$17.53
Other	4	\$17.00	\$25.00	\$21.00
All Positions	34	\$8.00	\$90.00	\$21.60

Box 8:

Implications of the analysis of dairy farm labour demand for regional workforce planning and action - Baw Baw Shire

- The survey of Baw Baw dairy farms indicates that approximately 130 extra paid positions on dairy farms in the Baw Baw region will be advertised over the next 12 months.
- Although these estimates should be used cautiously, the magnitude of the demand relative to the current workforce is significant. Taking into account turnover, if this projected demand is met, this represents a sizeable expansion (i.e. 25% increase in the paid dairy farm workforce in the Baw Baw area).
- The demand for part-time positions, particularly at the Assistant Farm Hand level, expands the recruitment possibilities for the industry. School-based apprenticeships may be appropriate for some employers. Group training arrangements may also be viable, if a sufficient number of farmers in a local area are willing to collaborate and commit to the arrangement over a number of years.
- Sourcing more experienced positions, from farm hands to supervisors and production managers represents more of a challenge for the local industry in the short-term. Demand can be filled internally through training for current assistant farm hands whilst other options that warrant further investigation include:
 - former dairy farm trainees: a co-ordinated campaign might be able to track former trainees and develop an attractive package to bring them back into the industry
 - dairy farmers leaving the industry: scope for flexible arrangements, such as part-time or relief work, at a supervisory level for retiring farmers.

Given the tight labour market faced by farmers in Baw Baw, farmers will need to respond to the rates and conditions currently on offer in the main competing industries, namely construction, manufacturing and retail. To draw in people not currently in the labour market, farmers would need to work with organisations best placed to assist disadvantaged job seekers.

Identify and engage stakeholders

Institutions exist in the workforce development domain to provide potential workers with the skills required by employers, to assist potential workers to find appropriate training providers, and to match job seekers with employers looking for labour. Federal government departments, state government departments and local government, education and training organisations, and employment services organisations are involved directly or indirectly (i.e. through funding schemes) in workforce development.

Because institutions have their own priorities and expertise, the most appropriate organisations for the dairy industry to develop associations with will depend on the particular labour supply and demand issues of a region. As part of the methodology of workforce planning then, it is important for regional groups to understand the roles of the main labour market and training institutions as well as detail their presence in the region. Further, it is necessary for regions to know the people on-the-ground in regions and the nature of their goals and interests. This can assist in aligning dairy industry needs with relevant people, programs and institutions in the region.



An example of the type of information that can be harnessed to assist workforce development and make connections with appropriate groups in the Baw Baw region is provided in Box 9. The implications from identifying and engaging with these groups in the Baw Baw case study are provided in Box 10. A full report on the Institutional map for the Baw Baw region is located in Appendix 4 (www.thepeopleindairy.org.au/projects).

Box 9:

Identifying relevant stakeholders in Baw Baw Shire – developing an institutional “map”

A desk-top analysis of workforce development institutions in the Baw Baw Shire was conducted to identify potentially relevant stakeholders in dairy industry workforce development strategies. Stakeholders were then engaged through a workshop (designed as an information session) to gauge their level of knowledge and interest in dairy workforce issues. Finally, interviews with individuals were conducted to understand better their core business and canvass their interest in dairy.

The following table lists the labour market institutions, and whether their contribution is related to meeting demand for labour at the different skill levels identified in the dairy farm career hierarchy. The table also indicates, in the final two columns, whether the organisation would be useful as a source of funding alone, or as a source of expertise. In general though, the government agencies listed are mainly possible sources of funding for a pilot workforce development program. Other organisations are primarily potential partners in achieving identified workforce development needs.

Institution	Skill level 1*	Skill level 2**	Skill level 3***	Funding	Expertise
Federal government agencies					
DEEWR	√	√	√	√	
DAFF	√	√	√	√	
AusIndustry				√	
State and local government agencies					
Local Government	√	√	√	√	√
Regional Development Victoria	√	√	√	√	
Skills Victoria		√		√	
Department of Primary Industries (Victoria)	√	√	√	√	
Education and Training Institutions					
Local training providers		√	√		√
Group Training providers		√			√
Australian Apprenticeships Centres		√			√
Local Learning and Employment Networks (LLEN)		√		√	√
Industry skills councils, VET in Schools and School-based Apprenticeships	√	√	√	√	
Employment Services					
Centrelink	√	√	√		√
Job Network Agencies	√	√	√		√
Labour Hire Firms	√	√			√
Employer associations	√	√	√		√
*skill level 1 (entry-level positions such as assistant farm hands and apprentices), **skill level 2 (advanced farm hand or trade positions), ***skill level 3 (manager positions).					

Stakeholder interests and implications for workforce planning and action – the Baw Baw Shire

Stakeholder interests identified in Baw Baw:

- State and federal government departments sponsor a range of programs. Some funding may be available under the DPI (Vic) recently announced workforce strategy.
- The local Shire Council recognises the importance of dairy farming to the local economy but there is scope to increase the Council's awareness of the needs of the local industry.
- Several existing and possible connections with education and training organisations were identified. Local training providers NCDEA and ECG have an established record in providing dairy apprentices. These organisations also have relationships with secondary schools in the area.
- The Baw Baw LaTrobe LLEN has worked with the dairy industry in the past on promoting careers in the dairy industry to young people and further collaboration around a specific objective may be possible.
- Australian Apprenticeship Centres have been working with training providers and individual farmers but there is the potential to develop effective relationships at the local industry level.
- Both group training companies and dairy farmers identified obstacles to working together, including the mode and delivery of training and uncertain and variable employer commitment. Given the funding that is available for group training projects, it is worthwhile continuing to keep this in mind as a relationship to develop for the long-term.

- There were fewer possible connections with employment services organisations identified. Current policy priorities mean that Centrelink and Job Network agencies' objectives are directed toward the long-term unemployed, which in the Gippsland area are concentrated in the LaTrobe Valley. There was no established labour hire activity in the agricultural industries in Baw Baw Shire.

From the experience in the Baw Baw case study it is recommended that stakeholder sessions in regions occur once the industry context and on-farm needs are complete (i.e. the first 2 spokes of the wheel have been completed by the workforce planning regional group).

The analysis of labour supply and the survey of labour demand establishes the case for dairy farming to be a priority for investment in workforce development. The importance of these "spokes" became clear during the engagement with stakeholders in the Baw Baw region. In this case, the survey of labour demand showed that there is strong demand for entry level and skilled dairy farm workers and that the openings on offer were competitive in terms of pay and conditions, yet the project team frequently encountered inaccurate perceptions of dairy farm working conditions and demand for positions among stakeholders. Some stakeholders expressed renewed interest in working with the dairy regional group on increasing dairy entrants through VET in schools, a program of mutual interest to two other stakeholders.

Prioritise investments needed for dairy

The preceding activities allow a regional dairy group to prioritise efforts in workforce planning and development, and develop recommendations that focus on initiatives that have the highest chance of success. The action wheel process so far increases the chances of success by identifying the need and working to align this need with resources available in the region like organisations, training, people and funding.

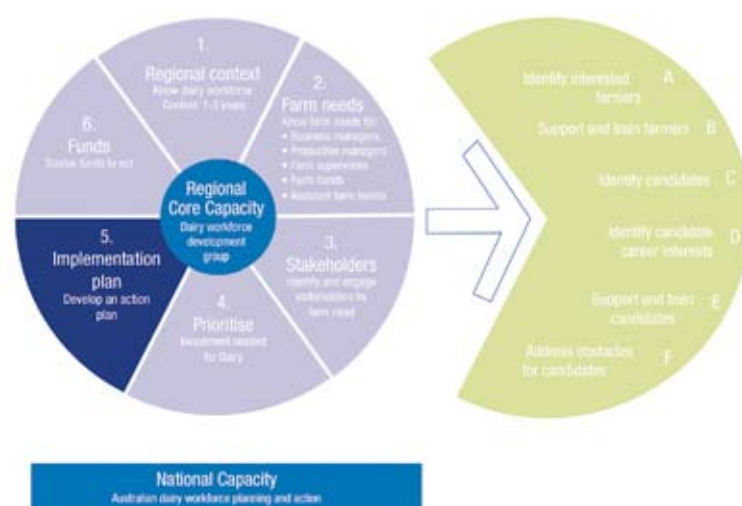
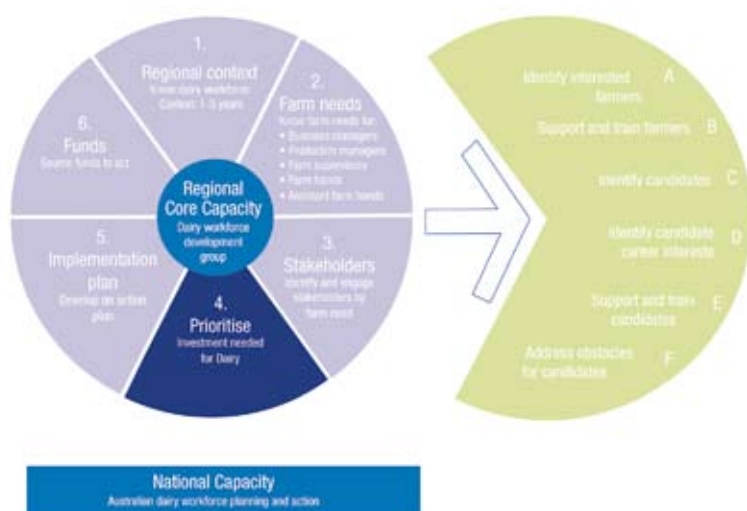
An example of the recommendations arising from an analysis of the industry context, on-farm labour demand and stakeholders in the Baw Baw region, and the suggested priorities arising from this is provided in Box 11. The recommendations are reported using the stages from the outside wheel (Figure 1).

This stage of the process takes the working group to the outer wheel of the workforce planning and action methodology.

The outer wheel sets out the process for enacting workforce development based on identified priorities from the planning phase. The process needs to include recommendations that address the following elements:

- Gaining dairy farmers' expressions of interest to be strongly engaged in specific initiatives
- Supporting and training dairy farmers in meeting their workforce needs
- Identifying potential entrants
- Understanding the career interests of potential entrants
- Supporting and training entrants
- Understanding and addressing potential obstacles for entrants

The full report on recommendations and conclusions arising from the project for the Baw Baw Shire is located in Appendix 5 (www.thepeopleindairy.org.au/projects).



Recommendations developed for the Baw Baw Shire to prepare an implementation plan – the outer wheel

A. Dairy farmers – expressions of interest

1. Establish a local clearinghouse for potential employers and employees. Initially, this can be built from annual surveys of labour demand.

There was strong support among farmers for a local clearinghouse to keep track of on-farm vacancies and workers interested in working on a farm. It was identified that milk processing companies once fulfilled this role partially (in relation to relief milkers) but no longer do. Other sources – Job Search, local newspapers, and online databases – lack credibility with employers, employees or both.

B. Support and train farmers

2. Work with farmers and local training providers to expand the offerings of short courses for farmers and promote the gaining of qualifications through Recognition of Prior Learning where appropriate.

Interviews with stakeholders from training organisations identified short courses offered in partnership with the industry as a growth area. Where possible, these should be aligned with competencies to increase the likelihood of farmers attaining a qualification for themselves as well as improving the quality of on-the-job training for apprentices.

C. Identify potential candidates

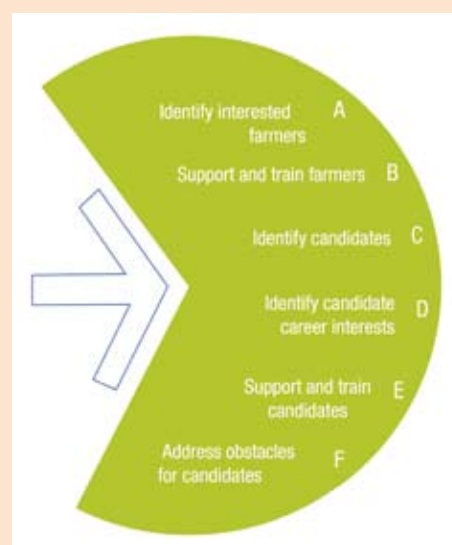
3. Work with other stakeholders (especially training providers and LLENs) to improve the profile of the dairy industry, especially among school teachers and job network agencies.

Use information from the survey of labour demand and other sources to dispel preconceptions of dairy farming as an unattractive career. This could involve special orientation sessions just for teachers or employment agencies designed to showcase best practice employers in the local industry.

4. Establish a sub-committee of the local workforce planning group to coordinate career information activities.

The report identified that a number of positive career-oriented events aimed at high school students already occur on a regular basis throughout the sub-region. However, there is a need to better co-ordinate these activities.

5. Work with Rural Skills Australia and Australian Apprenticeship Centres to develop materials for local farmers who may be interested in taking on an apprentice but who know little about the process.
6. Work with NCDEA to develop a project that tracks previous NCDEA graduates. This will yield information about the career trajectories of people trained in dairy farming and deepen the understanding of why people stop working in dairying. Some of those contacted might also be interested in returning to work for dairy.



7. In the long-term (ie once a reliable local database has been established), it would be worthwhile to conduct a similar project to track farm operators who have left the industry.

D. Potential candidates - understand their career interest

8. Work with farmers and training providers to develop recognition for entrants' existing qualifications from other industries.

A consideration that consistently arose during meetings with stakeholders and farmers is that workers entering and re-entering the dairy industry often have qualifications and training from other occupations. This will become more important if workers are to be attracted from the construction industry.

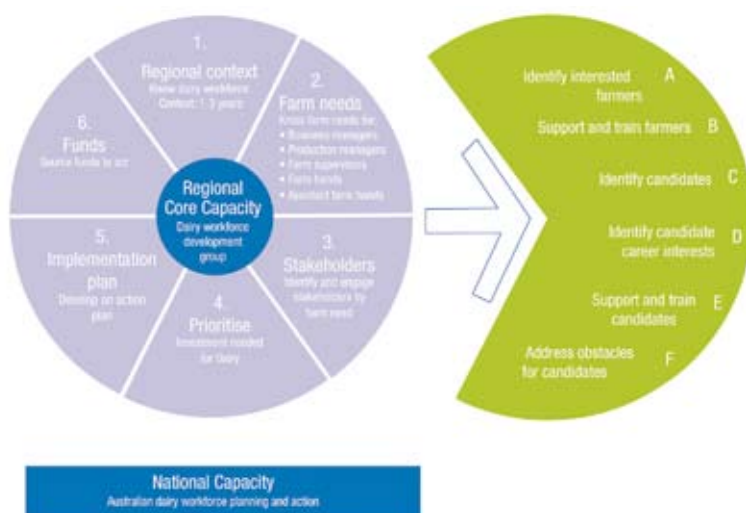
E. Support and training for candidates

9. Co-ordinate informal rotations of apprentices and placements of students on best practice farms.

While group training does not appear to be a viable option for dairy farming in Baw Baw in the short-term, informal rotations or placement on a best practice farm would give apprentices the opportunity to develop a full breadth of skills on-farm. Also see Recommendation 2

F. Understand and address potential obstacles for candidates

10. Using data from the labour demand survey, publish and distribute information on local pay rates to farmers.
11. Explore in further detail the extent of transport difficulties and work with farmers, training organisations, apprentices and other groups to identify possible solutions (for example, car pooling or car sharing).



6.2.3. The outer wheel: taking action

The recommendations developed provide examples of what activities need to be prioritised, but provide limited guidance for regional groups to enact a targeted workforce development strategy. Experience in the Baw Baw region suggested that an implementation plan was required to allow regional groups to specify the resources needed, identify the roles required, better define the type of stakeholder relationships to be pursued and better understand the size of the job ahead. The implementation plan becomes a workplan for the dairy workforce planning and action group for a given period of time.

A summary of the key content of the implementation plan developed for the Baw Baw Shire is outlined in Box 12.

A copy of the full implementation plan for the Baw Baw Shire is in Appendix 6 (www.thepeopleindairy.org.au/projects).

Box 12:***A workforce development implementation plan for the Baw Baw Shire*****Implementing collective workforce development in the dairy farm sector Baw Baw Shire (West Gippsland Region)**

Purpose of the plan: to operationalise the recommendations of the Workforce planning and action project and secure funding for workforce development activities in the region.

Scope of the plan: to conduct workforce development activities for the dairy industry across a group of local government areas, including Baw Baw Shire and South Gippsland Shire, as well as possibly La Trobe City, Cardinia Shire, Yarra Valley.

Objectives of the plan:

1. Test an approach to a sustainable model for workforce development in the region

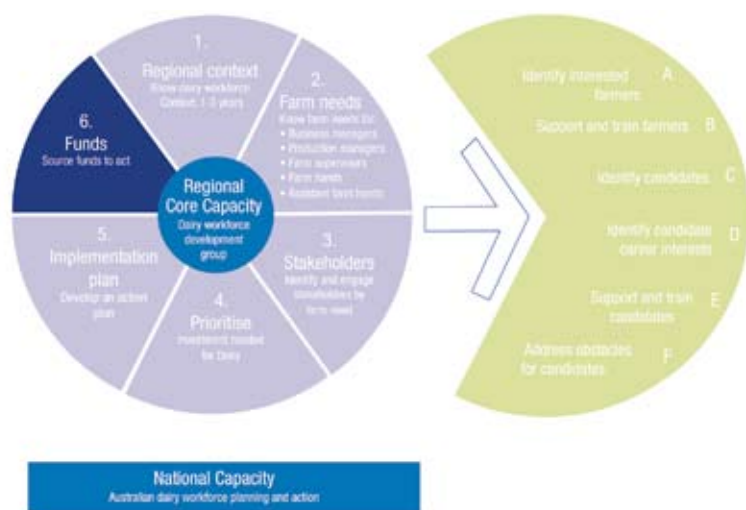
2. Develop a resourced network of best practice farms to pursue collective workforce development

Outcomes and benefits from this plan:

1. Agreement on roles of different local stakeholders in the workforce development process
2. Identification of a network of local farmers interested in developing a best practice network
3. Funding for the network, to provide ongoing resourcing and to conduct specific projects
4. Retention of skilled workers in the industry through more viable, enhanced career pathways
5. Link the region into national initiatives in workforce development of mutual benefit to this region

Identification of roles and tasks by stakeholder and stage

	Existing institutional framework (Gipps Dairy/ NCDEA/ others)	Network of best practice farms	Network Project Officer
Feasibility Stage	Identify interest from farms in establishing network Provide feedback from other workforce development projects (e.g. ADEEP)		
Development stage		Establish network and agree on aims Develop necessary relationships with stakeholders Develop proposals for funding Recruit Project Officer	
Implementation stage	Implement recommendations from pilot report that relate to public outcomes, i.e. labour supply and basic skills development for farmers	Provide direction to the resource officer Commit to providing opportunities to employees at necessary levels Engage in training and development to improve employer practices	Identify trainees where these are not already in place Provide mentoring and peer support to trainees/employees Provide assistance to employers in role as supervisor/trainer Assume responsibility for attracting new farmers to the network
Evaluation stage	Evaluate success of public outcome initiatives Identify possible sustainable funding sources to expand these initiatives.	Evaluate key elements of plan: <ul style="list-style-type: none"> • completion of traineeships • re-employment of apprentices • ongoing career path opportunities (including likely future opportunities) • development of employers' skills • capacity for expansion of scheme 	
Responsible for Recommendations	2-7, 10	1, 8, 9, 11	



Source funds to act

Possible funding streams were identified as part of the initial institutional mapping and identification of stakeholder interests. Unfortunately, many funding streams that were initially identified rely on participation from stakeholders whose interests did not align well with the workforce development needs that had been identified in Baw Baw Shire.

Examples of the funding options scoped for the Baw Baw Shire is provided in Box 13.

Box 13:

Funding options scoped in the Baw Baw Shire

1. Group Training Targeted Initiatives Programme: adult workers. This option requires the involvement of a group training company or Group Training Victoria.
2. Federal government employer brokers (e.g. DEEWR): project assistance, mentoring new employees, providing assistance and development to farmers in their roles as employers and supervisors, and providing intensive support to jobseekers, including assisting with potential obstacles to employment (such as assistance with transport).

7. Progressing workforce planning and action in the Australian dairy industry

Throughout this project the project team have engaged dairy industry and employment groups in the project purpose and its progress. The action wheel process has received much interest from both within the dairy industry (e.g. dairy manufacturing sector; dairy regions) and other agricultural industries (National Farmers federation, meat, wool and cotton industries), as well as from the employment sector (Skills and training groups, employment and welfare services). Dairy regional groups have identified that they lack the capacity and resources to act alone

in workforce development and see the process as providing a way to prioritise action and secure resources and expertise in improving dairy farm workforce issues in their region.

There is interest from the Victorian dairy regions in trialling the process at a regional scale.

The work in this area also supported the successful application by Dairy Australia to sit on the employer broker panel (DEEWR) to champion workforce development initiatives in regions.

8. Conclusions and recommendations

The project has developed a robust process for regional groups to better understand the current system of people development in order to take action in workforce development. The project has identified that the Australian dairy industry needs to prioritise workforce planning and action to ensure it has the people it needs to underpin farm sector development. This will require:

1. A national workforce planning and action group to coordinate effort
2. A better understanding of the national and regional dairy farm workforce development system, including:
 - Comprehensive and on-going data harvesting, analysis and interpretation on: the people deployed on farm and how they enter, develop and move through the farm sector; tracking of training graduates (e.g. from NCDEA); the size and characteristics of current and future labour demand; and, workforce development issues at a regional scale

- Active fore sighting on labour and employment issues
 - Sharing of workforce development strategies between regions
3. Better support to dairy regions for prioritising and acting on workforce development, including:
 - Supporting regions to apply the workforce planning and action process developed from this research
 - Supporting regions to engage effectively with stakeholders to address their workforce needs
 - Influencing government and other stakeholders to address needs

It is recommended that in order to build capacity to address issues of people capability in the dairy farm sector, further resources in development and the implementation of the “action wheel” process in dairy regions and national coordination of effort is required. Further research into the role of brokers in improving workforce development and the main influences on entry, retention and development of people in the industry is also warranted.

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10. Definitions

People capability: Concerns how the dairy industry organises its workforce planning to ensure it has the right number of people with the right skills to meet the needs of dairy farming into the future.

Skills: Include not just *technical* competency (e.g. putting cups on cows) – but *cognitive* (e.g. knowing about microbiology so when cups are put on cows the risk of bacterial infection into the udder is low) and *behavioural* dimensions (e.g. being calm around the cows and working as a team with other staff during milking). Interest in particular dimensions of skill are changing on the part of employers – often toward the cognitive and behavioural.

Workforce development: Activities that increase the capacity of individuals to participate effectively in the workforce throughout their working life and which increases the capacity of firms to adopt high performance work practices that support their employees to develop the full range of their potential skills and value. (Schofield, 2003 in Buchanan and Briggs (2003) pg 12).

11. Appendices

1. A position paper on workforce planning and action in the Australian Dairy Industry
2. An analysis of labour supply in the Baw Baw region
3. An analysis of labour demand in the Baw Baw region
4. An institutional map of employment stakeholders for the Baw Baw region
5. Conclusions, recommendations and a plan for implementation of workforce development strategies for the Baw Baw region
6. A methodology for data collection and analysis to support dairy workforce planning and action

To access these appendices, please go to www.thepeopleindairy.org.au/projects
or <http://www.landfood.unimelb.edu.au/RIRG/>

Appendix 1. A position paper on workforce planning and action in the Australian Dairy Industry



GARDINER FOUNDATION



DAIRY AUSTRALIA
Delivering for the dairy industry

Workforce planning for the Australian dairy industry

A Position Paper

Milestone report

Module 1: Review of workforce planning approaches

Dr Ruth Nettle

University of Melbourne

June 2008

(GGF12888)

**The People in Dairy: People Capability
for the farm sector
(Stage 1, Modules 1 to 3)**

Executive Summary

Can an industry of approximately 8000 individual businesses realistically plan and act collectively in people capability and workforce development? If so, how is this best conceived?

These two questions formed the basis of a review of workforce planning approaches across both rural and non rural sectors. The aim is to develop a considered, evidence-based position for the dairy industry in the domain of workforce planning that outlines:

- the conditions and principles for effective investment in workforce planning;
- the way workforce planning should be approached; and,
- potential outcomes for investors.

Attracting, retaining and developing people is key to the dairy industry's future. Although a key issue for individual farm businesses, the industry has identified this domain as an important area requiring collective action¹.

The review of workforce planning approaches has found that workforce planning is primarily a process that supports the strategy of organisations toward ensuring they have the people they need, thereby addressing risks associated with securing an organisation's or sector's workforce. All approaches have been dependent on data and information to quantify issues of labour supply and demand. The effectiveness of workforce planning is dependent upon the extent to which a systemic view of workforce development is taken by the proponents and leaders of the process. In systemic approaches less emphasis is given to "filling gaps" between demand and supply and more attention is provided to:

- the attractiveness of the work on offer,
- the actual stresses and pressures on businesses,
- the way people enter and move through a sector,
- how skills are formed, and
- how policy is affecting employment services

Importantly, an ability to act systemically was central. (See: ANAO, 2005; Davies and Sofo, 2007; Boxall and Purcell, 2003, Buchanan, et al, 2001; Buchanan et al, 2002; Buchanan and Briggs, 2003).

Key features of successful workforce planning include:

1. The planning is linked with the business strategy of farms and industry.

This is important for identifying viable options for meeting workforce needs. Buchanan et al (2003) suggest that the pressure on businesses to increase labour productivity and the constraints within businesses from "full deployment" directly affects the time employers have to transfer skills and nurture people development. This is a particularly pertinent implication in farming whereby the "skills incubator" of the family farm has declined in prominence and formal training has not fully compensated.

¹ Collective action by the dairy industry is considered essential for 3 main reasons. First, investment to date in improving attraction, retention and development has not delivered the desired outcomes at a regional level (Nettle, 2006); secondly, the source of market failure in attracting, retaining and developing people tends to be in the development challenge for the farmer and the adviser which is best redressed through collective action (expressed as national co-ordination and leadership) to embed improved capacity within the industry; and thirdly individual dairy businesses cannot on their own influence the development and delivery of employment services.

2. That skill and skill development be considered more broadly than technical competencies and include work design, work conditions and seeking innovative approaches to addressing employee-side needs.

For instance, a study into skills shortages in the racing industry (Buchanan, et al, 2002) found that track riders are often casual employees and unable to earn a “living wage” by this work alone, yet the industry was lamenting a shortage of track-riders. Through a new initiative, racetracks hired a group of track riders and offered training and work at the racetrack during the day, boosting retention. In other words, a re-think of supply-side issues in workforce planning away from skills or lack of interest/attractiveness in the work toward making links between the real needs of employers and employees.

3. A balance between the need for deployment (exploiting potential) and development (skilling-up for future needs) rather than just numbers of demand and supply.

Buchanan, et al (2003) found that when occupational skills are being reproduced at a slower rate (i.e. when deployment is prioritised over development) there is increasing pressure on workforce numbers.

4. Industry owns and acts to address it’s own workforce development issues

Buchanan, et al (2003) observed that the roots of the difficulties in attracting young people to sectors did not simply lie in image problems, ignorant career advisers, or more attractive alternatives – but in sectors themselves who were doing little to address the problem and instead spent large expenditures in advertising to attempt to address misperceptions of career opportunities – despite few people in the industry willing to recommend their career to their children.

5. A capacity to act – which involved prioritising, effectively brokering and implementing activities and monitoring results.

Davies and Sofo (2007) recommend investment in workforce planning specialists. This will increase the relevance of funded programs by ensuring that the goals or outcomes are aligned directly to the needs of the sector.

6. Stakeholder commitment and participation in planning and implementation.

In summary, workforce planning needs to be considered as a process that supports a strategy to ensure the dairy industry has the people it needs. Workforce planning fulfils a risk management function by addressing issues that impact on the ability of an industry or sector to secure its workforce. It is also dependent on data and information to quantify issues of labour supply and demand. It also must take a systemic view of workforce development and not just attempt to meet gaps between demand and supply. A systemic view is mindful of the attractiveness of the work on offer, the way people enter and move through a sector, how skills are formed, how policy is affecting employment services and works within the stresses and pressures on businesses. Importantly, workforce planning approaches need to be about action – and having the capacity to act in this systemic way. These findings have led to the development of the following position on workforce planning for the Australian Dairy Industry:

A position on people capability - workforce planning and action for the Australian Dairy Industry

Dairy workforce planning and action as industry strategy

Workforce planning and action is a process to build the dairy industry's capacity to act at a farm, regional and national scale to improve attraction, retention and development of people.

Workforce planning and action is a strategic response to the business and demographic risks the dairy industry is exposed to.

Workforce planning and action is a national priority for collective action on the part of the dairy industry and an essential part of the industry's day-to-day business.

Workforce planning and action involves national and regional leadership.

Workforce planning and action prioritises investment efforts for best results and monitors progress.

Dairy workforce planning and action engages employment services

Workforce planning and action harnesses key data about people in the industry on an ongoing basis to inform key stakeholders about industry needs, changes in these needs and emerging issues. This informs the activities and priorities of public policy, training provision, regional development and employment services.

Workforce planning and action provides brokers or intermediaries who understand industry needs and who build relationships with those people and organisations that can help meet these needs.

Dairy workforce planning and action supports farm business goals

Workforce planning and action builds the capacity of employers to:

- attract, retain and develop their people;
- offer decent work

Workforce planning and action increases the value of training to farm businesses by:

- linking training to workforce outcomes
- supporting the effective deployment of people on-farm.

If workforce planning and action fulfils this vision, the outcomes identified for investors include:

1. Greater impact from attraction, retention and development activities
2. Greater co-investment by employment services that meet mutual needs
3. Better informed employment services to dairy industry needs
4. Greater farm productivity
5. A more attractive industry to potential entrants

The project brief

This report fulfils Module 1 of: The People in Dairy: People Capability for the farm sector research project (GGF12888). It consist of a literature review of workforce planning approaches in rural industries, relevant non-rural industries and the public sector in order to develop a considered, evidence-based position for industry workforce planning and ensure a robust development of a workforce planning approach. This position is required to include:

- a) the conditions and principles for effective investment in workforce planning;
- b) the way workforce planning should be approached; and,
- c) potential outcomes for investors.

Background

Attracting retaining and developing people is key to the dairy industry's future. In the farm sector alone, an estimated 31,000 people work on dairy farms, with approximately 12,000 holding a paid position. An increasing number of farms are run with more than the owner and/or partner (66% in 2008 cf 57% in 2007) and 57% of farms have paid workers. Although the number of herds has declined with farms exiting, the farms remaining have increased herd size with the national average now 248 (Dairy Australia, 2008). Over the past five years, 59% of dairy farms have attempted to fill a position vacancy and just over half these farms experienced difficulty finding the right person. This has resulted in a negative effect on farm performance in many cases (25% of all dairy farms). Further, staff retention has also been an issue on 36% of dairy farms where staff are employed (22% of all dairy farms) and this has also affected farm performance in a number of cases (17% of all dairy farms), yet only 38% of these farms provided written job descriptions (Dairy Australia, 2008).

The ability of the dairy industry to attract, retain and develop people is influenced by external issues like the ageing population, population growth, aspirations of young people, role of competing industries (for pay and conditions), needs of people entering the industry and training availability. These issues have attained a high-profile in the public domain under headings like "skills shortages", "work-life balance" and "the ageing workforce", and represent a source of extreme demographic risk to businesses and workforce development strategies (Strack, Baier, Fahlander, 2008; The Australian National Audit Office (ANAO), 2005).

An increased focus on workforce planning has arisen in many sectors because of the high cost of attracting and retaining staff within an organisation, the skills shortage in many areas, coupled with the growing demand for higher-skilled professionals. Additionally, this skills shortage equates to work intensification and a reduction in the work-life balance of many employees, who are beginning to place a greater emphasis on this aspect of their life than purely a career focus. (Davies and Sofo, 2007)

To ensure there are enough people of appropriate capacity to meet the demands and needs of the Australian dairy industry's farm sector in the medium term, collective action by the organisations that influence or have a stake in people capability is required. However, to be able to act collectively requires:

- a. an understanding of the current system of how people are attracted, retained and developed in the farm-sector
- b. a framework to assess, prioritize and align investment in people capability
- c. confidence to act strategically in this domain.

To date the dairy industry has limited collective intelligence in this area. This is partly because a lot of the information and data about recruitment and retention are held outside normal industry databases (e.g. Census, ABS) and a number of organisations (particularly government) contribute in this area but are not normal partners of the dairy industry (e.g. Department of Employment and Workplace Relations).

Overall there is limited information and appreciation of:

The number of people required on-farm in the medium term

How to best attract people who are, or could become, the human resource needed?

Where people will come from and why?

How people will develop within the industry and the possible career trajectories

What the barriers are to these paths

How employment organizations (e.g. Centrelink, job networks, LLEN, etc) could contribute to dairy industry needs.

Further, this information should guide:

What interventions each major funding group could invest in to best influence required outcomes, and

What *relative* priority should we give to the many good ideas industry currently has.

An important question is how do other industries and organisations plan and act in this domain? What evidence is there of successful workforce planning and people capability development processes? What lessons have been learnt and what traps exist in the workforce planning domain?

In order to ensure a robust development of a workforce planning approach this review of current approaches in workforce planning and people capability development in the rural and non-rural sector was initiated. The aim was to develop a considered, evidence-based position for the dairy industry in the domain of workforce planning. This position paper draws on studies, literature and reviews and is designed as a foundation for the development of a robust and strategic workforce planning and action process (regionally and nationally) for the Australian Dairy Industry.

What is workforce planning and why do it?

In the Australian Public Service, workforce planning has been encouraged for many years and this was supported by a best-practice guide produced in 2001 by the Australian National Audit Office (ANAO). The ANAO (2005) defines workforce planning as a continuous process of shaping the workforce to ensure it is capable of delivering organisational objectives now and in the future:

“...to provide a means of transition from the present workforce to the workforce needed for delivery of future organisational capability”. (pg 103)

Equating workforce planning with “human resources planning” (HRP), the audit office maintains that workforce planning seeks to reconcile an individual employee’s career and lifestyle goals with those of the organization.

Davies and Sofo (2007) define workforce planning as a systematic process for identifying and addressing the gaps of the current workforce and future human capital needs. The workforce planning process is predicated on an intimate knowledge of the external environment, the current internal organisational environment and of any current and future goals of an agency’s planning. Highlighting the strategic role of workforce planning, Boxall and Purcell (2003: 197) suggest that workforce planning ‘integrates key human variables with other strategic concerns.’

In the Nursing sector, workforce planning is the process of estimating the required workforce to meet future requirements and the development of strategies to meet those requirements (2005):

“...ensuring that the right practitioners are in the right place at the right time with the right skills.” (pg 14)

In this sector, information about current and future workforce needs is prioritised and covers:

- identification of shortages and surpluses;
- definition and redefinition of workplace organisation, tasks and roles;
- identification of drivers of both demand and supply;
- establishing workforce education and training needs;
- providing knowledge and understanding of the workforce and its activities; and
- ensuring there is a process for systematically addressing the factors that are influencing workforce and workplace change.

Drawing on health sector experience, Hall (1998) claims that Workforce Planning can prepare the ground for decision making; provide options for decision makers; improve the quality of decisions; provide for the orderly implementation of activities or resources; and provide a framework for monitoring and evaluating progress towards defined goals.

In a recent paper on the challenges for workplaces from demographic risk, (Strack, et al, 2008) suggest that workforce planning in organisations is an essential risk management strategy. Workforce planning can assist in the setting of policy and strategy as well as providing a framework for action to address skills and capability over a 1-5 year time frame.

The NAO cautioned against a focus on planning over implementation. This expressed itself as a pre-occupation with accuracy and reliability of information rather than turning data and analysis into strategic information for decision making. They also found an insufficient integration between an organisations business plan and the workforce plan (pg 103). Finally,

the NAO concluded that a lack of measures in place to assess workforce planning activities was of concern (pg 89).

Different methods of workforce planning are employed, and Bin Idris and Eldridge (1998, in Davies and Sofo, 2007) group them into either strategy or process oriented approaches. Whereas strategy oriented definitions have tended to rely on the basic definition of workforce planning as mentioned above. Process oriented definitions *'emphasise the creation of the best possible framework of information within which decisions about the utilisation of resources to achieve organisational objectives can be made'*. (pg 345)

In their work with the Manufacturing and VET sectors, Buchanan and Briggs (2003: p37) caution against a "gap-filling" view of workforce planning. A workforce development approach that focuses on projection of labour demands, identifying gaps and resources to meet them have generally failed to meet "skills" gaps or improve workforce issues in other industries. This failure is attributed to:

- not exploring how to manage change in skills needs, decent work² and innovative ways to link education, work-place productivity and a focus on the system of people development.
- Insufficiently resourced organisational structures; lack of stakeholder participation; ill-defined principles, objectives, methodologies and processes.
- Limited industry/regional capacity for planning, coordination and action.

Drawing on an intensive analysis of case studies in these sectors, they demonstrate how key features that structure any regional or sectoral "skill ecosystem"³ need to be embedded in the planning and implementation approach of a sector's workforce issues. These features include:

1. Business settings
2. Institutional and policy frameworks
3. Modes of engaging labour (labour hire)
4. Structure of jobs (job design and work organisation)
5. Level and type of skill formation

The interaction between these interlocking forces needs to be understood in any approach to skill formation and workforce development for a particular region or sector. In earlier work, Buchanan et al (2002) also highlighted that identifying skills gaps and shortages is part of the process – but sectors, industries and organisations must also have the capacity to do something about them.

² Surveys consistently reveal that people value the quality of their work highly, that is, who they share it with, and how satisfying they find it. If a job cannot readily be made satisfying, it is important that the pay and conditions at least enable people to flourish outside of work. *Decent jobs* embody at least one, and ideally both, of these aspects. (Buchanan, 2006)

³ Buchanan, et al (2003) suggest skill ecosystems should be the focus whereby industries or regions seek a balance between clusters of high, intermediate and low-level competency work – and look to skill in a network, supply chain or regional sense rather than an individual business or industry.

A summary of the key elements of workforce planning and its strategic purpose is provided in Box 1.

Box 1: Workforce planning as strategy

Workforce planning is primarily about a process that supports the strategy of organisations toward ensuring they have the people they need; it fulfils a risk management function around addressing issues that impact on the ability of an organisation or sector to secure its workforce; it is data and information dependent to quantify issues of labour supply and demand; and, to be effective as a strategy and risk management tool, must take a systemic view of workforce development and not just a “filling the gap between demand and supply” approach. A systemic view is mindful of the attractiveness of the work on offer, the way people enter and move through a sector, how skills are formed, how policy is affecting employment services and the stresses and pressures on businesses. Finally, workforce planning is about action – and having the capacity to act in this systemic way.

Content of workforce plans

A review of the plans emerging from Workforce Planning in the public sector (NAO, 2005) suggest a standardised approach, including:

An assessment of the demand for (workforce needed) and supply of labour (current workforce)

Consideration of the impacts of any shortages and surpluses on organisational capability

An assessment of the external labour market as it relates to the agency, the agency's reliance on the contingent workforce as well as its dependence on the workforce of other entities for service provision

The identification of "mission critical" roles and competencies

Human resources and other business strategies that relates specifically to the risk assessments

A means of monitoring progress over time to ensure that the strategies are effective.

Source: (NAO, 2005 pg 20)

In the health sector, a relatively standardised approach has been implemented through their workforce advisory groups. An example of the steps involved in health workforce planning is provided in Box 1.

Box 1: Six steps in health workforce planning:

1. Set objectives, scope and process for planning
2. Defining the workforce under review and describe the current supply
3. Evaluate current adequacy using a range of indicators
4. Predict future supply using dynamic stocks and flows modelling
5. Model a range of projection scenarios by modelling changes in both supply and requirements and explore "best fit" scenario.
6. Develop strategies for workforce balance (or correcting projected imbalances)

(Australian Health Workforce Advisory Committee, 2004)

The National Dairy Alliance RD&E capability planning study (National Dairy Alliance, 2007) collected data to:

Estimate the human resources required over the next five years to conduct on-farm dairy RD&E in Australia

Identify potential sources of suitably skilled RD&E personnel who would be capable of conducting that dairy RD&E

Determine what initiatives may need to be taken to ensure that future dairy RD&E programs are suitably resourced.

The authors found it most difficult to determine future demand for suitably trained personnel for on-farm dairy RD&E, although the potential availability of RD&E funding provided a source for estimating aggregate future demand.

With few exceptions, the analysis of the content and approaches to workforce planning in a range of sectors revealed little of any methodologies for action/implementation and/or monitoring of plans.

Key features of successful workforce planning and action

1. Linking the people capability strategy to the business strategy.

In 2005 the ANAO reviewed the progress and performance of 86 public sector agencies and found a high degree of variation amongst them. They listed four success criteria:

1. The workforce planning process helps an organisations mission and strategic goals
2. Shortages in mission critical occupations and roles are avoided or addressed
3. The process is embedded in business processes
4. Organisational capacity is increased.

(ANAO, 2005)

Buchanan et al (2003) add that the pressure on businesses in terms of the need to increase labour productivity and the constraints from “full deployment” directly affect the time employers have to transfer skills and nurture people development. Further, Davies and Sofo (2007: pg 6) suggest that issues of work-life balance appear to be avoided when companies look purely at the work needs required for production rather than the concurrent and changing needs of their employees. Tightly linking workforce planning and action strategies to business strategies is therefore considered necessary to identify viable options in workforce development.

2. Thinking differently about “skill”, “skills shortages” and “skill development”.

Buchanan, et al (2003) suggests that responses to skill challenges require:

a) a differentiated appreciation of skill (i.e. “skills” include not just *technical* competency (e.g. putting cups on cows) –but *cognitive* (e.g. knowing about microbiology so when cups are put on cows the risk of bacterial infection into the udder is low) and *behavioural* dimensions (e.g. being calm around the cows and working as a team with other staff during milking). Interest in these dimensions of skill is changing on the part of employers – often toward the cognitive and behavioural; (p 47)

b) an appreciation of skill “ecosystems” ; clusters of high, intermediate, and low levels of competence in particular regions or industries which are shaped by interlocking networks of firms, markets and institutions (Buchanan, 2006). In this approach, the work setting in which skills are deployed are important and industries or regions seek a balance between clusters of high, intermediate and low-level competency work. A project looking at skills shortages in the racing industry (Buchanan, et al, 2002) found that track riders are often casual employees and unable to earn a “living wage” by this work alone, yet the industry was lamenting a shortage of track-riders. Through a new initiative, racetracks hired a group of track riders and offered training and work at the racetrack during the day, boosting retention. In another example, (Buchanan, et al, 2002) a reported shortage of bakers had as much to do with the conditions of work (e.g. 2am starts and \$9/hr pay rates) as shortage of baking skills (pg 33). This demonstrated that by positioning the issue as one of skills or lack of interest/attractiveness (i.e. supply side issues) without giving consideration to the type of job on offer actually prevents progress. Making links between the real needs of employers and employees is therefore important.

c) maintaining a balance between needs for deployment (exploiting potential) and development (skilling-up for future needs): Focusing solely on numbers threatens the workforce planning strategy of sectors. For instance, Buchanan, et al (2003) found the training rates in many sectors was decreasing and highlighted the increasing pressure this puts on workforce numbers because occupational skills are being reproduced at a slower rate; and

d) maintaining a focus on workforce development and not just training (i.e. designing activities that increase the capacity of individuals to participate effectively in the workforce throughout their working life).

3. Sectors themselves must own and act to address workforce development

A key finding from work in many sectors regarding skills and workforce planning and development was that the roots of the difficulties in attracting young people to sectors do not simply lie in image problems, ignorant career advisers, or more attractive alternatives (e.g. IT). Buchanan, et al (2003) report that sectors themselves were doing little to address the problem (e.g. by prioritising on-the-job training or mentoring/buddy arrangements) and large expenditures in advertising to supposedly address misperceptions of career opportunities were being conceived despite few people in the industry actually willing to recommend their career to their children.

The report recommended that all parties involved in the development and deployment of skill need to recognise they share a common problem in workforce development and around this – partnerships can be developed. Fundamental to any workforce planning exercise is a commitment from stakeholders to the planning process, their participation in that process and their understanding of why workforce planning is undertaken and what the planning exercise can add to workforce policy development. Participation is also seen as important because of the key role stakeholders have to play in implementation of the planning recommendations and strategies and with the monitoring of implementation and outcomes.

4. Build capacity for working on people capability at an industry level.

Most authors highlight the need to identify skills shortage and gaps – but emphasise the need to develop and nurture a capacity to do something about them.

In most organisations there are special staff employed to cover this area, yet Davies and Sofu (2007) identify a key problem in government and private sector organisations is a shortage of skilled employment relations staff that are qualified to implement workforce planning. These skills allow them to identify current and future organisational staffing needs. At an industry scale, this issue is compounded by a lack of specialised capacity in both workforce planning and in understanding dairy and regional needs and issues. Further, the National Dairy Alliance study (2007) found industry-level planning in farm RD&E difficult because, unlike single organisations, there is little autonomy to determine policies and allocate budgets along with limited capacity to broker organisational needs within a context of an industry strategy.

These four areas that underpin successful workforce planning approaches provide insight into the features required in a dairy industry workforce planning and action framework.

Approaches to workforce planning in the rural sector

Most rural industries have specific efforts towards elements of workforce planning and workforce development activities. Key projects have been identified across Australia that have relevance to the development of a dairy industry position in Workforce Planning. A summary of the work and the implications for workforce planning in the dairy industry are provided. The activities of rural industries are divided into projects or initiatives that have significance at the broad agricultural level or at the specific industry level.

Agriculture broadly

1. National Farmers Federation (NFF) – Labour shortage action plan

An ongoing plan investigating new and existing solutions to agricultural labour shortages, their practical implementation, and policy implications.

The aim is to explore all issues that affect the availability of agricultural workers, and to effect both policy direction and practical measures arising from those issues. Key elements of the plan include:

- Focusing on key target groups for attracting labour
- Supporting a regional development approach to address labour shortages including population, infrastructure and servicing strategies.
- Championing for flexibility in employers negotiating conditions on an individual basis, and for employees to benefit in ways other than, and in addition to basic remuneration.
- Supporting more streamlined legislative and regulatory complexities in relation to employer obligations
- Supporting best practice Human resource management
- Championing for more incentives for Job Network providers to place short-term, casual and seasonal work, which are presently commercially unattractive.

Comment: An industry or sectoral workforce planning and action strategy as is suggested in this position paper would support achievement of this action plan

Contact: National Farmers Federation

2. Employment Trends in the Australian Agriculture Sector: *The current and future human resource needs of Australian agriculture.*

A project:

1. To obtain an accurate assessment of the current and projected future human resource needs of the farm, farm-service and agribusiness sectors in Australia. Current and projected future human resource will require consideration at different levels including at the unskilled, VET, Diploma, Graduate and postgraduate levels.
2. To obtain an accurate assessment of trends in participation in school-based and post secondary school agricultural education and training in Australia over the last ten to fifteen years, and trends in the capacity of the different institutions to meet the training and skill needs of the sector now and in the future.
3. To investigate and make recommendations on the need for regular assessments of farm, farm-service and agribusiness human resource needs as part of efforts to improve the management of training and education requirements of the sector, and to make recommendations on efficient and effective processes for conducting regular assessments.
4. To make recommendations concerning any policy measures that may be required in Australia in order to respond better to the changing human resource needs of the agriculture sector.

Progress: To be confirmed

Contact: Australian Farm Institute

Specific sector initiatives

Horticulture

Growcom (The Queensland horticultural sector service delivery group) has developed a project to develop the first horticulture industry workforce plan. The plan aims to contribute to the long-term viability of the Australian horticultural industry, and improve the capacity of industry to attract, recruit and retain a 'work ready' skilled workforce.

The workforce plan aims to provide a basis upon which government, industry and individual stakeholders can develop and reform policy, enhance industry and business capacity to manage labour needs, and undertake initiatives that will assist the horticulture industry in achieving its preferred future.

The projects key activities included:

- Engage with key industry, government and community stakeholders, and link with existing initiatives nation-wide;

- Undertake a literature review including research into existing projects such as workforce plans for related industries;

- Prepare the draft workforce plan, including regional approaches and strategies;

- Identify three Queensland pilot regions;

- Undertake and document regional activities and trials;

- Develop strategies for long term sustainability and potential national roll-out of the workforce plan.

The project aims to:

- Build industry's capacity and networks in relation to workforce issues;

- Increase awareness of industry workforce issues in the horticulture industry;

- Identify solutions to workforce challenges;

- Provide leadership in workforce issues and challenges;

- Pilot workforce strategies in three regions and involve growers in the project;

- Identify the key elements for an implementation strategy, including the possibility of the plan being actioned in other states and territories;

- Identify areas where investment in horticulture workforce issues is required.

The plan aims to provide a broad range of possible solutions, including linking with existing programs and projects, and suggesting new and innovative tools for future development.

Progress: Final report in progress (DAFF funded)

Contact: Leanne Usher: ph (07) 3620 3844, email: llusher@growcom.com.au.

Cotton

CRDC and the Cotton CRC have projects looking at particular elements of skills shortages.

Cotton Catchment & Communities have a report that says indigenous people tend to stay in the area where their family is, rather than move on when times are tough (ie drought), hence they are a workforce worth exploring and nurturing.

As a result CRDC have instigated School based traineeships for 5 young indigenous students, to be based at the ACRI, and at CRDC. CRDC are working well with the AES and Mission Australia and local schools.

Cotton Australia instigated a program to encourage young people into the industry, level 3 included a short course on Human Resources management for growers, owners and farm managers.

Developed a Cotton Production Course as part of the Ag Degree at UNE

Sponsor Wincott, and other Young Leaders courses, to encourage them to stay in the industry

Cotton CRC Communities programme: research into changing employment patterns in cotton communities in the past and also what some of the new issues will be that will change these patterns in the future. By having some of this information, growers and the broader community can better plan for the future. Local business people report that information about what is going on in the industry and what is likely to happen is the most important for their planning. As part of this project the impact that new industries such as mining are likely to have on the local community and farm workforce is to be investigated. E.g. towns like Emerald, Dalby, Namoi to assist planning for the future.

Wool, meat and livestock

Project: Attracting and retaining staff (Northern Beef program)

Objectives:

1. Identify the factors motivating and influencing employees to join, remain in, or leave individual employers in each of the Australian beef, sheep and pastoral wool industries;
2. Quantify the economic costs associated with skilled labour shortages (industry and farm-level) and high staff turn-over (farm-level)
3. Provide farm-level case studies that illustrate best-practice examples of critical elements of attracting and retaining staff
4. Develop recommendations and strategies to assist employers attract and retain labour in each of the beef, sheep and wool industries.

Description:

The low and declining availability of labour is a major constraint in the Australian beef, meat sheep and pastoral wool industries. Low job application rates, high staff turnover and shortages of experienced labour increase labour costs and reduce enterprise efficiency.

Anecdotal evidence suggests that superior wages and employment conditions offered by the mining and other regionally based industries are diverting a large proportion of employees willing to work in rural areas away from pastoral industry employment.

The MLA/AWI attracting and retaining staff project gathered data to provide detailed recommendations specifically relevant to the Australian grazing industries. A detailed survey of past and present beef, sheep and pastoral wool industry employees and employers. A survey and consultation of grazing industry employers, rural employment agency operators and mining industry was also conducted. The survey will be complemented by a review of publications, reports and surveys on labour issues in rural Australia, an analysis of economic costs of labour shortages and turnover in the industry and detailed case studies.

Progress: In total, 842 individuals participated in the study, involving 245 employers and 544 properties. Most participants came from large enterprises with 15 or more employees (57%), 14% from medium enterprises with 6 to 14 employees and 29% from small properties employing 5 or less employees. A draft report has been completed and is available. The industries are now working on strategies to support attraction approaches of extensive livestock producers.

Contact: Rodd Dyer , the Northern Beef Program Manager, (07) 3620-5234, 042948-6902 or email rdyer@mla.com.au.

A position on workforce planning for the Australian Dairy Industry

This review of current approaches in workforce planning and people capability development in the rural and non-rural sector was designed to lead to a considered, evidence-based position for the dairy industry in the domain of workforce planning.

The review of workforce planning approaches found that workforce planning needs to be considered as a process that supports a strategy to ensure the dairy industry has the people it needs. Workforce planning fulfils a risk management function by addressing issues that impact on the ability of an industry or sector to secure its workforce. It is also dependent on data and information to quantify issues of labour supply and demand. It also must take a systemic view of workforce development and not just attempt to meet gaps between demand and supply. A systemic view is mindful of the attractiveness of the work on offer, the way people enter and move through a sector, how skills are formed, how policy is affecting employment services and works within the stresses and pressures on businesses. Importantly, workforce planning approaches need to be about action – and having the capacity to act in this systemic way. These findings have led to the development of the following position for the Australian Dairy Industry to have a robust and strategic workforce planning and action process (regionally and nationally):

A position on people capability - workforce planning and action for the Australian Dairy Industry

Dairy workforce planning and action as industry strategy

Workforce planning and action is a process to build the dairy industry's capacity to act at a farm, regional and national scale to improve attraction, retention and development of people.

Workforce planning and action is a strategic response to the business and demographic risks the dairy industry is exposed to.

Workforce planning and action is a national priority for collective action on the part of the dairy industry and an essential part of the industry's day-to-day business.

Workforce planning and action involves national and regional leadership.

Workforce planning and action prioritises investment efforts for best results and monitors progress.

Dairy workforce planning and action engages employment services

Workforce planning and action harnesses key data about people in the industry on an ongoing basis to inform key stakeholders about industry needs, changes in these needs and emerging issues. This informs the activities and priorities of public policy, training provision, regional development and employment services.

Workforce planning and action provides brokers or intermediaries who understand industry needs and who build relationships with those people and organisations that can help meet these needs.

Dairy workforce planning and action supports farm business goals

Workforce planning and action builds the capacity of employers to:

- attract, retain and develop their people;
- offer decent work

Workforce planning and action increases the value of training to farm businesses by:

- linking training to workforce outcomes
- supporting the effective deployment of people on-farm.

If workforce planning and action fulfils this vision, the outcomes identified for investors include:

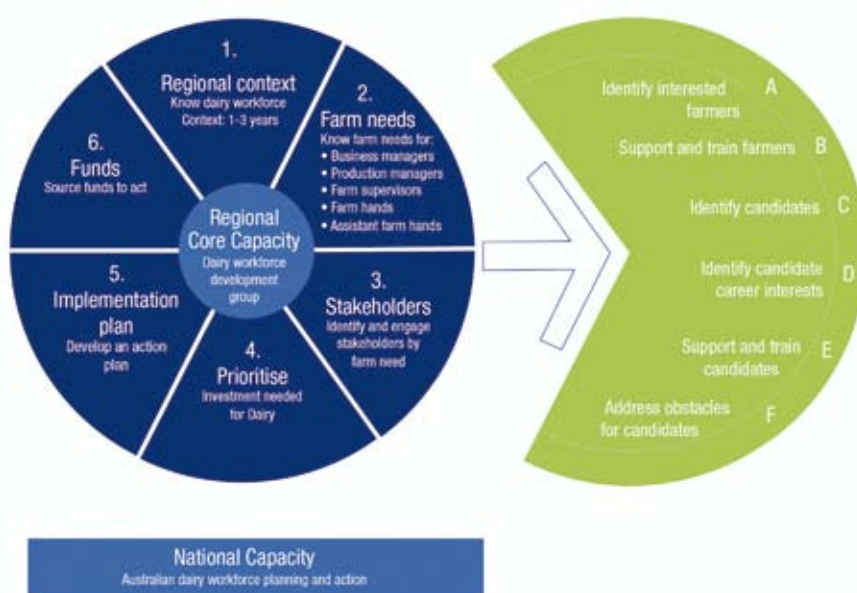
1. Greater impact from attraction, retention and development activities
2. Greater co-investment by employment services that meet mutual needs
3. Better informed employment services to dairy industry needs
4. Greater farm productivity
5. A more attractive industry to potential entrants

Conclusion: A draft methodology for Australian Dairy Workforce Planning

The insight gleaned from the review of workforce planning approaches and the experience of conducting a feasibility study into an entry –level focussed attraction and retention project in Northern Victoria has provided a basis for the conceptual development of a workforce planning and action methodology that addresses the issues of supporting farm, region and national capacity to act in this domain.

This capacity to plan and act to ensure the dairy industry has the people it needs is represented as a conceptual model below. To understand the model, start at the central hub of the wheel: this is the driving force (a regional capacity to plan and act), the spokes of the wheel represents what the organisational capacity needs to be (1 through 5). The outer wheel describes the others that need to be mobilised to achieve change (A through F). The National Capacity (Australian dairy workforce planning and action) (Box underneath the wheel) is suggested as a vital support for regional capacity through engaging with national stakeholders, supporting the necessary data analysis and interpretation for regions and the monitoring, evaluation and research required to support continuous improvement.

It is recommended as a next step that this model be piloted in different regions with a focus on different levels of workforce need.



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Definitions

People capability: Concerns how the dairy industry organises its workforce planning to ensure it has the right number of people with the right skills to meet the needs of dairy farming into the future. Stage one of this project provides a review and model design, and focuses on the people working on farms.

Training rate: No. of persons training for an occupation as a proportion of the total employed in that occupation. This indicator is suggested as a measure for the extent to which occupational skills are being reproduced.

Skills: Include not just *technical* competency (e.g. putting cups on cows) –but *cognitive* (e.g. knowing about microbiology so when cups are put on cows the risk of bacterial infection into the udder is low) and *behavioural* dimensions (e.g. being calm around the cows and working as a team with other staff during milking). Interest in particular dimensions of skill are changing on the part of employers – often toward the cognitive and behavioural.

Skill eco-systems: the work setting in which skills are deployed. Skill ecosystems are clusters of high, intermediate, and low levels of competence in particular regions or industries which are shaped by interlocking networks of firms, markets and institutions

Workforce development: Activities that increase the capacity of individuals to participate effectively in the workforce throughout their working life and which increases the capacity of firms to adopt high performance work practices that support their employees to develop the full range of their potential skills and value. (Schofield, 2003 in Buchanan and Briggs (2003) pg 12).

Appendix 2. An analysis of labour supply in the Baw Baw Shire

Workforce Planning for the Baw Baw Dairy Industry

Part A: Analysis of Labour Supply

Prepared for Dairy Australia
May 2008

Key Findings:

Using data from the 2006 Census, a profile of the Baw Baw labour market was developed, as well as an in-depth examination of the dairy farming workforce in Baw Baw Shire.

Demographic and Educational Characteristics

1. The population of Baw Baw grew by 11% over 1996-2006, slightly less than the state and national average of 12% but more than the surrounding Gippsland region, which grew by 5% over the same period.
2. The population of Baw Baw Shire is aging more rapidly than the rest of the state. The proportion of people aged over 65 is currently 15 per cent and will continue to grow, while the total number of people under 15 decreased from 8480 in 1996 to 7947 in 2006. This will restrict the available labour supply in the future.
3. Nearly a quarter of the population has a post-school qualification, which is close to the national average. However, Baw Baw residents are more likely to have trade or certificate level qualifications than university qualifications.
4. There has been a strong growth in the number of Baw Baw residents with Certificate III/IV qualifications, especially among those aged 15-24: 18% of the population aged over 15 and 7% of the population aged 15-24 have a Certificate III/IV qualification.
5. Young people in the Baw Baw area are as likely to attend TAFE and less likely to attend university than young people in Victoria and young people in Australia. Less than one in ten young people in Baw Baw (8%) attend TAFE and a similar proportion (7%) attends university.

Labour Market Indicators

6. Unemployment in Baw Baw (4.1%) is lower than the surrounding region (6.4%), Victoria (4.7%) and Australia.
7. The labour market participation rate for males (68%) and females (54%) in Baw Baw is near the state and national average.
8. Female part-time employment makes up a greater share of all employment in Baw Baw Shire (24%) than in Victoria (21%) or Australia (20%).

To summarise, the supply of labour overall in Baw Baw Shire is approaching capacity, with more people retiring from the labour market than young people entering. Given the labour market demands of the prominent agricultural and manufacturing industries, the proportion of young people enrolled in TAFE should be higher, which may make it harder to find skilled labour. The labour market participation rate is as high as the state and national average.

A workforce development strategy that aims to draw people not currently in the workforce could best focus on drawing in population from surrounding areas with lower participation rates and higher unemployment, such as La Trobe.

A workforce development strategy that aims to target females would need to take account of the higher proportion of unemployed women seeking part-time rather than full-time employment.

Dairy farming and related industries

9. The proportion of the population employed as Managers (including farmers) declined from 23% in 1996 to 17% in 2006. The occupational categories increasing their share of employment included professionals and community and personal service workers.
10. The proportion of the working population employed in Agricultural industries declined from 18% in 1996 to 11% in 2006. The fastest growing industries over that period were education and training and health care and social assistance.
11. Very few young people are employed in agriculture, with most working in retail trade, accommodation and food services, and manufacturing.
12. Dairy farming is the largest agricultural industry in the area (employing 857 Baw Baw residents, or 44% of all those working in agriculture), followed by Sheep, Beef Cattle and Grain Farming (21%), and mushroom and vegetable farming (12%).
13. In addition to dairy farming, 261 Baw Baw residents work in other dairy related industries, including 464 in cheese and other dairy product manufacturing.

To summarise, agriculture, while still the largest industry, is declining in importance as service industries like health care and social assistance and education and training continue to grow.

Workforce development strategies must therefore take account of the opportunities for employment which are being offered in those industries, including pay and salary as well as working conditions such as flexibility and career pathways.

The working conditions in other dairy-related industries might also be relevant, especially to attracting or retaining more skilled or experienced workers.

Likewise, any strategy to increase the number of young people working in the dairy farming industry must take into account the prevailing pay and salary as well as working conditions such as flexibility and career pathways in industries such as retail trade and food and accommodation services.

Dairy farming workforce

14. The number of people working on dairy farms in the Baw Baw area declined from 1100 in 2001 to 821 in 2006.
15. The number of employees working on dairy farms in the Baw Baw area declined from 262 in 2001 to 175 in 2006. Consequently, dairy farming in the area is now more reliant on business owners and contributing family workers for labour.
16. A third of all workers (296, 36%) in the industry are female.

17. 108 workers, or 13%, of all dairy farm workers in Baw Baw Shire are under 30. This is lower than for all Victorian dairy farms and lower than the general workforce in Baw Baw Shire.
18. In contrast, a higher proportion of all dairy farm workers in Baw Baw are aged over 50 (46%) compared to dairy farm workers in Victoria (39%). This is so for manager-owners and employees.
19. A third of all dairy farm workers in Baw Baw Shire (34%) have some form of post-school qualification. The most common level of qualification is certificate III/IV (20%). This is similar to the level for all Victorian dairy farm workers.
20. Younger dairy farm workers are much more likely than older farm workers to have post-school qualifications, which should improve the skills profile of the industry over time.
21. Dairy farm workers in Baw Baw Shire are working longer hours on average than dairy farm workers in Victoria. Owner managers are working an average of 70 hours per week (the state average is 60) and employees are working 42 hours (the state average is 40).
22. 18% of all workers in dairy farming work part-time. Females are more likely to work part-time (32%) than males (10%) and employees are more likely to work part-time (28%) than owner-managers and contributing family workers (15%).
23. The median individual income for dairy farm workers in Baw Baw is lower than the median individual income for dairy farm workers in Victoria, but the median household income and median family income is higher. This may reflect a greater contribution of family members and/or more alternatives for partners to access other labour market opportunities than in other dairy farming areas.

The first implication is that the number of employees working in dairy farming in Baw Baw Shire declined over the period 2001-2006. While the reasons for the decline in dairy farm employees are not clear from the data, former dairy farm employees may be a potential source of future labour.

Even without employment growth, the Baw Baw dairy farming workforce will need to attract new labour to replace the retiring workforce. This issue is more acute in Baw Baw than in other dairy farming areas in Victoria.

Background

This report is the first stage of the *Workforce Planning for the Dairy Industry* project conducted by Dairy Australia and funded by the Gardiner Institute. It was felt that previous workforce planning projects had not done enough to build capacity within the dairy industry to conduct and implement workforce planning on an ongoing basis. The aim of the project was to develop and pilot a sustainable process that would allow local dairy farming groups to conduct their own workforce analysis. Dairy Australia chose Baw Baw Shire in West Gippsland to be the pilot area. The project team comprised representatives from Dairy Australia (the People in Dairy Project Team), Gipps Dairy, the Workplace Research Centre, the National Dairy Alliance, the Brotherhood of St Laurence and the National Centre for Dairy Education Australia.

A. Overview: The Baw Baw Shire

The Baw Baw Shire is located in West Gippsland, approximately 100 km east of Melbourne.

Agriculture remains an important part of economic and social activity in Baw-Baw Shire. Farming and the food processing remain important industries in the region. In addition to dairy, the shire also hosts significant fruit, vegetable, and potato farms as well as logging.

The major population centres in the Shire are Warragul and Drouin.

Compared to many other agriculture centres, the area is well connected to Melbourne with a regular train service and a rapidly encroaching commuter belt.

The aging of the population will present future challenges for the area. People aged over 65, currently just 15% of the population, are expected to comprise 21% of the Shire population by 2016. This represents a faster ageing of the population than Victoria or Australia.

Table A.1: Baw Baw Shire at a glance:

Dairy Region	Gippsland
Main town(s)	Warragul, Drouin
Area	4032 sq km
Population	38,416 ¹

Source: The information for this section is taken from the Victorian Department of Local Government and Communities website: <http://www.localgovernment.vic.gov.au/>

The table is taken from the Overview tab of the Template MS Excel Workbook.

¹ This is an estimate based on the 2001 census. In fact, the 2006 census recorded only 36,741 residents in Baw Baw Shire Council area (see page 9).

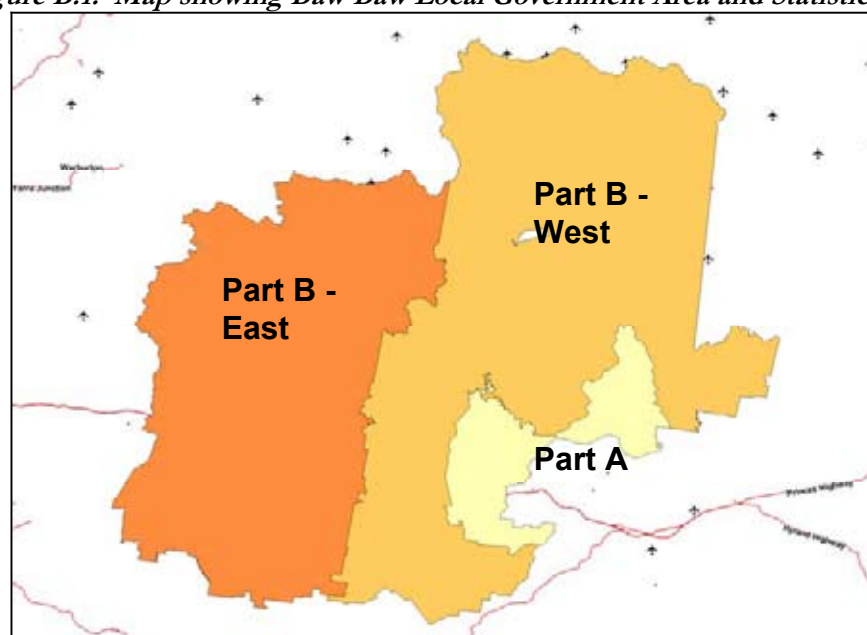
B. Geographical Organisation

This local labour market analysis has focused on the Local Government Area (LGA) of Baw Baw Shire as its unit of analysis. The advantages of using this level of analysis is that is widely used as a reference category by many government agencies at the federal, state, and local level as well as by other agencies and groups. The Local Government Area is also a unit for decision-making, so it is useful to provide accurate and specific data for decision-makers.

Local government areas are usually more stable than state and federal electorates, which are regularly the subject of redistributions (in the case of federal electorates, at least every seven years).

Local government areas are also incorporated into the ABS's Standard Geographical Classification. The smallest ASGC unit used in this analysis is the Statistical Local Area (SLA). SLAs are drawn to be consistent with LGA boundaries. Baw Baw Shire is split into three parts: Baw Baw Shire Part A; Baw Baw Shire Part B – East; and Baw Baw Shire Part B – West. These are shown in Figure 1 below. SLAs are then grouped into Statistical Subdivisions, which are then grouped into Statistical Regions.

Figure B.1: Map showing Baw Baw Local Government Area and Statistical Local Areas



Source: ABS ASGC

The statistical region has been used here rather than the more common Statistical Subdivision, because the statistical region of All Gippsland best approximates the Dairy Australia Gippsland region (only excluding the easternmost LGAs of Cardinia and Casey, which are part of the South Eastern Melbourne SR) and because Baw Baw Shire is split between two Statistical Subdivisions, West Gippsland SD and La Trobe SD.

The table in Appendix 2 summarises the ABS geographical classification of local government areas within the Gippsland Dairy Region:

C. Demographic and Educational Characteristics

C.1 Population Growth

From 1996 to 2006, the population of Baw Baw Shire increased by 11%, increasing from 32,985 to 36,471. This population growth rate is larger than the All Gippsland Region (which only increased its population by 5% over the same period) but slightly smaller than the state of Victoria overall (which grew by 12% over the same decade).

Table C.1: Population Growth

	Population Growth, 1996-2006	Population, 2006	Population distribution*
Baw Baw	11%	36,471	100%
Gippsland	5%	235,275	16%
Victoria	12%	4,915,345	1%
Australia	12%	20,061,651	0.2%

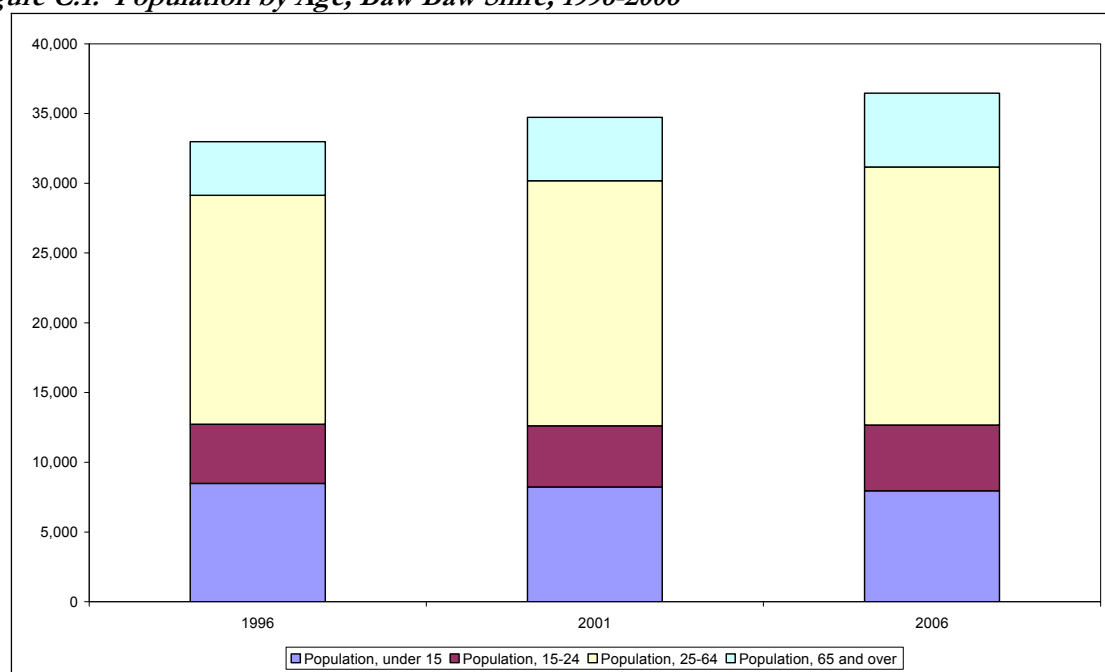
Note: population of Baw Baw Shire as a proportion of selected region

Source: Census 2006, TSP

C.2 Age Structure

However, as the population of Baw Baw Shire grows, it is ageing. In 1996, 12% of the population were aged 65 and over. By 2006, that figure had grown to 15%. By contrast, the proportion of the population aged 15-24 remained stable at 13%. In the future, the pool of young labour available is likely to further decrease, since the proportion of the population under 15 has fallen in actual numbers from 8480 to 7947, representing a percentage decrease from 26% in 1996 to 22% in 2006.

Figure C.1: Population by Age, Baw Baw Shire, 1996-2006



Source: Census 1996, 2001, 2006; Baw Baw LGA Time Series Profile

C.3 Educational Attainment

Baw Baw Shire is near the state and national average for proportion of the population with a post-school qualification. Over one third of the population over 15 has some sort of qualification. One in five Baw Baw residents over the age of 15 has a certificate qualification, mostly at the Certificate III/IV level. This is higher than the state and national average. Conversely, Baw Baw residents are less likely to have a tertiary-level qualification than Victoria or Australia overall.

Table C.2: Educational Attainment

	Baw Baw	Gippsland	Victoria	Australia
Qualifications				
Total population with Bachelor or higher	11%	9%	17%	15%
Total Population with AD/D	6%	6%	7%	7%
Total Population with Certificate III/IV	18%	18%	13%	14%
Total Population with Certificate	20%	20%	15%	17%
Total with post-school qualification	37%	35%	40%	39%
population 15-24 with Bachelor or higher	3%	3%	8%	7%
Population 15-24 with AD/D	3%	2%	4%	4%
Population 15-24 with Certificate III/IV	14%	12%	9%	9%
Population 15-24 with Certificate	17%	16%	11%	12%
Total 15-24 with post-school qualification	23%	21%	24%	23%

Source: Census 2006, BCP

In the decade between 1996 and 2006, the proportion of the Baw Baw population with a post-school qualification increased by a third. The fastest growing qualification category, among the general population and the population aged 15-24, is trade-level Certificate III/IV qualifications: the proportion of the population aged 15-24 with a Certificate III/IV doubled between 1996 and 2006, increasing from 6.7% to 13.5%. The increase in people with university-level qualifications and diploma has been much smaller. This emphasis on vocational rather than professional skills should suit the dairy industry.

Table C.3: Qualifications over time

Qualifications	1996	2001	2006
Total population with Bachelor or higher	7.5%	9.2%	10.9%
Total Population with AD/D	5.8%	5.3%	6.2%
Total Population with Certificate III/IV	11.8%	15.1%	17.6%
Total Population with Certificate	14.2%	17.5%	20.4%
Total with qualification	27.4%	32.0%	37.5%
population 15-24 with Bachelor or higher	2.9%	3.2%	3.3%
Population 15-24 with AD/D	2.2%	2.2%	2.7%
Population 15-24 with Certificate III/IV	6.7%	9.4%	13.5%
Population 15-24 with Certificate	8.9%	12.2%	17.3%
Total aged 15-24 with qualification	14.0%	17.6%	23.3%

Source: Census 2006, TSP

C.4 Youth educational activity

The involvement of young people in education affects both the current supply of labour (especially less experienced and unskilled labour) as well as the skill levels of the future workforce.

Young people in the Baw Baw Shire and the All Gippsland Region have slightly higher participation rates in TAFE than the state and national average, though they are more likely to be attending part-time. The proportion of young people in Baw Baw Shire and Gippsland attending university full-time is much lower than the state and national averages. While this may indicate that young people from these areas are less likely to attend higher education, it is also in part because, apart from the Monash University campus at Churchill, there no local tertiary campuses and many young people would leave the area to study, predominantly moving to Melbourne. This reduces the pool of young people looking for part-time work to combine with study, and means that a greater proportion of young people in the area are still studying at school.

Table C.4: *Attendance at educational institutions by youth*

	Baw Baw (S)	All Gippsland	Victoria	Australia
Attending TAFE full-time	3%	3%	4%	3%
Attending TAFE part-time	5%	5%	4%	4%
Total Attending TAFE	8%	8%	8%	7%
Attending University full-time	6%	5%	16%	14%
Attending University part-time	1%	1%	2%	2%
Total Attending University	7%	6%	18%	16%
Attending other institution (incl school)	37%	35%	28%	26%
Total Attending educational institution	52%	49%	54%	49%
No of 15-24 year olds	4648	28815	368497	1344877

Source: Census 2006, BCP

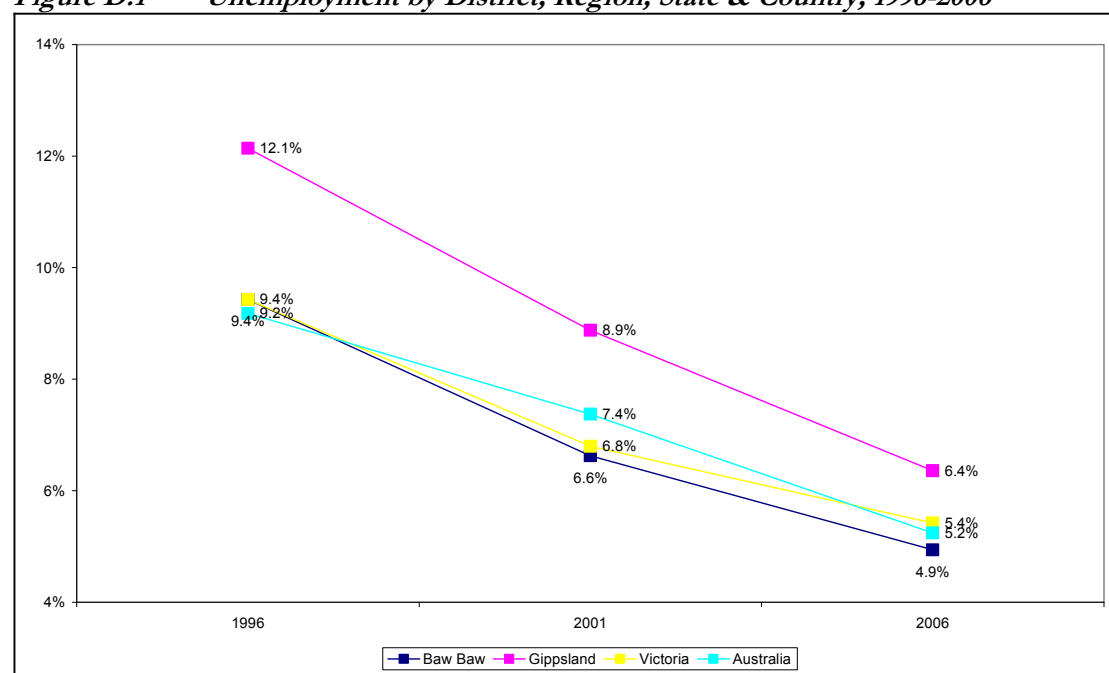
D. Local Labour Market Indicators

D.1 Unemployment

Unemployment in the Baw Baw Shire has closely followed the national trend, decreasing by 5 per cent over the ten year period, 1996-2006. The unemployment rate in Baw Baw Shire has consistently been lower than its region, All Gippsland, mainly because of the higher unemployment rate in the La Trobe Valley. Unemployment in the Gippsland region continues to be 1.5% higher than in Baw Baw Shire.

The Department of Employment, Education and Workplace Relations (DEEWR) releases updated unemployment figures for statistical local areas every quarter. These updates are based on data from Centrelink, ABS Labour Force Survey and the Census. The latest figures estimate that there were 844 unemployed people in Baw Baw Shire in December 2007, or an unemployment rate of 4.1%. This is lower than the estimate for Regional Victoria (5.1%) and all of Victoria (4.7%) (DEEWR, 2007, Table 3).

Figure D.1 *Unemployment by District, Region, State & Country, 1996-2006*



Source: 2006 Census of Population and Housing

D.2 Composition of unemployment

Unlike during periods of traditional high unemployment, unemployed males looking for full-time employment do not make up a majority of the unemployed, at the local government, region, state or national level. Indeed, in Baw Baw Shire, there are as many females looking for employment as males. Employers looking to fill labour shortages from the unemployed would be well advised

If employers are looking for full-time employees, this data again suggests, that since the proportion of unemployed looking for full-time work is lower in Baw Baw Shire than in the state overall, one effective approach may be to target unemployed from neighbouring local government areas.

Table D.1: Composition of unemployment by sex and employment mode preference

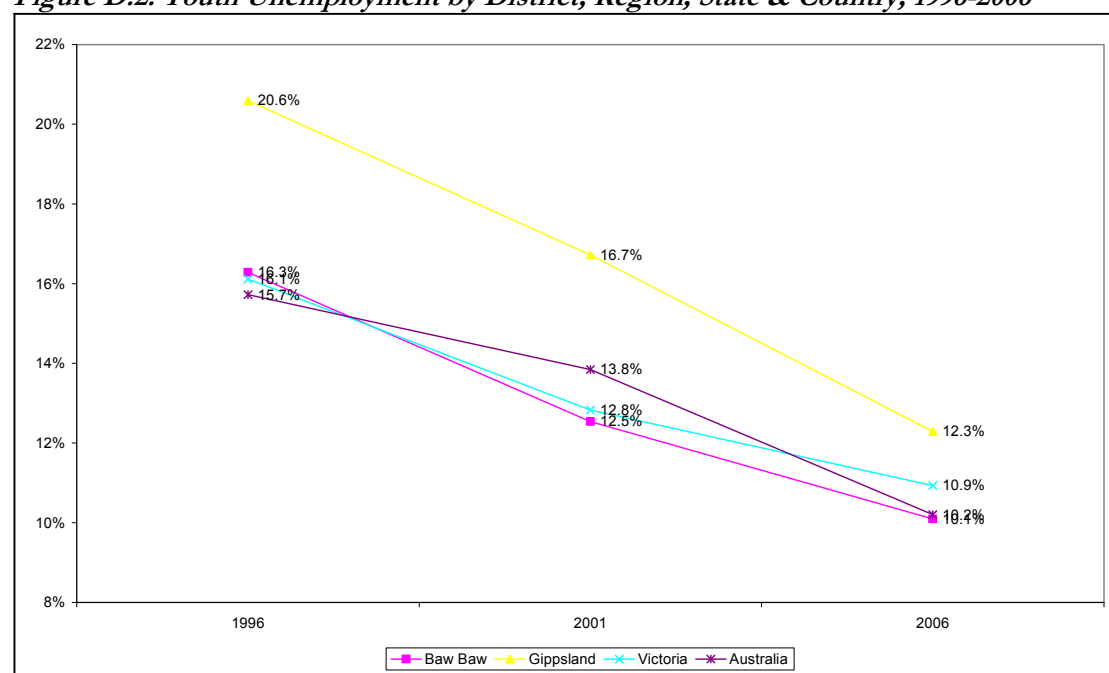
	Entire Shire	Statistical Region	Victoria	Australia
Number of unemployed				
Male full-time unemployment	328	2953	50756	197803
Male part-time unemployment	97	728	18917	71883
Female full-time unemployment	218	1577	28806	112778
Female part-time unemployment	218	1458	31681	121338
Total unemployed	861	6716	130160	503802
Proportion of Unemployment rate				
Male full-time unemployment	1.9%	2.8%	2.1%	2.1%
Male part-time unemployment	0.5%	0.7%	0.8%	0.7%
Female full-time unemployment	1.2%	1.5%	1.2%	1.2%
Female part-time unemployment	1.2%	1.4%	1.3%	1.3%
Unemployment Rate	4.9%	6.3%	5.4%	5.2%

Source: Census 2006, BCP

D.3 Youth unemployment

Youth unemployment in Baw Baw Shire has followed the pattern of overall unemployment, falling sharply over the last ten years to 2006. As with unemployment overall, youth unemployment is higher in the Gippsland region than in Baw Baw Shire; however, the gap between the youth unemployment rate in Australia and in the Gippsland region has narrowed considerably since 1996.

Figure D.2: Youth Unemployment by District, Region, State & Country, 1996-2006



Source: 2006 Census of Population and Housing

D.4 Participation Rate

Labour market participation in Baw Baw Shire is at the state and national average. This is surprising given the higher proportion of people aged 65 and over in the region, suggesting a higher participation rate among working aged people (15-64). As with employment and unemployment, the surrounding region has a lower participation rate for both males and females. Thus, local employers seeking to draw new entrants to the labour market may be better off developing strategies to attract labour from neighbouring local government areas.

Table D.2: Participation rate

	Male Participation Rate	Female Participation Rate
Entire Shire	68%	54%
Statistical Region	62%	49%
Victoria	67%	54%
Australia	67%	54%

Source: Census 2006, BCP

Consistent with most non-metropolitan areas, female part-time employment in the Baw Baw Shire and the Gippsland region makes up a higher proportion of total employment than the state and national average. Unlike Australia overall, females in Baw Baw Shire are more likely to work part-time than full-time. Strategies to attract more women into the dairy farming industry would need to take into account preferences for working part-time.

Table D.3: Employment by Gender (% share of total employment)

As share of total employment:	Baw Baw Shire	All Gippsland region	Victoria	Australia
Male Full-time employment	42%	41%	41%	41%
Male Part-time employment	9%	9%	9%	9%
Total male employment	54%	54%	54%	54%
Female full-time employment	19%	18%	22%	23%
Female part-time employment	24%	24%	21%	20%
Total female employment	46%	46%	46%	46%

Note: Full-time employment and Part-time employment does not equal Total employment because total employment also includes hours not stated and not at work.

Source: 2006 Census of Population and Housing

D.5 Occupation

Baw Baw has a higher proportion of Managers than Victoria or Australia because Farmers are counted within the Managers division. The Shire also has a higher proportion of Labourers and a slightly higher proportion of technicians and trades workers than Victoria or Australia. Workers living in Baw Baw Shire are less likely to be employed as professionals or clerical and administrative workers than in Victoria or Australia overall. There are only small differences between the occupational profile of Baw Baw Shire and the All Gippsland region.

Table D.4: Employment by Occupation Type and Area

	Baw Baw	Gippsland	Victoria	Australia
Managers	17%	16%	13%	13%
Professionals	16%	15%	21%	20%
Technicians and trades workers	16%	17%	14%	14%
Community and personal service workers	9%	9%	8%	9%
Clerical and administrative workers	11%	12%	15%	15%
Sales workers	9%	10%	10%	10%
Machinery operators and drivers	8%	7%	7%	7%
Labourers	14%	13%	10%	10%
Inadequately described/Not stated	2%	2%	2%	2%
Total	16,559	98,635	2,263,140	9,104,184

Source: Census 2006, BCP

The occupational distribution of the Baw Baw workforce is changing quite rapidly, however. Since 1996, the proportion of the workforce employed as managers (including farmers) has decreased from 23% to 17%, reflecting the relative decline of agriculture in the area. The proportion of clerical and administrative workers and machinery operators and drivers stayed constant. All other occupational categories increased, including professionals and technicians and trades workers. The largest increase has been amongst community and personal service workers, which increased their share of employment by half.

Table D.5: Employment by Occupational Type, Baw Baw, 1996-2006

	1996	2001	2006
Managers	23%	20%	17%
Professionals	14%	15%	16%
Technicians and trades workers	15%	15%	16%
Community and personal service workers	6%	8%	9%
Clerical and administrative workers	11%	11%	11%
Sales workers	8%	8%	9%
Machinery operators and drivers	8%	8%	8%
Labourers	12%	13%	14%
Inadequately described/Not stated	3%	2%	2%
	13,678	15,079	16,559

Source: Census 2006, TSP

D.6 Industrial Composition of employment

Although the area is rapidly changing and urban sprawl from Melbourne is rapidly encroaching, agriculture is the largest industry in terms of employment numbers in Baw Baw Shire. More than one in ten workers are employed in agriculture. Apart from agriculture, the main industries employing Baw Baw residents are manufacturing, construction, education and training, and health care and social assistance. Employment in manufacturing is not much lower in Baw Baw Shire than Australia overall, though it is lower than all Victorian. A lower proportion of Baw Baw residents are employed in financial and professional services and retail trade than Victoria and Australia overall.

Table D.6: Industry of Employment by area

	<i>Baw Baw Shire</i>	<i>Gippsland Region</i>	<i>Victoria</i>	<i>Australia</i>
Agriculture, forestry & fishing	11%	10%	3%	3%
Mining	1%	1%	0%	1%
Manufacturing	10%	9%	13%	10%
Electricity, gas, water & waste services	2%	3%	1%	1%
Construction	10%	9%	8%	8%
Wholesale trade	5%	3%	5%	4%
Retail trade	10%	12%	12%	11%
Accommodation & food services	5%	6%	6%	6%
Transport, postal & warehousing	4%	4%	5%	5%
Information media & telecommunications	1%	1%	2%	2%
Financial & insurance services	2%	2%	4%	4%
Rental, hiring & real estate services	1%	1%	1%	2%
Professional, scientific & technical services	4%	3%	7%	7%
Administrative & support services	2%	3%	3%	3%
Public administration & safety	5%	6%	5%	7%
Education & training	10%	8%	8%	8%
Health care & social assistance	11%	11%	10%	11%
Arts & recreation services	1%	1%	2%	1%
Other services	5%	4%	4%	4%

Source: 2006 Census, BCP. Figures based on place of usual residence.

D.7 Agriculture as a share of all employment

However, the share of Baw Baw workers employed in agriculture has been declining in absolute and relative terms for some time. At the time of the 1996 census, more than 18% of workers were employed in agriculture. Even though the population of the Shire has increased, there were 500 fewer workers employed in agriculture in 2006 than there were in 1996.

Table D.7: Industry of Employment, 1996-2006, Baw Baw Shire

	1996 Census	2001 Census	2006 Census
Agriculture, forestry & fishing	18%	15%	11%
Mining	1%	0%	1%
Manufacturing	11%	11%	10%
Electricity, gas, water & waste services	2%	2%	2%
Construction	6%	7%	10%
Wholesale trade	4%	5%	5%
Retail trade	9%	10%	10%
Accommodation & food services	4%	5%	5%
Transport, postal & warehousing	4%	4%	4%
Information media & telecommunications	1%	1%	1%
Financial & insurance services	2%	2%	2%
Rental, hiring & real estate services	1%	1%	1%
Professional, scientific & technical services	4%	4%	4%
Administrative & support services	2%	2%	2%
Public administration & safety	4%	3%	5%
Education & training	9%	10%	10%
Health care & social assistance	8%	10%	11%
Arts & recreation services	1%	1%	1%
Other services	5%	4%	5%

Source: These figures are taken from the Time Series Community Profile for Baw Baw Shire. There may be slight differences between the totals because the TSP excludes overseas visitors. Figures do not add to 100% because of Not stated and inadequately described.

The industries that have been growing most rapidly are the other industries comprising a sizeable share of employment: construction, health care and social assistance, and education and training. If this trend continues, agriculture will soon lose its status as the main employer in the area.

D.8 Industry of employment – youth labour market

While agriculture remains an important component of employment for the entire labour market, very few young people in Baw Baw shire are working in the industry. In fact, less than one in fifty young people living in Baw Baw Shire works in agriculture. Rather, the industrial distribution of young workers (15-24) resembles most other provincial and metropolitan areas, with large numbers working in retail trade and accommodation and food services. There remains a sizeable amount of blue collar employment, however, among young males; more than a quarter work in manufacturing or construction.

Table D.8: Youth employment (15-24) by industry, Baw Baw Shire

	Males	Females	Total
Agriculture, forestry & fishing	8%	3%	6%
Mining	1%	0%	1%
Manufacturing	15%	7%	11%
Electricity, gas, water & waste services	0%	0%	0%
Construction	22%	1%	12%
Wholesale trade	6%	3%	5%
Retail trade	14%	27%	20%
Accommodation & food services	7%	20%	13%
Transport, postal & warehousing	2%	1%	1%
Information media & telecommunications	1%	2%	2%
Financial & insurance services	0%	2%	1%
Rental, hiring & real estate services	0%	2%	1%
Professional, scientific & technical services	2%	4%	3%
Administrative & support services	5%	2%	4%
Public administration & safety	2%	1%	1%
Education & training	2%	5%	3%
Health care & social assistance	1%	11%	6%
Arts & recreation services	1%	1%	1%
Other services	7%	6%	6%
Inadequately described/Not stated	3%	3%	3%
Total	1362	1251	2613

Source: 2006 Basic Community Profile, Baw Baw Shire. Based on place of usual residence.

E. Dairy Farming and related industries

E.1 Dairy farming as a share of agricultural employment

Within the agricultural sector, dairy farming is the largest employer in Baw Baw Shire. More than twice as many Baw Baw residents work in Dairy Farming than the next largest agricultural industry group, Sheep, Beef Cattle and Grain Growing (which predominantly comprises beef growing in the Baw Baw area). The next largest agricultural industries is mushroom and vegetable growing.

Table E.1: *Agriculture and Forestry Industries by share of employment, Baw Baw Shire*

ANZSIC Industry (Group)	Persons	% Persons
Dairy Cattle Farming	857	44%
Sheep, Beef Cattle and Grain Farming	405	21%
Mushroom and Vegetable Growing	228	12%
Nursery and Floriculture Production	82	4%
Agriculture and Fishing Support Services	76	4%
Forestry and Logging	68	3%
Fruit and Tree Nut Growing	58	3%
Other Livestock Farming	46	2%
Poultry Farming	38	2%
Deer Farming	8	0%
Other Crop Growing	6	0%
Forestry Support Services	4	0%
Aquaculture	3	0%
<i>Sub-total</i>	<i>1879</i>	<i>96%</i>
Other Agriculture, Forestry and Fishing	75	4%
Total	1954	

Source: Census 2006, Table generated online

E.2 Distribution of dairy farming employment within Baw Baw Shire.

Most of the dairy farm employment occurs in the western area of Baw Baw Shire, around the main population centres of Drouin and Warragul. However, dairy farming accounts for over 10% of all employment in the smaller Baw Baw Part B – East.

Table E.2: Dairy Farm Employment by Statistical Local Area (SLA)

SLA	Number working in dairy Farming	% of local employment
Baw Baw Shire	857	5.9%
Baw Baw Part B – West	580	4.4%
Baw Baw Part B – East	197	10.8%
Baw Baw Part A	76	4.0%

Source: Census 2006, BCP

*Columns do not add to total because LGA and SLA boundaries are not completely contiguous and farms may cross SLA boundaries.

E.3 Employment in other dairy industries

In addition to dairy farming, a further 261 people living in Baw Baw Shire were employed in dairy-related industries, predominantly the manufacture of cheese and other dairy products and dairy product wholesaling.

Table E.3: Employment in other Dairy Industries

ANZSIC Code	ANZSIC Industry (Group)	Persons	% Persons
Farming (Primary Production)		857	5.1%
0160	Dairy Cattle Farming	857	5.1%
Other Dairy Production (Manufacturing & Wholesaling)		261	1.5%
1130	Dairy Product Manufacturing, nfd	10	0.1%
1131	Milk and Cream Processing	24	0.1%
1132	Ice Cream Manufacturing		
1133	Cheese and Other Dairy Product Manufacturing	131	0.8%
3603	Dairy Produce Wholesaling	96	0.6%

Source: Census 2006, Table generated online. Taken from 2006 Census Tables (Employment by Industry (2006

ANZSIC) Full Classification by sex). Available online at www.abs.gov.au. Table 3 in the MS Excel Template

F. The dairy farming workforce

F.1 Employment Type

Dairy farms in Baw Baw Shire remain predominantly served by family labour. Of the 821 people who work in Dairy Farming in the Baw Baw Shire, 637 are business owners or contributing family workers. Only 175, or approximately 1 in every 5 people working on a dairy farm, are employees not owning the business.

Comparison with figures from the 2001 census show that fewer workers are involved in the industry, leaving business owners and contributing family workers to carry a greater share of the work. This is true of Baw Baw Shire, where the number of employees working in dairy declined by 87 over the five year period, and Victoria. If the industry is about to enter a period of increasing demand for labour, workers formerly employed in the industry may be one potential source. However, further research would be needed to identify the reasons for the reduction in dairy farm employment, which could be due to drought, other factors relating to decreased production, closure of farms in the area for reasons not relating to economic viability (such as deaths or development), or workers choosing to leave the industry because of superior employment conditions elsewhere.

Table F.1: Dairy Farm Workers by employment type, 2001 and 2006

Employment Type by year	2001		2006	
	N	%	N	%
Baw Baw (S)				
Self-employed or contributing family member	838	76%	637	78%
Employee	262	24%	175	21%
Total	1100		821	
Victoria				
Self-employed or contributing family member	11639	72%	9300	72%
Employee	4563	28%	3444	27%
Total	16202		12844	

Source: Custom Data from the 2006 Census, based on place of work rather than place of residence.

F.2 Gender

Approximately a third of dairy farm workers in Baw Baw Shire are female. Table below shows that in Baw Baw Shire and in Victoria generally, a higher proportion of employer/managers (including contributing family members) are female compared to employees.

Table F.2: Dairy Farming Workforce by Gender and Employment Type

	Female		Male		Total
Baw Baw (S)					
Employer/Manager	236	37%	400	63%	636
Employee	54	31%	120	69%	174
Not stated	6	55%	5	45%	11
Total	296	36%	525	64%	821
Victoria					
Employer/Manager	3,584	39%	5,715	61%	9,299
Employee	963	28%	2,482	72%	3,445
Not stated	28	28%	72	72%	100
Total	4,575	36%	8,269	64%	12,844

Source: Custom Data from the 2006 Census, based on place of work rather than place of residence.

F.3 Age

The dairy workforce faces some future challenges associated with the aging workforce. Less than 15% of the workforce is aged under 30 and more than 52% are aged over 50. By comparison, 24% of the total Baw Baw workforce is aged under 30 and 32% is aged 50 and over (source: working population profile for Baw Baw Shire, 2006). Dairy farmers in Baw Baw Shire are older on average than dairy farmers in other parts of Victoria. In particular, Baw Baw Shire has a lower proportion of workers aged 30-49 and a higher proportion of employees aged 50 years and over. Although they only comprise a small number, replacing these employees as they retire could be difficult if planning is not put in place. In addition, the figures highlight the importance of succession planning for manager-owners.

Table F.3: Dairy Farming Workforce by Age and Employment Type

	All		Manager Owners		Employees	
Baw Baw						
15-29 years	108	13%	36	6%	72	41%
30-49 years	336	41%	270	42%	63	36%
50 years and over	377	46%	331	52%	40	23%
Total	821		637		175	
Victoria						
15-29 years	2042	16%	570	6%	1447	42%
30-49 years	5847	46%	4422	48%	1386	40%
50 years and over	4955	39%	4308	46%	611	18%
Total	12844		9300		3444	

Source: Custom Data from the 2006 Census, based on place of work rather than place of residence.

F.4 Level of qualifications

One third of all dairy farm workers in Baw Baw Shire have some post-school qualification. The most common qualification was a Level III or IV Certificate, which is held by one in five dairy farm workers. One in twenty workers has a university degree and another 7% have advanced diploma or diploma. Two thirds of dairy farm workers have no post-school qualification. As would be expected, labourers are less likely to have a post-school qualification than managers (including farmers). Younger workers (those aged under 30 and those aged 30-49) are more likely than those workers aged 50 and over to hold a qualification, especially at the Certificate III/IV level. Thus, the qualification level of the dairy workforce will increase over the coming years as older farm workers leave retire. The qualification profile of dairy farm workers in Baw Baw Shire is very similar to the qualification profile for all Victorian dairy farm workers. When compared to the population of Baw Baw Shire, dairy farm workers are less likely to have a degree qualification and more likely to have a certificate level qualification or no qualification at all.

Table F.4: Qualification by Occupational Category

	Bachelor Degree or higher		Advanced Diploma/ Diploma		Certificate Level, nfd		Certificate III & IV Level		Certificate I & II Level		Total Qualification		Total	
All working in Baw Baw (S) dairy farms	44	5%	53	6%	9	1%	165	20%	6	1%	277	34%	821	100%
Managers	41	6%	49	7%	6	1%	144	21%	3	0%	243	35%	692	100%
Labourers	3	3%	4	4%	0		14	14%	0	0%	21	21%	102	100%
Under 30	3	3%	4	4%	0	0%	29	27%	3	3%	39	36%	109	100%
30-49 years	32	10%	24	7%	3	1%	106	32%	0	0%	165	49%	335	100%
50 years and over	9	2%	25	7%	6	2%	30	8%	3	1%	73	19%	377	100%
All working in Victorian dairy farms	636	5%	812	6%	172	1%	2522	20%	124	1%	4266	33%	12844	100%
Managers	546	5%	714	7%	133	1%	2095	20%	81	1%	3569	34%	10444	100%
Labourers	32	2%	63	3%	22	1%	314	17%	32	2%	463	25%	1872	100%
Under 30	77	4%	107	5%	37	2%	548	27%	66	3%	835	41%	2041	100%
30-49 years	364	6%	391	7%	84	1%	1557	27%	40	1%	2436	42%	5849	100%
50 years and over	195	4%	314	6%	51	1%	417	8%	18	0%	995	20%	4954	100%

Source: 2006 Census of Population and Housing, custom data

F.5 Hours

Dairy farm workers in Baw Baw are working very long hours. The median number of weekly hours worked is 60. Owner managers are working even longer hours: 70 per week. Even the median number of hours worked by employees, 42 hours per week, is high considering that this includes employees working part-time. For owner managers, the median is noticeably higher than the median for all dairy farm owner managers in Victoria. The average owner manager dairy farmer in Baw Baw Shire is working 10 more hours a week than the average owner manager dairy farmer in Victoria overall.

Table F.5: Median weekly working hours

	Median Weekly hours worked (hrs)
All working in Baw Baw (S) dairy farms	60
Owner/manager of inc./uninc. enterprises (including Contributing Family worker)	70
Employee not owning business	42
All working in Victorian dairy farms	60
Owner/manager of inc./uninc. enterprises (including Contributing Family worker)	60
Employee not owning business	40

Source: Custom Data from the 2006 Census, based on place of work rather than place of residence.

Table F.6 shows the proportions of male and female workers working full-time and part-time. Two thirds of dairy farm workers in Baw Baw Shire work full-time but there are significant differences by sex and employment status. Employees are nearly twice as likely as self-employed and contributing family members to work part-time; and female workers are more than twice as likely as male workers to work part-time. Nearly half of all female employees in Baw Baw and Victoria work part-time. Even among the self-employed (which also includes contributing family workers), more than four out of every five males works full-time, whereas only two out of every three females works full-time.

Table F.6: Labour Market status by sex

Table 1.6: Labour Market status by sex

	All workers		Self-employed		Employees	
Baw Baw						
Males						
--working full-time	442	84%	345	86%	92	77%
--working part-time	50	10%	28	7%	22	18%
--away from work	16	3%	13	3%	3	3%
--hours not stated	17	3%	14	4%	3	3%
Total	525		400		120	
Females						
--working full-time	180	61%	155	66%	22	41%
--working part-time	94	32%	68	29%	26	48%
--away from work	13	4%	7	3%	3	6%
--hours not stated	9	3%	6	3%	3	6%
Total	296		236		54	
People						
--working full-time	622	76%	500	79%	114	66%
--working part-time	144	18%	96	15%	48	28%
--away from work	29	4%	20	3%	6	3%
--hours not stated	26	3%	20	3%	6	3%
Total	821		636		174	
Victoria						
Males						
--working full-time	6,912	84%	4,982	87%	1,880	76%
--working part-time	933	178%	469	8%	456	18%
--away from work	210	40%	120	2%	83	3%
--hours not stated	214	41%	144	3%	63	3%
Total	8,269		5,715		2,482	
Females						
--working full-time	2,799	61%	2,331	65%	456	47%
--working part-time	1,479	32%	1,024	29%	446	46%
--away from work	166	4%	127	4%	39	4%
--hours not stated	131	3%	102	3%	22	2%
Total	4,575		3,584		963	
People						
--working full-time	9,711	76%	7,313	79%	2,336	68%
--working part-time	2,412	19%	1,493	16%	902	26%
--away from work	376	3%	247	3%	122	4%
--hours not stated	345	3%	246	3%	85	2%
Total	12,844		9,299		3,445	

Source: Custom Data from the 2006 Census, based on place of work rather than place of residence.

F.6 Income

The median individual, household, and family income levels for dairy farm workers in Baw Baw Shire are higher than for the entire population living in Baw Baw Shire. However, the total population figures are lowered by the high proportion of retired residents. When compared to the state-wide averages for all dairy farmers, Baw Baw dairy farm workers earn less individually but have higher median household and family incomes. This may be the result of better opportunities for partners to access alternative employment in other labour markets. For example, Baw Baw Shire has higher levels of manufacturing and construction employment than dairying areas in East Gippsland, northern Victoria and western Victoria. It is also easier to commute from Baw Baw Shire to other areas of employment, such as Melbourne and the LaTrobe valley. Another explanation may be that family units in Baw Baw Shire are more involved on the farm than in other areas, which would also result in a lower median individual income and a higher median household income.

Table F.7: Income

	Median Individual Income (\$)	Median household income (\$)	Median Family Income (\$)
All working in Baw Baw (S) dairy farms	\$570	\$1,224	\$1,286
Owner/ manager of inc./ uninc. *	\$593	\$1,202	\$1,270
Employee not owning business	\$537	\$1,305	\$1,343
All working in Victorian dairy farms	\$592	\$1,212	\$1,255
Owner/ manager of inc./ uninc. enterprises (including Contributing Family worker)	\$619	\$1,256	\$1,278
Employee not owning business	\$556	\$1,137	\$1,200
Entire population living in Baw Baw (S)	\$413	\$1,092	\$897

Note: *(including Contributing Family worker)

Source: Custom Data from the 2006 Census, based on place of work rather than place of residence.

Appendix 1: Summary of data sources

This analysis has mostly used census data, because it is possible to report a large amount of data about specific populations in quite small areas.

Three different types of census data were used in this report.

The first is data drawn from the Community Profiles. This is a compilation of tables produced by the ABS for every geographic area in Australia, from Statistical Local Area to the whole nation. There are three community profiles used in this report: the Basic Community Profile (information about population, age, gender, qualifications, broad industry of employment, labour market status), the time series profile (like the BCP but comparing the 2006 census results to the 2001 and the 1996 census results); and the working population profile. Unlike the BCP and the TSP, the Working Population Profile is based on Place of Work, rather than Place of Usual Residence. Thus there may be slight differences between figures from the BCP and the WPP.

The second type of census data is tables that can be created for free from the ABS website. This is slightly more complex or detailed data, such as a full classification of industry of employment.

The third type of census data used in this report is custom tables ordered from the ABS. These are not free and are used to access data about specific populations (such as those working on dairy farms in Baw Baw Shire).

Census data does however have two principal disadvantages. Therefore, future analyses of Baw Baw and other areas might like to consider other sources.

The first disadvantage is timeliness. The census is only conducted every five years. The last census was conducted in 2006 and the next will not be conducted until 2011. Data from the 2006 census will be out of date in a few years.

The second disadvantage is reliability. Because the census is a self-report questionnaire, it is not possible for the ABS to clarify information. This means that data reporting some more complex areas such as labour force activity and post-school qualifications can often be missing or not make sense. Census data for these items is considered less reliable than ABS expert surveys in these areas, such as Labour Force Survey and Survey of Education and Training. However, it will not be possible for data from either of these surveys to report data for specific industries like Dairy Farming, or even geographic areas down to the level of local government areas. Where ABS survey data is unavailable at that level of detail, the only options are to rely on census data or conduct a specific survey.

The following table summarises the sources used in this report and outlines what alternative sources of data may be available.

Analysis of the Baw Baw dairy farming labour market, May 2008

Table	Source	Alternative Sources	Regularity
A.1 Baw Baw Shire at a glance	Dept of Local Government website	NA – regularly updated using ABS data and other sources.	
B.1	Australian Standard Geographical Classification (ASGC)		
C.1	ABS Time Series Community Profiles for Baw Baw LGA, All Gippsland Region, Victoria and Australia	Cat no 3218 Regional Population Growth (to LGA & SLA level)	Once a year
C.2 Educational Attainment	2006 Census, Basic Community Profile;	Custom data from ABS Survey of Education and Training; and ABS Labour Force Survey (available to All Gippsland Region level)	SET: every 4 years Labour Force: every quarter
C.3 Qualifications over time	2006 Census, Time Series Profile	As above	As above
C.4 Youth educational activity	2006 Census, Basic Community Profile	As above	As above
D.1 Composition of unemployment by sex and employment type	2006 Census, Basic Community Profile	Labour Force survey, DEEWR Local Labour market updates (available from DEEWR website)	Once a quarter
Figure D.1 – Youth unemployment	2006 Census BCP	Labour Force	Once a quarter
D.2 Participation rate	2006 Census BCP	Labour Force	Once a quarter
D.3 Employment by Gender	2006 Census BCP	Labour Force	Once a quarter
D.4 Occupation	2006 Census BCP	Labour Force	Once a quarter
D.5 Occupation over time	2006 Census, TSP	Labour Force	Once a quarter
D.6 Industry	2006 Census, BCP	Labour Force	Once a quarter
D.7 Industry over time	2006 Census, TSP	Labour Force	Once a quarter
D.8 Youth employment (15-24) by industry	2006 Census, BCP	Labour Force (estimates may not be reliable at LGA level)	Once a quarter
E.1 Agriculture & Forestry Industries	Census table from ABS website (Industry of Employment – Full Classification)	NA	
E2 Dairy Farm employment by SLA	As above	NA	
E3 Employment in other dairy industries	As above	NA	
F1 Dairy Farm workers by employment type	Census 2006, Custom data	NA	
F2 Dairy farm workforce by gender and employment type	As above	NA	
F3 Dairy farm workforce by age & employment type	As above	NA	
F4 Qualification by Occupational category	As above	NA	
F5 Median weekly working hours	As above	NA	
F6 Labour market status by sex	As above	NA	
F7 Income	As Above; Census 2006 BCP for Shire-wide comparison	NA	

Appendix 2: ASGC Classification for Dairy Victoria Gippsland Area

SLA NAME 2007	SLA 2007	SSD CODE 2007	SSD NAME 2007	SD CODE 2007	SD NAME 2007	MSR NAME 2007	SR CODE 2007	SR NAME 2007	LGA CODE 2007	LGA NAME 2007
Cardinia (S) - North	21452	20580	South Eastern Outer Melbourne	205	Melbourne	Melbourne	2126	South Eastern Melbourne	21450	Cardinia (S)
Cardinia (S) - Pakenham	21453	20580	South Eastern Outer Melbourne	205	Melbourne	Melbourne	2126	South Eastern Melbourne	21450	Cardinia (S)
Cardinia (S) - South	21454	20580	South Eastern Outer Melbourne	205	Melbourne	Melbourne	2126	South Eastern Melbourne	21450	Cardinia (S)
Casey (C) - Berwick	21612	20580	South Eastern Outer Melbourne	205	Melbourne	Melbourne	2126	South Eastern Melbourne	21610	Casey (C)
Casey (C) - Cranbourne	21613	20580	South Eastern Outer Melbourne	205	Melbourne	Melbourne	2126	South Eastern Melbourne	21610	Casey (C)
Casey (C) - Hallam	21616	20580	South Eastern Outer Melbourne	205	Melbourne	Melbourne	2126	South Eastern Melbourne	21610	Casey (C)
Casey (C) - South	21618	20580	South Eastern Outer Melbourne	205	Melbourne	Melbourne	2126	South Eastern Melbourne	21610	Casey (C)
E. Gippsland (S) - Bairnsdale	22111	25005	East Gippsland Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	22110	East Gippsland (S)
E. Gippsland (S) - Orbost	22113	25005	East Gippsland Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	22110	East Gippsland (S)
E. Gippsland (S) - South-West	22115	25005	East Gippsland Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	22110	East Gippsland (S)
E. Gippsland (S) Bal	22117	25005	East Gippsland Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	22110	East Gippsland (S)
Wellington (S) - Alberton	26811	25015	Wellington Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	26810	Wellington (S)
Wellington (S) - Avon	26812	25015	Wellington Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	26810	Wellington (S)
Wellington (S) - Maffra	26813	25015	Wellington Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	26810	Wellington (S)
Wellington (S) - Rosedale	26814	25015	Wellington Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	26810	Wellington (S)
Wellington (S) - Sale	26815	25015	Wellington Shire	250	East Gippsland	Balance of Victoria	2976	All Gippsland	26810	Wellington (S)
Baw Baw (S) - Pt A	20831	25505	La Trobe Valley	255	Gippsland	Balance of Victoria	2976	All Gippsland	20830	Baw Baw (S)
Latrobe (C) - Moe	23811	25505	La Trobe Valley	255	Gippsland	Balance of Victoria	2976	All Gippsland	23810	Latrobe (C)
Latrobe (C) - Morwell	23814	25505	La Trobe Valley	255	Gippsland	Balance of Victoria	2976	All Gippsland	23810	Latrobe (C)
Latrobe (C) - Traralgon	23815	25505	La Trobe Valley	255	Gippsland	Balance of Victoria	2976	All Gippsland	23810	Latrobe (C)
Latrobe (C) Bal	23818	25505	La Trobe Valley	255	Gippsland	Balance of Victoria	2976	All Gippsland	23810	Latrobe (C)
Baw Baw (S) - Pt B East	20834	25510	West Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	20830	Baw Baw (S)
Baw Baw (S) - Pt B West	20835	25510	West Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	20830	Baw Baw (S)
Yarra Ranges (S) - Pt B	27458	25510	West Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	27450	Yarra Ranges (S)
Mount Baw Baw Alpine Resort	28209	25510	West Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	29399	Unincorporated Vic
Bass Coast (S) - Phillip Is.	20741	25520	South Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	20740	Bass Coast (S)
Bass Coast (S) Bal	20744	25520	South Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	20740	Bass Coast (S)
South Gippsland (S) - Central	26171	25520	South Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	26170	South Gippsland (S)
South Gippsland (S) - East	26174	25520	South Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	26170	South Gippsland (S)
South Gippsland (S) - West	26175	25520	South Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	26170	South Gippsland (S)
French Island	28529	25520	South Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	29399	Unincorporated Vic
Bass Strait Islands	28649	25520	South Gippsland	255	Gippsland	Balance of Victoria	2976	All Gippsland	29399	Unincorporated Vic
Yarra Ranges (S) - Central	27451	20560	Yarra Ranges Shire Part A	205	Melbourne	Melbourne	2124	Outer Eastern Melbourne	27450	Yarra Ranges (S)
Yarra Ranges (S) - Dandenongs	27452	20560	Yarra Ranges Shire Part A	205	Melbourne	Melbourne	2124	Outer Eastern Melbourne	27450	Yarra Ranges (S)

Analysis of the Baw Baw dairy farming labour market, May 2008

SLA NAME 2007	SLA 2007	SSD CODE 2007	SSD NAME 2007	SD CODE 2007	SD NAME 2007	MSR NAME 2007	SR CODE 2007	SR NAME 2007	LGA CODE 2007	LGA NAME 2007
Yarra Ranges (S) - Lilydale	27453	20560	Yarra Ranges Shire Part A	205	Melbourne	Melbourne	2124	Outer Eastern Melbourne	27450	Yarra Ranges (S)
Yarra Ranges (S) - North	27454	20560	Yarra Ranges Shire Part A	205	Melbourne	Melbourne	2124	Outer Eastern Melbourne	27450	Yarra Ranges (S)
Yarra Ranges (S) - Seville	27456	20560	Yarra Ranges Shire Part A	205	Melbourne	Melbourne	2124	Outer Eastern Melbourne	27450	Yarra Ranges (S)

Appendix 3. An analysis of labour demand in the Baw Baw Shire

Workforce Planning for the Baw Baw Dairy Industry

Part B: Survey of Labour Demand

Prepared for Dairy Australia
4 June 2008

Background

This report is the second stage of the *Workforce Planning for the Dairy Industry* project conducted by Dairy Australia and funded by the Gardiner Institute. It was felt that previous workforce planning projects had not done enough to build capacity within the dairy industry to conduct and implement workforce planning on an ongoing basis. The aim of the project was to develop and pilot a sustainable process that would allow local dairy farming groups to conduct their own workforce analysis. Dairy Australia chose Baw Baw Shire in West Gippsland to be the pilot area. The project team comprised representatives from Dairy Australia (the People in Dairy Project Team), Gipps Dairy, the Workplace Research Centre, the National Dairy Alliance, the Brotherhood of St Laurence and the National Centre for Dairy Education Australia.

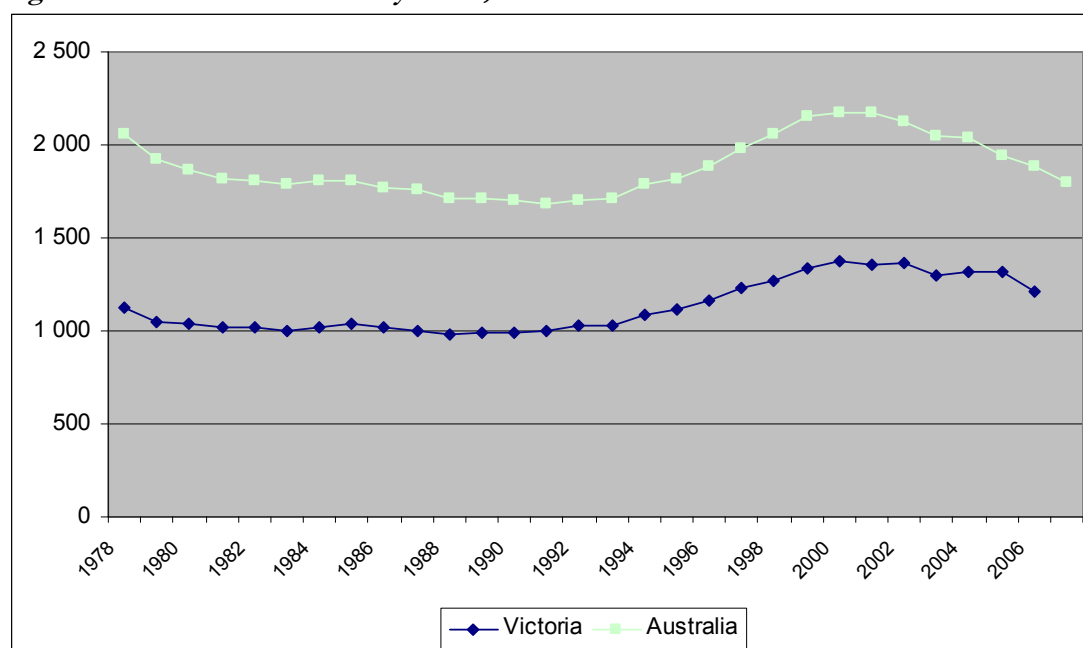
The report on the first stage of the project provided an analysis of the labour supply in Baw Baw Shire. It showed that the proportion of workers employed in dairy farming has been decreasing steadily over the last decade. Dairy farm employers looking for workers must compete with industries such as construction, health and community services, retail, and accommodation and food services, which are taking an increasing share of employment.

Industry Context

Increasing optimism to impact on labour demand

The overall, national picture is of an industry with rising levels of optimism after a difficult year in 2006-2007. A number of factors, led by the drought, meant that dairy farming experienced decline across most indicators in the last financial year. To begin with, whereas the total number of dairy cows in Australia has been in decline since 2002 (in large part due to restructuring of dairy farming in Northern New South Wales and Queensland), the number of dairy cows in Victoria had remained relatively stable. However, in 2006 cow numbers declined by 106, or 8 per cent (see Figure 1).

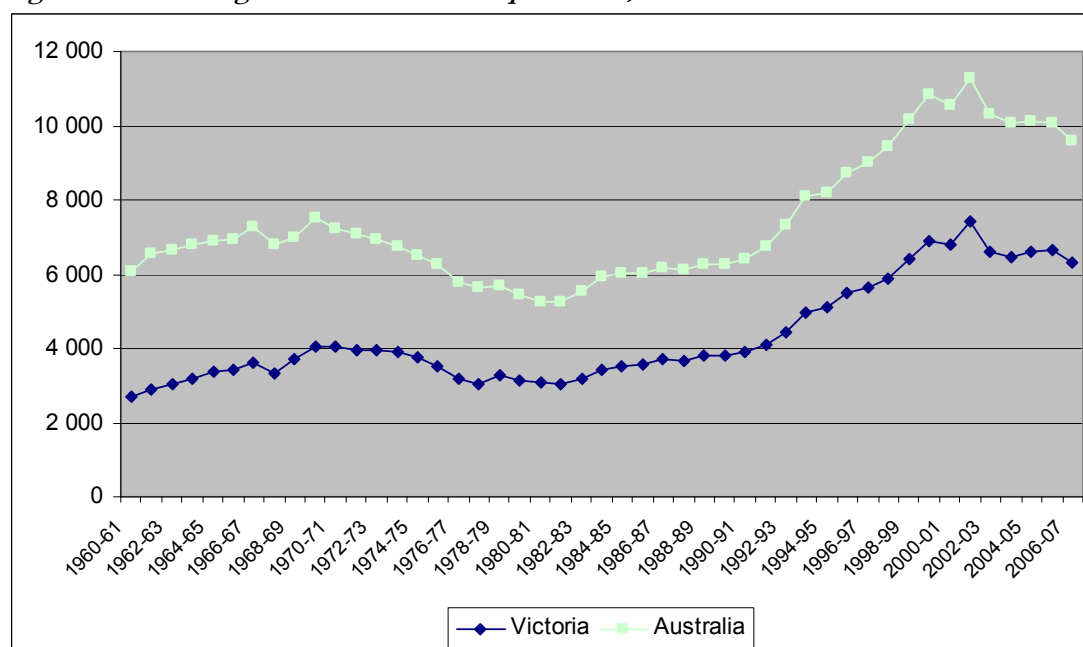
Figure 1: *Number of Dairy Cows, Australia and Victoria*



Source: ABARE, Australian Dairy Corporation

The reduction in number of cows has had the expected effect on the amount of whole milk produced. Data collected by Dairy Australia also indicates that total milk production decreased in 2006-2007 on the previous year. The total of milk produced in Victoria decreased by 306 ML, or 5 per cent (see Figure 2).

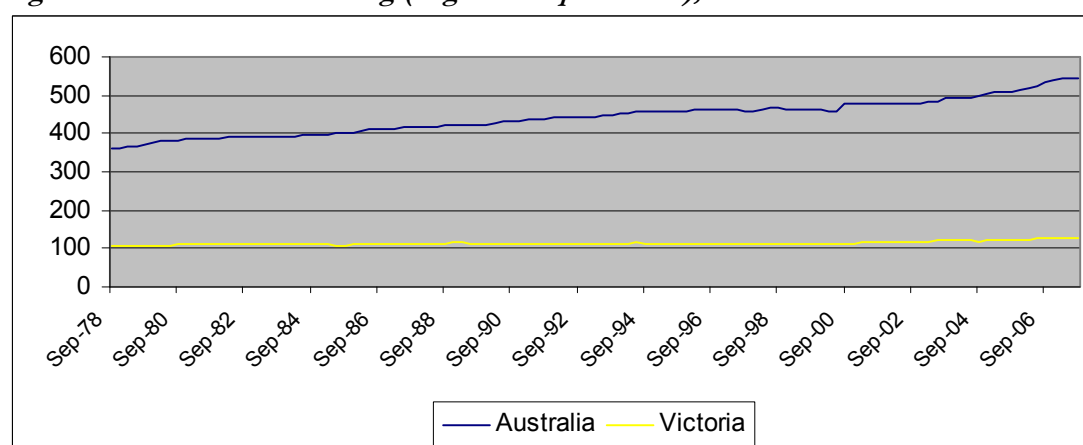
Figure 2: *Megalitres of whole milk produced, Australia and Victoria*



Source: ABARE, Australian Dairy Corporation

The milk passing through domestic factories for the same period did not decline (see Figure 3). Rather, the decline in milk production in 2006-2007 seems mainly to have affected the export markets, with the volume of skim milk powder, milk powder, condensed milk and other products exported decreasing.

Figure 3: *Milk Processing (Giga Litres processed), Australia and Victoria*



Source: ABS, Value of Australian Commodities, 2007

However, as the drought has eased, cautious optimism has returned to the industry. Dairy Australia estimates that milk production nationally for 2007-2008 will be between 9.0 and 9.2 billion litres. Farmer projections for production have been dampened by a reduction in the number of cows milked at the peak of season, high grain prices, slow recovery of fodder availability. These factors are offset by the high farm gate milk price. ABS and dairy survey data suggests that the number of cows available to be milked in 2007-2008 will be down 4%-6% (Dairy Australia, 2007, 56).

The capacity of the industry to recover at the national, state and region level will depend on

- absorbing capacity from farms that have exited
- attracting labour to replace employees who left during the drought.

The National Farmers Federation had identified there is demand for 50,000 workers in agriculture, including 150,000 to replace workers who have left over the past five years.

Recovery means labour an increasingly important challenge

Existing surveys show that an increasing number of farms nationally and in Victoria is finding labour a challenge. In the 2005 Dairy Australia Situation and Outlook survey, over 20 per cent of farms believed labour was a challenge for the enterprise. In 2007, this figure decreased to 5 per cent. In the 2008 survey, the proportions increased again, to 14 per cent. As farms begin to recover from the drought, labour is becoming more of a challenge for the business. In the 2008 survey, more than a third of farms nationally (38%) indicated that they had difficulty finding the right people all of the time or most of the time. In the same survey, a quarter of farms (26%) indicated that their difficulties finding the right people had had an impact on the performance of the farm business (see Table 1).

Table 1: Recruitment experiences in the past five years and perceived impact on the farm business

	% of all farms responding
Tried to hire people to work on farm	59
<i>Level of difficulty in recruitment</i>	
Always had difficulty finding right people	17
Had difficulty finding right people most of the time	21
Rarely had difficulty finding right people	15
Never had difficulty finding right people	6
<i>Impact on farm performance</i>	
Difficulty finding right people has affected performance of farm business a great deal	11
Difficulty finding right people has affected performance of farm business a little	15

Source: 2008 Dairy Australia Situation and Outlook Survey

The Situation and Outlook survey shows that farmers are facing similar difficulties with retention of employees. A majority of farms with employees found it easy to keep people, but one quarter of farms found it fairly difficult to keep people, and a further one in nine (11%) found it very difficult to keep people. One in ten farms indicated that their difficulties retaining employees had a large impact on the performance of the farm business (see Table 2).

Table 2: Retention experiences in the past five years and perceived impact on the farm business

	% of all farms with employees
<i>Level of Difficulty in retention</i>	
Very easy to keep people	19
Fairly easy to keep people	38
Neither easy nor difficult to keep people	7
Fairly difficult to keep people	26
Very difficult to keep people	11
<i>Impact on farm performance:</i>	
Difficulty in keeping people has affected performance of farm business a great deal	11
Difficulty in keeping people has affected performance of farm business a little	17
Difficulty in keeping people has not affected performance of farm business at all	28

Source: 2008 Dairy Australia Situation and Outlook Survey

Local Survey of Labour Market Demand

To provide a more detailed picture of labour market demand in the Baw Baw area, a survey was conducted of local dairy farms. The survey was designed to provide information on current and projected labour demand as well as preferred recruitment methods and wages, hours, and conditions currently on offer in the local area.

Method

The population was based on Dairy Australia levy payers with postcodes from within the Baw Baw Shire. In total, 497 names and addresses were obtained from Dairy Australia. This is higher than the 385 dairy farms within Baw Baw Shire that are registered with the Food Safety Bureau. The most likely explanations for this is that sharefarmers are also required to pay Dairy Australia levies but are not counted by the Food Safety Bureau as having separate farms. A one-page questionnaire was sent out with instructions to fax or post back the response. A reminder letter with another copy of the survey was sent one week later. Twenty-one letters were returned to sender.

In total, 59 usable responses were received. This results in a response rate of 13%.

Herd size

Most farms participating in the survey fell into the categories of 'small (less than 150 cows) and 'medium' (between 150 and 300) cows (see Table 3). This is broadly consistent with the national average from the last situation and outlook survey. However, Gippsland farms in the Situation and Outlook survey were on average larger, suggesting the herd sizes in Baw Baw are much smaller on average than in other parts of Gippsland. According to ABS 2006 Agricultural Survey data, small farms were under-sampled and large and very large farms were over-sampled.

Table 3: *Herd size*

	WRC Survey of Labour Demand		Agricultural Survey
	Frequency	Percent	Percent
Less than 150 cows	19	32.2	44.1
Between 150 and 300 cows	25	42.4	42.2
Between 301 and 500 cows	9	15.3	10.6
More than 500 cows	6	10.2	3.1
Total	59	100	100

Source: Survey of Baw Baw dairy farmers, 2006 Agricultural Survey custom data

**number of cows to be calved down in 08/09*

Number of paid employees

A majority of farms in the survey had no paid employees. A further one in five farms only employs one additional person. Thirteen farms employed between 2 and 4 people. Only three farms employed 5 people, the highest number of paid employees in the sample (see Table 4). This is consistent with perceptions that farms in Baw Baw Shire are less extensive than other parts of Gippsland.

The survey indicates that farms in Gippsland are much more likely than farms in other areas to have no paid employees. The proportion of Baw Baw farms with no paid employees is higher than the results from the latest People and Outlook survey for Gippsland (46%) and Australia (41%).

Table 4: Number of paid employees (excluding family members)

No of paid employees	N	%
No employees	30	50.8%
1	13	22.0%
2	6	10.2%
3	5	8.5%
4	2	3.4%
5	3	5.1%
Total	59	

Source: Survey of Baw Baw dairy farmers

The employee data can be used to compare the survey characteristics to known population parameters. Given a response rate of 13%, the overall population characteristics could be estimated by multiplying the sample characteristics by 8. However, this assumes that there is no response bias in the sample.

The total number of employees working in farms participating in the survey is 53 employees. The 2006 census recorded 175 paid employees working on dairy farms in the Baw Baw area. This suggests that 30% of farms employing paid labour participated in the survey, with the majority of non-participating farms not employing any paid labour. We therefore adopt a conservative factor of 3.3 in projecting total demand for labour in Baw Baw based on the survey results.

As one would expect, there is a positive relationship between herd size and number of employees. Nearly 85 per cent of farms with less than 150 cows have no paid employees, while only 16 per cent of farms with more than 500 cows have no paid employees.¹ Only a quarter of medium sized farms (between 150 and 300 cows) had more than one paid employee. Two thirds of large and extra large sized farms have between two and five employees (see Table 5).

Table 5: Number of paid employees by herd size*

	Less than 150 cows	Between 150 and 300 cows	Between 301 and 500 cows	More than 500 cows	Total
None	84.2	44.0	22.2	16.7	50.8
1 paid employee	15.8	32.0	11.1	16.7	22.0
2-5 paid employees		24.0	66.7	66.7	27.1
	100	100	100	100	100

Source: Survey of Baw Baw dairy farmers

*expected number of cows to be calved down 08/09

In addition to having less paid labour, previous studies have shown that on average farms in Gippsland are smaller, less productive, and less labour efficient than farms in other areas of Victoria (see Table 6). As was noted in our previous report into the dairy industry workforce in the South-West, farm sizes tend to cluster around herd sizes that optimise labour efficiency. It is most difficult for the smallest farms to increase their labour efficiency, because all of their labour (ie the owner-operator) remains fixed.

¹ It is highly unusual to have such a high herd size without paid labour. These farms may have sharefarmers that were not counted as paid employees.

Table 6: Average Physical Parameters of farms by Region

Physical parameter	Gippsland	SW	North	Victoria
	282	386	365	373
Total usable area	191	286	336	271
Stocking rate	1.4	1.4	1.4	1.4
Milk sold (per ha)	579	688	636	636
Milk sold (per cow)	405	500	430	447
Labour efficiency (milking cows/labour unit)	68	73	80	74
Labour efficiency (kg MS/ labour unit)	27,359	36,702	35,058	33,170
N	18	20	18	56

Source: DPI Vic, Dairy Industry Report

As a consequence of being more reliant on the contribution of owner managers and family members, farms in Gippsland have a lower employed labour cost per kg MS (see Table 7). For example, the following data is taken from the 2006/2007 Dairy Industry Report by DPI Vic. Note, that the lower labour efficiency for Gippsland farms in the sample does not convert into a higher per unit cost of production.

Table 7: Average costs of farms by Region

Cost	Gippsland	SW	North	Victoria
Costs				
Employed labour	0.21	0.32	0.36	
Imputed labour	1.19	0.68	0.91	
Total overhead costs	2.13	1.78	1.92	
Total cost of production	4.85	4.75	5.95	
N	18	20	18	56

Source: DPI Vic, Dairy Industry Report

However, between 1994 and 1998, the average cost of hired labour as a share of total labour costs was higher in Gippsland than it was in other dairy regions of Victoria. This is supported by the data presented in Part A, showing a decline in the number of paid employees in the dairy industry in the Gippsland areas, including Baw Baw Shire over the period 1996-2006. Thus, it seems that the Gippsland region in particular has become more reliant on owner-managers and their family members, relative to other dairying regions in Victoria.

Current and likely future recruitment

Most farms were not currently looking for labour at the time of the survey and did not expect to do so in 2008/2009. Eleven farms (comprising 18.6% of responses) indicated they were currently looking for workers, while more than a quarter of farms surveyed indicated that they expected to be recruiting some time in 2008/2009 (see Table 8).

Table 8: Farms currently recruiting and expecting to recruit in 2008/2009

	Recruiting Now		Expecting to recruit, 2008/2009	
	Frequency	Percent	Frequency	Percent
Yes	11	18.6	17	28.8
No	48	81.4	42	71.2
Total	59	100.0	59	100.0

Source: Survey of Baw Baw dairy farmers

By far the most common method of finding workers was through word of mouth, with advertising in local regional newspapers, asking farm consultants or specialist recruitment groups, or asking dairy company supply field officers also common. Only 7 respondents indicated that they preferred to use the Job Network to find labour (see Table 9).

Table 9: Recruitment Methods

	N	Percent	
Local regional newspapers	16	16.7%	44.4%
The Weekly Times or other agricultural newspapers	8	8.3%	22.2%
Dairy company supplier newsletters	6	6.3%	16.7%
Job Network	7	7.3%	19.4%
Dairy Company supplier field officers	12	12.5%	33.3%
Local word of mouth	30	31.3%	83.3%
Farm consultants or specialist employment groups	14	14.6%	38.9%
Other	3	3.1%	8.3%
	96	100.0%	266.7%

Source: Survey of Baw Baw dairy farmers

Most farms with paid employees do not have written job descriptions for all roles. Contrary to what might be expected, farms with just one employee were not significantly less likely to have job descriptions. Just less than a third of workplaces with employees had written job descriptions (see Table 10).

Table 10: Written job descriptions for employees, by number of paid employees

Written job descriptions	1 paid employee	2-5 paid employees	Total
Yes	30.8	31.3	31.0
No	69.2	68.8	69.0
Total	100	100	100

Source: Survey of Baw Baw dairy farmers

In relation to both current and expected vacancies, surveyed farms were most commonly looking for farm hands and assistant hands. Very few farms (less than 5%) were looking for people to fill managerial roles. Demand was evenly split between experienced farm hands and assistant farm hands (see Table 11). The most commonly 'other' positions being recruited for were casual or relief milkers.

Table 11: Current and expected role vacancies

	Currently recruiting		Recruiting 2008-2009	
	N	Percent	N	Percent
Business Manager	1	1.50%	1	1.5%
Production Manager	2	3.00%	1	1.5%
Supervisor	1	1.50%	1	1.5%
Farm hand	6	9.00%	9	13.6%
Asst Farm Hand	7	10.40%	9	13.6%
Other Position	2	3.00%	2	3.0%
Not recruiting currently	47	70.10%	43	65.2%
	67	100.00%	66	100.0%

Source: Survey of Baw Baw dairy farmers

Applying a factor of 3.3, we can project a current demand for 63 positions as well as likely demand in the rest of 2008-2009 for a further 71 positions. This amounts to a total expansion of 134 positions, although farmers may have factored in some degree of turnover into their future recruitment. Even so, this is a very sizeable number, given that the 2006 census only recorded 175 paid employees working on dairy farms in the Baw Baw area. Most of the demand is for the entry-level assistant farm hand position, though one in eight farmers are also looking for experienced workers at the farm hand level.

Turnover and Jobs growth

There was no direct measurement of turnover and new job growth in the pilot questionnaire used in the Baw Baw study. However, analysis of the survey shows that three of the vacancies were on farms that did not have any paid labour, and a further three farms had vacancies for positions that were not currently filled on their farm. These can be interpreted to be new positions, representing about a quarter of the total vacancies expected during the current season. This would mean that the remainder of the vacancies represent turnover. While this would seem high (representing about fifty per cent of the workforce), previous surveys of the dairy workforce have indicated high turnover, especially among farm hands (e.g. WRC 2004).

‘Turnover’ is also difficult to assess over a short period (of say the last twelve months), given the local industry has endured several years of difficult conditions and may only now be returning to a staffing profile that existed five years ago.

In the focus group session, farmers agreed that movement between farms does occur among farm hands. Farmers believed that farm hands and managers could achieve better career progression and improvements in working conditions and benefits by moving between farms than by remaining on the same farm.

Working Hours

As would be expected, managers were working or were being expected to work the longest hours, but there was at least one position for a part-time business manager. However, some farm hands and assistant farm hands were also expected to work long hours, with at least one farm hand expected to work 60 hours per week (see Table 12). On the other hand, there were also a number of farm hands and assistant farm hand positions that were part-time. Most of the ‘other’ responses related to part-time or relief milkers.

Table 12: *Average number of hours worked per week*

Position	N	Min	Max	Average	SD
Farm Business Manager	3	20.0	60.0	46.667	23.0940
Production Manager	6	40.0	65.0	51.667	9.3095
Farm Supervisor	2	40.0	40.0	40.000	0.0000
Farm hand	16	14.0	60.0	38.688	15.7638
Asst Farm Hand	10	5.0	50.0	30.600	14.2611
Other	4	4.0	30.0	14.750	12.5266
All positions	41	4.0	65.0	36.651	17.3061

Source: Survey of Baw Baw dairy farmers

The bifurcation of working hours patterns between managerial and other roles was also apparent when looking at the number of working days in each 14 day period. Twelve day fortnights were commonly expected in managerial and supervisory roles in the farms surveyed (see Table 13). The number of part-time positions among farm hands, assistant farm hands and other roles is also reflected in the wider range and lower average for the number of working days in a fortnight.

Table 13: *No of working days in each 14 day period*

Position	N	Min	Max	Average	SD
Farm Business Manager	3	12.0	14.0	13.333	1.1547
Production Manager	6	10.0	12.0	11.000	1.0954
Farm Supervisor	2	10.0	12.0	11.000	1.4142
Farm hand	14	6.0	12.0	10.071	1.7305
Asst Farm Hand	10	4.0	11.0	9.500	1.9579
Other	3	2.0	12.0	6.333	5.1316
All Positions	38	2.0	14.0	10.079	2.4427

Source: Survey of Baw Baw dairy farmers

Pay rates

Compared to working hours, there was much more variation between farms participating the survey in the hourly wages. Hourly rates for production managers ranged between \$19.00 and \$26.66, while the rate for assistant farm hands ranged between \$8.00 and \$25.00 (see Table 14). The average rate for 'other positions' was \$21.00, higher than for farm hands. However, the higher rate among 'Other' positions (which were primarily part-time milker roles) is due to many of these positions being casual rather than permanent.

Table 14: *Hourly wage paid or offered*

Position	N	Min	Max	Average	SD
Farm Business Manager	...	...	...	...	...
Production Manager	5	19.00	26.66	22.3820	3.29956
Farm Supervisor	...	...	...	...	...
Farm hand	14	14.74	25.00	18.3555	2.55928
Asst Farm Hand	8	8.00	25.00	17.5313	5.92579
Other	4	17.00	25.00	21.0000	3.36650
All Positions	34	8	90	21.60	12.871

Source: Survey of Baw Baw dairy farmers

... indicates that the results have been suppressed because the cell counts are too low and respondents may be identified.

By way of comparison, the rural production trainee wage for a school leaver with Year 10 is \$6.22. The wages currently on offer are most likely legal, and a number of survey respondents expressed that they would pay 'the award rate' or 'the going rate'. However, given the results of the labour market analysis conducted in the Baw Baw Labour Supply Analysis, rates will also need to be competitive with those being offered in the main industries employing labour in Baw Baw Shire region, namely retail, construction and manufacturing. The highest wage rate across these occupations is for a qualified carpenter, the award rate for which is \$18.73 an hour (see Table 15). However, the senior sales assistant rate is more than the award rates for a qualified fitter and a builder's labourer. A 16 year old permanent sales assistant earns \$8.63 an hour. The sales assistant rate is consistently 25 per cent more than the Station Hand grade 1 rate contained in the Pastoral Award. The station hand rate is also significantly lower than the builder's labourer rate. Even when comparing apprentice wages, the wages for rural production apprentices (classed as skill level 'C') are lower than apprentice carpenters and fitters. Employers should bear this in mind when setting their rates of pay if they are keen to retain their labour. Employees engaging casual labour must also remember to include the casual loading (generally 25% but only 20% for casual Safeway employees) before assessing the competitiveness of pay.

Table 15: Award/Agreement rates of pay for retail, construction, engineering and agriculture

	16 year old*	20 year old*	Senior	Casual Loading
Safeway Sales Asst	\$8.63	\$15.54	\$17.26	20%
Builder's Labourer	\$6.85	\$14.34	\$16.30	25%
Qualified Carpenter	-	\$18.73	\$18.73	25%
Qualified Fitter		\$13.85	16.21	25%
Pastoral Award - Grade 1	\$6.73	\$12.12	\$13.74	25%
Pastoral Award - Grade 2	-	-	\$14.13	25%
Pastoral Award - Grade 3	-	-	\$14.79	25%
Apprentice Carpenter	\$8.57	\$8.57	\$8.57	NA
Apprentice Fitter	\$6.81	\$8.22	\$12.76	NA
Rural Production Apprentice	\$6.22	\$7.88	\$7.88	NA
School-based apprentice	\$7.78			20%

Rates of pay are current and taken from: Safeway Supermarkets (Victoria) Enterprise Agreement 2006, National Building and Constructions Industry Award, Metal, Engineering and Associated Industries Award 1998, Pastoral Industry Award 1998 and the National Training Wage Award 2000

**apprentice rates taken as Year 10 for 16 year old and Year 12 for 20 year old. 16 year old School-based apprentice is taken as Year 11 student, with a higher rate for Year 12 students.*

Conclusion

The survey indicates that approximately 130 extra paid positions on dairy farms in the Baw Baw region will be advertised over the next 12 months. Although these estimates should be used cautiously, the magnitude of the demand relative to the current workforce is significant. Taking into account turnover, if this projected demand is met, this represents a sizeable expansion – in fact, an increase of more than 25 per cent - in the paid dairy farm workforce in the Baw Baw area (see Table 16).

Table 16: Current and likely demand for labour 2008-2009 on dairy farms in Baw Baw Shire

Position	Current Demand	Likely Demand rest of 2008-2009	Total demand 2008-2009
Business Manager	3	3	6
Production Manager	7	3	10
Supervisor	3	3	6
Farm hand	20	30	50
Asst Farm Hand	23	30	53
Other Position	7	2	9
Total			134

Source: Calculated from Baw Baw survey

The demand for part-time positions, particularly at the Assistant Farm Hand level, expands the recruitment possibilities for the industry. School-based apprenticeships may be appropriate for some employers. Group training arrangements may also be viable, if a sufficient number of farmers in a local area are willing to collaborate and commit to the arrangement over a number of years.

Representing more of a challenge for the local industry in the short-term is sourcing more experienced positions, from farm hands to supervisors and production managers. Farms that have training assistant farm hands will be able to meet their advanced labour needs from within their own workforce. Other farms will find it difficult to find experienced labour. Possible avenues identified in the course of this research that warrant further investigation include:

- **former dairy farm trainees.** The NCDEA has indicated that, while it does not formally track its trainees once they complete their training, there is a lot of movement in and out of the industry. A co-ordinated campaign might be able to track former trainees and develop an attractive package to bring them back into the industry
- **dairy farmers leaving the industry.** This research project has not directly investigated this group, which possesses considerable industry experience and knowledge. In many cases, farmers are leaving the industry to retire. However, there may be scope for flexible arrangements, such as part-time or relief work, at a supervisory level.
- **former dairy farm employees.** The census figures indicated a severe decline in the number of paid employees working on dairy farms in Baw Baw Shire over the five years, 2001-2006. However, there are no obvious methods to track former dairy farm employees on a regional level and many will have moved from the area, reached retirement age, or have found work in other industries.

In Part A, evidence showed that dairy farmers in Baw Baw Shire in particular are competing in a very tight labour market. Whether seeking experienced or entry-level labour, dairy farming employers must decide how they want to respond to current labour market supply.

If farmers are looking for workers with experience currently in the workforce, they will need to respond to, in particular, to the rates and conditions currently on offer in the main competing industries, namely construction, manufacturing and retail.

Otherwise, the alternative is to devise strategies to draw in people not currently in the labour market. To do this effectively, farmers would need to work with organisations best placed to assist disadvantaged job seekers. This is explored in more detail in Part C of the report.

Farmers must also begin to consider the long-term workforce development needs; otherwise labour demand problems will only become more acute. The disinvestment in training coinciding with the drought means there is limited scope for poaching experienced labour, and in any event this is unproductive for the industry as a whole. Farmers at the farm and local level should begin to consider their workforce development over the next five years. This should include planning for advancement and growth in their paid workforce as well as succession planning for the business. Engaging in this long-term planning would also benefit the recruitment of entry-level workers, by demonstrating the career options available to them if they remain in the industry.

Appendix 4. An institutional map of employment stakeholders for the Baw Baw Shire

Workforce Planning for the Baw Baw Dairy Industry

Part C: Mapping of Labour Market & Training Institutions

Prepared for Dairy Australia
June 2008

Background

This report is the third part of the Workforce Planning for the Dairy Industry project conducted by Dairy Australia and funded by the Gardiner Institute. The aim of the project was to develop and pilot a sustainable process that would allow local dairy farming groups to conduct their own workforce analysis. Dairy Australia chose Baw Baw Shire in West Gippsland to be the pilot area. The report on the first stage of the project provided an analysis of the labour supply in Baw Baw Shire. It showed that the proportion of workers employed in dairy farming has been decreasing steadily over the last decade. Dairy farm employers looking for workers must compete with industries such as construction, health and community services, retail, and accommodation and food services, which are taking an increasing share of employment.

In the second stage, Baw Baw dairy farmers were surveyed on their current and future demand for labour. The most significant conclusion from the second stage is that 130 vacancies for paid employees are expected over the 2008-2009 season. About 50 of these positions will be Assistant Farm Hands, with a similar demand for Farm Hands. The remainder of the positions are for more experienced supervisors and managers. The industry will be looking to attract both skilled and unskilled labour.

However, without assistance, labour markets do not function particularly well. Institutions are needed to provide potential workers with the skills required by employers, to assist potential workers to find appropriate training providers, and to match job seekers with employers looking for labour. Overarching all of these are government bodies that direct funding to institutions and programs.

The purpose of Part C is to provide a brief explanation of the role of the main labour market and training institutions as well as detail their presence in Baw Baw Shire.

Outline of the following sections

The remainder of the report examines each institution in turn, grouping them into federal government departments, state government departments and local government, education and training organisations, and employment services organisations.

As a pilot exercise, this mapping has considered a broad range of institutions. However, these institutions have their own priorities and expertise, so the most appropriate organisations to develop associations with will demand on the particular labour supply and demand issues. The following table lists the labour market institutions, and whether their contribution is related to meeting demand for labour at skill level 1, skill level 2, and/or skill level 3. (Skill level 1 encompasses entry-level positions such as assistant farm hands and apprentices, skill level 2 advanced farm hand or trade positions, and skill level 3 manager positions). The table also indicates, in the final two columns, whether the organisation would be useful as a source of funding alone, or as a source of expertise. In general though, the government agencies listed are mainly as possible sources of funding for a pilot workforce development program. Other organisations are primarily potential partners in achieving identified workforce development needs.

Institution	Skill level 1	Skill level 2	Skill level 3	Funding	Expertise
Federal Government Departments					
DEEWR	✓	✓	✓	✓	
DAFF	✓	✓	✓	✓	
AusIndustry				✓	
State Government Departments & local Government					
Local Government	✓	✓	✓	✓	✓
Regional Development Vic	✓	✓	✓	✓	
Skills Victoria		✓		✓	
DPI (Vic)	✓	✓	✓	✓	
Education & Training Orgs					
Local Training Providers		✓	✓		✓
Group Training Organisations		✓			✓
Australian Apprenticeships Centres		✓			✓
LLEN		✓		✓	✓
Industry Skills Councils	✓	✓	✓	✓	
Employment Services					
Centrelink	✓	✓	✓		✓
Job Network Agencies	✓	✓	✓		✓
Labour Hire Firms	✓	✓			✓
Employer associations	✓	✓	✓		✓

Federal Government Departments

Department of Education, Employment and Workplace Relations

Overview

The Department of Education, Employment and Workplace Relations was formed after the 2007 election, drawing together the former Department of Employment and Workplace Relations with the Education and Training portfolios. The intention was to create a more coordinated policy response to Australia's skills shortages. The Department administers all federal government funding for vocational education and training as well as labour market programs.

Specific DEEWR initiatives – Apprenticeships & Traineeships

The government offers a set of standard incentives to employers who engage apprentices and trainees. These are a commencement incentive for Certificate II of \$1,250, a commencement incentives for Certificate III and IV of \$1,500, a recommencement incentive for employers recommencing an out-of-trade Certificate III/IV Australian Apprenticeship of \$750 and completion incentives for Certificate III and IV.

The following special incentives may be available to dairy farmers:

Additional commencement incentive of \$750 (GST exclusive) for an employer who employs an Australian Apprentice in an endorsed Australian School-based Apprenticeship at Certificate II, III and IV

Rural and Regional Skill Shortage special commencement incentive of \$1000 (GST exclusive) for Certificate III and IV training in an occupation identified as a skills shortage in a non-metropolitan area

Additional completion incentives of \$750 (GST exclusive) each for employers who employ an eligible Australian Apprentice who is a Mature Aged Worker.

Additional commencement incentive for employers of \$1000 (GST exclusive) who commence Women in Non-traditional Australian Apprenticeships

Additional commencement incentives of \$1500 (GST exclusive) each for employers of eligible rural Certificate II Australian Apprentices who have a current "Exceptional Circumstances Drought Declared Area" certificate.

In addition, the federal government has announced that it is continuing a program began by the previous government to encourage apprentices and trainees in agriculture. The scheme involves providing apprentices with an \$800 toolkit and a \$1000 voucher to purchase course training. The benefit is available upon application to all agricultural and horticultural apprenticeships at the Certificate levels II, III and IV.

Specific DEEWR initiatives - VET

The federal government committed to delivering an extra 450,000 new training places to address skills shortages over the next four years. These may be delivered as part of an apprenticeship or traineeship or on a stand-alone basis. As part of the productivity places program, the federal government identified the following relevant priority qualifications and occupations:



- Farm Hand: Cert II in Agriculture, Cert III in Agriculture

RTOs wishing to supply these training places are invited to apply to DEEWR. According to the DEEWR website:

Organisations wishing to offer approved qualifications under the Productivity Places Program must be able to meet the requirements of the program and submit a Request to Participate. Submissions to offer qualifications to job seekers at Certificate II and Certificate III can be made through the online system any time from 7 March 2008. (<http://www.productivityplaces.deewr.gov.au>)

DEEWR in the local area

The Victorian State and Regional Offices manage a range of services and service delivery contracts on behalf of the Department. The main services are:

- the Indigenous Education Programme, including the Indigenous Education Strategic Initiatives Programme [IESIP] and the Indigenous Education Direct Assistance programme [IEDA];
- New Apprenticeship Support Services [NASS];
- vocational education and training programmes, including [Youth Pathways Programme \[YPP\]](#) , [Language, Literacy and Numeracy Programme \[LLNP\]](#)  and Workplace English Language and Literacy [WELL]; and
- pilots projects under the Career and Transition [CATs] and Partnership Outreach Education Model [POEMs] initiatives.

Support from DEEWR regional and state offices may be useful in securing DEEWR funding for projects.

DEEWR Morwell Regional Office

Phone:	(03) 5133 6031
Address:	23 Hazelwood Road, MORWELL VIC 3840

Department of Agriculture, Forestry and Fisheries

Overview

In its Canberra office, DAFF has a meat, wool and dairy branch.

The Meat, Wool and Dairy Branch has a policy focus to help agriculture industries improve their responsiveness to the ever-changing market. The Branch develops and delivers advice to the Minister and the Australian Government on issues related to meat, wool, dairy and intensive livestock. The branch liaises with industry, particularly through representative organisations, on matters including international market access and export opportunities, as well as specific impediments to industry development. The branch also delivers administered funding, facilitates statutory funding and industry-related structural adjustment and administers industry-related legislation.

Meat, Wool and Dairy Branch

Contact:	General Manager, Simon Murnane
Ph:	+61 2 6272 5413
Website:	http://www.daff.gov.au/agriculture-food/meat-wool-dairy

The DAFF website also has a page summarising available grants:

http://www.daff.gov.au/about/grants_and_assistance#ag

DAFF in the local area

DAFF does not have a local presence.

AusIndustry

Overview

AusIndustry is the Australian Government's business program delivery division. It delivers a range of products to businesses designed to boost innovation, industry, science and research.

The programs delivered by AusIndustry are a mixture of entitlement and competitive-based products.

AusIndustry also delivers some service products specifically for the small business market. These provide grants to a range of private sector and community organisations to deliver services, such as skills and business development, mentoring services and business advice, to small businesses.

AusIndustry in the Baw Baw area

AusIndustry Traralgon (Gippsland)

Contact:	Marlene Battista
Email:	marlene.battista@innovation.gov.au
Phone:	03 5174 7604 or 0428 579 644

State government departments and local government

Local government agencies

Overview

Local government bodies have an interest in promoting economic development and employment within their boundaries. To that end, most local government councils will have some sort of office for economic development. Although their powers in relation to business and employment regulation are not extensive, they are able to provide resources to coordinate businesses at a local level as well as assist businesses with specific areas of local government responsibility, such as planning.

Local councils may also initiate community development projects, which may have an employment focus. Such projects may be designed to assist a particular group of residents, such as recently arrived migrants, young people, indigenous people, or the long-term unemployed, or they may have a more general focus.

Local governments also often receive grants from state and federal governments for various projects and require local community partners to assist their implementation.

Baw Baw Shire Council

The Baw Baw Shire council has an Office for Economic Development. According to their website, Council assistance can be broken into two areas, these being facilitation and financial assistance. Financial assistance from council is limited and is considered on a case-by-case basis. Council facilitation is also developed on a case-by-case basis and can include assistance with finding suitable land, assistance through the planning process within council, access to funding programmes (State & Federal), development of other relevant contacts etc.

In addition, the Council sponsors a range of other initiatives to assist businesses, including a regular newsletter and information sessions and seminars available for small businesses.

Examples of specific assistance provided by the Council to farmers during the recent drought includes coordinating agistment and hay supplies.

The Baw Baw Council website also provides a page of links to funding grant opportunities,

http://www.bawbawshire.vic.gov.au/Page/Page.asp?Page_Id=109

Baw Baw Shire Council Economic Development Unit

Council contact:	Peter Kulich, Economic Development Officer
Address:	Civic Place, Warragul Vic 3820 Australia
Tel:	(03)5624 2523
Email:	peter.kulich@bawbawshire.vic.gov.au

Regional Development Victoria (RDV)

Regional Development Victoria (RDV) is an agency within the Victorian Department of Industry, Innovation and Regional Development.

The Business Victoria website summarises a range of funding programs and initiatives designed to support businesses, including specifically –

Employer Services

(http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_50730.html)

Regional Programs and assistance

(http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_50736.html)

Specific Regional Development Victoria initiatives

RDV sponsors the *Community Regional Industry Skills Program*, which aims to generate new jobs, increased skills, and improved services for regional and rural communities. In particular, one of the objectives of the program is to

- provide funds where an organisation has articulated a targeted strategy for dealing with an identified skills-related impediment to jobs growth and/or new or increased investment.

Program funds may be used to invest in training for existing employees or to attract workers to meet specific skills shortages. Increasing the participation of mature-aged Victorians is a further objective of the program.

RDV in Baw Baw Shire

The nearest RDV office to Baw Baw Shire is in Traralgon.

Traralgon VBC

Address:	33 Breed Street, Traralgon, VIC 3844
Tel:	(+61 3) 5174 9233
Fax:	(+61 3) 5174 7845
Email:	information.traralgon@rdv.vic.gov.au

However, meetings with RDV indicated that their policy position is to support initiatives outside the farm gate; activities inside the farm gate being the responsibility of DPI Victoria.

Skills Victoria

Overview

Skills Victoria is an agency within the Department of Industry, Innovation and Regional Development (DIIRD) that provides strategic advice and analysis of Victoria's skills needs. The government is currently consulting on the next stage of its skills policy. The discussion paper *Securing our future economic prosperity* is out for review until 10 June 2008. In 2006, the Government released its earlier skills policy, *Maintaining the Advantage: Skilled Victorians*. The policy articulates the government's key vocational education and training priorities to increase the skills of existing workers and adult learners, as well as apprentices and trainees.

Much of the spending in the policy is directed at building VET initiatives into secondary schools. *Maintaining the Advantage: Skilled Victorians* encompasses four key actions:

- *Starting earlier – providing greater opportunities for students to participate in vocational education and training while at school*
- *Learning longer – encouraging people to aim higher and extend their skills throughout their working lives*
- *Getting smarter – opening up employment opportunities that demand higher-level skills*
- *Making it easier - providing better information about career pathways and training opportunities and making the training system more responsive.*

<http://www.education.vic.gov.au/about/publications/policy/skilledvic.htm>

Specific Skills Victoria programs

The state government pays a completion bonus to employers (\$1750 for each eligible apprentice, \$1300 for each eligible trainee), provided they employ at least three apprentices/trainees.

http://www.otte.vic.gov.au/library/public/postcomp/Allowances_for_apprentices_and_trainees.pdf

Funding for this program was extended in the 2008-2009 budget.

The 2008-2009 state budget also announced \$5 million for one year for *New Workforce Partnerships*, a program to match jobseekers to employers who have difficulty recruiting. The program provides skills and monitoring of work experience for more than 400 of the most disadvantaged jobseekers.

As part of the Maintaining the Advantage program announced in March 2006, \$241 million in new funding was announced, including

- \$28 million to guarantee funding so all Victorians up to the age of 20 could complete Year 12 or an equivalent qualification;
- \$33 million encouraging pre-apprenticeships in areas of skill shortage;
- \$11 million for older existing workers who did not complete Year 12 to go back to study and gain a qualification;
- \$2 million to employ skills advisors for business;
- \$42 million to help existing workers to upgrade their skills to keep pace with technology;

- · \$3 million for information campaigns to encourage take up of careers in trade and manufacturing;
- · \$11 million to help business plan for workforce and industry skills needs, and
- · \$4 million to employ more field officers to help apprentices, trainees and employers.

Some money may still be available from these programs.

Department of Primary Industries (Victoria)

The Department of Primary Industries (DPI)

designs and delivers government policies and programs that enable Victoria's primary and energy industries to sustainably maximise the wealth and wellbeing they generate. (www.dpi.vic.gov.au)

Specific DPI programs

The Victorian Government recently launched the *Future Farming* strategy, to improve the productivity, competitiveness and sustainability of farm businesses. Action 2 of the strategy is to 'build skills and attract young people to farming'. Action 5 is to 'help farming families secure new markets'. However, the initial investment under Action 2 is \$308,000 over four years to develop a Primary Industries Workforce Development Plan to identify specific medium- to long-term skill and training needs in agriculture and associated industries; funding for additional training places may then be allocated to priority training needs identified in the Plan.

DPI in the Baw Baw Region

DPI have a centre at Ellinbank near Warragul.

DPI Ellinbank

Centre:	Ellinbank Centre (formerly Dairy Research Institute)
Address:	1301 Hazeldean Rd
Postal Address:	RMB 2460, Ellinbank VIC 3820
Phone:	(03) 5624 2222;
Fax:	(03) 5624 2200

Local training providers

Overview

Under the current framework, vocational education and training is provided by Registered Training Organisations (RTOs). RTOs deliver training packages that have been developed and accredited by Industry Skills Council (discussed below) in accordance with the Australian Qualifications Framework. Although TAFE (Technical and Further Education) institutes are still the main provider of nationally recognised training, the for-profit training sector has expanded rapidly over the last 15 years. Some government agencies, group training organisations, employer and professional associations, and even larger employers have become RTOs in their own right.

Local training providers in Baw Baw Shire

National Centre for Dairy Education (NCDEA)

GippsDairy already has an established relationship with the National Centre for Dairy Education (NCDEA), which has a campus in Warragul. NCDEA is currently offering 39 courses, including full programs at the Certificate II, Certificate III, Certificate IV, Diploma and Advanced Diploma Level.

NCDEA McMillan campus

Address:	71 Warragul - Korumburra Road, Warragul, 3820
Phone:	1300 0 NCDEA (62332)
Fax:	03 5622 6028
Website:	http://www.ncdea.edu.au

Education Centre Gippsland

Education Centre Gippsland (ECG) is a not for profit community managed organisation that is committed to providing opportunities for growth that meets the learning needs of adults in Baw Baw, South Gippsland and Cardinia Shires. ECG currently provides training for a number of dairy industry trainees in West Gippsland. They also offer a range of other VET and short courses that may be beneficial to dairy industry employees and employers.

ECG Warragul

Phone:	(03) 5623 6075
Fax:	(03) 5623 4141
Address:	90 Smith Street, Warragul 3820
Email:	warragul@ecg.vic.edu.au
Office Hours:	8.30am – 5.00pm Mon - Fri

ECG McMillan Warragul

Phone:	(03) 5622 6000
Fax:	(03) 5623 4671
Address:	71 Korumburra – Warragul Road, Warragul 3820
Email:	warragul@ecg.vic.edu.au
Office Hours:	8.30am – 5.00pm Mon - Fri

GippsTafe

GippsTAFE has campuses in Warragul as well as Leongatha, Yallourn, Moe and Morwell. GippsTAFE does not offer courses in dairy farming or agriculture generally (its offerings are limited to horticulture).

GippsTAFE does operate the GIPPSTafe Employment and Transitional Training Centre from Morwell. This centre is designed to provide assistance finding work to people with barriers to employment.

According to their website, they offer employers

- Trained support staff
- Ready to work employees
- On-the-job support and training suited to your needs
- Assistance with New Apprenticeships
- Support with workplace modifications, assessments and subsidies
- Employment wage incentives and subsidies

Such an organisation has the capacity to provide entry-level employees for the industry, either through a direct partnership with employers or working with an organisation like NCDEA to integrate general employment skills with dairy industry skills. They provide general training, at the pre-qualification and Certificate I level, in general job skills (for example, literacy and numeracy, OHS, employability skills).

Currently, there is an arrangement between NCDEA and GippsTAFE for GippsTAFE to provide ancillary student services to NCDEA students.

GETT Centre, Gipps TAFE

Website:	http://www.gippstafe.vic.edu.au/gettcentre/gett_employ.html
Contact:	
Address:	53 - 55 Buckley Street and 29 Buckley Street Morwell 3841
Email	gettc@gippstafe.vic.edu.au
Phone	(03) 5134 6377

Summary of Stakeholder sessions

The local providers of dairy industry training have adopted distinctive approaches.

NCDEA, currently serving the larger number of dairy traineeships, is a specialist organisation working in partnership with Murray Goulburn TAFE “GOTafe”. ECG has a broader focus, enrolling trainees from other agricultural sectors as well as other training packages, such as business administration and hairdressing. ECG places a stronger emphasis on on-the-job training. Both providers work to engage other local education and training stakeholders, especially schools in the district providing vocational education and training. Both providers expressed interest in expanding their offerings to current farmers, especially short courses run in collaboration with the industry.

Group Training providers

Overview

Group training involves situations

In which apprentices or trainees are employed by one company (termed a “Group Training [organisation]”) but continuously placed with other enterprises (termed ‘host employers’) for the purpose of their on the job training. (ANTA, 1997: 2)

The genesis of group training in Australia came from efforts in the 1980s to maintain blue collar trades at a time when manufacturing businesses were responding to competitive pressures by reducing employment levels and spending on training. Also at the same time, “increasing specialisation in some trades was making difficult for employers to provide quality training over the life of a full four year apprenticeship’ (Buchanan and Evesson, 2004: 16). Usually, these organisations were brokered at the local level by groups of employers or local councils to maintain skills development opportunities in their area (Buchanan and Evesson, 2004).

Group training extends to smaller employers the possibility of using apprentices and trainees when they would otherwise have to deal with significant barriers to taking on an apprentice:

- they lack the financial security to guarantee employment for the duration of the apprenticeship
- they do not have the variety of tasks needed to complete the apprenticeship
- they do not have the time to provide guidance to apprentices

Group training is one effective way of overcoming the risks to smaller employers of taking on apprentices or trainees.

Most group training organisations combine their core function of providing apprentices with other functions, such as being a registered training organisation (RTO), operating a labour hire service, other activities such as operating a recruitment agency or conducting research (Croce, Toner, and MacDonald, 2002).

Buchanan and Evesson (2004: 18) summarised the following three characteristics of group training arrangements. First, they are primarily community-based, not-for-profit operations. Secondly, they are regularly in contact with employers, especially small and medium sized employers. Third, they provide a higher level of advice and support to apprentices and trainees.

Group training provides the means for small to medium employers to develop and share a skilled workforce. In order to benefit from the advantages of group training, the industry would need the involvement of a group of willing employers who share similar skills needs and who are willing to commit to providing training places and support for trainees and apprentices.

This would require a careful analysis of skills needs as well as ideas to overcoming other barriers, such as geographical disparity, seasonal variations in labour demand, and climate interventions such as drought.

Group training has a long history in providing apprentices for the engineering and construction industries and has had much less involvement with agriculture. A current Federal Government programme, the *Targeted Initiatives Programme*, provides funding to group training organisations to generate quality apprenticeship opportunities in priority areas that would not otherwise happen without intervention. Priority areas include regional areas and industry areas which are new industry markets for group training (such as Agriculture). Up to \$150,000 is available in funding to support the project and funding agreements last for two years. Further information is available at www.grouptraining.deewr.gov.au.

Group training organisations in Baw Baw Shire

Gippsland Group Training

Gippsland Group Training (GGT) has been operating in Gippsland for over 25 years. The not for profit organisation offers apprenticeships mainly in the manufacturing and construction areas, such as automotive, carpentry, electrical, fitting and turning, metal fabrication. It also offers traineeships in business administration, water operations, sport and recreation, and horticulture.

GGT Careers and Education Centre

Address:	Gippsland Education Precinct, Northways Road, Monash University Gippsland Campus, Churchill VIC 3842
Phone	(03) 5132 1770
Fax	(03) 5132 3811
Email	ggtcareers@ggtraining.com.au

East Vic Workforce

East Vic Workforce (Eastern Victoria Group Training) was established in 1987 as not-for-profit, community based business to encourage and support the employment of Apprentices and Trainees into what is now the Australian Apprenticeship program. EAST VIC WORKFORCE provides a range of services to the community, including recruitment, selection and placement of Australian Apprentices and as a nationally accredited training provider, we deliver on and off the job training in a range of vocations.

East Vic Workforce is predominantly based in East Gippsland, with centres in Bairnsdale, Sale and Traralgon.

East Vic Workforce

Address:	Suite 1/24 Breed Street, Traralgon
Postal Address:	PO Box 754, Traralgon 3844
Phone	(03) 5175 0984
Fax	(03) 5174 6789
Web	www.evgt.org.au

MEGT

MEGT is Australia's largest group training organisation. Although MEGT has an Australian Apprenticeships Office at Warragul (see below), the nearest Group Training Centre currently is at Dandenong.

Summary

At present, there is no involvement with group training organisations in the Baw Baw area. Group Training organisations are reluctant to become involved with the dairy industry, and there is a history of unsuccessful attempts to work together. The main barriers appear to be the model of delivery, with group training organisations set up to run around a workshop model, whereas dairy industry training is heavily geared toward on-the-job training. This could be partially overcome if the industry or another organisation such as NCDEA were to sponsor a model farm or training farm, which could serve as a base for trainees. Dairy farms are also more widely dispersed than typical host employers, making it more difficult to rotate and move trainees around. While there is still the possibility of long-term options with group training, there was little enthusiasm among farmers or group training organisations for pursuing a group training strategy in the short-term.

Australian Apprenticeships Centres

Overview

Australian Apprenticeships Centres are organisations that have been contracted by the Commonwealth Government to provide assistance to employers, apprentices and trainees about the apprenticeship and traineeship system. In practice, their main function is to assist employers to access Commonwealth incentives. They are also expected to monitor the progress of trainees and apprentices and may help to resolve any difficulties that arise between apprentices and trainees, their employers, and their training providers.

Developing a relationship with a local AAC can help to identify possible sources of apprentices or trainees as well as keeping abreast of developments in skills policy and funding.

AACs in the Baw Baw area

Apprenticeships Victoria

Apprenticeships Victoria is the name used by Gippsland Group Training for its Australian Apprenticeships Centres and group training operations outside Gippsland.

Address:	69-71 Wills Street, Warragul, 3820
Postal Address:	PO Box 368, Warragul, 3820
Phone	03 5624 3027
Fax	03 5622 2905
Email	warragul@ggtraining.com.au

MEGT

Address:	Suite 2, Mason Square, 24 Mason Street, WARRAGUL 3820
Phone	(03) 5623-5562
Fax	(03) 5623-5718
Email	russell_cook@megt.com.au

VECCI

Address:	11 Kay St, Traralgon, 3844
Phone	(03) 5173 9200
Fax	(03) 5174 7100
Email	traralgon@vecci.org.au

As training contracts must be completed with the assistance of an Australian Apprenticeships Centre, there was a fair degree of collaboration between dairy farmers and AACs in the local area. AACs were also familiar with the local RTOs offering dairy training programs. Focus group interviews with farmers however, did reveal that some farmers who had not engaged apprentices or trainees, or who had not engaged trainees or apprentices recently, were not so familiar with the role and services offered by AACs. This is an area where local organisations could do more to promote existing services.

Local Learning and Employment Networks

Overview

Local Learning and Employment Networks were established in Victoria following a review into the state's skills capacities. They bring together education providers, industry, community organisations, individual and government organisations to improve education, training and employment outcomes for young people in communities across Victoria. <http://www.llen.vic.gov.au/>

Local LLEN

Baw Baw Latrobe Local Learning and Employment Network

The Baw Baw Latrobe LLEN has been involved with a number of current and recent projects designed to improve young people's participation in post-compulsory education and training as well as assist young people to identify career pathways. Examples of projects include Inspiring Young People; GippsWebs for Business; Gippsland Mentoring Alliance; VEET – Victorian Energy Education Training Program; YEA – Youth Education for All Community VCAL; PACTS – Parents As Career & Transition Support; On Track; School Based Apprenticeships; COPY CAP – Community & Health Services. The LLEN was also involved in the production of a DVD on careers in the dairy industry.

Baw Baw Latrobe LLEN Inc.

Address:	Baw Baw Technology Centre, Princes Highway, PO Box 415, Trafalgar Vic 3824
Phone	5633 2868
Facsimile	5633 1945
Email:	bblllen@dcsl.net.au
Website	www.bawbawlatrobellen.com.au
Contact:	Mick Murphy, Executive Officer, 0439 032868

The Baw Baw Latrobe LLEN has a relatively high degree of familiarity with the dairy industry. It has been involved in a project to develop materials for young people on the possible careers in the dairy industry.

The possibilities for future collaboration with the local LLEN could be built around a project to recruit at-risk young people into employment and training in the dairy industry, if they were identified as a target group for employment.

VET in Schools and School-based Apprenticeships

Overview

Students in Victorian secondary schools can also participate in training through VET in schools and school-based apprenticeships. VET in schools allows students to complete units of nationally recognised training as part of their Victorian Certificate of Education (VCE) or Victorian Certificate of Applied Learning (VCAL).

Students may be able to combine their VET studies with a school-based apprenticeship. School-based apprenticeships in agriculture have been approved by the Victorian Curriculum and Assessment Authority (VCAA).

<http://www.vcaa.vic.edu.au/vet/programs/newapprent.html>. Under a school-based apprenticeship, the student is employed part-time by an employer while undertaking their schooling and training.

The previous government established Australian Technical Colleges, which provide students in Year 11 and Year 12 with a school-based apprenticeship.

However, the five priority industries targeted by the Colleges are:

- metal and engineering;
- automotive ;
- building and construction ;
- electrotechnology; and
- commercial cookery.

In the long-term, it may be possible for agriculture to be incorporated into the Australian Technical College's programme.

Local Baw Baw Secondary Schools

Warragul Regional College

Address: 55 Burke Street, Warragul 3820.

Phone Number: (03) 5623 9900.

Fax Number: (03) 5623 4473.

Drouin Secondary College

Address: South Road, Drouin 3818.

Phone Number: (03) 5625 1002.

Fax Number: (03) 5625 1297.

Marist-Sion College

Address: 165 Burke Street, Warragul, 3820

Phone Number: 5623 5944

Fax Number: 5623 4856

Home Page: <http://www.mscw.vic.edu.au>

Local training providers NCDEA and ECG appear to have pre-existing relationships with many if not all of the local VET coordinators in schools. In the focus groups with stakeholders and dairy farmers, local teachers were identified as a common barrier to promoting dairy farming careers. It is believed that teachers often perceive dairy farming as a limited career option. Any strategy to engage schools and teachers in dairy workforce development should aim to build on the existing relationships between schools and RTOs.

Industry skills councils

Industry Skills Councils are organisations that bring together representatives of employers, employees, government, peak bodies and training organisations to cover the skills needs of industries. The principal functions of industry skills councils are –

- to advise federal government on industry skills needs
- to develop, implement, review and improve training packages
- to advise government on the allocation of government-funded training places.

The federal Government is relying on the Industry skills Councils to advise it on how to implement its ambitious training reform agenda, which includes allocating an additional 450,000 new training places, including 20,000 fast-tracked places announced in January.

The industry skills council covering the dairy industry is the Agri-Food Industry Skills Council.

The Agri-Food ISC covers a broad range of industries, including rural production, amenity horticulture; conservation and land management; animal care and management, food processing (including wine and pharmaceuticals), the meat industry, the seafood industry, and racing. This range of industries means that dairy production must compete with other areas for the attention of the ISC.

Its list of training packages includes the Rural Production package, which has currently been reviewed, and of which the courses offered by NCDEA form a part.

As part of the current government's skill reforms, each ISC was required to submit an environmental scan. In its scan, the Agric-Food ISC identified higher-level business skills and higher level technical skills (to implement new technology) as the skills priorities for rural production. A greater challenge for the industry, according to the ISC, is finding the 50,000 extra workers needed by the industry, including 15,000 to replace those workers who left the industry during the last 5 years.

The dairy industry is represented on the Agri-Food ISC Rural and Related Industries Skills Council by Robert Poole, Deputy CEO Australian Dairy Farmers (1 of 22 members).

Agri-Food ISC

Street address:	Level 1, John McEwen House, 7 National Circuit, Barton ACT 2600
Postal address:	PO Box 5450, Kingston ACT 2604
Telephone:	02 6163 7200
Facsimile:	02 6163 7299
Email:	reception@agrifoodskills.net.au
Website:	www.agrifoodskills.net.au

In practice, NCDEA operates almost as an ISC within an ISC. Starting with the approved Agriculture Training Package, NCDEA has developed additional content and competencies, based on farmer feedback on the package. NCDEA has produced its own materials to deliver the training package, which it then delivers in conjunction with GO TAFE in Victoria, and provides to partner RTOs in other states.

Employment Services Organisations

Centrelink

Overview

During the course of the drought, the federal government developed a number of assistance programs that were delivered through Centrelink:

- Interim Income support
- Financial Information Service
- Farm Help
- Exceptional Circumstances Payments and Exit Package

However, one of Centrelink's main responsibilities is registering job seekers and referring them to a job network agency. As such, local Centrelink officers should be familiar with local job network operators and may be able to broker partnerships.

Centrelink in Baw Baw Shire

Warragul Centrelink

Contact:	
Phone:	
Address:	Unit 4, 24 Mason Street, Warragul VIC 3820
Postal Address:	PO Box 1323 Warragul VIC 3820
Website:	www.centrelink.gov.au

Centrelink is currently conducting a pilot programme, running out of Traralgon, designed to provide client-focused solutions to move long-term disadvantaged groups into training and employment. The main demographic group for the Traralgon pilot is long-term unemployed men in their forties and fifties. As identified in Part A – Labour Supply, the Latrobe Valley has experienced consistently higher unemployment than the state and national average for over a decade. There may be some possibilities of developing a project to involve these men, along similar lines to the ADEEP project currently running in Northern Victoria, provided there was sufficient interest among farmer employers.

Job Network Agencies

Overview

The Job Network was established by the federal government in 1998 to take over the job placement functions that were previously conducted by the Commonwealth Employment Service (CES) (Underhill, 295). The aim was to create a modified 'market' for job placement services in the belief that this would be more efficient and effective than the government-run CES (Productivity Commission, 2002).

Today, in addition to job placement functions, the network also provides job seekers with training and support in how to find work as well as customised assistance for the long-term

unemployed. This last function has become a particular focus since the since the unemployment rate reached its lowest level since 1976 (Thomas, 2007).

Job seekers are referred to a job network provider of their choice after registering for unemployment benefits with Centrelink, which assesses the job seeker to determine the amount of support they are eligible for. Agencies receive a placement fee when a job seeker received 15 hours paid employment within 5 consecutive days, with fewer hours required for registered job seekers with a disability or who are receiving a parenting allowance.

Developing contacts with local job network providers may be beneficial. Job network providers regard contacts with employers as essential to their work but lack the time to initiate relationships themselves.

Job Network Agencies in the Baw Baw Area.

According to the Job Search website, the following Job Network providers operate in Warragul and in the surrounding areas:

Service Provider	Location
Workways Assoc Inc	Warragul
Employment Innovations Victoria	Warragul

Employment Innovations Victoria

Contact	Anne Boyer
Address	Suite 3 65 Victoria St WARRAGUL VIC 3820
Phone	03 56221572
Fax	03 56221937
Email	warragul@eiv.com.au
Website	www.eiv.com.au

Workways Assoc Inc

Contact	Pam Robertson
Address	34 Williams Street WARRAGUL VIC 3820
Phone	1800631196
Fax	03 56231495
Email	warragul@workways.org.au
Website	www.workways.org.au

Focus groups with stakeholders and dairy farmers showed that there were few instances of prior successful collaboration between dairy farm employers and job network agencies. Job network agencies perceive dairy farmers as having a poor record as employers and those dairy farmers that had used job network agencies in the past were largely dissatisfied with the job seekers they referred.

Job Network Agencies currently face an uncertain future, as the new Federal Government has announced it is changing the way that assistance to the unemployed is delivered. The government intends to consolidate all employment services and there will be more of a focus on providing appropriate education and training to the unemployed. More funding will be directed to assisting the long-term unemployed into work. Given the low levels of unemployment in the region, Job Network agencies would need to be persuaded that dairy employers were willing to

accept strategies involving the long-term unemployed before proceeding further with any collaboration.

Labour Hire Firms

Overview

For much of the twentieth century, employment in Australia was regulated according to an historic settlement between labour and capital. The dominant mode of employment was permanent full-time employment. Following the opening up of the Australian economy in the 1980s, greater exposure to international competition increased the business need for organisations to engage and deploy their labour more flexibly. While one response was to increase the level of casual and short-term employment, a new role also emerged for labour market intermediaries such as labour hire firms that could better manage the flow of labour between organisations (ACIRRT, 1999).

Labour hire arrangements work by engaging employees directly and then supplying that labour to firms on a contingent basis. Firms are able to meet their specialised labour needs without having to assume the risk of offering continuing employment and without having to take on the burden of sourcing appropriate labour.

Labour hire arrangements have the potential to share risk more equitably among employers and between employers and employees. The more employers contribute to the arrangement, the more the risk is shared.

One particular concern long noted in the research was how the growth of labour hire firms undermined employer investment in training (ANTA, 1998). However, certain conditions can promote the use of labour hire and quality training arrangements, namely through group training organisations, discussed next.

The institutional arrangements of labour hire firms vary. They may be run on a not for profit, cooperative basis by a group of employers in a particular region or industry. They may be run as private businesses for profit. Labour hire firms can also

An industry with specialised labour needs may benefit from having direct input into the operations of a labour hire organisation, or at least developing relationships with labour hire firms willing to invest in specialised labour.

Locating Local Labour Hire Organisations

Finding local labour hire organisations is not as straightforward as locating other types of organisations listed here. Many are listed in the Yellow Pages. However, it may be more fruitful to find labour hire organisations through informal means, such as approaching other employers or group training organisations

Labour Hire Organisations in Baw Baw Shire

Labcon Industries

177 Queen St Warragul VIC 3820

ph: (03) 5622 2068

South Gippsland Labour Force

17 Radovick St Korumburra VIC 3950

ph: (03) 5658 1126

The local dairy farming industry does not seem to have made use of labour hire organisations in the past. In the focus groups with stakeholders and dairy farmers, no one raised labour hire organisations or was familiar with a local organisation supplying farm labour. This is in contrast to other areas of the state. Like group training organisations, local labour hire firms appear to have focused on construction and engineering workers. There is little in place to suggest that labour hire firms could form part of a short-term or long-term workforce development strategy.

Employer associations

Overview

Employer associations are able to provide advice to members about their various obligations as employers, including wage rates; leave, overtime, penalty payments, and other conditions of employment; dismissal; occupational health and safety.

In other industries, employer associations have established labour brokerage organisations, and promoted training through sponsoring group training arrangements.

National Farmers Federation (NFF)/Victorian Farmers Federation (VFF)

Overview

Employer associations are able to provide advice to members about their various obligations as employers, including wage rates; leave, overtime, penalty payments, and other conditions of employment; dismissal; occupational health and safety.

In other industries, employer associations have established labour brokerage organisations, and promoted training through sponsoring group training arrangements.

National Farmers Federation (NFF)/Victorian Farmers Federation (VFF)

The employer association for dairy farmers in Victoria is the United Dairyfarmers of Victoria (UDV). UDV is affiliated with the Victorian Farmers Federation (VFF), which provides advice about employment to its members and also represents them in forums like the Australian Industrial Relations Commission (soon to become Fair Work Australia). Australian Dairy Farmers (ADF) is a national body, comprising UDV and the other state-based dairy farming organisations. It has less of a direct role in providing advice to members about employment matters.

Victorian Farmers Federation

Contact:	
Address:	Farrer House, Level 5, 24 Collins St, Melbourne, Victoria, Australia, 3000
E-mail:	vff@vff.org.au
Telephone:	1300 882 833
Fax:	03 9207 5500

Dairy Farmers Australia

Contact:	
Address:	Level 2, Swann House, 22 William Street, Melbourne VIC 3000
E-mail:	
Telephone:	(03) 8621 4200
Fax:	(03) 8621 4280

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Appendix 5. Conclusions, recommendations and a plan for implementation of workforce development strategies for the Baw Baw Shire

Workforce Planning for the Baw Baw Dairy Industry
Part D: Findings and Recommendations
DRAFT

Prepared for Dairy Australia
25 July 2008

Overview

This report is the fourth and final part of the Workforce Planning for the Dairy Industry project conducted by Dairy Australia and funded by the Gardiner Institute. The aim of the project was to develop and pilot a sustainable process that would allow local dairy farming groups to conduct their own workforce analysis. Dairy Australia chose Baw Baw Shire in West Gippsland to be the pilot area. The report draws together the findings of the Parts A, B and C to recommend future steps to develop and implement a workforce development strategy in Baw Baw Shire.

Summary of Findings

Part A – Analysis of Labour Demand

Demographic and Educational Characteristics

1. The population of Baw Baw grew by 11 per cent over 1996-2006, slightly less than the state and national average of 12 per cent but more than the surrounding Gippsland region, which grew by 5 per cent over the same period.
2. The population of Baw Baw Shire is aging more rapidly than the rest of the state. The proportion of people aged over 65 is currently 15 per cent and will continue to grow, while the total number of people under 15 decreased from 8480 in 1996 to 7947 in 2006. This will restrict the available labour supply in the future.
3. Nearly a quarter of the population has a post-school qualification, which is close to the national average. However, Baw Baw residents are more likely to have trade or certificate level qualifications than university qualifications.
4. There has been a strong growth in the number of Baw Baw residents with Certificate III/IV qualifications, especially among those aged 15-24: 18 per cent of the population aged over 15 and 7 per cent of the population aged 15-24 have a Certificate III/IV qualification.
5. Young people in the Baw Baw area are as likely to attend TAFE and less likely to attend university than young people in Victoria and young people in Australia. Less than one in ten young people in Baw Baw (8%) attends TAFE and a similar proportion (7%) attends university.

Labour Market Indicators

6. Unemployment in Baw Baw (4.1%) is lower than the surrounding region (6.4%), Victoria (4.7%) and Australia.
7. The labour market participation rates for males (68%) and females (54%) in Baw Baw are near the state and national averages.
8. Female part-time employment makes up a greater share of all employment in Baw Baw Shire (24%) than in Victoria (21%) or Australia (20%).

Dairy farming and related industries

9. The proportion of the population employed as Managers (including farmers) declined from 23 per cent in 1996 to 17 per cent in 2006. The occupational categories increasing their share of employment over that time included professionals and community and personal service workers.
10. The proportion of the working population employed in Agricultural industries declined from 18 per cent in 1996 to 11 per cent in 2006. The fastest growing industries over that period were education and training and health care and social assistance.

11. Very few young people are employed in agriculture, with most working in retail trade, accommodation and food services, and manufacturing.
12. Dairy farming is the largest agricultural industry in the area (employing 857 Baw Baw residents, or 44 per cent of all those working in agriculture), followed by Sheep, Beef Cattle and Grain Farming (21%), and mushroom and vegetable farming (12%).
13. In addition to dairy farming, 261 Baw Baw residents work in other dairy related industries, including 464 in cheese and other dairy product manufacturing.

Dairy farming workforce

14. The number of people working on dairy farms in the Baw Baw area declined from 1100 in 2001 to 821 in 2006.
15. The number of employees working on dairy farms in the Baw Baw area declined from 262 in 2001 to 175 in 2006. Consequently, dairy farming in the area is now more reliant on business owners and contributing family workers for labour.
16. A third of all workers (296, 36%) in the industry are female.
17. 108 workers, or 13 per cent, of all dairy farm workers in Baw Baw Shire are under the age of 30. This is lower than for all Victorian dairy farms and lower than the general workforce in Baw Baw Shire.
18. In contrast, a higher proportion of all dairy farm workers in Baw Baw are aged over 50 (46%) compared to dairy farm workers in Victoria (39%). This is so for manager-owners and employees.
19. A third of all dairy farm workers in Baw Baw Shire (34%) have some form of post-school qualification. The most common level of qualification is certificate III/IV (20%). This is similar to the level for all Victorian dairy farm workers.
20. Younger dairy farm workers are much more likely than older farm workers to have post-school qualifications, which should improve the skills profile of the industry over time.
21. Dairy farm workers in Baw Baw Shire are working longer hours on average than dairy farm workers in Victoria. Owner managers are working an average of 70 hours per week (the state average is 60) and employees are working 42 hours (the state average is 40).
22. 18 per cent of all workers in dairy farming work part-time. Females are more likely to work part-time (32%) than males (10%) and employees are more likely to work part-time (28%) than owner-managers and contributing family workers (15%).
23. The median individual income for dairy farm workers in Baw Baw is lower than the median individual income for dairy farm workers in Victoria, but the median household income and median family income is higher. This may reflect a greater contribution of family members and/or more alternatives for partners to access other labour market opportunities than in other dairy farming areas.

Part B – Survey of Labour Demand

Industry Context

24. Situation and Outlook data for 2008 shows that farmers are increasingly optimistic about their future prospects and are planning to expand herd sizes.
25. Consequently, farmers perceive that labour issues such as recruitment and retention are becoming more of a challenge.

Current Labour Profile

26. Most farms in Baw Baw are small (less than 150 cows) and have no paid labour.
27. Of those farms with paid labour, nearly half have only one employee.
28. Less than one in six farms have three or more employees.

Likely recruitment

29. One fifth of farms responding to the survey were currently recruiting to fill a paid position.
30. A third of farms responding to the survey expected to recruit some time in the 2008-2009 season.

Recruitment methods

31. Most farms responding to the survey relied on word of mouth to advertise vacancies.
32. One in six farms responding to the survey used local newspapers.
33. A similar proportion used dairy company field officers.
34. Less than one in twelve used the job network.

Positions sought

35. The most commonly sought positions by a very large margin were farm hands and assistant farm hands.
36. Extrapolating these results, this is likely to result in approximately 50 vacancies for farm hands and 50 vacancies for assistant farm hands over the 2008-2009 season.

Working conditions

37. Manager and supervisor positions were expected to work long hours on average.
38. There was diversity in the number of hours worked by farm hands and assistant farm hands, with long hours (> 50 hours per week) and 12 day fortnights required by some and part-time hours worked by others.
39. Pay rates on offer compared quite favourably with the award rates and those offered by employers in the construction, metal and engineering, and retail industries.

Part C – Institutional Mapping

Stakeholder interests

40. State and federal government departments sponsor a range of programs. Some funding may be available under the DPI's recently announced workforce strategy.
41. The local shire council recognises the importance of dairy farming to the local economy but there is scope to increase the Council's awareness of the needs of the local industry.
42. Several existing and possible connections with education and training organisations were identified. Local training providers NCDEA and ECG have an established record in providing dairy apprentices. These organisations also have relationships with secondary schools in the area.
43. The Baw Baw LaTrobe LLEN has worked with the dairy industry in the past on promoting careers in the dairy industry to young people and further collaboration around a specific objective may be possible.
44. Australian Apprenticeship Centres have been working with training providers and individual farmers but there is the potential to develop effective relationships at the local industry level.
45. Both group training companies and dairy farmers identified obstacles to working together, including the mode and delivery of training and uncertain and variable employer commitment. Given the funding that is available for group training projects, it is worthwhile continuing to keep this in mind as a relationship to develop for the long-term.
46. There were fewer possible connections with employment services organisations identified. Current policy priorities mean that Centrelink and Job Network agencies' objectives are directed toward the long-term unemployed, which in the Gippsland area are concentrated in the LaTrobe Valley. There was no established labour hire activity in the agricultural industries in Baw Baw Shire.

Recommendations for implementation

Recommendations for implementation

The following recommendations for implementing a workforce development strategy in Baw Baw Shire are grouped around the stages indicated in the outside wheel of the methodology diagram.

Dairy farmers – expressions of interest

1. *Establish a local clearinghouse for potential employers and employees. Initially, this can be built from annual surveys of labour demand.*

There was strong support among farmers for a local clearinghouse to keep track of on-farm vacancies and workers interested in working on a farm. It was identified that milk processing companies once fulfilled this role partially (in relation to relief milkers) but no longer do. Other sources – Job Search, local newspapers, and online databases – lack credibility with employers, employees or both.

Support and train farmers

2. *Work with farmers and local training providers to expand the offerings of short courses for farmers and promote the gaining of qualifications through Recognition of Prior Learning where appropriate.*

Interviews with stakeholders from training organisations identified short courses offered in partnership with the industry as a growth area. Where possible, these should be aligned with competencies to increase the likelihood of farmers attaining a qualification for themselves as well as improving the quality of on-the-job training for apprentices.

Understand and address potential obstacles for entrants

3. *Work with other stakeholders (especially training providers and LLENs) to improve the profile of the dairy industry, especially among school teachers and job network agencies.*

Use information from the survey of labour demand and other sources to dispel preconceptions of dairy farming as an unattractive career. This could involve special orientation sessions just for teachers or employment agencies designed to showcase best practice employers in the local industry.

4. *Establish a sub-committee of the local workforce planning group to coordinate career information activities.*

The report identified that a number of positive career-oriented events aimed at high school students already occur on a regular basis throughout the sub-region. However, there is a need to better coordinate these activities.

Identify potential entrants

5. *Work with Rural Skills Australia and Australian Apprenticeship Centres to develop materials for local farmers who may be interested in taking on an apprentice but who know little about the process.*

6. *Work with NCDEA to develop a project that tracks previous NCDEA graduates. This will yield information about the career trajectories of people trained in dairy farming and deepen the understanding of why people stop working in dairying. Potentially, some of those contacted might also be interested in returning to work for dairy.*
7. *In the long-term (ie once a reliable local database has been established), it would be worthwhile to conduct a similar project to track farm operators who have left the industry.*

Potential entrants – understand their career interest

8. *Work with farmers and training providers to develop recognition for entrants' existing qualifications from other industries.*

A consideration that consistently arose during meetings with stakeholders and farmers is that workers entering and re-entering the dairy industry often have qualifications and training from other occupations. This will become more important if workers are to be attracted from the construction industry.

Support and training for entrants

9. *Coordinate informal rotations of apprentices and placements of students on best practice farms.*

While group training does not appear to be a viable option for dairy farming in Baw Baw in the short-term, informal rotations or placement on a best practice farm would give apprentices the opportunity to develop a full breadth of skills on-farm.

Also see Recommendation 2

Understand and address potential obstacles for entrants

10. *Using data from the labour demand survey, publish and distribute information on local pay rates to farmers.*
11. *Explore in further detail the extent of transport difficulties and work with farmers, training organisations, apprentices and other groups to identify possible solutions (for example, car pooling or car sharing).*

Appendix: Proposed implementation plan

Implementing collective workforce development in the dairy farm sector Baw Baw Shire (West Gippsland Region)

Purpose:

The purpose of this project is to operationalise the recommendations of the *Workforce planning for the dairy industry* pilot by securing funding for workforce development activities in the region.

As part of the development of a workforce planning methodology process, Dairy Australia in conjunction with the Workplace Research centre conducted a pilot in the Baw Baw Shire (Gippsland) region.

The pilot process made a number of recommendations about how to improve workforce development in the area, particularly centring on increasing the supply of appropriately skilled workers to the industry and developing career paths within the skill eco-system.

It was noted in the *Methodology* report that a local government area might not be the most appropriate level for all workforce development activities. The report therefore suggests that this project focus on a group of local government areas, including Baw Baw Shire and South Gippsland Shire, as well as possibly La Trobe City, Cardinia Shire, Yarra Valley.

Project Objectives

1. A sustainable model for workforce development in the region
2. A resourced network of best practice farms to pursue collective workforce development

Outcomes and benefits:

1. Agreement on the roles of different local stakeholders in the workforce development process
2. Identification of a network of local farmers interested in developing a best practice network
3. Funding for the network, to provide ongoing resourcing and to conduct specific projects
4. Retention of skilled workers in the industry through more viable, enhanced career pathways

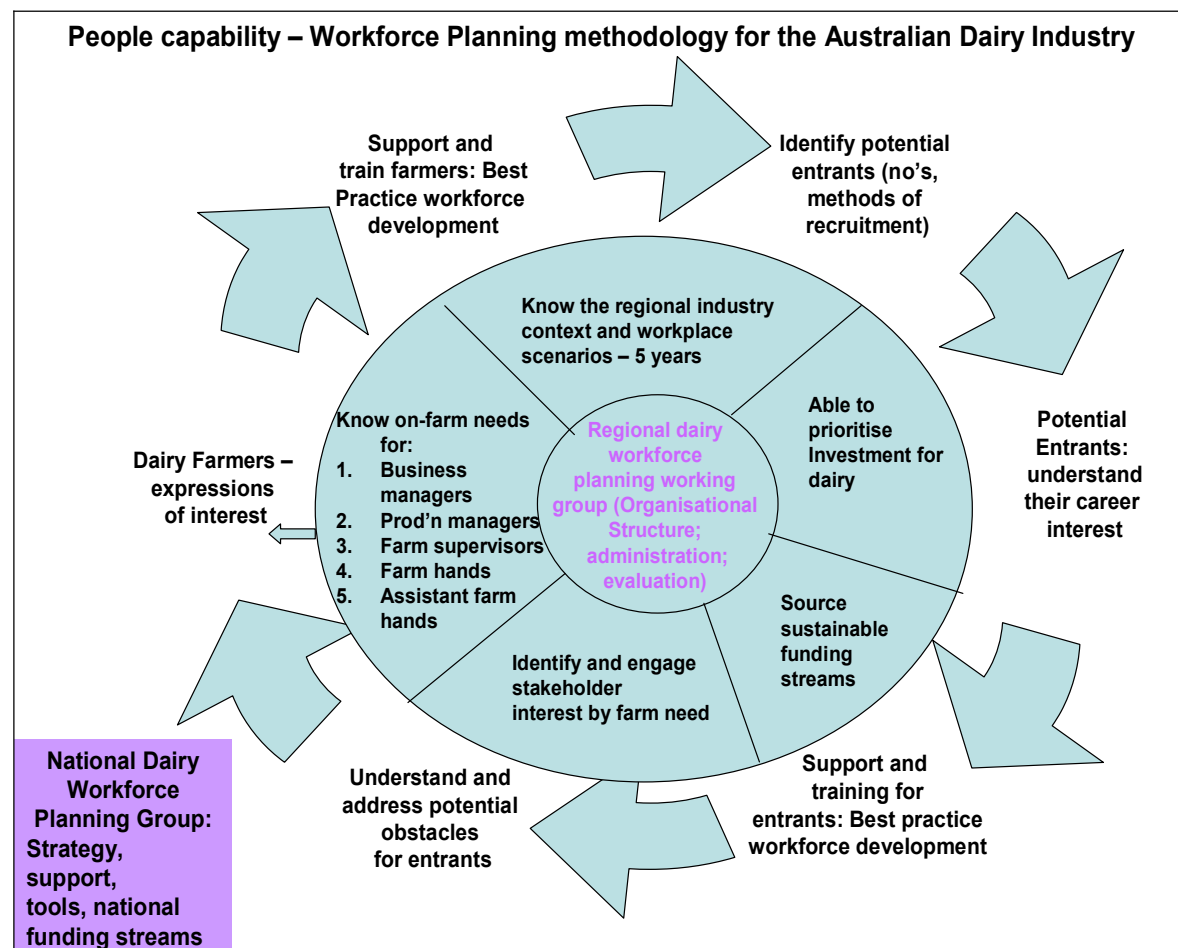
The people capability model

The framework informing an improved approach to workforce development in the dairy industry is summarised in the following figure.

The core of the approach is a regional workforce planning working group, or some other local structure that is capable of driving, administering and evaluating the workforce development activities.

The inner wheel establishes the process for preparing a workforce development strategy. This is the process summarised in the Methodology document, and which has already been conducted for the Baw Baw (Gippsland) region as part of the trial.

The outer wheel sets out the process for enacting workforce development, starting with gathering expressions of interest from dairy farmers.



The key elements for achieving change

Research to date has revealed there elements are needed to improve local systems of dairy workforce development:

- an active network of best practice farms
- an organisation that takes responsibility for bringing the farms together and supporting them once formed
- a dedicated project officer to support the network.

Roles and Tasks

Using the people capability model tested during the *Methodology* phase, the roles and tasks of the implementation project would be divided among the three elements as follows:

Table: Proposed distribution of tasks by stakeholder and stage

	Existing institutional framework (Gipps Dairy/ NCDEA/ others)	Network of best practice farms	Network Officer	Project Officer
Feasibility Stage	Identify interest from farms in establishing network Provide feedback from other workforce development projects (e.g. ADEEP)			
Development stage	Implement recommendations from pilot report that relate to public outcomes, i.e. labour supply and basic skills development for farmers	Establish network and agree on aims Develop necessary relationships with stakeholders Develop proposals for funding Recruit Project Officer		
Implementation stage		Provide direction to the resource officer Commit to providing opportunities to employees at necessary levels Engage in training and development to improve employer practices	Identify trainees where these are not already in place Provide mentoring and peer support to trainees/employees Provide assistance to employers in role as supervisor/trainer Assume responsibility for attracting new farmers to the network	
Evaluation stage	Evaluate success of public outcome initiatives Identify possible sustainable funding sources to expand these initiatives.	Evaluate key elements of plan: completion of traineeships re-employment of apprentices ongoing career path opportunities (including likely future opportunities) development of employers' skills capacity for expansion of scheme		
Responsible for Recommendations	2-7, 10	1, 8, 9, 11		

This approach to workforce development would deliver three distinct categories of outcomes. These would benefit the industry in general, the network of farmers, as well as the individual farmers engaged in the system.

Public outcomes are outcomes that benefit the entire dairy farming industry. They are mostly intangible, such as awareness among school students about careers in the dairy industry, the reputation of dairy farm work in general, and recognition of the economic impact of dairy farm activity.

There are also outcomes that are of benefits to all farms irrespective of size, workforce profile, or business strategy. The most prominent example of such outcomes are short courses in basic common processes such as farming management techniques and organisation.

On the basis of the public benefit, these should continue to be funded and organised through broad-based structures such as the levy-funded Gipps Dairy model.

Collective outcomes are outcomes that can only be achieved by a group of farmers working together, but where the benefit is largely retained by those farmers who contribute and little if any benefit is obtained by farmers who do not contribute.

Collective outcomes can be achieved where there is insufficient scale on the level of the individual farm and there are no major barriers to collaboration among farmers.

Activities associated with training and developing labour fall within this category, especially where individual farms have insufficient need for an additional full-time position and/or where any expanding the training site to multiple farms increases the scope of training that can be provided.

A network of best practice workforce development farms could also in the long run develop 'cooperative poaching arrangements', where skilled employees would have more regular access to an expanded range of career opportunities.

Formalising this process through a network of best practice farms would help to draw out willing farms as well as qualify the group for access to various government funding arrangements.

Formalising the process could also allow farms to pool administrative requirements and reduce compliance costs associated with managing employees and apprentices.

Individual outcomes are those that relate to each individual farm. These include succession planning and farmers' skills and capability needs, to the extent that these are not addressed by institutional activities such as NCDEA, Gipps Dairy or extension services.

Individual outcomes would also include workforce development activities, comprising recruitment, selection, training and all other activities, where farms prefer to retain all control and risk in relation to these activities.

Funding

Group Training Targeted Initiatives Programme

The Group Training Targeted Initiatives Programme provides funding for to Group Training Organisations, working in partnership with other groups, to undertake Projects to generate quality Australian Apprenticeships opportunities, and employ Australian Apprentices in priority areas that would not otherwise happen without intervention. The Programme encourages the development of transferable and sustainable models in new or under-serviced markets and seeks to strengthen the broader group training sector to have a National impact.

The project would be well suited to obtaining funding under this programme because its focus on providing training opportunities addresses multiple target areas:

- Client Groups – Indigenous Australians; adult workers (over 21 years of age); culturally and linguistically diverse individuals and/or individuals with disabilities.
- Regional Areas – non-metropolitan regional areas, particularly those with higher unemployment than the national average.
- Industry Areas and Qualifications – new markets outside of the GTO's current Australian Apprenticeships services and/or higher level technical qualifications including Diploma and Advanced Diploma which attract employer incentives.

Dairy farming is a market outside most GTO's current services. There is scope to provide the Diploma of Agriculture and the Advanced Diploma of Agriculture HR as part of an expanded program to build career pathways within the industry. The program would of course target non-metropolitan rural areas. The project could easily focus on adult workers, given some farmers' preferences for attracting more experienced workers. Farm workers are recognised by the federal government as being in short supply.

The project could use the labour supply and demand information gathered from Stage One to assist in the application process.

Funding is available under the programme for on-costs salaries and travel. Funding could be used to employ a coordinator to be the intermediary between apprentices, farmers, group training organisation and any other stakeholders. Mentoring is likely to be an important function of this position.

This option requires the involvement of a group training company or Group Training Victoria.

Employer brokers

Funding of \$6 million over three years will be allocated to allow employers, groups of employers, employer organisations, unions or other organisations to tender to become employer brokers. This initiative aims to build on some of the more successful employer demand projects of recent years where a broker with strong links to the employer community in a particular sector or region has helped co-ordinate and target the efforts of employment service providers in liaison with individual employers, training providers or other stakeholders to secure sustainable employment for disadvantaged job seekers.

The funding will allow brokers to be put in place in different locations and industries, particularly where skill or labour shortages are apparent and there are opportunities for job seekers to secure sustainable employment. Interested groups will have an opportunity to make submissions seeking the available funds. Clear employment targets will form part of the contractual arrangement that will be put in place between the broker and the Commonwealth.

The brokers will be required to identify what support and funding their organisation will provide to supplement Commonwealth funding.

These measures ensure the new system has a strong focus on matching the needs of **job seekers** with the labour requirements of employers.

Further details of the funding requirements of this program are yet to be announced.

However, it appears that funding from this programme could be used to provide time for a paid person to provide assistance to the project, including mentoring new employees, providing assistance and development to farmers in their roles as employers and supervisors, and providing intensive support to jobseekers, including assisting with potential obstacles to employment (such as assistance with transport and accommodation).

Other options

Other funding possibilities may be possible through the State Department of Planning and Community Development.

Conclusion

Taking these ideas forward will require an organisation prepared to devote resources to taking up these ideas and championing them in appropriate forums. While the details here have been developed for Baw Baw Shire and surrounding areas,, the framework and this proposal could be implemented in any local labour market. In thinking about options for the future, consideration should be given to

- a. drawing non-dairy farmers into any new network if there is sufficient community of interest
- b. drawing milk processors into any initiative, if they are interested in helping ? attractive career path.

The keys to success will be commitments and preparedness to devoting financial and organisational support for the more effective development of workers needed to help the dairy sector flourish.

Appendix 6. A methodology for data collection and analysis to support dairy workforce planning and action

Workforce Planning for the Dairy Industry
Methodology for local area workforce planning
DRAFT

Prepared for Dairy Australia
25 July 2008

Background and Purpose of this Document

In 2007, the Gardiner Foundation awarded funding to Dairy Australia to develop a workforce development process for the dairy industry. It was felt that previous workforce planning projects had not done enough to build capacity within the dairy industry to conduct and implement workforce planning on an ongoing basis. Therefore, a key requirement of the process was that dairy regions should be able to replicate the process without having access to expertise in labour market analysis workforce development.

The project team comprised representatives from Dairy Australia (the People in Dairy Project Team), Gipps Dairy, the Workplace Research Centre (WRC), the National Dairy Alliance, the Brotherhood of St Laurence and the National Centre for Dairy Education Australia. The WRC, based at the University of Sydney, contributed its expertise in labour market and skill systems analysis.

To develop the process, the WRC worked with Dairy Australia and Gipps Dairy to run a pilot in the Baw Baw region of West Gippsland. The results of the pilot were published as three related documents:

- Labour Supply
- Labour Demand
- Institutional Map

Appendix 1 details how the pilot project fitted within the 'Methodology' adopted for the project.

The purpose of this document is to outline the methodology that groups of dairy farmers can follow to reproduce the Workforce Planning and Action process for their own region.

"Methodology" is a broad term but in this document it refers to:

- What the appropriate level of analysis is— farm, locality, region, state or country.
- Which data and information is needed to answer particular workforce development questions.
- Where data relating to workforce development is available.
- How groups can collect their own data to answer their specific workforce development questions.
- How to assemble and present the data to determine workforce development needs and develop a strategy to meet those needs.
- What evidence and arguments to present to external groups to involve them in meeting workforce development strategy.

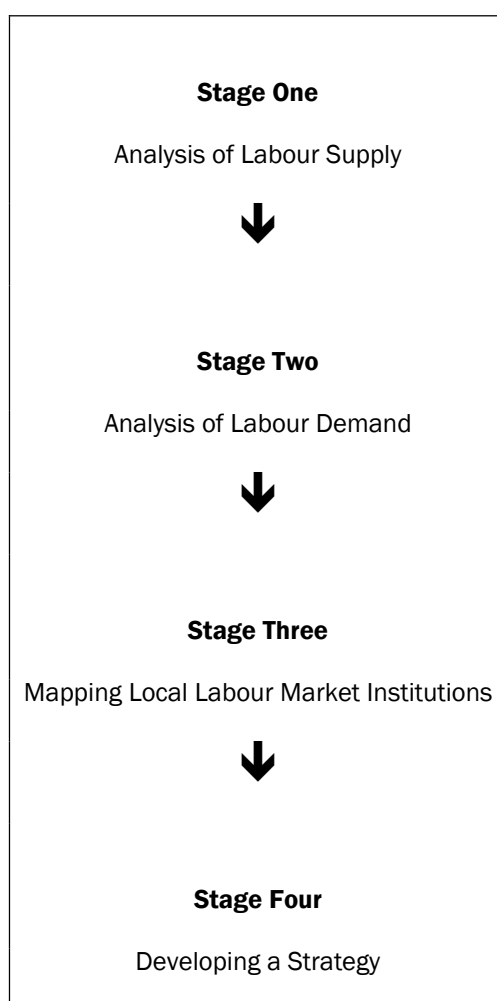
Unit of analysis

The first decision, before any data is collected, is to decide on a unit of analysis. It is essential to narrow the scope of a workforce development project by selecting an appropriate unit of analysis. The unit of analysis could be as narrow as a single farm, or as broad as all Australian dairy farms. For the Baw Baw pilot, we chose the Local Government Area as the unit of analysis. We would recommend that other analyses also use the Local Government Area as the basic unit of analysis.

The advantages of using this level of analysis is that it is widely used as a reference category by many government agencies at the federal, state, and local level as well as by other agencies and groups. In particular, the Australian Bureau of Statistics (ABS) structures its data collection around LGAs. The Local Government Area is also a unit for decision-making, with councils having important involvement in economic and social affairs, so it is useful to provide accurate and specific data for decision-makers. An added advantage is that local government areas are usually more stable than state and federal electorates, which are regularly the subject of redistributions (in the case of federal electorates, at least every seven years). Where local government areas are small, or where dairy farmers are widely dispersed, it may make more sense to group LGAs together as a single unit of analysis.

Outline of document

The remainder of this document follows the structure of the four reports, describing what data is needed and what steps are necessary.



Stage One: Analysis of Labour Supply

The purpose of the Analysis of Labour Supply is to answer critical questions about the labour market (and the community) from which the industry must source its labour. The characteristics of the local labour market will strongly influence what workforce development strategies are likely to be successful. In particular, key factors that should be addressed are:

- Level of employment and unemployment
- The participation in employment, by gender
- The average income levels of the community
- Where most people work, including the main industry of employment and the main occupation
- Level of connection of the region to dairying.

Source of Data

This analysis has mostly used census data, because it is possible to report on a large amount of data about specific populations in quite small areas.

Three different types of census data were used in this report.

The first is data drawn from the Community Profiles. This is a compilation of tables produced by the ABS for every geographic area in Australia, from Statistical Local Area to the whole nation. There are three community profiles used in this report: the Basic Community Profile (information about population, age, gender, qualifications, broad industry of employment, labour market status), the time series profile (like the BCP but comparing the 2006 census results to the 2001 and the 1996 census results); and the working population profile. Unlike the BCP and the TSP, the Working Population Profile is based on Place of Work, rather than Place of Usual Residence. Thus there may be slight differences between figures from the BCP and the WPP.

The second census data source are tables that can be created free-of-charge from the ABS website. This is slightly more complex or detailed data, such as a full classification of industry of employment.

The third type of census data used in this report are custom tables ordered from the ABS. These are not free-of-charge and are used to access data about specific populations (such as those working on dairy farms in Baw Baw Shire).

Census data does however have two principal disadvantages. Therefore, future analyses of Baw Baw and other areas might like to consider other sources.

The first disadvantage is timeliness. The census is only conducted every five years. The last census was conducted in 2006 and the next will not be conducted until 2011. Data from the 2006 census will be out of date in a few years.

The second disadvantage is reliability. Because the census is a self-report questionnaire, it is not possible for the ABS to clarify information. This means that data reporting on some more complex areas such as labour force activity and post-school qualifications can often be missing or illogical. Census data for these items is considered less reliable than ABS expert surveys in these areas, such as Labour Force Survey and Survey of Education and Training. However, it will not be possible for data from either of these surveys to report for specific industries like Dairy Farming, or even geographic areas down to the level of local government areas. Where ABS survey data is unavailable at that level of detail, the only options are to rely on census data or conduct a specific survey.

As part of the pilot project, the WRC developed a data warehouse, containing information on every local government area in Victoria with a sizeable dairy farming industry.

The LGAs for which custom data is available are:

Gippsland	North	Western Vic
Baw Baw	Greater Shepparton	Colac-Otway
South Gippsland	Campaspe	Glenelg
Wellington	Loddon	Corangamite
East Gippsland	Gannawarra	Moyne
Cardinia	Indigo	Warrnambool
Bass Coast	Swan Hill	
	Moir	

Using the Baw Baw Shire pilot as a guide, the following sections outline the topics to be covered, where the data can be found, and how to interpret the results. A summary of each of the tables in the template document, including the source of the data and how regularly it can be updated, can be found in Appendix 2.

Overview

This section provides a basic overview of the area that is the focus of the workforce planning.

Use data from the local shire's website and other sources to describe the area's location, main towns and natural features, key industries, proximity to transport links and any other relevant information.

This section will be especially important if you are applying for grants from organisations that are not based in the local areas.

Geographical Organisation

This section is important to establish the units of analysis that are being used. Provide a rationale as to why you have selected your unit of analysis, be it a local government area or a group of local government areas. Describe any sub-units of analysis you may use to report more detail, such as statistical local areas (SLAs). The SLAs for each local government area in Victoria with a sizeable industry are contained in Appendix 3.

A map (available from the ABS website or other sources) provides a clear graphic representation of the target area.

Demographic and Educational Characteristics

Population growth

Population growth is an important consideration because it will indicate whether the overall pool of labour is growing or contracting. Regional areas have been contracting in population for quite some time, forcing industries in times of high employment to compete for those people that remain in the area. Areas closer to metropolitan locations are more likely to be experiencing population growth, but much of this is suburban in character and not of itself an indication of a growing labour supply.

Table C.1 records the growth in population between 1996 and 2006 for the LGA of interest, the dairy region it belongs to, the state it belongs to, and Australia. The data is taken from the 2006 Census Time Series Profiles, available for free from the ABS website.

Population figures are updated by the ABS regularly between Censuses.

Age structure

Population size and growth of itself is an inadequate measure of the overall labour supply for a region. The age structure is also important, because the 'working age' population is generally defined as those aged between 15 and 65. The ageing Australian population has often been remarked upon and it is more pronounced in some local areas than others. Likewise, areas experiencing a 'baby boom' are likely to have lower levels of labour force participation by recent mothers.

Figure C1 shows the population by age for the LGA of interest, segmenting the population into the following categories: Under 15, 15-24, 25-64 and 65 and over. This information could also be presented as a table. The data is taken from the 2006 Census Time Series Profiles, available for free from the ABS website.

Between Censuses, the ABS releases estimates of the age structure for most units of analysis, including local government areas.

Educational attainment

Having established the size of the population of working age, the next step is to examine, broadly speaking, what jobs the working age population is qualified to perform. To do this, we look to levels of educational attainment.

The broad qualification categories used by the ABS are university qualified (comprising those with a bachelor degree, graduate certificate or diploma, masters degree or doctoral degree as their highest qualification), those with associate diploma or diploma qualifications (mainly technicians and senior tradespeople), those with Certificates at Level III or Level IV (which are trade level qualifications), those with other certificate qualifications, and those with no post-school qualifications.

Table C.2 records Highest Educational Attainment for people aged 15 and above, and for young people aged 15-24. The data is taken from the 2006 Census Basic Community Profiles, available for free from the ABS website. This data is also available for the selected Victorian LGAs in the data warehouse supplied to Dairy Australia.

Information on educational attainment is updated between censuses through the Labour Force Survey. However, data is not available at the LGA level.

Rising qualification levels over time will indicate upskilling of the local workforce. This is recorded in Table C.3, which showed change in the qualification level of the population between the 1996, 2001, and 2006 censuses. The data is taken from the 2006 Time Series Profiles, available for free from the ABS website.

Youth educational activity

The supply of young workers is further influenced by their participation in other activities, namely post-school education. Table C.4 shows attendance at educational institutions by youth (15-24 year olds) for the LGA in question, the region, the state and Australia overall. Participation in education is presented by institution type (TAFE, university, or other, including school) and attendance mode (full-time or part-time). Educational activity will also indicate the likely future skills profile of the area: students attending university are more likely to enter professional occupations when they finish their studies, whereas those studying at TAFE will be more likely to enter agricultural areas or other manual fields.

The data for Table C.4 is taken from the 2006 Basic Community Profiles, available for free from the ABS website.

Local Labour Market Indicators

The following local labour market indicators provide information on what types of people are participating in the local market, who is looking for work, and what type of work is being sought.

Unemployment

The unemployment rate is a blunt measure of the number of people who are not currently in employment and who are looking for work.

Figure D.1 shows the level of unemployment for the local area, the region, state and country, for the 1996, 2001, and 2006 census. These data are taken from the 2006 Time Series Profiles available from the ABS website. These data can also be presented in table format.

Unemployment figures are regularly revised by the ABS through their monthly Labour Force Survey. The Department of Education, Employment and Workplace Relations (DEEWR) publishes *Small Area Labour Markets* every quarter, providing up to date figures for the number of unemployed people in each Statistical Local Area in Australia.

Composition of unemployment

Further information about the make-up of the unemployed is presented in Table D.1, which shows the composition of the unemployed by sex and preferred mode of employment (part-time or full-time). With this information, local groups can develop strategies to create work that matches demand, for example, part-time employment among women. The data from Table D.1 is taken from the 2006 Census Basic Community Profile.

Youth unemployment

Historically, unemployment is higher among younger people. Figure D.1 shows Youth Unemployment by district, region, state and country for the Census years 1996, 2001 and 2006. These data are taken from the 2006 Time Series Profiles available from the ABS website. These data can also be presented in table format.

Participation rate

The participation rate shows the proportion of the working age population (aged 15-65) who are participating in the labour market (defined as either being in work – employed or looking for work - unemployed). Primarily because of child-rearing responsibilities, the female participation rate is usually considerably lower than the male participation rate. However, local factors, such as redundancies caused by a decline of certain industries, can cause noticeable decreases in the participation rate.

A low participation rate for a particular population segment may suggest that strategies can be developed to draw particular groups back into the labour market to meet labour supply needs.

Table D.2 shows the participation rate, broken down by sex, for the LGA, the statistical region, the state and Australia overall. These data are taken from the 2006 Census Basic Community Profile.

Among those workers who are employed, there is a major division between part-time and full-time employment. Generally, part-time employment is higher among populations where there is a higher proportion of women with dependent children. This information can be used to identify current working time arrangements as well as possible underemployment among certain labour market segments. Table D.3 shows the composition of employment by mode and gender for the LGA, the statistical region, the state, and Australia. These data are taken from the 2006 Basic Community Profile.

Composition of Employment

Occupation

The usual typology for occupation is the Australian and New Zealand Standard Classification of Occupations (ANZSCO), which breaks occupations into eight categories: managers, professionals, technicians and trades workers, community and personal service workers, clerical and administrative workers, sales workers, machinery operators and drivers, and labourers.

Table D.4 summarises the employment by occupation type for the LGA, the statistical region, the state and Australia. These data are taken from the 2006 Census Basic Community Profile. Table D.5 shows the change in occupational composition for the LGA between the 1996 Census and the 2006 Census. These data for Table D.5 are taken from the 2006 Census Time Series Profiles.

Industrial composition of employment

Likewise, the usual typology for industry is the Australia and New Zealand Standard Industrial Classification (ANZSIC) and this is based on 16 broad industry categories: Agriculture, forestry & fishing; Mining; Manufacturing; Electricity, gas, water & waste services; Construction; Wholesale trade; Retail trade; Accommodation & food services; Transport, postal & warehousing; Information media & telecommunications; Financial & insurance services; Rental, hiring & real estate services; Professional, scientific & technical services; Administrative & support services; Public administration & safety; Education & training; Health care & social assistance; Arts & recreation services; and Other services.

Table D.6 summarises the employment by industry for the LGA, the statistical region, the state and Australia. These data are taken from the 2006 Census Basic Community Profile.

With this information, it is possible to quickly identify which industries are the principal competitors for labour in the local area.

Agriculture as a share of all employment

Table D.7 shows the change in industry composition for the LGA between the 1996 Census and the 2006 Census. These data for Table D.7 are taken from the 2006 Census Time Series Profiles.

This important information indicates which industries are growing in size and importance and which are declining.

Industry of employment – youth labour market

Table D.8 focuses only the youth labour market (those aged 15-24). It summarises the employment of young people by industry for the LGA, the statistical region, the state and Australia, further segmented by gender. These data are also taken from the 2006 Census Basic Community Profile. Throughout Australia, young people are more likely to be working in retail trade and accommodation and food services than older workers. However, significant regional differences may also be apparent in the industry composition of employment and this will need to be taken into account to determine which industries are the principal competitors for young workers.

Dairy Farming and related industries

Dairy farming as a share of agricultural employment

Table E.1 shows the share of the agricultural workforce held by dairy farming and other farming activities, such as Sheep, Beef Cattle, and Grain Farming, Mushroom and Vegetable Farming, Fruit and Tree Nut growing, as well as Forestry and Fishing industries. (The groupings are based on the ABS classification at the Group level).

The data for this table are generated from an online request for an “Employment by Industry (full categorisation)” table made via the ABS Census website. For the listed LGAs, the information has already been included in the Data Warehouse.

Distribution of dairy farming employment within Baw Baw Shire.

Table E.2 shows where Dairy Farm Employment occurs within the Local Government Area. As described in Section B, Local Government Areas are divided into Statistical Local Areas (though very small local government areas may be equivalent to one statistical local area). If the unit of analysis is a group of LGAs, this table could be used to show the distribution of dairy farm employees by LGA.

The data for this table are generated from an online request for an “Employment by Industry (full categorisation)” table using 2006 Census data made via the ABS Census website. A separate request must be made for each Statistical Local Area.

Employment in other dairy industries

Table E.3 shows the number of people employed in the area in dairy farming and other dairy industries, such as dairy product manufacturing, milk and cream processing, ice cream manufacturing, cheese and other dairy product manufacturing, and dairy produce wholesaling. The number of workers is also expressed as a proportion of all workers in the LGA.

The data for this table are generated from an online request for an “Employment by Industry (full categorisation)” table made via the ABS Census website. For the listed LGAs, the information has already been included in the Data Warehouse.

The dairy farming workforce

The tables in this section are constructed from custom data from the 2006 Census ordered from the Australian Bureau of Statistics. For the listed LGAs, the tables can be generated using the Data Warehouse supplied to Dairy Australia.

Employment type

Table F.1 shows the number of dairy farm workers, broken down by whether they are self-employed, a paid employee, or a contributing family member. These data are shown for 2001 and 2006. Also shown are the proportions for Victoria as a whole. This table will indicate whether dairy farming in the LGA is more or less reliant on paid labour than dairy farms in other regions, and also whether it has become more or less reliant on paid labour in the five years between 2001 and 2006.

Gender

Table F.2 shows the gender composition of the local dairy farming workforce, by employment type, as well as comparing it to the state-wide proportions. These data can be used to estimate the reliance on partners in the area.

Age

Table F.3 shows the age composition of the local dairy farming workforce, by employment type, as well as comparing it to the state-wide proportions. These data can be used to project whether the local industry faces succession challenges in the future; ie if a larger than average proportion of manager-owners is aged 50 years and over.

Level of qualifications

Table F.4 shows the level of highest qualification, by occupation type (managers or labourers), and age band for the local area and Victoria. The table shows whether the local workforce has a higher or lower level of qualification than the state average. These data also shows the skill levels of managers and owners. The table also shows the proportion of younger workers who are entering the industry with higher levels of qualifications than the existing workforce.

Hours

Table F.5 shows the median weekly working hours for all dairy farm workers, owner managers and contributing family workers, and paid employees. The median is the middle ranking number and is less likely than a mean figure to be influenced by extreme values at other ends. As with the other tables, the Victorian averages are also provided as a benchmark. The table will indicate whether local farm workers (owner managers and/or employees) are working longer hours than dairy farm workers in other parts of the state.

Continuing the focus on working hours, Table F.6 shows the labour market status by sex, broken down by employment type. Generally, female paid employees are the most likely to be working part-time.

Income

Table F.7 shows the median individual weekly income, median household weekly income and median family household income for dairy farm workers in the local area, and compares that with the state-wide average for all dairy farmers and the average for all residents within the local area.

These data will indicate whether local dairy farmers and their households and families are earning more or less on average than other Victorian dairy farmers, and other individuals in their local area.

Stage Two: Analysis of Labour Demand

Background

Before presenting information on local demand for dairy farm labour, it is useful to provide some background to the current state of the dairy industry at the national and state level. This can be easily done with the figures on number of cows, volume of milk and other products produced, value of dairy exports, and milk prices. These figures are collected by the ABS, ABARE and the Australian Dairy Corporation, and are publicly available on the ABARE website (www.abare.gov.au). These data will indicate whether the prospects for the industry at the national and state levels are improving or declining, and the likely flow-on effects for labour demand.

Another useful source of background data is the Dairy Australia Situation and Outlook survey. This is an annual survey of around 1000 dairy farms nationwide. The survey includes a number of questions relating to dairy farm employment. For example, the survey results over successive years have shown that fewer farms saw labour as a challenge for the business during the drought, but the proportion has started to rise again in 2008, since the easing of the drought. This information is available in the Situation and Outlook report released by Dairy Australia and made publicly available on their website. In the Baw Baw pilot report, we used data from the survey to highlight the relative difficulty farmers had recruiting and retaining labour, and the effect these difficulties had on the performance of the farm business.

Local survey

To provide a more detailed picture of labour market demand in the Baw Baw area, a survey was conducted of local dairy farms. The survey was designed to provide information on current and projected labour demand as well as preferred recruitment methods and wages, hours, and conditions currently on offer in the local area. A copy of the questionnaire has been included in Appendix 4.

The survey design

The survey was designed to be one page long, to encourage participation. Within that space constraint, the questionnaire was intended to capture information on:

- how big each farm was (in terms of herd size)
- how many paid employees worked on each farm
- whether farms had job descriptions for paid employees
- whether farms were likely to recruit any paid labour during the next year
- what methods farms used to recruit labour
- what positions were likely to be available, using the career structure developed by Dairy Australia (Assistant Farm Hand, up to Business Manager)
- what pay and conditions were on offer, including number of hours in a week and number of days in a fortnight.

If your area has a particular need or circumstance, you can adapt the questionnaire to add or change questions.

Distributing the survey

The survey should be distributed to as many farmers as possible. Each survey should be individually addressed to encourage response. Include with the survey instructions on how to return the survey, such as by post or fax. If you ask farmers to post back the survey, your response rate will be higher if you include a stamped addressed (or reply paid) envelope.

Ideally, every farmer in the area should be included in the survey. It may be possible to access a database of local farmers from Dairy Australia.

You should give respondents at least a week, preferably two, to complete the survey.

The response rate will increase if you let people know in advance that a survey is coming, and if you send out a reminder letter after a week, with another copy of the survey.

Ideally, the response rate (which is the number of responses divided by the number of questionnaires sent out, less any questionnaires 'returned to sender') should be at least 20 per cent.

Instead of a mail survey, you may decide to do a phone survey. This will probably yield a higher response rate but will require a greater investment of time and resources.

Reporting the results

Herd size

The data on herd size will give you an indication of farm size more generally. The results should be summarised into the categories used by Dairy Australia, namely:

Small farm	Less than 150 cows
Medium farm	Between 150 and 300 cows
Large farm	Between 301 and 500 cows
Very large farm	More than 500 cows

The results from the survey can be compared with the national-, state- and region-level results from the Dairy Australia Situation and Outlook Survey. The information on herd size can also be used to benchmark the survey characteristics against the results from the most recent Agricultural census. This will indicate if the survey under-represents, for example, small farms. The Agricultural census can also be used to calculate statistical weights for the survey data.

Number of paid employees

The next section should report the number of paid employees. Again, the survey results on the number of paid employees per farm can be compared with the national-, state- and region-level results from the Dairy Australia Situation and Outlook Survey, indicating whether the area is more or less reliant on paid labour than other dairy farming areas.

The employee data can also be used to compare the survey characteristics to the known population. This time, the survey is benchmarked against the Census data to show the proportion of paid employees in the area who work in dairy.

After reporting the total number of paid employees, it is useful to cross-tabulate the number of paid employees by herd size. This will indicate whether paid employment is concentrated in a few very large farms, or distributed more evenly across the area. This has important implications for workforce

development strategies. Larger farms are likely to have more developed internal human resource strategies and are also more likely to require specialist roles. Smaller farms requiring labour are more likely to benefit from external assistance with the recruitment, selection, and development process. Smaller farms are also more likely to require generalist roles with broad skill sets.

Current and likely future recruitment

In this section, report the number of farms currently looking for labour and the number of farms expecting to recruit labour over the course of the season. This information can then be broken down by position and skill level. Demand will usually be strongest at the farm hand and assistant farm hand level. Using an estimation approach (see below), the industry can then estimate the likely total demand for dairy farm labour in the area over the coming season.

Also in this section, the preferred recruitment methods of farmers should be reported. Where recruitment is still treated informally, most farmers will probably rely on word of mouth. As well as indicating the degree of formality in the recruitment approach, the data can also indicate where stronger links need to be developed. For example, many farmers may use the dairy company supplier field officers, and so the industry might benefit from involving the suppliers in a more coordinated approach.

An additional piece of information from the survey worth reporting here is the number of farms that provide written job descriptions for each employee. Written job descriptions are a tool that can be used to develop skills on-farm as well as helping to avoid disputes between employer and employee. The People in Dairy website has developed a number of tools to develop written job descriptions. If the results show that a very low proportion of farms with paid employees have written job descriptions, the industry may decide to sponsor local workshops to assist farmers to prepare them.

Working hours

The local survey includes two questions relating to working hours. The first question asks the number of hours worked per week for each position currently worked or being offered on the farm. The second question asks the number of days worked in a fortnight for each position. Together, the responses to these questions will indicate whether the hours farmers are asking their employees to work are reasonable as well as the availability and extent of part-time work on offer in the industry.

Turnover and job growth

After the initial pilot, an additional question was added to the survey, dealing with turnover. Turnover rates in the industry are known to be quite high, especially for farm hands. Using the results of the turnover question, calculate a turnover rate. Assuming no change in the turnover rate from the previous season, subtract the number of positions turned over in the previous season from the total number of vacancies expected over the course of the season to calculate the number of vacancies that represent new jobs in the industry.

$$\text{Turnover rate} = \frac{\text{Sum of total replacement workers in last 12 months}}{\text{Sum of number of paid employees}}$$

Pay rates

The final question in the local survey asks about rates of pay. Report the minimum, maximum and average pay rates for each position. However, you should not report the results if there are only one or two responses for a particular position, as this may compromise confidentiality.

The responses to these questions provide two important sources of data.

First, the information can be used as a guide to the relativities within the industry. In other words, what is the difference in pay rate between a farm supervisor and an assistant farm hand?

Then, this information can then be compared to the current minimum rates in the dairy industry as well as the main competitor industries identified Part A (Analysis of Labour Supply).

First, the average rates should be compared with minimum legal rates set out in the relevant award. As of June 2008, that is the federal *Pastoral Industry Award*, which is publicly available from the Workplace Authority website. However, the federal government is currently conducting a process of award modernisation, which is due to be completed by the end of 2009 and this may change the award substantially. You can download a copy of the award from the workplace authority website, but you should check *The People in Dairy* website for current information first.

Lower rates of pay are applicable to trainees and school-based apprentices, whose pay and conditions are set by the *National Training Wage Award*. Rural trainees are currently classified as “Skill Level C” trainees.

The information can also be used to compare wages on offer in the dairy industry with those offered in competitor industries. You can search for the main awards covering the competitor industries on the Workplace Authority website. Common awards are

- *The National Building and Construction Industry Award*
- *The Metal, Engineering and Associated Industries Award*

It may also be appropriate, if the area is dominated by a particular employer, to compare the rates on offer on dairy farms to the rates paid by that competitor. This can be done if the organisation has a workplace agreement that sets the wages for all (or some group of) its employees.

For example, in the Baw Baw pilot, the main industry employing young workers was Retail. The rates used for comparison were taken from the *Safeway Workplace Agreement 2006*, which was publicly available from the Workplace Authority’s website (www.workplace.gov.au).

How to estimate total employment demand for the area

Unless all farms in the area take part in the survey, you will need to extrapolate your results to calculate the total demand for labour in the region. The simplest way to do this is to use the response rate. If only a quarter of farms took part in the survey, then you would multiply the result to work out total demand.

However, in previous surveys, farms without any paid labour are less likely than other farms to participate in the survey. If the response rate was used, it would overstate demand, because it would not take into account the farms that do not have any paid workers and which are unlikely to in the future. Therefore, it is worthwhile to weight the data by the number of employees.

The census provides a count of every paid employee working on a dairy farm in every region (See Section F.1). Using the responses to the question about the number of paid employees, calculate the total number of employees included in the survey. Divide the number of paid employees in the census by the number of paid employees covered by your survey to estimate the factor you should multiply the survey demand by to calculate the total demand for your region.

For example, in the Baw Baw Shire pilot, Census records shows 175 dairy farm employees.

In the survey, there were 53 paid employees working on the farms that took part.

Total number of paid employees (Census) 175	÷	Total number of paid employees (survey) 53	=	Survey weighting 3.3
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This gave a factor of 3.3.

So, the survey results showed nine likely vacancies for farm hands. Multiplying nine by the factor of 3.3 gave 30 farm hands likely to be needed across all farms in Baw Baw.

These estimates can then be used to inform farmers, training organisations, schools, local councils and other interested organisations of the likely demand for dairy farm labour. This is addressed in the next section.

Stage Three: Mapping of Labour Market Institutions

Once the labour demands are clear, it is possible to proceed with a strategy to involve relevant labour market institutions. In this section, relevant labour market institutions and their possible contribution to a local workforce development strategy are outlined.

The following table lists the labour market institutions, and whether their contribution is related to meeting demand for labour at skill level 1, skill level 2, and/or skill level 3. (Skill level 1 encompasses entry-level positions such as assistant farm hands, skill level 2 advanced farm hand or trade positions, and skill level 3 manager positions).

The government agencies listed are the main possible sources of funding for a pilot workforce development program. Other organisations are primarily potential partners in achieving identified workforce development needs.

Institution	Skill level 1	Skill level 2	Skill level 3	Funding	Expertise
Federal Government Departments					
DEEWR	✓	✓	✓	✓	
DAFF	✓	✓	✓	✓	
AusIndustry				✓	
State Government Departments & local Government					
Local Government	✓	✓	✓	✓	✓
Regional Development Vic	✓	✓	✓	✓	
Skills Victoria		✓		✓	
DPI (Vic)	✓	✓	✓	✓	
Education & Training Orgs					
Local Training Providers		✓	✓		✓
Group Training Organisations		✓			✓
Australian Apprenticeships Centres		✓			✓
LLEN		✓		✓	✓
Industry Skills Councils	✓	✓	✓	✓	✓
Employment Orgs					
Centrelink	✓	✓	✓		✓
Job Network Agencies	✓	✓	✓		✓
Labour Hire Firms	✓	✓			✓
Community Work Coordinators	✓			✓	✓
Other					
Employer associations	✓	✓	✓		✓

Federal Government Agencies

Department of Education, Employment and Workplace Relations

Overview

The Department of Education, Employment and Workplace Relations (DEEWR) was formed after the 2007 election, drawing together the former Department of Employment and Workplace Relations with the Education and Training portfolios. The intention was to create a more coordinated policy response to Australia's skills shortages. The Department administers all federal government funding for vocational education and training and for labour market programs.

Specific DEEWR initiatives – Apprenticeships & Traineeships

The government offers a set of standard incentives to employers who engage apprentices and trainees. These are a commencement incentive for Certificate II of \$1,250, a commencement incentive for Certificate III and IV of \$1,500, a recommencement incentive for employers re-enrolling in an out-of-trade Certificate III/IV Australian Apprenticeship of \$750, and completion incentives for Certificate III and IV.

The following special incentives may be available to dairy farmers:

Additional commencement incentive of \$750 (GST exclusive) for an employer who employs an Australian Apprentice in an endorsed Australian School-based Apprenticeship at Certificate II, III and IV.

Rural and Regional Skill Shortage special commencement incentive of \$1000 (GST exclusive) for Certificate III and IV training in an occupation identified as a skills shortage in a non-metropolitan area.

Additional completion incentive of \$750 (GST exclusive) each for employers who employ an eligible Australian Apprentice who is a Mature Aged Worker.

Additional commencement incentive for employers of \$1000 (GST exclusive) who commence Women in Non-traditional Australian Apprenticeships.

Additional commencement incentive of \$1500 (GST exclusive) each for employers of eligible rural Certificate II Australian Apprentices who have a current "Exceptional Circumstances Drought Declared Area" certificate.

In addition, the federal government has announced that it is continuing a program begun by the previous government to encourage apprentices and trainees in agriculture. The scheme involves providing apprentices with an \$800 toolkit and a \$1000 voucher to purchase course training. The benefit is available upon application to all agricultural and horticultural apprenticeships at the Certificate levels II, III and IV.

Specific DEEWR initiatives - VET

The federal government committed to delivering an extra 450,000 new training places to address skills shortages over the next four years. These may be delivered as part of an apprenticeship or traineeship or on a stand-alone basis. As part of the Productivity Places Program, the federal government identified the following relevant priority qualifications and occupations:

- Farm Hand: Cert II in Agriculture, Cert III in Agriculture.

RTOs wishing to supply these training places are invited to apply to DEEWR. According to the DEEWR website:

Organisations wishing to offer approved qualifications under the Productivity Places Program must be able to meet the requirements of the program and submit a Request to Participate. Submissions to offer qualifications to job seekers at Certificate II and Certificate III can be made through the online system any time from 7 March 2008. (<http://www.productivityplaces.deewr.gov.au>)

DEEWR in the local area

DEEWR maintains regional offices throughout Australia. Your local regional office can be located on the webpage:

http://www.dest.gov.au/portfolio_department/dest_information/dest_contact_directory/regions/contacts

Local DEEWR Office

Contact:	
Phone:	
Address:	
Postal Address:	
Website:	

Department of Agriculture, Forestry and Fisheries

Overview

The Department of Agriculture, Forestry and Fisheries is the Commonwealth department with direct responsibility for the dairy farming industry. In its Canberra office, DAFF has a meat, wool and dairy branch. The branch develops and delivers advice to the Minister and the Australian Government on issues related to meat, wool, dairy and intensive livestock. The branch liaises with industry, particularly through representative organisations, on matters including international market access and export opportunities, as well as specific impediments to industry development. The branch also delivers administered funding, facilitates statutory funding and industry-related structural adjustment and administers industry-related legislation.

Meat, Wool and Dairy Branch

Contact:	General Manager, Simon Murnane
Ph:	+61 2 6272 5413
Website:	http://www.daff.gov.au/agriculture-food/meat-wool-dairy

The DAFF website also has a page summarising available grants:

http://www.daff.gov.au/about/grants_and_assistance#ag

DAFF in the local area

DAFF does not have a local presence.

AusIndustry

Overview

AusIndustry is the Australian Government's business program delivery division. It delivers a range of products designed to improve business access to government programs that aim to improve business investment and international competitiveness.

The programs delivered by AusIndustry are a mixture of entitlement and competitive-based products.

AusIndustry also delivers some service products specifically for the small business market. These products provide grants to a range of private sector and community organisations to deliver services, such as skills and business development, mentoring services and business advice.

AusIndustry in the local area

AusIndustry has three regional offices in Victoria as well as mobile field officers. Details are available from their website: <http://www.ausindustry.gov.au/>.

State and Local Government Agencies

Local Government

Overview

Local government bodies have an interest in promoting economic development and employment within their boundaries. To that end, most local government councils will have some sort of office for economic development. Although their powers in relation to business and employment regulation are not extensive, they are able to provide resources to coordinate businesses at a local level as well as assist businesses with specific areas of local government responsibility, such as planning.

Local councils may also initiate community development projects, which may have an employment focus. Such projects may be designed to assist a particular group of residents, such as recently arrived migrants, young people, Indigenous people, or the long-term unemployed, or they may have a more general focus.

Local governments also often receive grants from state and federal governments for various projects and require local community partners to assist their implementation.

Locating Local Council

If you do not already have contact details for your local council(s), they are available from the Department of Local Government and Communities website: www.localgovernment.vic.gov.au

Council contact:	
Address:	
Tel:	
Email:	

Regional Development Victoria (RDV)

Regional Development Victoria (RDV) is an agency within the Victorian Department of Industry, Innovation and Regional Development (DIIRD).

The Business Victoria website summarises a range of funding programs and initiatives designed to support businesses, including specifically –

Employer Services

(http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_50730.html)

Regional Programs and Assistance

(http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_50736.html)

Specific Regional Development Victoria initiatives

RDV sponsors the *Community Regional Industry Skills Program*, which aims to generate new jobs, increase skills, and improve services for regional and rural communities. In particular, one of the objectives of the program is to:

- provide funds where an organisation has articulated a targeted strategy for dealing with an identified skills-related impediment to jobs growth and/or new or increased investment.

Program funds may be used to invest in training for existing employees or to attract workers to meet specific skills shortages. Increasing the participation of mature-aged Victorians is a further objective of the program. However, this program appears to be targeted at secondary industries.

How to find local RDV contacts

Regional Development Victoria maintains a number of regional offices, as well as regional community development officers in smaller centres. The contact details for regional offices and contact officers can be found on the RDV website:

http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_51154.html

http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_51152.html

Local RDV Contact

Contact:	
Address:	
Tel:	
Fax:	
Email:	

Skills Victoria

Overview

Skills Victoria is an agency within the Department of Industry, Innovation and Regional Development (DIIRD) that provides strategic advice and analysis of Victoria's skills needs. The government is currently consulting on the next stage of its skills policy. The discussion paper *Securing our future economic prosperity* is out for review until 10 June 2008. In 2006, the government released its earlier skills policy, *Maintaining the advantage: Skilled Victorians*. The policy articulates the government's key vocational education and training priorities to increase the skills of existing workers and adult learners, as well as apprentices and trainees.

Much of the spending in the policy is directed at building VET initiatives into secondary schools. *Maintaining the advantage: Skilled Victorians* encompasses four key actions:

- *Starting earlier – providing greater opportunities for students to participate in vocational education and training while at school*
- *Learning longer – encouraging people to aim higher and extend their skills throughout their working lives*
- *Getting smarter – opening up employment opportunities that demand higher-level skills*
- *Making it easier - providing better information about career pathways and training opportunities and making the training system more responsive.*

<http://www.education.vic.gov.au/about/publications/policy/skilledvic.htm>

Specific Skills Victoria programs

The state government pays a completion bonus to employers (\$1750 for each eligible apprentice, \$1300 for each eligible trainee), provided they employ at least three apprentices/trainees.

http://www.otte.vic.gov.au/library/public/postcomp/Allowances_for_apprentices_and_trainees.pdf

Funding for this program was extended in the 2008-2009 budget.

The 2008-2009 state budget also announced \$5 million for one year for *New Workforce Partnerships*, a program designed to match jobseekers with employers who have difficulty recruiting. The program provides skills and monitors work experience for more than 400 of the most disadvantaged jobseekers.

As part of the *Maintaining the Advantage* program announced in March 2006, \$241 million in new funding was announced, including:

- \$28 million to guarantee funding so all Victorians up to the age of 20 could complete Year 12 or an equivalent qualification
- \$33 million encouraging pre-apprenticeships in areas of skill shortage
- \$11 million for older existing workers who did not complete Year 12 to go back to study and gain a qualification
- \$2 million to employ skills advisors for business
- \$42 million to help existing workers to upgrade their skills to keep pace with technology
- \$3 million for information campaigns to encourage take up of careers in trades and manufacturing
- \$11 million to help businesses plan for workforce and industry skills needs
- \$4 million to employ more field officers to help apprentices, trainees and employers.

Some money may still be available from these programs.

Department of Primary Industries (Victoria)

The Department of Primary Industries (DPI)

designs and delivers government policies and programs that enable Victoria's primary and energy industries to sustainably maximise the wealth and wellbeing they generate. (www.dpi.vic.gov.au)

Specific DPI programs

The Victorian Government recently launched the *Future Farming* strategy, to improve the productivity, competitiveness and sustainability of farm businesses. Action 2 of the strategy is to 'build skills and attract young people to farming'. Action 5 is to 'help farming families secure new markets'. However, the initial investment under Action 2 is \$308,000 over four years to develop a Primary Industries Workforce Development Plan to identify specific medium- to long-term skill and training needs in agriculture and associated industries; funding for additional training places may then be allocated to priority training needs identified in the Plan.

Locating DPI in your local area

DPI are established in regional locations, listed on the DPI website. Go to www.dpi.voc.gov.au and follow the links for "Contact Us".

Local DPI

Centre:	
Contact:	
Address:	
Postal Address:	
Phone:	
Fax:	

Education and Training Institutions

Local training providers

Overview

Under the current framework, vocational education and training is provided by Registered Training Organisations (RTOs). RTOs deliver training packages that have been developed and accredited by Industry Skills Council (discussed below) in accordance with the Australian Qualifications Framework. Although TAFE (Technical and Further Education) institutes are still the main provider of nationally recognised training, the for-profit training sector has expanded rapidly over the last 15 years. Some government agencies, group training organisations, employer and professional associations, and even larger employers have become RTOs in their own right.

Locating local Registered Training Organisations

The federal government, through the website www.training.com.au, maintains a website of Registered Training Organisations which allows you to search by postcode and the courses offered.

Local training providers

Name:	
Contact:	
Address:	
Postal Address:	
Phone:	
Fax:	

Group Training providers

Overview

Group training involves situations

In which apprentices or trainees are employed by one company (termed a “Group Training [organisation]”) but continuously placed with other enterprises (termed ‘host employers’) for the purpose of their on the job training. (ANTA, 1997: 2)

The genesis of group training in Australia came from efforts in the 1980s to maintain blue collar trades at a time when manufacturing businesses were responding to competitive pressures by reducing employment levels and spending on training. Also at the same time, “increasing specialisation in some trades was making difficult for employers to provide quality training over the life of a full four year apprenticeship’ (Buchanan and Evesson, 2004: 16). Usually, these organisations were brokered at the local level by groups of employers or local councils to maintain skills development opportunities in their area (Buchanan and Evesson, 2004).

Group training extends to smaller employers the possibility of using apprentices and trainees when they would otherwise have to deal with significant barriers to taking on an apprentice:

- they lack the financial security to guarantee employment for the duration of the apprenticeship
- they do not have the variety of tasks needed to complete the apprenticeship
- they do not have the time to provide guidance to apprentices

Group training is one effective way of overcoming the risks to smaller employers of taking on apprentices or trainees.

Most group training organisations combine their core function of providing apprentices with other functions, such as being a registered training organisation (RTO), operating a labour hire service, other activities such as operating a recruitment agency or conducting research (Croce, Toner, and MacDonald, 2002).

Buchanan and Evesson (2004: 18) summarised the following three characteristics of group training arrangements. First, they are primarily community-based, not-for-profit operations. Secondly, they are regularly in contact with employers, especially small and medium sized employers. Third, they provide a higher level of advice and support to apprentices and trainees.

Group training provides the means for small to medium employers to develop and share a skilled workforce. In order to benefit from the advantages of group training, the industry would need the involvement of a group of willing employers who share similar skills needs and who are willing to commit to providing training places and support for trainees and apprentices.

This would require a careful analysis of skills needs as well as ideas to overcoming other barriers, such as geographical disparity, seasonal variations in labour demand, and climate interventions such as drought.

Group training has a long history in providing apprentices for the engineering and construction industries and has had much less involvement with agriculture. A current Federal Government programme, the *Targeted Initiatives Programme*, provides funding to group training organisations to generate quality apprenticeship opportunities in priority areas that would not otherwise happen without intervention. Priority areas include regional areas and industry areas which are new industry markets for group training (such as Agriculture). Up to \$150,000 is available in funding to support the project and funding agreements last for two years. Further information is available at www.grouptraining.deewr.gov.au.

How to find local group training organisations

The peak body for group training organisations, Group Training Australia, maintains a directory of group training organisations. This directory can be used to find local group training organisations that are prepared to take on apprentices and trainees in agriculture. (Many GTOs choose to specialise in a particular area, such as construction or engineering). The directory is available online at:

http://www.gtaltld.com.au/about_gtanational/national_directory/national_directory.html

Local Group Training Organisation

Name:	
Contact:	
Address:	
Phone	
Fax	
Email	

Australian Apprenticeships Centres

Overview

Australian Apprenticeships Centres are organisations that have been contracted by the Commonwealth Government to provide assistance to employers, apprentices and trainees about the apprenticeship and traineeship system. In practice, their main function is to assist employers to access Commonwealth incentives. They are also expected to monitor the progress of trainees and apprentices and may help to resolve any difficulties that arise between apprentices and trainees, their employers, and their training providers.

Developing a relationship with a local AAC can help to identify possible sources of apprentices or trainees as well as keeping abreast of developments in skills policy and funding.

Finding local AACs

The Federal Government's Australian Apprenticeships website has a search function for AACs. You can locate local centres by entering postcodes. Go to:

<http://www.australianapprenticeships.gov.au/search/aacsearch.asp>

Local AACs

Name:	
Contact:	
Address:	
Phone	
Fax	
Email	

Local Learning and Employment Networks

Overview

Local Learning and Employment Networks were established in Victoria following a review into the state's skills capacities. They bring together education providers, industry, community organisations, individual and government organisations to improve education, training and employment outcomes for young people in communities across Victoria. More information is available from the website: <http://www.llen.vic.gov.au/>

Locating the local LLEN

The Victorian skills council website lists the local LLEN's by local government area (www.llen.vic.gov.au)

Local LLEN

Name:	
Contact:	
Address:	
Phone	
Fax	
Email	

Industry skills councils

Industry Skills Councils are organisations that bring together representatives of employers, employees, government, peak bodies and training organisations to cover the skills needs of industries. The principal functions of industry skills councils are –

- to advise federal government on industry skills needs
- to develop, implement, review and improve training packages
- to advise government on the allocation of government-funded training places.

The federal Government is relying on the Industry skills Councils to advise it on how to implement its ambitious training reform agenda, which includes allocating an additional 450,00 new training places, including 20,000 fast-tracked places announced in January.

The industry skills council covering the dairy industry is the Agri-Food Industry Skills Council.

The Agri-Food ISC covers a broad range of industries, including rural production, amenity horticulture; conservation and land management; animal care and management, food processing (including wine and pharmaceuticals), the meat industry, the seafood industry, and racing. This range of industries means that dairy production must compete with other areas for the attention of the ISC.

Its list of training packages includes the Rural Production package, which has currently been reviewed, and of which the courses offered by NCDEA form a part.

As part of the current government's skill reforms, each ISC was required to submit an environmental scan. In its scan, the Agric-Food ISC identified higher-level business skills and higher level technical skills (to implement new technology) as the skills priorities for rural production. A greater challenge for the industry, according to the ISC, is finding the 50,000 extra workers needed by the industry, including 15,000 to replace those workers who left the industry during the last 5 years.

Agri-Food ISC

Street address:	Level 1, John McEwen House, 7 National Circuit, Barton ACT 2600
Postal address:	PO Box 5450, Kingston ACT 2604
Telephone:	02 6163 7200
Facsimile:	02 6163 7299
Email:	reception@agrifoodskills.net.au
Website:	www.agrifoodskills.net.au

VET in Schools and School-based Apprenticeships

Overview

Students in Victorian secondary schools can also participate in training through VET in schools and school-based apprenticeships. VET in schools allows students to complete units of nationally recognised training as part of their Victorian Certificate of Education (VCE) or Victorian Certificate of Applied Learning (VCAL).

Students may be able to combine their VET studies with a school-based apprenticeship. School-based apprenticeships in agriculture have been approved by the Victorian Curriculum and Assessment Authority (VCAA).

<http://www.vcaa.vic.edu.au/vet/programs/newapprent.html>. Under a school-based apprenticeship, the student is employed part-time by an employer while undertaking their schooling and training.

The previous government established Australian Technical Colleges, which provide students in Year 11 and Year 12 with a school-based apprenticeship.

However, the five priority industries targeted by the Colleges are:

- metal and engineering;
- automotive ;
- building and construction ;
- electrotechnology; and
- commercial cookery.

In the long-term, it may be possible for agriculture to be incorporated into the Australian Technical College's programme.

How to contact schools

The Victorian Government website maintains a directory of all government and non-government schools.
<http://www.eduweb.vic.gov.au/SchoolsOnline/>

The key person to identify in each school will be the VET coordinator. It will be this person's responsibility to coordinate the school's VET activities with training providers and employers.

The directory of Australian Technical Colleges can be found at:

<http://www.australiantechnicalcolleges.gov.au/>

Local Schools

Name:	
Contact:	
Address:	
Phone	
Fax	
Email	

Employment Services Institutions

Centrelink

Overview

During the course of the drought, the federal government developed a number of assistance programs that were delivered through Centrelink:

- Interim Income Support
- Financial Information Service
- Farm Help
- Exceptional Circumstances Payments and Exit Package

However, one of Centrelink's main responsibilities is registering job seekers and referring them to a job network agency. As such, local Centrelink officers should be familiar with local job network operators and may be able to broker partnerships.

Finding local Centrelink

The Centrelink website (www.centrelink.gov.au) includes a search function for local Centrelink offices. However, this only provides an address for the office. It may be more efficient to use informal networks to identify local managers or decision-makers.

Local Centrelink Offices

Contact:	
Phone:	
Address:	
Postal Address:	
Website:	

Job Network Agencies

Overview

The Job Network was established by the federal government in 1998 to take over the job placement functions that were previously conducted by the Commonwealth Employment Service (CES) (Underhill, 2006: 295). The aim was to create a modified 'market' for job placement services in the belief that this would be more efficient and effective than the government-run CES (Productivity Commission, 2002). The Job Network has succeeded in being more cost-effective for the government than the programs it replaced (Thomas, 2007: 15). Organisations interested in becoming job network members must submit tenders to the Department of Employment, Education and Workplace Relations (DEEWR). Initially, the agencies were mostly from the community and church sectors; more recently, for-profit providers have also joined the network and now make up about half of all providers. Under the most recent agreement with providers, contracts were awarded on the basis of quality alone (Thomas, 2007: 2).

Today, in addition to job placement functions, the network also provides job seekers with training and support in how to find work as well as customised assistance for the long-term unemployed. This last function has become a particular focus since the unemployment rate reached its lowest level since 1976 (Thomas, 2007).

Job seekers are referred to a job network provider of their choice after registering for unemployment benefits with Centrelink. Centrelink assesses the job seeker to determine the amount of support they are eligible for.

Agencies receive a placement fee when a job seeker receives 15 hours paid employment within 5 consecutive days. Fewer hours are required for registered job seekers with a disability or who are receiving a parenting allowance.

Developing contacts with local job network providers can be beneficial. Job network providers regard contacts with employers as essential to their work but lack the time to initiate relationships themselves.

Finding local Job Network agencies

The Federal Government website Job Search has a search function for local job network providers: <http://jobsearch.gov.au>.

Local Job Network agencies

Contact	
Address	
Phone	
Fax	
Email	
Website	

Labour Hire Firms

Overview

For much of the twentieth century, employment in Australia was regulated according to an historic settlement between labour and capital. The dominant mode of employment was permanent full-time employment. Following the opening up of the Australian economy in the 1980s, greater exposure to international competition increased the business need for organisations to engage and deploy their labour more flexibly. While one response was to increase the level of casual and short-term employment, a new role also emerged for labour market intermediaries such as labour hire firms that could better manage the flow of labour between organisations (ACIRRT, 1999).

Labour hire arrangements work by engaging employees directly and then supplying that labour to firms on a contingent basis. Firms are able to meet their specialised labour needs without having to assume the risk of offering continuing employment and without having to take on the burden of sourcing appropriate labour.

Labour hire arrangements have the potential to share risk more equitably among employers and between employers and employees. The more employers contribute to the arrangement, the more the risk is shared.

One particular concern long noted in the research was how the growth of labour hire firms undermined employer investment in training (ANTA, 1998). However, certain conditions can promote the use of labour hire and quality training arrangements, namely through group training organisations, discussed next.

The institutional arrangements of labour hire firms vary. They may be run on a not-for-profit, cooperative basis by a group of employers in a particular region or industry. They may be run as private businesses for-profit.

An industry with specialised labour needs may benefit from having direct input into the operations of a labour hire organisation, or at least developing relationships with labour hire firms willing to invest in specialised labour.

Locating local labour hire organisations

Finding local labour hire organisations is not as straightforward as locating other types of organisations listed here. Many are listed in the Yellow Pages. However, it may be more fruitful to find labour hire organisations through informal means, such as approaching other employers or group training organisations

Local labour hire organisations

Name	
Contact	
Address	
Phone	
Fax	
Email	
Website	

Employer associations

Overview

Employer associations are able to provide advice to members about their various obligations as employers, including wage rates, leave, overtime, penalty payments, and other conditions of employment; dismissal rights, and occupational health and safety obligations.

In other industries, employer associations have established labour brokerage organisations, and promoted training through sponsoring group training arrangements.

National Farmers Federation (NFF)/Victorian Farmers Federation (VFF)

The employer association for dairy farmers in Victoria is the United Dairyfarmers of Victoria (UDV). UDV is affiliated with the Victorian Farmers Federation (VFF), which provides advice about employment to its members and also represents them in forums like the Australian Industrial Relations Commission (soon to become Fair Work Australia). Australian Dairy Farmers (ADF) is a national body, comprising UDV and the other state-based dairy farming organisations. It has less of a direct role in providing advice to members about employment matters.

Victorian Farmers Federation

Contact:	
Address:	Farrer House, Level 5, 24 Collins St, Melbourne, Victoria, Australia, 3000
E-mail:	vff@vff.org.au
Telephone:	1300 882 833
Fax:	03 9207 5500

Dairy Farmers Australia

Contact:	
Address:	Level 2, Swann House, 22 William Street, Melbourne VIC 3000
E-mail:	
Telephone:	(03) 8621 4200
Fax:	(03) 8621 4280

Stage Four: Developing a strategy

Confirm employer commitment

Although the labour demand survey is very useful in estimating the likely demand for labour, a survey will not tell you much about how farmers expect their demand to be met. It is necessary to talk to farmers with emerging labour needs to gain a clearer sense of what they already know about the possibilities for meeting labour demand, and what further information they require.

Conduct small focus group sessions with farmers interested in developing their labour needs. Participants in the survey are a good place to start. Other farmers could be recruited if necessary through notices in local press and through informal networks.

Start with what they perceive their labour needs to be at the moment and in the future and use the session to narrow down the list of possible external organisations to involve. Find out more about the number of hours farmers are expecting their employees to work, and also the spread of hours (ie how long are the shifts, how many days per fortnight are employees expected to work). This might preclude the involvement of some available labour market segments, such as women with caring responsibilities or school students. If farmers are unwilling to consider working with at-risk or unemployed groups, then there will be little benefit in approaching Centrelink or Job Network organisations working with these groups. Farmers may not feel equipped or financially secure enough to take on the commitment of a two-year or three-year apprentice, but feel more confident about taking on a one-year traineeship. Farmers might resist group training arrangements because they are uncomfortable about sharing their apprentices with other employers. However, these feelings may be based on preconceptions and it may be possible to change people's minds once they learn more about the different possibilities for meeting labour needs.

The focus groups are also an opportunity to raise other workforce development initiatives with farmers, such as developing job descriptions and other materials available through *the People in Dairy* website, or succession planning.

The outcome of the sessions should be a clearer picture of labour demand and what farmers in the area are willing to contribute to the process of meeting that demand.

Establishing Contact

The working group is now equipped to meet with external organisations and to invite them to work with the local dairy industry to meet emerging labour demand.

Use the Institutional Map developed in Stage Three to start contacting organisations. Priority should be given to those organisations that:

- work with groups or labour market segments identified in Stage One as being the main available sources of labour supply
- work with people with qualification and skill levels appropriate to the occupations identified in Stage Two as being in demand
- are compatible with the commitments that farmers are willing to make, as identified in the focus group(s)

It is in the interests of developing a long-term, sustainable and mutually beneficial relationship to be upfront about any negative previous experiences with the industry. A suggested interview schedule is attached at Appendix 5.

Also during the meetings, provide as much information as is available from the Stages One and Two to justify what you think are the benefits of collaboration.

On the basis of these meetings, the working group is then in a position to develop formal proposals to organisations and to funding bodies.

Engaging Farmers

At this point, it is necessary to engage with willing farmers to discover their preferences for working with stakeholders and developing a strategy. In the Baw Baw pilot, we conducted a focus group with farmers drawn from respondents to the labour demand survey.

In the focus groups, we worked through with farmers what they thought were their emerging workforce needs and the obstacles that might exist to achieving them. This was facilitated by a worksheet included in Appendix 6. The meeting with farmers is also an opportunity to discuss stakeholders, including what farmers know about the role of stakeholders and what concerns farmers might have in working with them to meet workforce needs. A sample guide to covering these issues is included in Appendix 7.

Following the meeting with farmers, the working group can then confidently return to stakeholders and prepare plans for working together, as well as develop formal funding proposals.

References

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- Pawar, M (2005) Employment officers' views on the operation of Job Network in a non metropolitan area. *Rural Society* 48, 312-29.
- Thomas, M (2007) *A review of developments in the Job Network*. Report no 15, 24 December. Canberra: Parliamentary Library.
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Appendix 1: Assessment of people capability methodology

This appendix briefly assesses the Workforce Planning methodology (see Figure A.1), as it was followed in work prepared by the Workplace Research Centre as part of the Baw Baw pilot project.

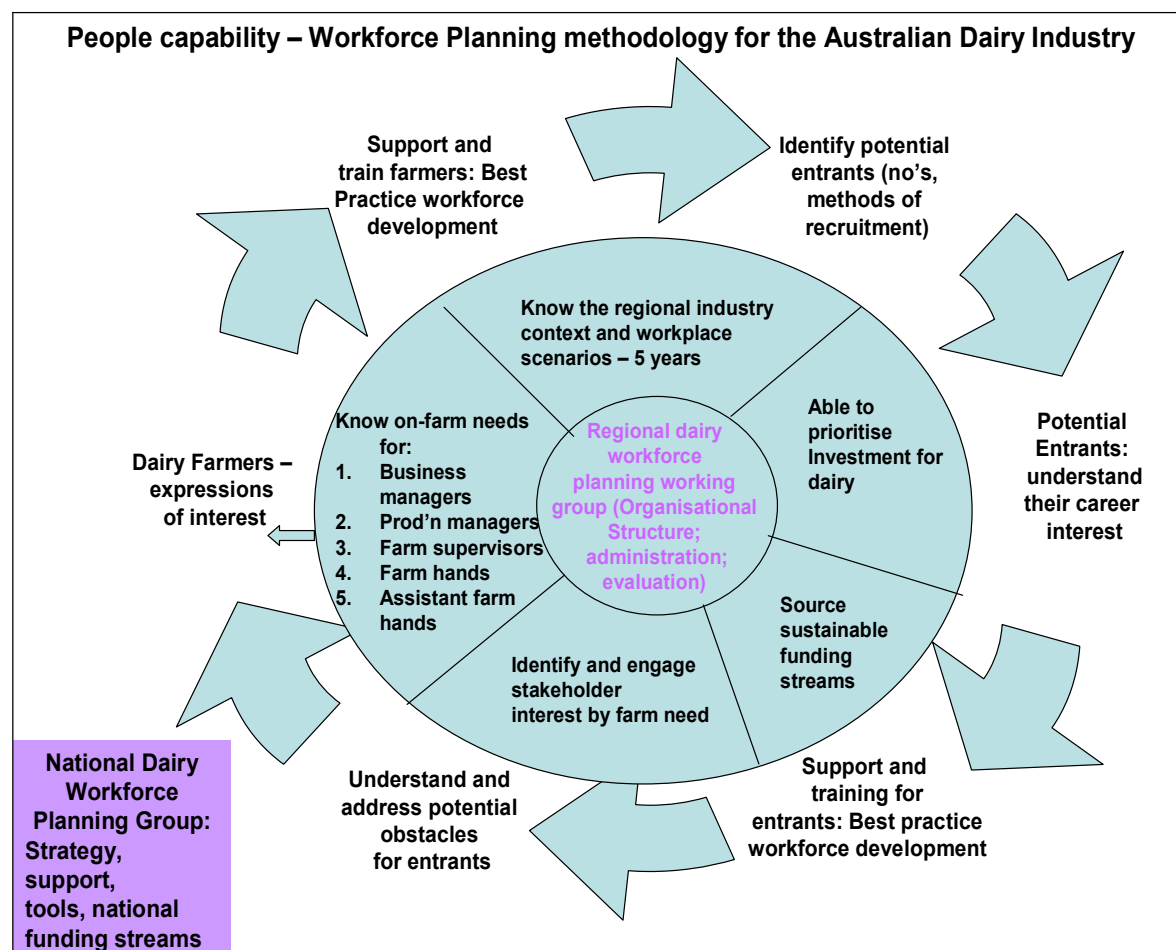


Figure A.1: Workforce planning methodology

Know on-farm needs for labour

On-farm needs for labour in Baw Baw Shire were assessed in Part B – Survey of Labour demand.

The survey showed most demand for labour over the next season would be for farm hands and assistant farm hands (in particular, part-time and casual milkers). There was understandably much less demand for labour at the business manager, production manager, and farm supervisor level. Consequently, strategies to meet demand for these positions will either have to be developed with a longer time frame in mind, or the scale shifted up from a sub-regional level to a regional level.

Know the workplace industry context and workplace scenarios – 5 years

The workplace industry context is very broad and was addressed in the following ways. A thorough analysis of the labour supply in the local area was conducted in Part A. This covered the demographic profile of pools of available labour, as well as the main competitive industries for labour in the area. Also in Part A, the characteristics of the current dairy labour market, including age, employment status, hours, and qualification were identified. Finally, in the beginning of Part B, information from Dairy Australia, ABARE and ABS was used to assess the prospects for growth in the industry.

Workplace scenarios were explored through other approaches. In Part B, The Dairy Australia Situation and Outlook survey provided background on workforce issues such as recruitment and retention, albeit only down to the regional, rather than sub-regional, level. The survey of labour demand helped identify the immediate workplace scenarios, at least in relation to recruitment and turnover. This picture was expanded through a focus group held with interested farmers who had completed the survey.

Ability to prioritise investment in dairy

The analysis of labour supply contained in Part A and the survey of labour demand in Part B established a strong case for dairy farming to be a priority for investment in workforce development. The importance of this spoke (as depicted in Figure A.1) became clear during the engagement with stakeholders. The survey of labour demand showed that there is strong demand for entry-level and skilled dairy farm workers and that the openings on offer were competitive, yet the project team frequently encountered inaccurate perceptions of dairy farm working among stakeholders.

Source sustainable funding streams

Possible funding streams were identified as part of the initial institutional mapping in Part C. Further details about possible funding streams were identified in the stakeholder meetings (see below). Unfortunately, many funding streams that were initially identified rely on participation from stakeholders whose interests did not align well with the workforce development needs that had been identified in Baw Baw Shire.

In future, this spoke should be moved to after the stakeholder interest has been identified, as securing funding will normally require the support of stakeholder groups.

Identify and engage stakeholder interest by farm need

A desktop institutional mapping exercise was conducted to identify potentially relevant stakeholders. Stakeholders were then engaged through a group session and with individual interviews. The results were written up as Part C.

In future, stakeholder sessions should be held once the On-Farm Needs, Industry Context, and Workplace Scenarios are complete.

Appendix 2: Labour Supply Analysis Data Sources

Table	Source	Alternative Sources	Regularity
A.1 Baw Baw Shire at a glance	Dept of Local Government website	NA – regularly updated using ABS data and other sources.	
B.1	Australian Standard Geographical Classification (ASGC)		
C.1	ABS Time Series Community Profiles for Baw Baw LGA, All Gippsland Region, Victoria and Australia	Cat no 3218 Regional Population Growth (to LGA & SLA level)	Once a year
C.2 Educational Attainment	2006 Census, Basic Community Profile;	Custom data from ABS Survey of Education and Training; and ABS Labour Force Survey (available to All Gippsland Region level)	SET: every 4 years Labour Force: every month
C.3 Qualifications over time	2006 Census, Time Series Profile	As above	As above
C.4 Youth educational activity	2006 Census, Basic Community Profile	As above	As above
D.1 Composition of unemployment by sex and employment type	2006 Census, Basic Community Profile	Labour Force survey, DEEWR Local Labour market updates (available from DEEWR website)	Once a quarter
Figure D.1 – Youth unemployment	2006 Census BCP	Labour Force	Once a quarter
D.2 Participation rate	2006 Census BCP	Labour Force	Once a quarter
D.3 Employment by Gender	2006 Census BCP	Labour Force	Once a quarter
D.4 Occupation	2006 Census BCP	Labour Force	Once a quarter
D.5 Occupation over time	2006 Census, TSP	Labour Force	Once a quarter
D.6 Industry	2006 Census, BCP	Labour Force	Once a quarter
D.7 Industry over time	2006 Census, TSP	Labour Force	Once a quarter
D.8 Youth employment (15-24) by industry	2006 Census, BCP	Labour Force (estimates may not be reliable at LGA level)	Once a quarter
E.1 Agriculture & Forestry Industries	Census table from ABS website (Industry of Employment – Full Classification)	NA	
E2 Dairy Farm employment by SLA	As above	NA	
E3 Employment in other dairy industries	As above	NA	
F1 Dairy Farm workers by employment type	Census 2006, Custom data	NA	
F2 Dairy farm workforce by gender and employment type	As above	NA	
F3 Dairy farm workforce by age & employment type	As above	NA	

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Table	Source	Alternative Sources	Regularity
F4 Qualification by Occupational category	As above	NA	
F5 Median weekly working hours	As above	NA	
F6 Labour market status by sex	As above	NA	
F7 Income	As Above; Census 2006 BCP for Shire-wide comparison	NA	

Appendix 3: ASGC Classification for Dairy Victoria areas

SLA_CODE_2007	SLA_NAME_2007	LGA_CODE_2007	LGA_NAME_2007	SR_CODE_2007	SR_NAME_2007
255200741	Bass Coast (S) - Phillip Is.	20740	Bass Coast (S)	2976	All Gippsland
255200744	Bass Coast (S) Bal	20740	Bass Coast (S)	2976	All Gippsland
255050831	Baw Baw (S) - Pt A	20830	Baw Baw (S)	2976	All Gippsland
255100834	Baw Baw (S) - Pt B East	20830	Baw Baw (S)	2976	All Gippsland
255100835	Baw Baw (S) - Pt B West	20830	Baw Baw (S)	2976	All Gippsland
250052111	E. Gippsland (S) - Bairnsdale	22110	East Gippsland (S)	2976	All Gippsland
250052113	E. Gippsland (S) - Orbost	22110	East Gippsland (S)	2976	All Gippsland
250052115	E. Gippsland (S) - South-West	22110	East Gippsland (S)	2976	All Gippsland
250052117	E. Gippsland (S) Bal	22110	East Gippsland (S)	2976	All Gippsland
255053811	Latrobe (C) - Moe	23810	Latrobe (C)	2976	All Gippsland
255053814	Latrobe (C) - Morwell	23810	Latrobe (C)	2976	All Gippsland
255053815	Latrobe (C) - Traralgon	23810	Latrobe (C)	2976	All Gippsland
255053818	Latrobe (C) Bal	23810	Latrobe (C)	2976	All Gippsland
255206171	South Gippsland (S) - Central	26170	South Gippsland (S)	2976	All Gippsland
255206174	South Gippsland (S) - East	26170	South Gippsland (S)	2976	All Gippsland
255206175	South Gippsland (S) - West	26170	South Gippsland (S)	2976	All Gippsland
250156811	Wellington (S) - Alberton	26810	Wellington (S)	2976	All Gippsland
250156812	Wellington (S) - Avon	26810	Wellington (S)	2976	All Gippsland
250156813	Wellington (S) - Maffra	26810	Wellington (S)	2976	All Gippsland
250156814	Wellington (S) - Rosedale	26810	Wellington (S)	2976	All Gippsland
250156815	Wellington (S) - Sale	26810	Wellington (S)	2976	All Gippsland
210151751	Colac-Otway (S) - Colac	21750	Colac-Otway (S)	2964	Barwon-Western District
210151754	Colac-Otway (S) - North	21750	Colac-Otway (S)	2964	Barwon-Western District
210151755	Colac-Otway (S) - South	21750	Colac-Otway (S)	2964	Barwon-Western District
215051831	Corangamite (S) - North	21830	Corangamite (S)	2964	Barwon-Western District
215051832	Corangamite (S) - South	21830	Corangamite (S)	2964	Barwon-Western District
215102411	Glenelg (S) - Heywood	22410	Glenelg (S)	2964	Barwon-Western District
215102412	Glenelg (S) - North	22410	Glenelg (S)	2964	Barwon-Western District
215102413	Glenelg (S) - Portland	22410	Glenelg (S)	2964	Barwon-Western District
215055491	Moynes (S) - North-East	25490	Moynes (S)	2964	Barwon-Western District
215055493	Moynes (S) - North-West	25490	Moynes (S)	2964	Barwon-Western District
215055496	Moynes (S) - South	25490	Moynes (S)	2964	Barwon-Western District
215016730	Warrnambool (C)	26730	Warrnambool (C)	2964	Barwon-Western District

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240101371	Campaspe (S) - Echuca	21370	Campaspe (S)	2974	Goulburn-Ovens-Murray
240101374	Campaspe (S) - Kyabram	21370	Campaspe (S)	2974	Goulburn-Ovens-Murray
240101375	Campaspe (S) - Rochester	21370	Campaspe (S)	2974	Goulburn-Ovens-Murray
240101376	Campaspe (S) - South	21370	Campaspe (S)	2974	Goulburn-Ovens-Murray
240052831	Gr. Shepparton (C) - Pt A	22830	Greater Shepparton (C)	2974	Goulburn-Ovens-Murray
240102834	Gr. Shepparton (C) - Pt B East	22830	Greater Shepparton (C)	2974	Goulburn-Ovens-Murray
240102835	Gr. Shepparton (C) - Pt B West	22830	Greater Shepparton (C)	2974	Goulburn-Ovens-Murray
245053351	Indigo (S) - Pt A	23350	Indigo (S)	2974	Goulburn-Ovens-Murray
245103352	Indigo (S) - Pt B	23350	Indigo (S)	2974	Goulburn-Ovens-Murray
240104901	Moirra (S) - East	24900	Moirra (S)	2974	Goulburn-Ovens-Murray
240104904	Moirra (S) - West	24900	Moirra (S)	2974	Goulburn-Ovens-Murray
230152250	Gannawarra (S)	22250	Gannawarra (S)	2972	Loddon-Mallee
235103943	Loddon (S) - North	23940	Loddon (S)	2972	Loddon-Mallee
235103945	Loddon (S) - South	23940	Loddon (S)	2972	Loddon-Mallee
230156611	Swan Hill (RC) - Central	26610	Swan Hill (RC)	2972	Loddon-Mallee
230156614	Swan Hill (RC) - Robinvale	26610	Swan Hill (RC)	2972	Loddon-Mallee
230156616	Swan Hill (RC) Bal	26610	Swan Hill (RC)	2972	Loddon-Mallee
205801452	Cardinia (S) - North	21450	Cardinia (S)	2124	Outer Eastern Melbourne
205801453	Cardinia (S) - Pakenham	21450	Cardinia (S)	2124	Outer Eastern Melbourne
205801454	Cardinia (S) - South	21450	Cardinia (S)	2124	Outer Eastern Melbourne
205801612	Casey (C) - Berwick	21610	Casey (C)	2124	Outer Eastern Melbourne
205801613	Casey (C) - Cranbourne	21610	Casey (C)	2124	Outer Eastern Melbourne
205801616	Casey (C) - Hallam	21610	Casey (C)	2124	Outer Eastern Melbourne
205801618	Casey (C) - South	21610	Casey (C)	2124	Outer Eastern Melbourne
205607451	Yarra Ranges (S) - Central	27450	Yarra Ranges (S)	2124	Outer Eastern Melbourne
205607452	Yarra Ranges (S) - Dandenongs	27450	Yarra Ranges (S)	2124	Outer Eastern Melbourne
205607453	Yarra Ranges (S) - Lilydale	27450	Yarra Ranges (S)	2124	Outer Eastern Melbourne
205607454	Yarra Ranges (S) - North	27450	Yarra Ranges (S)	2124	Outer Eastern Melbourne
255107458	Yarra Ranges (S) - Pt B	27450	Yarra Ranges (S)	2124	Outer Eastern Melbourne
205607456	Yarra Ranges (S) - Seville	27450	Yarra Ranges (S)	2124	Outer Eastern Melbourne

Appendix 4: 1-page labour demand questionnaire

Dairy farm workforce planning <Insert Local Area Name>

FAX BACK TO <Fax No>: What are your current and expected farm workforce needs for 2008/09?

Your name	Your address	Your phone no.

<OrgName> is looking at ways to better match demand for paid workers on dairy farms in the <Area name> region with the local labour supply. To help us, if you have paid workers or expect to in 2008/09, please complete this one page survey and Fax it back <Org Name> (No. is at the top of this sheet) or mail to: <insert local contact details> by <insert deadline>.

Q1. How many cows do you expect to calve down in the next season (2008/09)?

Q2. Currently, how many people other than you or your family work on the farm in a paid role?

If '0', please go to Q4.

Q3. How many times have you recruited a new farm hand over the past 12 months to replace workers who left their jobs on your farm?

Q4. Are you currently looking to recruit workers for your farm? (Tick which applies)

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Q5. Do you expect to be recruiting workers during 2008/2009? (Tick which applies)

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Q6. What type of methods do you use to find suitable workers? (Tick as many as apply)

Advertise in local & regional Newspapers	<input type="checkbox"/>
Advertise in The Weekly Times or other agricultural newspapers	<input type="checkbox"/>
Advertise in dairy company/supplier newsletters	<input type="checkbox"/>
Asking the Job Network – Government funded employment agencies	<input type="checkbox"/>
Asking dairy company/supplier field officers	<input type="checkbox"/>
Using local "word of mouth" – e.g. community and sporting contacts	<input type="checkbox"/>
Using farm consultants or specialist farm employment groups	<input type="checkbox"/>
Using private employment agencies	<input type="checkbox"/>
Other (Please state.....)	<input type="checkbox"/>

Q7. Do you have written job descriptions for all workers/positions on your farm? (Tick which applies)

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Q8. Only answer if you answered 'yes' to Q4 or Q5

What type & no. of workers are you currently looking for/expect to be looking for? (Tick as many as apply)

Job position	Currently recruiting? (tick if yes) How many?	Recruiting some time in 2008/09? (tick if yes) How many?
Farm Business Manager or Sharefarmer	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Production manager (e.g. Herd or pasture manager)	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Farm supervisor (e.g. Milking supervisor)	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Farm hand (e.g. Cert 3 /4 apprentice,	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Assistant Farm Hand (e.g. relief milker, Cert 2, new entrant)	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Other (please state)	<input type="checkbox"/> _____	<input type="checkbox"/> _____

Q9. What is/will be the average number of hours worked per week; the number of working days per fortnight and the wages paid for workers in these roles on your farm? (Leave blank if you do not have any employees and do not expect to be recruiting any employees during the current season).

Job position	Av. No. of hours worked per week	No. of working days in each 14 day period (fortnight)	Weekly wage paid or offered (i.e. total weekly wage or hourly rate)
Farm Business Manager or Sharefarmer			OR (\$/wk) (\$/hr)
Production manager (e.g. Herd or pasture manager)			OR (\$/wk) (\$/hr)
Farm supervisor (e.g. Milking supervisor)			OR (\$/wk) (\$/hr)
Farm hand (e.g. Cert 3 /4 apprentice),			OR (\$/wk) (\$/hr)
Assistant Farm Hand (e.g. relief milker, Cert 2, new entrant)			OR (\$/wk) (\$/hr)
Other (please state).....			OR (\$/wk) (\$/hr)

Appendix 5: Interview schedule with potential partners

Interview Schedule – Dairy Farm Workforce Development

What have you been your experiences with the dairy industry in the past?

What support do/would you require from dairy industry employers to best achieve your objectives?

For example –

Education/Training:

What support or benefits should employers give to trainees/apprentices?

How can employers become more involved in the training process?

How can employers improve the quality of on-the-job training for trainees/ apprentices

Job Seeking

How can employers better determine what functions they need from their paid labour/ what are appropriate levels of skill and experience?

What actions by employers make it harder for you to achieve your objectives?

For example –

Job seeking

closed mind on types of applicants, not being flexible with hours or wages.

Training

Employers limiting access to off-the-job training

What further information would you need from dairy industry employers before engaging in any collaboration?

For example:

Job Network:

Information on future prospects/growth of farm

Training

Ability of farmers to provide on-the-job training

What benefits, if any, would you perceive for your organisation in working with the dairy farming industry?

What would be your concerns in working with the dairy industry in the future?

Appendix 6: Labour Scenario Worksheet

Labour Scenario Worksheet

	5 years from now (2013)		
	Worst case	Most likely	Best Case
Herd size			
Land acquisition			
Retirement or succession planning			
Labour – No of workers			
Owner/Manager	FT PT	FT PT	FT PT
Family Members	FT PT	FT PT	FT PT
Share Farmers	FT PT	FT PT	FT PT
Paid Employees			
Farm Business Manager	FT PT	FT PT	FT PT
Production Manager (e.g. Herd or pasture manager)	FT PT	FT PT	FT PT
Farm Supervisor (e.g Milking supervisor)	FT PT	FT PT	FT PT
Farm Hand (e.g. general duties with experience)	FT PT	FT PT	FT PT
Assistant Farm Hand (e.g. requires supervision, inexperienced)	FT PT	FT PT	FT PT
Other	FT PT	FT PT	FT PT
Total	FT PT	FT PT	FT PT

How is your current labour profile different to your likely labour profile 5 years from now?

How will you change your current labour profile to suit your likely needs in 5 years' time?

Consider:

- recruitment
- training

What training and development might you require to better manage your likely labour profile in 5 years' time?

Consider:

- management and supervision skills
- administration skills
- training and mentoring skills

Appendix 7: Partner Mapping Worksheet

Workforce Planning for the Dairy Industry Partner Mapping Worksheet

Possible Partner Orgn	How much do you know about this (type of) organisation?					Have you worked before with this (type of) organisation?	How effective do you think this organisation is/can be at helping you to meet your labour goals					What concerns do you have about working with this organisation to meet your labour goals in the future?	What questions about this (type of) organisation would you need answered before working with them?	
	Nothing At all	1	2	3	4		5	Very Ineffective	1	2	3			4	5	Very Effective
NCDEA (National Centre for Dairy Education)	1	2	3	4	5	Y	N	1	2	3	4	5		
ECG (Education Centre Gippsland)	1	2	3	4	5	Y	N	1	2	3	4	5		
Australian Apprenticeship Centres (eg MEGT, Apprenticeships Victoria, VECI)	1	2	3	4	5	Y	N	1	2	3	4	5		
Group Training Organisations (eg Gippsland Group Training, Eastern Victoria Group Training)	1	2	3	4	5	Y	N	1	2	3	4	5		
Centrelink	1	2	3	4	5	Y	N	1	2	3	4	5		

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Job Network Organisations (eg Employment Innovations, Workways)	1	2	3	4	5	Y	N	1	2	3	4	5	
Labour Hire Firms	1	2	3	4	5	Y	N	1	2	3	4	5	
Recruitment agencies	1	2	3	4	5	Y	N	1	2	3	4	5	
Farm Consultants	1	2	3	4	5	Y	N	1	2	3	4	5	
Dairy supplier field officers	1	2	3	4	5	Y	N	1	2	3	4	5	
Any other organisations you have worked with in the past to meet labour needs 	1	2	3	4	5	Y	N	1	2	3	4	5	