

FARM LABOUR FACT SHEET

SOUTHERN REGION

RECRUITING AND INDUCTING NEW EMPLOYEES

Employing people is a great privilege and starting a new job is almost always a significant time for the employee. Selecting, engaging and inducting well will set the scene for a productive, positive and ongoing arrangement between both parties.

KEY POINTS

- Be well prepared for the interview process with key selection criteria and questions for each applicant.
- Clearly outline the total remuneration package including cash and non-cash benefits, as well as superannuation contributions, to your preferred applicant.
- Make sure the employment agreement meets the minimum legal requirements and outlines any additional terms and duties specific to the position.
- Spend the time to properly induct a new employee into your business.
- Workplace health and safety policies should be discussed with new employees during their induction.
- It is important to keep accurate and up-to-date records for each of your employees.

Labour health check:

- Do you know what your legal obligations are when employing staff?
- Do you know your taxation and superannuation obligations?
- Have you got a compliant, written and signed employment agreement for all staff?
- Do you use a checklist to induct new employees into your farm business?
- Do you know what your workplace health and safety obligations are?
- Is your record keeping up-to-date and accurate?

This Fact Sheet provides some important information to help you have everything in place when employing a new employee.

It covers some aspects of the recruitment and induction process, identifies some of your legal obligations and will also be a useful resource for farm businesses that are employing staff for the first time. The information relates to full-time, part-time and casual employees engaged on-farm and is not applicable to independent contractors.

Recruitment

Once you have attracted suitable

applicants, the process of recruitment begins. Interviewing potential employees is an important step in determining the most appropriate applicant for the job.

Interviewing

Be prepared with a job description, key selection criteria and some questions to refer to during each interview (see Figure 1). Using these tools can help make the interview process less daunting for both parties, enable fair comparisons, and assist in making the end decision. It can be useful to have one or two others involved in the farm business conducting the interview.

Key selection criteria

| Applicant: | Jack Hillege | |
|---|--------------|---|
| Interview date: | 15/1/2013 | |
| Position/Job: | Farm worker | |
| Interviewer: | Jeff Lambok | |
| Essential Key selection criteria | Score/10 | Comments |
| Experience in the use of chemicals to manage crops and pastures and the safe application of chemicals | 8 | → Good experience in different environments → Has completed required qualification |
| Experience in operation of computers | 6 | → Mainly home computer with emails + Facebook Farm machinery OK |
| Ability to keep detailed paddocks and physical records, and manage paperwork | 7 | Has mainly used manual systems but is keen to move to digital |
| Logistics management skills | 9 | Has coordinated large seeding + spraying operations + several harvest contractors |
| Desirable Key selection criteria | Score/10 | Comments |
| Minimum 10 years experience working on a broad acre grain farm, including demonstrated ability to work in a management role | 7 | Has mainly been in junior roles with little |

FIGURE 1 An example of key selection criteria.

Tip: Remember to ask to sight original copies of important qualifications, licences or permits during the interview process.

Some questions that could be asked during an interview are listed below.

- ▶ What appeals to you about this position?
- ▶ Are there any physical constraints we need to be aware of in your capacity to carry out the requirements of this role?
- ▶ This role requires some commitment outside standard hours. Is there anything that would prevent you from being available at these irregular times?
- ▶ If successful, when could you start?

Final selection

Selection of the successful applicant is not necessarily straightforward and can often be a dilemma. Having a semi-structured point scoring system based on the key selection criteria, and following it for each interview, can assist discussion and the process of honing down to the most suitable applicant.

Once you have selected a successful applicant, you will need to make an offer of employment. This can be done over the phone or in person initially and should be followed by a written letter of engagement and an employment agreement.

Always emphasise that the employment is subject to a review at the completion of a probationary period.

Tip: If possible, hold off contacting other top applicants until after your initial offer is digested and responded to. This provides a fall back if your preferred applicant should decide not to take up the offer.

Don't forget to contact your unsuccessful applicants and if possible, and you feel comfortable, provide them with feedback.

Remuneration

Remuneration should be discussed with potential employees during the process of recruitment. You should provide information about cash (wage or salary) and any non-cash (fringe) benefits that form part of the total remuneration package. Non-cash benefits may include accommodation, a vehicle or phone. These are referred to as fringe benefits and may be subject to fringe benefits tax (FBT).

Seek advice from your accountant regarding FBT liabilities and inform the potential employee about any payable FBT.

Tip: You should be clear and consistent in setting and communicating the pay levels associated with the position. Remember to be clear about whether you are quoting superannuation inclusive or exclusive.

It is the employer's responsibility to ensure that remuneration complies with the relevant award for the farm business. Awards include requirements for the ordinary hours of work and minimum wages for each classification group. The modern Pastoral Award 2010 is typically applied to broadacre mixed farming enterprises. Industry awards are detailed on the Fair Work Commission website at www.fwc.gov.au.

Award wages and conditions provide a guide for minimum standards. Some employers elect to pay above the award to reflect the employees skills and experience and hence their contribution and value to the business.

When you engage a new employee, you have the following obligations.

- ▶ Provide a Tax file number declaration form to new employees for them to complete and return to you.
- ▶ Determine if the employee is eligible to choose a superannuation fund; determine an employee's earnings base; determine superannuation pay contributions; ensure you meet requirements to report superannuation contributions to your employees; and maintain the necessary records.
- ▶ Report the total remuneration of employees on group certificates, including cash and fringe benefits.
- ▶ Provide a copy of the Fair Work Information Statement to new employees.

More information and assistance with your obligations can be found online or through your taxation accountant.

Employment agreements

A new national workplace relations system commenced on 1 January 2010 and is governed by the *Fair Work Act 2009*. If you are employing staff for the first time since the commencement of the new national system, it is important to make sure you are up-to-date with any changes that might apply to your farm business.

There are 10 National Employment Standards that are legislated as minimum

and apply to all employees under the national workplace relations system.

The standards outline information relating to:

1. maximum weekly hours;
2. requests for flexible working arrangements;
3. parental leave and related entitlements;
4. annual leave;
5. personal/carer's leave and compassionate leave;
6. community service leave;
7. long service leave;
8. public holidays;
9. notice of termination and redundancy pay; and
10. the Fair Work Information Statement.

Details about each of the 10 standards can be found on the Fair Work Ombudsman's website at www.fairwork.gov.au.

Most farm employees are covered under the modern Pastoral Award 2010. The award is a legally binding document and details the minimum entitlements, terms and conditions of employment. Check which classification in the award applies to the individual you are employing. Among other things, the award outlines information about:

- ▶ hours of work;
- ▶ classifications and pay rates;
- ▶ overtime and penalty rates;
- ▶ allowances;
- ▶ superannuation;
- ▶ leave entitlements; and
- ▶ meal and rest breaks.

Modern awards also include a 'flexibility term' which allows an employer and employee to put in place conditions of work that are tailor-made to suit their needs. This then becomes an Individual Flexibility Agreement. The *Fair Work Act 2009* requires that these arrangements result in the employee being 'better off overall' on the Individual Flexibility Agreement compared to the modern award.

The employment contract or agreement can include attached schedules which provide additional terms and duties specific

to that position. These schedules can be updated at future performance reviews, while the contract or agreement contains the background information which is consistent with the relevant award.

Induction

Employee induction is a crucial process for providing information about your business layout, operation, key safety procedures, and to introduce co-workers and managers to new employees.

Developing an induction procedure and checklist will help ensure that everything is covered and the employee has useful resources to reference during their early employment (see Figure 2).

An induction process should do the following.

- ▶ Introduce the employee to their manager, other staff members and contractors, and provide information on their reporting requirements.
- ▶ Provide information about where their job fits into the farming operation, what their initial jobs will be and what equipment they will need.
- ▶ Give practical details about daily procedures including where to park, break times, work attire and protective equipment.
- ▶ Provide an opportunity to familiarise new employees with machinery,

equipment and the layout of the property or properties.

- ▶ Provide and discuss the workplace health and safety (WH&S) policy or manual.

The induction process should be spread out over an appropriate period. This will help ensure that important information is delivered in a timely way and without overloading the new employee on the first day.

Probationary period and review

When you hire a new employee, there is generally a probationary period for the first three or six months of the job. During probation, the new employee is closely supervised, trained and assessed to see if they are suitable for the job.

A probationary period does not affect the employee's entitlements, including leave and notice of termination and is different to the minimum employment period for unfair dismissal application.

The *Fair Work Act 2009*, outlines the minimum employment period as the initial period of employment in which the employer can assess the suitability of their new employee and the new employee can decide if the job is right for them.

The minimum employment period is stipulated at six months from

commencement of employment for businesses employing more than 15 staff, or 12 months for a small business employing less than 15 staff. During this period, the new employee cannot make an application for unfair dismissal.

Probationary review

Conducting a three or six month probationary review provides an opportunity for a new employee and manager to discuss the initial employment period and highlight any areas that may need to be addressed moving forward.

The focus and attention should be clearly on the review and getting optimum outcomes for the employee and the business. Strict formality is not required, however it is important to allocate a specific time and appropriate place well in advance to ensure an uninterrupted, calm atmosphere.

Some examples of topics that can be covered during the three or six month review include:

- ▶ communication;
- ▶ work load;
- ▶ expectations and deliverables;
- ▶ training;
- ▶ record-keeping;
- ▶ planning and follow through; and
- ▶ attention to detail.

Dismissal

In some instances a decision might be made to dismiss the employee during or at the conclusion of the probationary period for conduct or performance concerns. This can be a difficult time for both the employer and employee and should follow a basic procedure to make sure it is a fair and respectful process.

Under the Small Business Fair Dismissal Code, employees of a small business cannot make a claim for unfair dismissal in the first 12 months after being hired.

The Fair Dismissal Code is available at www.fairwork.gov.au.

Workplace health and safety

Employers are obliged to provide and maintain a safe and healthy workplace for their employees. WH&S in the agricultural sector is regulated by states and territories,

| Induction checklist | | | |
|------------------------------------|---|------|---------|
| Employee name: | Jack Tullage | | |
| Employment date: | 23/4/2013 | | |
| Position/Job: | Farm worker | | |
| Manager/Supervisor: | Bill | | |
| Area | Element | Date | Initial |
| Introduction to the farm business | <input checked="" type="checkbox"/> History of the business | 23/4 | JT |
| | <input checked="" type="checkbox"/> Goals of the business | 23/4 | JT |
| | <input checked="" type="checkbox"/> Culture and values (code of conduct) | 23/4 | JT |
| | <input checked="" type="checkbox"/> The team (organisational chart) | 23/4 | JT |
| | <input checked="" type="checkbox"/> The farm map | 23/4 | JT |
| Other: | | | |
| Terms and conditions of employment | <input checked="" type="checkbox"/> Position description | 23/4 | JT |
| | <input checked="" type="checkbox"/> Probationary period | 23/4 | JT |
| | <input checked="" type="checkbox"/> Hours of work | 23/4 | JT |
| | <input checked="" type="checkbox"/> Leave | 23/4 | JT |
| | <input checked="" type="checkbox"/> Pay amount, method, frequency | 23/4 | JT |
| | <input checked="" type="checkbox"/> House set up – power and phone | 23/4 | JT |
| | <input checked="" type="checkbox"/> Training needs, plan | 23/4 | JT |
| Other: | | | |
| Paperwork | <input type="checkbox"/> Employment agreement - signed and returned by both parties | | |

FIGURE 2
An example of an induction checklist.

ADAPTED FROM DAIRY AUSTRALIA'S THE PEOPLE IN DAIRY INDUCTION CHECKLIST, WWW.THEPEOPLEINDIARY.COM.AU/RECRUITMENT/INDUCTION.HTML

| | | | |
|---|--|---|---|
| ✓ | Explain when and how you talk about health and safety on your farm | ✓ | Detail the hazards on the farm and what controls are in place (use a Farm Hazard Map) |
| ✓ | Explain the roles and responsibilities for health and safety on your farm | ✓ | Explain how to report hazards |
| ✓ | Explain what to do in case of emergency (you may need to consider employees who work in isolation or remote locations) | ✓ | Explain how to report incidents or injuries |
| ✓ | Detail the location of the first aid kit and who has first aid training | ✓ | Ensure the worker has the skills and knowledge required to do the work (you may need to verify qualifications and/or past experience) |
| ✓ | Show where the workplace amenities are located | ✓ | Explain personal protective equipment (PPE) is provided, its use, maintenance and storage |
| ✓ | Explain the rules at your farm for using farm machinery, equipment and vehicles | ✓ | Explain the procedures for the safe use and storage of chemicals |
| ✓ | Explain what an MSDS is and where to find yours | ✓ | |

ADAPTED FROM: *FARM SAFETY STARTER GUIDE*, WORKCOVER NSW.

who outline an employer's obligation to train people in safe operating procedures and to take reasonable steps to ensure their safety at work.

As an employer, your WH&S responsibilities to your employees include:

- consultation with workers to implement WH&S programs;
- provision of a safe working environment;
- organisation of safe systems and procedures for work;
- provision of adequate information, induction, instruction, training and supervision to employees;
- maintaining safe conditions for work areas, machinery and equipment;
- ensuring safe use, handling, storage and transport of plant and hazardous substances;
- assessment of health and safety risks to employees and others in the workplace, and the institution of effective risk control measures; and
- provision of adequate facilities for the welfare of workers.

The business's WH&S policy or manual should be discussed with any new employees during the induction process.

Table 1 provides an example checklist that can be used to ensure all the appropriate information is covered when giving a safety induction.

Tip: Written details of the safety induction should be signed by both parties and kept on the employee's record.

Workers compensation

Workers compensation is a compulsory levy imposed by government on employers to fund their potential liabilities associated with injured workers. It is compulsory for the employer to take out workers compensation insurance as guided by each state or territory scheme. Refer to your state-based WorkCover or WorkSafe authority for specific details about the workers compensation scheme that applies to you. Contact details can be found in the useful resources section of this Fact Sheet.

Record-keeping

An employer should keep records of an employee's contact details, qualifications and training, licenses and medical requirements. This information can be important to help you get the most from their experience, identify training needs and ensure they have the appropriate qualifications to complete the required tasks.

When bringing a new employee into your business, consider whether you have:

- appropriate records in case of emergency;
- information on any allergies or special medical needs; and
- proof of qualifications, licences or training.

A signed copy of any workplace agreement or contract should be kept on record, along with evidence of a WH&S induction.

Key information must be kept on record for each employee, including their full legal name, commencement date and the basis of their employment, for example, full-time, part-time or casual. In addition, pay, hours of work and leave records need to be maintained.

USEFUL RESOURCES

National Farmers' Federation

www.nff.org.au/policy/workplace.html

Safe Work Australia

www.safeworkaustralia.gov.au

Farmsafe Australia

www.farmsafe.org.au

Fair Work Commission

www.fwc.gov.au

Fair Work Ombudsman

www.fairwork.gov.au

Fair Work Information Statement

www.fairwork.gov.au/employment/fair-work-information-statement

Australian Taxation Office

www.ato.gov.au/businesses

Farm Labour Fact Sheet: Filling the farm labour gap

www.grdc.com.au/GRDC-FS-FarmLabourGap

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