

Dairy Manufacturing (post farm gate)

Workforce Development

FINAL REPORT

Harris Park Group¹

Purpose

Dairy Australia established the *Workforce development planning for dairy manufacturing (post-farm gate) project* to gain a picture of the issues and challenges in workforce development in the sector and to identify opportunities for Dairy Australia to support dairy manufacturers to address some of these needs. This report presents the findings of this project and outlines a prospectus for action on workforce development in dairy manufacturing.

Scope

Skills Australia defines workforce development as:

Those policies and practices which support people to participate effectively in the workforce and to develop and apply skills in a workplace context, where learning translates into positive outcomes for enterprises, the wider community and for individuals throughout their working lives.

Workforce development is about more than people and the training they need. It is equally concerned with the way jobs are designed, opportunities available to learn and develop on the job, the way knowledge is passed on and how skills and knowledge translate into higher productivity and more interesting jobs. This is a broad agenda. Much of it needs to be shaped and managed by individual businesses. However there are also opportunities to collectively work across the industry to improve capacity to manage workforce development challenges. These opportunities for collective action are the focus of this project.

All businesses are responsible for managing their internal workforce development issues. However there is also scope to leverage industry level action to support and reinforce the initiatives taken at an individual level. Examples of collaborative action can include:

- Signposting or brokering services that link dairy companies to existing services from government and private sectors

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- Scanning for, and synthesizing, good practice in workforce development
- Enhancing networking opportunities between companies inside and outside the industry to generate new workforce development options and practices
- Customising “generic” workforce development products and tools to dairy company needs
- Active shaping of training opportunities
- Regional / remote delivery, possibly with other industries
- Leveraging other dairy investments (e.g. through Regional Development Programs in the Farm portfolio of Dairy Australia)
- Influencing or making submissions regarding government policies (e.g. building regional populations)

When asked whether collective action on workforce development would be useful, 70% (14 of 20) workshop participants rated it as ‘extremely useful’.

Workforce development themes

In order to identify collective action needs and priorities this project surveyed 17 dairy companies and hosted an industry forum workshop attended by production managers and HR managers from companies reflecting a mix of business types, sizes and locations. The themes to emerge from these processes are outlined below. The right column summarises the link between industry feedback and projects outlined in the prospectus.

The changing shape of the workforce

Industry themes	Project response
<ul style="list-style-type: none"> • Many companies face the prospect of losing corporate knowledge as experienced people near retirement. 	4a
<ul style="list-style-type: none"> • The industry needs to do more to attract, foster and nurture up-and-coming talent. 	4a
<ul style="list-style-type: none"> • Companies face particular challenges attracting specialist roles and a few companies also face problems attracting production workers. One common problem is finding production managers with knowledge of the dairy industry. 	4a
<ul style="list-style-type: none"> • Industry jobs could be marketed more effectively with a focus on country-based young people and adults. The industry offers solid, reliable employment opportunities. Many companies are undergoing rapid growth, the work can be technically challenging, the ageing workforce means there will be new opportunities for younger talent and the work locations offer lifestyle attractions. 	4a
<ul style="list-style-type: none"> • There is not enough emphasis on introducing dairy careers in schools 	4a
<ul style="list-style-type: none"> • People from non-english speaking backgrounds present challenges, especially for SMEs 	4b

What a responsive industry training system looks like.....

Industry themes	Project response
<ul style="list-style-type: none"> The industry needs a more coherent approach to developing industry skills, with specific training gaps identified. 	4b (scan of other industries), 4d
<ul style="list-style-type: none"> Training quality and relevance are very important. 	4d
<ul style="list-style-type: none"> Access to training and education support is a significant issue for many companies. Options canvassed included providing advance notice of training courses, strengthening remote learning opportunities and exploring options for arranging delivery (eg cadetships, Grad employment programs, Group Training Companies, adult apprenticeships). 	4d
<ul style="list-style-type: none"> Companies are often confused about training options and service providers. Many supported the concept of a central information point about dairy training services, specific areas of expertise and training quality. 	4c

The prospectus presented in this report is designed to respond to these themes and support the following outcomes:

- An evidence-based understanding of workforce needs across diverse industry activities, sizes and locations
- A focus on improving the ability of companies to attract and retain the talent they need
- A closer alignment between industry need and training delivery
- Industry capacity to address and sustain ongoing action on workforce development.

The project identified the following elements as necessary to support these outcomes.



Elements of response
1. Establish the capacity for collaborative action
a. Develop the principles for industry collaboration
b. Establish a mechanism to support ongoing action on workforce development
c. Identify and resource requirements to manage and administer workforce development initiatives
2. Communicate and evaluate outcomes
a. Develop a communication strategy and workplan
b. Oversee evaluation at project and program level
3. Use evidence-based approach to identify/refine priorities for collective action
a. Eg through Directory, bi-annual survey
b. Robust mechanisms for industry dialogue
4. Take action on priorities – commission and manage projects
a. Shape industry image with existing and prospective talent
b. Establish networking and information-sharing opportunities
c. Locate and align resources
d. Build the companies' ability to make informed decisions about workforce development (eg choosing training providers/approaches)
e. Strengthen mechanisms for dialogue with providers
f. Clarify and communicate role and accountability of NCDEA

The prerequisite for undertaking such action is to establish the capacity to collaborate.

- Elements 1 and 2 identify steps to develop this capacity and establish the mechanisms to support it. This project has contributed to building a community of interest in workforce development including an active database of engaged industry contacts. The challenge in shifting to an implementation phase is to absorb or delegate ongoing responsibilities for coordination, communication and action.
- Element 3 emphasises the importance of basing strategy and action on sound evidence. The survey and subsequent industry workshop conducted by this project established an evidence base for identifying current industry priorities. Element 2 addresses options to collect and refresh this data.
- Element 4 reflects the specific workforce development actions and priorities identified by this project. The following table provides details of the specific project focus, priorities and estimated costs.

Details of the project method, findings of the industry survey and themes identified by the workshop which underpin the proposed prospectus for action are provided in the attached appendices.

Prospectus of possible projects

Process requirement	Project outline	Initial Priority
1. Establish the capacity for collaborative action		
a. Develop the principles for industry collaboration	Facilitate working party on collaboration (including Amanda Solly, Mani Iyer, Don Woodhouse)	High
b. Establish a mechanism to support ongoing action on workforce development. This includes developing a Terms of Reference to clarify relationships for example, with MAC, NCDEA and People Development Council, and related roles and responsibilities		Very High
c. Identify and resource requirements to manage and administer workforce development initiatives	Provide management and administrative support to Manufacturing Workforce Development	Very High
2. Communicate and evaluate outcomes		
a. Develop and implement a communication strategy and workplan		High
b. Oversee evaluation at project and program level		High
3. Use evidence-based approach to identify/refine the priorities for collective action		
a. Directory, biennial survey	See below for Directory Biennial repeat of the survey, possibly in an electronic format	Not in this time frame
b. Promote robust mechanisms for industry dialogue	Facilitate cheese industry training framework <ul style="list-style-type: none"> • Summarise issues raised to date and check DA plans • Consult with cheesemakers • Test industry interest/priorities 	Medium

Process requirement	Project outline	Initial Priority
4. Take action on priorities – commission and manage projects		
a. Shape industry image with existing and prospective talent	<p>Promote careers for new entrants: Cows Create Careers Build further on pre-farmgate program eg 4 regions:20 schools Engage companies as champions Develop additional curricula Evaluate outcomes – track students/teachers</p>	High
	Expand pool of manufacturing managers: Course to bridge generic management with dairy	
	High end operator development program – across dairy	
	Develop strategy to communicate information on the value of dairy to target audiences	
b. Establish networking and information-sharing opportunities	<p>SCOPE Directory Decide dynamic v's static info Content options eg:</p> <ul style="list-style-type: none"> • Training services • Consulting expertise • Job search/capability register • Position descriptions/training profiles • Register for mentors/mentees • Current updates – regulations/compliance • Info on pay, conditions, opportunities • Link to related support programs eg language and literacy support, industry development programs 	High
	<p>BUILD directory Design, populate directory</p>	

Process requirement	Project outline	Initial Priority
	MANAGE directory Host (IT), promote, up-date	
	Scan Workforce Development strategies in other industries (attraction/development/ retention) to identify new opportunities for dairy	Low
c. Build industry's ability to make informed decisions about workforce development (eg choosing training providers/approaches)	Create and promote tool to support workforce development investment decisions and outcome evaluation by companies	Medium
d. Strengthen mechanisms for dialogue with providers	First step: Clarify and communicate role and accountability of NCDEA (Further projects to be scoped if appropriate after this)	High

Appendices

Overview of the project method

The Steering Committee

The survey instrument

The results of the survey

The participants at the Forum

Summary of the outcomes of the Forum

Feedback from participants on the value of the Forum

Overview of the project method

A pilot survey was conducted with staff from 5 dairy companies to develop and test the survey information sheets and questionnaires.

Seventeen dairy businesses participated in the survey across 18 sites. Survey interviews involved both production and HR managers.

Survey participants were selected to reflect a cross section of the industry. All data remains confidential (no individual business information has been disclosed). The table below provides the key to coding used to identify company characteristics in this paper. For example company #5 employs 60 staff, is located in urban Victoria and produces cheese, so is coded (5MUVC).

Code	Characteristic	Number of companies in survey with this characteristic
L	More than 400 employees	7
M	Between 50 and 400 employees	8
S	Less than 50 employees	3
R	Operating in a regional location	11
U	Operating in an urban location	7
V	Site located in Victoria	11
-	Site located outside Victoria	7
C	Producing specialty cheese (primary product)	5
-	Producing dairy products other than specialty cheese (including bulk cheese)	13

Interviews were conducted at face-to-face meetings or by telephone meeting by an experienced researcher. A written reflection from the interviewer also provided key insights after each interview. Survey data was coded in nvivo™ and analysed by the project team to identify key theme areas. The responses to each survey question were examined to record both the range and extent of commonality in responses given the matrix of company size, location and product type.

The preliminary results of the survey were tested with the Steering Committee and a summary Briefing Paper was provided as preparatory reading for participants coming to the Forum.

The Steering Committee and project team established a list of contact details for 101 HR and production managers and other individuals at 57 dairy companies and relevant industry bodies. (Note: This list is an outcome of the project and now provides the basis for future communication with the industry 'community of practice' in this area). Invitations were sent to all, and 38 people from 25 companies and organisations attended the Forum in Melbourne on 20th May 2010.

At the Forum the key themes areas and results of the survey were workshopped to establish:

- What are the facts?
- What changes (outcomes) do we want?
- What options possible? Who will be affected?
- What actions are recommended?

The outcomes of the survey, the Forum, and a subsequent discussion with NCDEA form the basis of this report.

The Steering Committee

The Steering Committee have guided the scope and direction of the project throughout and provided essential contacts and engagement with dairy companies and their staff.

Member	Organisation
Lesley McLeod	DIAL
Patten Bridge	Murray Goulburn
Peter Stahle	ADPF
David Faragher	DFSV
Jack Holman	Yarra Valley Cheese
Janos Kaldy	DIAA
Mani Iyer	Dairy Australia

Dairy Company Survey

Company Name:

Date:

Interviewer:

Interviewee:

Corporate Overview

About the company, markets and products

Company Overview/Background (eg product mix, recent company mergers; market developments)

1. Location of head office
2. Location of parent company (if different)
3. This question applies to corporate level where a business operates multiple plants.

Location	Product lines eg cheese production, fresh milk, powdered milk	Number employed (Full time equivalent)

4. This question applies to a specific production site:

Location	Main activities	Number employed (Full time equivalent)
	Management and admin	
	Sales/marketing	
	Production: process workers (casual and permanent) and line managers	
	QC/laboratory	
	R&D (Food technologist – new product development)	
	Engineering	
	Maintenance	
	Warehousing	
	Logistics/Transport	

5. Proportion of local to export sales (%):

6. What trends are you expecting to see in the markets you operate within over the next 3 years?

7. How are you responding to these trends? For example, do you expect your business to introduce significantly new or updated products/packaging over the next 3 years or do you see these as remaining fairly stable? If you are expecting significant change, is this likely to involve the introduction of new products involving product development or is it more likely to involve updating or modifying existing products/packaging?

8. What are the implications for the number of people and the skills you will need?

About your people

9. What are your main challenges in terms of attracting, retaining/motivating and developing people?

Attracting:

Retaining/motivating:

Developing:

The following table lists some typical workforce development activities. Rate how important or relevant they are using 1 as not relevant and 5 as highly relevant. For those items you rate as important, indicate how well you are currently doing. Use the last 2 columns to tell us whether you see the issue as something your business needs to manage internally or whether you see possibilities for Dairy Australia to co-ordinate cross company activity.

Activities	Importance 1-5 (5= very impt)	Current capability 1-5	Internal <input checked="" type="checkbox"/>	Scope to work collectively <input checked="" type="checkbox"/>
Attraction				
Developed position descriptions				
Developed interview guides & selection criteria				
Attractive remuneration				
Other, please describe				
Retention/Motivation				
Good workplace culture				
Job design to provide interesting jobs/career paths				
Offer family friendly work arrangements/hours				
Structured performance appraisal				
Attractive reward & recognition arrangements				
Active succession planning				
Support professional development eg support involvement in professional bodies etc				
Structured exit interviews				
Other, please describe				
Development				
Support participation in structured training (eg VET, TAFE, Uni courses)				
Provide ongoing in house training				
Offer traineeships/apprenticeships				
Offer cadetships				
Management training				
Structured mentoring program for managers				
Structured mentoring program for waged employees				
Other, please describe				

10. Do you experience any constraints in addressing workforce development needs?

11. If you have difficulty finding people with the skills you need, what types of skills are difficult to find? How do you currently source these skills?

12. Are there activities which are routinely outsourced to external contractors? Is the decision to outsource related to difficulty engaging these skills in-house?

13. Many workplaces have an aging workforce. Is this is an issue in your workplace? Does it affect all occupations or are there particular occupations where aging is more of an issue? What are you currently doing to address this issue?

14. Where/how do you typically source people?

15. Would you describe labour turnover in your business as high, medium or low? Are there particular jobs or locations where labour turnover is more of a problem?

16. Where do you typically lose people to?

17. What would new people find attractive about working for this business?

18. What training do you currently do? How do you expect training issues will be addressed in future?

19. Would you describe people in your workplace as highly or not very interested in learning? This is likely to differ for different groups? Are there any factors you are aware of that influence this?

20. If you have engaged external trainers, what do you see as their strengths/weaknesses?

The results of the survey

Detail of the themes in the information provided by the dairy companies interviewed

Theme 1:

How does the changing shape of the workforce influence attraction, recruitment and retention?

1.1 Retaining and motivating people

Older workers

Young workers

1.2 Finding and retraining production managers

1.3 Attracting people

The regional and rural spread of the dairy workforce compounds challenges in attracting and motivating talent and managing generational differences.

1.1 Retaining and motivating people

High levels of staff retention are the norm across the industry: ***Once people are in, they generally stay.***

Companies employ diverse retention strategies that focus on:

- Building and branding workplace culture based on recognition and respect
- Identifying and responding to employee interests in further development (eg through performance appraisal interviews)
- Identifying and fast tracking development of people with potential. Large companies can offer more options for career progression/ overseas work. Smaller companies provide opportunities for work challenge, special projects, training (where available)
Lots of people want to move on. We need to offer them opportunities or they will. (This company is developing a training matrix to support retention) (1MRC)
- Job design: smaller companies were more likely to offer tailored work hours, job sharing (depending on job and shift design) to offset lower pay rates

Older workers

The prospect of losing corporate knowledge is a concern to businesses across the industry, irrespective of size. Some companies have a good spread of ages but many rely on a small group of experienced managers and operators who are nearing retirement age.

(It's a) big issue – the core technical team have an average age in their late 50's/early 60s.
(10MRC)

Companies were asked whether they see an ageing workforce as a problem:

- 5 currently recognise they have a problem
- 3 identified that it may be a problem within the next few years
- 7 don't believe it is a problem.

Responses did not appear to be influenced by business size, product range or location. Of those not expecting to have a problem, at least 2 relied on key managers and operators who are well over 50 and had no structured succession plans in place. One manager responded by pointing out: ***We might have a problem but so has everyone else.***

Associated challenges included:

- Capture of corporate knowledge
- Job design tailored to individual capability and to manage injury risks
- Maintaining motivation of younger/ambitious talent when there is very low turnover.

In 10 years time when my generation leaves – look out! There’s no one coming through with a full understanding of the dairy industry. (13LUV)

(It’s) not just the ageing workforce that we need to consider ... but also the common roles and the business-critical nature of those roles in which ageing is an issue. (11LUV)

High retention rates are a mixed blessing – how does the business inspire enthusiasm in new people when all the key roles are filled by people reluctant to move on? (7LR)

It comes back to job design to retain the skills we’ve developed. You just can’t throw away that knowledge and skill they have. (5MUVC)

One manager saw the age profile and immanent retirement of the ‘old guard’ as a marketing opportunity to attract young managers:

The age profile of the workforce offers significant opportunities for younger people with high potential – the problem is that very few are looking to carve out a career – it’s partly generational. (3LR)

Younger workers

At the other end of the age profile, managers face problems motivating and retaining younger people. The view that young people are not interested in staying in a job was frequently expressed, for example:

Once people got a job and worked there till they retired. Now young (managers) get worried about staying in one place for too long. They think that will look bad on their resume. Some employers encourage that – expect to see a breadth of employers. This is a problem for dairy – it takes lots of experience to do it properly. (8MRV)

A number of companies also cited problems managing behavioural issues and social challenges associated with low socio economic communities. This is less likely to be a problem for large companies who pay at the higher end of the market and have more choice about who they employ.

1.2 Finding and retaining production managers

A number of managers from both large and small companies talked of problems of attracting managers who understand the dairy industry.

This is not an industry that can be managed by generic managers... You need managers who understand the production process. Skills like supply chain management and marketing of FMCG are fairly generic – not too difficult to pick up and apply to a different environment. Understanding dairy processing takes time and is quite specific. (3LR)

As automation has reduced the number of operators required and changed the nature of work especially in large companies, the pool from which production managers have traditionally been recruited is shrinking:

The smaller numbers of operators required means that there are smaller numbers to develop into other roles. (3LR)

Managers in both large and small companies talked of needing to build industry understanding 'passion' for dairy. This would involve providing an overview of the different activities that occur across the value chain.

The industry is not nurturing the young players....A milk person often has little understanding of what the rest of the industry does or could offer.

What we need is a course we can send a couple of our top operators to that goes above and beyond the basic operating course. (13LUV)

1.3 Attracting people

Most companies are able to attract entry level operators. Exceptions are companies directly competing with high wage industries which face chronic labour shortages. Some smaller companies offering relatively lower pay rates also struggle.

Eighteen months ago it was almost impossible to get good production workers – unskilled labour was heading to the mines. Low local unemployment makes life very difficult – especially when as an unskilled worker they can earn around \$90K driving trucks. (1MRC)

We can get people normally for the production jobs: there are a lot of casuals on the packing line, they turn up with resumes on the door-stop and if we have a vacancy only takes a week to fill. (4MRV)

Although most companies can find people to work in operator roles, few come with experience in dairy.

Attracting specialist professions is more difficult. Recruiting production managers is especially challenging but other occupations can also be hard to recruit. Project managers, accountants, engineers, fitters, logistics managers – were some of the occupations mentioned although shortages were often intermittent and influenced by labour market conditions.

We had difficulty recently attracting positions of QA and risk managers. Three to four years ago it was very hard to find accountants. (13LUV)

The image of the industry limits appeal to new recruits:

If a kid could become a pilot ...how can you make working in dairy compete with that? It's not a particularly sexy industry. (3LR)

What the industry lacks in glamour, it makes up in other ways:

If I said to a post graduate, you have the opportunity of food or auto...you'd be nuts to go into auto from a job security point of view. People are always going to eat and drink...We recruited right through the GFC (13LUV)

Smaller companies are often part of regional tourism and contrasted the image of wine with cheesemaking which is potentially much more challenging:

They made wine an exciting career. It's much harder to make cheese. You've got 5 hours to turn a liquid into a solid – it's a much shorter response times and if things go wrong there's not much you can do to save it. (10MRC)

The appeal of working for SME businesses was often linked to being part of a closeknit, 'family' culture. Some offered flexible work hours to attract women with family responsibilities. Managers were often attracted by opportunities to work in a rapidly growing business and access to key decision makers.

Many managers took a pay cut to come to the business.

Small business which can react quickly – no head office or big cogs that need to turn before a decision can be made. (2MUV)

Large businesses can offer lots of opportunities to move people into new roles including international work. Most had structured programs to identify and nurture people interested in development.

Businesses of all sizes viewed brand recognition and loyalty and corporate reputation as an attractor.

Regional attraction

By far the most challenging factor in attracting people to the industry is linked to attracting people to work in rural locations. Businesses specifically target people who have lived and worked in a country location, promote lifestyle features, housing affordability. Some companies have developed intensive support to introduce people to the local area. Some companies partnered with local and regional development organisations to promote work opportunities.

Theme 2:

What business and people management skills do manufacturing businesses need as they grow?

- 2.1 Understanding market developments**
- 2.2 Applying appropriate business systems**

Of the 11 SMEs surveyed, 7 reported that they are experiencing significant and rapid growth in terms of markets, product range and plant and equipment. For SMEs, growth is closely linked to milk prices. One cheesemaker commented:

The price of milk in Vic which accounts for around 65% of milk nationally has a major impact ...expect the sector (cheese) generally will be in for a difficult time. It flourished when there was a shortage of milk in Vic but as Vic milk prices have now contracted and local farmers are still on contract (outside Victoria) – often getting double what Vic farmers get, the input costs are relatively high. (9SRC)

Employment in these companies is growing more slowly as companies are investing more in automation and working smarter with the existing workforce.

Large companies have undergone a prolonged period of consolidation and takeovers but expect this to settle. All but one of the large companies predicted either low or modest market growth. The remaining large company expected rapid growth.

2.1 Understanding market developments

Some common trends across the industry for businesses of all sizes are:

- Responding to consumer expectations: more health conscious products; repackaging – user friendly/ready to eat portion size; value for money; environmentally friendly
- Rise in generic brands
- Focus on product innovation to carve out higher value add markets

Large companies have well resourced R&D capacity and are more than capable of analysing and identifying market opportunities. Expansion in small companies is often more opportunistic.

We need to be more specific about what we're doing – focus more on what the consumer wants rather than on what we find easy to do. (1MRC)

SMEs have limited experience in researching market trends. Notwithstanding the diverse interests of SMEs, one cheesemaker suggested there may be opportunities to share subscription costs and market intelligence across the sector.

2.2 Applying appropriate business systems

Business systems refer to tools to manage the way the business operates. The focus here has been the business systems that impact on people management. They include defining both work and people management components, for example:

- Position descriptions
- Structured interview and selection processes
- Standard Operating Procedures
- Staff performance appraisal

Developing systems was an issue identified by some large companies but was more frequently a challenge for SMEs struggling to keep up with business expansion. Although recognised as essential, production managers already pushed for time often struggle to find the time or resources. Most companies see this as an internal business responsibility although some would welcome support, particularly in the form of SOP templates and writing skills as well as basic HR support.

The business can't keep up with this pace – especially around business systems – SOPs; regulatory compliance. Need support to get basic HR bedded down (2MUV)

The biggest issue is how to use the data we collect (compliance records) to improve business performance. We also need better general record keeping, document management. (We) would like support to develop business systems capability: IT/computer literacy training, leadership training. Would be good for people to see how other workplaces do things.
(5MUCV)

Theme 3:

What does a coherent and responsive industry training system look like?

3.1 Training needs identified

3.2 Access to training

3.3 Perceptions that training standards, quality and relevance are declining

3.4 Poor training investment decisions

Most of the larger companies have established training arrangements with an external training provider. Typically training providers offer compliance-related training in-house. Generally larger companies are satisfied that these skills together with basic operating skills are being met. Some companies queried the practical benefits of training but also recognised that they need to be more actively involved if training is to be of value and address specific business issues.

The experience of SMEs was more varied and tended to be more negative.

3.1 Training needs identified

A common concern for both large and small companies related to skills attrition. Replacing this industry experience takes time to develop.

In 5 or 10 years the way it's going, there will be no skilled dairy people in Australia. (10MRC)

Training for high end operators and managers

In response to perceived skill losses, one suggestion was to develop a short course (or cadetship) for high end operators to provide an overview of the dairy value chain and related processes:

This would cover basic science/theory and outline different processing/marketing aspects across the value chain (farmgate – trade) with a couple of days devoted to different product types. (13LUV)

This was part of a strategy to rebuild industry attachment and to develop a recruitment pool from which to draw future production managers.

Training for other roles

In addition to developing dairy-specific skills for production managers, more generic skill gaps were identified such as R&D/innovation capability; sustainable CIP processes for engineers; technical and packaging innovations; logistics management for perishable foods (there was no consensus on these and only mentioned by 1 or 2 managers). (14 LU)

Training issues were acknowledged as a joint company:trainer responsibility:

The industry is not nurturing the young players (13LUV)

Cheesemakers

Skills attrition compounded by lack of training availability was identified as a significant constraint to growth.

If a cheesemaker runs into trouble, there are not many people around to help us and help comes at an incredible cost. (9SRC)

Artisan cheesemaking courses often target the hobby cheesemaker who is interested in a lifestyle change rather than a serious business commitment. (9SRC)

I would not know where to go in Australia for skilled cheesemakers – I don't think there is anyone offering this training. (9SRC)

I don't want to learn from some Australian cheesemaker who knows the same things I already know.

I want to learn from someone who knows more than me (supported more effective sharing of overseas info). (1 MRC)

Market analysis and strategy was identified as a specific skills gap:

Boutique farmhouse cheesemakers are (not good) at responding to the market. We set up business in a location that suits us because we live there. We do something we like to do then wonder why people don't buy our product. (1MRC)

3.2 Access to training

SME businesses, businesses located in remote areas and those operating outside Victoria feel they are significantly disadvantaged in terms of access to training and support.

It is impossible to send people away for training. The margins are too small, we just don't have the funds. (9SRC)

**The industry needs a national training body (training only seen as available in Vic) (1MRC)
Need to spread access around more – recognise reality/economics but (DA) needs to support cheesemakers in other states. (17SRC)**

3.3 Perceptions that training standards, quality and relevance are declining

General concerns were raised about a lack of trainers with dairy background/technical skills (both entry level and more advanced) and with an understanding of specific learning needs. Language and literacy is a particular issue in some metro-based, SME companies.

It's very hard to find good trainers – they don't focus on client needs, just do what is easiest to deliver. (1MRC)

Trainers should be checked – you need to know how good they are. (15MUV)

In some larger companies, the pace of product/process innovation outstrips knowledge of trainers.

There were concerns about training rigour and content both at entry level and for more advanced operators:

Training lacks rigour. What do they (operators) really get out of it? I can't remember when anyone failed – it's just a matter of going through the motions. (13MUV)

(On Diploma) It's a useful introduction to dairy but operators come back and still can't write a recipe or explain how to vary a process to achieve an outcome – little evidence of how they apply any learning to the business. (3 LR)

(On Diploma) The level of competence is not as good as it was. It's too easy to pass. The practical side is missing. (After sending an operator on a course this manager expected the learner to be able to talk through how each part of the process functioned) – **but you just don't see that. It's good to have a lot of theory but hands on practical experience needs to complement it – there's not enough of that taking place at the moment.** (16LRV)

Poor training/assessment practice was identified as a problem – particularly criticising RPL²-only assessment:

It's hopeless – a waste of time. Main problem is – training often doesn't occur. RTOs simply RPL people based on existing skills. The TAFE trainer never taught them anything – just came and assessed. (1 MRC). **Most operators doing Cert 2 are RPL's – it's what they're already doing, you're just ticking the box but at least it gets everyone to a consistent baseline.** (6LRV)

Companies expect more support from VET trainers but often the company is expected to supply the specialist skills content. One company has become so disillusioned with formal VET training they now source training from private, unaccredited training providers.

We're better off paying for training rather than taking government funding to get something that doesn't add any value. (1MRC)

Smaller companies were also concerned that workplace delivery means people miss out on exposure to other ideas and business approaches.

Training needs to be off site and in groups – ideally where people have opportunities to meet with others from other businesses. (1MRC)

3.4 Poor training investment decisions

There was some comment about poor training investment decisions by companies: based on price and distorted by government subsidies

(We're doing training) cause it's free – you get paid.....It looks good for the company if people get trained. The training purchase is also mainly cost driven.... From a production perspective the lost production time has not been properly counted. (15MUV)

They (the business) really didn't know what they were looking for – just went online. In absence of anything better, they mainly go on price. (8MRV)

² RPL stands for Recognition of Prior Learning

Participants at the Forum - 20th May 2010

Dairy company / organisation	First name	Surname
ADPF	Peter	Stahle
Bead Foods	Bob	Harris
Bulla Dairy Foods	Tim	Hassett
Chris's Dips	Del	Teesdale
Dairy Australia	John	Weichert
Dairy Australia	Mani	Iyer
Dairy Australia	Neil	van Buuren
Dairy Australia	Isobel	McNeil
DFSV	David	Faragher
Di Rossi Foods	Brian	Beardsmore
DIAA	Janos	Kaldy
DIAL	Lesley	MacLeod
Florida	Fabio	Portella
Fonterra	Darren	Johnson
Fonterra	Nick	Bacon
Fonterra	Robin	Johnson
Fonterra	Chris	Diaz
Fonterra	Doug	Kearney
Harris Park Group	Pauline	Brightling
Holy Goat (Sutton Grange Organic Farm)	Ann-Marie	Monda
Lemnos Foods Pty Ltd	Louis	Nottle
Longwarry Food Park	Don	Woodhouse
Murray Goulburn	Amanda	Solly
Murray Goulburn	Pattern	Bridge
Murray Goulburn	Tony	Catania
Murray Goulburn (Leongatha)	Bob	Alcock
Murray Goulburn (Rochester)	Peter	Brady
NCDEA	Shane	Hellwege
NCDEA	Michael	Robinson
Parmalat	Tony	Marshall
Poseidon & Black Swan Dips	Dominic	Pasarelli
Pure Harvest	Michael	Ockerse
Uni Melb	Ruth	Nettle
Windsor and Associates	Kim	Windsor
Woodside Cheese Wrights	Kriss	Lloyd
Yarra Valley Dairy	Jack	Holman
VFITB	Linda	Baron

Summary of the outcomes of the Forum

At the Forum the results of the survey were discussed and expanded to establish a list of possible areas of collective action.



Theme 1: The shape of the workforce

- **How does the changing shape of the workforce influence attraction, recruitment and retention?**

Changes we want.....

- The dairy industry presents a powerful story and experience to attract and keep people
- We are more adaptive to changes in work and the implications for the workforce

Workforce Development Forum



Theme 1: The shape of the workforce

Results of the Survey

Additional facts from discussion at the Forum.....

- People from non-english speaking backgrounds present challenges, especially for SMEs
- There is not enough emphasis on introducing dairy careers in schools
- The shape of the dairy workforce is influenced by macro economic shifts
- There are opportunities to build more links to food processing

Workforce Development Forum

Theme 1: The shape of the workforce

Options for collective action.....

1. Articulate and promote dairy career opportunities
 - Develop and tell the powerful story of dairy industry
 - More co-ordinated schools approach: educating career advisers, piggy-back on farm initiatives, connect pathways across more of the supply-chain, make both the message and experience exciting
 - market jobs and roles to a broader range of people
2. Strengthen industry networks
 - Connect larger and smaller producers; build: networks, buddy system
3. Build and maintain an industry directory
 - job matching; skills register, skills pool career paths; 1-stop shop for career interests or templates for companies; training services/funding info; regulatory changes
4. Share market intelligence: cheese focus (technology developments and markets)
5. Provide workforce development systems support for senior and line managers
6. Arrange mentoring for micro-businesses in growth strategies: across food?

Theme 2: Market developments and business systems

- **What business and people management skills do manufacturing businesses need as they grow?**

Results reported under Themes 1 and 3

Theme 3: Training capability

- **What does a coherent and responsive industry training system look like?**

Changes we want.....

- **All dairy companies can identify the training they need can access training easily in a timely way**

Theme 3: Training capability

Options for collective action.....

1. Establish a comprehensive dairy training framework
 - Have industry collective voice in dialogue with training providers
 - Find and share good practice (eg OH&S) in dairy and other sectors
 - Facilitate collective training opportunities
2. Improve relevance / quality of training (eg Certs II and III; work-readiness; practicum post Uni programs)
3. Address specific training gaps eg post-Diploma training; training for cheesemakers; bridging courses for generic managers; 'taster' opportunities especially for young/new entrants
4. Look at O/S courses (eg Vermont USA, cheesemaking particularly)
5. Explore options for arranging delivery eg cadetships, Group Training Companies, Grad employment programs; adult apprenticeships
6. Enhance access to training services (eg improve remote delivery)
7. Workforce development for training organisations
8. Support for understanding training investments and measuring ROI by dairy companies

Feedback from participants on the value of the Forum

Participants were asked to fill in a feedback form at the conclusion of the day. 20 responses were received, and the results shown below.

Your response to the Forum sessions

On a scale of 1 to 10 please rate the Forum in the following areas:	Not useful			Useful				Extremely useful		
	1	2	3	4	5	6	7	8	9	10
How useful was the Forum for informing you about workforce planning issues across the dairy manufacturing sector?				2	2	2	9	5		
How useful was the Forum as a method of canvassing the current state of workforce issues in the dairy manufacturing sector?				1		3	7	6	3	
How useful do you think collective action could be as a means of addressing the issues discussed today?				1		1	4	5	1	8
Can you provide an overall rating of this Forum?					2	3	4	10	1	

Which parts of the Forum were of most interest to you?

Which part of the Forum was of most interest to you? (tick any that apply)			
	Summary of the survey results	8	Theme 3: Training capability 12
	Theme 1: Shape of the workforce	11	Opportunity to network 10
	Theme 2: Market developments and business systems	5	Other (please specify) 2
		

What benefit did the Forum provide to you?

<p>1. What has been the benefit or outcome for you or your organisation from attending the Forum?</p> <ul style="list-style-type: none"> • Reinforcement of industry supporting our growth moving forward • See issues over whole industry by size. Ideas to move forward • Understanding we all have the same underlying issues • Have a voice as to where I feel we should move as an industry • Being informal and involved. Being a voice for smaller specialty cheese manufacturers • Generation training over the next 10 years • Issues similar across industry • Understanding of issues facing the industry • Potential for collaboration and growth for a small business • Greater awareness of what's on offer externally, and networking • Understanding that I am not alone in dealing with issues • Possibility for networking and building a united dairy front • Clarity about a way forward for MG (and hopefully the dairy industry) • Useful for MAC /DA planning • Opportunity to listen to feedback from industry and get an understanding of where the whole industry sees the current and future direction • An overview. Knowing we all face similar issues • Industry feedback • Opportunity to ensure plans are refreshed • At least we identified the shortfall

2. Will you do anything differently in your role or organisation after attending the Forum?

- **Convey the importance of dairy as well as our business interest. Opportunity to sell dairy to our community as a career path**
- **Review training plan and implementation. Gap analysis**
- **Moving forward there will be change but how that will look is not yet visible**
- **Will work with other organisations to form a collective training focus**
- **Seek further data/tools to help leaders**
- **Networking**
- **Push for involvement in collective action**
- **Push for further involvement to enhance a collaborative approach**
- **Seek to contribute further to Forum**
- **Yes move MG forward despite skinny resources**
- **Follow up with some further (NCDEA) marketing**
- **Outcomes will directly affect the role and direction of the NCDEA**
- **Pass our group feelings to Fonterra's HR Dept and Site Units**
- **Represent our [NCDEA] activities and environment more directly to industry and DA**
- **Probably not – I am retiring, but still interested**

3. Any other comments?

- **Interest in skills / career paths, centralised pool, buddy systems, mentoring**
- **Great value to be together to overcome a common problem. Has developed a platform of further collective action**
- **Positive day, thanks**
- **Other than 'industry story' small manufacturers have different needs to large. Some points are industry – rest companies should do themselves**
- **Interested in 'powerful story of the dairy industry'**
- **Potential for successful outcomes is great. Due to small business restrictions, our involvement and input could be limited**
- **Like the idea of (1) industry cadetships (2) central 'knowledge' database**
- **Keen to be involved in the image and collaborative work, including school linkages**
- **I would be interested to contribute to (a) centralised skill pool (b) mentorship**
- **Getting a sense of opportunities to respond to a shared industry problem**