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)

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- Local Learning and Employment Network (LLEN);
- Gippsland Group Training;
- ECG McMillan;
- Department of Primary Industry (DPI);
- Employment Innovations Victoria; and
- 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.

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**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 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

Module 1: Review of people capability work in the rural (and other) sectors to inform the design of Module 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 3: Build commitment in industry for the funding of testing of the people capability planning model.

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

November 2007

Timeline

November 2008

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

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

<table>
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<tr>
<th>Dairy workforce planning and action engages employment services</th>
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<tr>
<td>• 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.</td>
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<tr>
<td>• 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.</td>
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<tr>
<th>Dairy workforce planning and action supports farm business goals</th>
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<tr>
<td>• Workforce planning and action builds the capacity of employers to:</td>
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<tr>
<td>– attract, retain and develop their people; and</td>
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<tr>
<td>– offer decent work.</td>
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<tr>
<td>• Workforce planning and action increases the value of training to farm businesses by:</td>
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<tr>
<td>– linking training to workforce outcomes; and</td>
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<tr>
<td>– supporting the effective deployment of people on-farm.</td>
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**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.

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.
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

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

Source: 2008 Dairy Australia Situation and Outlook Survey

Footnote

1. Community profiles data provides information about population, age, gender, qualifications, broad industry of employment and labour market status.
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.
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.
Workforce planning and action for the Australian dairy industry

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.

**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.
- 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.

**Implications for dairy farm workforce planning and action**

- 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.
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.

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**Box 6:**

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

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A copy of the questionnaire is provided below.
Box 7:

**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.**
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.

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

- 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).
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.
Box 10:

**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:

a. Gaining dairy farmers’ expressions of interest to be strongly engaged in specific initiatives
b. Supporting and training dairy farmers in meeting their workforce needs
c. Identifying potential entrants
d. Understanding the career interests of potential entrants
e. Supporting and training entrants
f. 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


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).
**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**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Existing institutional framework (Gipps Dairy/ NCDEA/ others)</th>
<th>Network of best practice farms</th>
<th>Network Project Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasibility Stage</td>
<td>Identify interest from farms in establishing network Provide feedback from other workforce development projects (e.g. ADEEP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development stage</td>
<td>Implement recommendations from pilot report that relate to public outcomes, i.e. labour supply and basic skills development for farmers</td>
<td>Establish network and agree on aims Develop necessary relationships with stakeholders Develop proposals for funding Recruit Project Officer</td>
<td>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</td>
</tr>
<tr>
<td>Implementation stage</td>
<td></td>
<td>Provide direction to the resource officer Commit to providing opportunities to employees at necessary levels Engage in training and development to improve employer practices</td>
<td></td>
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<tr>
<td>Evaluation stage</td>
<td>Evaluate success of public outcome initiatives Identify possible sustainable funding sources to expand these initiatives.</td>
<td>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</td>
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<td>Responsible for Recommendations</td>
<td>2-7, 10</td>
<td>1, 8, 9, 11</td>
<td></td>
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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.
9. References


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/