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AGRIFOOD SKILLS AUSTRALIA

FOOD TOURISM AND HOSPITALITY SKILLS COUNCIL

EMPLOYER SURVEY

RESEARCH REPORT

June 2009

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EXECUTIVE SUMMARY

BUSINESS DEMOGRAPHICS

A total of 747 South Australian food manufacturing and processing businesses participated in this study, including 245 wine businesses from the Wine Industry Survey completed in 2007. **Wine industry data is included in this report whenever comparable questions were asked. This is noted wherever it occurs – otherwise all data refers to the 2009 survey.**

In the 2009 survey, all other organisations in the industry were approached and a separate database is provided of the population.

The industry was segmented into the following sectors:

- Wine and grape industry.
- Meat and meat product manufacturing. This includes meat, smallgoods, chicken and game, produced for human consumption.
- Dairy product manufacturing, including milk, cream and cheese production, yoghurt, and ice-cream.
- Fruit and vegetable processing - including fruit juice, dried fruit, fresh and frozen fruit and vegetables, pickles, jams and spices.
- Bakery product manufacturing. This includes cereals, pasta, cakes, pastries and biscuits.
- Beverage and malt manufacturing, including soft drink, cordials and syrups, beer and spirits. Wine has been excluded from this sector as it has been reported on separately. Tea and coffee has been included in this sector, rather than in ‘other’ manufacturing.
- Fish product processing includes all fish and seafood processing and seafood dips, smoked fish.
- Confectionery product manufacturing - also includes chocolate and candied nuts.
- Honey manufacturing.
- Pre cooked meals.
- Other food manufacturing and pharmaceuticals.

Results for the six largest sectors are reported separately in this report, while the five smallest sectors [fish, confectionery, honey, pre cooked meals, other food manufacturing and pharmaceuticals] are referred to collectively as ‘other food processing’.

- The 2009 survey covers 502 organisations, carrying out food processing at 557 locations.
- However, in 94% of cases, the organisation was found to have only a single processing location.
- 6% had multiple processing locations, with the maximum number specified being 4.
- 58% of the sample had one or more metropolitan location, while 44% had one or more country location. This means that 2% had both metro and country locations.
- Respondents' businesses were found to use between one and 1264 people.
- There were a total of 14,277 workers identified in the 2009 survey.
- More than one third (35%) of the businesses surveyed have no more than five workers. There are 4% of firms with only a single operator and no other employees.
- On average, businesses surveyed have 28 staff.
- Contractors made up only 3% of the workforce.
- There were only 8 workers reported as temporary across the industry.
- There were 1,036 seasonal workers reported, 80% of these were in the fruit and vegetable sector. There were also 12% in bakery, with Easter, Christmas spikes. 94% of the seasonal workers were in the low skill category.
- 34% described their operation as a company. It should be noted that the choices offered to respondents in this question were not mutually exclusive – family businesses (22%) and trusts (12%) may also operate as companies. Unlike the other data on this page, the figures in this paragraph include the wine segment.

WORKFORCE ANALYSIS

- Respondents were asked to give employee numbers for each of five employment categories. The categories were as follows:
  - Managers and professionals
  - Employees with technician or trade qualifications (not including apprentices)
  - Employees who are skilled hands or operators
  - Low skill employees
  - Apprentices and trainees.
- For each type of employee, respondents were asked if they would be:
  - Easily replaced
  - Hard to replace
  - Impossible to replace.
- Ease of replacement varies directly with skill level. As the skill level increases, the mean increases, and workers become more difficult to replace.

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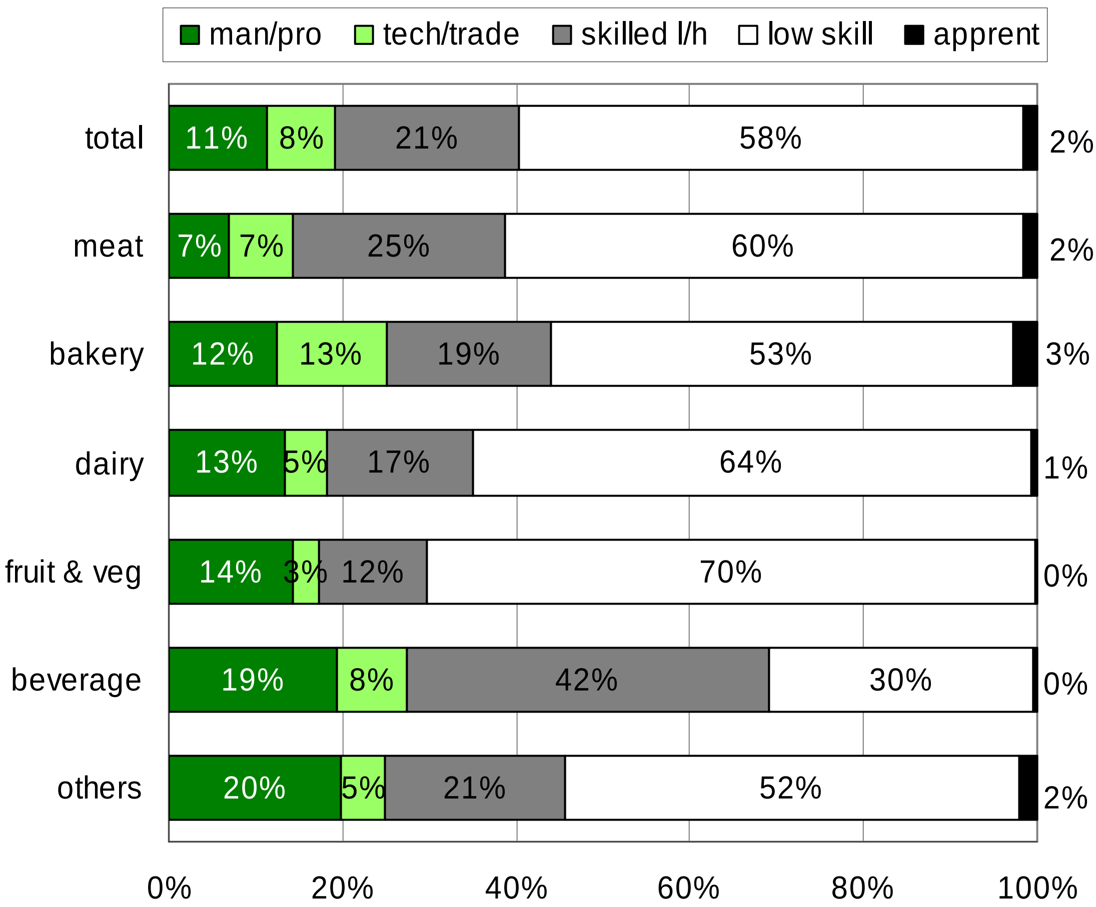
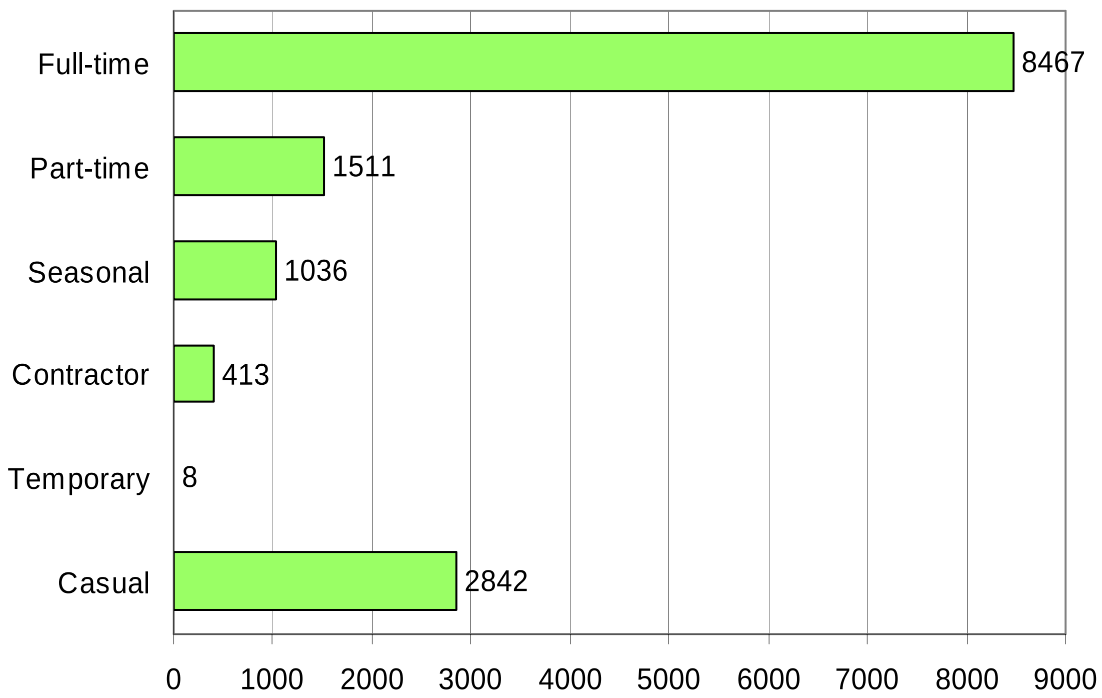
The following total employment figures do not include the wine segment.

- There were 1,621 managers and professionals across the industry.
- There were 1,096 workers across the industry with technician or trade qualifications.
- There were 229 apprentices employed at the time of the survey.
- There were 3,055 workers across the industry who were skilled hands or operators.
- There were 8,276 low skill workers across the industry.

WORKERS BY SKILL LEVEL



- The employment numbers were further categorised according to nature of employment.
  - Full time
  - Part time
  - Seasonal
  - Contractors
  - Temporary
  - Casual.
- Full time work was the most common type, accounting for 59% of all workers, with a further 11% being part time. 20% of the workforce is casually employed.



INDUSTRY PERCEPTIONS

Perceived attractions of the industry

- The aspects that respondents consider attract people to the industry include lifestyle (41%) and having a passion for wine (36%), followed by the romance/glamour of the industry (29%)
- The response was very fragmented with only one factor reaching double figures across the sample as a whole.
- The most frequently cited attraction was love of the product. This was cited by 16% overall and was particularly frequently mentioned by respondents representing bakery (27%) and meat (16%).
- 24% of all respondents could not list any attractions for their industry.
- It is to be noted that the majority of factors that were seen by some firms as attractions were also seen by others as deterrents. This is true of the 3 most common answers, and most of the others factors also.

Perceived deterrents

- The most frequently cited deterrent to working in the industry - given by 32% of all respondents - was the hours, most particularly the early starts. This was the dominant issue with bakeries (56%) and also of highest significance in dairy (29%) and meat (26%).
- A significant number of respondents also mentioned the low pay and the physical demands of the job. Low pay was a significant issue in all sectors. The physical demands of the job were significant in the meat sector (21%) and for fruit and vegetables (18%).
- Negative aspects of hours, pay and physical demands accounted for 66% of all responses and 77% of responses actually citing any deterrents.
- The dirty and cold environment was also an issue for the meat industry.
- Education (lack of qualified staff) was a significant issue in dairy.

WORKFORCE PLANNING

Region specific external factors impacting on business

This question was only asked for non-metropolitan businesses.

- Almost two-thirds of respondents could name some external factor specific to their region which impacts on their business.
- Water was the top response overall (mentioned by 30% of all respondents). It was especially frequently mentioned in the wine (42%) and dairy sectors (36%).
- Competition issues (14%), transport (11%) and environmental issues 10%) were also significant.
- Transport was of particular concern in the bakery (22%) and beverage sectors (29%).
- Supply issues (7%) and government regulation (5%) were also mentioned.

Sources of staff

- Over half of all respondents sourced most of their staff from local networks (58%).
- The proportion of family only /sole operator organisations ranged from 12% to 24% with fruit and vegetables the sector with the lowest level of outside employment.
- Recruitment firms/labour hire were cited by 14% overall and ranged from 9% to 30%. Wine and meat both had the lowest percentage at 9%.
- A smaller proportion of respondents also mentioned industry networks (8%). This was least prevalent in fruit and vegetables (3%).

Current and predicted labour or skill shortages

- The percentages of firms with current labour or skill shortages ranged from 11% in fruit and vegetable to 20% in wine, with the aggregate figure being 18%.
- The percentages of firms expecting staff or skill shortages in two years time if the economy remains steady is greater than their staff or skill shortages today. This is true across all sectors. If South Australia faces recession, this position reverses to fewer shortages than today, albeit still with a significant skill or staff shortage.
- Overall there is still a perception 11% of all businesses in the industry will have staff or skill shortages. Meat (12%) and bakery (11%) are the two largest sectors expecting shortages, even with a recession.

Areas of skill or labour shortage

- In the meat industry 31 firms indicated they currently had labour or skill shortages. 38 firms indicated they would have labour or skill shortages in the next 2 years if the economy remained steady, 30 firms indicated a shortage even if there were a recession. There is a total shortage of 231 positions now, 369 in the next 2 years if the economy remains steady, and 275 if there is a recession. One firm indicated a need for 130 slaughtermen whether the economy remains steady or there is a recession. This firm had no current shortages.
- In the bakery sector there are currently 31 firms with a need for 46 staff. In 2 years time if the economy remains steady the number of firms reduces to 27, still needing 46, and if there is a recession 17 firms will need 36 staff.
- There were 3 firms in the dairy sector that currently had labour or skill shortages. These firms did not expect any shortages in the next 2 years. A different 2 firms did expect shortages in the next 2 years.
- In the fruit and vegetable sector there were 5 firms who had shortages now and 4 of these were expecting shortages in the next 2 years.

- In the beverage sector there are 2 firms with labour or skills shortages currently, in the leading hand and process worker areas. In the next 2 years if there was a recession there are no firms who are expecting shortages.

- For 'others', 6 firms had current skill or staff shortages.

Strategies for ensuring skilled labour

- The majority of respondents (77%) intended to use at least one of a list of possibilities they were given.

- The most popular strategies were recruiting and training new staff (45%), and up skilling existing workers (40%).

- Improving productivity (31%) and introducing new technology (29%) were also popular.

- Working closely with education and training providers (18%) and job redesign/rotation (16%) were also relatively popular.

- Increasing the use of contractors (19%) appears popular but this figure was significantly increased by the wine industry, which has the greatest proportion of contractors in its work force. Excluding the wine industry reduces the mean to 8%.

- Of least interest in planning were increase shifts/rosters (9%) and rely on migration (4%).

Difficulties in finding staff

- 289 businesses (39%) surveyed stated that they had difficulties in finding staff.

- The area in which the highest proportion of respondents had difficulties was the bakeries (54%).

- Wine (26%) and beverage (28%) reported the lowest levels.

- In every sector more than a quarter of all respondents reported difficulties finding staff.

Factors which affect difficulty in finding staff

- The most common reasons identified were specialised skill needs (31%) and the poor attitudes of applicants (26%).
- Specialised skill needs were particularly significant in dairy (50%), fruit and vegetable (46%) beverages (43%) and meat (40%).
- Poor attitudes of applicants was particularly frequently mentioned in relation to bakery and dairy segments (38% and 31% respectively).

Barriers to hiring staff

- Two-thirds (64%) of the respondents who had difficulties finding staff could not think of any other barriers.
- Of the 103 respondents who could name other barriers, being unable to find staff with the appropriate skill set (18%) was the most common answer. This was highest in wine (25%) and lowest in fruit and vegetables (8%)
- Not being able to find staff at the right price (6%) was most significant in the wine (17%) and dairy (10%) sectors.

Use of strategies to attract particular groups of workers

- More than half of all businesses surveyed had not considered strategies for attracting workers from any of the categories mentioned in the questionnaire (54%).
- This strategy was not applicable to family businesses or sole operators (15%).
- 31% indicated they had considered strategies to attract specific groups of workers.
- Strategies to attract women returning to the workforce (16%) and/or older workers (15%).and young people (15%) were the most often mentioned strategies.
- A smaller percentage had considered strategies for workers with disabilities (8%).and indigenous workers (7%).

TURNOVER AND RETENTION

Reasons for staff departure

- One third of respondents (33%) felt at least one of a list of reasons applied to their staff.
- Bakeries (44%) were the sector with the highest response, wine (27%); beverage (28%) and dairy (29%) were at the lower end.
- Working hours not suited to employee (13%), limited career path (13%), wages not high enough (11%) and interpersonal conflict (10%) were most common.

Estimated time of impact for employee retirements

- Two-thirds (67%) of the food and beverage manufacturing and processing businesses surveyed were not expecting a problem.
- A further 28% were not expecting a problem before 2012.
- Only 5% were expecting a problem before 2012.

Strategies for retaining existing workers

- Over half (60%) of the businesses had considered at least one of the strategies listed for retaining existing workers.
- There were 40% who had not considered any of the mentioned strategies. This number includes sole operators and family businesses for whom the question was not applicable.
- The most popular strategies were reviewing remuneration packages and employee entitlements (31%) recognition/reward programs (30%), access to education & training, new technology (30%), and introducing family friendly policies and practices (29%).
- Also relatively popular were commitment to apprentices (21%), mentoring/coaching schemes (20%), and training for managers/ supervisors (20%).

- Job redesign or rotation (16%), phased retirement/flexible practices for older workers (12%), and other services eg transport, accommodation, education (12%) also had some interest.

- Introducing family friendly policies and practices had the highest level of support in wine (39%) and fruit and vegetables (42%).

- Bakeries had the highest level of support for commitment to apprentices/trainees (35%). Beverages had the lowest level at 4%.

- The wine industry showed the highest percentages in access to education, training and new technology (43%) and mentoring/coaching schemes (29%).

FOOD AND BEVERAGE MANUFACTURING AND PROCESSING SECTOR DEMOGRAPHICS

Sector distribution

A total of 747 food manufacturing and processing businesses participated in this study, including 245 wine businesses from the Wine Industry Survey completed in 2007. In the 2009 survey, all organisations in the industry were approached and a separate data base is provided of the population.

With the exception of the wine industry, all interviews were conducted between January and April 2009.

In each organisation, the person interviewed was the manager designated as responsible for planning and control.

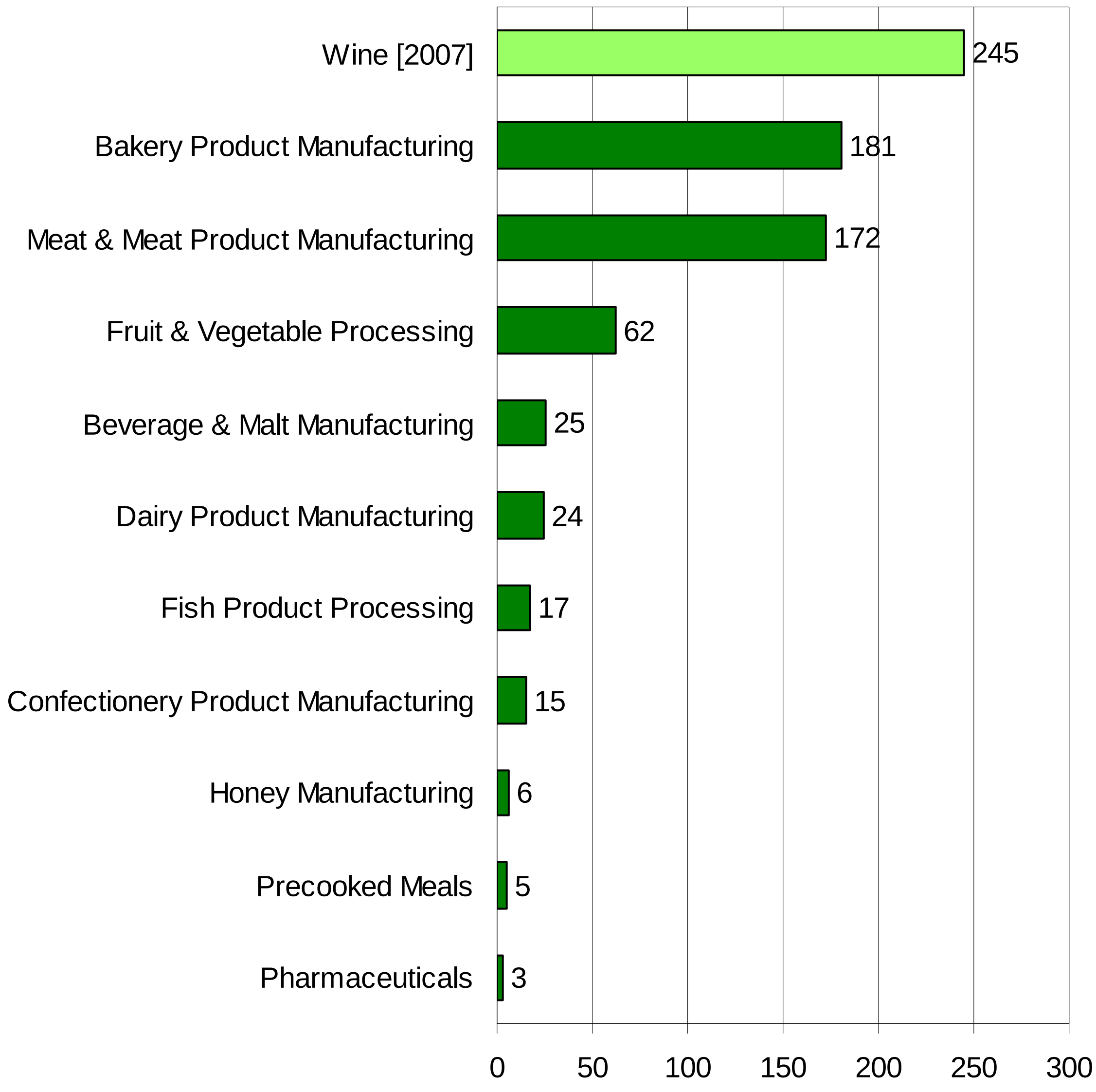
The Australian and New Zealand Standard Industrial Classification (ANZIC) 2006, Division C, Manufacturing: Subdivision 11, Food Product Manufacturing, and Subdivision 12 Beverage and Tobacco Product Manufacturing, were used to identify in which sector each firm operated. The sectors identified were:

- Wine and grape industry.
- Meat and meat product manufacturing. This includes meat, smallgoods, chicken and game, produced for human consumption.
- Dairy product manufacturing, including milk, cream and cheese production, yoghurt, and ice-cream.
- Fruit and vegetable processing - including fruit juice, dried fruit, fresh and frozen fruit and vegetables, pickles, jams and spices.
- Bakery product manufacturing. This includes cereals, pasta, cakes, pastries and biscuits.
- Beverage and malt manufacturing, including soft drink, cordials and syrups, beer and spirits. Wine has been excluded from this sector as it has been reported on separately. Tea and coffee has been included in this sector, rather than in 'other' manufacturing.
- Fish product processing includes all fish and seafood processing and seafood dips, smoked fish.
- Confectionery product manufacturing also includes chocolate and candied nuts.
- Honey manufacturing.
- Pre cooked meals.
- Other food manufacturing and pharmaceuticals.

The chart on this page shows the numbers surveyed from each sector.

Results for the six largest sectors are reported separately in this report, while the five smallest sectors [fish, confectionery, honey, pre cooked meals, other food manufacturing and pharmaceuticals] are referred to collectively as 'other food processing'.

FOOD PROCESSING SECTORS



Business structure

All respondents [in both 2009 and 2007] were asked to specify their business structure. This was a single response question. As shown in the accompanying chart, 34% described their operation as a company. It should be noted that the choices offered to respondents in this question were not mutually exclusive – family businesses (22%) and trusts (12%) may also operate as companies.

Company structure (34%) accounted for between 24% and 44% in each sector. The lower end was in meat (24%). The wine and beverage sectors reported the highest percentages (over 40%).

Family businesses accounted for 22% overall and had a range between 17% and 32%. The highest percentage was in fruit and vegetables, and the lower ranges were in wine, dairy and bakery.

Partnerships (15%) ranged between 8% and 21%. The highest percentage was in the dairy sector and the lowest was in fruit and vegetables.

Sole operator businesses (15%) range between 8% and 27% of their sector. It is the meat sector (27%) and the confectionary and honey manufacturers in 'others' that have the highest percentage of sole operators.

Trusts (12%) are significantly higher in the bakery sector (20%). The remaining sectors ranged from 4% to 13%.

What type of business structure do you use

[Multiple response]	TOTAL [N=747]	WINE [N=245]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
company	34%	42%	24%	33%	40%	34%	44%	28%
family business	22%	18%	23%	17%	32%	20%	24%	30%
partnership	15%	18%	17%	21%	8%	12%	12%	9%
Sole operator	15%	8%	27%	17%	10%	12%	16%	26%
Trust	12%	13%	8%	8%	8%	20%	4%	7%
other	2%	2%	1%	4%	2%	2%	0%	0%

Number of locations

Respondents in the 2009 survey were asked how many locations they had that were or included processing operations, (rather than locations that are solely retail, distribution or primary industry) in the metropolitan area and elsewhere in the state.

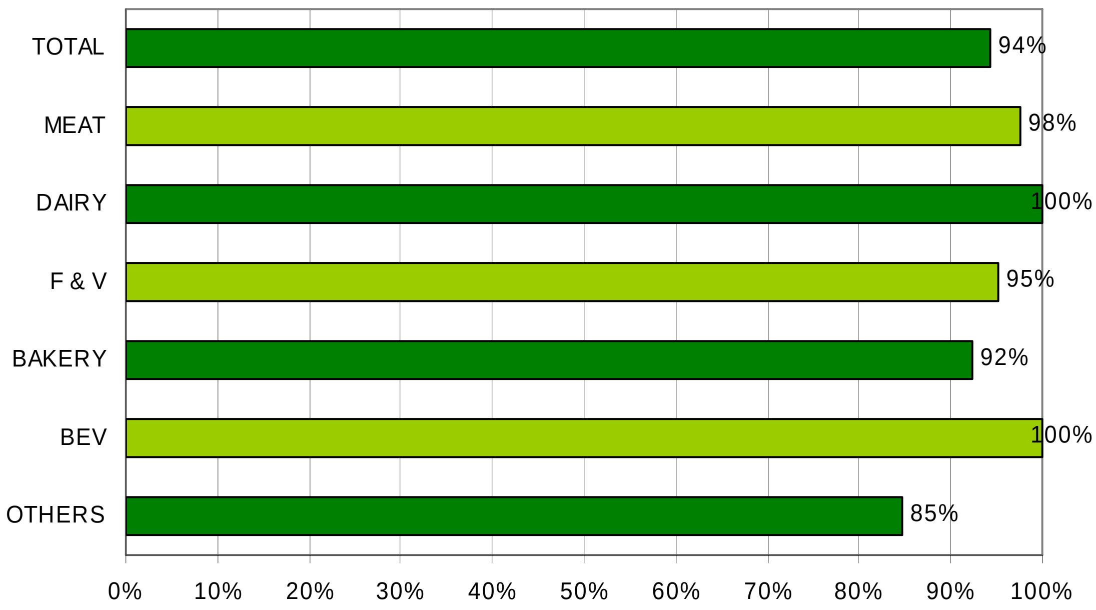
It is to be noted that businesses with more than one outlet were usually interviewed about all locations together. However, where particular locations operate independently and no one person was able to report on multiple locations, they were recorded as separate entities.

The 2009 survey covers 502 organisations, carrying out food processing at 557 locations. [There was no comparable question in the wine industry survey].

However, in 94% of cases, the organisation was found to have only a single processing location.

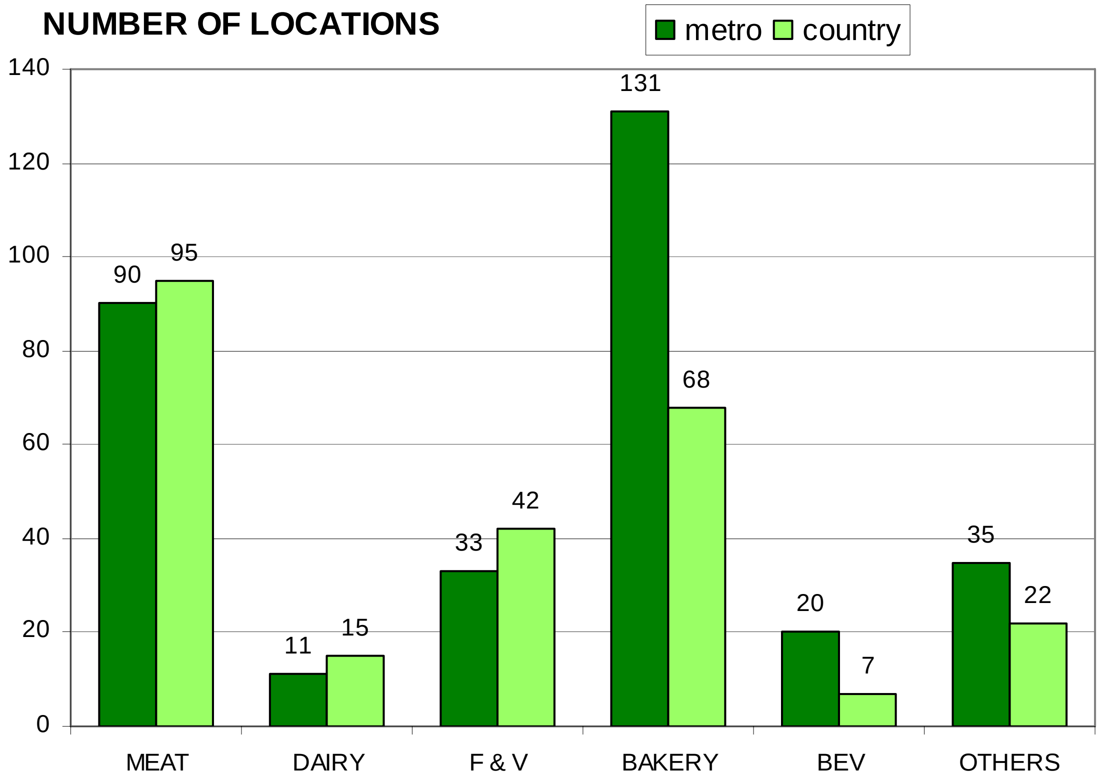
6% had multiple processing locations, with the maximum number specified being 4.

PROPORTION OF ORGANISATIONS WITH A SINGLE PROCESSING LOCATION



58% of the sample had one or more metropolitan location, while 44% had one or more country location. This means that 2% had both metro and country locations.

As the following chart illustrates, the meat processing segment was different to the other segments, with two thirds of its locations being outside the metropolitan area.



A more detailed breakdown is given in the pair of tables overleaf. This shows numbers of organisations, with the last line in each table detailing numbers of locations.

Metro locations [postcodes 5000 to 5173]

[Multiple response]	TOTAL [N=502]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Organisations with 1 location	265	79	11	33	107	18	22
Organisations with 2 locations	22	4	0	0	12	1	5
Organisations with 3 locations	2	1	0	0	0	0	1
Total of metro locations	315	90	11	33	131	20	35

Country locations [postcodes 5174 to 5999]

[Multiple response]	TOTAL [N=502]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Organisations with 1 location	209	89	13	26	60	7	17
Organisations with 2 locations	10	3	1	3	4	0	1
Organisations with 3 or 4 locations	4	0	0	3	0	0	1
Total of country locations	242	95	15	42	68	7	22

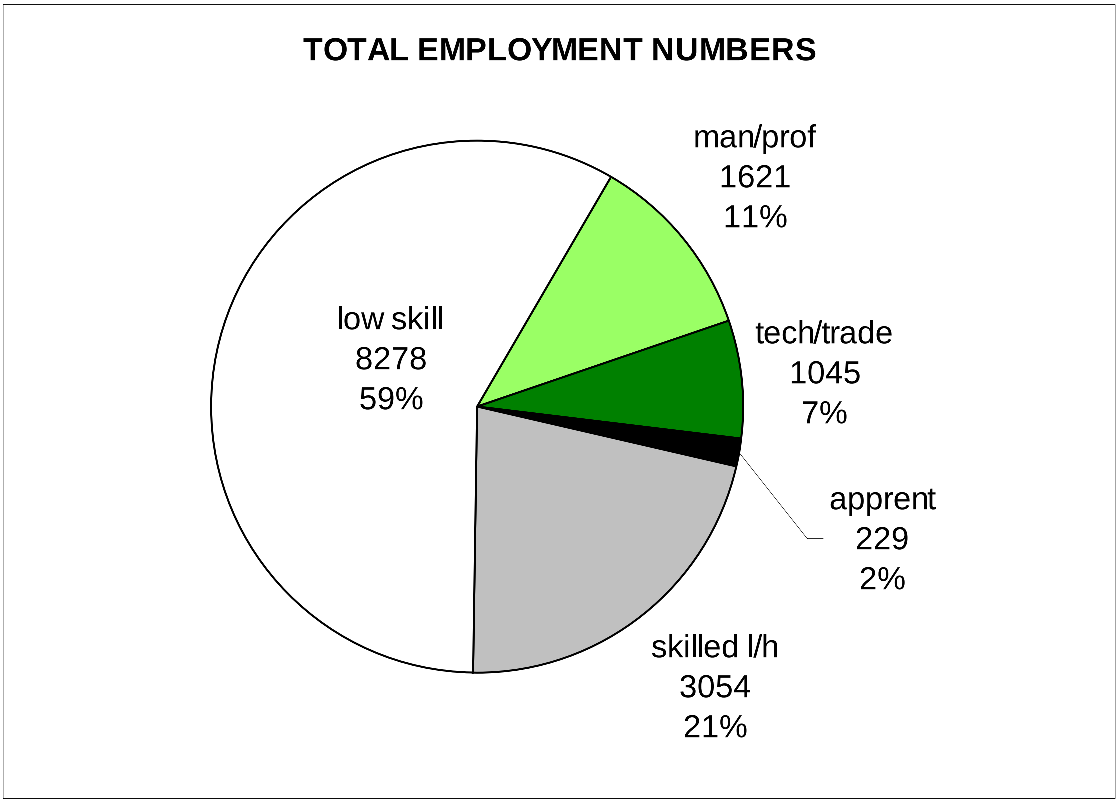
WORKFORCE ANALYSIS

EMPLOYEE NUMBERS

Respondents were asked to give employee numbers for each of five employment categories. These figures were to include all employees including owners and unpaid family members but excluding contractors. Contactors or labour hire staff and seasonal workers were recorded separately but are reported with the actual workforce where appropriate. The categories were as follows:

- Managers and professionals
- Employees with technician or trade qualifications (not including apprentices)
- Employees who are skilled hands or operators
- Low skill employees
- Apprentices and trainees.

Throughout this report, we have utilised the actual figures as given during the breakdown of workers by type of employment and skill level rather than the estimates given at the start of each interview.



Respondents' businesses were found to use between one and 1,264 workers.

More than one third (35%) of the businesses surveyed have no more than five workers. There are 4% of firms with only a single operator and no other employees.

A further 25% have between 6 and 10 workers, while 17% use 11 to 20 people. Another 14% of those questioned have 21 to 50 people.

4% of firms have between 51 and 100 workers, 2% between 101 and 200, 3% between 201 and 800. There are 2 firms around 1000 workers.

The average number of workers is 28.

When we look at the sector results, in **meat** processing, the percentage of small firms with 5 or less workers is 50%. Almost three quarters (73%) of all firms have 10 or less workers in this sector. The percentage of single operators without staff is also significantly higher than the overall figure, with 8% of firms having no staff other than the sole operator. However this sector also has the two firms with the highest numbers of workers. These firms inflate the average per firm to 34.

In the **bakery** sector, it is the small businesses with 29% of firms having between 6 and 10 workers, which has the largest share of the sector, rather than micro [1-5 employees] which accounts for 18%. Sole operators with no other workers form the smallest (1%) percentage, as would be expected with baking performed at night and sales during the day. Almost half (47%) have 10 or less workers, a further 28% have between 11 and 20, 19% have 21 to 50 workers, and there is 5% between 51 and 400. The average per firm is 19 workers.

In the **fruit and vegetable** sector it is again sole operators with no other workers (3%) who form the smallest share. Firms with 5 or less workers make up 30%, those with between 6 and 20 make up a further 30%, 27% have between 21 and 100, and the remaining 13% have between 101 and 500 workers. The average per firm is 45 workers.

In the **dairy** sector there are no single operator firms. Firms with 5 or less workers make up 29%, a further 33% have between 6 and 10 workers, thus almost two thirds (62%) of the firms in the sector have 10 or less workers. A further 21% have between 11 and 50 workers, and firms between 51 and 100 workers account for the final 17%. The average per firm is 27 workers.

In the **beverage** sector there are again no single operators. Firms with 5 or less make up 45%, a further 21% between 6 and 10, 17% between 11 and 100 and the final 17% between 101 and 250. The average per firm is 35 workers.

In the final sector, **other** manufacturing, there are 9% of firms with single operators and no other workers. A further 30% of firms use between 2 and 5 workers and 20% use between 6 and 10. This means that 59% of firms use 10 or less workers. Between 11 and 20 workers are used by 11% of firms, between 21 and 50 are used by 16% and the final 14% use between 51 and 200 workers. The average per firm is 20 workers.

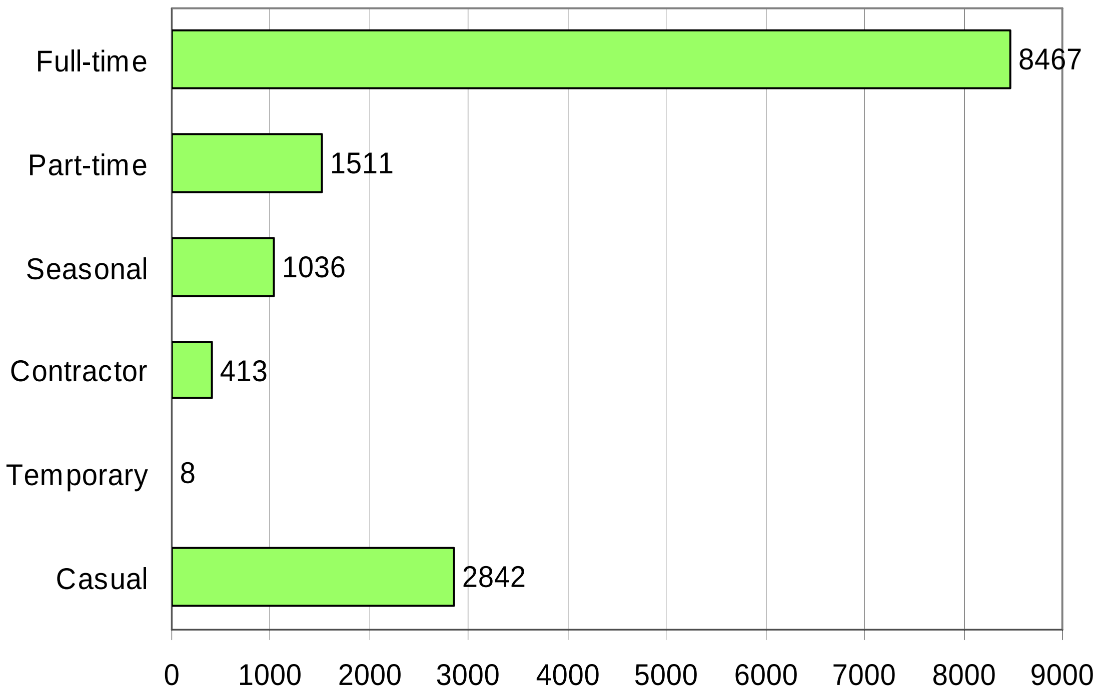
Nature of employment

The employment numbers were further categorised according to nature of employment:

- Full time
- Part time
- Seasonal
- Contractors
- Temporary
- Casual

We will discuss each of these categories on the pages following.

The chart below shows that full time work was the most common type, accounting for 59% of all workers, with a further 11% being part time. 20% of the workforce is casually employed.



The following table summarises the numbers of workers in each skill level for each employment type.

Employee numbers by skill and employment nature

	TOTAL	Full-time	Part-time	Seasonal	Contractor	Temporary	Casual
Managers/professionals	1621	1497	86	3	8	1	26
Trade/technical	1096	901	61	0	31	1	102
Skilled hand	3055	2261	169	56	93	3	473
Low skill	8276	3611	1184	976	278	3	2224
Apprentice/trainee	229	197	11	1	3	0	17
TOTALS	14277	8467	1511	1036	413	8	2842

Respondents were asked to break down their employment numbers by broad occupation and the type of employment.

There were no definitions given so a percentage of respondents were not entirely certain of the differences between temporary and casual and part-time, and also seasonal. After probing, a general consensus was reached and that answer was entered.

There were also no definitions of skilled/low skill and there were differences in the answer given based on perception by the respondent. There were problems in both the 'top' and 'bottom' of the sectors. Large firms had differing perspectives depending on whether they skill vertically or horizontally. Small firms and family type businesses also had difficulty as rates of pay are not always award based.

When the occupation was evident they were all classified in the same manner. This means all butchers were reported as trade workers, all owners were reported as managers.

Seasonal Workers

Given the nature of the food and manufacturing sector being seasonal, there were large concentrations in the sectors involving seasonal product.

There were 1,036 seasonal workers reported, 80% of these were in the fruit and vegetable sector. There were also 12% in bakery, with Easter, Christmas spikes. 94% of the seasonal workers were in the low skill category.

Contractor Use

There were 413 contractors reported, 62% were in meat and 17% in fruit and vegetables. The total is 3% of the workforce.

In the meat sector of the 258 contractors, 72% were in the low skill category, 20% were skilled hands or operators and 7% were in the trade area.

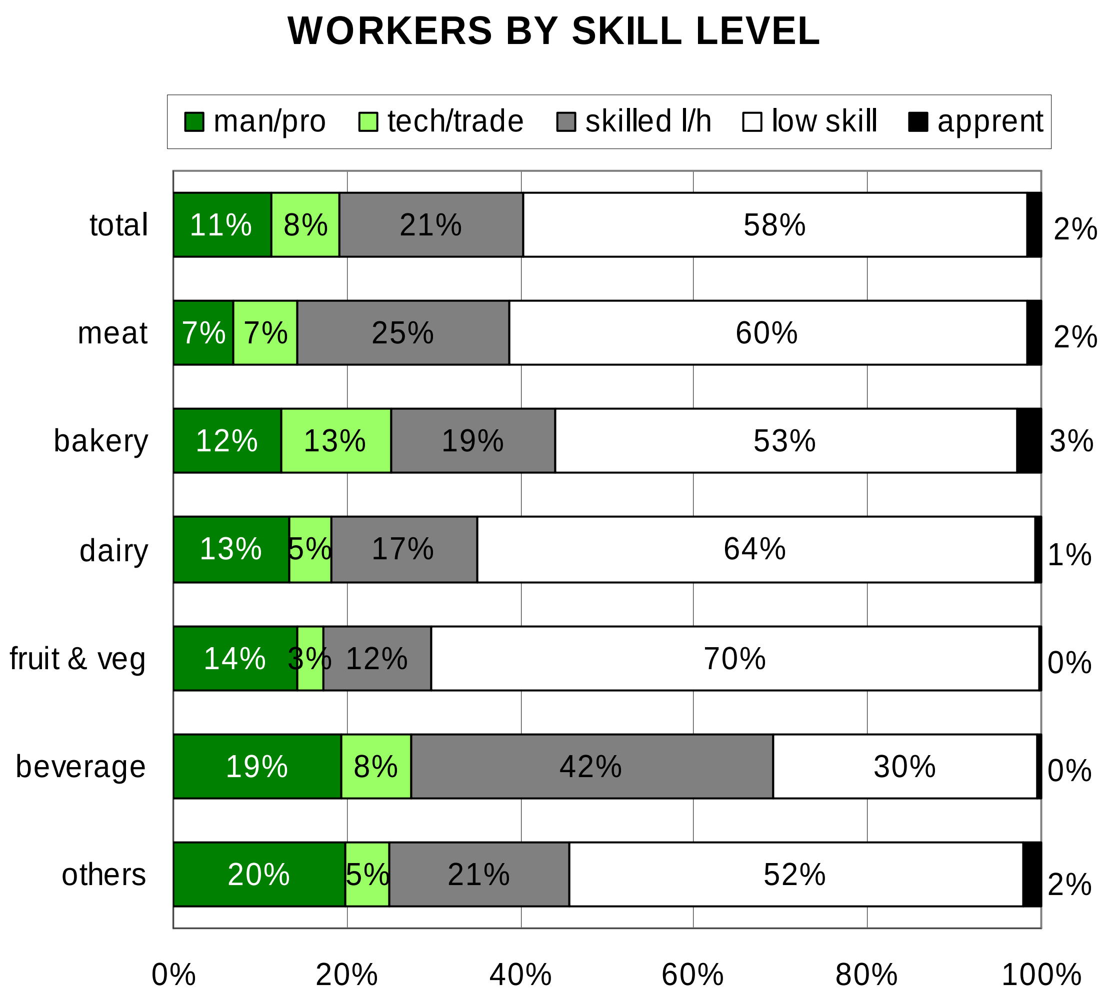
Temporary Workers

This type of employment was identified by very few firms. Only 8 workers were identified as temporary, 4 in bakery (leading hands), 3 in fruit and vegetable (low skill) and 1 in beverages (manager).

The chart on the following page details each sector distribution. The beverage industry had the highest level of skilled employees, and thus the lowest level of unskilled workers. The individual categories of skill level will be discussed separately in the pages following.

- There were 1,621 managers and professionals across the industry.
- There were 1,096 workers across the industry with technician or trade qualifications.
- There were 229 apprentices employed at the time of the survey.
- There were 3,055 workers across the industry who were skilled hands or operators.
- There were 8,276 low skill workers across the industry.

The following bar graph shows the distribution by skill level across the individual segments. This clearly shows the prominence of low skilled workers in all sectors except the beverage segment.



MANAGERS AND PROFESSIONALS

There were 1,621 managers and professionals across the industry.

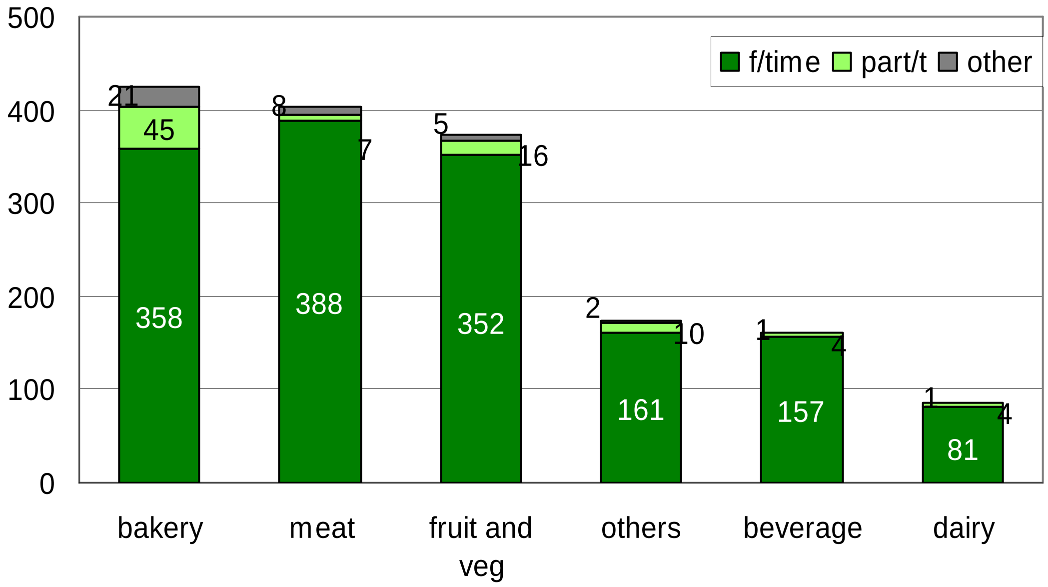
92% of these were full-time, 5% were part-time and the remainder were a mix of temporary, casual and contractors.

Overall, managers and professionals were 11% of the total workforce.

Meat had the lowest percentage (7%), and the second highest number of managers and professionals. This is due in part to the larger number of sole operators (who were automatically classed as managers) in this sector.

Bakery had the highest percentage of part-time managers (13%) due perhaps to the number of hours spread between baking and retailing, meaning owner/bakers need a part-time manager.

MANAGER / PROFESSIONALS - NUMBERS



EASE OF REPLACEMENT

For each type of employee, respondents were asked on a scale of 1, 2, and 3 if they would be:

- Easily replaced
- Hard to replace
- Impossible to replace,

For managers and professionals, the overall mean was 2.1, or hard to replace.

Across the sectors there was very little difference in the mean, from 1.9 in Beverages to 2.1 in meat, bakery and other.

Thus this category of worker, with a mean above 2.0 is perceived as difficult to replace.

TECHNICIAN OR TRADE QUALIFIED WORKERS

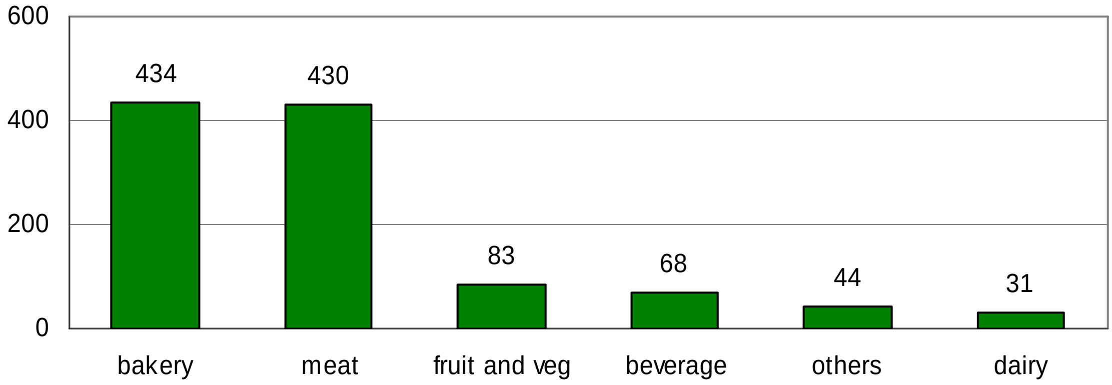
There were 1,096 workers across the industry with technician or trade qualifications. This is 8% of the total.

82% are full-time, 6% are part-time and 6% are casual. There are also 3% who are contractors.

Bakery was the sector with the highest percentage (13%), beverages had 8%, Meat 7%, others and dairy both had 5%. Fruit and vegetables had the lowest percentage at 3%.

However, when we look at the numbers, it is meat which has a number (430) very close to bakery (434). Similarly, it is dairy with the lowest number at 31, whereas fruit and vegetables has 83.

TECHNICIANS AND TRADE WORKERS - NUMBERS



EASE OF REPLACEMENT

Overall the mean was 1.9. Thus the average was just on the lower side of 'hard to replace'.

The sectors were also relatively consistent, only varying between 1.6 for other to 1.9 for meat, fruit and vegetables, and bakery.

This category of worker, with a mean close to 2, is perceived as hard to replace.

SKILLED HANDS OR OPERATORS

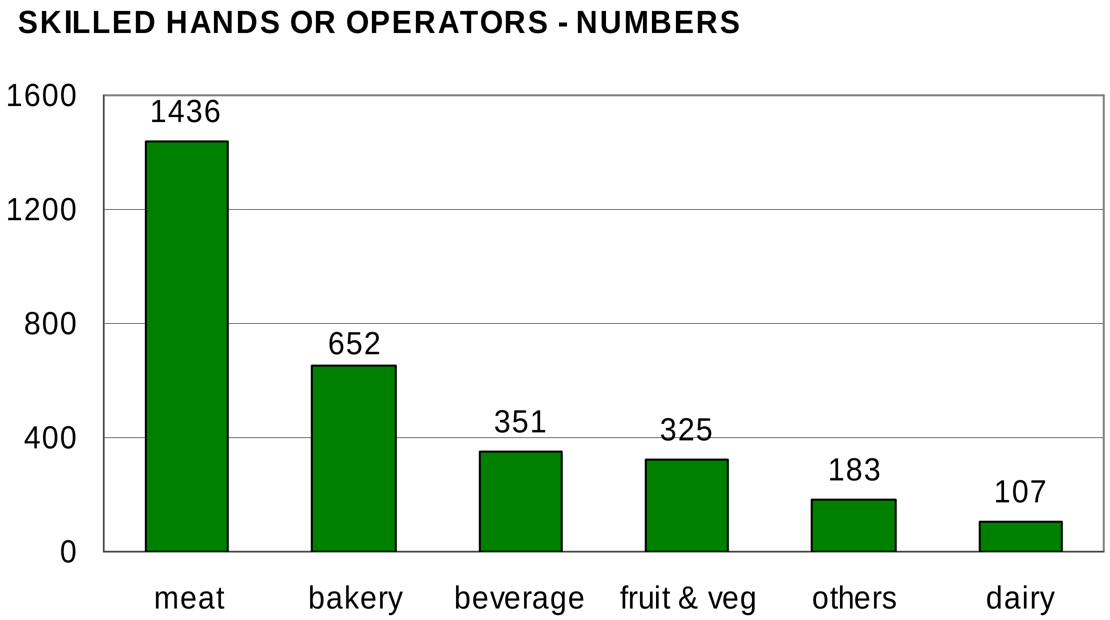
There were 3,055 workers across the industry who were skilled hands or operators. This is 21% of the industry.

74% of these workers are full-time, 15% are casual, and 6% are part-time. The remaining 6% are evenly divided between seasonal and contractors.

Beverages was the sector with the highest proportion of skilled hands or operators at 42%. Meat had 25%, other had 21% bakery had 19% and dairy had 17%.

Fruit and vegetable was the sector with the lowest proportion of its workforce (12%) in this category.

The numbers for each sector are displayed in the chart below.



EASE OF REPLACEMENT

The overall mean for this category was 1.6, just over half-way between easily replaced and hard to replace.

The means for each sector varied from 1.4 for beverage to 1.7 for meat. Fruit and vegetable and dairy were both on 1.6, and bakery and other were both on 1.5.

LOW SKILL WORKERS

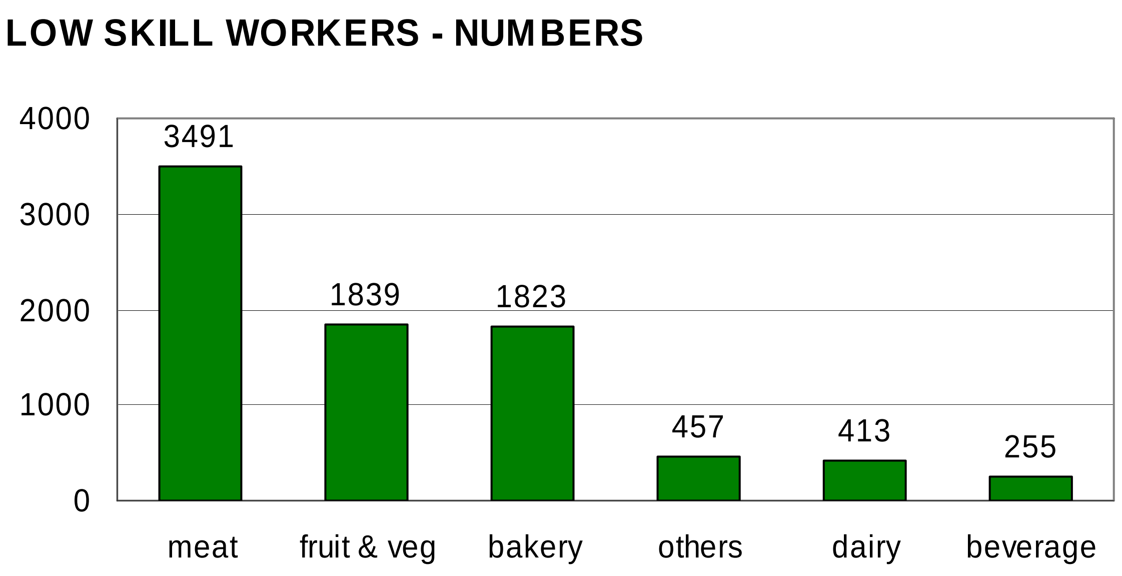
There were 8,276 low skill workers across the industry. This is 58% of the industry total.

44% are full-time, 27% are casual, and 14% are part-time. 12% are seasonal and 3% are contractors. This area has the highest percentage of casual workers.

Fruit and vegetable was the sector with the highest proportion of low skill workers at 70%. Dairy had 64%, meat had 60% bakery had 53% and other had 52%.

Beverages was the sector with the lowest proportion of its workforce (30%) in this category.

The numbers for each sector are displayed in the chart below.



EASE OF REPLACEMENT

The overall mean for this category was 1.4, just under half-way between easily replaced and hard to replace.

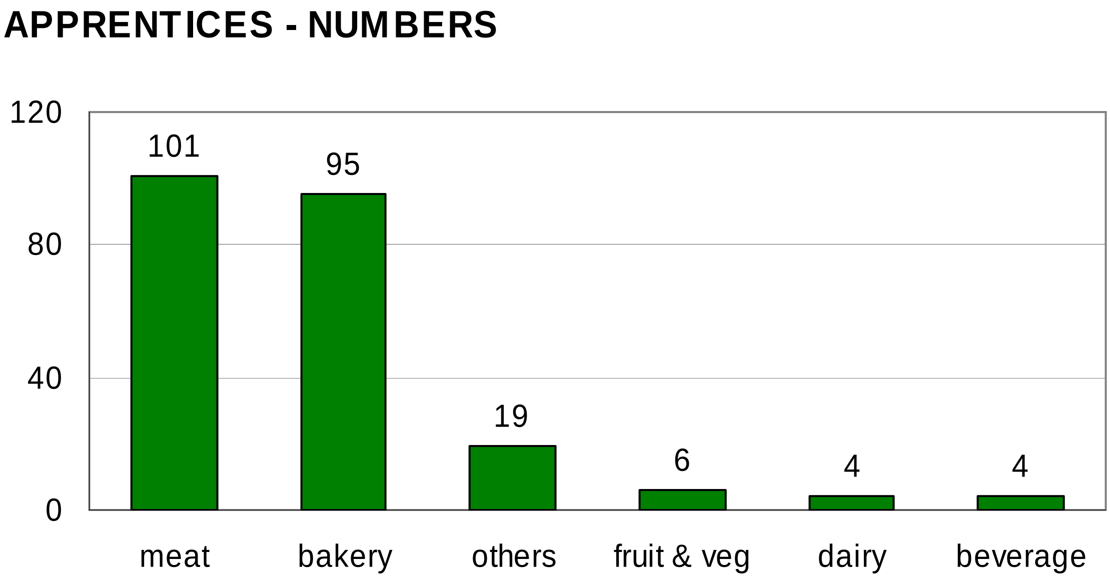
The means for each sector varied from 1.3 for beverage, other and dairy to 1.5 for meat and bakery. Fruit and vegetables had a mean of 1.4.

This sector had the lowest overall mean, and thus with means less than 1.5 tend towards more easily replaced workers, rather than hard to replace.

APPRENTICES

The numbers for each sector are displayed in the chart below.

Apprentices and trainees were rare outside the bakery and meat processing segments.



EASE OF REPLACEMENT

The overall mean for this category was 1.6, just over half-way between easily replaced and hard to replace.

The means for each sector varied from 1.0 for other to 2.0 for dairy and beverage. Fruit and vegetables and bakery had a mean of 1.7, and meat 1.7.

EASE OF REPLACEMENT OVERVIEW

The analysis shows very little difference in ease of replacement for each skill level between sectors, as discussed above under each skill category.

The major difference emerges with level of skill. Ease of replacement varies directly with skill level. As the skill level increases, the mean increases and workers become more difficult to replace.

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INDUSTRY PERCEPTIONS

Perceived attractions of the industry

Respondents in the 2009 survey were asked to say what attracts people to the food and beverage manufacturing and processing industry.

The response was very fragmented with only one factor reaching double figures across the sample as a whole.

The most frequently cited attraction was **love of the product**. This was cited by 16% overall and was particularly frequently mentioned by respondents representing bakery (27%) and meat (16%).

The next most frequently cited attractions - 8% and 7% respectively - were **pay** and **hours**. The **low skill needs** of the industry also were seen as an attraction, as was **security** of regular work. **Status**, the quality or uniqueness of the product, and brand name also attracted workers.

24% of all respondents could not list any attractions for their industry.

Other minor responses are also listed in the table overleaf. This table highlights [in bold type] particular factors which attained a double digit response in individual sectors.

And what attracts people to the food and beverage manufacturing and processing industry?

[Multiple response]	TOTAL [N=502]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Product	16%	12%	**17%**	8%	**24%**	4%	9%
Pay	9%	9%	**13**%	11%	7%	4%	7%
Hours	8%	4%	0%	3%	10%	8%	**11%**
Low skill	7%	5%	0%	10%	6%	4%	**11%**
Security	6%	8%	**17%**	10%	2%	0%	4%
Status	4%	1%	4%	8%	6%	4%	2%
Environment	5%	4%	8%	5%	4%	0%	7%
Lack other job alternatives	4%	4%	**13%**	6%	1%	0%	4%
Career path	3%	8%	0%	0%	1%	4%	2%
Customer contact	3%	1%	4%	3%	2%	**12**%	2%
Lifestyle	3%	2%	4%	3%	2%	0%	4%
Close	3%	1%	**13%**	5%	0%	0%	9%
Satisfaction	2%	1%	4%	2%	2%	0%	2%
Nothing	9%	15%	0%	5%	6%	8%	7%
Don’t know	13%	0%	13%	13%	19%	32%	15%

It is to be noted that the majority of factors that were seen by some firms as attractions were also seen by others as deterrents. This is true of the 3 most common answers and most of the others factors also.

Low skill and lack of other job opportunities were the only significant attractions which were not also seen as deterrents.

For the factors seen as deterrents, discussed in the following section, there are only 3 listed which do not appear in the positives list. These are the physical demands, the education required and workers being seen as unwilling to work hard.

Perceived deterrents

To balance the preceding question, respondents were asked to say what deters people from entering the food and beverage manufacturing and processing industry.

The most frequently cited deterrent to working in the industry - given by 32% of all respondents - was the **hours**, most particularly the early starts. This was the dominant issue with bakeries (56%) and also of highest significance in dairy (29%) and meat (26%).

A significant number of respondents also mentioned the **low pay** and the **physical demands** of the job. Low pay was a significant issue in all sectors. The physical demands of the job were significant in the meat sector (21%) and for fruit and vegetables (18%).

Negative aspects of hours, pay and physical demands accounted for 66% of all responses, and 77% of responses actually citing any deterrents.

The dirty and cold **environment** was also an issue for the meat industry. Education (lack of qualified staff) was a significant issue in dairy.

Other minor responses are also listed in the table overleaf.

And what deters people from entering the food and beverage manufacturing and processing industry?

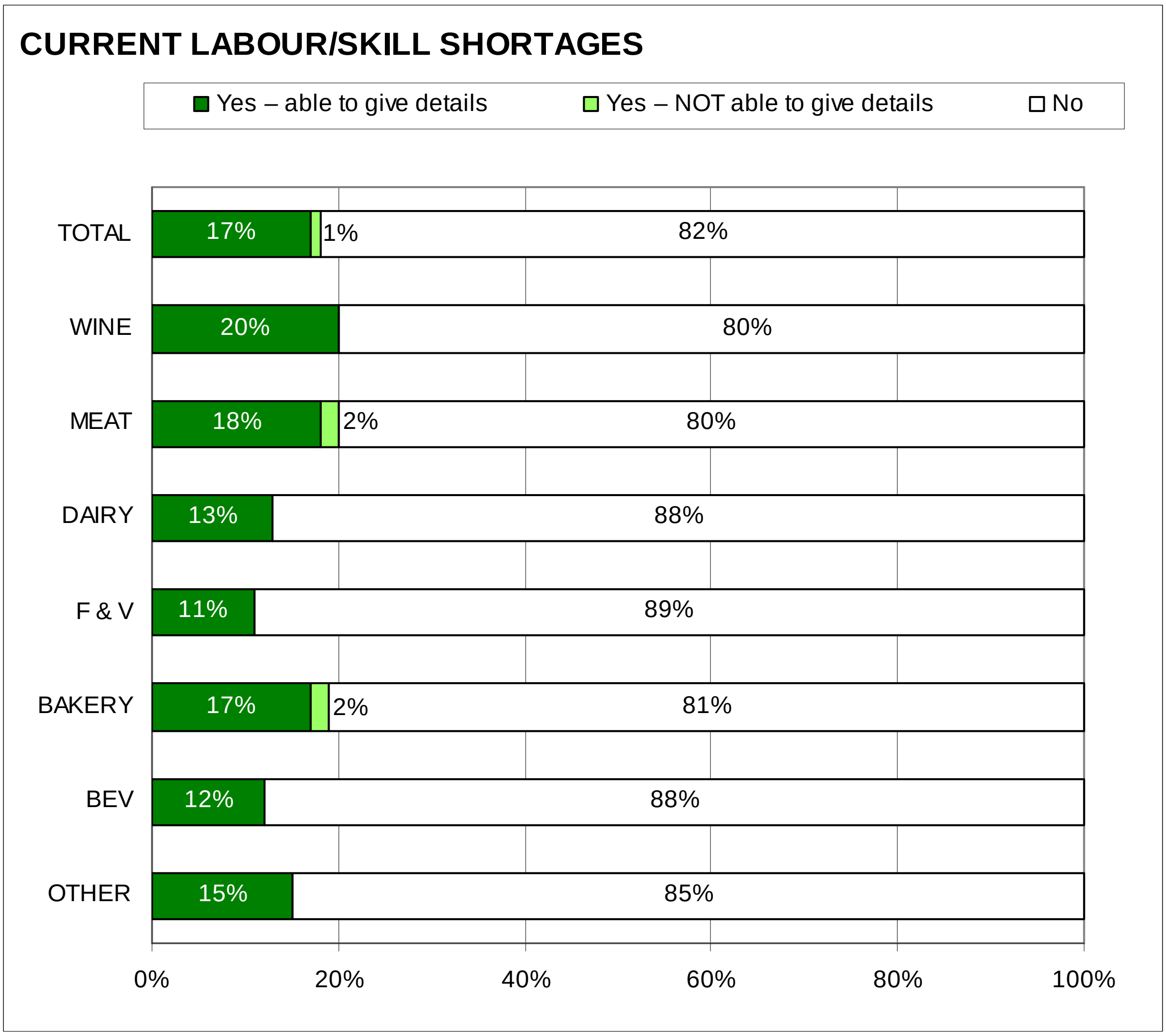
[Multiple response]	TOTAL [N=502]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Hours	32%	**26%**	**29%**	14%	**56%**	5%	6%
Pay	18%	23%	17%	**31%**	8%	11%	24%
Physical	16%	**21%**	13%	18%	11%	16%	12%
Environment	8%	9%	8%	8%	4%	5%	**24%**
Education	3%	0%	**17%**	8%	1%	11%	6%
Product	3%	**7%**	0%	2%	1%	0%	0%
Status	2%	3%	0%	2%	1%	0%	2%
Unwilling	1%	1%	0%	2%	2%	0%	2%
Career path	1%	0%	0%	0%	1%	0%	6%
Customer contact	<1%	0%	0%	0%	1%	0%	0%
Security	<1%	0%	0%	2%	0%	0%	0%
Nothing	4%	3%	8%	0%	3%	26%	8%
Don’t know	11%	8%	8%	14%	13%	26%	8%

WORKFORCE PLANNING

Labour or skill shortages

Respondents were asked whether they **currently** have any labour or skill shortages and, if so, in which occupations or areas.

The percentages of firms with labour or skill shortages ranged from 11% in fruit and vegetable to 20% in wine, with the aggregate figure being 18%.



Predicted skill or labour shortages

Current areas of skill or labour shortages are discussed in tandem with the next question.

In the 2009 survey, respondents were asked about whether they expected to face skill shortages in the next **2 years**, if the economy remained **steady**, and also if South Australia has a **recession.**

The majority (81%) of food and beverage manufacturing and processing businesses surveyed did not expect to face any labour shortages if the economic situation remained steady. This figure increased to 89% if there was a recession in South Australia.

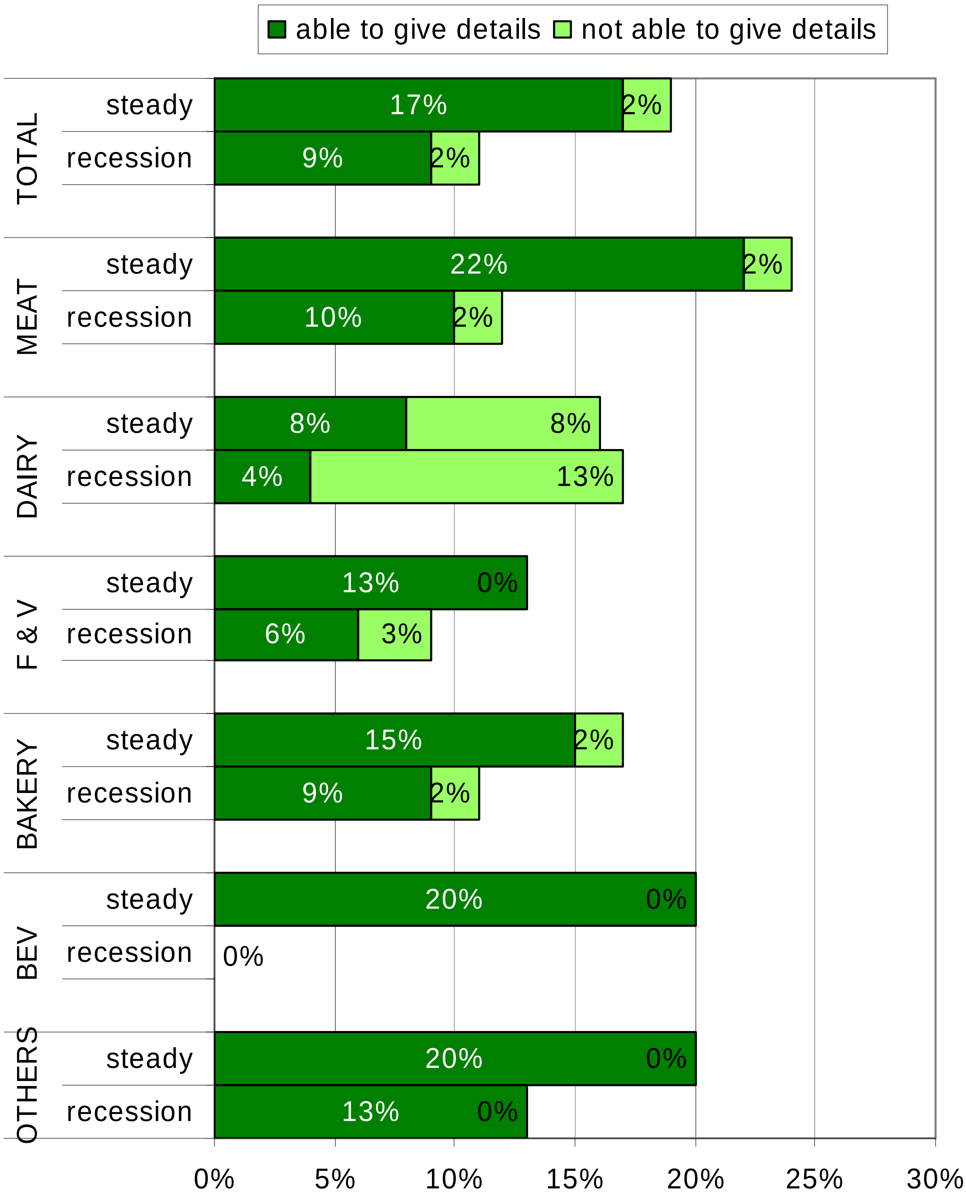
The percentages of firms expecting staff or skill shortages in two years time if the economy remains steady is greater than their staff or skill shortages today. This is true across all sectors. If South Australia faces recession, this position reverses to fewer shortages than today, albeit still with a significant skill or staff shortage.

The greatest difference between expectations based on a recession/no recession, is in the **beverage** sector, which goes from 20% expecting shortages if the economy remains steady to 0% if there is a recession.

However overall there is still a perception 11% of all businesses in the industry will have staff or skill shortages. **Meat** (12%) and **bakery** (11%) are the two largest sectors expecting shortages, even with a recession.

This is illustrated in the accompanying chart.

PREDICTED INCIDENCE OF SKILL SHORTAGES



Areas of skill or labour shortage – occupations by segment

In the **meat** processing industry, 31 firms indicated they **currently** had labour or skill shortages, 2 of these indicated a need for 5 managers. Two firms indicated a need for 24 electricians or fitters. Eighteen firms indicated a need for 21 qualified butchers. Four firms indicated a need for 91 leading hands (boners and slaughtermen). Three firms also indicated a current shortage of 82 low skill workers. Seven firms indicated a current need for 8 apprentice butchers.

In the **meat** industry 38 firms indicated they would have labour or skill shortages in the next 2 years if the economy remained steady, 30 firms indicated a shortage even if there were a recession. There is a total shortage of 231 positions now, 369 in the next 2 years if the economy remains steady, and 275 if there is a recession. One firm indicated a need for 130 slaughtermen whether the economy remains steady or there is a recession. This firm had no current shortages.

In the **bakery** sector there are currently 31 firms with a need for 46 staff. In 2 years time if the economy remains steady the number of firms reduces to 27, still needing 46, and if there is a recession 17 firms will need 36 staff.

There is no need for staff or professionals now or in the next 2 years. Half the shortages now or in the next 2 years are in the trades areas (bakers). The remaining shortages are spread across retail assistants and process workers.

There were 3 firms in the **dairy** sector that currently had labour or skill shortages. These firms had a need for 4 skilled hands and 5 low skill workers. These firms did not expect any shortages in the next 2 years. A different 2 firms did expect shortages in the next 2 years. If the economy remained steady 1 firm would need 2 professionals, a dairy engineer and a cheese maker, and another firm 3 cheese makers as well as 3 low skill employees.

If there was a recession, the last mentioned firm still saw a need for 3 cheese makers, but did not see a lack of low skill employees. The other firm did not see a skills or labour shortage should South Australia have a recession.

In the **fruit and vegetable** sector there were 5 firms who had shortages now and 4 of these were expecting shortages in the next 2 years.

Of the firms with skill shortages now, 3 needed 6 tradesmen now, 1 needed 1 leading hand and the fifth need 2 low skill employees.

In the **beverage** sector there are 2 firms with labour or skills shortages currently, in the leading hand and process worker areas.

In the next 2 years one firm was expecting the same shortfall, but three others were expecting a need for a further 5 low skill, or 1 trade or 1 leading hand. If there was a recession then there are no firms who are expecting labour or skills shortages.

For '**others**' 6 firms had current skill or staff shortages, 2 firms needed 3 tradespeople, and 3 firms needed 7 process workers. There are 8 firms who indicated expected skills shortages, if the economy remains steady, of 21 spread across leading hand and low skill areas. The picture remains the same for 4 firms, who will need the same 14 staff if there is a recession.

Region specific external factors impacting on business

This question was only asked for non-metropolitan businesses. Of these, almost two-thirds of respondents could name some external factor specific to their region which impacts on their business.

Water was the top response overall (mentioned by 30% of all respondents). It was especially frequently mentioned in the wine (42%) and dairy sectors (36%).

Competition issues (14%), **transport** (11%) and **environmental** issues 10%) were also significant. **Transport** was of particular concern in the bakery (22%) and beverage sectors (29%).

Supply issues (7%) and **government** regulation (5%) were also mentioned.

All other minor responses are also listed in the table overleaf.

What external factors or infrastructure issues specific to your region are impacting on your business?

NON METROPOLITAN BASED BUSINESSES	TOTAL [N=747]	WINE [N=245]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Water (quality, scarcity)	30%	42%	17%	36%	25%	9%	14%	21%
Competition issues	14%	24%	5%	0%	0%	3%	0%	0%
Transportation	11%	9%	9%	7%	16%	22%	29%	11%
Environmental (salinity, greenhouse gas emissions)	10%	16%	3%	7%	3%	0%	14%	16%
Supply issues	7%	9%	4%	14%	3%	0%	14%	5%
Government regulation	5%	7%	3%	0%	3%	2%	0%	11%
Public transport availability	3%	4%	3%	7%	0%	2%	0%	0%
Lack of affordable housing	3%	4%	2%	0%	0%	3%	0%	0%
Energy issues	1%	0%	0%	0%	3%	3%	0%	5%
Land availability/zoning	1%	1%	0%	0%	3%	2%	0%	0%
Lack of suitable employment for	1%	1%	1%	0%	0%	2%	0%	0%
Limited temporary accommodation for	1%	2%	1%	0%	0%	0%	0%	0%
Lack of suitable education facilities	<1%	0%	0%	7%	0%	0%	0%	0%
TOTAL - NAMING ANY	63%	82%	37%	64%	50%	41%	71%	53%
Can't think of any/none	37%	18%	63%	36%	50%	59%	29%	47%

Sources of staff

Over half of all respondents sourced most of their staff from **local networks** (58%). There was no significant difference between sectors, with wine (49%) being the lowest. All other sectors were clustered around 60%.

The proportion of f**amily only /sole operator** organisations ranged from 12% to 24% with fruit and vegetables the sector with the lowest level of outside employment.

Recruitment firms/labour hire were cited by 14% overall and ranged from 9% to 30%. Wine and meat both had the lowest percentage at 9%.

A smaller proportion of respondents also mentioned **industry networks** (8%). This was least prevalent in fruit and vegetables (3%).

Universities and **TAFE** were minor responses (6% and 4%). Bakeries are the most likely to employ staff from **universities** (10%), whilst dairy (0%) was the least likely. TAFE ranged from 0% to 7%. The higher figures were recorded from sectors which employ students as part time/casual staff.

From which of these sources do most of your staff come?

[Multiple response]	TOTAL [N=747]	WINE [N=245]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Local networks	58%	49%	60%	63%	61%	65%	64%	61%
Family only/sole operator/no	19%	23%	18%	21%	24%	12%	20%	20%
Recruitment	14%	9%	9%	25%	26%	17%	28%	30%
Schools	13%	4%	20%	0%	6%	26%	0%	0%
Industry networks	8%	12%	8%	8%	3%	6%	8%	9%
Universities	6%	6%	2%	0%	3%	10%	8%	0%
TAFE	4%	2%	4%	4%	6%	7%	4%	0%
Other – SPECIFY	3%	9%	1%	0%	0%	0%	4%	2%

Strategies for ensuring skilled labour

Respondents were asked to specify which of a list of possibilities they will adopt to ensure a sufficient supply of skilled labour in 2010.

The majority of respondents (77%) intended to use at least one of these strategies.

The most popular strategies were **recruiting and training new staff** (45%), **up skilling existing workers** (40%), **improving productivity** (31%), and **introducing new technology** (29%).

Working closely with education and training providers (18%) and **job redesign/rotation** (16%) were also relatively popular.

Increasing the use of contractors (19%) appears popular but this figure was significantly increased by the wine industry, which has the greatest proportion of contractors in its work force. Excluding the wine industry reduces the mean to 8%.

Of least interest in planning was **increase shifts/rosters** (9%) and **rely on migration** (4%).

As shown in the table overleaf, the proportion intending to implement any of these strategies was lowest in the fruit and veg sector (60%). All other sectors were clustered around 80%.

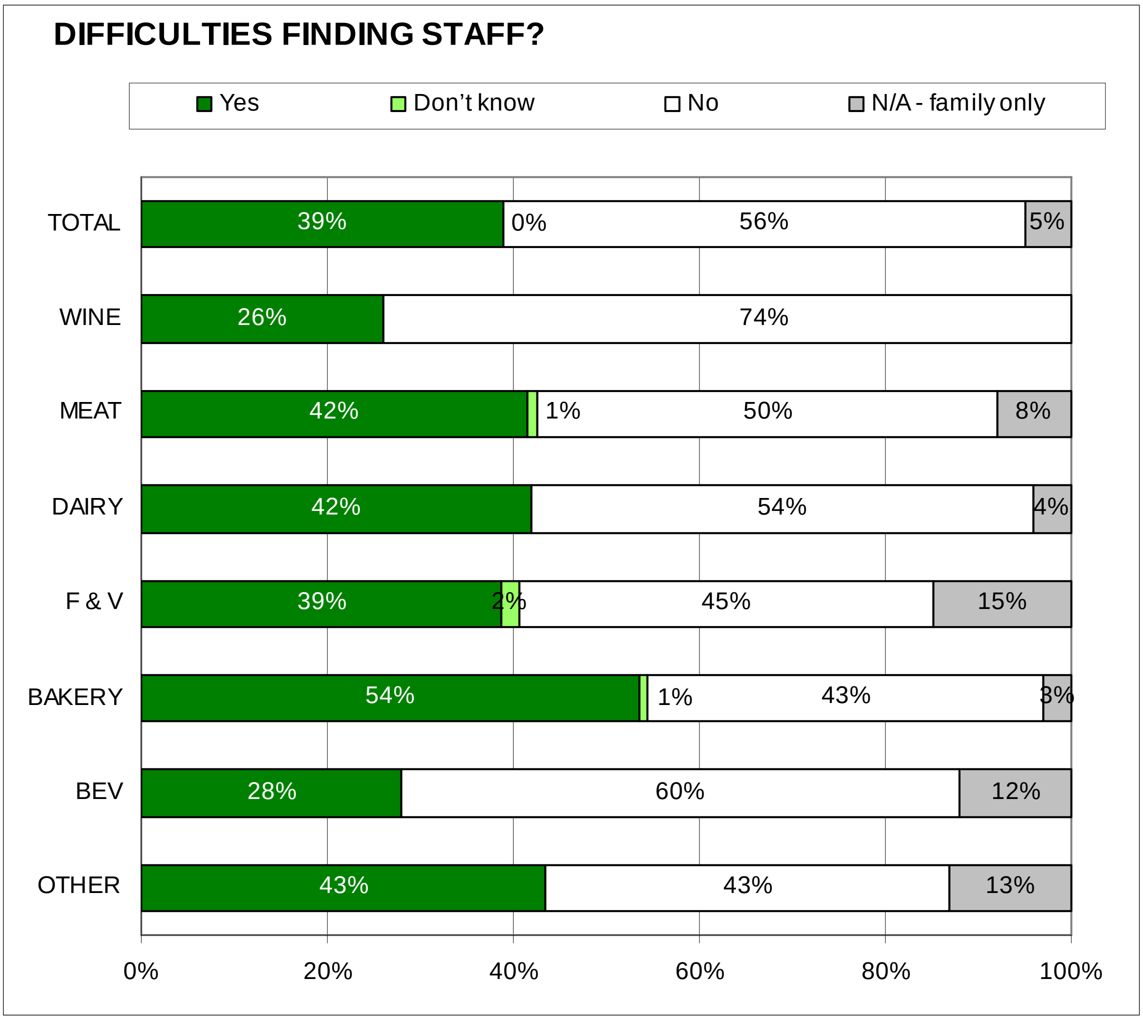
What will be the main strategies you adopt to ensure that you have a sufficient supply of skilled labour to meet demand in 2010?

[Multiple response]	TOTAL [N=747]	WINE [N=245]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Recruit and train new staff	45%	39%	47%	29%	39%	55%	56%	43%
Up skill existing workers	40%	48%	40%	54%	31%	35%	40%	33%
Improve productivity	31%	40%	24%	38%	18%	28%	16%	30%
Introduce new technology	29%	44%	19%	38%	21%	20%	28%	20%
Increased use of contractors	19%	44%	5%	4%	11%	2%	4%	22%
Work closely w ed & training providers to source workers	18%	26%	16%	13%	3%	17%	4%	13%
Job redesign/rotation	16%	22%	11%	17%	10%	12%	16%	20%
Increase shifts/rosters	9%	11%	9%	13%	6%	7%	8%	9%
Rely on migration	4%	4%	6%	0%	2%	4%	4%	7%
Other	1%	2%	1%	0%	2%	0%	0%	0%
TOTAL - NAMING ANY	77%	81%	73%	79%	60%	83%	84%	67%
None of these	23%	19%	27%	21%	40%	17%	16%	33%

Difficulties in finding staff

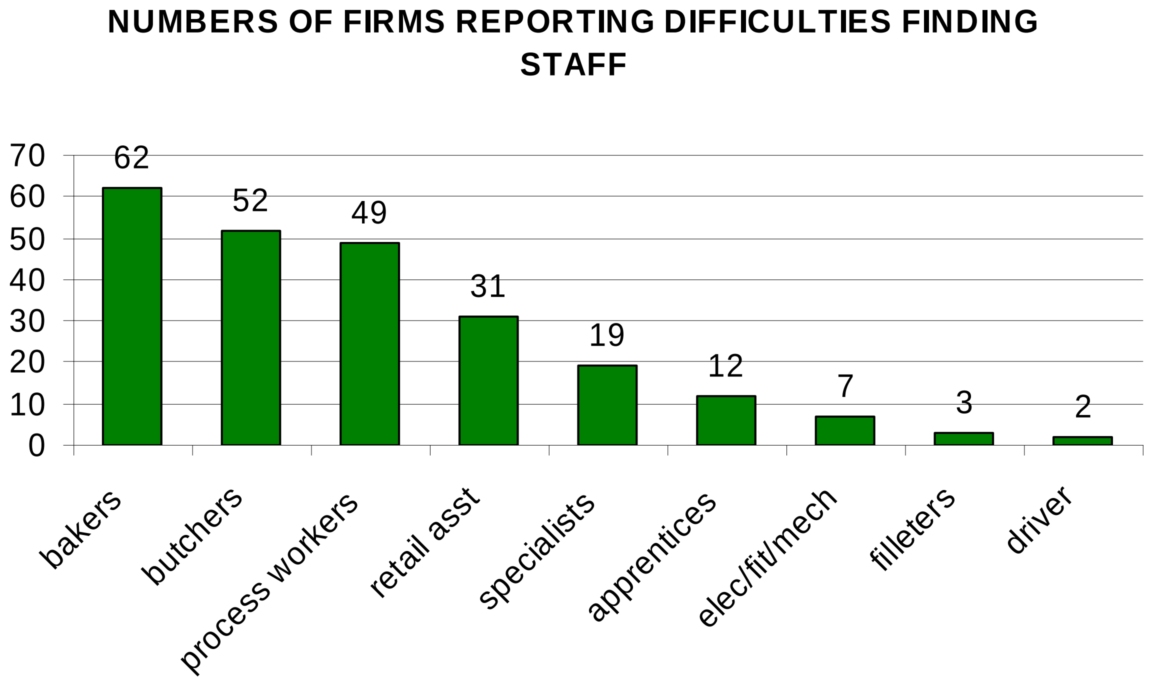
In the food and beverage manufacturing and processing industry 289 (39%) businesses surveyed stated that they had difficulties in finding staff. These figures include the wine segment.

The area in which the highest proportion of respondents had difficulties was the bakeries (54%). Wine (26%) and beverage (28%) reported the lowest levels. In every sector more than a quarter of all respondents reported difficulties finding staff.



When we look at the individual occupations in shortage, 62 firms reported difficulties finding **bakers**, 52 reported difficulties finding **butchers** (including slaughtermen and boners) and 49 firms reported difficulties finding **process workers**. There were also 31 firms reporting difficulties finding retail assistants.

NB – actual employee numbers in shortage are reported on pages 44-45.



Specialists who were difficult to find included …

Bakery Product Manufacturing

- managers

Beverage & Malt Manufacturing

- baristas and coffee roasters
- managers
- senior operational and professional roles eg senior manufacturing manager.

Dairy Product Manufacturing

- cheese makers

Fruit & Vegetable Processing

- industrial chemists skilled in herbal area
- management
- managers
- quality assurance people
- specialist management roles, eg manufacturing

Fish Product Processing

- specialist management roles, eg manufacturing

Honey Manufacturing

- beekeeper

Factors which affect difficulty in finding staff

The 289 respondents who reported difficulties in finding staff were then asked to specify the predominant reasons for this. 24 (8%) of these respondents could not identify a reason.

The most common reasons identified were **specialised skill needs** (31%) and the **poor attitudes of applicants** (26%). **Specialised skill needs** were particularly significant in dairy (50%), fruit and vegetable (46%) beverages (43%) and meat (40%).

Poor attitudes of applicants was particularly frequently mentioned in relation to bakery and dairy segments (38% and 31% respectively).

Other responses of note were:

- Type of work not perceived well [16%]
- Location remote/not perceived well [15%]
- Wages/remuneration not competitive [13%]

Meat industry employers also had a high incidence of **type of work not perceived well**, while dairy also recorded the highest level of **remote location**.

This can be seen in the table overleaf.

It should be noted that figures include the wine segment.

What have been the predominant reasons?

BASE: FIRMS WITH DIFFICULTIES FINDING STAFF	TOTAL [N=289]	WINE [N=64]	MEAT [N=72]	DAIRY [N=10]	F & V [N=24]	BAKE [N=97]	BEV [N=7]	OTHER [N=20]
Specialised skill needs	31%	14%	**40%**	**50%**	**46%**	35%	**43%**	20%
Poor attitudes of applicants	26%	5%	21%	**30%**	17%	**38%**	0%	60%
Type of work not perceived well	16%	9%	**31%**	10%	8%	11%	14%	**25%**
Location remote/not perceived well	15%	17%	15%	**40%**	21%	11%	14%	10%
Wages/remuneration not competitive	13%	16%	**21%**	0%	4%	8%	14%	15%
Hours of work	8%	0%	8%	0%	0%	**14%**	0%	10%
Terms and conditions of employment	5%	3%	4%	0%	4%	8%	0%	0%
School leavers lack of skills/experience	3%	6%	0%	0%	0%	4%	0%	0%
Insufficient local training positions	2%	0%	4%	0%	0%	2%	**14%**	0%
Competing industries	2%	0%	3%	0%	4%	2%	**14%**	0%
Specific licensing or registration	1%	6%	0%	0%	0%	0%	0%	0%
Employment pool too small	1%	0%	1%	10%	0%	0%	0%	0%
Government subsidies/apprentice	1%	0%	1%	0%	4%	1%	0%	0%
Lack of career path	1%	0%	0%	0%	0%	1%	0%	5%
NA/family only	<1%	2%	0%	0%	0%	0%	0%	0%
Other	7%	28%	1%	0%	4%	1%	0%	0%
TOTAL - NAMING ANY	92%	75%	96%	100%	96%	97%	86%	100%
Can’t think of any/none	8%	25%	4%	0%	4%	3%	14%	0%

Barriers to hiring staff

Two-thirds (64%) of the respondents who had difficulties finding staff could not think of any other barriers.

Of the 103 respondents who could name other barriers, being **unable to find staff with the appropriate skill set** (18%) was the most common answer. This was highest in wine (25%) and lowest in fruit and vegetables (8%).

Not being able to find staff at the right price (6%) was most significant in the wine (17%) and dairy (10%) sectors.

There were no other major factors mentioned. Minor responses are also listed in the table below. Again, these figures include the wine segment.

Are there any other barriers in your business to hiring staff?

BASE: FIRMS WITH DIFFICULTIES FINDING STAFF	TOTAL [N=289]	WINE [N=64]	MEAT [N=72]	DAIRY [N=10]	F & V [N=24]	BAKE [N=97]	BEV [N=7]	OTHER [N=20]
I cannot find staff with the appropriate skill set.	18%	**25%**	14%	10%	8%	20%	14%	15%
I cannot find staff at the right price.	6%	**17%**	3%	10%	0%	2%	0%	0%
I cannot find anyone who wants to work in my industry.	5%	8%	3%	0%	0%	6%	0%	5%
I can find staff but they cannot find a place to live.	2%	5%	0%	0%	0%	2%	0%	0%
Location remote/not perceived well	2%	0%	4%	0%	8%	0%	0%	5%
Government subsidy/ apprentices	2%	0%	0%	0%	4%	5%	14%	10%
Hours of work	1%	0%	0%	0%	0%	3%	0%	0%
Other	8%	19%	4%	10%	13%	5%	0%	0%
TOTAL - NAMING ANY	36%	51%	25%	30%	33%	36%	29%	35%
No barriers	64%	47%	75%	70%	67%	64%	71%	65%
NA/family only	0%	2%	0%	0%	0%	0%	0%	0%

Use of strategies to attract particular groups of workers

More than half of all businesses surveyed had not considered strategies for attracting workers from any of the categories mentioned in the questionnaire (54%). This strategy was not applicable to family businesses or sole operators (15%), leaving 31% who indicated they had considered strategies to attract specific groups of workers.

Strategies to attract **women returning to the workforce** (16%) and/or **older workers** (15%).and **young people** (15%) were the most often mentioned strategies.

A smaller percentage had considered strategies for **workers with disabilities** (8%).and **indigenous workers** (7%).

There were large variations between sectors with most strategies. The total percentage naming any strategy ranged from 18% for the meat segment, to dairy at 42%. These figures include the wine segment.

Have you considered strategies specifically to attract . . . . ?

[Multiple response]	TOTAL [N=747]	WINE [N=245]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Women returning to the workforce	16%	27%	9%	33%	24%	13%	8%	13%
Young people	15%	20%	9%	17%	15%	17%	16%	20%
Older workers	15%	19%	10%	17%	18%	15%	8%	15%
Workers with disabilities	8%	8%	6%	13%	16%	8%	8%	13%
Indigenous workers	7%	3%	5%	8%	13%	8%	8%	11%
TOTAL - NAMING ANY	31%	40%	18%	42%	37%	37%	24%	35%
None of these	54%	26%	68%	54%	45%	57%	60%	52%
Not applicable - family only/sole	15%	34%	14%	4%	18%	6%	16%	13%

TURNOVER AND RETENTION

Reasons for staff departure

Respondents in both surveys were asked to indicate if staff had left their business in the past 12 months for any of six listed reasons.

One third of respondents (33%) felt at least one of these reasons applied to their staff. Bakeries (44%) were the sector with the highest response, wine (27%); beverage (28%) and dairy (29%) were at the lower end.

Working hours not suited to employee (13%), **limited career path** (13%), **wages not high enough** (11%) and **interpersonal conflict** (10%) were most common.

Employee wanted better conditions (4%) and **fixed term contract expired** (3) were less prevalent.

Apart from contractors, have staff left your business in the past 12 months for any of the following reasons?

[Multiple response]	TOTAL [N=747]	WINE [N=245]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Working hours not suited to employee	13%	7%	14%	13%	13%	19%	16%	15%
Limited career path	13%	13%	8%	4%	18%	15%	8%	22%
Wages not high enough	11%	8%	15%	8%	10%	8%	12%	17%
Interpersonal conflict	10%	11%	8%	17%	5%	14%	12%	9%
Employee wanted better conditions	4%	2%	6%	0%	5%	3%	8%	9%
Fixed term contract expired	3%	4%	1%	8%	3%	3%	4%	2%
TOTAL - NAMING ANY	33%	27%	34%	29%	36%	44%	28%	39%
None of these	52%	50%	53%	63%	45%	52%	56%	48%
Not applicable - family only/sole operator	15%	23%	13%	8%	19%	4%	16%	13%

Estimated time of impact for employee retirements

Two-thirds (67%) of the food and beverage manufacturing and processing businesses surveyed were not expecting a problem with employee retirements.

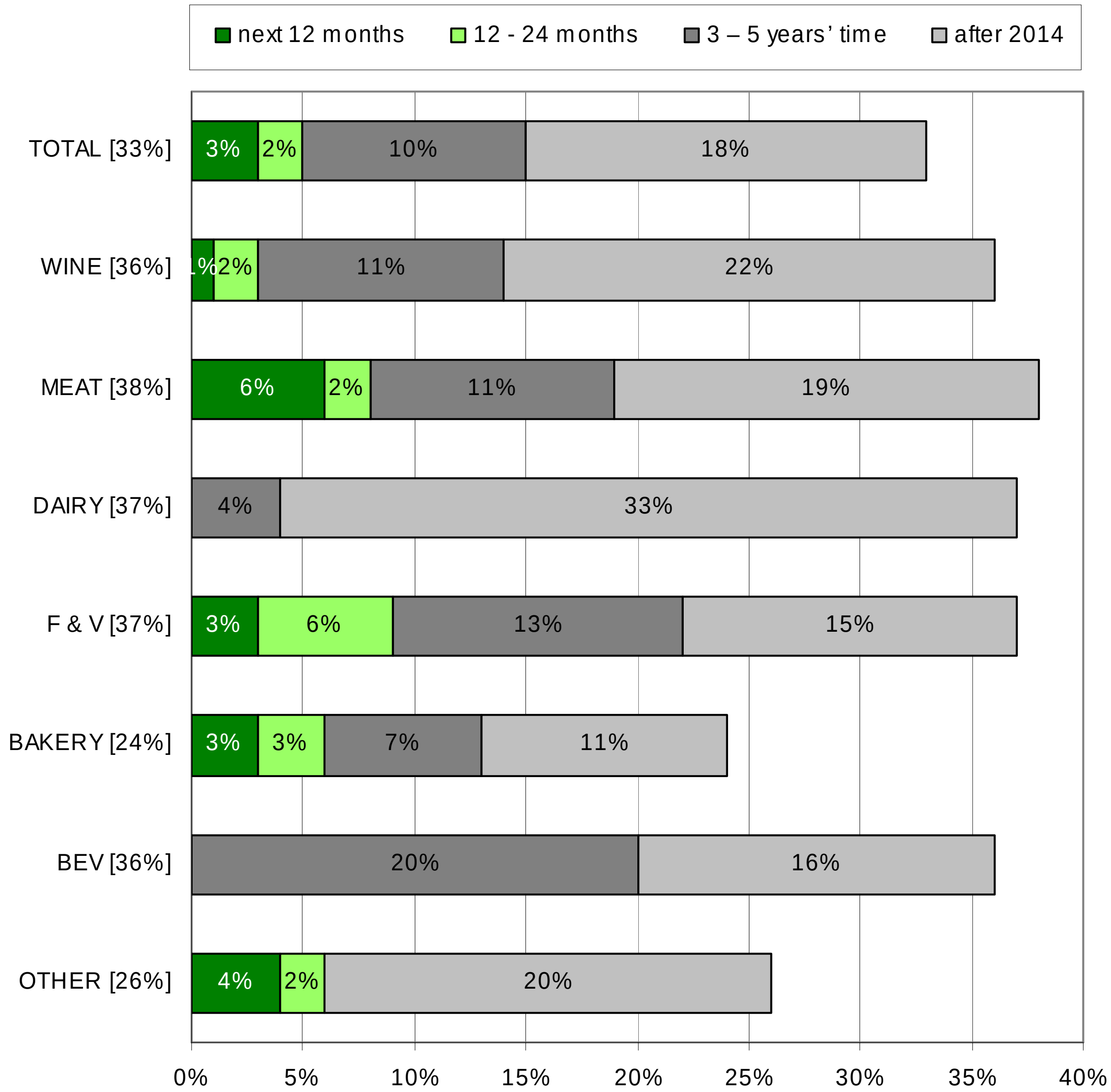
A further 28% were not expecting a problem before 2012. Only 5% were expecting a problem before then.

There were differences in timing between sectors, with dairy (37%) expecting the bulk (33%) of the impact after 2014. Dairy and beverages both anticipated zero impact in the next 2 years, but beverage had an increase (20%) in 3 – 5 years, and 16% after 2014. Therefore all of their impact (36%) would occur after 2012.

Looking at retirements in the next 12 months, meat had the highest figure of 6%.

This can be seen in the chart overleaf.

RETIREMENT IMPACT EXPECTED ......



Strategies for retaining existing workers

Over half (60%) of the food and beverage manufacturing and processing businesses surveyed had considered at least one of the strategies listed for retaining existing workers. There were 40% who had not considered any of the mentioned strategies. This number includes sole operators and family businesses for whom the question was not applicable.

The most popular strategies were **reviewing remuneration packages and employee entitlements** (31%) **recognition/reward programs** (30%) **access to education & training**, **new technology** (30%), and **introducing family friendly policies and practices** (29%).

Also relatively popular were **commitment to apprentices** (21%), **mentoring/coaching schemes** (20%), and **training for managers/ supervisors** (20%).

Job redesign or rotation (16%), **phased retirement/flexible practices for older workers** (12%) and **other services eg transport, accommodation, education** (12%) also had some interest.

Profit sharing or share ownership schemes (5%) and **providing/subsidizing child care** (2%) were of lesser interest.

When results are segmented, the following differences are apparent:

- Introducing family friendly policies and practices had the highest level of support in wine (39%) and fruit and veg (42%).
- Bakeries had the highest level of support for commitment to apprentices/trainees (35%). Beverages had the lowest level at 4%.
- The wine industry showed the highest percentages in access to education, training and new technology (43%) and mentoring/coaching schemes (29%). It was also amongst the highest percentages in review remuneration and entitlements, introduce family friendly policies and practices, job redesign and location and phased retirement/flexible practices for older workers.

Have you considered any of these strategies to retain existing workers?

[Multiple response]	TOTAL [N=747]	WINE [N=245]	MEAT [N=172]	DAIRY [N=24]	F & V [N=62]	BAKE [N=180]	BEV [N=25]	OTHER [N=46]
Review remuneration/entitlements	31%	41%	22%	42%	37%	23%	40%	28%
Recognition/reward programs	30%	28%	26%	33%	32%	34%	24%	35%
Access to education and training, new technology	30%	43%	15%	33%	21%	29%	24%	35%
Introduce family friendly policies and practices	29%	39%	16%	33%	42%	28%	12%	26%
Commitment to apprentices/	21%	19%	22%	13%	10%	35%	4%	7%
Mentoring/coaching schemes	20%	29%	10%	17%	11%	19%	20%	20%
Training for managers/supervisors	20%	19%	17%	38%	18%	22%	24%	26%
Job redesign or rotation traineeships	16%	18%	9%	21%	11%	18%	12%	26%
Phased retirement/flexible practices for older workers	12%	20%	9%	13%	10%	8%	12%	11%
Other services eg transport, accommodation, education	12%	22%	6%	4%	11%	6%	8%	7%
Profit sharing or share ownership	5%	0%	6%	17%	11%	8%	12%	7%
Providing/subsidizing child care	2%	2%	2%	0%	0%	2%	0%	0%
TOTAL - NAMING ANY	60%	59%	55%	71%	60%	68%	44%	59%
None of these	40%	41%	45%	29%	40%	32%	56%	41%