South Australian Wine Industry Employment Strategy Project

Small Employer Research Report

JUNE 2007

This project was completed by the 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.

Contact:

Food, Tourism & Hospitality
Industry Skills Advisory Council SA Inc
Telephone: 08 8362 6012

WINE & GRAPE INDUSTRY SMALL EMPLOYER SURVEY

RESEARCH REPORT

June 2007

Prepared by

TRUSCOTT RESEARCH

197 Payneham Road
St Peters SA 5069
Phone (08) 8363 9399
Mobile 0416 020 555
Fax (08) 8363 1076
maggie@compunets.com.au

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INTRODUCTION

The SA Food, Tourism and Hospitality Industry Skills Advisory Council (FTH), with funding from the South Australia Works Workforce Development Fund is undertaking the development of the South Australian Wine Industry Employment Strategy (SAWIES). The strategy is aimed at ensuring the wine industry in South Australia has the workforce necessary to underpin its long term prosperity, sustainability and growth.

This important industry initiative has the support of the State Government (Department of Further Education, Employment, Science & Technology and Department of Primary Industries and Resources of South Australia), the SA Wine Industry Association, and the Liquor, Hospitality and Miscellaneous Union SA Branch.

A key component of the SAWIES Project is a survey of employers to identify needs and concerns as well as current practices in the field of training and HR.

The SA Wine Industry Association distributed a pre-survey email to the WineTitles database, advising them of the forthcoming telephone survey and requesting their support.

Truscott Research was appointed to carry out a telephone survey amongst a representative sample of wine and grape industry participants.

235 individuals were interviewed during May and June 2007. The sample came from the Wine Titles database. This was a random selection, excluding operations owned by the 13 largest industry employers (who are being surveyed in a separate exercise due to the disparity in operations).

A questionnaire was designed by the Project Manager with assistance from DFEEST and industry representatives on the project steering committee to address:

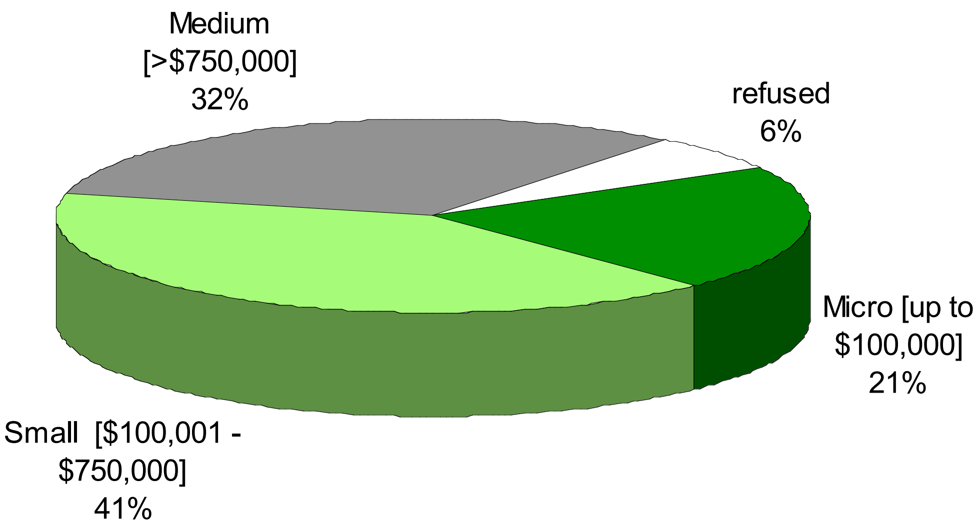
- wine and grape business demographics
- workforce planning
- wine and grape industry trends
- recruitment, turnover and retention
- training and skills development
- workplace entitlements/conditions.

EXECUTIVE SUMMARY

WINE AND GRAPE BUSINESS DEMOGRAPHICS

- 235 wine and grape industry businesses participated in this telephone survey. The GI zones were proportionally represented.

- Micro, small and medium sized businesses (according to annual turnover) each made up a significant proportion of the sample:

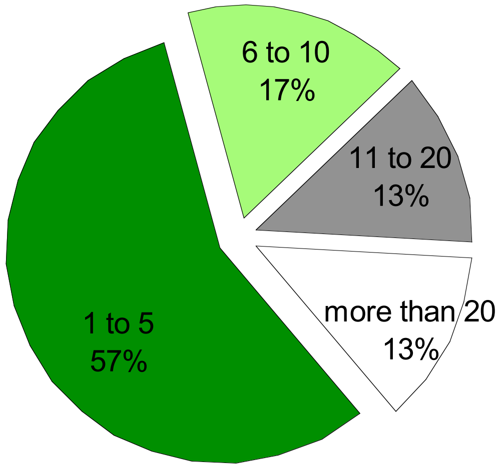


- 39% described their operation as a company. It should be noted that the choices offered to respondents in this question were not mutually exclusive – family businesses (18%) and trusts (13%) may also operate as companies.

- During the course of the interviewing, it became apparent that a significant proportion of businesses surveyed do not employ anyone other than the proprietor and family members. We have termed these as 'family only' businesses and they make up 29% of the sample.

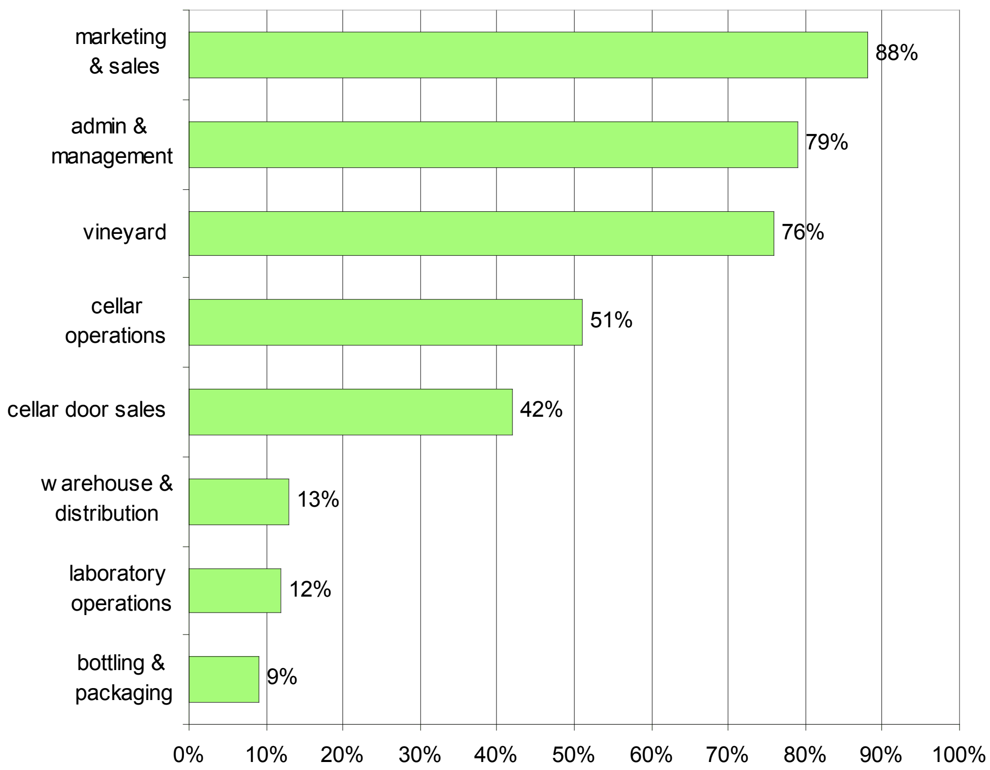
- 91% use contractors, spending an average of $104,534 a year.
- On average, businesses surveyed have 9 staff.

NUMBER OF EMPLOYEES



- These employees work in the following areas:

PERCENTAGE WITH ANY EMPLOYEES IN THIS AREA



WORKFORCE PLANNING

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- Almost two thirds (63%) of businesses surveyed undertook some workforce planning activities. Notably:
  - Identify skills/labour needed in the future (43%),
  - succession planning (39%)
  - identify employees working preferences (39%)
- 14% are either facing shortages currently or expect to face shortages in the next three years.

WINE AND GRAPE INDUSTRY TRENDS

- Three quarters (73%) of all respondents expect **markets** to be significantly different in 2010. Almost all respondents are expecting some change, with other significant shifts perceived as affecting …
  - Business climate 48%
  - Technology 39%
  - Production 37%
  - Product 29%
  - Types of business 27%
  - Workload cycles 24%
- However, **markets** was expected to have the most impact on respondents' business [67%].
- Those expecting positive impacts out numbered those anticipating negative impacts by 3 to 1 overall.
- 81% of respondents could name some external factor specific to their region which impacts on their business - **water** was the top response overall (39%).

RECRUITMENT, TURNOVER AND RETENTION

- 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%) or **good business opportunity** (19%).

- The most frequently cited deterrent to entering the industry was **capital outlay/hard to get established** (33%). Other factors were **oversupply/too much competition/low prices** (23%), the **low return to owners** (17%) and the **hard physical work** involved (16%).

- Half of all respondents sourced most of their staff from local networks (50%). Industry networks (12%) were cited more frequently than recruitment agencies or educational institutions.

- 81% intend to adopt strategies to ensure that they have a sufficient supply of skilled labour to meet the demand in 2010. these include:

Upskill existing workers	46%
Increased use of contractors	46%
Introduce new technology	42%
Improve productivity	39%
Recruit and train new staff	37%
Work closely with education/training providers	26%
Job redesign/rotation	21%

- Over half of all respondents (55%) felt their business would need additional staff in 2010. The number of additional staff specified ranged from 1 to 35, with a mean of 2.7.

- A similar proportion (57%) were not expecting a problem with employee retirements. A further 22% were not expecting a problem before 2012. Only 12% were expecting a problem before then.

- One quarter (25%) of wine and grape industry businesses surveyed stated that they had difficulties in finding suitable applicants the last time they hired staff. However, few could pinpoint barriers or issues.

- One quarter reported that staff have left because of negative feelings about working at that business, such as …

  - Limited career path 10%
  - Interpersonal conflict 9%
  - Wages not high enough 6%
  - Working hours not suited to employee 6%
  - Fixed term contract expired 2%
  - Employee wanted better conditions 1%

- Two thirds reported trying strategies to attract particular groups, namely:

  - Women returning to the workforce 39%
  - Older workers 30%
  - Young people 26%
  - Workers with disabilities 13%
  - Indigenous workers 6%

- Over half (57%) of the wine and grape industry businesses surveyed had considered at least one strategy for retaining existing workers. The most popular strategies were

  - access to education & training, new technology (41%)
  - reviewing remuneration packages/entitlements (39%)
  - introducing family friendly policies and practices (37%).

TRAINING AND SKILLS DEVELOPMENT

- Only 10% of businesses had employed apprentices or trainees under a formal contract to fill job openings in the last five years. A further 3% claimed they had attempted to employ apprentices/ trainees but had been unsuccessful .

- Only 18% of respondents surveyed considered their business to suffer from skill gaps or shortages.

- Two thirds (64%) of respondents could name some skill that their business would need more of in 2010 – often marketing and sales (35%).

  Administration and management and cellar operations were also relatively popular responses (11% each).

- While half of respondents felt there are barriers to increasing the knowledge or skill of their staff, there was no major negative with the largest response being not having the resources to send staff away for training (13%).

- Half (52%) of respondents use mentoring, coaching or some other action to enable knowledge transfer from experienced workers to other employees.

- One in five businesses surveyed reported having clearly defined career paths in their company.

WORKPLACE ENTITLEMENTS/CONDITIONS

- Entitlements included the following:

Time off for personal matters	52%
Salary packaging	23%
Policy allowing volunteering	23%
Performance related pay	21%
Formal performance assessment	20%
Compressed work week / banking of hours	20%
Bonus / profit-sharing / share ownership	19%
Paying out accrued holidays	18%

- One third (32%) of respondents rated their overall employee morale as excellent. A further 63% rated morale generally good and 4% OK.

  Less then 1% of all respondents felt morale was low.

WINE AND GRAPE BUSINESS DEMOGRAPHICS

G I Zone distribution

A total of 235 wine and grape industry businesses participated in this exercise. All were selected from the Wine Titles database, with major employers excluded and canvassed separately.

In each organisation, the person interviewed was the one designated as responsible for human resources.

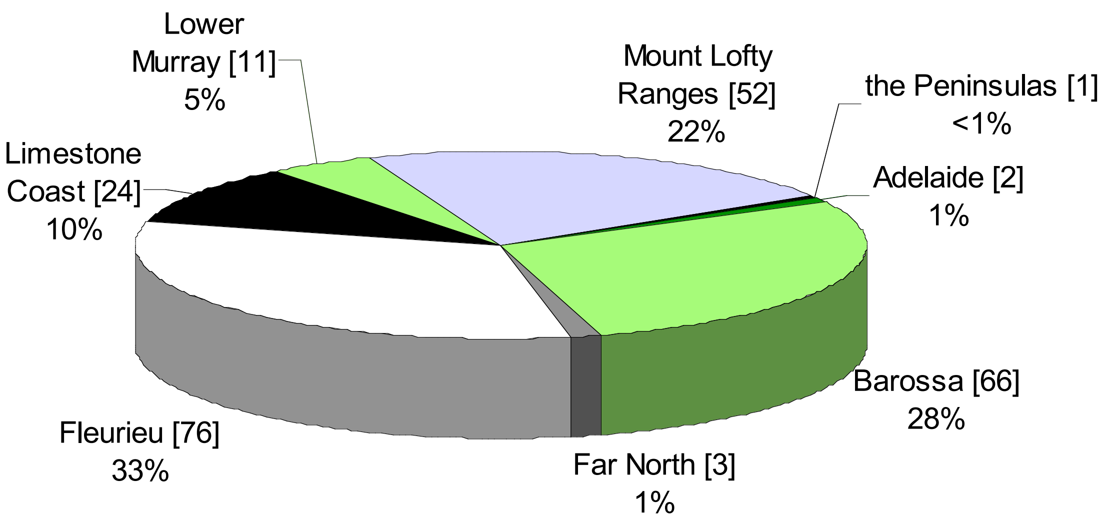
The sample plan targeted companies based in the small GI Zones, with a random selection of companies from the balance of the state.

As shown in the accompanying charts (overleaf), the resultant geographic spread of the sample was very close to the actual distribution of companies.

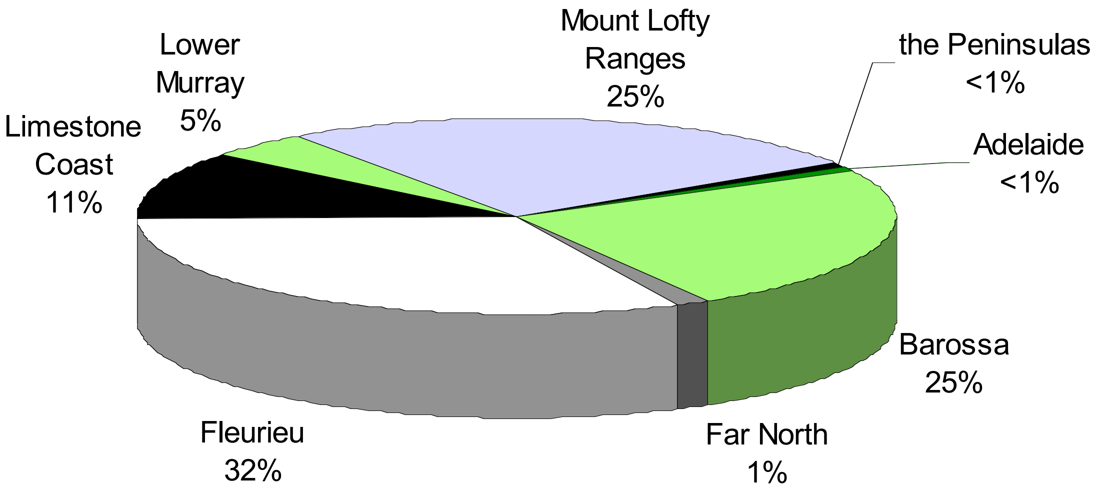
However, we have weighted the data so that the regional distribution exactly matches the distribution in Wine Titles.

From this point onwards, this report refers to weighted data only.

DISTRIBUTION BY G I ZONE
[raw data]



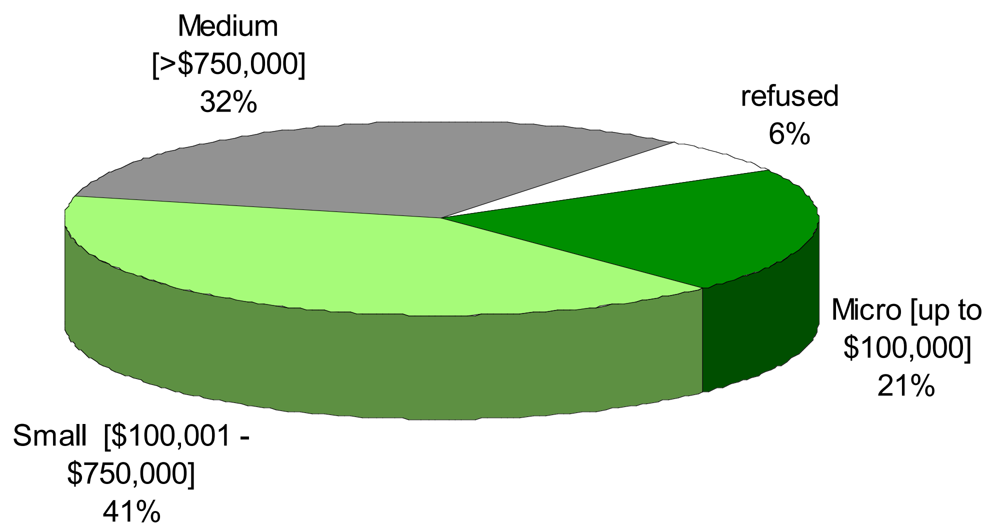
DISTRIBUTION BY G I ZONE
[weighted data]



Business size

Respondents were asked to indicate their annual turnover, in terms of broad ranges. This enabled us to categorise the sample into micro, small and medium sized businesses.

- **Micro** businesses were defined as those with an annual turnover of up to $100,000. They account for 21% of the sample.
- **Small** businesses are those with an annual turnover of more than $100,000 and up to $750,000. They make up 41% of the sample.
- **Medium** businesses were defined as those with an annual turnover of more than $750,000. They account for 32% of the sample.

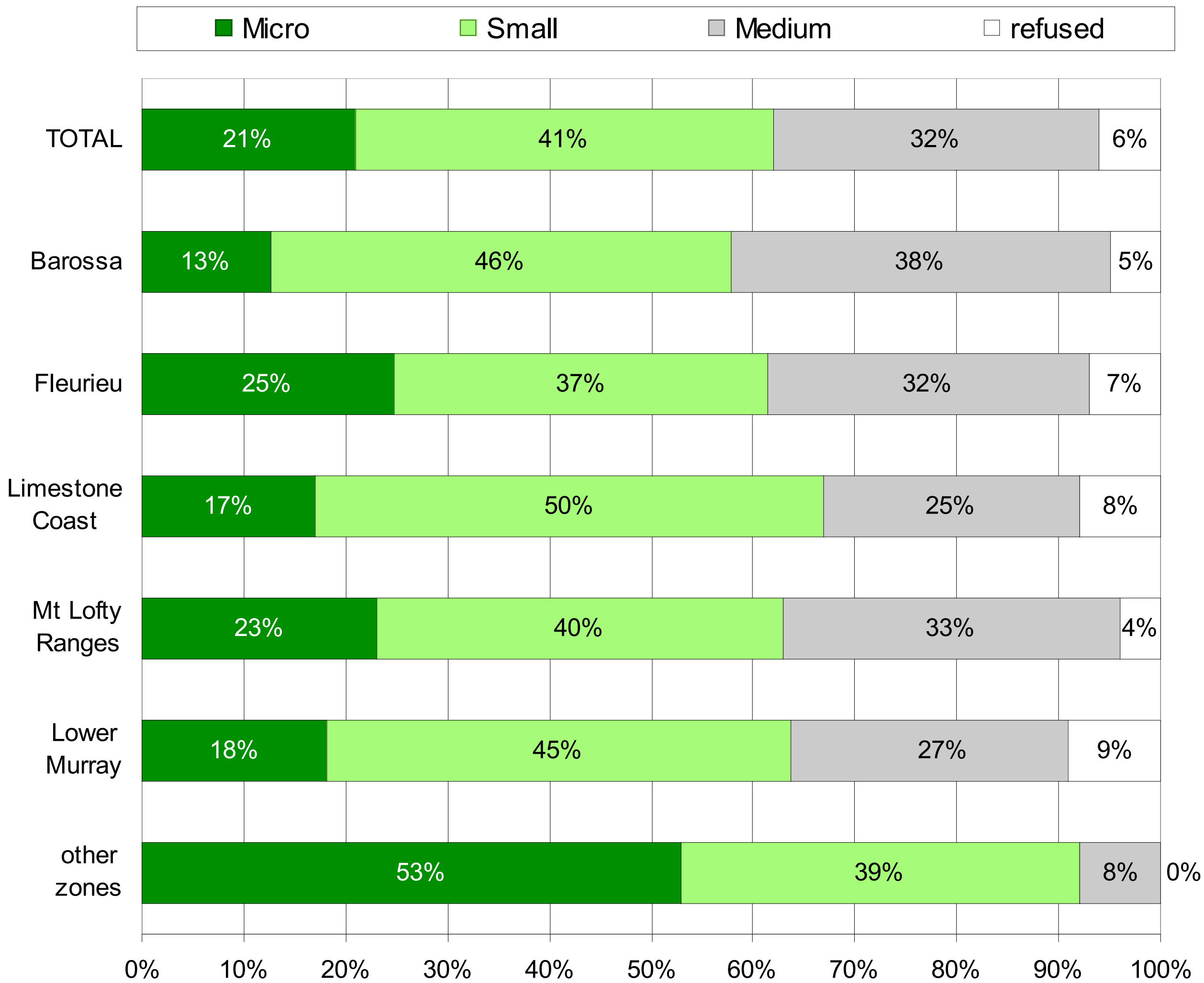


These categories are each composed of 2 or 3 sub categories and details are given in the tabulations which are in the appendix document.

When we look at the regional breakdown, it can be seen that the Barossa segment had the highest concentration of medium sized businesses (38%), while the Limestone Coast has the lowest (25%).

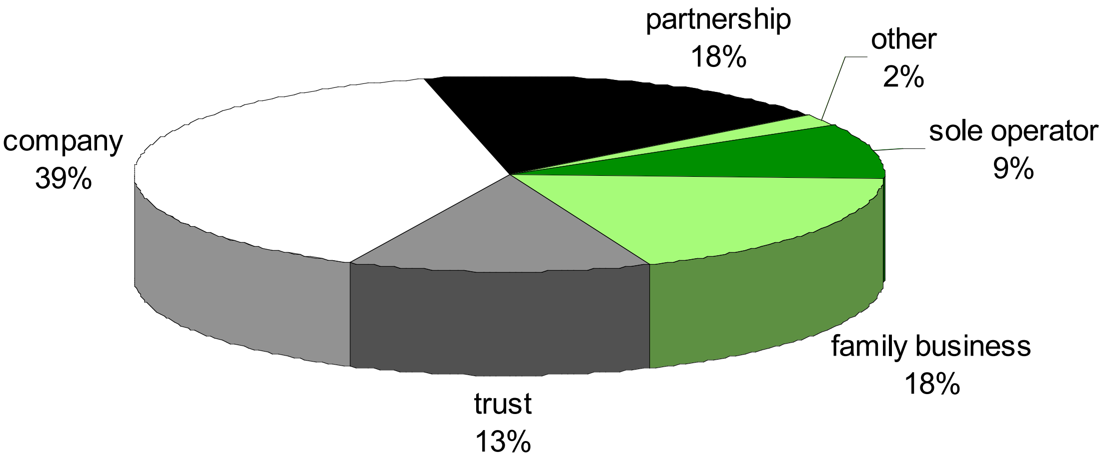
It should be noted that Lower Murray and 'other zones' are small sub-groups (11 and 6 respectively) so care should be taken in drawing inferences from these results.

BUSINESS SIZE [TURNOVER] BY G I ZONE



Business structure

Respondents were asked to specify their business structure. As shown in the accompanying chart, 39% 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 (18%) and trusts (13%) may also operate as companies.



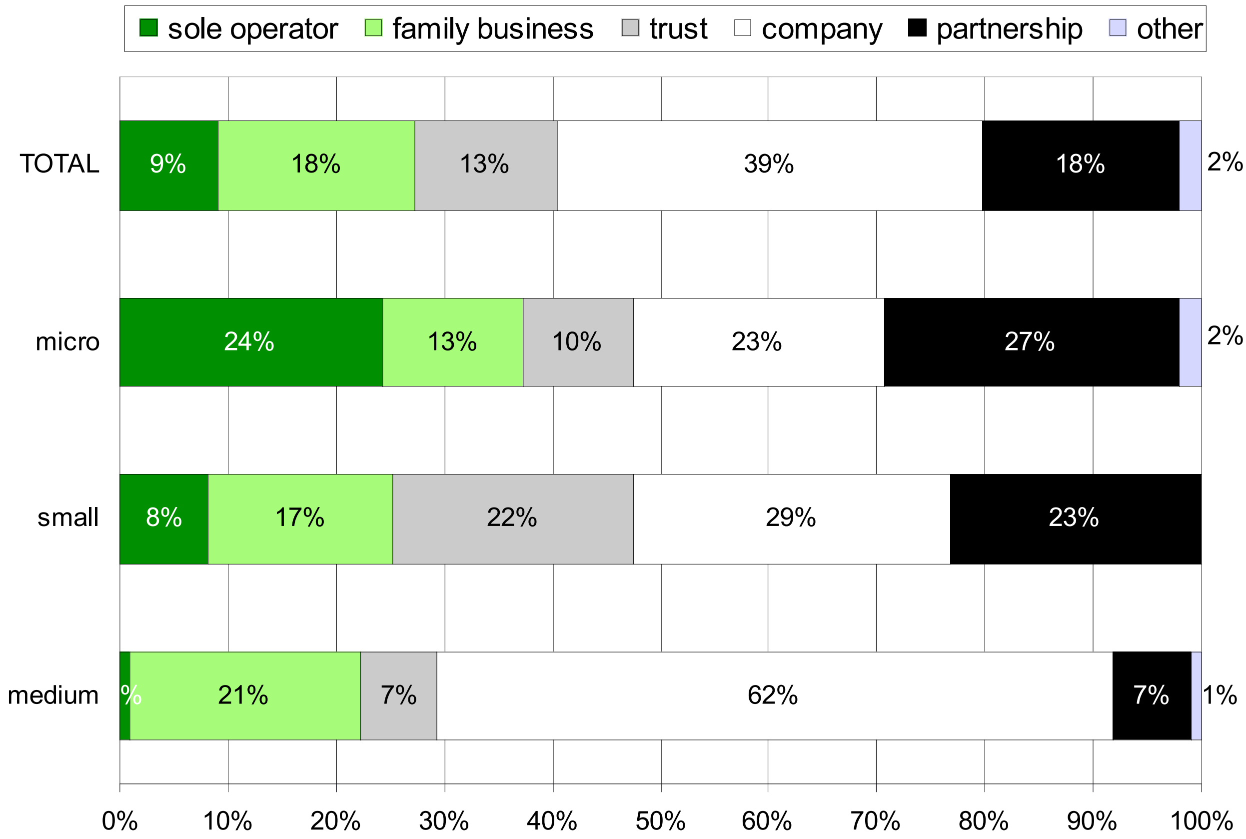
As illustrated in the chart below, business structure varied with business size.

Half of the micro businesses surveyed were either sole traders or partnerships.

Medium sized businesses were often companies (62%), with family businesses accounting for most of the others.

Small businesses were more diverse in their structure, with companies, partnerships, trusts and family businesses all significant.

BUSINESS STRUCTURE BY SIZEOF BUSINESS



Family only businesses

As stated on the previous page, 18% of respondents described their structure as a family business. However, during the course of the interviewing, it became apparent that a significant proportion of businesses surveyed do not employ anyone other than the proprietor and family members. We have termed these as ‘family only’ businesses and they make up 29% of the sample.

Family only employment was not counted separately in the employment numbers questions and so this measure arose from questions on workforce planning, recruitment etc. where respondents indicated that the question was not applicable to them. The number of respondents giving this indication varied from question to question (for example, depending on whether the question referred to past experience or future expectations). We have created a category of ‘family only’ businesses to describe respondents who identified themselves this way in one or more questions.

Such businesses make up 29% of the sample overall, with relatively high concentrations amongst …

- Micro businesses (45%)
- Small businesses (37%)

And relatively low concentrations amongst …

- Limestone Coast (21%)
- Lower Murray (9%)
- Medium businesses (5%).

Employee numbers

Respondents were asked to give employee numbers for each of eight employment categories. These figures were to include all employees including owners and unpaid family members but excluding contractors.

The categories were as follows:

- Vineyard (wine grape growing)
- Cellar operations (wine making)
- Cellar door sales
- Administration and Management
- Laboratory operations
- Marketing and sales
- Warehouse and distribution
- Bottling and Packaging

Respondents were further instructed that each person was to be counted once only (in the area that is their primary role) and that full time, part time and casual employees were to be included.

We will discuss each of these categories on the pages following. We calculated total employment figures by aggregating the responses. This is valid because the question stipulated that each person was to be counted once and once only.

Respondents' businesses were found to employ between one and 83 people.

More than half (58%) of the businesses surveyed have no more than five employees.

A further 17% have between 6 and 10 employees, while 13% employ 11 to 20 people.

Another 13% of those questioned have more than 20 employees.

The average number of employees is 9.0, while the median value is between 4 and 5.

Only 8 respondents refused to give details. These businesses are excluded from the employment numbers analysis.

When we look at the segmented results, it emerges that micro businesses (as defined by turnover) predominantly employ no more than five people (76%), with an average of 4.3.

Small businesses were not very different, with 71% having no more than five people and the average being 5.3.

Medium sized businesses on average employ 17.3 people. However, there was quite a spread with 26% having up to five employees and 35% having more than 20.

Family only businesses were the smallest in terms of employment – 93% employ no more than five people and the average number was 2.7.

In contrast, those with non-family employees averaged 11.5 employees. 43% of this group have no more than five employees, while 19% have more than 20.

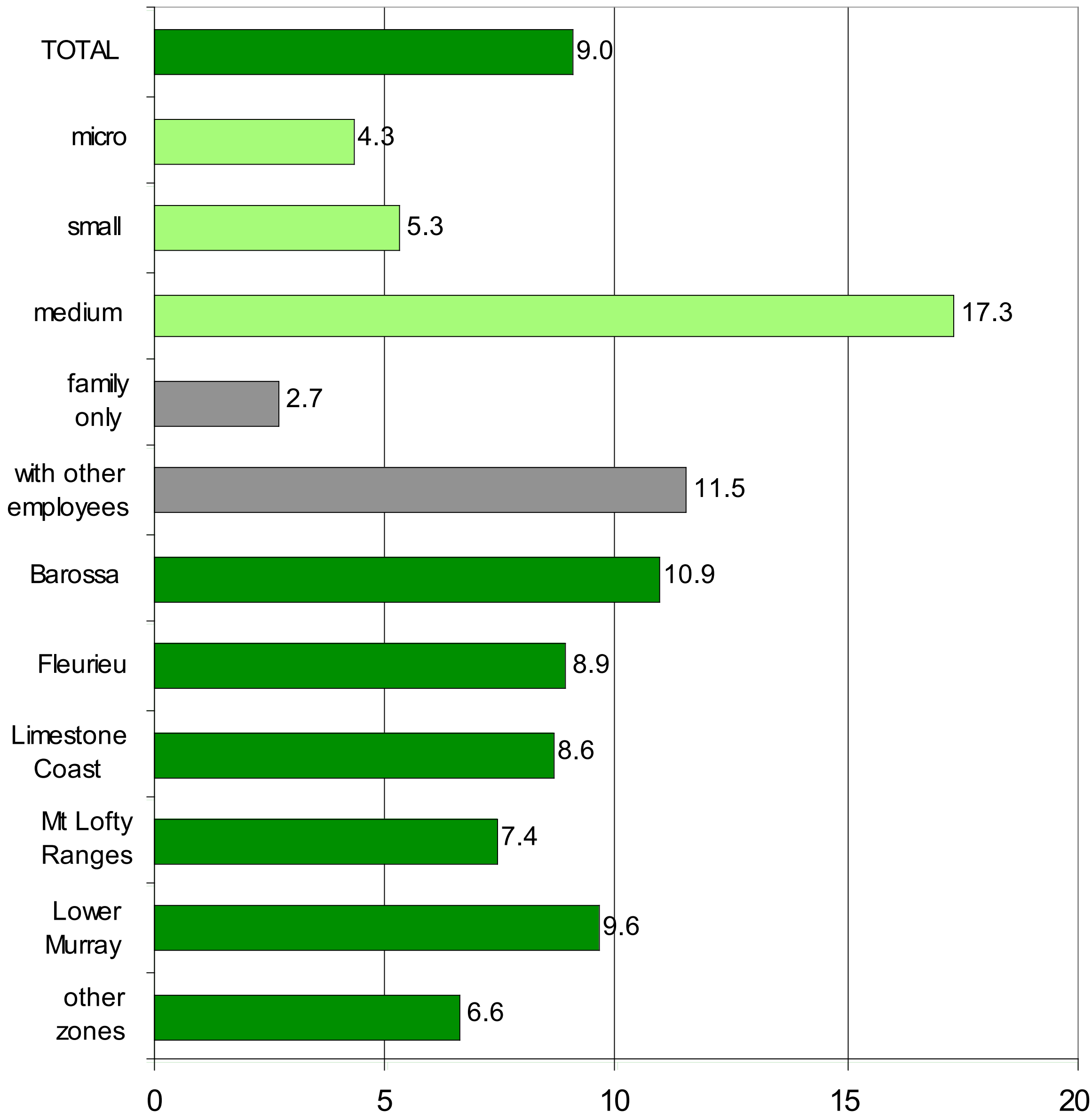
When we look at the zone analysis, we can see that more than half in each zone employs no more than five people. The exception to this is the Limestone Coast – although 75% of these have no more than ten employees.

In terms of average employment numbers, the Barossa can be seen to be the biggest employer, with an average of 10.9 per business. The Lower Murray (9.6), Fleurieu (8.9) and Limestone Coast (8.6) were all in line with the aggregate, with the Mt Lofty Ranges (7.4) and other zones (6.6) slightly below this level.

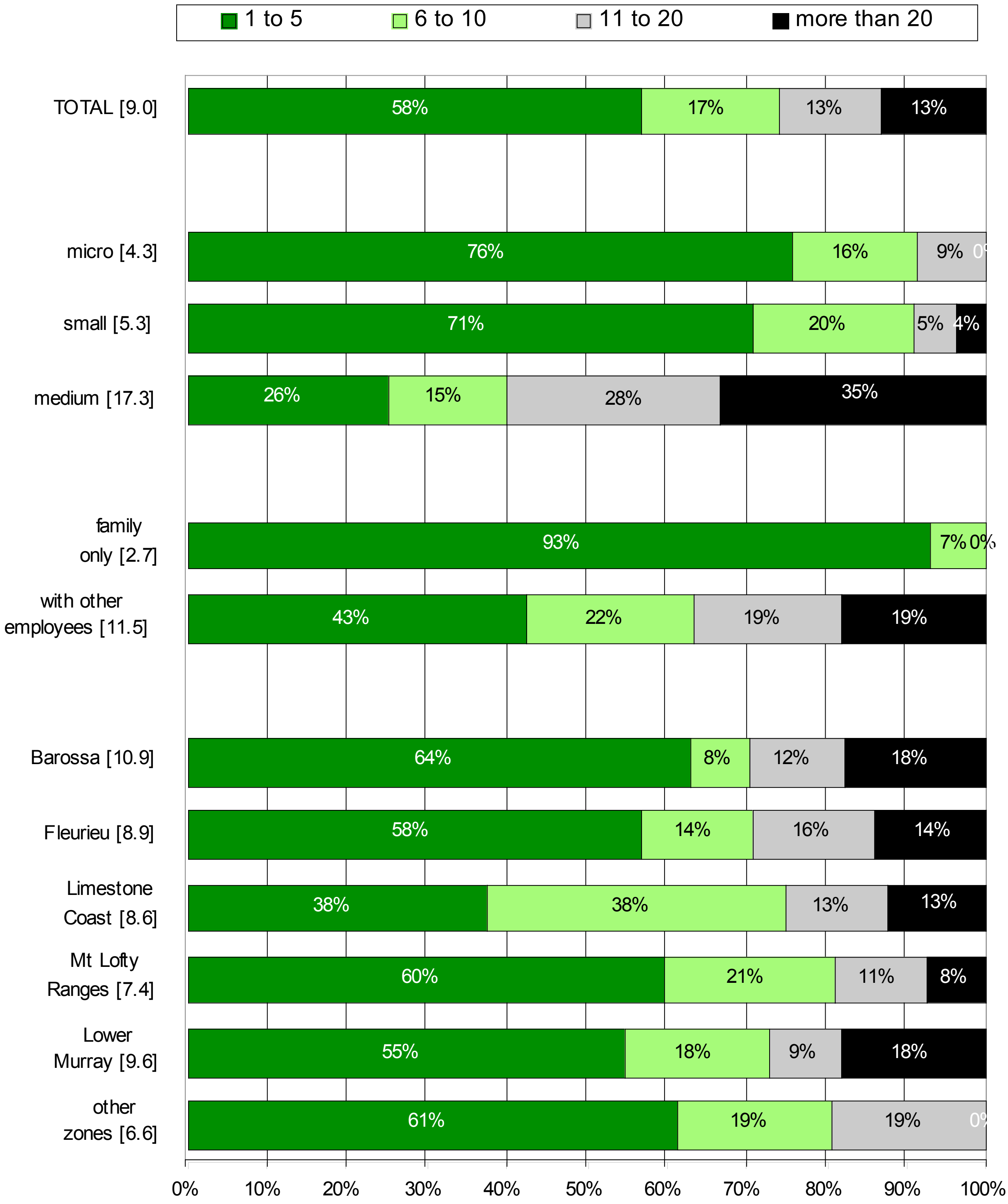
These results are given in graph form on the following two pages. The first graph shows averages while the second shows ranges.

Full results appear in the appendix.

TOTAL EMPLOYMENT - AVERAGE NUMBER OF EMPLOYEES



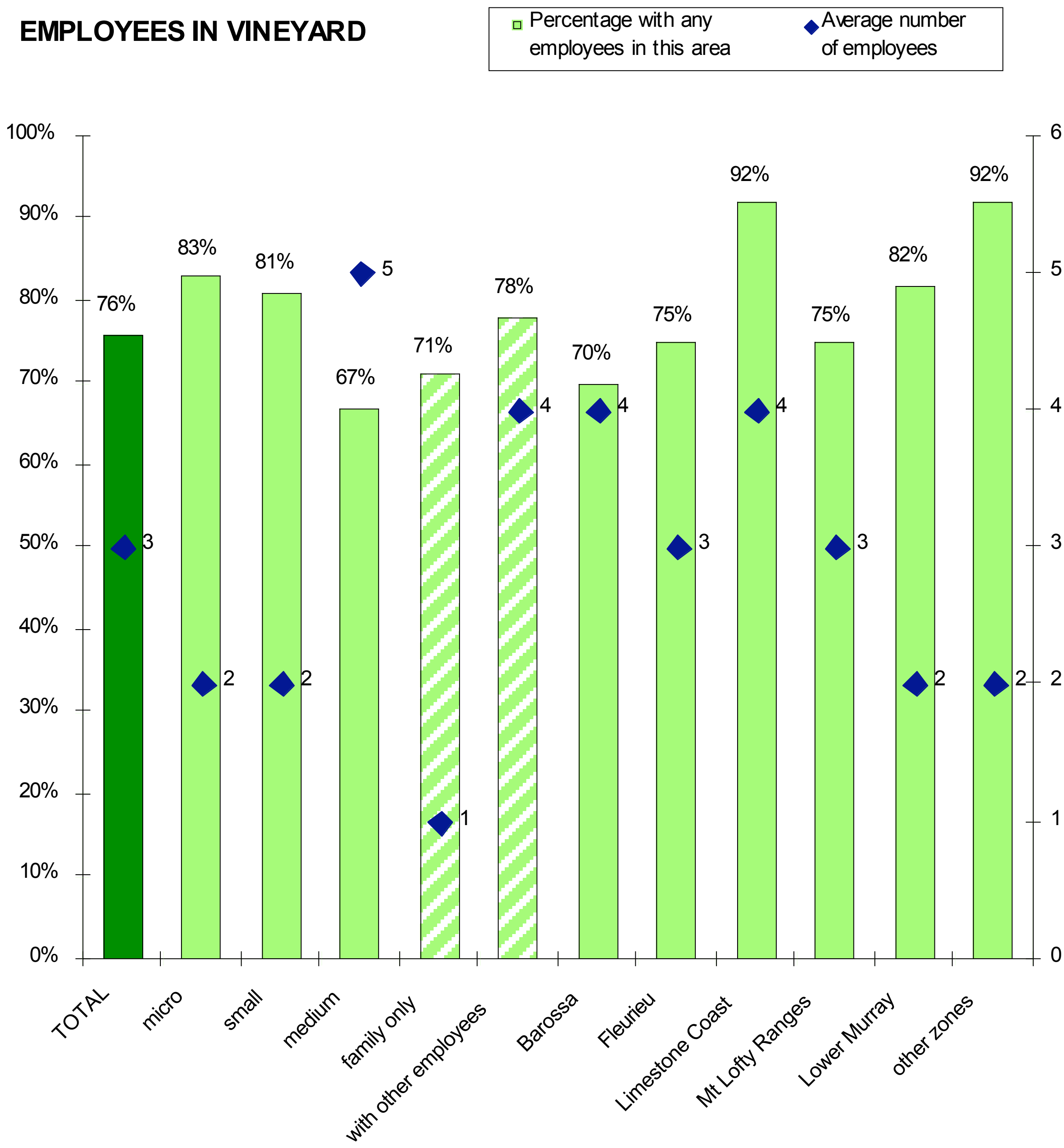
TOTAL EMPLOYMENT - RANGES



When we look specifically at **vineyard (wine grape growing)** employment, it can be seen that 76% of respondent organisations employ people in this category (note – contractors are not included).

Up to 65 employees were recorded for this area.

As shown in the accompanying chart, the average number of employees in this area was 3.

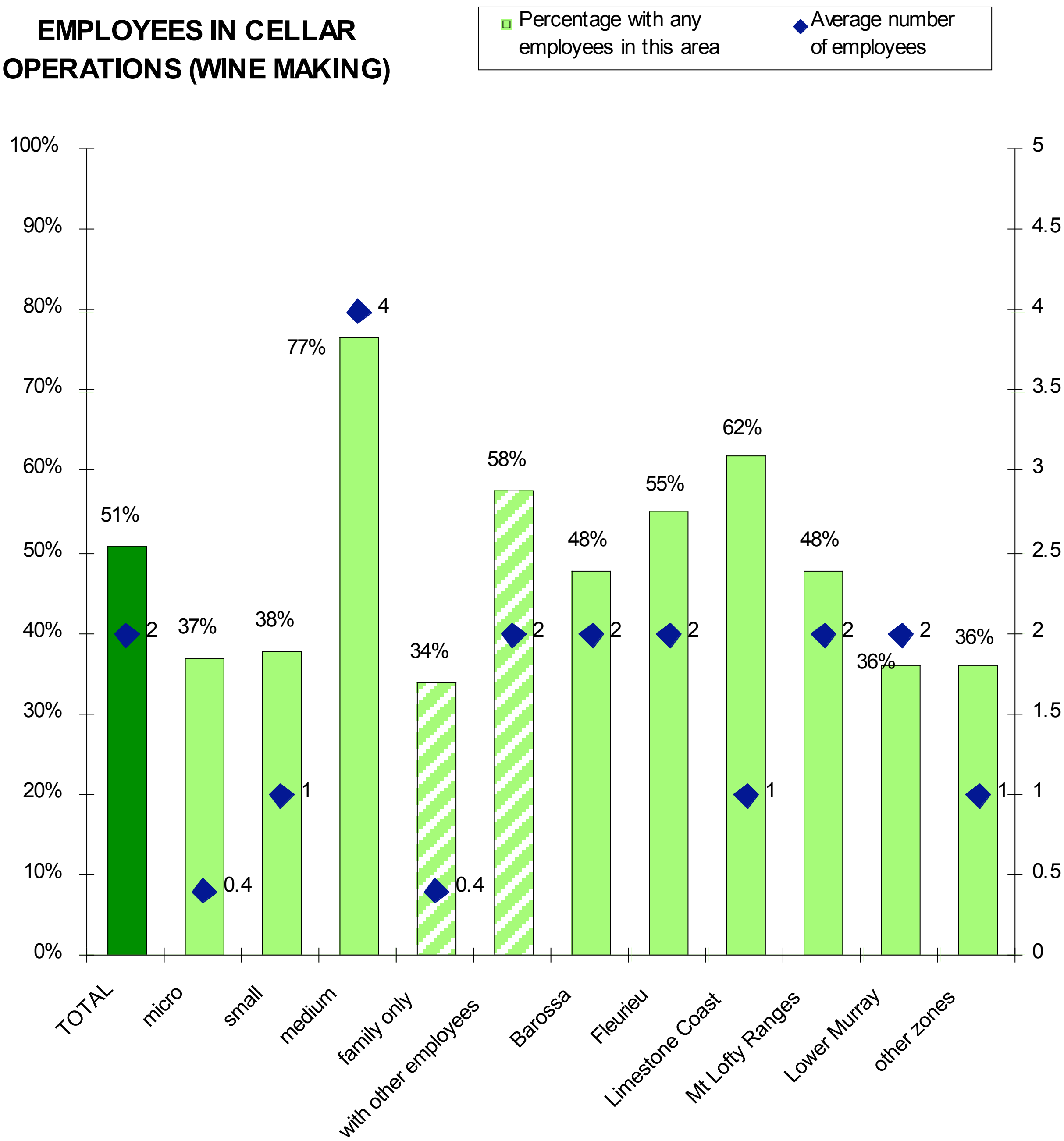


The next area asked about was **cellar operations (wine making)**.

51% of businesses surveyed employ staff in this area. This figure rises to 77% amongst medium sized businesses.

Usually only one (26%) such person is employed, although 3% employ more than ten.

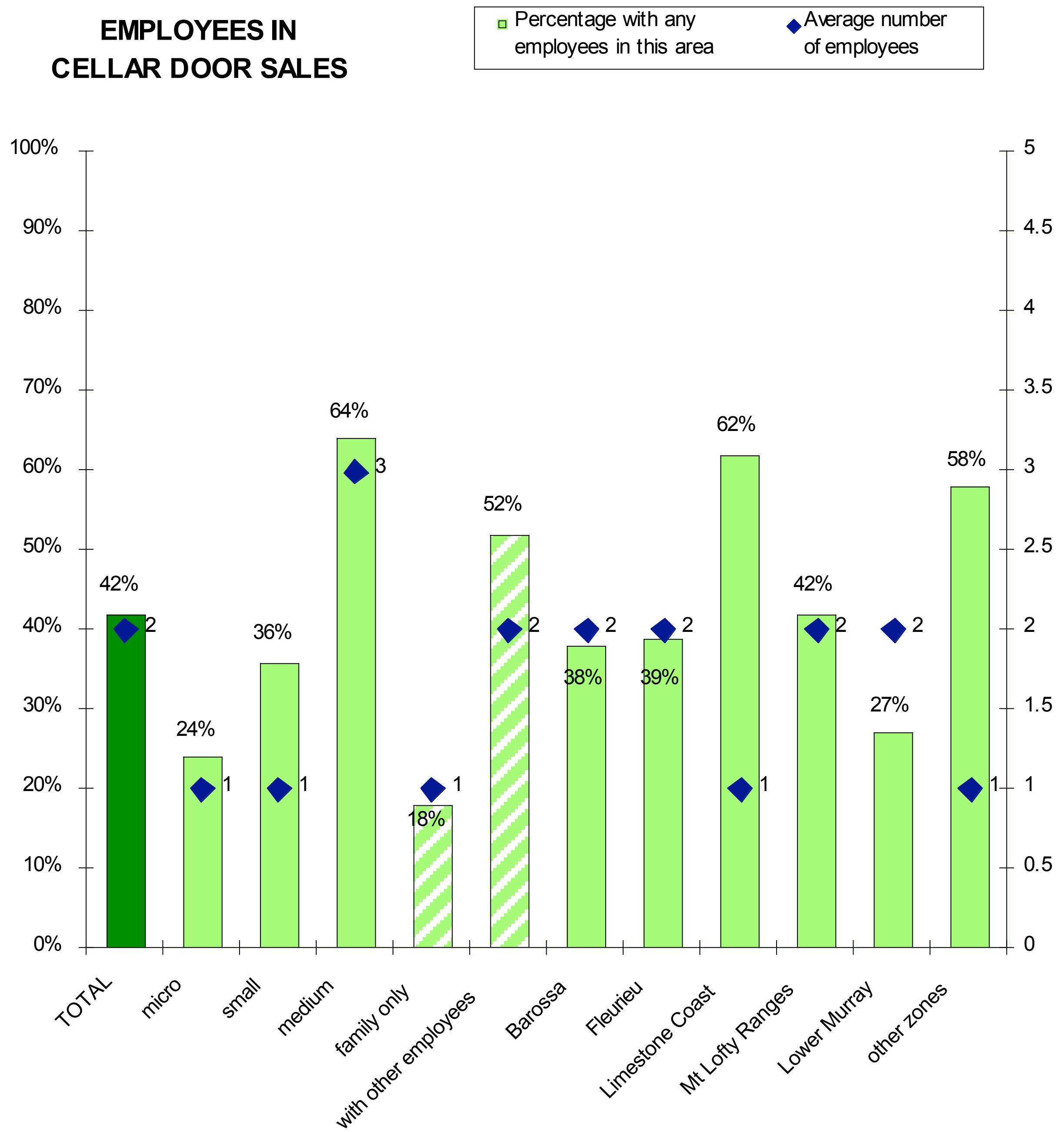
The average number of **wine making** staff was 2. Averages are shown calculated to the nearest whole number unless that would be zero.



42% of businesses surveyed indicated that they employ staff in **cellar door sales.** This figure rises to 64% amongst medium sized businesses.

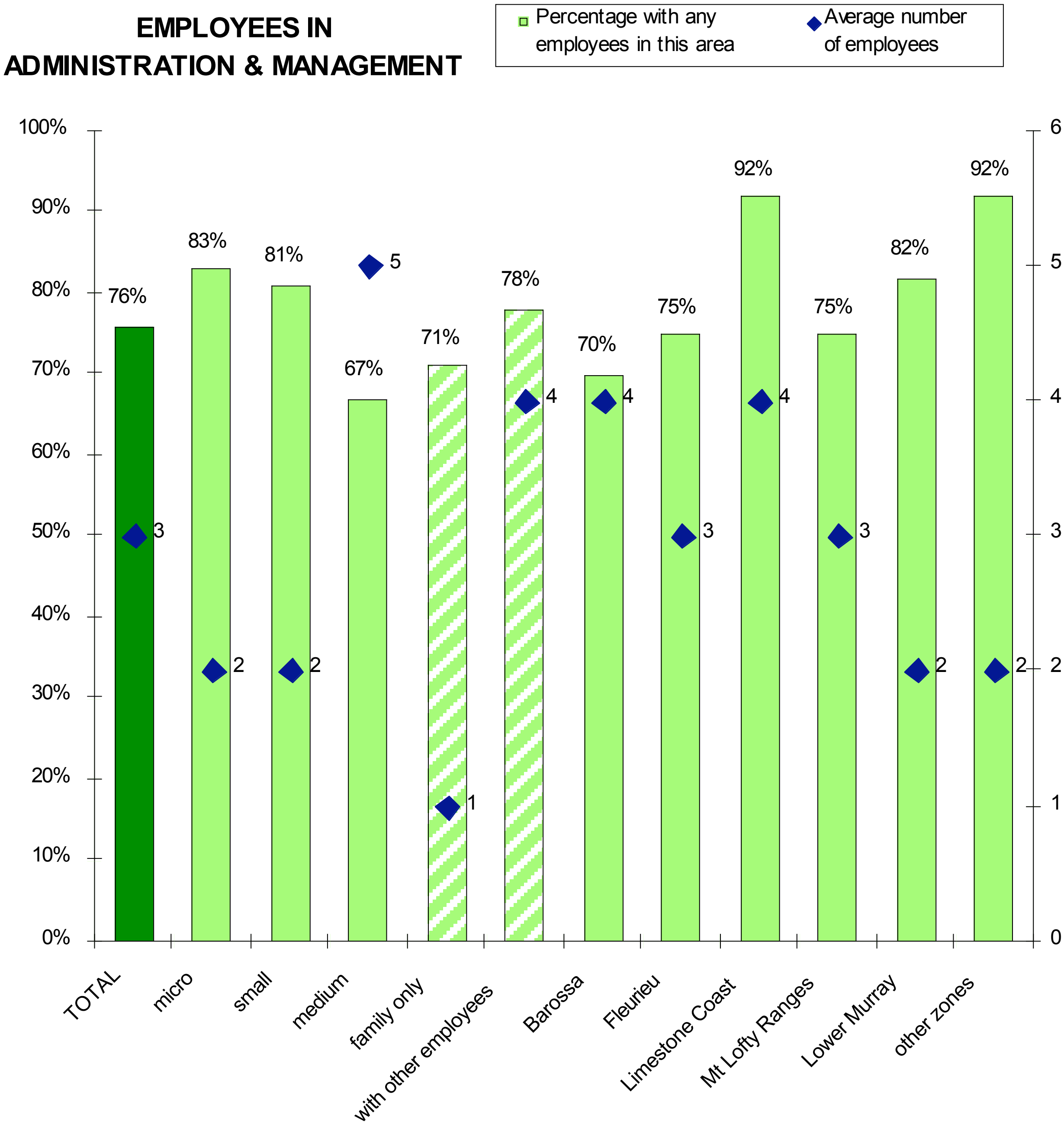
Usually, only one (15%) or two (11%) are employed in these roles although 16% employ more than this (up to 10).

The average number employed in this role was 1.



The majority (79%) of businesses in our sample have staff employed in **administration and management.**

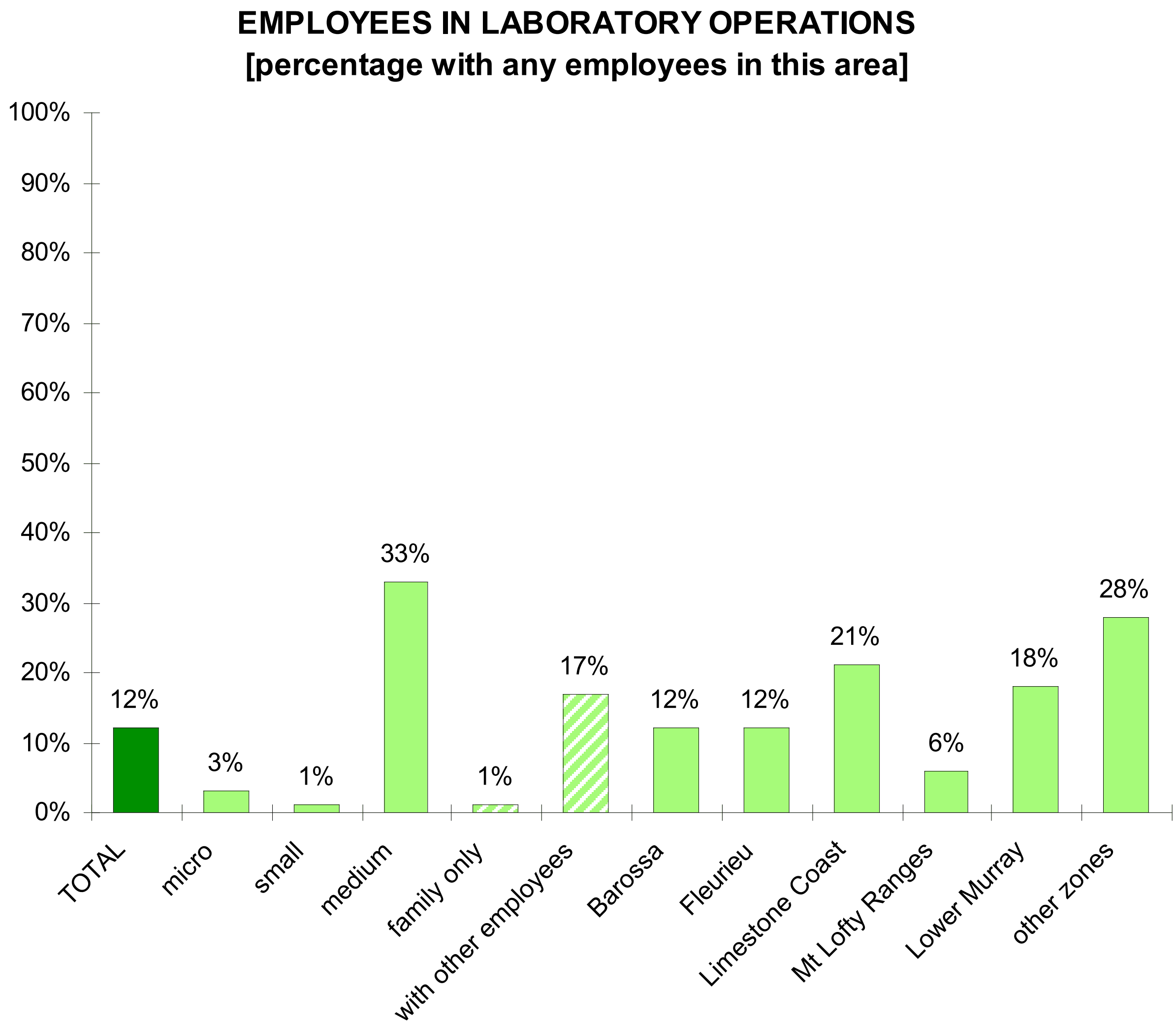
There is often (42%) just one person dedicated to this role. 18% of businesses have two people in this area and 19% have more than this (up to 12).



Only 12% of businesses surveyed have staff whose primary role is in **laboratory operations.** Almost all of these are in medium sized businesses.

In most cases (8%) only one such person is employed.

Averages are not shown because of the small numbers involved (0.16 across the sample as a whole).

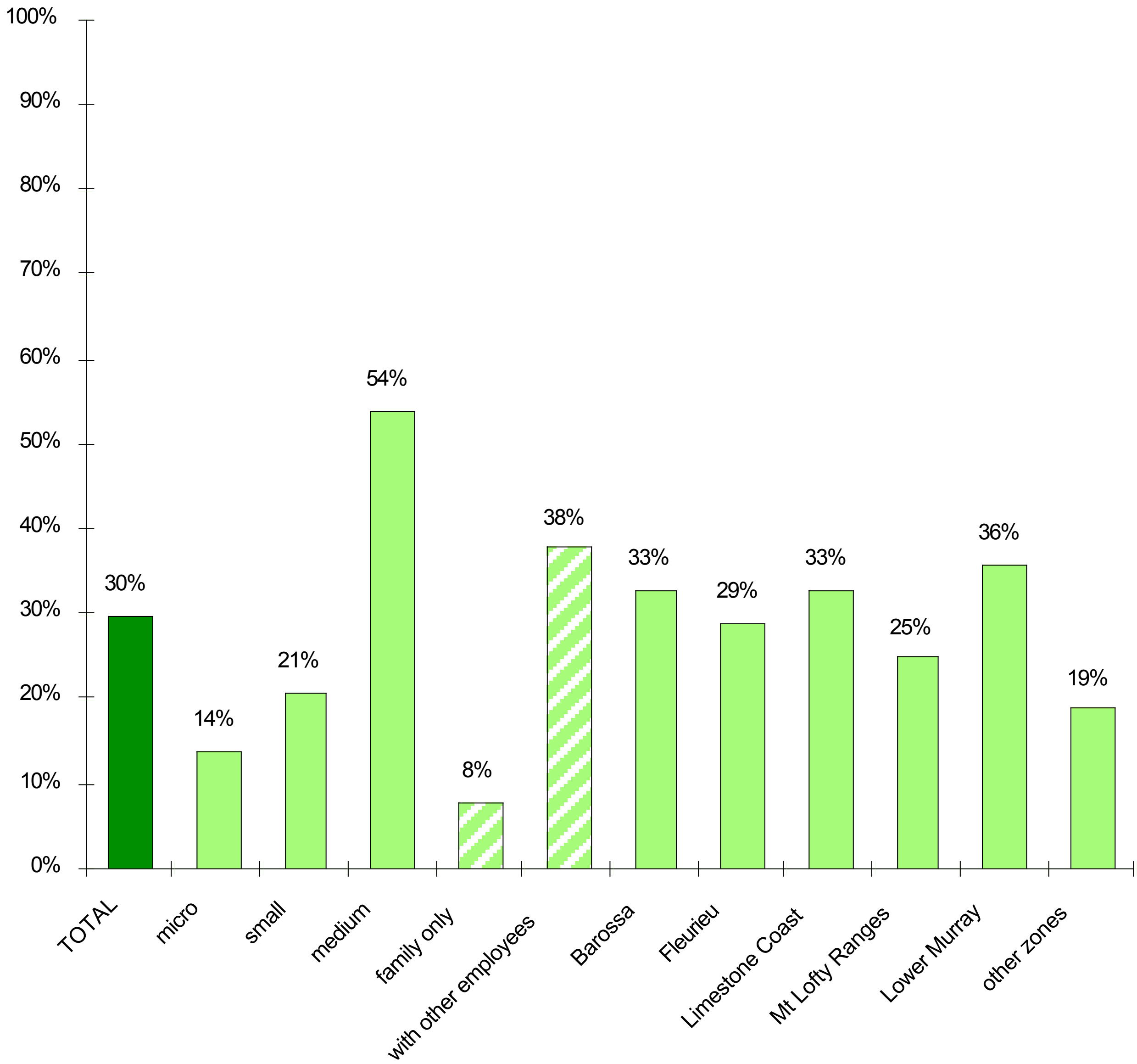


Just under a third (30%) of businesses indicated that they have staff dedicated to **marketing and sales.** This figure rises to 54% amongst medium sized businesses.

In most cases (21%) only one such person is employed, with the maximum number given being eight.

Averages are not shown because of the small numbers involved (0.4 across the sample as a whole).

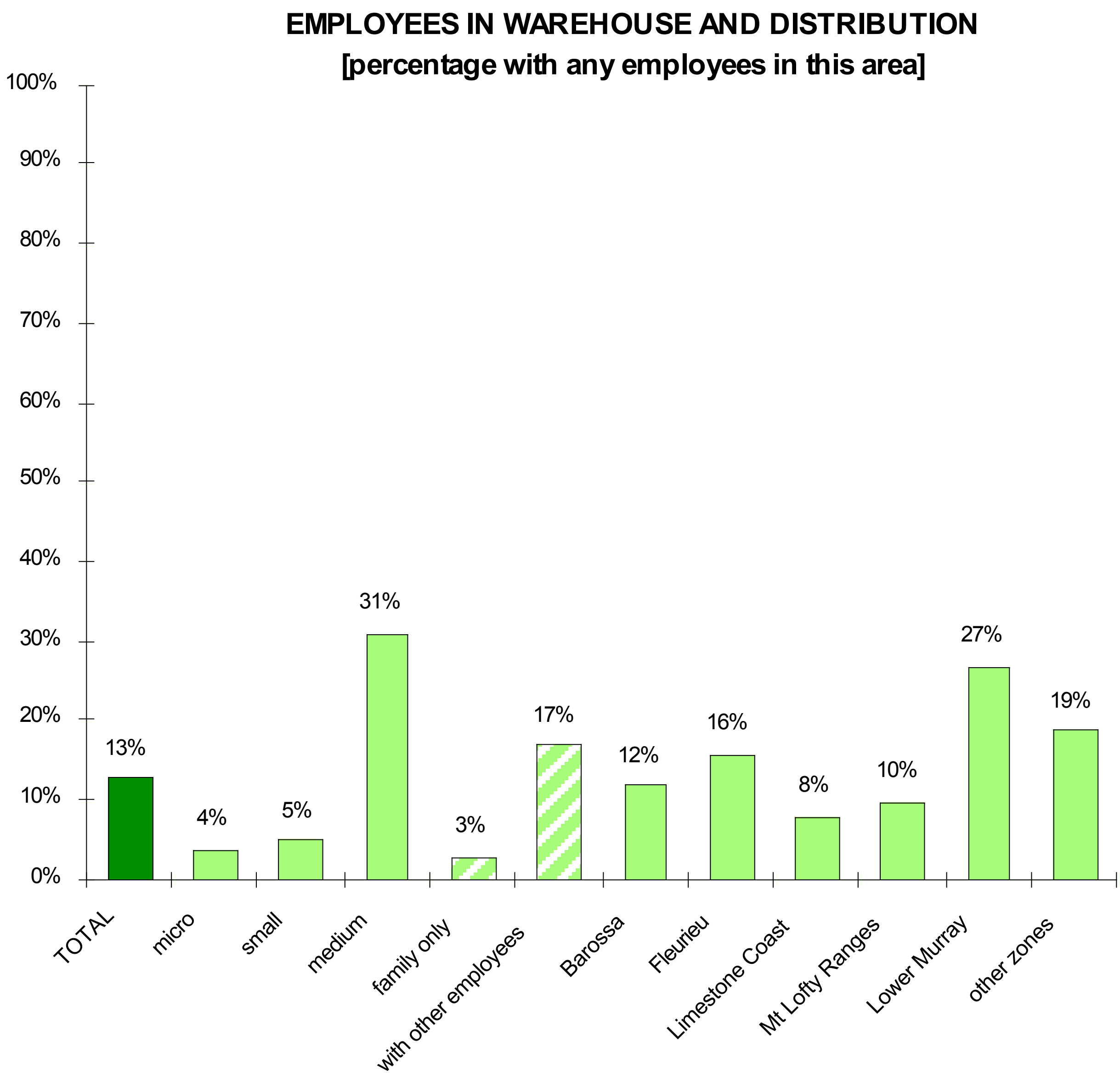
EMPLOYEES IN MARKETING & SALES
[percentage with any employees in this area]



Only 13% of businesses indicated that they have staff dedicated to **warehouse and distribution.** This figure rises to 31% amongst medium sized businesses.

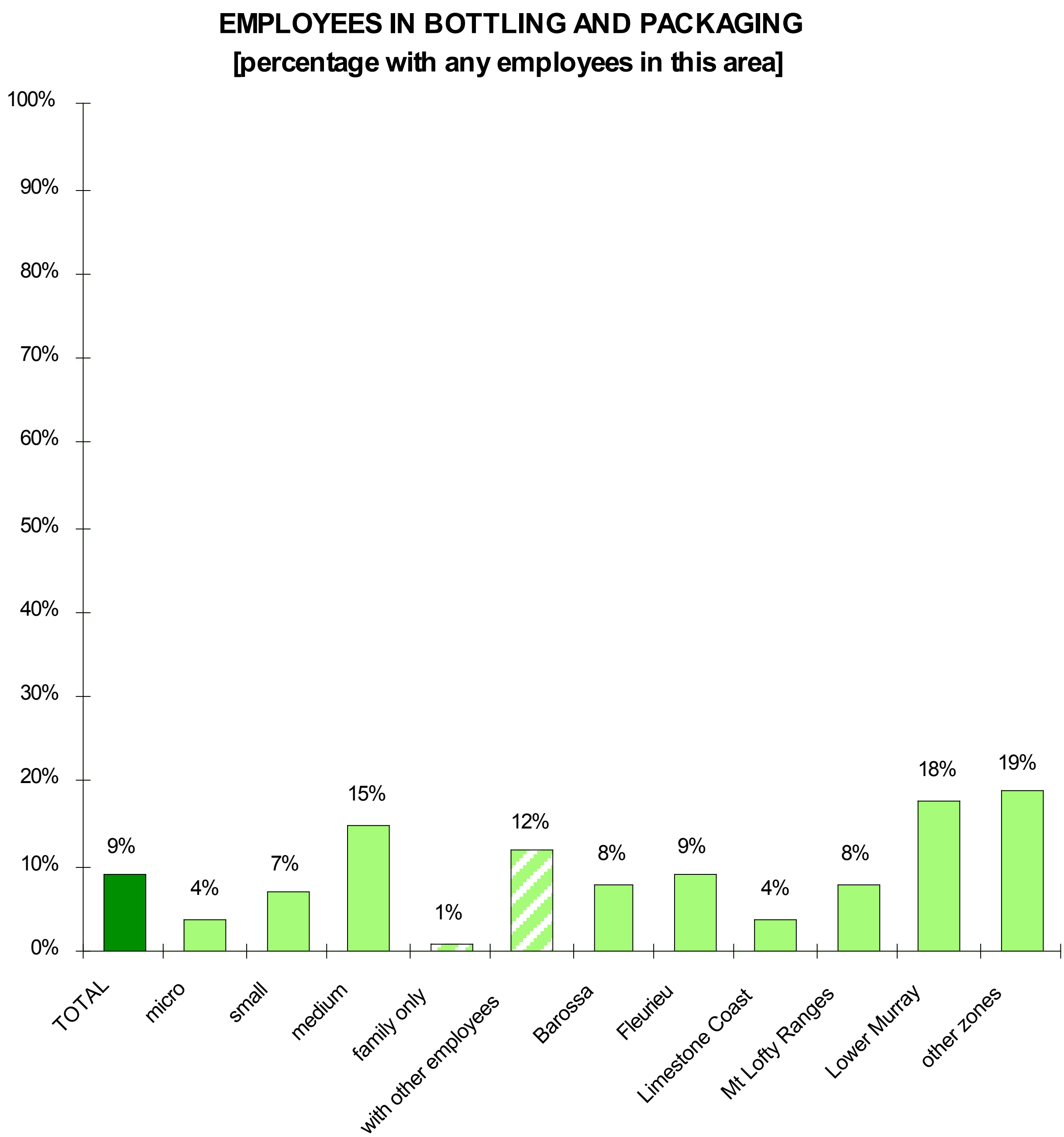
In most cases (10%) only one such person is employed, with the maximum number given being over 30.

Averages are not shown because of the small numbers involved (0.3 across the sample as a whole).

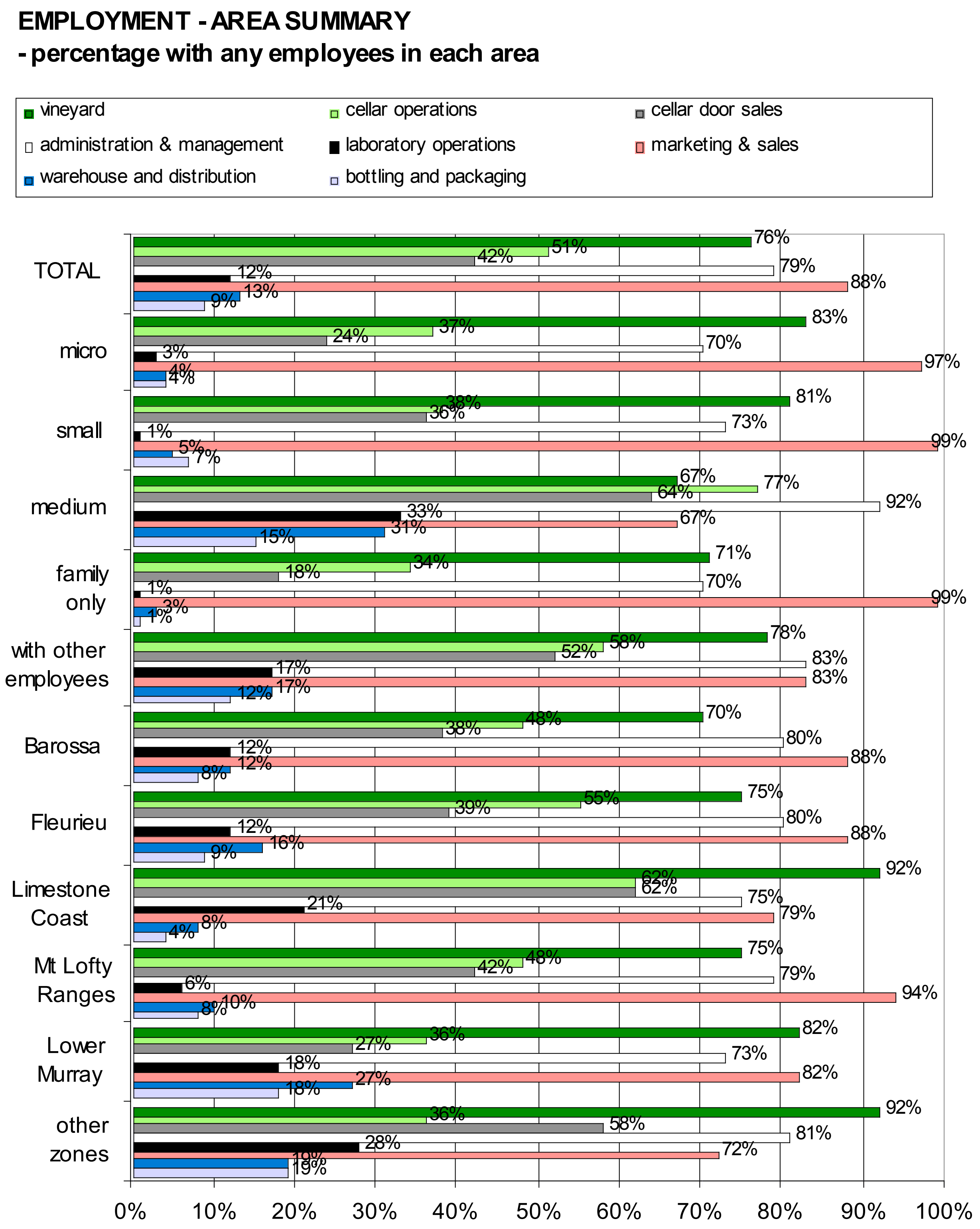


Only 9% of the businesses surveyed have staff whose primary role is in **bottling and packaging.**

The numbers involved range from 1 to more than 10.



The chart below summarises employment in the eight categories.



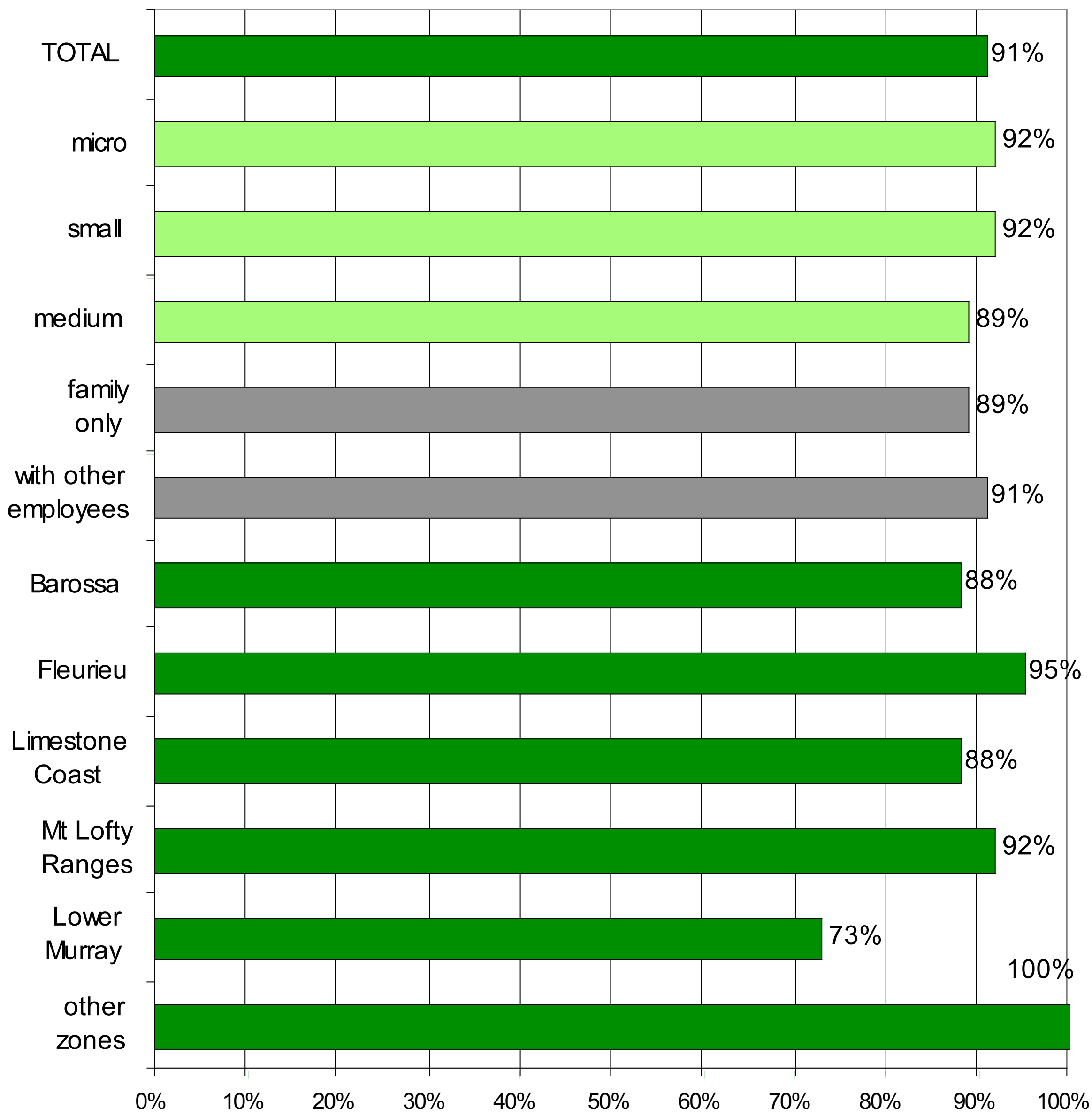
Contractor expenditure

180 respondents were able to give us a dollar figure for annual expenditure on contractors. This includes businesses that do not use contractors but excludes respondents who refused to divulge this information or who indicated that they did not know the amount.

91% indicated that they use contractors and were able to give us a figure.

9% stated that they do not use contractors.

PERCENTAGE OF BUSINESSES USING CONTRACTORS
[N = 180 ~ excludes DK/refused]



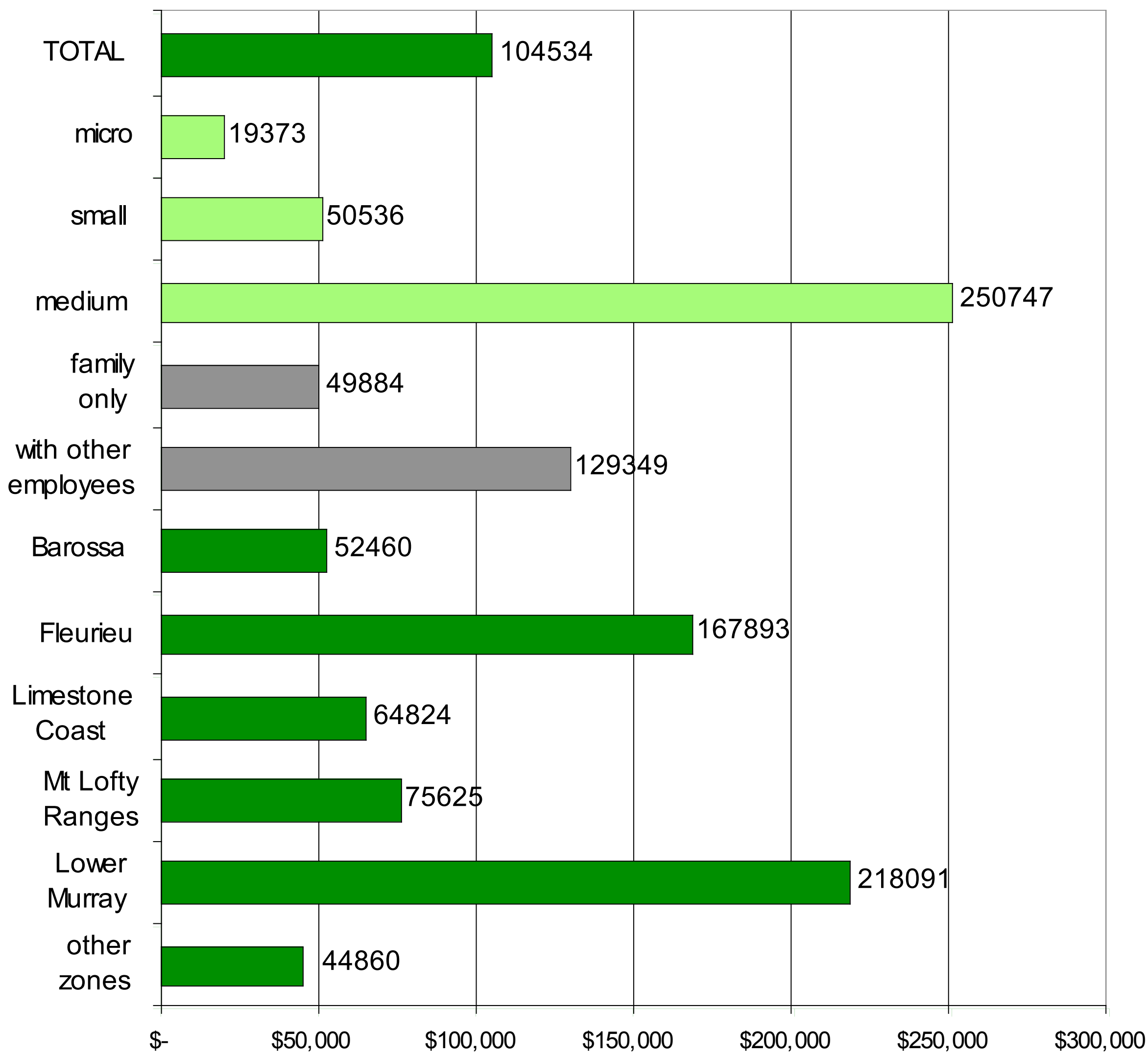
In 3% of cases, amounts of $1,000,000 plus were stated, while 12% nominated amounts under $5,000.

The average annual expenditure on contractors for the sample as whole was $104,534.

The average expenditure ranged from just under $20,000 for micro businesses up to just over $250,000 for medium sized businesses.

When GI zones are examined individually, businesses located in the Lower Murray (averaging over $200,000) and Fleurieu (averaging over $150,000) stand out as having the highest average expenditures on contractors.

AVERAGE EXPENDITURE FOR BUSINESSES USING CONTRACTORS
[N = 180 ~ excludes DK/refused]



WORKFORCE PLANNING

Workforce planning activities undertaken

Almost two thirds (63%) of businesses surveyed undertook at least one of the activities listed in the table below.

Identify skills/labour needed in the future (43%), **succession planning** (39%) and **identify employees working preferences** (39%) were the most frequently mentioned.

The frequency of undertaking any of the activities in the table below increased with the size of business, from 44% among micro businesses to 81% among medium businesses.

Which of the following workforce planning activities does your business undertake? These activities could be formal or informal.

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Identify skills/labour needed in the future	43%	*29%*	*32%*	**68%**	48%	46%	29%	40%	55%
Succession planning	39%	27%	35%	**52%**	44%	34%	54%	33%	36%
Identify employees' working preferences	35%	*17%*	30%	**53%**	36%	41%	29%	31%	45%
Collect employee demographic information	17%	12%	*11%*	**27%**	20%	20%	13%	15%	18%
Identify employees' retirement intentions	15%	12%	*8%*	**29%**	21%	16%	4%	15%	18%
None of these	37%	**56%**	39%	*19%*	32%	42%	29%	38%	27%

The incidence of undertaking any of these activities was also higher for businesses which employ staff from outside their family (75% compared with 34% of respondents who defined their business as family only at any point in the survey).

Labour shortages

The majority (81%) of wine and grape industry businesses surveyed did not expect to face any labour shortages.

A further 14% are either facing shortages currently or expect to face shortages in the next three years.

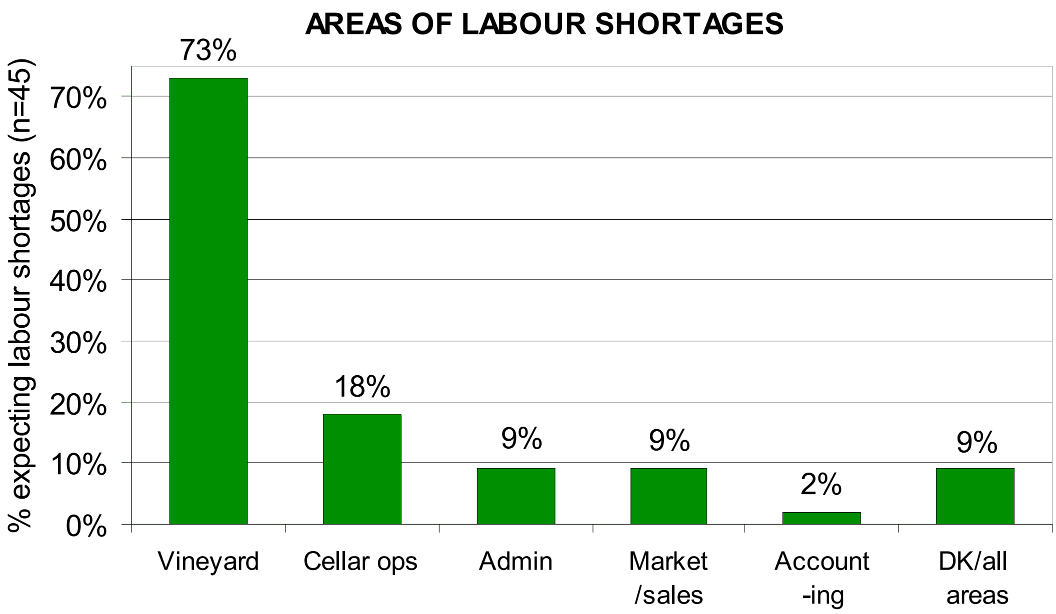
Are you facing or expecting to face labour shortages? When?

	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Current shortages	8%	2%	11%	8%	5%	7%	4%	12%	0%
In next 3 years	6%	8%	5%	7%	8%	7%	8%	4%	0%
In next 5 years [up to 2012]	1%	2%	1%	0%	0%	0%	4%	2%	0%
In next 10 years	1%	2%	2%	0%	2%	0%	0%	4%	0%
No idea of timing	4%	4%	4%	3%	3%	1%	12%	2%	0%
No shortages	81%	81%	76%	83%	83%	86%	71%	77%	100%

10% of businesses which employ staff outside of the family are currently facing labour shortages (compared with 2% of family only businesses).

The 45 businesses which cited labour shortages were asked to indicate the areas involved.

Almost three quarters of these respondents (73%; 14% of the total sample) named the **vineyard** as an area where shortages exist.



External information needed

43% of respondents were able to name external information that is needed to plan for future workforce needs.

The only major response was **market research** (10%).

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

In your view, what external information do workplaces/industries need to be able to plan for future workforce needs? [Multiple Response]

Market research e.g. wine being bought/drunk	10%
Award wages / employers responsibilities / government regulations	8%
Staff e.g. database on local workers / encourage apprenticeships to increase pool of workers	6%
Training	5%
Benchmarking / industry trends	3%
Growth strategies / planning skills	3%
Information on skill shortages in industry / region	2%
Future trends	1%
Weather predictions	1%
Other [each <1%]	10%
Nothing/don't know	57%

WINE AND GRAPE INDUSTRY TRENDS

Areas of difference in 2010

The majority of respondents (93%) felt that there will be significant differences in the grape and wine production business in 2010.

Markets was the top response with almost three quarters (73%) of all respondents stating markets will be significantly different in 2010.

All other factors mentioned in the survey were thought to be significantly different by between one quarter and one half of respondents.

Percentages are listed in the table below.

Small businesses were even more likely to feel **markets** will change significantly in 2010 (84%). Medium businesses were more likely (47%) than small (35%) or micro (31%) to feel **production** will change significantly in 2010.

Which of the following will be significantly different in the grape and wine production business in 2010?

[Multiple Response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Markets	73%	68%	**84%**	65%	77%	66%	67%	81%	64%
Business climate	48%	43%	53%	48%	55%	47%	50%	46%	45%
Technology	39%	32%	40%	47%	45%	*29%*	63%	37%	45%
Production	37%	31%	35%	**47%**	42%	36%	38%	33%	55%
Product	29%	28%	31%	30%	33%	*18%*	25%	38%	45%
Types of business	27%	27%	29%	27%	30%	*18%*	25%	37%	18%
Workload cycles	24%	14%	27%	29%	21%	21%	33%	27%	27%
Other	1%	4%	0%	1%	3%	1%	0%	0%	0%
None of these	7%	9%	5%	7%	6%	8%	4%	8%	0%

Factors impacting on business

The respondents who named factors which will be significantly different in the grape and wine production business in 2010 were then asked to specify which one of those factors would have the most impact on their business.

Again, **markets** was the top response with 67% of respondents stating the differences in markets will have the most impact on their business.

Business climate was also relatively popular (15%).

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

Which one of these factors will have the most impact on your business?

BASE: named any factors [n=206]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Markets	67%	69%	73%	*56%*	73%	62%	48%	75%	56%
Business climate	15%	10%	12%	19%	9%	20%	17%	13%	22%
Production	8%	10%	5%	12%	12%	6%	13%	4%	11%
Technology	5%	3%	5%	7%	4%	5%	17%	0%	11%
Product	4%	8%	4%	3%	2%	5%	4%	6%	0%
Types of business	1%	0%	0%	2%	0%	0%	0%	2%	0%
Workload cycles	1%	0%	1%	1%	0%	**3%**	0%	0%	0%

Technology was a more popular response for those who employ staff from outside the family (7% compared with no *family only* businesses).

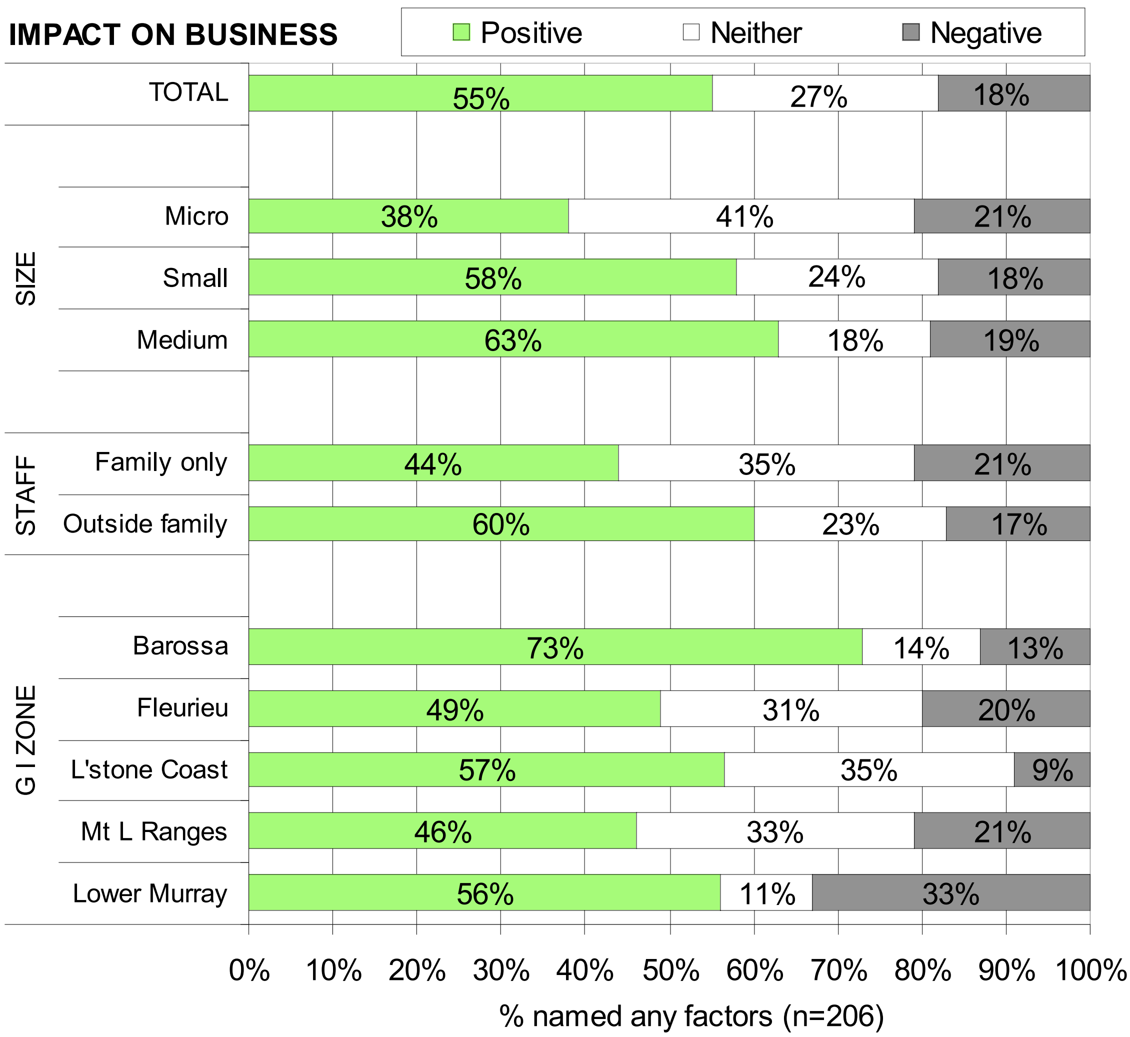
Positive or negative impact on business

Over half (55%) of respondents felt that the factors which will be significantly different in 2010 will have a **positive** impact on their business.

18% felt the factors would have a **negative** impact on business.

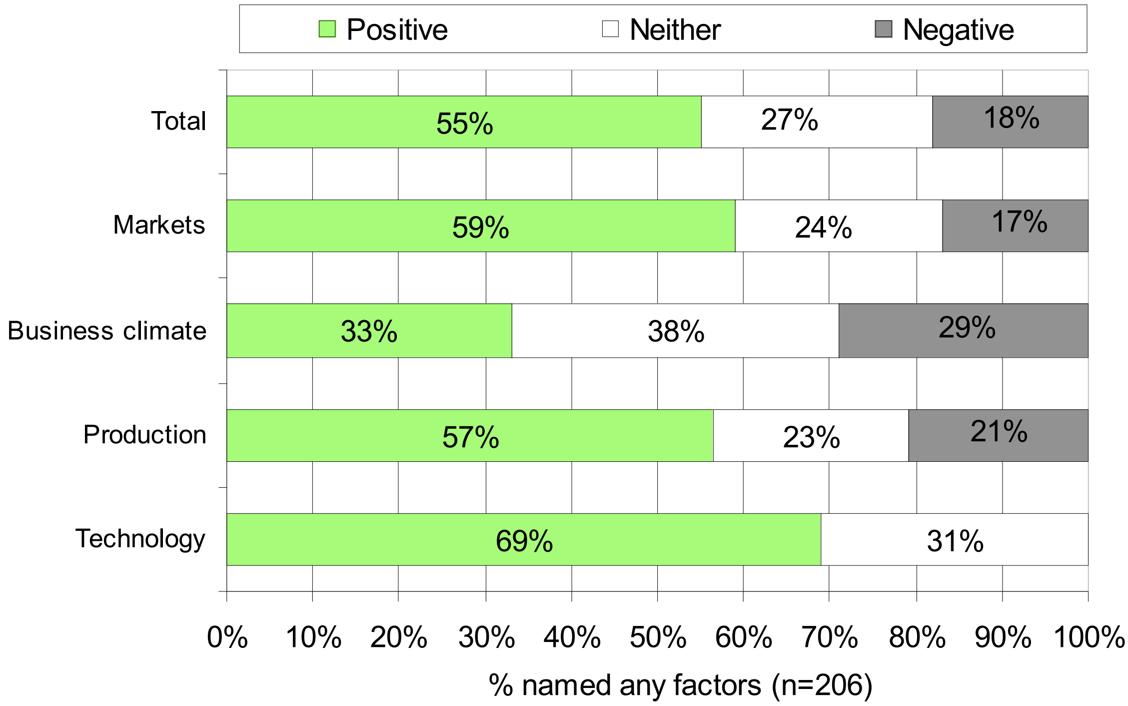
27% did not anticipate any net impact from the differences.

Micro businesses were much more likely to anticipate **no impact** (41%), while Barossa G I zone businesses and businesses that employ staff outside the family were more likely to anticipate a **positive** impact (73% and 60%).



Looking at the main factors mentioned by respondents, it can be seen that respondents were much less likely to see business climate having a **positive** impact (33%) compared with markets (59%), production (57%) or technology (69%).

IMPACT ON BUSINESS



Specific examples of positive impacts included:

<u>Markets:</u>

- *Will expand into new markets (29 respondents)*
- *Markets will improve (9 resp)*
- *Will suit demands of wineries/consumers (7 resp)*
- *People will come to appreciate good quality wines (6 resp)*
- *Wine glut will diminish (6 resp)*
- *Image of Australian wines will improve (6 resp)*
- *Boutique wineries becoming alternatives to large wineries (3 resp)*
- *Develop new products/ improve products (3 resp).*

<u>Business Climate:</u>

- *Successful growth of business (3 resp).*

Product:

- *High quality (2 resp)*
- *Niche markets (2 resp).*

Technology:

- *Improvements in end product (3 resp)*
- *Increased efficiency (2 resp).*

Production:

- *Produce more (2 resp)*
- *Open new / own winery (2 resp).*

Specific examples of negative impacts included:

Markets:

- *Industry controlled by large companies e.g. supermarkets (10 resp)*
- *Glut of wine (6 resp)*
- *Very competitive (5 resp).*

Business Climate:

- *Drought / lack of water (6 resp)*
- *Big corporations squeezing out small retailers (2 resp)*

Region specific external factors impacting on business

81% of respondents could name some external factor specific to their region which impacts on their business.

Water was the top response overall (mentioned by 39% of all respondents). It was especially frequently mentioned in the Barossa zone with over half (58%) of Barossa G I zone businesses reporting it as an issue.

Environmental factors were also significant (15% of total).

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

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

[Multiple Response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Water (quality, scarcity)	39%	30%	39%	38%	**58%**	34%	29%	*27%*	64%
Environmental (salinity, greenhouse gas emissions)	15%	12%	15%	16%	15%	9%	21%	19%	18%
Transportation	8%	6%	5%	**14%**	9%	5%	17%	2%	27%
Public Transport availability	3%	4%	2%	3%	2%	1%	4%	2%	0%
Lack of affordable housing	3%	2%	3%	3%	0%	3%	8%	0%	0%
Limited temporary accomm. for seasonal workers	2%	0%	2%	3%	0%	1%	4%	0%	0%
Lack of suitable employment for employee spouses	1%	0%	2%	0%	2%	0%	0%	0%	0%
Lack of suitable education facilities	1%	0%	1%	0%	0%	0%	0%	0%	0%
Land availability/zoning	0%	0%	1%	0%	0%	0%	0%	2%	0%
Other*	44%	42%	46%	50%	36%	51%	42%	48%	18%
Can't think of any/none	19%	22%	19%	17%	14%	18%	13%	27%	18%

*Others have been split into zone and the responses given by more than one person in that zone are listed below.

Fleurieu:

- *Region new to industry / not recognised as wine region (5 respondents)*
- *Competition (4 resp)*
- *Government taxes / regulations (4 resp)*
- *Exchange rate (4 resp)*
- *Tourism (3 resp)*
- *Price and availability of grapes (3 resp)*
- *Weather (3 resp)*
- *Grape / wine surplus (3 resp)*
- *Larger companies squeeze out little ones (3 resp)*
- *Water restrictions (3 resp).*

Mt Lofty:

- *Roads (3 resp)*
- *Access to bottling plants (2 resp)*
- *Cellar door requirements (2 resp)*
- *Planning / red tape (2 resp)*
- *Marketing (2 resp)*
- *Competition (2 resp)*
- *Price of petrol prevents people from travelling to cellar door (2 resp).*

Barossa:

- *Oversupply (3 respondents)*
- *Tourism (3 resp)*
- *Communications (3 resp)*
- *Electricity (2 resp).*

Limestone Coast:

- *Glut of wine / grapes (2 resp)*
- *Lack of staff (2 resp).*

Key external factors impacting on industry in general

Only 65% of respondents could name some external factor which impacts on the industry generally.

Water (13%) and **exchange rates** (11% of total – included in 'other' in table) were the only double digit responses.

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

What are the other key external factors impacting on the industry generally?

[Multiple Response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Water (quality, scarcity)	13%	10%	15%	16%	17%	13%	8%	12%	27%
Environmental (salinity, greenhouse gas emissions)	7%	8%	7%	8%	12%	4%	4%	10%	0%
Transportation	3%	2%	5%	1%	3%	1%	8%	4%	0%
Public Transport availability	1%	0%	1%	0%	0%	0%	0%	0%	0%
Lack of affordable housing	1%	0%	2%	0%	2%	0%	0%	0%	0%
Limited temporary accomm. for seasonal workers	0%	0%	0%	0%	0%	0%	0%	0%	0%
Land availability/zoning	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lack of suitable employment for employee spouses	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lack of suitable education facilities	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other*	55%	44%	61%	62%	62%	53%	58%	56%	45%
Can't think of any/none	35%	46%	30%	25%	27%	39%	38%	35%	27%

*Other includes: exchange rates (11%), oversupply of grapes (9%), large companies (9%), competition e.g. cheap overseas wine (9%), Government taxes/regulations (7%) and markets (6%).

RECRUITMENT, TURNOVER AND RETENTION

Recruitment

Wine and grape industry attractions

The most frequently cited attraction that draws people into the wine and grape industry was **lifestyle** (41%).

A large proportion of respondents also mentioned having a **passion for wine** (36%), the **romance/glamour of the industry** (29%) or **good business opportunity** (19%).

Other minor responses are also listed in the table overleaf.

Respondents who defined themselves as employing family members only felt that being your own boss was an attraction (17% compared with 8% of those who employ staff outside the family).

What do you think attracts people to the wine and grape industry?

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Lifestyle [rural living, mix of busy/quiet times]	41%	45%	43%	36%	*24%*	50%	33%	52%	36%
Passion for wine	36%	31%	35%	39%	36%	34%	29%	46%	9%
Romance/glamour of industry	29%	32%	**38%**	*21%*	32%	34%	25%	27%	9%
Good business opportunity/profit driven	19%	17%	20%	20%	21%	*11%*	29%	19%	27%
Creativity - from grapes to wine	12%	11%	13%	11%	8%	14%	13%	12%	18%
Family background	12%	16%	*7%*	14%	17%	16%	13%	8%	0%
Being your own boss	11%	13%	13%	6%	9%	11%	4%	15%	9%
Camaraderie – collaborative industry	9%	7%	9%	12%	8%	12%	4%	10%	0%
Limited local opportunities	3%	2%	0%	**7%**	3%	0%	8%	2%	9%
Other*	25%	15%	29%	22%	30%	22%	33%	19%	18%
Don't know/nothing	6%	4%	5%	8%	12%	5%	4%	2%	9%

*Other includes: having misconceptions about industry (13 resp), excitement (12 resp), diversity (4 resp) and tax incentives (4 resp).

Wine and grape industry deterrents

The most frequently cited deterrent to entering the industry was **capital outlay/hard to get established** (33%).

A smaller proportion of respondents also mentioned **oversupply/too much competition/low prices** (23%), the **low return to owners** (17%) and the **hard physical work** involved (16%).

The **boom and bust cycle** was a factor for Barossa businesses (14%).

Low returns to owners was much less of a concern for medium businesses (9%).

Other minor responses are also listed in the table below.

And what deters people from entering the wine and grape industry?

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Capital outlay/hard to get established	33%	27%	38%	26%	41%	38%	17%	29%	18%
Oversupply/too much competition/low prices	23%	24%	27%	15%	24%	22%	25%	17%	27%
Low return to owners	17%	21%	**23%**	*9%*	14%	18%	13%	19%	0%
Hard physical work	16%	19%	16%	16%	18%	18%	21%	13%	0%
Boom & bust cycle	7%	8%	6%	8%	**14%**	*1%*	0%	8%	9%
Seasonal work only	5%	0%	4%	6%	5%	5%	0%	4%	9%
Low wages for workers	4%	2%	6%	4%	3%	3%	4%	8%	0%
Difficult to get workers	3%	0%	2%	**7%**	2%	0%	13%	2%	9%
Other*	45%	55%	41%	49%	35%	51%	38%	52%	36%
Don't know/nothing	13%	11%	13%	14%	17%	8%	17%	19%	0%

*Other includes: lack of knowledge/skills required (12 resp), lack of water/drought (10 resp), delay on returns (8 resp) and ongoing costs (5 resp).

Capital outlay/ hard to get established was an important factor for respondents who defined themselves as employing family members only *at any point in the survey* (45%). This was less the case for those who employed staff outside the family (28%).

Sources of staff

Half of all respondents sourced most of their staff from **local networks** (50%).

A smaller proportion of respondents also mentioned **industry networks** (12%).

It can be seen from the table below that **local networks** are especially important for medium sized businesses (67%) while over a third of micro businesses employ **family only** (36%).

Medium sized businesses are also the most likely to employ staff from **universities** (13%).

Which of these sources do most of your staff come from?

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Local networks	50%	*30%*	46%	**67%**	*39%*	49%	79%	52%	45%
Industry networks	12%	4%	13%	16%	17%	13%	0%	12%	9%
Recruitment agencies	9%	13%	7%	10%	11%	9%	8%	8%	0%
University	6%	0%	5%	**13%**	8%	7%	4%	8%	0%
Schools	4%	0%	6%	4%	2%	5%	0%	4%	9%
TAFE	2%	5%	0%	4%	2%	0%	0%	4%	9%
Other	9%	14%	10%	5%	6%	9%	8%	8%	36%
family only	22%	**36%**	27%	3%	29%	25%	8%	21%	9%

Respondents who defined themselves as employing family members only *at any point in the survey* were predominantly responding **family only** to this question (77%) and to a lesser extent, **local networks** (15%).

Businesses employing staff outside their families sourced these staff from **local networks** (64%), **industry networks** (15%) and to a lesser extent, **recruitment agencies** (12%) and **universities** (9%).

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 (81%) intended to use at least one of these strategies.

The most popular strategies were **upskilling existing workers** (46%), **increasing the use of contractors** (46%), **introducing new technology** (42%), **improving productivity** (39%) and **recruiting and training new staff** (37%).

Working closely with education and training providers (26%) and **job redesign/rotation** (21%) were also relatively popular.

The proportion intending to implement any of these strategies increased with the size of business from 69% of micro businesses planning to implement at least one strategy to 95% of medium businesses.

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

[Prompted - Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Upskill existing workers	46%	*27%*	*38%*	**68%**	52%	50%	42%	44%	36%
Increased use of contractors	46%	48%	53%	*37%*	*33%*	41%	75%	48%	55%
Introduce new technology	42%	*27%*	36%	**62%**	41%	43%	46%	38%	64%
Improve productivity	39%	29%	34%	**56%**	36%	42%	50%	33%	55%
Recruit and train new staff	37%	32%	*24%*	**58%**	36%	38%	46%	33%	45%
Work closely with education and training providers	26%	17%	21%	**39%**	30%	25%	21%	23%	45%
Job redesign/rotation	21%	15%	17%	**31%**	20%	22%	21%	19%	45%
Increase shifts/rosters	12%	13%	7%	16%	8%	11%	13%	15%	27%
Rely on migration	4%	2%	7%	3%	5%	1%	4%	6%	18%
Other	2%	4%	1%	1%	2%	3%	0%	0%	0%
None of these	19%	**31%**	24%	*5%*	21%	24%	8%	17%	18%

Half (51%) of respondents who defined themselves as employing family members only *at any point in the survey* did not plan to implement any of these strategies. This figure was much lower for businesses employing staff outside their families (6%).

Additional staff needed

Over half of all respondents (55%) felt their business would need additional staff in 2010. The number of additional staff specified ranged from 1 to 35, with a mean of 2.7.

Unsurprisingly, this number increased with the size of the business with micro businesses needing an mean of 1.2 additional staff and medium properties needing a mean of 3.7.

Respondents who defined themselves as employing family members only *at any point in the survey* also achieved a lower mean (1.1) than those employing staff outside their families (3.1).

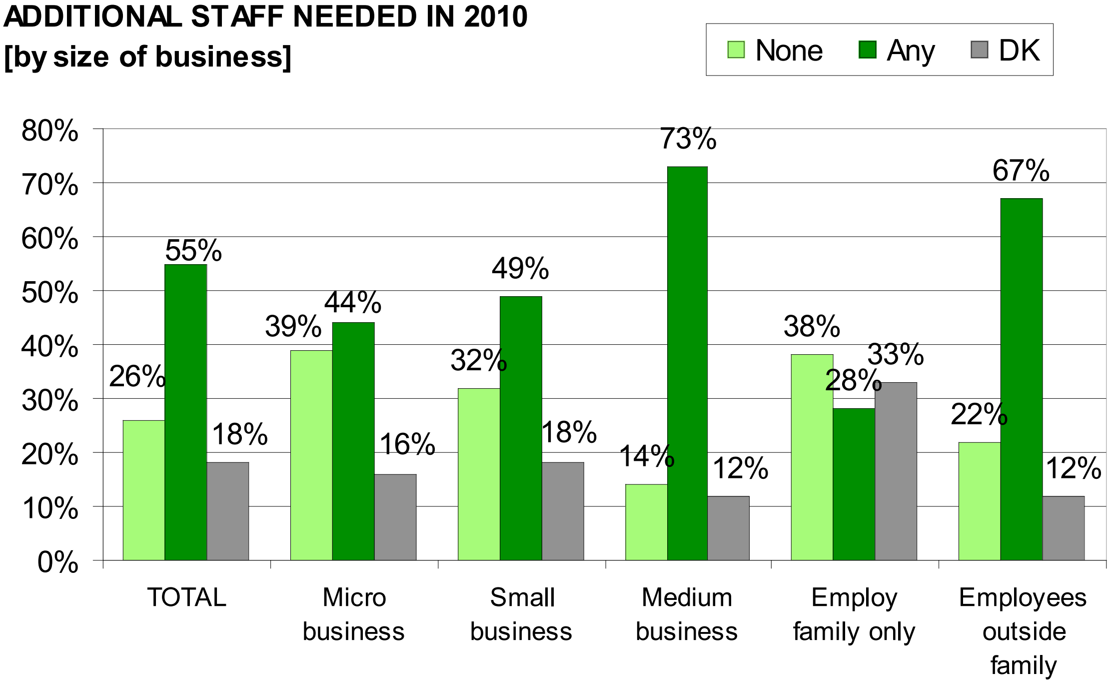
How many additional staff do you think you will need in 2010? [Mean]

TOTAL SAMPLE	**2.7**
Barossa Valley	2.2
Limestone Coast	2.3
Fleurieu	2.5
Mount Lofty Ranges	3.5
Lower Murray	3.8
Micro business	1.2
Small business	2.4
Medium business	3.7
Employ family only	1.1
Employees outside family	3.1

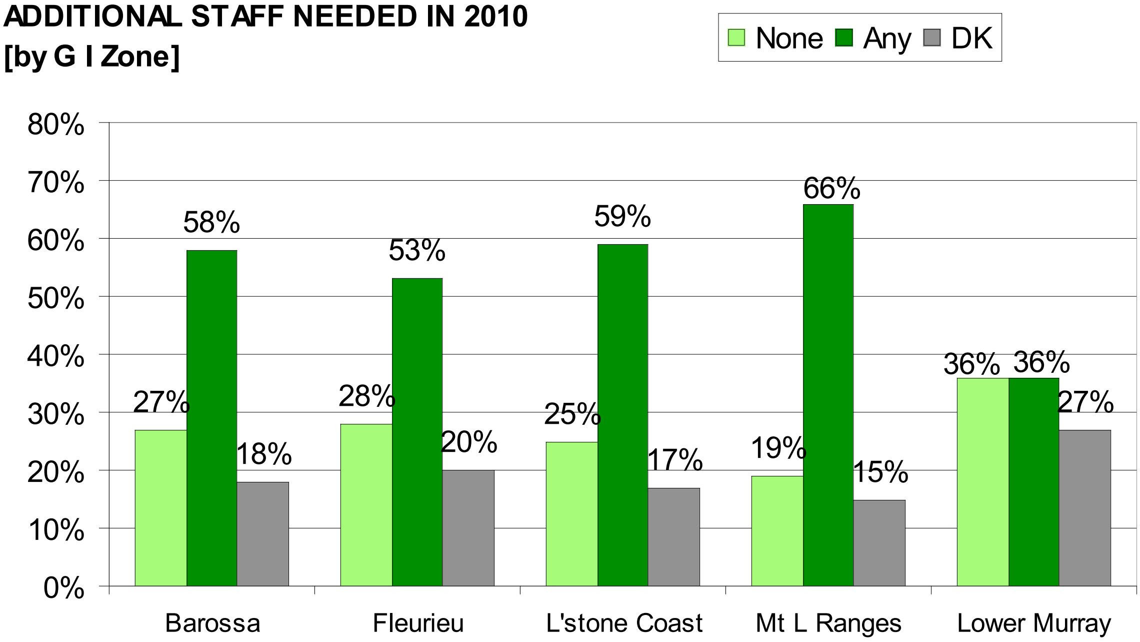
As can be seen in the following graphs, the proportion of businesses needing staff also increases with business size and is much higher for those who employ staff from outside their family.

In terms of G I Zone, Mt Lofty Ranges has the highest proportion of businesses needing additional staff in 2010. The Lower Murray has the lowest proportion of businesses needing additional staff.

ADDITIONAL STAFF NEEDED IN 2010
[by size of business]



ADDITIONAL STAFF NEEDED IN 2010
[by G I Zone]



Occupations of additional staff

Respondents who were anticipating a need for additional staff in 2010 were asked to indicate the main areas they would need staff in.

The main areas which respondents anticipated will be lacking were **cellar operations** (40%), **marketing and sales** (40%) and **vineyard** (37%).

Administration and management (26%) and **cellar door sales** (19%) were also relatively popular responses.

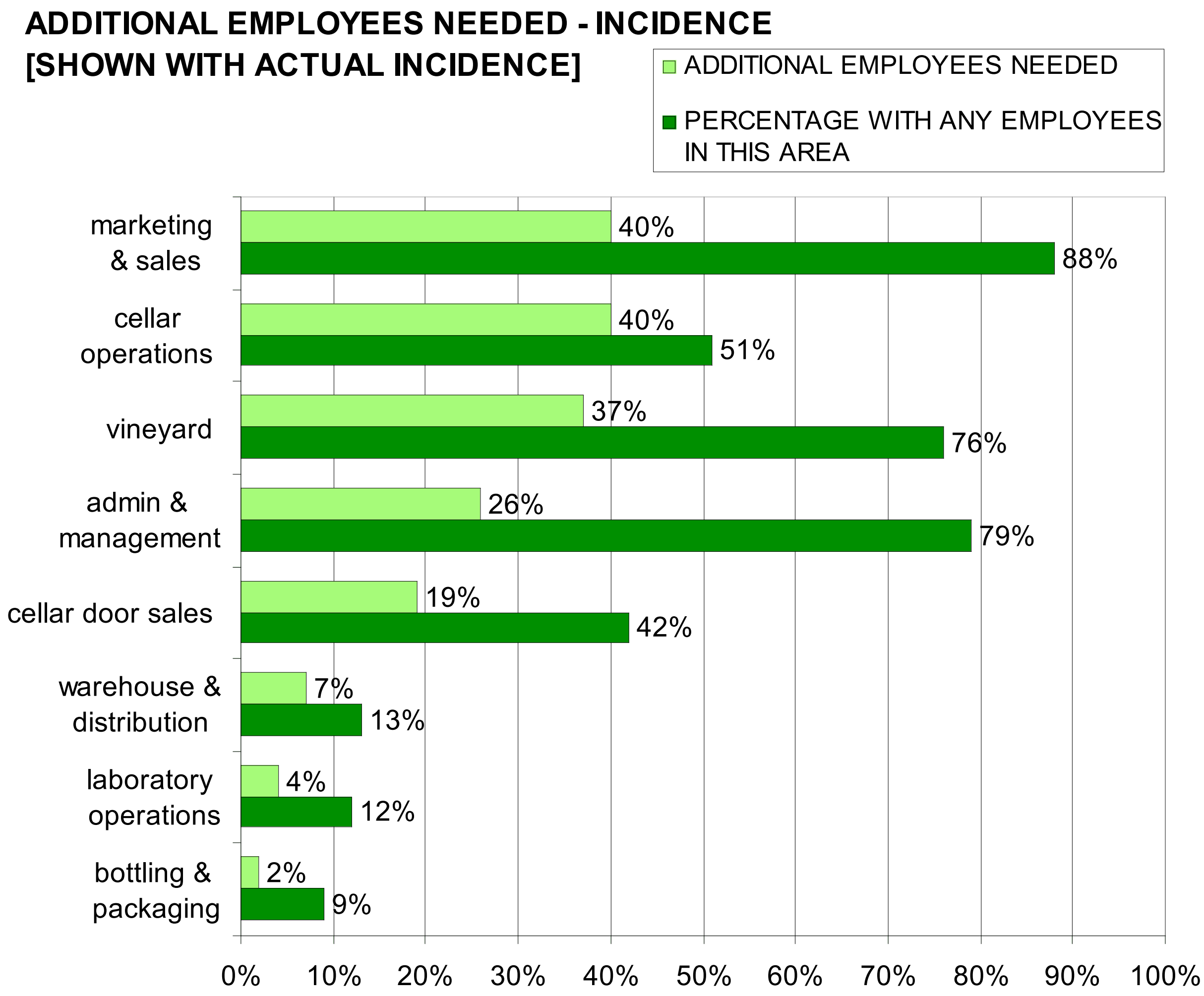
Over half of all Mount Lofty businesses surveyed felt they will be lacking staff in **marketing and sales** in 2010 (56%).

Cellar door sales staff were of a concern mostly to small businesses (32%) rather then micro (14%) or medium (9%).

Which occupations will these positions mainly be in?

BASE: additional staff anticipated [n=130]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Cellar operations	40%	35%	*28%*	**53%**	47%	37%	36%	38%	50%
Marketing and sales	40%	28%	45%	42%	39%	35%	21%	**56%**	25%
Vineyard (wine grape growing)	37%	38%	46%	*25%*	31%	40%	50%	32%	75%
Administration and management	26%	24%	22%	30%	33%	25%	36%	18%	25%
Cellar door sales	19%	14%	**32%**	*9%*	17%	15%	43%	15%	0%
Warehouse and distribution	7%	5%	8%	7%	8%	7%	14%	3%	0%
Laboratory operations	4%	0%	2%	7%	6%	2%	7%	3%	0%
Bottling and packaging	2%	0%	4%	2%	0%	5%	7%	0%	0%
Other	3%	4%	0%	4%	3%	5%	0%	0%	25%

The following graph compares the proportion of businesses needing additional staff in an area to the proportion who actually have staff in that area currently.



Difficulties in finding staff

One quarter (25%) of wine and grape industry businesses surveyed stated that they had difficulties in finding suitable applicants the last time they hired staff.

This was more of an issue for those who hired staff from outside their family (32% compared with 8% of family only businesses).

The 58 respondents who reported difficulties were then asked to specify the occupation areas in which they had these difficulties.

The area in which the highest proportion of respondents had difficulties was the **vineyard** (40%).

Other areas that had problems were **marketing and sales** (24%), **cellar operations** (18%) and to a lesser extent **administration and management** (15%) and **cellar door sales** (14%).

In what occupation areas did you have difficulties in finding suitable applicants?

[Multiple Response]

BASE: difficulties finding applicants [n=58]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Vineyard (wine grape growing)	40%	73%	44%	24%	36%	53%	50%	15%	0%
Marketing and sales	24%	25%	29%	18%	21%	24%	12%	38%	0%
Cellar operations	18%	37%	4%	27%	14%	12%	37%	15%	50%
Administration and management	15%	0%	8%	28%	21%	18%	25%	8%	0%
Cellar door sales	14%	0%	20%	13%	0%	18%	37%	8%	50%
Bottling and packaging	7%	12%	4%	8%	0%	12%	12%	0%	50%
Laboratory operations	2%	12%	0%	0%	0%	0%	12%	0%	0%
Warehouse and distribution	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other	7%	0%	4%	13%	7%	0%	12%	15%	0%

Factors which affect difficulty in finding staff

All respondents were asked if there were any special factors that made it difficult to attract suitable applicants to their business.

Less than half (44%) could name specific factors.

The only significant factor was **location** (13%). This factor was particularly significant for medium businesses.

Other minor responses are also listed in the table below.

Are there any special factors that make it difficult to attract suitable applicants for your business?

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Location remote/not perceived well	13%	6%	9%	**21%**	9%	11%	21%	15%	9%
Wages/remuneration not competitive	9%	10%	11%	9%	5%	11%	8%	10%	18%
Specialised skill needs	6%	6%	9%	4%	6%	5%	4%	8%	0%
Type of work not perceived well	3%	4%	5%	1%	**8%**	1%	4%	0%	9%
Specific licensing or registration required	1%	2%	2%	0%	0%	3%	0%	0%	0%
School leavers lack of skills/experience	1%	0%	1%	1%	0%	1%	0%	0%	0%
Poor attitudes of applicants	1%	2%	2%	0%	3%	0%	0%	0%	0%
Terms and conditions of employment	1%	0%	**4%**	0%	0%	0%	0%	4%	0%
Insufficient local training	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other*	14%	13%	15%	13%	8%	13%	33%	13%	18%
Can't think of any/none	40%	28%	33%	**56%**	44%	43%	38%	35%	36%
Not applicable – family only	20%	**36%**	24%	3%	26%	20%	4%	25%	9%

*Other includes: pool of applicants not big enough, lack of experience, competition from other companies/industries, working hours, limited number of hours and business too small.

Three quarters of respondents who defined themselves as employing family members only *at any point in the survey* either could not think of anything (6%) or felt the question was not applicable to them (70%).

Barriers to hiring staff

Three quarters (76%) of respondents could not think of any other barriers to hiring staff.

There were no major factors mentioned. Minor responses are listed in the table below.

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

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
I cannot find staff at the right price	8%	8%	11%	5%	6%	11%	0%	6%	9%
I cannot find staff with the appropriate skill set	6%	8%	7%	5%	6%	7%	4%	4%	0%
I cannot find anyone who wants to work in industry	3%	0%	3%	4%	3%	3%	0%	2%	0%
I can find staff but they cannot find a place to live	1%	0%	2%	0%	0%	0%	0%	0%	0%
Other*	13%	16%	13%	12%	17%	14%	13%	8%	9%
No barriers	63%	57%	*52%*	**75%**	59%	54%	79%	69%	73%
Not applicable - family only	13%	21%	**20%**	*2%*	15%	17%	4%	13%	9%

*Other includes: too many regulations (5 resp), business too small (3 resp), too far out of town (3 resp), extra costs of employees (e.g. insurance, holiday pay, work cover).

Use of strategies to attract particular groups of workers

Around a third of wine and grape industry businesses surveyed had considered strategies to attract **women returning to the workforce** (39%) and/or **older workers** (30%).

One quarter had considered strategies to attract **young people** into their business (26%) and a smaller percentage had considered strategies for **workers with disabilities** (13%).

Over one third of all businesses surveyed had not considered strategies for attracting workers from any of the categories mentioned in the survey (39%).

Have you considered strategies to attract . . . . ?

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Women returning to the workforce	39%	53%	27%	49%	29%	45%	50%	11%	100%
Older workers	30%	44%	34%	16%	29%	23%	50%	44%	50%
Young people	26%	10%	29%	32%	35%	23%	25%	11%	50%
Workers with disabilities	13%	27%	11%	6%	12%	9%	50%	11%	0%
Indigenous workers	6%	10%	4%	6%	0%	5%	25%	0%	0%
None of these	34%	47%	36%	24%	41%	27%	50%	44%	0%
Not applicable - family only	5%	0%	7%	6%	6%	9%	0%	0%	0%

Turnover and retention

Reasons for staff departure

Respondents were asked to indicate if staff had left their business in the past 12 months for a list of reasons.

One quarter of respondents (24%) felt at least one of these reasons applied to their staff.

The only reason to get a double figure response was **limited career path** (10%).

The other reasons are listed in the table below.

Medium sized businesses had a higher proportion who thought any of these reasons applied to their staff (42% compared with 13% of micro businesses and 18% of small). This may reflect the fact that smaller businesses are less likely to have had anyone leaving for any reason.

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

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Limited career path	10%	4%	7%	**18%**	14%	12%	13%	6%	0%
Interpersonal conflict	9%	0%	8%	**17%**	8%	11%	4%	10%	9%
Wages not high enough	6%	5%	3%	**12%**	5%	5%	4%	10%	9%
Working hours not suited to employee	6%	2%	3%	**13%**	9%	8%	0%	4%	0%
Fixed term contract expired	2%	2%	2%	4%	3%	4%	0%	2%	0%
Employee wanted better conditions	1%	0%	1%	1%	2%	0%	4%	0%	0%
None of these	52%	49%	53%	54%	48%	46%	63%	52%	82%
Not applicable - family only	24%	**38%**	29%	*4%*	24%	29%	17%	23%	9%

Only 1% of respondents who defined themselves as employing family members only *at any point in the survey* felt that any of these reasons applied to their staff.

One third of those who employed staff outside of their family felt that any of these factors affected their staff (33%). The top responses for this group were **limited career path** (14%) and **interpersonal conflict** (12%).

Estimated time of impact for employee retirements

Over half (57%) of the wine and grape industry businesses surveyed were not expecting a problem with employee retirements.

A further 22% were not expecting a problem before 2012. Another 12% were expecting a problem before then.

Expectation of a problem did increase with size of business but only after 2012 (45% of medium businesses, 16% of small and 2% of micro).

When will employee retirements hit you the hardest?

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
next 12 months	1%	0%	1%	3%	2%	3%	0%	0%	0%
12 - 24 months	2%	0%	3%	1%	2%	1%	0%	4%	0%
3 – 5 years' time	9%	11%	8%	10%	9%	8%	8%	10%	18%
after 2012	22%	*2%*	16%	**45%**	18%	18%	33%	27%	27%
don't know	9%	14%	7%	6%	12%	8%	8%	8%	9%
not expecting a problem	57%	**73%**	64%	*34%*	58%	62%	50%	52%	45%

10% of respondents who defined themselves as employing family members only *at any point in the survey* were expecting a problem with employee retirement. This increases to 44% of those businesses which employ staff outside their family. The majority of this problem however is not expected until after 2012 (29%).

Strategies for retaining existing workers

Over half (57%) of the wine and grape industry businesses surveyed had considered at least one of the strategies listed for retaining existing workers.

The most popular strategies were **access to education & training**, **new technology** (41%), **reviewing remuneration packages and employee entitlements** (39%) and **introducing family friendly policies and practices** (37%).

Also relatively popular were **recognition/reward programs; profit sharing or share ownership schemes** (28%), **mentoring/coaching schemes** (28%), and **training for managers/ supervisors** (24%).

All other strategies are listed in the table overleaf.

The proportion of businesses which have considered any of the strategies mentioned overleaf increases with size of business (28% of micro businesses, 47% of small and 93% of medium).

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

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Access to education & training, new technology	41%	*21%*	*31%*	**69%**	45%	43%	42%	37%	36%
Review remuneration packages & employee entitlements	39%	*13%*	*31%*	**69%**	44%	37%	42%	40%	36%
Introduce family friendly policies and practices	37%	*21%*	*29%*	**62%**	33%	42%	42%	37%	18%
Recognition/reward programs/profit sharing/share ownership	28%	*15%*	21%	**46%**	26%	25%	38%	31%	18%
Mentoring/coaching schemes	28%	19%	24%	**42%**	27%	29%	29%	31%	18%
Training for managers/ supervisors	24%	*8%*	*17%*	**44%**	32%	22%	17%	25%	9%
Phased retirement/flexible practices for older workers	18%	11%	13%	**31%**	15%	18%	25%	19%	0%
Commitment to apprentices/ traineeships	18%	10%	*10%*	**32%**	20%	14%	25%	19%	9%
Job redesign or rotation	18%	8%	13%	**29%**	12%	26%	13%	17%	18%
Other services e.g. transport, accommodation, education	16%	*6%*	11%	**29%**	17%	18%	8%	13%	36%
Providing/subsidizing child care	2%	2%	0%	**5%**	3%	3%	0%	2%	0%
None of these	18%	**34%**	20%	*4%*	15%	13%	29%	15%	45%
Not applicable - family only	25%	**38%**	**33%**	*3%*	30%	29%	8%	25%	9%

7% of respondents who defined themselves as employing family members only *at any point in the survey* had considered any of the strategies above while 78% of those businesses which employ staff outside their family had considered at least one.

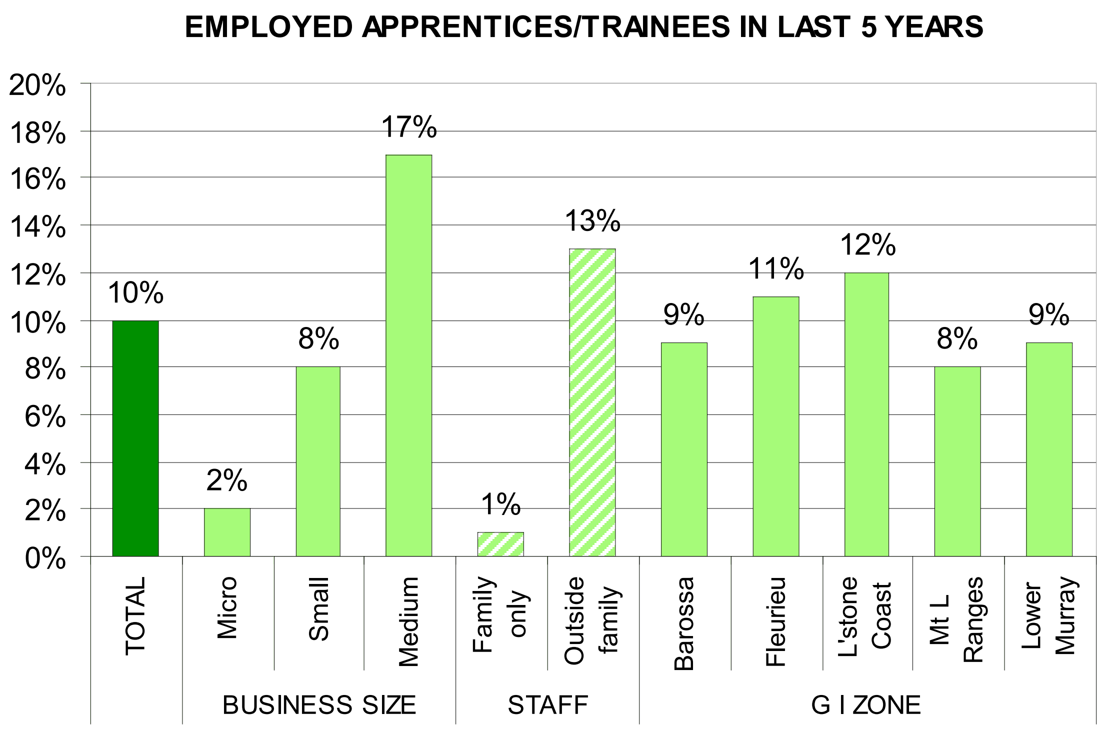
TRAINING AND SKILLS DEVELOPMENT

Apprenticeships and traineeships

Apprenticeships and traineeships attempted in last 5 years

Only 10% of businesses had employed apprentices or trainees under a formal contract to fill job openings in the last five years. A further 3% had attempted to employ apprentices/trainees but had been unsuccessful and this was mainly attributed to a lack of interest from trainees.

As can be seen from the graph below, the incidence of employing apprentices/trainees increased with the size of the business. It was also more common among businesses who employ staff from outside their family. There was no significant difference in employing apprentices/trainees across G I zone.



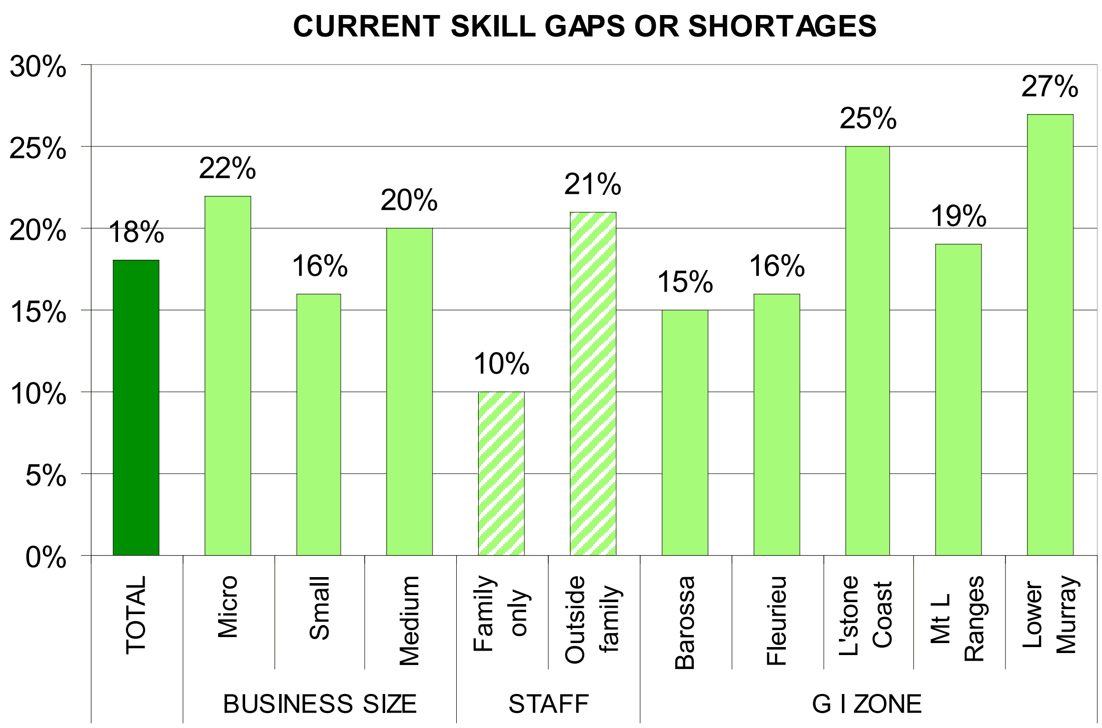
Training, skills and career development

Skill gaps or shortages

Only 18% of respondents surveyed considered their business to suffer from skill gaps or shortages.

This problem was more common among businesses who employ staff from outside their family (21%) compared with family only businesses (10%).

Although there are slight differences across business size and G I zone, none are significant.



When asked to specify the type of skills lacking, the top responses were: marketing and sales (17 respondents), cellar operations (8 respondents), administration (6 respondents), accounting (6 respondents) and in the vineyard (7 respondents).

Skill needs for 2010

Two thirds (64%) of respondents could name some skill that their business would need more of in 2010.

The most popular response was **marketing and sales** (35%).

Administration and management and **cellar operations** were also relatively popular responses (11% each).

Only 8% of respondents could name skills their business would need less of in 2010.

All minor responses are also listed in the table below.

What skills do you anticipate you will need more/less of in 2010?

[Multiple Response]	MORE	LESS
Marketing and sales	35%	1%
Vineyard (wine grape growing)	11%	4%
Administration and management	11%	2%
Cellar operations	9%	
Computers/web design	6%	
Cellar door sales	3%	<1%
Finance/accounting	3%	
Laboratory operations	2%	
Familiarity with new technology	2%	
Warehouse and distribution	1%	
Other*	5%	<1%
Nothing/don't know	34%	92%

*Other includes: ability to use machinery, bilingual and specific knowledge (e.g. about plants, trends).

Barriers to increasing knowledge/skill of staff

Over half (53%) of respondents did not feel there were any barriers to increasing the knowledge or skill of their staff.

The most common barrier mentioned was **not having the resources to send staff away for training** (13%).

Micro businesses also mentioned **training staff who then leave** (10%).

Other minor responses are also listed in the table below.

Half of the respondents saying **I need customised training, but not locally available** were from the Limestone Coast.

What are the barriers to increasing the knowledge or skills of your staff?

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
I don't have the resources to send staff away for training	13%	9%	14%	17%	*5%*	12%	17%	19%	18%
I need customised training, but not locally available	5%	2%	6%	7%	2%	3%	21%	6%	0%
I train them and they leave.	4%	**10%**	2%	4%	3%	4%	13%	0%	0%
I can't find training with the right content	4%	8%	2%	2%	2%	5%	0%	6%	9%
I don't know where to get the training	1%	0%	1%	0%	0%	0%	4%	0%	9%
I need customised training and I can't find it	1%	0%	0%	1%	0%	1%	0%	0%	9%
Other*	17%	15%	18%	19%	23%	16%	21%	12%	27%
No barriers/not applicable	63%	69%	63%	56%	68%	66%	42%	67%	45%

*Other includes: lack of time, too expensive, staff have no motivation to learn and business too small.

Respondents who defined themselves as employing family members only *at any point in the survey* were much more likely to consider there to be no barriers (84%) compared with those businesses which employ staff outside their family (54%).

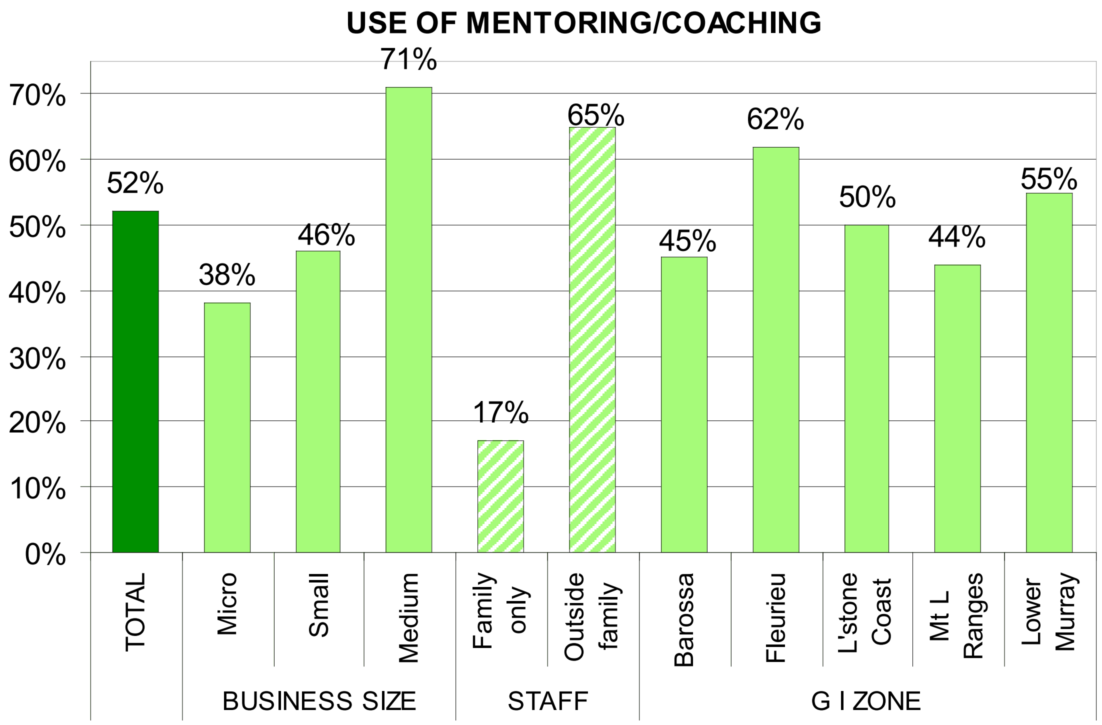
Use of mentoring/coaching

Half (52%) of respondents use mentoring, coaching or some other action to enable knowledge transfer from experienced workers to other employees.

The use of mentoring increased with the size of business, from 38% of micro businesses to 71% of medium.

The Fleurieu G I zone had the highest instances of mentoring/coaching (62%).

Businesses which employ staff outside of their family also had a higher instance of mentoring/coaching (65%) than those businesses that are family only (17%).



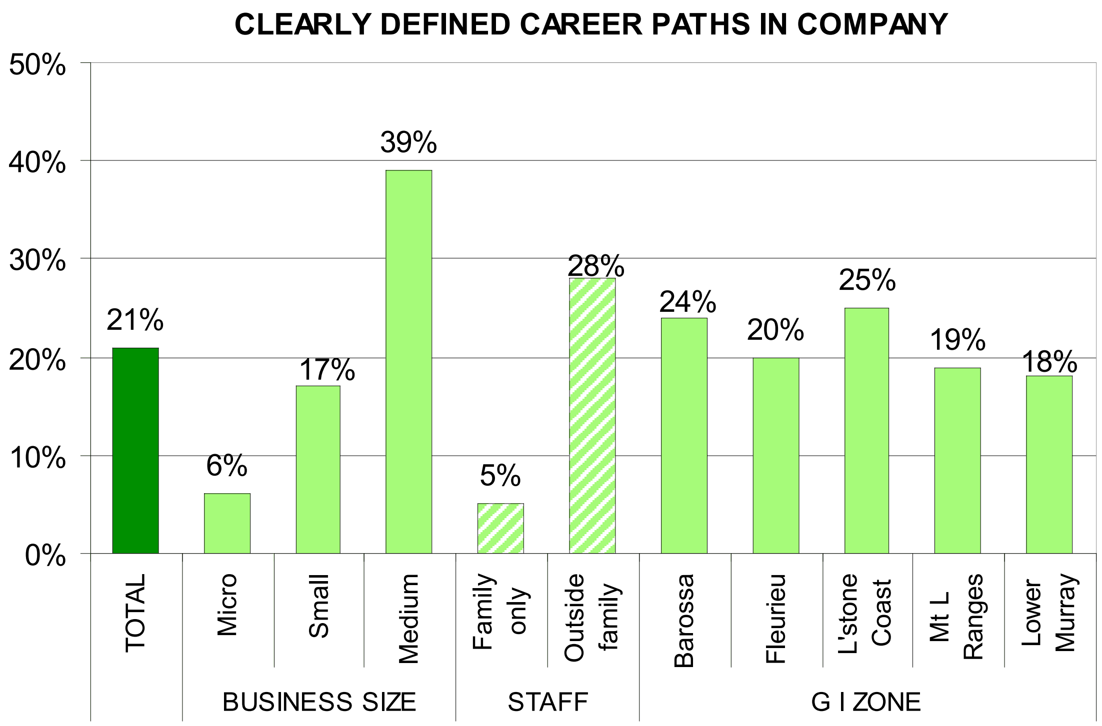
Career paths

One in five businesses surveyed reported having clearly defined career paths in their company.

Unsurprisingly this figure increased with the size of business, from 6% of micro businesses to 39% of medium.

Businesses which employ staff outside of their family also had a higher likelihood of defined career paths (28%) than those businesses that are family only (5%).

There were no significant differences across G I zone.



11% of total respondents were happy to be recontacted to participate in an interview on this topic.

Almost half (47%) were happy to distribute employee questionnaires for the employee survey if they were posted out.

WORKPLACE ENTITLEMENTS/CONDITIONS

Entitlements

Respondents were asked to indicate which, of a list of entitlements, the business had offered to the majority of non-managerial staff during the last year.

One half of all respondents (52%) mentioned offering their non-managerial staff **time off for personal matters**.

Other relatively frequent responses included **salary packaging** (23%), policy of allowing employees to engage in **volunteer activities** (23%), **performance related pay** (21%), **formal performance assessment** (20%) and **compressed work week/banking of hours** (20%).

The proportion of businesses offering any of these entitlements increased with the size of business, from 29% of micro businesses to 95% of medium.

Barossa G I zone respondents had a significantly higher proportion of **annualised salary** responses (18%).

Other minor responses are also listed in the table overleaf.

During the last year, which of the following has been used by or offered to the majority of your non-managerial staff:

[Multiple response]	TOTAL	micro	small	med	Bar	Fleu	LC	ML	LM
Time off for personal matters	52%	*23%*	*39%*	**90%**	53%	51%	54%	56%	45%
Salary packaging	23%	*8%*	*11%*	**53%**	29%	28%	8%	23%	9%
Policy allowing volunteering	23%	16%	17%	**38%**	27%	18%	33%	21%	9%
Performance related pay	21%	*11%*	16%	**35%**	24%	25%	13%	19%	18%
Formal performance assessment	20%	*6%*	*13%*	**43%**	24%	21%	4%	25%	18%
Compressed work week / banking of hours	20%	18%	*14%*	**33%**	15%	20%	21%	27%	27%
Bonus, profit-sharing scheme / share ownership scheme	19%	13%	14%	**31%**	26%	24%	13%	12%	9%
Paying out accrued holidays	18%	8%	14%	**30%**	17%	21%	17%	15%	18%
Exit interviews	14%	*4%*	10%	**27%**	15%	13%	8%	19%	0%
Formal disciplinary procedures	13%	0%	*7%*	**29%**	12%	16%	0%	13%	27%
Annualised salary (paid over 12 months – work less)	11%	4%	7%	**22%**	**18%**	13%	4%	4%	18%
Pre-employment testing	10%	7%	*3%*	**22%**	14%	8%	4%	10%	18%
Paying accrued sick leave	9%	6%	5%	**16%**	12%	9%	0%	10%	9%
Formal grievance handling	9%	2%	6%	**20%**	11%	13%	0%	8%	9%
Formal system of job rotation	7%	5%	3%	**14%**	9%	7%	8%	4%	9%
Paid / unpaid maternity leave	5%	0%	2%	**14%**	9%	8%	0%	2%	0%
Paid / unpaid paternity leave	5%	0%	5%	**11%**	8%	7%	0%	6%	0%
None	32%	**50%**	**43%**	4%	30%	33%	33%	27%	45%
Not applicable - family only	11%	**21%**	12%	1%	15%	8%	8%	15%	0%

Only 4% of respondents who defined themselves as employing family members only *at any point in the survey* reported offering any of these entitlements to their employees. This figure increased to 78% for businesses which employed staff outside the family.

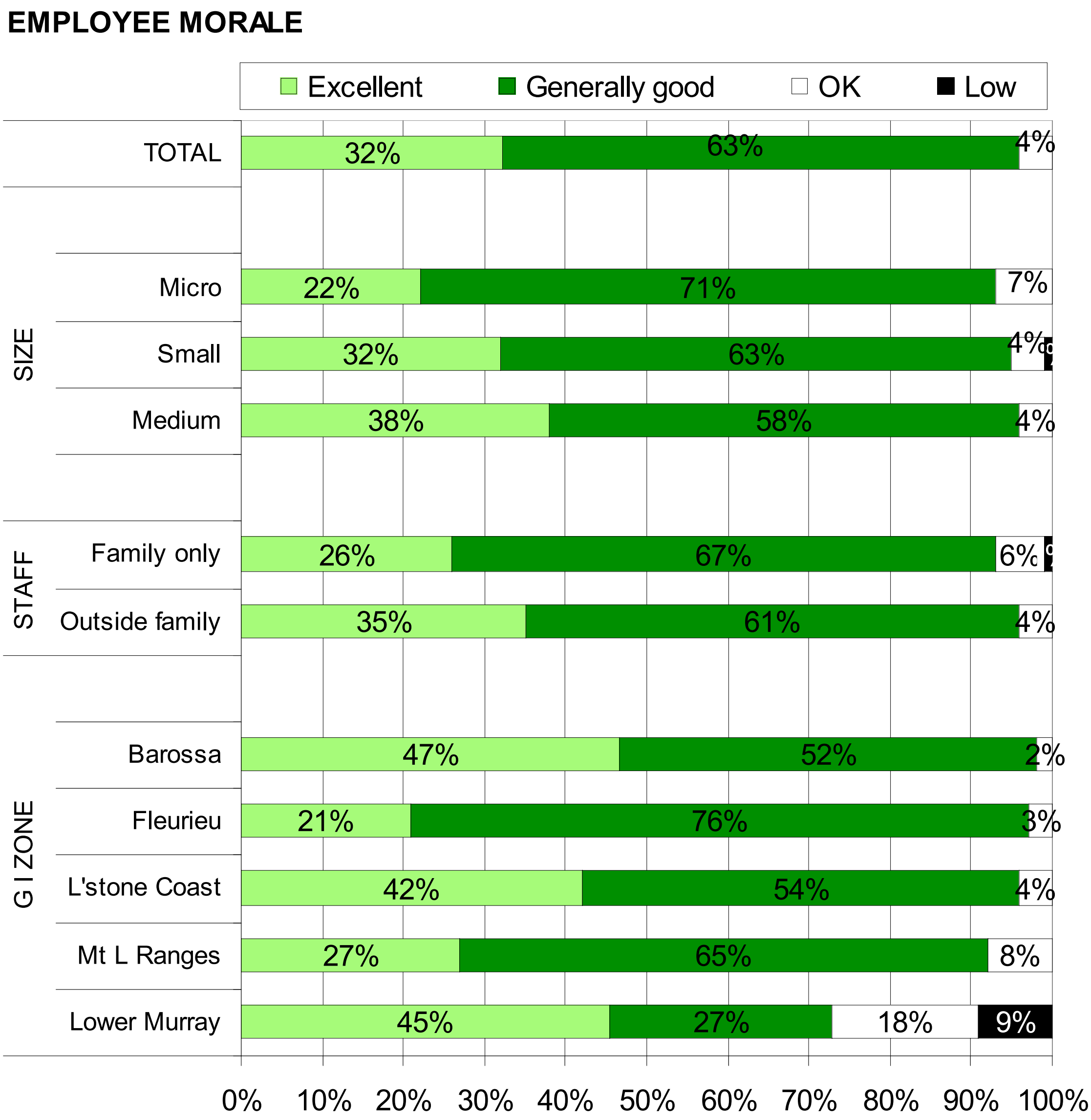
Employee morale

One third (32%) of respondents rated their overall employee morale as **excellent**.

A further 63% rated morale **generally good** and 4% **OK**.

Less then 1% of all respondents felt morale was **low**.

Businesses from the Barossa G I zone reported the highest proportion of **excellent** responses (47%).



WINE & GRAPE INDUSTRY SURVEY (May/June 2007)

Good .... My name is .... from Truscott Research. We are conducting a random survey of companies in the wine & grape industry on behalf of government and industry bodies [SA Wine Industry Association, Winemakers Federation of Australia Department of Further Education Employment Science and Technology and Primary Industries and Resources SA]**.**
We need to speak to the manager who looks after human resources and all the information we collect is entirely confidential. We only report on averages and trends across the industry and never report on anything which would identify your business. The information we collect is essential to understand and prepare for the industry's future workforce needs.

<u>Section ONE: Wine and grape business demographics</u>

1. **Firstly, can I just check you are in the …** [READ FROM SAMPLE FILE] **G I Zone?**
   - **[1] Adelaide**
   - **[2] Barossa**
   - **[3] Far North**
   - **[4] Fleurieu**
   - **[5] Limestone Coast**
   - **[6] Lower Murray**
   - **[7] Mount Lofty Ranges**
   - **[8] the Peninsulas**

2. **Excluding contractors, how many employees (include owners) work in each of these areas?**
   (<u>EACH PERSON COUNTS AS ONE</u> EMPLOYEE – FULL TIME, PART TIME AND CASUALS. SELECT ONE AREA ONLY FOR EACH EMPLOYEE – WHERE THEY SPEND MOST TIME)
   - Vineyard (wine grape growing)
   - Cellar operations (wine making)
   - Cellar door sales
   - Administration and Management
   - Laboratory operations
   - Marketing and sales
   - Warehouse and distribution
   - Bottling and Packaging

3. **Can you give me an approximate dollar value spent on contractors in the last twelve months?** [LEAVE BLANK FOR DON'T KNOW/REFUSED]

4. **What type of business structure do you use?**
   - **[1] sole operator**
   - **[2] family business**
   - **[3] trust**
   - **[4] company**
   - **[5] partnership**
   - [6] other –SPECIFY

5. **What is your business turnover? – I will read some ranges …**
   [would it be more or less than $500,000]
   [1] up to $50,000
   [2] $51–$100,000
   [3] $101–$500,000
   [4] $501–$750,000
   [5] $751,000– $5 million
   [6] $5.1–$10 million
   [7] over $10 million
   [8] refused

<u>Section TWO: Workforce planning</u>

6. **Which of the following workforce planning activities does your business undertake? These activities could be formal or informal.**
   [1] Identify skills/labour needed in the future
   [2] Collect employee demographic information (age, gender, ethnicity)
   [3] Identify employees' retirement intentions
   [4] Succession planning
   [5] Identify employees' working preferences
   [6] Other, please specify
   [7] None of these

7. **Are you facing or expecting to face labour shortages? When?**
   [1] yes - current
   [2] yes - next 3 years
   [3] yes - next 5 years [up to 2012]
   [4] yes - next 10 years
   [5] yes – but no idea of timing
   [6] no

8. IF ANY: **Involving which jobs/areas?**

9. **In your view, what external information do workplaces/industries need to be able to plan for future workforce needs?**
   [1] yes - SPECIFY
   [2] no

<u>Section THREE: Wine and grape industry trends</u>

10. **Which of the following will be significantly different in the grape and wine production business in 2010?**
    [1] Markets
    [2] Business climate
    [3] Types of business
    [4] Product
    [5] Technology
    [6] Production
    [7] Workload cycles
    [8] None of these
    [9] Other - SPECIFY

11. **Which one of these factors above will have the most impact on your business?**

12. Will the impact be positive or negative? Why?
- **[1] positive** - SPECIFY
- **[2] negative** - SPECIFY
- **[3]** Neither

13. What external factors or infrastructure issues specific to your region are impacting on your business? UNPROMPTED
- [1] Public Transport availability
- [2] Lack of affordable housing
- [3] Limited temporary accommodation for seasonal workers
- [4] Water (quality, scarcity)
- [5] Transportation
- [6] Land availability/zoning
- [7] Environmental (salinity, greenhouse gas emissions)
- [8] Lack of suitable employment for employee spouses
- [9] Lack of suitable education facilities
- [10] Other - SPECIFY
- [11] Can't think of any/none

14. What are the other key external factors impacting on the industry generally? UNPROMPTED
- [1] Public Transport availability
- [2] Lack of affordable housing
- [3] Limited temporary accommodation for seasonal workers
- [4] Water (quality, scarcity)
- [5] Transportation
- [6] Land availability/zoning
- [7] Environmental (salinity, greenhouse gas emissions)
- [8] Lack of suitable employment for employee spouses
- [9] Lack of suitable education facilities
- [10] Other – SPECIFY
- [11] Can't think of any/none

Section FOUR: Recruitment, turnover and retention

Recruitment

15. What attracts people to the wine and grape industry?
[NEED TO DEVELOP CODE FRAME FOR THIS UNPROMPTED QUESTION]

16. What deters people from entering the wine and grape industry?
[NEED TO DEVELOP CODE FRAME FOR THIS UNPROMPTED QUESTION]

17. **Which of these sources do most of your staff come from?** READ OUT
    [1] Schools
    [2] TAFE
    [3] University
    [4] Local networks
    [5] Industry networks
    [6] Recruitment agencies
    [7] other

18. **What will be the main strategies you adopt to ensure that you have a sufficient supply of skilled labour to meet demand in 2010? I will read a list of possibilities.**
    [1] Recruit and train new staff
    [2] Upskill existing workers
    [3] Increased use of contractors
    [4] Increase shifts/rosters
    [5] Rely on migration
    [6] Improve productivity
    [7] Introduce new technology
    [8] Work closely with education and training providers to source workers
    [9] Job redesign/rotation
    [10] Other – SPECIFY
    [11] None of these

19. **How many additional staff do you think you will need in 2010?**
    LEAVE BLANK IF DK/RECORD MID POINT OF RANGE/IF 0 – GO TO Q 21

20. **Which occupations will these positions mainly be in?**
    [1] Vineyard (wine grape growing)
    [2] Cellar operations
    [3] Cellar door sales
    [4] Administration and management
    [5] Laboratory operations
    [6] Marketing and sales
    [7] Warehouse and distribution
    [8] Bottling and packaging
    [9] Other – SPECIFY

21. ASK ALL: **The last time you hired staff did you have any difficulties finding suitable applicants?**
    [1] yes
    [2] no – GO TO Q 23

22. IF YES: **In what occupation areas did you have difficulties in finding suitable applicants?**

[1] Vineyard (wine grape growing)
[2] Cellar operations
[3] Cellar door sales
[4] Administration and management
[5] Laboratory operations
[6] Marketing and sales
[7] Warehouse and distribution
[8] Bottling and packaging
[9] Other – SPECIFY

23. ASK ALL: **Are there any special factors that make it difficult to attract suitable applicants for your business?** UNPROMPTED

[1] Insufficient local training positions
[2] Wages/remuneration not competitive
[3] Specialised skill needs
[4] Type of work not perceived well
[5] Location remote/not perceived well
[6] Specific licensing or registration required
[7] School leavers lack of skills/experience
[8] Poor attitudes of applicants
[9] Terms and conditions of employment
[10] Other – SPECIFY
[11] Can't think of any/none

24. And are there any other barriers in your business to hiring staff? UNPROMPTED

[1] I cannot find anyone who wants to work in my industry.
[2] I cannot find staff with the appropriate skill set.
[3] I cannot find staff at the right price.
[4] I can find staff but they cannot find a place to live.
[5] Other - SPECIFY
[6] No barriers - GO TO Q 26

25. Have you considered strategies to attract ……….?

[1] Indigenous workers
[2] Women returning to the workforce
[3] Workers with disabilities
[4] Young people
[5] Older workers
[6] None of these

Turnover and Retention

26. Apart from short term contractors, have staff left your business in the past 12 months for any of the following reasons?
[1] Wages not high enough
[2] Working hours not suited to employee
[3] Limited career path
[4] Interpersonal conflict
[5] Employee wanted better conditions
[6] Fixed term contract expired
[7] None of these

27. When will employee retirements hit you the hardest?
[1] next 12 months
[2] 12 - 24 months
[3] 3 – 5 years' time
[4] after 2012
[5] don't know
[6] not expecting a problem

28. Have you considered any of these strategies to retain existing workers?
[1] Introduce family friendly policies and practices
[2] Recognition/reward programs; profit sharing/share ownership schemes
[3] Review remuneration packages and employee entitlements
[4] Access to education and training, new technology
[5] Mentoring/coaching schemes
[6] Phased retirement/flexible practices for older workers
[7] Commitment to apprentices/traineeships
[8] Job redesign or rotation
[9] Providing/subsidizing child care
[10] Training for managers/supervisors
[11] Other services eg transport, accommodation, education
[12] None of these

Section FIVE: Training and skills development

Apprenticeships and traineeships

29. In the last 5 years, have you employed or attempted to employ apprentices/trainees under a formal contract of training to fill job openings (directly or through Group Training Companies)?
[1] Yes
[2] Attempted but not successful – WHY NOT?
[3] No - not applicable to my business
[4] No [other]

Training, Skills and career development

30. Do you currently have any skill gaps or shortages in your workplace?
[1] yes
[2] no

31. IF YES, **what types of skills?**

32. What skills do you anticipate you will need more of in 2010?

33. What skills do you anticipate you will need less of in 2010?

34. What are the barriers to increasing the knowledge/skills of your staff?
[1] I don't know where to get the training I need for my staff/ self.
[2] I need customised training and I can't find it.
[3] I need customised training, but it's not locally available.
[4] I don't have resources to send staff away for training during business hours.
[5] I train them and they leave.
[6] I can’t find training with the right content
[7] Other - SPECIFY

35. Does your organisation use mentoring, coaching or any other action to enable knowledge transfer from experienced workers to other employees?
[1] Yes
[2] No

36. Are there clearly defined career paths in your company/business?
IF YES – **would you be willing to participate in a further interview on this topic?**
[1] yes - OK to recontact
[2] yes – but do not recontact
[3] no

Section SIX: Workplace Entitlements/Conditions

37. During the last year, which of the following has been used by or offered to the majority of your non-managerial staff:

[1] paid or unpaid maternity leave
[2] paid or unpaid paternity leave
[3] performance related pay component
[4] bonus, profit-sharing scheme, or share ownership scheme
[5] salary packaging
[6] annualised salary (paid over 12 months, but work less than 12 months)
[7] paying out accrued holidays
[8] paying out accrued sick leave
[9] formal disciplinary procedures
[10] formal grievance handling
[11] formal performance assessment
[12] time off for personal matters
[13] compressed work week or banking of hours
[14] formal system of job rotation
[15] policy of allowing employees to engage in volunteer activities
[16] exit interviews
[17] pre-employment testing (medical or psychological)
[18] none of these

38. And finally, how would you rate employee morale overall?

[1] Excellent
[2] Generally good
[3] OK
[4] low

39. There is also an employee survey. If I was to arrange to have employee questionnaires posted out, would you be able to distribute them?

[1] yes
[2] no

On behalf of Truscott Research and our clients, thank you for your contribution to this study.