



Workforce Development Strategy 2013 to 2016

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Executive summary

Workforce development and planning in the dairy industry is widely recognised as being critical to ensuring the sustainability of the industry.

As one of the largest dairying regions in Australia, producing 23 per cent of Australia's milk, the Murray Dairy region employs over 10,000 people directly in the dairy industry in the farming and processing sectors.

The *Murray Dairy Strategic Plan 2013-2016*, which outlines the areas in which Murray Dairy can successfully support dairy farmers and identifies opportunities for increasing quality outcomes, identifies "Growing skills and capability in the Murray Dairy region" as one of its four key priorities.

This priority is supported through several Dairy Australia strategic documents, including the *Dairy Australia Strategic Plan 2012-2016*, *Dairy Moving Forward* and *Horizon 2020: Future Scenarios for the Australian Dairy Industry*.

There is currently a wide range of workforce development programs being undertaken in the dairy industry, primarily through Dairy Australia. It is critical that Murray Dairy taps into these programs and encourages farmers in the region to take advantage of the opportunities available.

This strategy attempts to identify the existing programs and provide clarity around the role Murray Dairy can play in linking local farmers with these programs. It also sets out initiatives that can be implemented on a local basis.

The strategic plan (on page 12) is structured around the themes identified in the *Dairy Moving Forward* "People" strategy. It then lists strategic actions under two of the Murray Dairy Strategic Plan 2013-2016 priorities (priority one "Driving profitable and efficient dairy businesses" and priority two "Growing skills and capability in the Murray Dairy region"). Some actions that fall outside of these priorities are also identified.

The strategic plan is then supported by a separate implementation plan, which sets out the tasks required to implement the strategic actions.

Situation analysis

The Murray Dairy region

The Murray Dairy region (depicted in Figure 1) is one of the largest dairying regions in Australia, with 1830 dairy farms producing 2.176 billion litres of milk in the 2011/2012 season. This figure represents 23 per cent of Australia’s milk production and is an increase of over 325 million litres from 2010/2011.

Approximately 90 per cent of this milk is produced on farms located in the irrigation districts of northern Victoria and southern NSW (Southern Riverina), with the remaining 10 per cent produced in north east Victoria and the Upper Murray of NSW.

The region is unique, with a diversity of production systems and significant topographical and climatic differences. It also has a large, modern and diverse manufacturing and processing sector, with more than \$1.5 billion (collectively) invested in capital infrastructure.

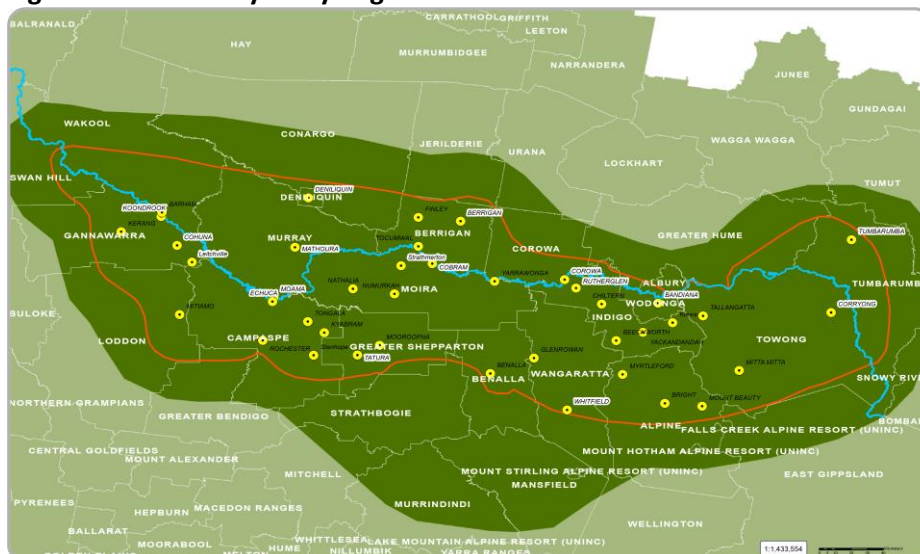
Dairying is the region’s largest and most important industry. The farm gate value of the milk produced in the region is around \$883 million.

There are eight milk companies (Murray Goulburn, Fonterra, Tatura Milk Industries, National Foods, Parmalat, United Dairy Power, Australian Consolidated Milk and Bega) and 12 factories located throughout the region. A number of specialty and smaller boutique processors are also present within the Murray Dairy region.

Over 350,000 tonnes of dairy products are manufactured in the region including cheddar cheese, whole milk powder, cream cheese, pizza mozzarella, shredded cheese and yoghurt.

Source: Murray Dairy Annual Report 2012

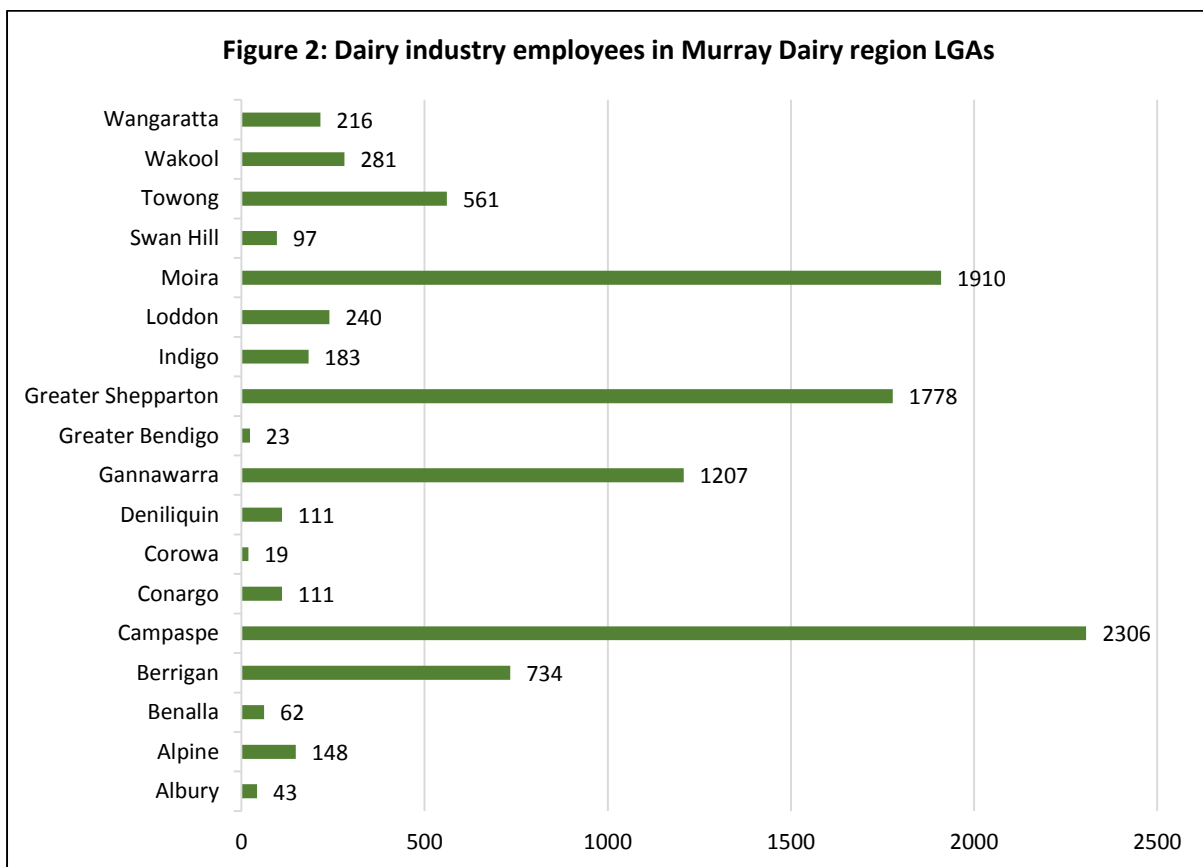
Figure 1: The Murray Dairy Region



The regional dairy workforce

Over 10,000 people are directly employed in the dairy industry within the farming and processing sectors in the Murray Dairy region. This figure does not include service industries such as vets, nutritionists, agronomists and rural businesses.

The breakdown of direct employment in each local government area (LGA) in the Murray Dairy region is shown in Figure 2. (Please note: The figures shown below are calculated based on the registered postcode of each farm and are approximate only.)

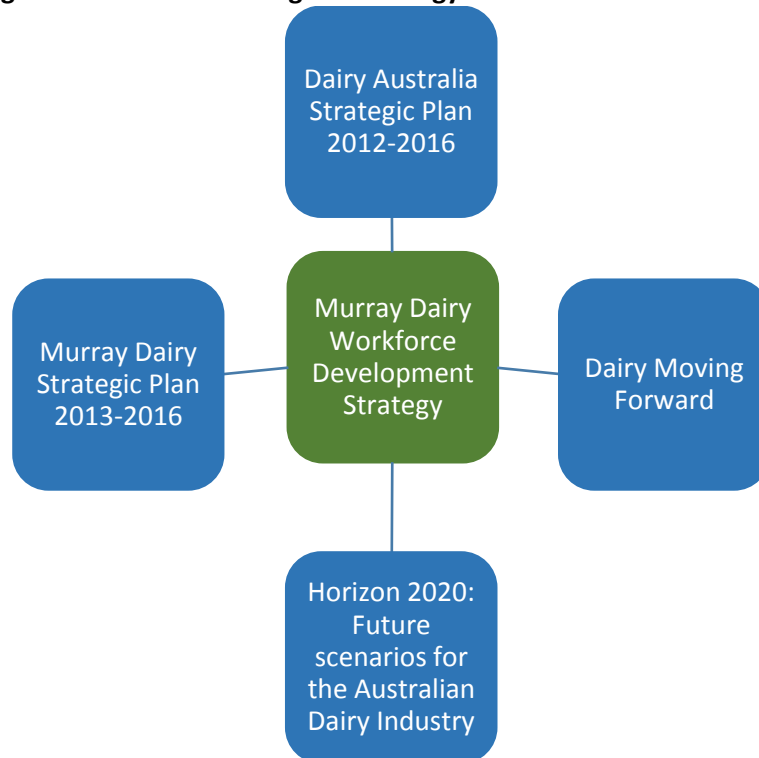


Source: Dairy Australia

Strategic context

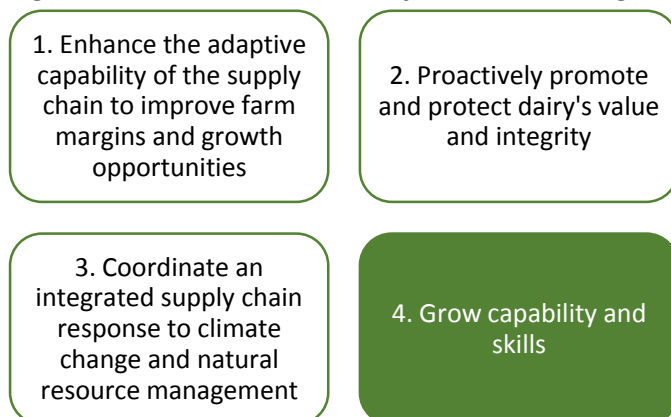
The need (both general and specific) for this Workforce Development Strategy has been identified in four key documents, shown in Figure 3.

Figure 3: Strategic documents informing this strategy



The ***Dairy Australia Strategic Plan 2012-2016*** identifies four priorities that will help it build a platform for the dairy industry’s return to profitable and sustainable growth. These are shown in Figure 4.

Figure 4: Priorities from the *Dairy Australia Strategic Plan 2012-2016*



Source: *Dairy Australia Strategic Plan 2012-2016*

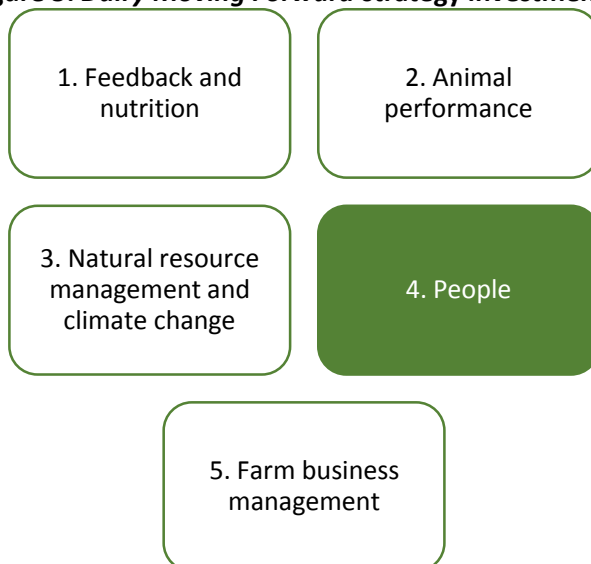
This Workforce Development Strategy aligns with strategic priority four, “Grow capability and skills”. The rationale for this priority is:

People are critical to the success of the dairy industry. While people are also fundamental to all Dairy Australia’s priorities, there is a clear need to undertake workforce planning and development that will build the skills and capability of current industry participants and attract new entrants across the dairy supply chain.

Source: Dairy Australia Strategic Plan 2012-2016

Further to this, **Dairy Moving Forward**, produced by Dairy Australia, identifies research, development and extension priorities for the Australian Dairy Industry. It sets out five key strategy investment areas for the next five years that are based on the industry agreed mission critical areas. These are shown in Figure 5.

Figure 5: Dairy Moving Forward strategy investment areas



Source: Dairy Moving Forward

The “People” strategy contained in *Dairy Moving Forward* has been designed to ensure that people issues are not a constraint to wealth creation and industry resilience. A big part of the intent is having dairy farms that are still in business in the years to come and newcomers willing to invest in the industry.

The vision for the “People” strategy for the next five to ten years is:

People are recognised and developed as the key driver of sustained farm business success.

Source: Dairy Moving Forward

The “People” strategy identifies five key themes through which this vision can be achieved. These are shown in Figure 6. This Workforce Development Strategy has been structured around these themes (see page 12 for an explanation of the structure).

Figure 6: Dairy Moving Forward themes for “People” strategy



Source: Dairy Moving Forward

Dairy Australia has also recently released **Horizon 2020: Future Scenarios for the Australian Dairy Industry**, which seeks to:

- Develop views as to what the dairy industry might look like in 5 to 10 years;
- Understand medium and long term priorities to put the industry in the best position to operate successfully in the future;
- Identify what future capabilities and capacities will be required; and
- Understand what leadership will be required, in terms of people and operations.

The report makes 13 recommendations for achieving those outcomes. Recommendations relevant to this Workforce Development Strategy are shown in Figure 7.

Figure 7: Relevant recommendations from **Horizon 2020: Future Scenarios for the Australian Dairy Industry**



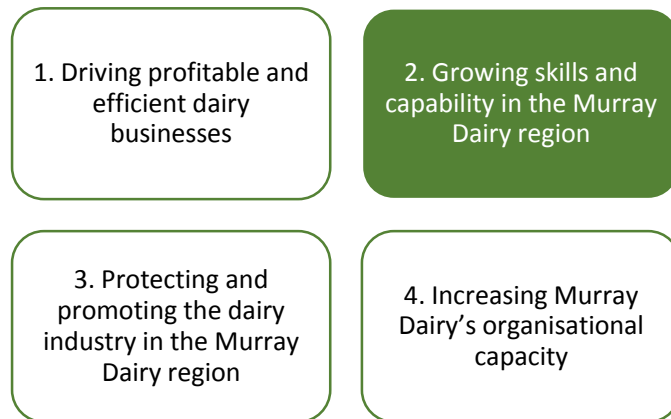
Source: Horizon 2020: Future Scenarios for the Australian Dairy Industry

In the local context, the need for a Workforce Development Strategy was identified in the **Murray Dairy Strategic Plan 2013-2016**. This plan outlines the areas in which Murray Dairy can successfully support dairy farmers and identifies opportunities for increasing quality outcomes.

The plan is consistent with Dairy Australia’s strategic priorities and was developed in context with the priorities of key partners. Regional priority setting workshops also helped to shape the plan.

The plan identifies four key areas as priorities for action. These are shown in Figure 8.

Figure 8: Key priority areas from the Murray Dairy Strategic Plan 2013-2016



Source: Murray Dairy Strategic Plan 2013-2016

The following focus areas are identified under priority two, "Growing skills and capability in the Murray Dairy region":

- Labour shortages;
- Careers in dairy;
- Young Dairy Network;
- Skills gaps;
- On-farm succession planning;
- Safety on-farm;
- Dairy farmers to be recognised as an employer of choice; and
- Work/life balance on farm.

Existing workforce development programs

There is a broad range of existing industry-wide programs that are focused on people in the dairy industry and workforce development. Some of the major programs include:

- **National Centre for Dairy Education Australia (NCDEA)** – The Australian dairy industry’s provider of education and training. NCDEA operates through a national alliance of partner Registered Training Organisations (RTOs). Education and training delivered by NCDEA responds to industry and student learning needs to bring dairy education and training under one umbrella. NCDEA provides strong leadership in industry education and sets new levels of excellence in agricultural education and training to develop the capability of the Australian dairy industry. NCDEA qualifications are recognised by the industry locally and nationally. NCDEA also delivers short courses and customised programs for dairy farming organisations, individual farmers and people in the dairy service industry.
- **Diploma of Human Resource Management (Dairy)** – The Diploma (delivered through NCDEA) provides a theoretical and practical foundation in dairy recruitment, analysis of roles and responsibilities, employment law and industrial relations, policies and procedures, management of working conditions, remuneration and employee benefits, induction processes, separation/ termination procedures, training and development issues, succession planning and occupational health and safety.
- **Developing Dairy Leaders** – Managed by Dairy Australia and Australian Dairy Farmers and delivered by NCDEA, the Developing Dairy Leaders Program is the industry’s flagship tier two leadership development program. Participants undertake skill development that will allow them to fulfil a range of roles representing their industry at a State level. These roles could include State Dairy Farmer Organisations, Regional Development Program boards and other industry reference groups.
- **Cows Create Careers** – An innovative Dairy Australia and Regional Development program that is delivered across 22 dairying regions in Australia. It provides a platform to introduce students to Australian dairy industry. The major objective of the program is to create awareness and promote careers in the dairy industry including dairy farm pathways.
- **The People in Dairy** – Designed to assist farmers as they improve how they attract, deploy, retain and develop the people they need to achieve the strategic visions of their businesses. It has initiated a number of projects designed to help advisers increase their capacity to support farmers on people issues, build the whole industry’s ability to attract and retain people and develop future farm leadership capacity to influence public policy and manage collective investments.
- **In2Dairy** – Developed by The People in Dairy team to help anyone who is interested in a career in the Australian dairy industry but is not sure what is involved or where to begin. As well as being designed to create a pathway for new entrants to the industry, the program supports dairy farmers in their roles as trainers and employers.
- **2011 Dairy People Factfinder** – Developed by The People in Dairy, the report enables the organisations contributing into the Australian dairy industry to become more effective in

policy-making and program design by providing the factual foundation they need to fully consider the people dimension in planning and development.

There are also a number of region-specific programs and activities currently being developed and implemented that have informed this strategy. Some of these include:

- **Regional Factfinder Western Victoria** – Provides evidence-based information about the people who work in the dairy industry in Western Victoria, as well as identifying information gaps, for use by regional workforce planning and action teams.
- **Alpine Valleys Dairy Pathway Project** – A partnership with the municipalities of Towong, Indigo, Alpine and Wangaratta, this project centres around the development and implementation of a strategy to grow the dairy industry and support workforce development.
- **Workplace people standards for progressive farms** – Outlines silver, gold and platinum levels for six themes (workplace introduction, conditions and safety; managing people on the farm; reward and recognition; business approach; employee engagement; and development and performance feedback) and the behaviours required to demonstrate achievements of those levels.
- **Regional Workforce Planning and Action South West Victoria** – The project goal is to ensure the dairy industry has enough of the right people, with right mix of skills, to meet the needs of farmers in the region. The regional workforce planning and action project was developed by Dairy Australia to address the growing concern by farmers around attracting, developing and retaining good employees.

Strategic plan

This plan is structured around the themes identified in the *Dairy Moving Forward* “People” strategy (green box).

The strategic actions listed under these themes areas are grouped, where possible, under the *Murray Dairy Strategic Plan 2013-2016* priority two focus areas (blue boxes).

Some strategic actions relate to priority one in the *Murray Dairy Strategic Plan 2013-2016* (grey box) but are relevant to this strategy as well.

The purpose of this is to demonstrate how the strategic actions relate to both the *Dairy Moving Forward* and Murray Dairy priorities.

Some strategic actions outside of the Murray Dairy priorities have also been identified (orange box).

Example:

Dairy Moving Forward theme

Murray Dairy Strategic Plan priority two focus area

- Strategic actions linked to Murray Dairy Strategic Plan priority two focus areas

- Strategic actions related to priority one in the Murray Dairy Strategic Plan

- Strategic actions outside of the Murray Dairy Strategic Plan priorities

1. Farm business strategies that have a strong people focus

Purpose: To ensure that farms have a people perspective in their business strategies, including their succession plans

Skills gaps

- Encourage farmers to develop their skills and understanding of farm business strategies by undertaking training and development (eg. the Diploma of Human Resource Management (Dairy) and other courses at NCDEA)
- Work with NCDEA and other training providers to ensure courses are appealing to farmers in subject matter and delivery
- Provide access to appropriate and relevant information (eg. The People In Dairy online resources)

On-farm succession planning

- Promote the different approaches to succession planning available to farmers
- Promote the value of appropriate and well-implemented people-focused business strategies
- Encourage farmers to participate in the Taking Stock sessions funded by Dairy Australia
- Increase the capacity of local farm consultants and advisers to assist farmers with people-focused farm business strategies

2. Farm workplace change

Purpose: So that farms are better equipped to attract and retain the people they need and have low business risk around their people resources

Careers in dairy

- Promote career opportunities in the dairy industry to graduates of agricultural and related courses
- Assist recruitment agencies and migration agents in the Murray Dairy region to build a specialised knowledge of the dairy industry
- Promote dairy farming as a viable work experience option to secondary school students
- Maximise media opportunities to promote and celebrate success stories in the dairy industry
- Participate in relevant industry programs (eg. Cows Create Careers)
- Provide access to appropriate and relevant information (eg. In2Dairy's "Building a Career in the Dairy Industry")

Dairy farmers to be recognised as an employer of choice

- Promote to farmers the value of providing a people-focused workplace in order to attract and retain skilled staff
- Provide access to appropriate and relevant information (eg. The People in Dairy online resources)
- Maximise media opportunities to promote and celebrate good employers

- Encourage farmers to enter into dairy industry and other business-related awards and ensure any successes are promoted throughout the Murray Dairy region

3. Dairy 'workforce development' (planning and action)

Purpose: So that the industry has effective workforce planning and action processes, regionally and nationally

Labour shortages

- Ensure farmers are exploring all available labour sources
- Encourage farmers to register long-term vacancies with Murray Dairy so they can be tracked and assistance provided where possible
- Encourage farmers to utilise specialist recruitment agencies for long-term or specialised vacancies

Skills gaps

- Work closely with NCDEA to ensure business-related courses provided are appropriate and address areas with skill shortages

- Develop a detailed regional Factfinder report which analyses key statistics and identifies skills gaps, labour shortages and other relevant themes and ensure the report is updated annually so that trends can be monitored
- Encourage local farmers to participate in industry-wide planning and policy development through Dairy Australia

4. Farmer well-being in supportive communities

Purpose: To ensure that the industry and its people are supported by local communities that are vibrant and self-determining

Safety on-farm

- Promote training and development opportunities in farm safety
- Provide access to appropriate and relevant information (eg. WorkSafe and Victorian Farmers Federation online resources)
- Promote the importance of suitable OH&S practices

Work/life balance on farm

- Participate in community development activities facilitated by local councils
- Promote local community events and activities to farmers
- Promote local health and well-being service providers to farmers

- Promote the services of multicultural organisations to farmers

5. Dairy leadership development

Purpose: To ensure the industry has the leaders it needs

Young Dairy Network

- Re-establish the Murray Dairy Young Dairy Network
 - Ensure the Murray Dairy Young Dairy Network develops a business plan to guide its activities and programs
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- Establish an informal mentoring program linking current and emerging local industry leaders
 - Ensure opportunities are available for emerging local industry leaders within the Murray Dairy structure (eg. Board, Industry Steering Group, Young Dairy Network committee)
 - Encourage participation by farmers in the Developing Dairy Leaders program
 - Encourage participation by farmers in local, regional, state and national dairy industry bodies and networks