

FARM LABOUR FACT SHEET

SOUTHERN REGION

FILLING THE FARM LABOUR GAP

Acquiring and maintaining quality, skilled farm labour is an increasing challenge. Understanding your specific labour needs forms the basis of a plan to source labour resources best suited to your business.

KEY POINTS

- ▶ Plan ahead.
- ▶ Identify your labour requirements for the full year.
- ▶ Determine the most suitable way to fill your labour gap.
- ▶ Consider the different ways to source appropriate labour.

The workload on a farm has peaks and troughs throughout the year. Peak periods, such as harvesting, often require additional labour. This fluctuating demand can make it difficult to source and secure labour when required or to find enough work for full-time staff throughout the year.

Have a think about your situation and consider your responses to the questions in the labour health check below.

Labour health check

- ▶ **Is there enough labour (family or external) on the farm to achieve the desired outcomes?**
- ▶ **Given the labour resources available, are the expectations of what can be achieved realistic?**
- ▶ **Are the hours worked by all the people on the farm consistent with their expectations?**
- ▶ **Do you find the right people to work on your farm easily?**
- ▶ **Are you chasing labour at the last minute to get important jobs done?**



PHOTO: EMMA LEONARD

Teamwork: South Australian farmer Shane Greenslade (right) with his workman Doug Lange.

Where to begin

Planning ahead will allow time to determine the farm's requirements for additional labour. Consider why there is a gap in labour resources. Perhaps it is because the farm has expanded and therefore requires additional staff. It could be that production has increased, the enterprise mix has changed, or there may have been a change in the existing family or staffing arrangements.

Identify your requirements before taking on new staff:

- ▶ time;
- ▶ personality and attitude;
- ▶ task to be undertaken; and
- ▶ competency and skills.

Time

It is important to consider the timeframe in which the work needs to be done and

whether or not the work will be ongoing. See the box overpage, 'defining the labour gap', which shows how one farm maps out the hours of work for the various tasks across the year. This technique can be used to analyse different options for filling labour gaps and identifying appropriate time for leave.

Many farmers naturally work from sunrise to sunset, or until the job is done. While an employee certainly needs a good work ethic, there are legal guidelines around employee work hours and it is important to make sure all parties involved have a clear understanding of the expectations.

Personality and attitude

The personality and attitude of both the employer and employee is important when bringing new people into a farm business. Whether or not you enjoy managing staff on a daily basis may help determine the type of employment option used. For example,

hiring contractors to complete certain tasks throughout the year might be an option if you find it difficult or daunting to provide instruction, communicate or work closely with other staff.

Consider your own personality style, how it may impact on the way you make decisions, and the level of staff management you are comfortable undertaking.

- ▶ Are you organised?
- ▶ Do you plan ahead and identify tasks?
- ▶ Do you prepare work lists and are you prepared to delegate?

Reflecting on these questions may help you make a decision about the most appropriate labour to complete the required tasks and also fit in with your personality style.

Some personalities are more extroverted and people-orientated and find relating and interacting with others easier than introverted personality types. As long as you are aware of how you behave and react in different situations, you may be able to adapt your natural tendencies to achieve a better outcome. You can also inform potential employees of your personality style during an interview to ensure they are comfortable working within that environment.

Tasks

Identifying tasks that need to be completed throughout the year is important when planning ahead. There are key tasks during peak work periods, such as harvest and seeding, as well as maintenance and monitoring throughout the year.

Making decisions about filling the labour gap during peak demand alone may not allow all factors to be considered. Filling a labour gap with a full-time employee might seem beneficial during sowing or harvest, however depending on the scenario there may not be enough work through winter or spring to keep that person gainfully employed.

Competency and skills

The level of competency and skills required to complete the tasks also needs to be considered. In some cases a potential employee might have the desired skill set but need some more time on-the-job to develop the level of competence required. Identify which tasks you expect to be completed without guidance or supervision

Defining the labour gap

Knowing when and where the gaps in labour occur on your farm is an important step in the process of filling the labour gap. Once you have established the peaks and troughs you will be in a better position to determine the best option for filling the labour gaps. These options might involve:

- ▶ employing full-time, part-time or casual staff;
- ▶ engaging contractors;
- ▶ re-allocating existing staff resources; or
- ▶ identifying periods where holidays can be taken with minimal impact on the farming operation.

The calendar in Figure 1 provides an example of the peaks and troughs in labour demand for a 2000 hectare cropping farm. The tasks undertaken by staff throughout the year are listed down the rows, with the hours taken to complete the tasks allocated across the months when they occur. The total hours of work per month are assessed against the hours of a full-time equivalent (FTE) labour unit.

An FTE is a unit that allows the workload of employees to be compared, for example an FTE of 1.0 is equivalent to a full-time staff member, where an FTE of 0.5 refers to a worker who is half-time.

The Fair Work Act and modern Pastoral Award define a full-time employee as working an average of 38 hours per week or 152 hours over a four-week period.

The example in Figure 1 shows two peak workload periods (April/May and November/December) where the actual hours of work are significantly greater than one FTE. In addition, there are times during the year when the workload is less than one FTE such as January/February. This helps highlight periods when staff can be encouraged to take leave and maintain a healthy work-life balance without impacting on the farming operation.

Identifying these gaps allows the owner or manager to decide how to best use the existing resources on the farm (both labour and machinery), plan ahead and lock-in additional staff or resource when required.

FIGURE 1 An example calendar outlining the allocated labour hours for each task, summarised by the number of full-time equivalent (FTE) staff required each month for a 2000 hectare cropping farm.

Job/Task	Hours per month											
	J	F	M	A	M	J	J	A	S	O	N	D
Management and planning	20	20	20	20	20	20	20	20	20	20	20	20
Spraying	70	-	70	50	50	35	35	35	35	-	-	-
Cultivation	-	-	-	30	-	-	-	-	-	-	-	-
Sowing/seeding	-	-	-	50	120	30	-	-	-	-	-	-
Crop inspections	5	5	5	5	5	10	10	10	10	10	10	5
Spreading/top dressing	-	-	-	-	-	-	60	60	-	-	-	-
Windrowing	-	-	-	-	-	-	-	-	-	50	-	-
Harvesting	-	-	-	-	-	-	-	-	-	-	100	150
Grain cartage, storage and handling	-	-	10	10	10	-	-	-	-	-	100	150
Machinery maintenance	10	10	20	20	20	10	10	10	20	20	20	10
General farm maintenance	10	10	10	10	10	10	10	10	10	10	10	10
Purchasing supplies	10	10	10	10	10	10	10	10	10	10	10	10
Total hours per month	125	55	145	205	245	125	155	155	105	120	270	355
Number of FTE per month	0.8	0.3	0.9	1.2	1.5	0.8	0.9	0.9	0.6	0.7	1.6	2.2
Difference in FTE per month	-0.2	-0.7	-0.1	0.2	0.5	-0.2	-0.1	-0.1	-0.4	-0.3	0.6	1.2

Key: red indicates there are more hours of work than one FTE; yellow indicates there are less hours of work than one FTE; and green indicates a similar amount of work to one FTE.

and therefore what the specific skill set or competency level of the desired employee should be.

Employers should be aware that there is an expectation to provide employees with

opportunities for training and personal development. This can be on-the-job training or allocating time and/or money for employees to attend relevant training courses, workshops or other industry events. You should consider what you

can offer a potential employee and have a discussion with them about their needs and aspirations and how you can work together to meet them.

What are the different options for filling the labour gap?

There are four main types of labour that can be employed to meet your requirements. Some benefits and potential disadvantages for the different options are outlined below.

1 Full-time employee

A full-time employee is often engaged when a farming enterprise expands to a scale where additional labour improves operational efficiencies for most of the year. Tasks, wages, working times and conditions should be agreed with the employee before commencement of hiring and should be recorded in a formal manner.

An employer has certain obligations to full-time employees.

- ▶ An employer must ensure maximum weekly hours of an average of 38 hours per week or 152 hours over a four week period. Overtime or time in lieu is accumulated for additional hours. (There is some flexibility to set a higher number of work hours as long as the employee is deemed to be financially better off compared with the award. For example, if the hours are set at 45 per week the rate of pay needs to be calculated at or above the award rate, that is: 38 hours at base rate plus seven hours at the overtime rate of time and a half.)
- ▶ An employer must pay superannuation contributions as per the superannuation guarantee legislation.
- ▶ An employer must provide leave entitlements including: parental leave and related entitlements; annual leave; public holidays; personal, carer's and compassionate leave; and long service leave.
- ▶ An employer must ensure a safe and healthy workplace in accordance with relevant state legislation.

The benefits of employing full-time labour include:

- ▶ regularity and consistency in having the same staff member all-year-round;
- ▶ on-going knowledge build-up of your preferred farm practices;

- ▶ training or skills developed are applied on-farm continually, throughout the year;
- ▶ training in advance and when workload permits; and
- ▶ development of a good working relationship in which both parties gain a better understanding of working together as a team.

Potential disadvantages:

- ▶ there may not be enough work for a FTE throughout the year, which can potentially lead to boredom, under-utilisation or the resource leaving the business.

2 Part-time employee

A part-time employee is defined as an employee who is engaged to perform less than the full-time work hours of 38 per week and has reasonably predictable hours of work. Part-time employees receive equivalent pay and conditions on a pro-rata basis to full-time employees who do the same kind of work.

Part-time employment can provide flexibility for both employers and employees. There are many different arrangements that can be worked out between you and a potential employee. Examples include employees that need to drop-off and pick-up school-aged children and so work between school hours or someone that is looking to work off their own farm for a couple of days each week.

The benefits of employing part-time labour include:

- ▶ number of work hours and times that suit both parties;
- ▶ regularity and consistency in having the same staff member all year round;
- ▶ training or skills developed are applied continually throughout the year; and
- ▶ development of a good working relationship, in which both parties gain a better understanding of working together.

Potential disadvantages:

- ▶ work output can sometimes be disjointed; and
- ▶ difficulty managing tasks that require sustained input over consecutive days.

3 Casual employee

A casual employee is an employee engaged as such and paid by the hour. Casual loading is paid instead of annual leave, personal or carer's leave, notice of termination, redundancy benefits and other attributes of full-time or part-time employment.

On each occasion a casual employee is required to attend work, they are entitled to a minimum payment of three hours work at the appropriate rate.

The benefits of employing casual labour include:

- ▶ help completing specific jobs that require additional resources or a different skill set;
- ▶ having appropriate labour available at the required time;
- ▶ potential to fill a labour gap at short notice;
- ▶ help to ease the workload during peak periods; and
- ▶ increased efficiency during peak times.

Potential disadvantages:

- ▶ time and benefit spent training casual labour is lost once they leave;
- ▶ reliability can be an issue with some casual labour; and
- ▶ if employing seasonal or casual labour from overseas, employers need to be aware of working visa requirements, sourcing and sponsorship of employees, and tax and superannuation issues.

Potential sources of casual labour:

- ▶ semi-retired farmers, shearers and other members of the community that may only want to work for certain periods of time through the year;
- ▶ international backpackers: a popular source of short term casual labour;
- ▶ farm labour exchange between farms from different districts;
- ▶ students who have block periods of holidays though the year; and
- ▶ off-farm family members or relatives.

4 Independent contractors

The law distinguishes between those who offer their services for hire – a contractor – and those who are in service – an

employee. A contractor controls the work to be done and how it is to be performed. They can employ their own staff and can sub-contract or delegate. A contractor generally supplies their own equipment, and must provide WorkCover for their employees.

Contract labour can play an important role in managing peak labour periods such as during sowing or harvest, spraying, topdressing or fodder conservation.

The benefits of employing contractors include:

- ▶ provision of their own labour and equipment or machinery; and
- ▶ completing specific jobs that require additional resources or a different skill set.

Potential disadvantages:

- ▶ ensuring the contractor and equipment is going to be available when you need it; and

- ▶ quality of work may be of a different standard to your own.

Where do you source appropriate labour?

The decision on where and how to advertise for labour will depend primarily on what the position is, the number of people you want to reach and how much you want to spend. There are a number of different methods used to source farm labour. Word-of-mouth is a favoured approach, followed by utilising rural employment agencies and newspaper advertising.

Different ways to source labour include:

- ▶ word-of-mouth;
- ▶ local newspapers or statewide rural newspapers;
- ▶ community newsletters;
- ▶ internet, for example, Gumtree and other 'backpacker' or recruitment websites;

- ▶ recruitment agencies and agricultural consultants;
- ▶ local agricultural colleges or training institutes;
- ▶ international exchange students, tourists and backpackers;
- ▶ international agricultural exchange programs;
- ▶ local farming systems groups or sporting clubs; and
- ▶ farms in different districts that may have a different peak labour period, that is, a labour swap.

TABLE 1 Some common indicators that help outline the difference between an employee and an independent contractor.

Indicator	Employee	Independent contractor
Degree of control over how work is performed	Performs work, under the direction and control of their employer, on an ongoing basis.	Has a high level of control in how the work is done.
Hours of work	Generally works standard or set hours (note: a casual employee's hours may vary from week to week).	Under agreement, decides what hours to work to complete the specific task.
Expectation of work	Usually has an ongoing expectation of work.	Usually engaged for a specific task.
Risk	Bears no financial risk (this is the responsibility of their employer).	Bears the risk for making a profit or loss on each task. Usually bears responsibility and liability for poor work or injury sustained while performing the task. As such, contractors generally have their own insurance policy.
Superannuation	Entitled to have superannuation contributions paid into a nominated superannuation fund by their employer.	Pays their own superannuation.
Tools and equipment	Tools and equipment are generally provided by the employer, or a tool allowance is provided.	Uses their own tools and equipment (note: alternative arrangements may be made within a contract for services).
Tax	Has income tax deducted by their employer.	Pays their own tax and GST to the Australian Taxation Office.
Method of payment	Paid regularly (for example, weekly/ fortnightly/monthly).	Has obtained an ABN and submits an invoice for work completed or is paid at the end of the contract or project.
Leave	Entitled to receive paid leave (for example, annual leave, personal/carer's leave, long service leave) or receive a loading in lieu of leave entitlements in the case of casual employees.	Does not receive paid leave.

SOURCE: FAIR WORK OMBUDSMAN

USEFUL RESOURCES

Rural Skills Australia
www.ruralskills.com.au

National Farmers Federation
www.nff.org.au/policy

Fair Work Ombudsman
www.fairwork.gov.au

Fair Work Australia
www.fwa.gov.au

Victorian Farmers Federation
www.vff.org.au/policy_issues/workplace_relations.php

South Australian Farmers Federation
www.saff.com.au/issuesandpolicies

NSW Farmers
www.nswfarmers.org.au/industrial

Tasmanian Farmers and Graziers Association
www.tfga.com.au/policies/industrial-relations

Dairy Australia, The People in Dairy
www.thepeopleindairy.org.au

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