

DAIRY MOVING FORWARD

People

PEOPLE RD&E STRATEGY



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1. Executive summary

The Dairy Moving Forward People RD&E Strategy 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 over the next 5–10 years is that:
People are recognised and developed as the key driver of sustained farm business success.

This objective is based on the premise that it is human and social capital that drives the transformation of resources to economic capital. A farm business is shaped by the way decisions and plans are made for its future, technologies are adapted, and risks and uncertainty are managed. In short, farm systems are chosen, resourced and implemented by people.

The focus of the People Strategy is the people who manage farms, work on farms (in paid or unpaid roles) and provide services to farm.

Many improvements are needed in the industry to assure sustained business success on dairy farms. The following must become the norm, not the exception:

- › Farms are able to attract and retain the people they need.
- › Farm owners and managers have the motivation, skills and confidence to manage the people in their farm businesses.
- › Farms have a low business risk around ‘people-issues’.
- › Farm consultants support quality decision-making around development of a farm business strategy that incorporates people considerations.
- › Farm owners have options and plans for transition of management roles or farm assets and when they no longer want to run or own their farms.
- › The Australian dairy industry has effective workforce planning and action processes operating regionally and nationally.
- › Dairy industry programs have people as the focus when designing ways of operationalising technology.
- › Farmers actively pursue health, safety and well-being for themselves, their families and staff and can easily access the services they need to achieve this.
- › Local communities in dairying regions continue to be vibrant.
- › The industry has the leaders, governance and understanding it needs to effectively influence public policy and manage collective investments.

The Expert Group believes the industry objective can be achieved through five interdependent sub-strategies (themes):

1. **Farm business strategies (around people):** to ensure that farms have a people perspective in their business strategies, including their succession plans.
2. **Farm workplace change:** so that farms are better equipped to attract and retain the people they need and have low business risk around their people resources.
3. **Dairy ‘workforce development’ (everyone on farm and service providers):** so that the industry has effective workforce planning and action processes, regionally and nationally.
4. **Farmer well-being in supportive communities:** to ensure the industry and its people are supported by local communities that are vibrant and self-determining.
5. **Dairy leadership development:** to ensure that the industry has the leaders it needs.

A first step in this new area is to make the value proposition for taking action apparent.

Each theme has a number of priority areas for action.

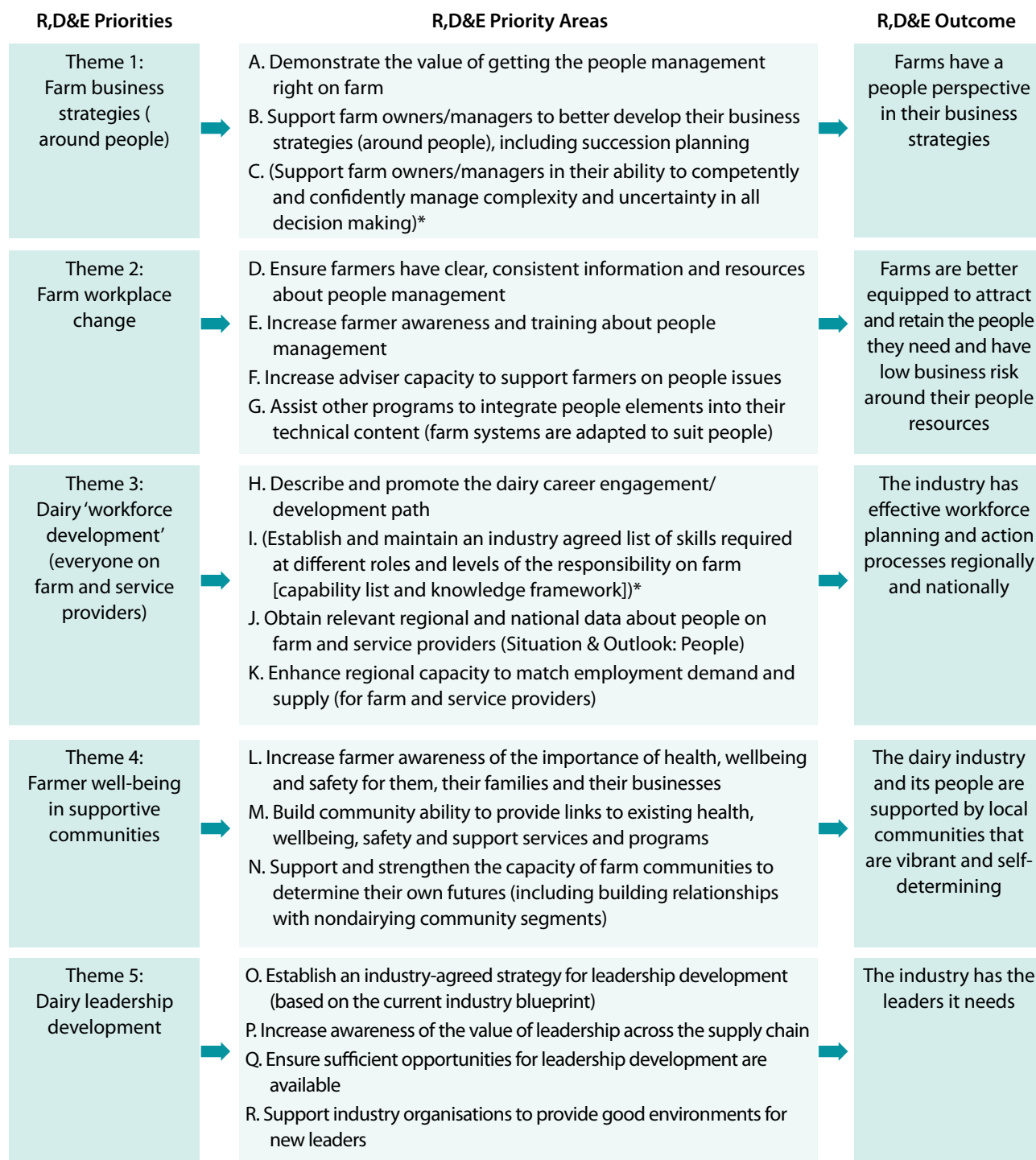
Each of these priority areas requires a program of work. Some are already well planned and underway. Others will need new initiatives. There are many points of interaction between these priority areas and also with other broad strategy areas—particularly the Farm Business Management strategy and the National Training Framework (delivered through the NCDEA).

Much of the People Strategy is in the Development and Extension/Education parts of the Dairy Moving Forward spectrum, but there is still a sizeable Research element needed. This includes articulating the value of acting in this area, better understanding what influences farmers’ transitions (entry, development and exits), testing ways of putting the principles of regional workforce planning into action, exploring methods of enhancing farm safety and research into the issues involved in providing effective support for rural communities.

The ‘people’ domain is a relatively new area of investment for the dairy industry having come to the fore over the last decade. The annual spend is estimated to be between \$2–3 million (based on the existing programs described as part of this strategy development). There is enormous potential for ongoing synergies providing

Figure 1. Priority areas for further Research, Development & Extension /Education investment

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



* with other programs

there is a whole-of-industry strategy and leadership group guiding the effort. The Expert Group believes that the current total investment (the 'size of the petal') will need to be increased to achieve the outcomes needed to deliver the vision.

RD&E/E needs to keep pace with the changes that dairy farmers face if the industry is to help them have the confidence, skills and information to make dynamic decisions—with people capacity at the core.

2. The People Strategy

‘People’ is one of the five strategic RD&E/E priority areas under consideration as part of the Dairy Moving Forward initiative to create a profitable, internationally competitive and sustainable dairy industry.

People are **the** key driver of sustained farm business success. It is important to describe the scope of the people portfolio given that “everything has people in it”:

- In essence it is about enabling farm businesses to achieve benefits from improved people productivity and well-being necessary for sustained business success.
- All elements of the strategy are pre-farm gate (as per the terms of reference), but many elements involve developing an environment that enables them to be achieved.
- It is much broader than Human Resource Management and Farm Business Management (although it incorporates the former and has strong links to the latter).

This People Strategy is bounded, it is NOT about:

- The formal or informal training needs of people on farms across all the other management areas. The issues of skills audit, learning and assessment are relevant for all the Dairy Moving Forward portfolios (‘petal’ areas).
- Assessing the capacity of the private service sector to support the demands of all the other portfolios .
- Assessing the people needs (for example scientists or extension personnel) of the RD&E/E strategies in the other portfolios.

These are all important but separate considerations.

The People Strategy is fundamentally about the people who manage farms, work on farms (in paid or unpaid roles) and provide services to farm. Although the people on farm are the focus of the strategy, development of different program elements will involve various dairy organisations (peak industry bodies, dairy processing companies etc) as well as the public and private service sector, community groups, rural counsellors and social researchers.

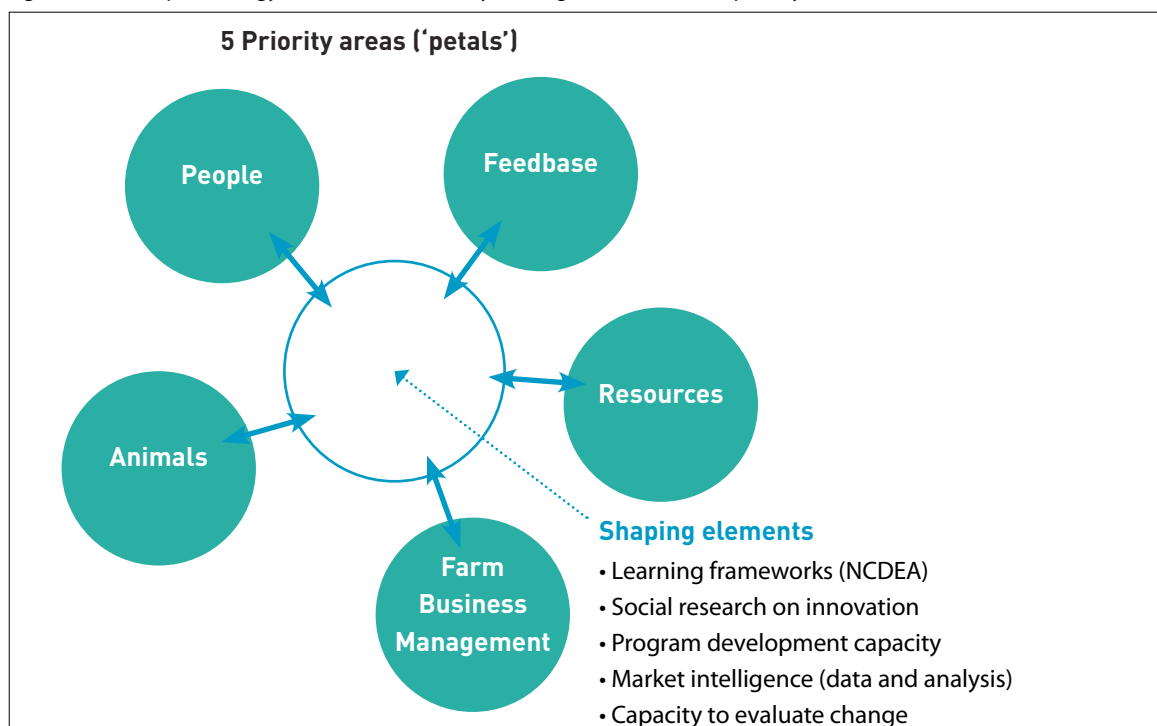
Development of this Dairy Moving Forward People Strategy has helped align activities of current investors in this area. A list of current and recent projects is presented in this report and it is estimated that these represent a current annual collective investment of between \$2–3M.

This report broadly describes the nature of the space in which the expert team believes the industry should be working over the next 5–10 years.

Its content has been based on 1-on-1 consultations with representatives of industry organizations, discussions at two Dairy Moving Forward expert group meetings in July and August 2010 and comments following presentations to the Industry Education Steering Committee (9 Sep 10), the Dairy Company senior managers meeting (20 Sep 10), the Dairy Australia Executive Leadership Team, The People in Dairy Core Group (7 Oct 10) and the Dairy Moving Forward Steering Committee (5 Aug 10, 28 Sept 10).

1 The many questions around workforce development of service providers are a whole-of-industry issue: What is the capacity in the regions? What is the supply? Who determines the qualifications and skills that are needed? And is there sufficient demand to maintain currency?

Figure 2. The People Strategy is one of the five Dairy Moving Forward RD&E/E priority areas



3. Why invest RD&E/E in having a People Strategy?

Farm systems are chosen, resourced and implemented by people. It is human capital and social capital that drives the transformation of resources to economic capital.

Concerns in this domain have been identified for over a decade. In 2001 Dairy Employment for the Future² began in response to employment issues in the industry but was overshadowed by the drought in the following years. In 2004 “people issues” around labour, succession and work-life balance came up time and again in the 2,000 “Taking Stock” consultations that assessed the health of farm businesses. By 2005 a national RD&E priority-setting process³ formalized the need for strong farm business culture, better management skills, efficient and adaptable farming systems, and higher satisfaction and retention of people in the industry.

People enable the value of all other resources to be realized—and should be considered at the outset. Yet a lot more is known about the cows, milk, pastures and debt levels on farms than is understood about people capacity.

The vision of the People Strategy over the next 5–10 years is that people are recognised and developed as the key driver of sustained farm business success. The strategy is being 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. It is likely that greater investment in this area will be needed to achieve this industry vision.

The Australian dairy industry is founded on a collective of 7,400 small to large individual farm businesses. The industry exists because it consistently produces good quality product at a competitive price, although this advantage has been eroded in recent years by the inability to rely as much on pasture-based feed systems.

Over the last decade farm businesses have had to survive uncertainties around the availability of key resources (water, grain then fibre), associated rises in the costs of inputs, then a reduction in income (reaction of international markets to the global financial crisis). As the business of dairy farming escalates in complexity this takes much more than technical expertise in milk production.

“the vast majority of irrigators in the basin are smaller family enterprises, sometimes they make a good living, but much of the time they’re battling the seasons, the overdraft and commodity prices. They work hard and they’re not getting rich”

–Judith Stubbs, Stock & Land interview, 13/9/2010

Many enterprises have not survived with farm numbers decreasing by about 40% since 2000. The remaining farms have increased in herd size (from 170 to 260 cows) and many are making major changes to their production systems. Almost all dairy farms (98%) are still family-owned businesses, with 15% as sharefarmers.⁴ As herds have increased in size this has placed pressure on their work-life balance.

One response to the increase in herd size has been a profound increase in the proportion of farms employing people other than family, moving from ~30% in 2004 to ~70% by 2009. Dairy farms typically have 2–5 people working in the business.

Table 1. Size of farm workforce⁵

Number people	1	2–5	6–20	21–50
Herds	26%	63%	10%	0.5%

A lot of dairy farmers have relatively little personal experience as employees or employers. The need to enable farmers to better manage industrial relations and other legislative requirements and be more confident to employ were also seen as priorities for collective investment in the farm sector priority-setting exercise in 2005³. In 2006 about 4% of dairy farmers had participated in training in human resource management.

Almost 60% of dairy farms have attempted to fill a vacant position over the past five years and just over half of these farms had difficulty finding the right person.⁶ One-quarter of these farmers said this resulted in a negative effect on farm performance. Getting suitably skilled and committed people was not such an issue in the past when many farms were passed on to the next generation and the up-and-coming young farmers learnt the skills and practice of dairying from their family.

The population of people who work on farm has become much more dynamic. Of the 25,000 people estimated to work in the industry, almost one-sixth of them (3,800) were recruited to farms during the past year⁴. Staff turnover alone is very costly because of the expense of recruitment and training, loss of expertise and pressure placed on the remaining people; with estimates ranging from 50–150% of the employee’s annual salary, this is at

2 Dairy Employment for the Future: the strategy, Australian Centre for Industrial Relations Research & Training, University of Sydney (an initiative of the UDV sponsored by WestVic Dairy and funded by the Geoffrey Gardiner Foundation), July 2004

3 Australian Dairy Industry Priorities for Collective Action for the Farm Sector, November 2005

4 Dairy Australia National Dairy Farmer Survey 2010

5 Dairy Australia National Dairy Farmer Survey 2008

Table 2. People input on dairy farms

	Average of 71 farms across Victoria (Dairy Industry Farm Monitor Project 2010)	Range from over 200 farms in south eastern Australia (Red Sky)
Cows milked per full-time equivalent (50 hours)	94 cows/FTE	<60 to >200 cows/FTE
Labour and management costs per cow	\$634 per cow	<\$300 to > \$800

least \$30 million dollars worth if 2,000 of the positions above are replacements at the most basic level (at say \$15,000 of costs per person).

The benefits of “getting people issues right” around sourcing and deployment of the workforce in the farm business can be significant. Conservative estimates from modeling in 2008 suggested that productivity and profitability improvements alone can mean as much as \$200/cow profit on some farms. This becomes a sizeable figure industry-wide: for example it is worth \$52,000 for a farm of 260 cows, and ~\$80 million per year to the industry if achieved on one-in-five herds.

There is a wide range in the people input on farms, but it is impossible to make a judgment on the significance of these figures alone, because the interpretation for each farm requires the context of the farm system involved, its sustainability (as a business) and the reward it generates.

It is difficult to do anything but a simplistic estimate of the benefit-cost of people interventions as few of the contributing factors (a healthy workplace culture, good working relationships etc) are measured. But the risks of not getting it right are highly visible: seen as premature exit of dairy farms, people and investment from the industry. Farm profitability, a smooth easy-to-run operation and the health and well-being of its people are incentives for owners of dairy farms to expand.

Traditionally growth of a farm business has relied on individuals and long working hours. Research in 2000 in Gippsland reported work hours of owner-operators as an average of 59 hours per week for 49 weeks.⁸ In 2008 owner-managers self-reported working an average of 68 hours per week, 50 weeks a year⁵, which is almost

double the 1855 hours annual average worked in Australia, the country with the highest annual working time in the developed world.⁹ But this approach is hitting a ceiling: the long hours displace time with family and limit involvement in external pursuits, significantly reducing satisfaction with dairying for more than two-thirds of these people. For many farms there must be a change to the way things are done.

Individual farms must position themselves well to attract and retain people they need. Effective deployment and retention of staff occurs in workplaces that offer decent work (farms that have good workplace culture, work-life balance, recognition and reward).

Farms are also part of the broader community and their appeal as workplaces will be influenced by regional and national factors. When unemployment levels are low, skilled people have many career choices. Individual dairy farm businesses cannot influence the development and delivery of employment services involved in improving this situation; these require industry-based responses.¹⁰

One of the important aspects of any business strategy is planning by current owners of how to exit the business—either the management or the assets or both—when they wish to do so.

23% of the 152 responses from 71 farmers surveyed in the 2010 Dairy Industry Farm Monitor Project¹¹ nominated succession planning as their most pressing future decision. Participants who were concerned about succession in the business also mentioned concerns for their age, retirement options and work life balance. A recent study of milk supply in the Alpine valleys of NE Victoria¹² showed that in that region dairying was economically much more rewarding than grazing beef but there were significant barriers to continuation and expansion of dairy. These barriers were associated with farmers’ perception of their options for transition of management roles or assets. Further industry investment in understanding and promoting approaches to business succession planning are needed.

Everyone wants to be healthy and have a safe place to live and work. One challenge with dairy farms is that they are workplaces and also family homes. For the people

6 Preliminary results from further analysis of Dairy Australia’s Situation & Outlook 2004-2009
 7 Cost-benefit analysis, David Collins, Dairy Australia, June 2008
 8 Labour survey, John Mulvany, GippsDairy 2000
 9 Hamilton C, The Australia Institute 2009
 10 Nettle R, Oliver D, Brightling P, Williamson J, Buchanan J (2008). From “Workforce Planning” to “Collective Action”: developments in the Australian dairy farm sector. *Employment Relations Record* 8(1):17–34.
 11 Dairy Industry Farm Monitor Project, 2010
 12 Mulvany J. Future dairy supply for Alpine Valleys NE Victoria. Report commissioned by Alpine Valleys Agribusiness Forum, 2010

Table 3. Nature of the desired changes around 'people'

On-farm	Local communities in dairy regions	Industry*
Farms have a people perspective in their business strategy	Communities have the resources and capacity (including networks, information, processes and leadership) required to be resilient and vibrant	There is a wide-held belief that people are the core to success
Farm businesses have the tools, process and access to high quality advice to build the people capacity and achieve change on their farm	Communities recognize and value the career and economic development opportunities that dairy offers**	Program managers include a people focus in the design of their initiatives
Farm consultants always consider details of people capacity in this planning	The dairy industry has good relationships with community financial services and keeps them abreast of dairy issues and outlook**	Core resources about managing people are available and their currency is maintained
Farm managers improve the way work is done on farm (have straightforward systems and the right people in the right job at the right time)	The dairy industry has good relationships with community employment, health and social service networks	Industry has the leadership it needs (with a strong farmer voice)
Farms offer decent work (work-life balance, safe, rewarding, skills development, career paths)	Farmers can easily access services they need around health, safety and well-being	The service sector wants to be part of change and has the capacity to advise on people issues
Great value is placed on effective working relationships	Dairy farm families are connected with their communities, and well-represented in community participation	There is effective workforce planning and action regionally and nationally**
Farms have a low business risk around their people resources		Industry has the resources it needs to promote dairy careers
Farms have efficient recruitment strategies		Industry is able to measure and track the value of people management in achieving business success

*Developing the enabling environment for these changes is a prime area for collective investment

** Involves joint action across industries to be efficient

working on the farm there are some very busy periods, long days, a wide range of weather conditions and the requirement to handle large animals and work with potentially hazardous equipment, environments and substances. Older and younger family members are quite often at greater risk of harm if exposed to these hazards.

There is recent evidence that the health status of dairy farmers is generally poor.¹³ The Sustainable Farm Families program is a preventative health care initiative run by the National Centre for Farmer Health (in conjunction with DPI in Victoria). It offers a series of group workshops for farm family members to address the impacts of poor health and safety on farms. Baseline data collected in the first year of workshops demonstrated low health status of Victorian farmers who attended. Of the 964 farmers who attended, 70% were referred for additional health attention following the individual health assessments in the workshops, mostly for diabetes and cardiovascular disease.

Further collective investment around farmer awareness and action to improve physical and mental health, safety and well-being is needed to enhance the productivity and appeal of the industry.

RD&E/E needs to keep pace with the changes that dairy farmers face if the industry is to help them have the confidence, skills and information to make dynamic decisions—with people capacity at the core.

In 2006 Dairy Australia initiated a new program, The People in Dairy, to build the industry's capacity to match the people resource with the needs of farm businesses. At this time the goal in this area still had to be fully articulated, the specific needs identified and a clear path devised for what was required to make it work; it was definitely a program in the Development phase. Few service providers who worked in the dairy industry were confident to advise or signpost in the people area. There

had been multiple small (and innovative) projects on various aspects of the employment pathway but they were mostly short-term, localized, one-off exercises.¹⁴ What was missing was a conceptual framework to enable farmers and service providers to differentiate between symptoms and root causes, and key principles to enable the industry to develop appropriate initiatives in response.

The types of change desired to achieve the vision of this strategy—that people are recognized and developed as the key drivers of sustained farm business success—are summarised in Table 3.

Achieving this type and scale of change will only be possible if the dairy industry takes a lead role. The whole-of-industry needs to change the way it thinks about people and communities, and develop a collective response that attends to the complex of issues around recruitment, retention and development of people in dairy. Mapping and alignment of initiatives will enable the industry to work at a 'systems' level. Coordination of efforts will provide momentum, synergies and potential opportunities for leveraging government investment.

As the Australian population and culture becomes increasingly urbanised, most dairy production operations remain located in rural and regional Australia. Dairy relies heavily on small rural communities to provide its workforce—it is estimated that 60% of dairy industry employees live in communities of fewer than 5,000 population. There are estimated to be around 270 of these communities in Victorian dairy regions.¹⁵ Although it is known that farm businesses generate indirect employment in towns throughout country Australia through their expenditure on farm inputs and farm household goods and services¹⁶ and that dairying has a strong "multiplier effect" in regional economies¹⁷, the extent to which dairying is valued by the communities in which it resides is largely unexplored.

Many of these small rural towns are facing significant challenges, including loss or degradation of infrastructure, access to water and other resources, loss of essential services such as health and education, competition for agricultural employees with other industries, urban encroachment, and youth out-migration. These challenges result in a dwindling population and economy, which can in turn precipitate further contraction of community services, infrastructure and capacity. The inevitable outcome for the dairy industry of this vicious cycle is a considerable workforce shortage in key dairy production areas, reduced well-being of dairy families, and potentially less innovation.

Wear (2008) reported that, all things being equal, greater community strength is associated with increased innovative activity. "Place" does matter and plays an

important role in supporting innovative activity through networks and relationships. Using provincial Victorian data, community strength was at least as important as many of the other factors driving innovation with informal networks, such as membership of organised groups (which includes everything from sport, church, community or professional groups) associated with innovative activity. This link to innovation extended to places where people felt safer, and more valued.^{18,19}

However changes in dairy farming itself have also led to some fragmentation of community involvement. As farms are spread further apart, have different farming systems and calendars (with peaks of work load at different times from their neighbours) and increase in complexity it makes it more difficult for farm families to find the time, energy and passion to participate in the community as they once did.

The dairy industry needs to understand and acknowledge the importance of developing the strength, health and resilience of its communities and invest significantly in this area to ensure ongoing workforce security. We want local communities in dairy regions to be proud of and actively promoting their quality dairy produce and supporting the involvement of dairy people in community life.

In summary, the wealth creation and resilience of the dairy industry depends on the people who work in its farm businesses. The objective of the People Strategy is to help farms achieve their potential and make dairying an attractive career and investment by developing an industry culture that values people and building people capacity on farm. This requires long-term investment in a coordinated set of activities (R,D and E/E), and an ongoing process to refresh the priorities in the light of farmer requirements and changes in the external environment. Local communities in dairy regions that are vibrant and active and positive about the dairy industry will be appealing places for dairy people to live and work.

13 *Sustainable Farm Families Impact Evaluation 2007–09, Roberts Evaluation report for DPIV, 2009*

14 *Nettle R, Johnson R. A review of employment projects in the Australian dairy industry 1998-2006, Final report prepared for the Dairy Employment Committee, January 2006*

15 *Paul Ford, Gardiner Foundation pers comm*

16 *ABARE 2000, Australian Farm Surveys Report 2000, Canberra*

17 *WestVic Dairy, 2010, Driving Down the Track. Warrnambool City Council regional economic activity report.*

18 *Wear, A. (2008) Innovation and Community Strength in provincial Victoria. Australasian Journal of Regional Studies, Vol. 14, No. 2, 2008 195*

19 *Pope, J. (2006) Indicators of Community Strength: A Framework and Evidence. State Government of Victoria: Melbourne*
Pope, J. and Warr, D. (2005) Strengthening Local Communities: An Overview of Research Examining the Benefits of Neighbourhood Houses. State Government of Victoria: Melbourne

4. Existing RD&E/E (on-farm, cross-industry, community)

The Dairy Moving Forward process has identified the following list of current or recently completed projects that relate to the themes in this People Strategy. This list is not comprehensive but does demonstrate a broad range of activities which is estimated to be approximately \$2–3M per annum in collective investment.

Table 4. Existing RD&E/E

Theme	Project or activity name	Organisation responsible	Completed or ongoing	R,D,E	Comments
1&2	The People in Dairy online resources	DA (The People in Dairy)	2008-ongoing	D,E	
1&2	MGFarm	Murray Goulburn	2009- ongoing	D,E	The People in Dairy 'People Basics' integrated into the Murray Goulburn website
1&2	PrimeFacts	I&I NSW		E	Fact Sheets posted on I&I NSW website
1&2	The People in Dairy awareness sessions	I&I NSW, DairyTas	2009-ongoing	E	
1	Large Herds Extension Program	DairyTas	2010-12	E	Group work for large farms including retreats
1	The People in Dairy Large Herds Business Retreat	DA (TPiD)	2009-ongoing	E	2-day workshop for owners and managers of large herds (800+ cows) to assess their business strategies from a people perspective.
1	Rural Financial Counselling	DAFF (RFC)	Ongoing	E	Rural Financial Counsellors have skills and knowledge in developing farm business strategies and have recently increased their focus on assisting farmers with succession planning.
1	Dairy Smart	TIAR	2009-ongoing	E	Regional groups meeting 6-7 times per annum on wide range of management issues including people
1	In-Charge Financial Literacy Workshops	WestVic Dairy	2010-ongoing	E	For farmers who want to improve their financial management skills, improve their business profits and build wealth and help the farm team build better plans
1	Business management workshops	I&I NSW	Completed (2010)	E	Reinforcing the principles around profitable and sustainable dairying, particularly emphasising skills assessment and training

Theme	Project or activity name	Organisation responsible	Completed or ongoing	R,D,E	Comments
1	Taking Stock: Taking Action	DA/DAFF DairyTas	2005-2010	E	First launched as part of the crisis response to the prolonged dry in 2005, later supported by DAFF to help farms in the Murray Darling basin and DairyTas in Tasmania. A one-on-one consultation with an experienced adviser to assess how the business is going and use this as the basis for discussions about planning. It explores the physical, financial and people issues on the farm.
1	First Farm Grant	Rural Finance Corporation	2010 – 2011	E	\$3000 grant for young farmers to undertake business planning with the assistance of a consultant. A further \$7000 is available to develop projects on farm.
1&5	Young Agribusiness Professionals	VFF	Ongoing	E	Activities for younger members of the VFF. Recently received state government funds to offer more activities and events.
1	Client stocktake survey	RIRG	Completed 2009	R	
1	3030 project: Social research	RIRG	Completed (2006-10)	R	
1	Dairy Live evaluation (I & II)	RIRG	Completed (2009-10)	E	
1	Enhancing the resilience of dairy farm businesses	RIRG	Completed (2005)	R	
1	Changing rooms in the dairy industry: Leaving a legacy from crises	RIRG	Completed (2009-10)	R	
1	Farms, Rivers, Markets	RIRG	2010-ongoing	R	
1	Managing Your Own Business Continuity	DairyTas, AusIndustry	Completed (2006-2008)	E	Awareness workshops and 1-on-1 planning sessions with a consultant, focused on succession planning
1&3	Future Dairy in the Alpine Valleys	Alpine Valleys Agribusiness Forum (with Murray Goulburn and RDV)	2010	R	Exploration of the drivers (business strategies and people issues) behind dairy supply in Vic NE

Theme	Project or activity name	Organisation responsible	Completed or ongoing	R,D,E	Comments
1,3&5	Young Dairyfarmer Networks	RDPs, TIAR, DA, sponsors, (previously also GGDF, UDV)	Ongoing	E	The Young Dairyfarmer Networks (including Young Dairy Development Program in Victoria, and Next Gen in Tasmania) aim to meet the needs of young dairy farmers and those who are new to the industry with personal and professional development. Professional via attending the events either delivered by the program or signposted; personal by having a network and improving confidence via the committee processes and events.
1	Murray Dairy Business Networks	Murray Dairy & GGDF	Completed 2010	E	Enhancing the business skills of farmers to manage uncertainty by promoting sound principles in business management and highlighting dairy farming as a profitable and rewarding career.
2	Innovation in employment 'Employment guidelines for employers and employees – from employers and employees	GippsDairy, Industrial Relations Victoria	Completed (2004)	R, E	The aim of the project was to learn about what constitutes good effective working relationships between employers and employees. Over a period of 12 months 18 farm businesses and their employees meet on a regular basis and through facilitation developed a booklet on practical employment guidelines.
2	Diploma Human Resource Management (Dairy)	NCDEA (DA/TPiD)	2008-ongoing	E	Formal development of existing farm consultants and advisers skills as human resources practitioners. Provides a framework to think through issues around people capacity and workplace culture on farms. 64 people have now been through the course.
2	PeopleGPS	NCDEA + partner RTOs (DA/TPiD)	2009-ongoing	E	4-day course for small groups (of 10-15) farmers which helps them develop skills in recruiting, retaining and developing the people on their farm. The course is a Level V unit and FarmReady approved. All trainers have completed Diploma HRM (Dairy). Approximately 200 people have completed in Vic, NSW, Qld and Tas (including pilots).
	The People in Dairy workforce development	RIRG	2007-ongoing	R	

Theme	Project or activity name	Organisation responsible	Completed or ongoing	R,D,E	Comments
2	Valuing People in Sustained Dairy Business Success	RIRG; DA (TPiD)	2009-ongoing	R	
2	Focus Farms	DA (GippsDairy, WestVic Dairy, and Murray Dairy)	Ongoing	E	GippsDairy Focus Farms have a support group meeting monthly on farm with a facilitator for two years to help the focus farm family achieve their goals, as well as cover timely technical information. Goals include business and family issues (eg increase return on asset, "get business ready for a manager so I can step back").
2	Devondaler Newspaper	Murray Goulburn	Ongoing	E	Current case studies of farming families focus on farming systems, business systems, people systems, succession planning etc.
2,3	Dairy Knowledge Framework	NCDEA	Ongoing	D	Establishing and maintaining an industry agreed list of knowledge and skills required at different levels of the responsibility on farm
2,3	Growing the New Generation	Victorian RDPs	Completed (2005)	E	Dairy Business Networks supporting farmers around employment practices
3	Workforce Planning and Action	RIRG, GGDF, GippsDairy	Completed (2007-09)	R	Development of a regional process for the dairy industry and the community it is within to better understand and action a system of workforce development, including assessment of demand, supply and possible interventions. Initial work in this process was completed within the Baw Baw Shire, Gippsland.
3	The People Report	DA (TPiD, RIRG NCDEA)	2010-ongoing	R,D	Review of data around people with periodic update (Situation & outlook – People)
3	Murray Dairy workforce survey	RIRG	2010-ongoing	R	

Theme	Project or activity name	Organisation responsible	Completed or ongoing	R,D,E	Comments
3	In2Dairy – Entry-level pathway for Assistant Farmhands	DA (WestVic Dairy)	2010-ongoing	R,D,E	<p>Pilot program in Western Victoria. A joint action initiative between many different organisations/businesses:</p> <p>Engagement of the Job Services Australia network to identify job seekers who may be interested in a career in the industry starting as Assistant Farmhands</p> <p>Participation by the job seekers in a 10 day program of accredited pre-employment training (some units in Cert II) offered by the NCDEA</p> <p>Decision by some of the job seekers to progress to traineeships (with NCDEA) on dairy farms</p> <p>Identification by WestVic Dairy of dairy farms that need entry-level staff and are interested to participate in the program (take on a trainee)</p> <p>On-going support by WestVic Staffing Solutions for both the trainee and farmer to assist the employment relationship</p>
3	Cows Create Careers	DA (Jaydee Events), I&I NSW/ GGDF	2004-Ongoing	E	<p>Promotes career and educational opportunities in the dairy industry to secondary school students, with the assistance of local dairy farmers and local dairy industry professionals, such as vets, dairy company field officers, agronomists and cheesemakers. All regions are running Cows Create Careers. Approximately 170 schools and 6000 students are expected to participate in 2010–11.</p> <p>New “schools to industry” work experience module being developed 2010–2011</p>
3	Picasso Cows	DA (Jaydee Events), I&I NSW	Ongoing	E	<p>The Picasso Cows initiative aims to engage primary school students and increase awareness of the Australian dairy industry and its products. This is done through the creativity and teamwork involved in painting a life size fibreglass cow and creating a class learning journal.</p>
3	Rotary Youth in Agriculture (Dairy)	Rotary, I&I NSW	Ongoing (annual)	E	Youth camp

Theme	Project or activity name	Organisation responsible	Completed or ongoing	R,D,E	Comments
3&5	DairySAGE Mentoring	GGDF, WestVic Dairy DA	Ongoing	D,E	Capacity building initiative to provide the Australian dairy industry with a sustainable framework to establish mentoring relationships; by partnering experienced, mentors with dairying people from all sectors of the industry; including the farm, manufacture and service sectors.
3	Dairy Traineeship Scholarship	I&I NSW; Norco	Ongoing	E	A focus on new generation farmer development to enhance capacity, knowledge, skills base and decision-making for long term sustainable growth and development
3	Retaining people in dairy farming - what is working and why?	RIRG/ GGDF	2010-ongoing	R	
4	Managing stress in tough times: a practical guide for farmers and service providers	Western Dairy, Govt WA	2010	E	Drought response resources
4	Sustainable Farm Families	Western District Health Service; delivered in partnership with DPIV and GGDF	2005-ongoing	R&E	Farmer workshops which focus on the importance of farmer health and wellbeing not just for individuals but also for the health of the farm business. New research being undertaken 2010-2011 to evaluate lasting impact of initial 2006 program, and identify future directions.
4	Volunteerism in small Communities	Originally sponsored by GGDF		E	Running in SW Victoria
4	National Centre for Farmer Health	Western District Health Service; Deakin University	2009-ongoing	R&E	Online resources and range of delivery activities
4		Foundation for Rural & Regional Renewal	Ongoing		Established as a partnership between philanthropy, governments and business to stimulate rural and regional renewal in Australia
4	Strengthening Small Dairy Communities	GGDF	2010-ongoing	RD&E	Partnering with shires and industry to develop and implement community-driven strengthening programs, focused on skill development and building on-going capability in identifying issues & priorities, securing funding, and managing community projects.

Theme	Project or activity name	Organisation responsible	Completed or ongoing	R,D,E	Comments
4	Small dairy community grants	GGDF & FRRR	ongoing	D	Annual funding round of appx 20 x \$5,000 grants for community improvements in small dairying towns
4	Gateways 4 Sustainable communities	Northern District Community Health Service & GGDF (with other shire & govt funding)	2008-2011	D	An innovative partnership project to improve opportunities for young people, enhance community links and build upon regional capacity.
5	Dairy industry blueprint for leadership development	ADIC / DA / GGDF	2010-ongoing	D,E	There is an enormous requirement for the industry to identify and skill the next generation of leaders who can act at political, company, service, research and farm business levels. A number of stakeholders invest in this area and this industry-wide plan is designed to increase the efficiency and effectiveness of this investment.
5	Growing the Next Wave	Regional Development Victoria, delivered by WestVic Dairy	2010-ongoing	E	Develop young community leaders in south-west Victoria and help them strengthen their community links
5	Young Dairy Networks	Multiple sponsors	Ongoing	E	Young dairy activities in all dairying regions (Young Dairyfarmer Development Program YDDP in Victoria).
5	Don Campbell tour to Tasmania	GippsDairy	Ongoing	E	Annual 5 day tour to the northern dairy belt of Tasmania for young farmers.
5	Nuffield Australia Farming Scholarships	GGDF and DA sponsorship of dairy participants	Ongoing	R&E	
5	Australian Rural Leadership Program	ARLP Foundation (multiple sponsors)	Ongoing	E	
5	Bonlac Supply Company Leadership Program	Fonterra / Bonlac Supply Company	Ongoing	E	Continuation of the BSC leadership program. Nine Fonterra suppliers across Vic and Tas completing the program
5	Fonterra Supplier Forum	Fonterra	Ongoing	E	Supplier forum consists of 18 Fonterra suppliers covering Vic, Tas, NSW and WA.
5	MG Supplier Development Program	Murray Goulburn	Ongoing	E	Program to provide MG Suppliers with the opportunity to understand more about the industry, their cooperative, and their own leadership ambitions.

Theme	Project or activity name	Organisation responsible	Completed or ongoing	R,D,E	Comments
5	Next Generation Leadership Development Program	Dairy Australia /NCDEA	2011	E	
5	Dairy Famers Milk Co-operative Supplier Development Program	Dairy Farmers Milk Co-operative	August 2010 – December 2010	E	Supplier development program for 5 young suppliers (18-35 years).
5	Company Directors course	UDV/GGDF	2010-2011	E	Enhancing the capability of UDV Central Council by sponsoring 2 places on the Aust Institute of Company Directors course.
5	Dairy participants in Community Leadership Programs	GGDF (with 4-5 Vic CLPs)	Ongoing	E	Developing leadership capability within the Victorian dairy industry.
5	Apprentices study tour of NZ dairying	UDV/GGDF	Ongoing	E	A major professional and personal development experience for Victoria's top dairy apprentices - grooming young ambassadors for the industry.
5	Marcus Oldham Rural Leadership Program	UDV/GGDF	Appx 2002-2007??	E	

5. Theme 1: Farm business strategies have a strong people focus

The need

To achieve sustained business success:

- › Dairy farms need appropriate and well-implemented farm business strategies, where the strategy and ability to resource it have been considered from a people perspective (goals, roles and skills etc).
- › Farm business strategies must include consideration of transition of farm assets when owners wish this.
- › Farm owners and managers must have the motivation, skills and confidence to manage the people in their farm businesses.
- › Farm consultants and advisors must be able to support quality decision-making around development of the farm business strategy.
- › The value proposition for taking action in this area must be apparent.

Who for?

Farm owners and managers (including those up-and-coming to this role).

Others who need to be involved in the development: organizations and individuals with interests in farm business management and people capacity (including farm consultants; financial institutions – accountants and banks; training and extension organisations)

Rationale

Farms are a multitude of competing priorities.

It is difficult to achieve sustained business success unless there is a vision for the farm business and it matches the capability and resources of the farm. This is the bailiwick of farm owners and managers; they guide the direction of the farm business, make decisions and are responsible for implementing them. As such they are key instruments of industry adaptation and well-being.

Most Australian dairy farms (98%) are still family-owned businesses and owner-operators report long work hours (average 3400 hours per year, or 68 hours/week for 50 weeks).²⁰

Being chronically overloaded and overwhelmed with the number of jobs that need doing on farm are symptoms of a problem: trying to do the impossible because of a system that is not well designed for the available resources (people, infrastructure etc).

Productive, smoothly running farms make staying in the industry and growing the business attractive options.

Having inspiration and a strategic guide is as important for the 7,400 farm businesses as any other business enterprise. This is commonly achieved by articulating a business vision: a statement of where the business wants to be in the future. Businesses can then use the vision when faced with decisions to check their fit.

Then the roles necessary to implement the strategy must be specified. This is not always as straightforward as looking to employ another milker. There is increasing demand for higher levels of farm management skill as herd sizes expand, and need for “second-in-charge” managers and experienced production supervisors. This leads to an increasing need for training, and elevated importance of the relationship between owners and senior managers. When there is more than one person looking after the system there has to be communication, understanding and trust between the people in charge of the different elements of the farm.

And finally the farm must have systems that are simple to put into practice. A way of operating that is documented and well-understood by all team members (standard operating procedures) removes the risks of a relying on a single passionate person.

Farm businesses are likely to have enormous challenges into the future. This cannot be managed in isolation: the quality of decision-making relies on having a network and good relationship with the advisory environment.

Current knowledge and capacity

It is necessary to establish the value proposition for “getting people right” to convince funding bodies, stakeholders and farmers to invest in this area.

But it is difficult to quantify the effects that better people management has on sustained farm profit as many of the qualities that make a difference (such as workplace culture and working relationships) aren't easily measured. A research project on 'Valuing people in sustained dairy business success' was started in 2010 to give a better understanding of the link between labour and profitability.

²⁰ Dairy Situation and Outlook, 2008, Dairy Australia

Table 4 *Existing RD&E/E* in this document describes existing capabilities and supply in this area. In summary:

- › Many dairy networks run formal and informal farm business management sessions for their local farmers.
- › The NCDEA offers many units (from the National Training Package and Industry Endorsed Qualifications) for those interested in senior management positions on farm such as Business Manager Advanced Diploma of Agriculture, Production Manager Diploma of Agriculture and Farm Supervisor Certificate IV in Agriculture.
- › Since the pilot in 2010, owners and senior managers of large herds can enroll in a Large Herds Business Retreat with The People in Dairy. The aim of the facilitated small group discussion over 36 hours is to ensure people issues are not constraining the businesses from achieving their financial and production goals.
- › Some farm consultants continue to offer 'Taking Stock: Taking Action' (or equivalent) consultations to clients on request. These consultations assess the physical financial and people aspects of a farm business and use this as the basis for discussions about planning for the next season and beyond.

Investment priority areas

A. Demonstrate the value of getting the people management right on farm

- Develop a full understanding of the value of getting the people component right ('Valuing People in Sustained Dairy Business Success')
- Raise farmer awareness of the value of 'getting people right' (farmer case studies)

B. Support the capacity of farm owners and managers to develop their business strategies around people (including succession planning)

- Provide ongoing access to clear, consistent, relevant information and resources (e.g. The People in Dairy online resources)
- Increase the capacity of farm consultants to support farmers on people issues
- Increase the confidence of farm owners and managers (including the next generation of decision makers) in managing the people capacity on their farms (eg 1-on-1 consultations, NCDEA training, Large Herds Business Retreat)
- Develop resources and case studies demonstrating different approaches to transition farm assets
- Increase the capacity of farm owners to establish and communicate plans for farm ownership transition

C. Support farm owners and managers in their ability to competently and confidently manage complexity and uncertainty in all decision making (assist priority area with other portfolios)

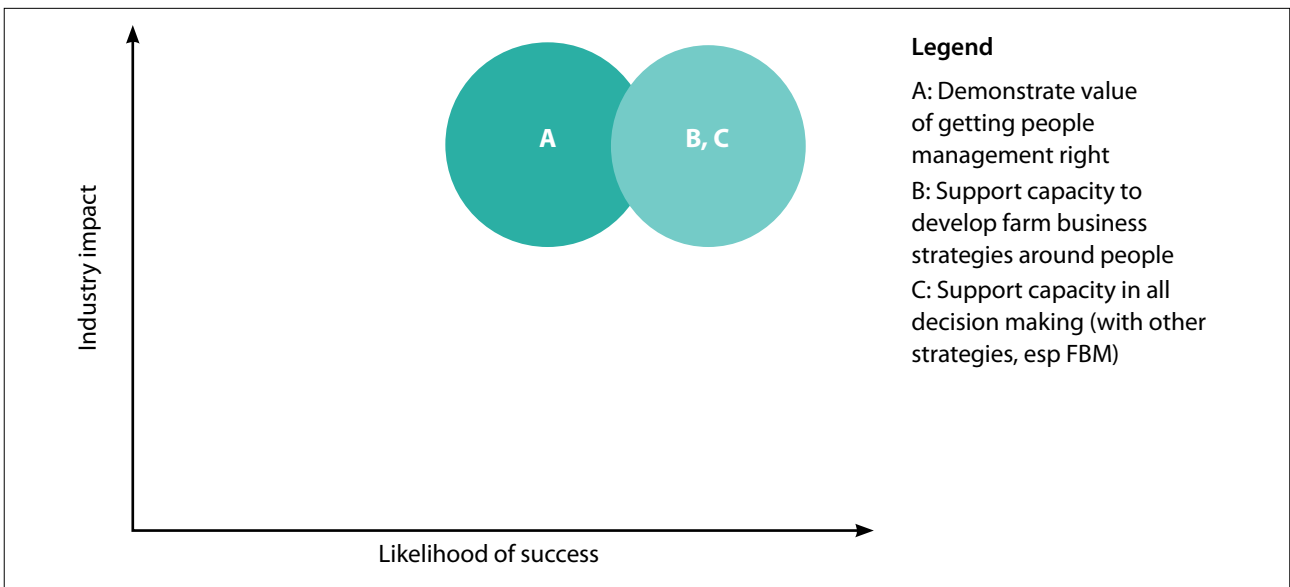
- Increase the confidence and capacity of decision-makers to manage change (training, 1-on-1 consultations). This in particular requires joint effort with the Farm Business Management element of Dairy Moving Forward.



Table 5. Capabilities - Theme 1 Farm business strategies have a strong people focus

Question	Assessment	Comment
Is there a clear group of relevant organisations and people available to collaborate around this space?		Relevant organisations exist, improvements in collaboration possible. Succession planning requires a broader base
Do these people and organisations represent the majority of prior learning in this area?		
Is it clear that an investment in this area will provide benefits and outcomes for the co investors?		
Would the collaborators be able to provide diverse avenues for change?		Current avenues well developed but new avenues could be explored to maximise benefits from investments
Is the capability present (funds, people and infrastructure) in the collaboration to deliver the specified outcome?		

Figure 3. Industry impact: Theme 1. Farm business strategies have a strong people focus



* Dependent of course on resource allocation

6. Theme 2: Farm workplace change

The need

To help individual farms have a more efficient and productive workforce, the industry needs to:

- › Design initiatives that help individual farms attract and retain the people they need.
- › Build the capability, confidence and enthusiasm of advisers to support farmers on people issues.
- › Encourage farms to have a low business risk around 'people'.
- › Have people as the focus when designing ways of operationalising technology in other programs.

Who for?

Everyone in the farm team (farm managers; paid, unpaid and casual staff, contractors and service providers)

Others that need to be involved in the development: The People in Dairy program, NCDEA, extension programs, other dairy programs.

Rationale

Several key elements are needed to increase farm profitability through a more efficient and productive workforce:

(i) the business vision needs to match the farm capability and resources; (ii) farms need to attract and retain the people they require; (iii) the way farming is done needs to be adapted to suit people; and (iv) everything that must be done on the farm needs to get done.

Farm owners and managers are responsible for setting up a system that is workable and sustainable (Theme 1). Theme 2 is about helping farmers achieve effective deployment and retention of staff on their farms by providing opportunities, structures and support to grow the people capacity. A solid reason for putting it into action is that people leave workplaces that don't offer decent work (farms that have poor workplace culture, work-life balance, recognition or reward).

Much of the rationale for dairy workplace change was articulated in 2004:²¹

In the past, the small family farm was the incubator of farming skills. Today, family farms no longer fill this role. Farmers must look outside their front gates and compete with other industries for labour. When they do they find it hard to recruit and retain labour. There are some good external reasons for this. Young people are leaving the farming areas. The dairy industry has a poor and outdated image. But most of the causes of the problem are systemic and internal to the industry. There are relatively uncompetitive pay rates, unattractive working conditions, poor employment practices and high turnover rates on many farms. The industry is seen as an employer of last resort by many job seekers as well as by employment and training agencies. There is a high rate of exit – not just of farmers but also of sharefarmers, trainees and employees. The very high turnover rate means that the industry is bad at retaining and skilling staff. Turning around this current situation will require significant leadership, organisation and resources. Failure to act will bring the consequences of market adjustments – at home in the labour market and abroad in export markets.

Job satisfaction and retention are significantly influenced by the mindset of the employer, getting the culture right on farms and skills development (having visible career opportunities and appropriate training pathways).

Better trained and skilled people increase productivity and profitability: get it right first time; reduce personal and business risk (injury and liability); make smarter decisions; build intellectual capital (knowledge, skills, systems); build your business for you

– John Weichert, General Manager NCDEA

When other technical programs design their RD&E/E to provide farmers with new ways of doing farming tasks, it is particularly important that they consider the implications from a people perspective. On-farm use of technology (knowledge, service or product) is most likely to be successful if its design is adapted to suit people.

Current knowledge and capacity

Since its start in 2006, The People in Dairy has developed a conceptual framework, agreed terminology, core resources and training around people management on farm. Dairy farmers now have access to a lot of guidance on how to put the principles into action and significant 'dairy-ising' of generic information has been undertaken to reduce the burden (in terms of time and interpretation) on farmers and help them put it into practice.

A Diploma in Human Resources Management (Dairy), run since 2008, is helping build advisory capacity in this area and provide the first round of trainers for the related course for farmers. Sixty-four farm consultants and dairy

²¹ *Dairy Employment for the Future: the strategy, Australian Centre for Industrial Relations Research & Training, University of Sydney (an initiative of the UDV sponsored by WestVic Dairy and funded by the Geoffrey Gardiner Foundation), July 2004*

advisers have been through the course so far. Ideally the numbers over the next few years would be twice this to provide widespread geographical coverage, cater for turnover in the service provider population and unearth those individuals willing to make this a significant part of their business.

The other main supply capacity in this area is the 4-day PeopleGPS course for farmers. This is a Level V unit (FarmReady approved) course run through the NCDEA or partner Registered Training Organisation. It helps farmers develop skills in recruiting, retaining and developing the people on their farm.

Investment priority areas

A. Ensure farmers have clear, consistent information and resources about people management

- Maintain the currency of The People in Dairy online resources

B. Increase farmer awareness and training about people management

- Have a strategy promoting recruitment of farmers into the People GPS
- Enable individuals to understand the importance of skill development, and see career opportunities and how they can progress

C. Increase adviser capacity to support farmers on people issues

- Continue training advisers in the Diploma in Human Resources Management (Dairy)
- Encourage diploma graduates to use the principles in their businesses
- Make other dairy advisers aware of people issues and confident to direct clients to trained advisers and resources
- Align initiatives of the (public and private) service sector to support farmers on people issues (service and extension providers, NCDEA, The People in Dairy etc)

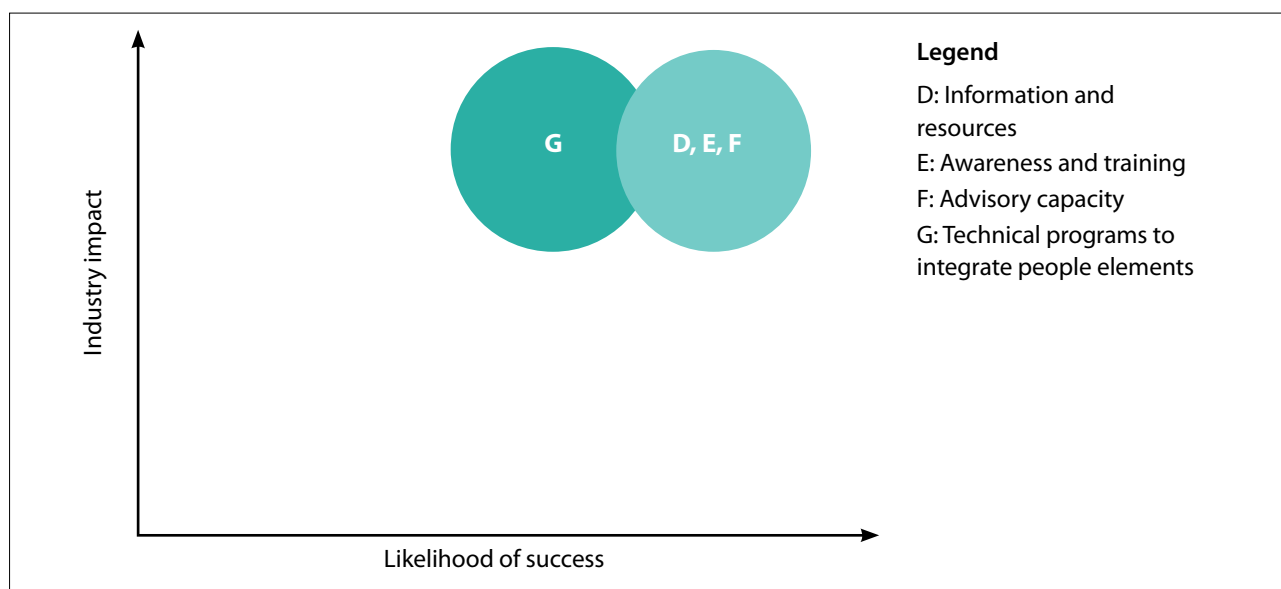
D. Assist other programs to integrate people elements into their technical content

- Enhance the outcomes of other dairy programs by incorporating people considerations in their design and adapting farm systems to suit people.

Table 6. Capabilities - Theme 2 Farm workplace change

Question	Assessment	Comment
Is there a clear group of relevant organisations and people available to collaborate around this space?		Relevant organisations exist, improvements in collaboration possible
Do these people and organisations represent the majority of prior learning in this area?		
Is it clear that an investment in this area will provide benefits and outcomes for the co investors?		
Would the collaborators be able to provide diverse avenues for change?		Current avenues well developed but new avenues could be explored to maximise benefits from investments
Is the capability present (funds, people and infrastructure) in the collaboration to deliver the specified outcome?		

Figure 4. Industry impact: Theme 2 Farm workplace change



* Dependent of course on resource allocation

7. Theme 3: Dairy workforce development planning and action

The need

To ensure the Australian dairy industry has the people it needs, it must have effective workforce planning and action processes operating regionally and nationally. This involves:

- › A culture change in terms of how farmers and industry value people in their contribution to farm and business performance^{22,23}
- › Building the community regard and support for people interested in careers in dairy.
- › Being able to measure factors that influence workforce planning and action from a strategic point of view.
- › Exploring ways to match demand and supply.
- › Being able to operationalise regional workforce planning.
- › Promoting and supporting development of people capacity within the industry.

Who for?

Farmers

Others who need to be involved in the development: state and regional dairy organizations to champion the dairy interest, working with other public, private and not-for-profit service providers and industries outside dairy as indicated by the Workforce Planning and Action model ('wheel') recently developed.²⁴

Rationale

Although individual workplaces must position themselves well to attract and retain people, there are also collective workforce development activities that enhance the likelihood of farms attracting, retaining and developing people. This is a key to the dairy industry's future.

Farms are part of a broader community and their appeal as workplaces will be influenced by regional (national and occasionally global) factors. Currently unemployment levels are low and skilled people have many career choices. Individual dairy farm businesses cannot influence public policies on employment or the development and delivery of employment services involved in improving this situation; it requires an industry-based response.

Workforce planning has a much broader scope than a strong skill base and skill development. People may have the relevant skills then choose to work in a non-dairying job that appears to be more interesting or offers a better work-life balance or a higher reward.

22 Nettle R, Paine M, Petheram J (2005). *The Employment Relationship – a conceptual model developed from farming case studies*. NZ J Employment Relations 30(2):19–36.

23 Nettle R, Paine M, Petheram J (2006). *Improving employment relationships – Findings from learning interventions in farm employment*. NZ J Employment Relations 31(1): 21–36.

24 Nettle R, Oliver D *Workforce Planning and Action for the Australian Dairy Industry. Final Report to Gardiner Foundation 2009*

For more effective industry-wide workforce planning and action we need:

- › 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
- › Better support to dairy regions for prioritising and acting on workforce development
- › Mechanisms for influencing government and other stakeholders to address needs.

This theme also encompasses the workforce development elements for service providers who are part of the overall farm team around people issues. It would make sense for this work to be done in conjunction with, or as part of, a broader investigation of the total service provider population (which is outside the scope of this Strategy alone). It is very important for the industry to know more about who all the service providers are, their attitudes and expectations in working with dairy farms, how they enter, develop and move in the service provision sector and the characteristics of current and future demand for their services.

Current knowledge and capacity

Regional workforce planning is still largely in an R&D phase. The theory of what process regional groups can use to better understand their workforce supply, demand and potential interventions has been teased out in an earlier research exercise and is captured as the Workforce Planning and Action 'wheel'.

The task now is to work through how to put it into practice—having workforce plans and actions pertinent for each dairying region.

There are several challenges ahead. The development of workforce plans needs to be resourced. Dairy industries in each region need to work with other industries and agencies to get a true picture of the driving forces in the region (local industries, business numbers, demographic profile, social and economic indicators) then to align the capability sector (education, extension, service provision, industry programs). Successful projects may require a mix of input from all levels of government (Federal, State and Local), and other interested parties such as banks and dairy companies. Someone in the dairy industry needs to take a lead role to champion the industry's interests and ensure progress continues to be made on the agreed plan. Finally, putting the plans into action and reaching a quality endpoint relies on a process of "learning by doing" (there is often a lot of doing and slow accretion of learning).

WestVic Dairy has responded to regional workforce issues by directly employing a project officer to promote careers in dairy and oversee the pilot of a pathway for new people to enter the industry as assistant farmhands (an "In2Dairy" initiative). This creation of an employment pathway for current job-seekers has immediate returns and complements the longer-term investment in raising the profile of dairying as a career through schools-based programs (such as Cows Create Careers). Murray Dairy has also recently invested in exploring the need for employees in the region through a farm survey. Other regions interested in 'having a go' in developing and implementing will need significant support.

Training is an important component of national workforce planning. There are currently two main drivers for training in the industry. Now that expertise is often outsourced beyond the farm, the first arises from the emphasis being placed on qualifications for employees, contractors and casual staff to ensure they are suitably skilled when they come onto farms. The second is because the dairy industry is systemically building the professional qualifications of the people working in it to prove it is operating at a standard alongside other OECD countries. For farm owners and managers who have been in the job for years this certification generally involves a mix of training and Recognised Prior Learning. Advantages of formalizing industry members' learning through the National Training Qualification Framework are that people are assessed against a specified standard, they have a transportable qualification and it attracts external (government) funding to the industry.

To help align the industry capability sector NCDEA is producing a single industry-agreed list of skills and competencies, an "Industry capability list", of all the things that people need to know to run a productive and profitable dairy farm. To further support strategic investment in this area, industry will need to develop a "big-picture" map clearly detailing all of the industry's career engagement and development programs and courses (not just NTQF courses), how they connect to each other and gaps for further investment.

This People Strategy does not take carriage of the training agenda—that is a broader element for all the Dairy Moving Forward portfolios, mediated through the NCDEA—but it is anticipated that work in this domain will assist with this priority.

Investment priority areas

H. Describe and promote the dairy career engagement / development path.

- Develop a map of career engagement/development programs and activities

I. Establish and maintain an industry-agreed list of skills required at different roles and levels of the responsibility on farm (assist priority area with other portfolios)

J. Obtain relevant regional and national data about people on farm and service providers

- Develop a system that tracks the basic data about people (The People Report)

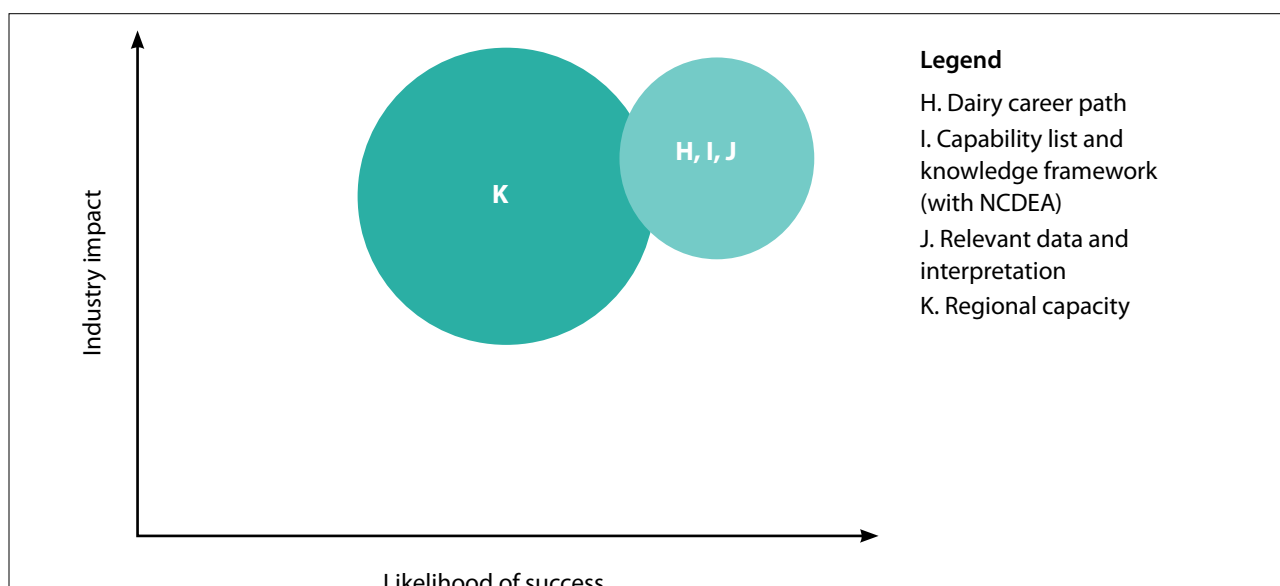
K. Enhance regional capacity to match employment demand and supply (for farm and service providers)

- Support the development of workforce planning process in each region (In2Dairy initiatives)
- Understand the forces influencing farm transitions – entries, development, exits

Table 7. Capabilities: Theme 3. Dairy workforce development planning and action

Question	Assessment	Comment
Is there a clear group of relevant organisations and people available to collaborate around this space?		Collaboration with non-dairy organisations will be important in this area but relationships must be developed
Do these people and organisations represent the majority of prior learning in this area?		
Is it clear that an investment in this area will provide benefits and outcomes for the co investors?		
Would the collaborators be able to provide diverse avenues for change?		New avenues must be explored to maximise benefits from investments
Is the capability present (funds, people and infrastructure) in the collaboration to deliver the specified outcome?		Capability must be developed at national and regional levels

Figure 5. Industry impact: Theme 3. Dairy workforce development planning and action



* Dependent of course on resource allocation

8. Theme 4: Farmer well-being in supportive communities

The need

For the dairy industry and its people to be supported by local communities that are vibrant and self-determining, the dairy industry needs to:

- › Acknowledge the vital role small rural communities play in supporting the dairy industry, especially the health and well-being of farmers and their families
- › Better understand the factors which affect the vibrancy and resilience of these communities, and the key indicators of their vibrancy and resilience
- › Develop strong links with the services, assets and networks within the communities
- › Enhance connectedness of farmers to relevant services and networks
- › Identify and nurture ways of engendering farmer satisfaction with being part of a dairying community
- › Clearly demonstrate the contribution and opportunities dairy offers to these communities.

Who for

Local communities in dairying areas

Others that need to be involved in the development: social researchers (DPI, Gardiner, Rural Innovation Research Group, psychologists), providers of social (rural counsellors) and other services (dairy processing companies, farm consultants), rural networks, local and state governments, and community groups.

Rationale

Vibrant communities have robust capacity to identify their own needs and priorities, plan and adapt to changing circumstances.

They are collaborative, self-determining and able to work with a range of external agencies and support services. Their towns attract investment and are desirable places to live and work. The premise is that when these communities see the value of the dairy industry and support its development, there are likely to be fewer premature exits from the industry and dairy businesses are more likely to thrive.

The vibrancy of the community is affected by factors such as the size of the community, its focus (diversity), leadership, economics and a range of external factors. Indicators of stronger communities include the extent of close personal networks, extent of associational and community networks and quality of governance networks.²⁵ Research into the dairy industry drought

response suggesting that such characteristics contributed to the resilience²⁶ of the dairy industry in the Goulburn Valley through a strong support network for farmers. It was, however, necessary to support those networks themselves to move from a focus of handling crisis to understanding and adapting to an environment that is undergoing long term change.²⁷

A key principle in Theme 4 is the importance of a network-based approach where multi-directional information flows (often very informal in nature) enhance connectedness and responsiveness. This requires a broad raft of activities and a wide cast - the people most effective at connecting with others are not necessarily community leaders or technical experts. Increased connectedness increases the likelihood that people will feel a sense of worth and belonging. Social network research has identified key people as “knowledge entrepreneurs” who draw from and share information and know-how in local communities.²⁸

Encouraging farm businesses to comply with legal requirements is one of the first steps on the OH&S trajectory toward creating a better farm situation, health and well-being. Putting farmers’ physical and mental health and well-being in the context of their lives rather than just in the context of their businesses and connecting them to relevant services, are fundamental in raising awareness of the importance of health, well-being and safety for people on dairy farms.

RD&E/E activities designed to influence this outcome area are generally long-term investments with lag times, so longer commitments are required. Dairy communities are broader than just their dairying members and so not all outcomes/objectives will be entirely ‘dairy-centric’. Community development principles and practices must

25 Dept Planning and Community Development (2008) *Indicators of Community Strength: a framework and evidence*

26 *The ability to actively manage resilience is referred to as adaptive capacity (Resilience Alliance, 2007: 77). Conceptual models of systems enable practitioners to identify the thresholds within which the system is operating; explore the processes that may cause the system to cross these thresholds; and develop actions that may give leverage over thresholds. Practitioners can also consider the cross scale linkages of the system they are working with and how these may give leverage over resilience. These skills are vital in managing crisis.*

27 Love, S., Sharma, M., Boxelaar, L. and Paine, M. (2008) *Enhancing the resilience of dairy farm businesses. Final report, Dairy Australia.*

28 BJ King, MS Paine, R Beilin, and MP O’Kane (2009). *Encounters with knowledge entrepreneurs and ‘sticky’ knowledge transfer: Case Study Project 3030. Extension Farming Systems Journal 5:1* <http://www.csu.edu.au/faculty/science/saws/afbmnetwork/efsjournal/index.htm> 11

Investment priority areas

L. Increase farmer awareness of the importance of health, wellbeing and safety for them, their families and their businesses

M. Build community ability to provide links to existing health, wellbeing, safety and support services and programs

N. Support and strengthen the capacity of farm communities to determine their own futures (including building relationships with non-dairying community segments)

- Build facilitation skills, processes and new technology to keep people connected
- Foster strategic analysis and planning by communities, grant-seeking, leadership and project management skills to build capacity to be self-determining
- Use social research to help identify barriers and design better programs and practical evaluation of current activities

underpin planning and implementation. The “whats” (issues, causes, opportunities, priorities) will vary between communities with regard to capability building and strengthening. Industry needs to support the “how”.

Outside the industry, there is a rich variety of organizations, resources and programs aimed at developing and strengthening communities of all kinds. The dairy industry needs to tap in to these resources and networks, and partner or collaborate to use the relevant elements, and invest in adapting for dairy farmers what is not relevant or available.

The Expert Group acknowledges that there is still a challenge to demonstrate to industry organisations and dairy farmers the need for and value of investment in community strengthening.

Current knowledge and capacity

There are a lot of services already reinforcing the importance of health and well-being and helping people

operationalise this. Some dairy programs signpost to these rather than reproducing them. As awareness has grown this has also enabled the dairy industry to identify trends and potential gaps which need to be filled in their rural communities. For example reminders to get your skin checked only work if there is a service to do this. Bringing health professionals to field days attended by farmers has been an efficient use of resources.

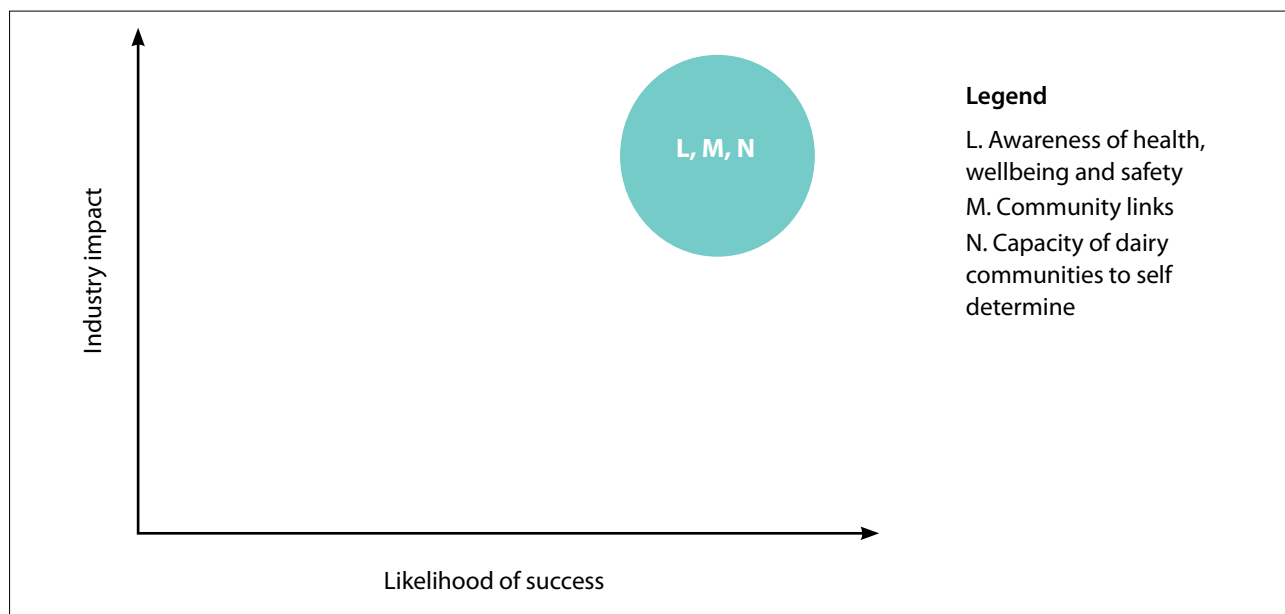
The Sustainable Farm Families program (now from the National Centre for Farmer Health) has clearly demonstrated the long-term impacts and benefits of awareness-raising interventions around farmer health.

Recent research by the Gardiner Foundation has been exploring ways of extending the forms of social connectedness and capability in local communities in dairy regions and has led to the development of a pilot program to strengthen small dairy communities.

Table 8. Capabilities: Theme 4 Farmer well-being in supportive communities

Question	Assessment	Comment
Is there a clear group of relevant organisations and people available to collaborate around this space?		Health yes Networks yes
Do these people and organisations represent the majority of prior learning in this area?		Non-dairy sources important to be explored
Is it clear that an investment in this area will provide benefits and outcomes for the co investors?		Rural health usually invested in by others but evidence from SSF is yes Strong networks are also an enabler for all the other RD&E
Would the collaborators be able to provide diverse avenues for change?		
Is the capability present (funds, people and infrastructure) in the collaboration to deliver the specified outcome?		

Figure 6. Industry impact: Theme 4. Farmer well-being in supportive communities



* Dependent of course on resource allocation

9. Theme 5: Dairy leadership development

The need

The industry needs:

- › Leaders, governance and understanding that enables it to effectively influence public policy and manage collective investments.
- › A culture of enquiry and openness, a network of ‘places’ where questions that are raised go for consideration.
- › Who for. People and organisations across the industry spectrum (from respected farmers modeling effective change, to lead figures and organisations helping grow communities, to governance by peak bodies)
- › Others who need to be involved in the development: national and state level farmer organisations, Gardiner Foundation, Regional Development Programs, dairy processing companies, Herd Improvement organisations, large farm businesses, and other investors in dairy leaders.

Rationale

The industry is made up of a collective of assets and interests.

The need for leadership development across the whole value chain of the Australian dairy industry has never been greater than today. Large opportunities and risks lie ahead in an increasingly complex environment and the ability to coordinate resources appropriately will be one of the keys to industry resilience.

To have the leaders it needs into the future, the industry must have new people constantly introduced to leadership development opportunities and roles, and opportunities for those who are already leaders to further develop their skills. There are issues of not only the capacity of individuals to respond to increasing complexity in leadership roles, but also the number of people available to call on.

A number of stakeholders already invest (see the table on Existing RD&E). Having alignment across the industry would increase the efficiency and effectiveness of this investment.

Current knowledge and capacity

In 2009 an industry blueprint for the desired outcomes and approaches in dairy leadership was developed.²⁹ It was estimated that there are approximately 200 required leadership roles across the industry and that 40 new people are needed for these roles each year. To achieve this capacity more than 80 people must have the opportunity to build their skills in leadership each year across three ‘tiers’ of leadership (district/regional, or state/national, or international roles). This requires a significant total investment each year from a variety of industry and external sources.

²⁹ The strategy was developed by Dairy Australia, Australian Dairy Farmers, the Gardiner Foundation, Regional Development Programs, state dairy farmer organisations, the National Centre for Dairy Education Australia and interested individuals

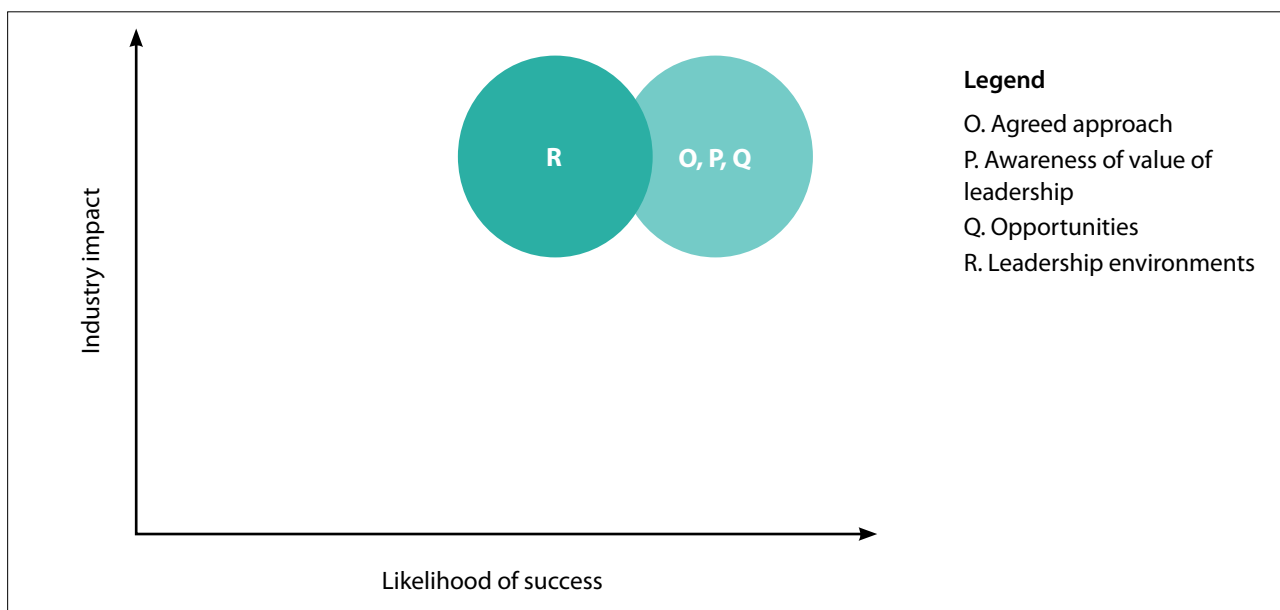
Investment priority areas

- O. Establish an industry-agreed strategy for leadership development (based on the current industry blueprint)**
- P. Increase awareness of the value of leadership across the supply chain**
- Q. Ensure sufficient opportunities for leadership development are available**
- R. Support industry organisations to provide good environments for new leaders**
 - Provide people who undertake leadership development training with on-going support such as mentoring and opportunities to fulfill real roles.

Table 9. Capabilities: Theme 5. Dairy leadership development

Question	Assessment	Comment
Is there a clear group of relevant organisations and people available to collaborate around this space?		
Do these people and organisations represent the majority of prior learning in this area?		
Is it clear that an investment in this area will provide benefits and outcomes for the co investors?		
Would the collaborators be able to provide diverse avenues for change?		
Is the capability present (funds, people and infrastructure) in the collaboration to deliver the specified outcome?		

Figure 6. Industry impact: Theme 5. Dairy leadership development



* Dependent of course on resource allocation

