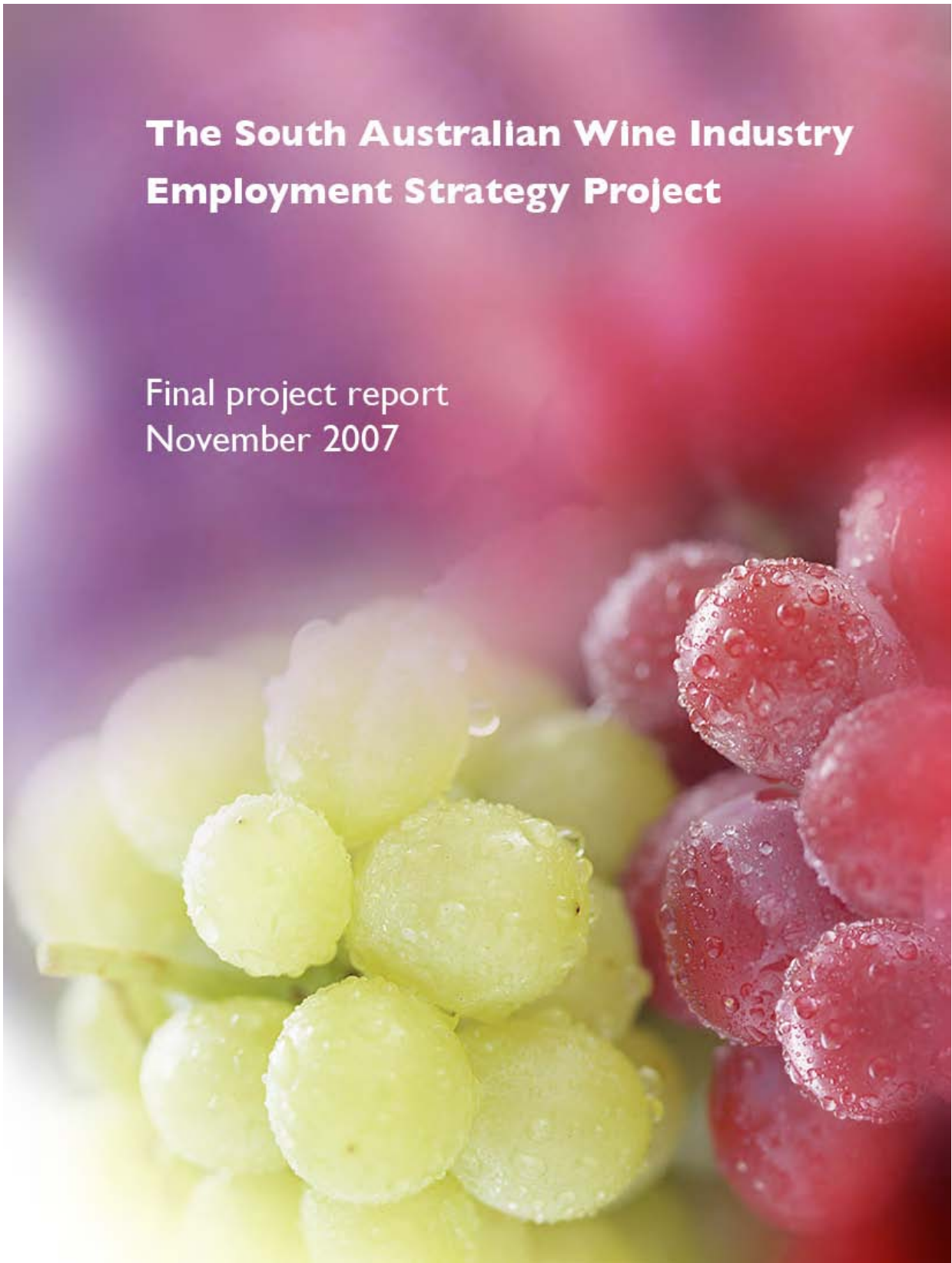


# The South Australian Wine Industry Employment Strategy Project

Final project report  
November 2007



This project was completed by Food, Tourism & Hospitality Industry Skills Advisory Council SA Inc (FTH Skills Council) with funding provided by the Government of South Australia through the Department of Further Education, Employment, Science and Technology (*South Australia Works* program) and the Department of Primary Industries and Resources SA.



Confirmed with Robin Munro, L & D Unit  
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## 2. Executive Summary

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### Key themes to emerge from the project were:

- *A lack of formal workforce planning in the wine industry.*
- *The importance of education and training to both employers and employees.*
- *A need for industry marketing of career opportunities beyond winemaking.*
- *Desire for regional on-demand training, particularly short course and skill set based training to upskill existing workers as well as train new employees.*
- *Need for a coordinated approach to drive the implementation of the workforce planning and development strategies.*

In recent years a range of wine industry reports have attempted to provide an accurate understanding of the physical and economic conditions facing the industry. While these reports are important for decisions on the future of the industry, they have rarely addressed workforce development issues.

Due to this lack of baseline data about the wine workforce, the SAWIES project shifted emphasis to focus on obtaining current, valid data to provide an accurate picture of the current workforce, as well as accessing information to help build a picture of the future workforce needs. A range of data was sourced covering business demographics, workforce planning, industry trends, recruitment turnover and retention, training and skills development and workplace conditions. As a result the project has produced a number of resources:

- *Small employer survey*
- *Large employer survey*
- *Employee survey*
- *Task audit summary*
- *Overall research report summary*
- *Workforce profile*
- *Career information kit.*

Unfortunately the project was in the position of being furthest out from Census data possible and 2001 labourforce data had to be used to build a Workforce Profile.

The wine industry has an age profile almost identical to average industry employment in the state, with slightly higher proportions of older people (55 years or older). While the wine industry accounts for a substantial export value each year (approximately 16 per cent of total exports from South Australia in 2005-06), total direct employment in the industry represents less than 2 per cent of the State's workforce, employing 11,977 people in South Australia (ABS Population Census 2001).

One of the key challenges was to capture the needs of very diverse wine and grape businesses. Throughout the project the issues of micro-medium businesses have often been very different to those of large wine companies, and the use of different survey methodologies enabled us to capture the specific skill and labour issues of both.

For example on average, micro-medium employers have 9 staff, while large companies have 456 staff. The number of employees ranged from 74 to 1309 in large companies, with great variation in the employee mix. For example one company employed two people in bottling and packaging while another 377. In addition, the ten large companies in total employed 729 Full Time Equivalent (FTE) seasonal workers.

Based on the figures provided it is estimated that the 12 largest companies employ 53% of the workforce and on average spend 1.4% of turnover on skill development. The three largest companies employ an estimated 31% of the workforce.

Over half of all the employers surveyed felt they would need additional staff in 2010. Employer expectations project the wine industry workforce to grow at a rate of 1.8 per cent per year, resulting in total growth of just over 1,400 people to 2012.

Given the diversity in operations it is impossible to generalise – skill and labour requirements are specific to different scale of businesses and also differ according to regional variances. However, some commonalities do exist. The Task Audit highlighted that there is a high use of mathematical concepts in every work area of the industry, along with a high need for basic leadership skills with more than half of all employee survey respondents indicating they led work teams or groups.

Defined career paths were accepted but not documented, and when examined more closely, it was discovered that in large companies the pathway is more discrete within one job family, but in micro to medium sized companies employees may operate across a number of job family areas. In addition, when the tasks associated with various job titles were examined they varied widely even when the job title was the same.

Consequently a functional approach to career pathway mapping was considered the best indicator of the broad career progression pathways that occur regardless of company size. Roles within industry have been broadly grouped under four main branches, namely:

- Grow vines and grapes
- Make wine
- Sell and market wine
- Store and distribute wine.

This grouping allowed a career pathway map to be developed that applied across the industry no matter what the scale of the operation. Career advice is critical for the industry to market the wide range of employment opportunities beyond winemaking.

Training has emerged as a key theme of this project. Both employers and employees place a high priority on training, yet there seems to be limited accredited wine training activities/short courses available in the various regions. There still appears to be a focus on delivering qualifications rather than skill set training, which employers (and employees) indicated they require.

From the survey results, training new staff and upskilling existing workers will be the key strategy wine businesses intend to use to ensure they have sufficient skilled labour to meet their needs.

The employee survey has provided a wealth of information about the wine industry workforce, and some key findings include:

- Half of all respondents intended to be in the same job in five years' time.
- 44% have had only one employer.
- Almost half of employees (48%) described themselves as work/life balancers (seeking flexible hours/part-time, stimulating work with responsibility), while 27% categorised themselves as 'Wanting-it-all' (ambitious, need challenging, varied, well-paid work).
- The most frequently nominated factor in deciding to leave an employer was unfriendly workplace, followed by wages not high enough.
- Employment conditions most often cited as important were:

Access to education/training	50%
Remuneration packages	49%
Family friendly policies	46%
- 7% of respondents identified with any cultural group.

The South Australian wine industry is facing the challenge of maintaining profitability in a volatile market environment. In addition, the ageing population coupled with an already tight labour market, especially for skilled workers will have implications for wine and grape businesses, given the projected increase in employment levels required to match anticipated production targets.

While some wine and grape businesses are aware of these workforce issues and have started to adjust their recruitment and retention practices, many have not yet fully embraced workforce planning and development in a strategic way. In order to meet the industry's future workforce needs the Steering Committee recommends that:

*The SA Wine Industry Council works with Government to provide input to the current Census review of questions.*

*SAWIA undertake formal discussions with Winetitles to resolve issues with category of business classifications.*

*DFEEST document the process used to develop the Workforce Profile to provide a roadmap for future industry profile development.*

*Funding be sought for a separate project that examines the skills and needs of seasonal workers.*

*The SA Wine Industry Council consider the following actions & strategies endorsed by the SAWIES Steering Committee and establish a reference group to drive the implementation of the following specific strategies, and other workforce development best practice emerging from projects undertaken by the Industry Skills Boards generally. Specific strategies include:*

- PIRSA to provide updated scorecard data for workforce profile by December 2007.
- DFEEST to update workforce profile based on 2006 census and labour force data, plus PIRSA scorecard data by Jan 2008.
- Updated Workforce Profile to be distributed to government, industry and regional networks.
- DFEEST to use template survey tools to assist with standardised industry workforce planning.
- Repeat industry survey every three years to track changes in recruitment and retention after reviewing survey impact and effectiveness of tools.
- Combine skills shortages and training needs information obtained from surveys and forward to TAFE SA and Registered Training Organisations to guide development and/or delivery of appropriate skill development responses.
- Seek response from Agri-Foods Industry Skills Council on how they have used the Task Audit Summary and raw data to inform the current Training Package review.
- Conduct further analysis of research data.
- Dissect and produce mini reports for specific agencies, for example highlight regional infrastructure issues raised to Regional Development Boards and Planning SA.
- Conduct specific research into needs & skills of seasonal workers in order to gain a complete picture of the wine industry workforce.
- Review and evaluate career information kit.
- Access funding to develop additional high quality career information and planning tools.
- Publish the enhanced information kit in sufficient quantity to disseminate widely.

Without the strategic approach identified above, the industry will struggle to retain and recruit the employees it needs to prosper.

As a result of the SAWIES project the South Australian Wine industry has gone from a position of knowing little about its workforce to having a range of both qualitative and quantitative data.

The Workforce Profile in conjunction with the research reports from the employer and employee surveys provide a comprehensive set of statistically robust data to ensure workforce planning decisions made by government and industry can now be based on authentic, current information.