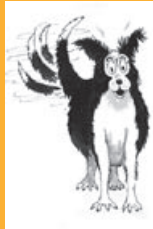


A GUIDE TO FARM LABOUR

How to find and retain on-farm staff



Australian Government
Grains Research and Development Corporation

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Foreword

Finding and retaining quality, skilled farm labour is an ongoing challenge for farming families across regional Australia. The fluctuating demand for labour on-farm can make it difficult to source and secure labour when required or to find enough work for full-time staff throughout the year.

Following on from the success of 'A guide to succession - sustaining families and farms' in 2007 and 'A guide to communication for farming families' in 2011 this booklet provides a basis for stepping through the different stages of the employment lifecycle.

While employing people can be daunting for everyone involved in a family farming business, it can be approached step-by-step. Key practices can be followed to support positive outcomes for employers and employees through the steps of planning, recruiting and inducting, development, retention and termination. The case studies and checklist in this booklet also provide practical tips and tools to help you understanding and address the specific labour needs of your business.

There are many useful references and resources throughout this booklet to provide a pathway to greater professionalism for family farming business in their quest to find and retain on-farm staff.

A handwritten signature in black ink, appearing to read 'John Harvey', with a stylized flourish at the end.

John Harvey
Managing Director
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ORM would like to thank the above mentioned professionals for their significant contribution to this publication. Their input during the draft stage was essential to the development of this guide. In addition, the case studies would not have been possible without insights from growers about their experiences in attracting, recruiting and managing employees.

We would also like to acknowledge the time and effort of the many people who gave valuable input and feedback through the review and layout stages of this publication. In particular, Maureen Cribb, GRDC, has provided much guidance and a continual focus on meeting the needs of grain growers.

Introduction

This publication aims to give farming families confidence in the process of attracting, recruiting and managing on-farm staff. It provides useful tips and tools to generate discussion and increase knowledge about the different stages in the employment lifecycle.

The changing structure of farm businesses and increased workplace relations regulations mean that old attitudes and norms are less relevant when employing staff. Farm businesses can overcome labour shortages by developing human resource and business management skills and taking a professional approach as they have in other areas of the farm business.

Part One of the guide looks at six stages of the employment lifecycle, as outlined in Figure 1.



Figure 1. Finding and retaining employees form part of the overall employment lifecycle.

Workforce planning is critical to establish a successful employment arrangement. This section provides a starting point for determining labour requirements, filling the labour gap and the roles and responsibilities of the employer.

Attracting and recruiting new employees can be challenging. This section addresses how to find and select the right person for the position.

The **induction** sets the scene for the relationship between the employer and employee. This section covers some things that need to be done when employing someone new and how to successfully induct them into your business.

Appropriate **performance and development** initiatives help establish productive employees through structured feedback. This section includes information about conducting probationary and annual performance reviews and encourages a focus on individual personal development.

Rewarding and retention is important for maintaining value in existing employees and can be tailored to suit the farm business, employer and employee. This section provides some examples of why employees stay, as well as ideas for recognising their contribution to your business.

Termination, or an employee resigning, can be a difficult time for both the employee and employer. This section discusses what happens when things don't work out and provides some information about the responsibilities of both parties when an employment agreement comes to an end.

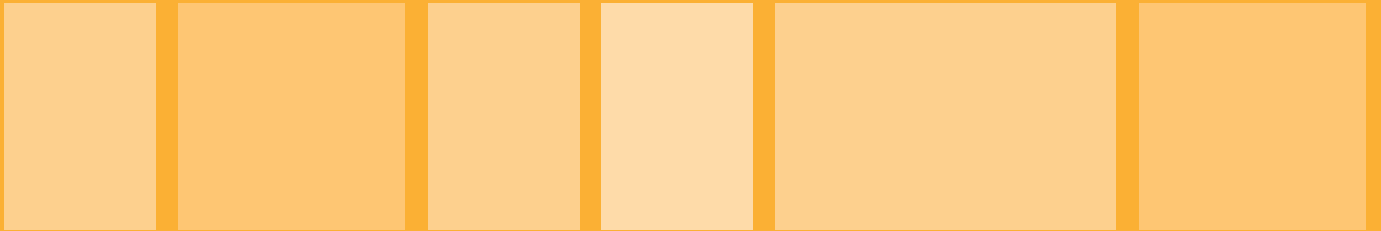
In addition to providing information about the different stages of the employment lifecycle, the real life case studies in Part Two illustrate the success and challenges faced by farming families when employing labour.

There are also a number of references provided throughout the guide that direct you to further information and resources.



PART ONE

The employment lifecycle

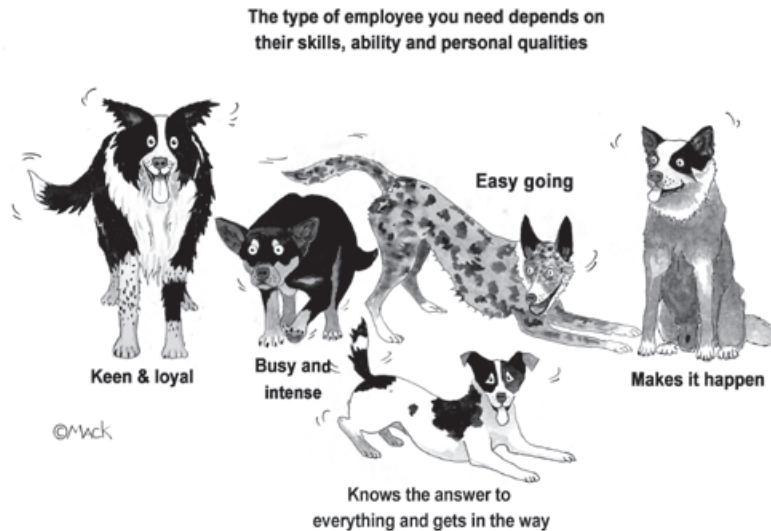


Stages of the employment lifecycle

This section outlines important information on each of the six stages of the employment lifecycle for farming families to discuss and review in their own business.

Enlisting professional advice will ensure the employment process covers all aspects of the family and business, legally, financially and in relationships. One size doesn't fit all, and so a professional may assist by bringing an outside perspective and creating an individualised and tailored program.

There is a checklist at the end of this section that provides prompts for discussion in your business.



Workforce planning

Being prepared before starting the recruitment process will help ensure that everything is in place to achieve the best possible outcome. However, an important first consideration is whether you want the responsibility of being an employer and whether your business has the relevant management skills.

The steps for workforce planning include determining your labour needs; outlining a position description and the details of an employment contract and remuneration package.

A safety net of minimum terms and conditions of employment and a range of other workplace rights and responsibilities are established by Australia's national workplace relations system, Fair Work. Fair Work commenced on 1 January 2010 and is governed by the Fair Work Act 2009. If you are employing someone for the first time since Fair Work commenced, it is important to be up-to-date with any changes that might apply to your farm.

The Fair Work Ombudsman's website is a useful resource providing information for employers, employees and contractors to help understand their workplace rights and responsibilities: www.fairwork.gov.au.

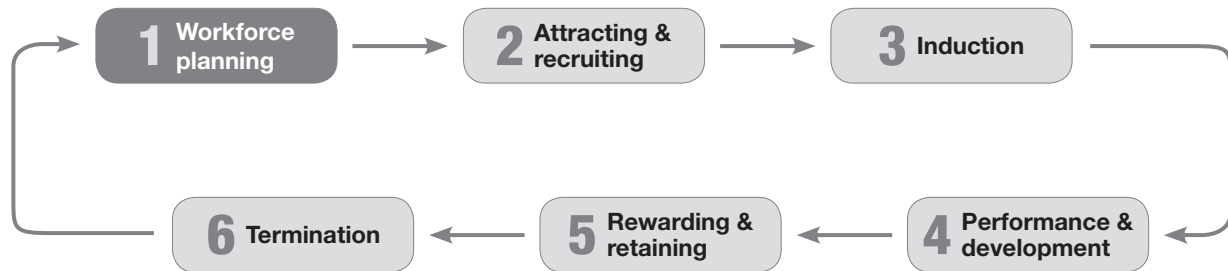


Figure 2. The first step in the employment lifecycle is workforce planning.

Employing someone should not be taken lightly. The following section provides some important considerations.

What are your labour needs?

Farmers may consider hiring an employee because they are under-resourced, for example there is too much work for the existing team to complete on time. Avoid employing someone as a knee-jerk reaction. Think through and discuss the pros and cons and the impact on the family and existing employees.

The business must be able to afford the extra labour. Begin by determining your labour needs and thinking about which options are going to be the most viable and sustainable for your business.

For more information on determining your labour needs see GRDCs Fact Sheet: Filling the Farm Labour Gap: www.grdc.com.au/GRDC-FS-FarmLabourGap

Consider the reasons why you want to employ someone.

- Is it to work on specific tasks?
- Are you looking to fill labour gaps during periods of peak work?
- Are your labour needs seasonal or ongoing?
- Do you have enough work for a full-time, part-time or casual employee?
- Do you need extra resources to complete tasks on time?

There may be alternative options to employing someone.

- Could improved time management help?
- Are contractors an option?
- Is there an opportunity for a share-farming arrangement?

Types of employment options

There are four main employment arrangements:

- full-time employee
- part-time employee
- casual employee or
- independent contractor.

Determine if you are going to employ someone in a position or hire a contractor to complete a specific job. This is relevant for tax compliance as well as your obligations as an employer.

Each employment arrangement suits a different situation and has a range of benefits and potential disadvantages, Table 1. An employer's obligations also vary depending on the type of employment arrangement.

Table 1. Employer obligations for the four main employment arrangements, the associated benefits and potential disadvantages.

Employment type	Employer obligations	Benefits	Potential disadvantages
Full-time employee	<ul style="list-style-type: none">• Salary and PAYG tax;• Superannuation contributions• Fringe benefits tax if applicable	<ul style="list-style-type: none">• Regularity and consistency in having the same employee year round• On-going knowledge built up about the employer's preferred farming practices	<ul style="list-style-type: none">• Not enough work for a full-time employee throughout the year; can lead to boredom, under-utilisation and even an employee leaving the business.

Employment type	Employer obligations	Benefits	Potential disadvantages
Full-time employee <i>continued</i>	<ul style="list-style-type: none"> • Leave entitlements including parental leave; annual leave; public holidays; personal, carer's and compassionate leave; and long service leave • Maximum weekly hours of 38 per week on average or 152 over four weeks; and overtime or time in lieu for additional hours¹ • Safe and healthy workplace in accordance with relevant state legislation. 	<ul style="list-style-type: none"> • Training or skills developed by the employee are applied on-farm throughout the year • Training can take place in advance and when workloads permit • Potential to develop a good working relationship and a better understanding of working together as a team. 	
Part-time employee	<ul style="list-style-type: none"> • Engaged to perform less than 38 hours per week with reasonably predictable hours of work • Equivalent pay and conditions to a full-time employee on a pro-rata basis 	<ul style="list-style-type: none"> • Agreed number of hours per week at times that suit both parties • Regularity and consistency from the same employee throughout the year 	<ul style="list-style-type: none"> • Work output can sometimes be disjointed • There can be difficulty in managing tasks that require sustained input over consecutive days

¹ Relevant for employees governed by the modern Pastoral Award 2010, refer to the 'award' section in this chapter for details.

Employment type	Employer obligations	Benefits	Potential disadvantages
Part-time employee <i>continued</i>	<ul style="list-style-type: none"> • Safe and healthy workplace. 	<ul style="list-style-type: none"> • Development of a good working relationship and a better understanding of working together. 	<ul style="list-style-type: none"> • Part-time employees may move onto full-time work elsewhere.
Casual employee	<ul style="list-style-type: none"> • Engaged on a casual basis and paid by the hour • Casual loading of 25 per cent is paid instead of leave entitlements, notice of termination, redundancy benefits and other attributes of full-time or part-time employment • Entitled to a minimum payment of three hours if required to attend work • Safe and healthy workplace. 	<ul style="list-style-type: none"> • Assistance completing specific tasks that require additional resources or a different skill set • Additional labour resources available when required • Potential to fill a labour gap at short notice • Help to ease the workload during peak periods • Increased efficiency during peak work periods. 	<ul style="list-style-type: none"> • Time and benefit spent training can be under-utilised or lost more readily • Reliability can be an issue • If employing casual labour from overseas, employers need to be aware of working visa requirements, sourcing and sponsorship of employees, and tax and superannuation implications.
Independent contractor	<ul style="list-style-type: none"> • Safe and healthy workplace. 	<ul style="list-style-type: none"> • Provide their own labour and equipment or machinery 	<ul style="list-style-type: none"> • Ensuring the contractor and equipment is available when needed

Employment type	Employer obligations	Benefits	Potential disadvantages
Independent contractor <i>continued</i>		<ul style="list-style-type: none"> Completing specific tasks that require additional resources or a different skill set. 	<ul style="list-style-type: none"> Quality of work may be of a different standard to your own.

Sometimes it can be difficult to determine if someone is an employee or a contractor. Table 2, outlines some factors considered by the ATO and the Fair Work Ombudsman when determining if someone has been engaged as a contractor.

TIP: Beware of sham contracting, it is illegal. Sham contracting is when an employer tries to avoid paying minimum entitlements by claiming an employee is an independent contractor. Quoting an ABN does not automatically make someone a contractor.

Table 2. A number of factors are considered when determining whether someone is an employee or a contractor.

Factor	Employee	Contractor
Ability to sub-contract	<ul style="list-style-type: none"> The employee cannot sub-contract the work. They cannot pay someone else to do the work. 	<ul style="list-style-type: none"> The contractor is free to sub-contract the work. They can pay someone else to do the work.
Basis of employment	<ul style="list-style-type: none"> The employee is paid for the time worked, a price per item or activity, or a commission. An employee is paid regularly i.e. weekly, fortnightly or monthly. 	<ul style="list-style-type: none"> The contractor is paid for a result achieved based on the quote they provided. An independent contractor has obtained an ABN and submits an invoice for work completed or is paid at the end of the contract or project.
Equipment, tools and other assets	<ul style="list-style-type: none"> Your business provides all or most of the equipment, tools and other assets required to complete the work; or The employee provides all or most of the equipment, tools and other assets required to complete the work, but your business provides them with an allowance or reimburses them for the cost of the equipment, tools and other assets. 	<ul style="list-style-type: none"> The contractor provides all or most of the equipment, tools and other assets required to complete the work. The contractor does not receive an allowance or reimbursements for the cost of this equipment, tools and other assets.
Commercial risks	<ul style="list-style-type: none"> The employee takes no commercial risks. Your business is legally responsible for the work performed by the worker and liable for the cost of rectifying any defect in the work. 	<ul style="list-style-type: none"> The contractor takes commercial risks, with the contractor being legally responsible for their work and liable for the cost of rectifying any defect in their work.

Factor	Employee	Contractor
Control over the work	<ul style="list-style-type: none"> Your business has the right to direct the way in which the employee performs their work. 	<ul style="list-style-type: none"> The contractor has freedom in the way the work is done subject to the specific terms in any contract or agreement.
Independence	<ul style="list-style-type: none"> The employee is not operating independently from your business. They work in and are considered part of your business. 	<ul style="list-style-type: none"> The contractor is operating their own business independently from your business. The contractor performs services as specified in their contract or agreement and is free to accept or refuse additional work.
Tax	<ul style="list-style-type: none"> An employee has income tax deducted by their employer. 	<ul style="list-style-type: none"> A contractor pays their own tax and GST to the Australian Tax Office (ATO).
Leave	<ul style="list-style-type: none"> An employee is entitled to receive paid leave or receive a loading in lieu of leave entitlements in the case of casual employees. 	<ul style="list-style-type: none"> A contractor does not receive paid leave.
Superannuation	<ul style="list-style-type: none"> An employee is entitled to have superannuation contributions paid into a nominated superannuation fund by their employer. 	<ul style="list-style-type: none"> A contractor pays their own superannuation.

Source: ATO, www.ato.gov.au; and Fair Work Ombudsman, www.fairwork.gov.au

What do you want the employee to do?

Position description

Define what is involved and write a position description. Outlining the specific roles and responsibilities for the position will help you determine what your expectations are and provide guidance during recruitment and later on when conducting performance reviews.

A position description should include:

- job title and location
- a summary of the role and how it fits into the business
- tasks and responsibilities
- personal qualities
- reporting structures and working relationships
- skills, qualifications, licenses and experience required
- expectations such as production targets
- whether the position is full-time, part-time or casual.

Think about the experience and skills you require for the position. Create a list and split the items into essential or desirable skills, qualifications or experience, as illustrated in Table 3, page 15.

Think carefully about the type of person you would like to have working in your family business. Identify the personal characteristics that are desirable, such as knowledge, degree of initiative, work ethic, and individual personality traits. Again, these can be either essential or desirable.

Key selection criteria

The skills, knowledge and experience you identify form the key selection criteria, and are used during the selection process to identify the most suitable employee.

Prepare key selection criteria to help you accurately match the requirements of the position and the skills, knowledge and abilities of potential employees. They describe the qualifications, knowledge, skills, attributes and experience that are required for the position.

The key selection criteria may include statements that indicate the level of ability required. For example:

- 'Demonstrated ability in...'
- 'Experience in...'
- 'Proven ability to...'

TIP: The information in your position description provides a guide to develop your key selection criteria. Remember to identify the essential versus the desirable selection criteria.

Table 3. Example key selection criteria outlining essential and/or desirable skills and qualities for an assistant farm manager.

Work experience & skills	
Essential	Desirable
<ul style="list-style-type: none"> • Minimum 12 months experience working on a broadacre grain farm. • Experience operating heavy machinery. • Experience servicing, maintaining and repairing heavy equipment. • Experience using computers and technology. • Ability to keep detailed records and manage paperwork. 	<ul style="list-style-type: none"> • Experience operating tractors, headers and boom sprays. • Basic skills in welding and metal work. • An understanding of agronomy and crop development. • An understanding of computers in agricultural machinery including autosteer and variable rate controllers.
Personal qualities & behavioural traits	
Essential	Desirable
<ul style="list-style-type: none"> • Ability to take direction from manager. • Honesty and reliability. • Attention to detail. • Ability to work as part of a team. • Ability to work unsupervised. 	<ul style="list-style-type: none"> • Ability to make decisions. • Passion for agriculture. • Preference for country living. • Interest in the local community.

Reporting structure

Work out what the reporting structure and accountability will be for the employee and their tasks.

- Who will the employee report to?
- What tasks will they be accountable for?
- How will their workload be managed?
- How will their performance be measured and managed?

Some of this information can be included in the position description, and it should also form the basis of future performance reviews.

What does an employment contract look like?

An employment contract sets out the terms and conditions for the position, including pay, hours of work, leave entitlements and so on. Usually the terms and conditions in an employment contract will be governed by an **Award**. Sometimes the terms in an award can be adjusted to form an **Individual Flexibility Agreement (IFA)**. In the case of managers and highly specialised employees, they may be **'award-free'** and have **common law employment contract**.

TIP: The terms and conditions in an employment contract cannot be less favourable than the National Employment Standards (NES) or the relevant award. If the terms of the contract are less favourable, they will be overridden by the minimum NES and award.

A contract can simply be a letter of offer that is accepted by the employee; a letter of appointment; or a more formal contract. The contract can have schedules attached that provide additional terms and duties specific to the position. The schedules can be updated following future performance reviews.

National Employment Standards

There are ten national employment standards (NES) that are legislated as a minimum requirement and apply to all employees under the national workplace relations system, Fair Work. Minimum entitlements for an employee can also come from a modern award or agreement, but the conditions must be equivalent to, or better than, those in the NES.

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 carers leave and compassionate leave
6. community service leave
7. long service leave
8. public holidays
9. notice of termination and redundancy pay
10. Fair Work Information Statement.

*Details about each of the 10 standards can be found on the Fair Work Ombudsman's website:
www.fairwork.gov.au/Employee-entitlements/national-employment-standards*

Awards

Most broadacre cropping and mixed farm employees are covered under the **Pastoral Award 2010**. The award is a legally binding document and details the minimum entitlements, terms and conditions of employment.

Check which award classification applies to the position or individual you are employing and what conditions are specified around maximum hours, meal breaks, overtime, penalty rates and so on.

Table 4. There are three main classifications for broad-acre farm employees outlined in the Pastoral Award 2010.

Classification in the Pastoral Award 2010	Position category	Training level
Farm and livestock hand level 1 (FLH1) A station hand who: <ul style="list-style-type: none"> • has less than 12 months experience in the industry. 	Assistant farm hand Working on a range of general duties under close supervision.	Certificate II
Farm and livestock hand level 3 (FLH1) A station hand who: <ul style="list-style-type: none"> • has at least 12 months experience in the industry • does not conform to the definition of senior station hand (FLH5). 	Farm hand Working with some supervision developing some specific skills, works either independently or as part of a team.	Certificate III
Farm and livestock hand level 5 (FLH5): A senior station hand who: <ul style="list-style-type: none"> • has at least two years experience in the industry • is capable of performing efficiently without supervision. 	Senior farm hand or assistant manager Working independently or as part of a team.	Certificate IV

Classification in the Pastoral Award 2010	Position category	Training level
Award-free (Common law contract)	<p>Manager or very senior employee that does not fit into the award classifications.</p> <p>Supervises employees, reports to owners or board, significant responsibility for ensuring the enterprise is managed successfully, demonstrates extensive industry knowledge, technical skills, and business management principles.</p>	Diploma or advanced diploma

Adapted from: The People in Dairy, www.thepeopleindairy.org.au

A few award conditions that you should be aware of include:

- Ordinary hours: will not exceed an average of 38 hours per week over a four week period, or 152 hours in any consecutive period of four weeks.
- Overtime: once the ordinary hours have been worked, overtime is paid at the rate of time and a half for all hours worked, and double time for any work done on a Sunday. An employee can elect to take the equivalent time off in lieu.
- Leave loading: a payment of 17.5 per cent annual leave loading is required for all annual leave.

In some instances employees may be covered by a different award, such as the modern Road Transport and Distribution Award 2010 for truck drivers that do not have any on-farm duties, or the Clerks - Private Sector Award 2010 for employees that only perform clerical and administrative work.

Award details can be found at: www.fairwork.gov.au/awards or by contacting your state farming federation.

Individual Flexibility Agreement

Modern awards also include a 'flexibility term' which allows an employer and employee to put in place conditions of work that are tailored to suit their needs. This then becomes an **Individual Flexibility Agreement (IFA)**, and needs to result in the employee being 'better off overall' compared to the relevant award rates and conditions.

An IFA can vary the following award terms:

- arrangements for when work is performed
- overtime rates
- penalty rates
- allowances
- 17.5 per cent annual leave loading.

This means you can arrange to pay a flat rate for all hours worked, as demonstrated in Table 5 on page 21. This takes into account overtime, penalty rates and annual leave loading. The IFA must be put in writing with both parties agreeing to the terms.

TIP: An IFA can only be put in place after an employee has commenced working for you.

Table 5. Flat rate of pay example, calculated for an employee classified as a senior farm hand, FLH5.

Minimum hourly rate for the FLH5 classification			\$18.34
	No. hours	Pay Rate	Total
Ordinary hours per week	38	1	\$696.92
Sunday >152 hrs/4wks	4	2	\$146.72
Overtime hours	13	1.5	\$357.63
Total hours per week	55		
Average hourly rate with overtime			\$21.84
Hours worked on public holidays and number of holidays worked in the year	3	5	\$275
Total annual salary			\$61,212
Total annual hours	2792		
Average hourly rate			\$21.92

Source: The People in Dairy, www.thepeopleindairy.com.au/eski/ifa.htm

Award-free

Employees that do not fit into award classifications, such as managers or highly specialised employees, are referred to as 'award free'. They require an employment contract to outline the terms and conditions of their employment.

The federal industrial laws and NES (state laws also apply in Western Australia) set out the minimum terms and conditions for employment contracts. The national minimum wage applies for every hour worked and therefore must be reflected in the salary of 'award free' employees.

Generally, managers have a higher level of skill and responsibility compared to the FLH5 classification in the Pastoral Award 2010 which should be reflected in the terms and conditions of their employment contract.

TIP: A legal adviser, specialised consultant, or state farming federation can provide services to help you write an employment contract for manager or specialist employees.

A few award free conditions that you should be aware of include:

- Ordinary hours for full-time award-free employees are 38 hours per week, which can be averaged over a 26 week period if agreed in writing by the employer and employee.
- Under the NES employees may be asked to work 'reasonable' additional hours. Reasonable additional hours need to take into consideration workplace health and safety; personal circumstances and family commitments; notice provided about the likelihood of additional hours and



so on. The NES does not specify any extra payment for overtime, and the 'reasonable' additional hour's term needs to be written in the employment contract.

Remuneration

It is essential to be clear about what you are going to offer to pay an employee and whether any fringe benefits will form part of the total remuneration package. Fringe benefits might include accommodation, a vehicle or phone and may be subject to fringe benefits tax (FBT). You should seek advice from your accountant regarding FBT liabilities.

An example of a total remuneration package for an assistant farm manager is outlined in Table 6.

TIP: Be consistent and open in setting and communicating pay levels associated with the position. Be very clear about whether superannuation is included or not.

It is your responsibility as an employer to make sure that the remuneration complies with the relevant award. You may elect to pay above the award to reflect the market rate for the skills and experience of an employee and therefore their contribution and value to your business.

The finer details can be discussed with the potential employee during the recruitment process.

As illustrated in Table 6, there are many components, above salary, that can make up a remuneration package. For more information about any of these elements, including FBT, contact your accountant or visit: www.ato.gov.au

Table 6. An example remuneration package for an assistant farm manager.

Position: Assistant farm manager		
<i>Cash component</i>	Salary	\$50,000
	Superannuation at 9.25%	\$4,625
	Fixed cash component	\$54,625
	<i>Bonus payment</i>	
	Farm bonus payment	\$3,000
Total cash and bonus component		\$57,625
<i>Non-cash components</i>	House (estimated at \$130 per week)	\$6,760
	Power, heating, and cooling (estimated at \$70 per week)	\$3,640
	Telephone rental, calls and internet access (estimated at \$35 per week)	\$1,820
	Utility vehicle (private use component)	\$3,200
Non-cash benefits component		\$15,420
<i>Fringe benefits tax (FBT)</i>	FBT on non-cash components*	\$14,805
Total remuneration package		\$87,850
<i>Training and development</i>	Nominal cost or time allocated for training	\$2,000

* FBT=Fringe benefit tax calculated on the 'grossed-up' taxable value of the benefits x 46.5%.

What makes a good employer?

Carefully consider your personal management skills and style. Have you thought about the impact employing someone might have on you, your family and the running of your farm business?

It is also important to realise that you have an impact on the lives of your employees and their families.

There are a number of personal skills that contribute to being a good employer.

- **Communication** needs to be clear, effective, positive and regular from the employer to the employee. Communication is two way and employers need to be good **listeners** and encourage feedback and suggestions. Check with your employees to ensure they understand the instructions you have provided, don't make assumptions.
- **Leadership** should be inclusive and collaborative, encouraging employees to take ownership and pride in their position.
- Employees should be involved in the **decision making** process where relevant, this will help create a positive, inclusive **team** environment. It also enables employees to understand the importance of their role in the overall farm program. They are more likely to take ownership in the decisions and therefore responsibility for getting tasks done properly and in a timely manner.
- Employers should be comfortable providing regular **constructive feedback** to employees.
- Good employers also **delegate** responsibility and learn to **trust** employees to get the task done once they have been trained.

Consider the individual employee, understand their career goals, be aware of generational differences, and recognise different personality types and behaviours. You may need to adapt your own style to work successfully with unfamiliar personality types, behaviours and working styles.

Employee satisfaction is typically determined by providing competitive salaries, valuing the full remuneration package, safe working environments and security in their position.

To ensure employees are motivated, good employers acknowledge and show appreciation to their employees. They provide a sense of purpose for the employee through delegating tasks and responsibility while managing workloads. Importantly, they share the success of the good times with the people that have helped them achieve it.

Good employers also deal with any **issues as they arise** to prevent a build up of negativity and potential flow on impacts on work output.



AT LEAST WE ALL UNDERSTAND EACH OTHER ON WEDNESDAY

Attracting and recruiting new employees

After the workforce planning is finalised, you can begin actively recruiting. This involves attracting and determining the most suitable employee for the position.

The ideal person for a position in your business is someone who is capable of fulfilling all responsibilities and undertaking all duties listed in the position description. Your key selection criteria should reflect these as a summary of the areas you can use to compare potential employees.

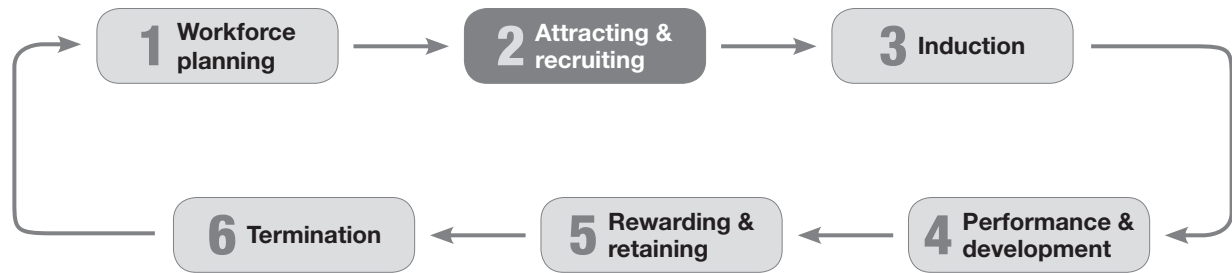


Figure 3. The second step in the employment lifecycle is attracting and recruiting.

How do you attract the right person?

Understanding what potential employees might find appealing about the position can help determine how to attract them.

People apply for positions for many reasons. These can vary from a desire for career progression, to be closer to family, discontent with their current employment situation or they may be re-entering the workforce. Some reasons may seem valid and others not, however regardless of their reason, it is in your best interests to attract the right person.



TIP: Promote yourself and the business as well as the position. Include the positives of your location and community.

Attracting the right people to apply

There are several ways to advertise and attract potential employees, including the use of professional recruitment services. The decision on where and how to advertise for labour will depend primarily on:

- what the position is
- the type of potential employee you want to reach
- how much you are prepared to spend
- how much time you want to spend undertaking the process yourself.

Think outside the square and appeal to the motives and aspirations of potential employees. Outside the specific position, great motivators may include things such as proximity of school bus routes, local sport clubs and facilities, farm residences, having room for a horse and other benefits.

Good housing can be an extremely attractive aspect to working on a farm. Sometimes, farm employees cannot afford to participate in the rental market. This is particularly relevant when there is a distorted rental market, such as in mining areas.

TIP: Target active and passive job-seekers differently. Active job-seekers are likely to apply for an advertised position. Passive job-seekers may need to be approached or 'head hunted'.

Think about which of the following options will reach the people best suited to your position. Using a number of approaches can increase awareness about the position:

- word-of-mouth
- local or state-wide rural newspapers
- community newsletters

- internet, including specific agricultural job sites and general classified sites
- social media networks, such as Twitter and Facebook
- recruitment agencies and agricultural consultants
- local agricultural colleges or training institutes
- tourist and backpacker centres
- international agricultural exchange programs
- local farm groups or sporting clubs
- other farms that may want to share or swap labour and skills
- recommendations from existing employees
- previous potential employees.

The ad

Any advertisement should be based on the position description and include:

- information about your farming enterprise including location
- position title and status
- a brief description of duties
- required skills, qualifications or experience from the key selection criteria
- something about the package, such as salary, accommodation or other benefits
- contact information
- how to apply for the position
- a closing date for applications.

Remember to add some of the things that make your business stand out, such as access to the city, community involvement or the quality of equipment used. If you have good housing available, or are offering a remuneration package that includes a vehicle, it is important to put this in the ad.

While some businesses like to stay anonymous while recruiting, if your farm name or brand has recognition it should be included in the ad to generate more interest.

It is a good idea to ask potential employees to provide a written application such as a letter or resume. This will provide you with the information you need in order to make some initial screening of applications if necessary.

Where you place the ad is very important. While you may attract casual labour or backpackers through online job boards or at local venues, people seeking long term management or career opportunities are likely to be found through different avenues. Similarly, placing an ad at a training college is appropriate if you want to attract a graduate, however a senior farm manager will have little opportunity of seeing an ad in this location.

Be prepared to receive enquiries and ensure that they are answered in a timely and professional manner. First impressions are important for both you and the potential employee. An interview is a two-way process and starts as soon as you make the initial contact via phone or email.

Figure 4. An example ad for a farm machinery operator.

Advertisement

Farm Machinery Operator Wimmera

A new position for a full-time farm machinery operator with mechanical, welding & workshop skills. You will be operating & maintaining a full range of machinery for cropping, haymaking & harvest.

The successful applicant will be experienced in:

- Maintenance of farm machinery & vehicles
- Mechanical & construction welding
- Operating large-scale modern machinery
- Working unsupervised
- Good communication, verbal and written

Generous salary recognising skills & contribution. Contact 00 1234 5678 for a position description or to discuss. Applications close Monday 1 January 2016.

The Farm Pty Ltd

PO Box 1

Wimmera, VIC 3402

email@thefarm.com.au

Employing the right person for the position

Once applications for the position are received, you will need to sort them and complete an initial screening. Be particular about which potential employees you choose to interview, however, keep in mind that some skills and personality traits that might be important to you can be difficult to portray on paper.

For example, people who have worked outside the agricultural industry, such as at McDonalds may have experience following processes and procedures and are used to working as part of a team. In contrast, someone who has worked on a family farm may have hands-on experience, but may not have worked in a team environment, been responsible for their own activities, or may have a different attitude towards work.

TIP: Don't dismiss potential employees that fall outside the typical farm employee stereotype. They may have the skills, attitude and personality that you desire.

Interview preparation

Once you have created a short list of potential employees that you would like to meet and interview, you need to prepare some interview questions and decide who will be conducting the interview.

Inform the potential employee of the time and location of the interview. Prepare a place that will be without distractions and turn your phone off so you can give the potential employee your full attention.

Be prepared with the **position description**, **key selection criteria** and some **questions** to refer to during each interview. Using these tools can help make the interview process less daunting for both parties, enable fair comparisons, and assist making the end decision.

The key selection criteria can be provided to potential employees before the interview so they can prepare some relevant information to discuss with you.

Interview structure

Interviews are conducted in different formats. They can be structured where every potential employee is asked the same set of questions. Unstructured interviews ask questions based around a conversation with the potential employee. Finally, semi-structured interviews involve some prepared questions combined with additional questions based on the answers given or general discussion.

Semi-structured interviews are recommended and can involve a site and/or farm tour to generate discussion and learn about the potential employee's particular skills, knowledge and interests. This approach helps create a relaxed atmosphere for both you and the potential employee. You may also consider briefly introducing the potential employee to other workers or family members. Potential employees will generally be interested to see the main operation areas, the workshop, machinery shed and so on. In addition, it provides a chance to walk through the accommodation if it is provided as part of the position.

A point scoring system for each interview, based on the position description and key selection criteria, can assist the process of selecting the most suitable employee. This points system can be weighted towards the criteria you consider most important.

Figure 5. Example key selection criteria and notes made during an interview.

Key selection criteria		
Applicant:	Jack Tillage	
Interview date:	19/1/2018	
Position/job:	Farm worker	
Interviewer:	Jef Lambek	
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 internet + 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 management experience

Types of questions that are often asked during an interview include:

- What appeals to you about this position?
- What makes you a good fit for this position?
- What can you tell us about your previous employment and your use of the required skill sets?
- Are there any physical constraints we need to be aware of that could affect your capacity to carry out the requirements of this role?
- This role requires some commitment outside the standard hours. Is there anything that would prevent you from being available at these irregular times?
- Can you give an example/s of when you have used these specific skills/experience to...
- If successful, when could you start?

You will also need to get an idea of the potential employee's personality and compatibility with the other people involved in the business. You could ask them if they consider themselves a neat person, if they prefer having several tasks on the go or like to finish one task before they start another.

It can be useful to have one or two other people conducting the interview. Consider having an external person on the panel if you are interviewing for a manager or senior role. Different people see different things and can contribute diverse perspectives on the potential employee.

TIP: Give the potential employee a chance to ask questions as well. The interview should be a two-way process.

Don't offer employment to someone during or at the end of an interview. Always give yourself time to think things through. Employing someone is a vital business investment decision, and should involve the appropriate level of serious analysis.

The potential employee also needs time to think about the position and discuss it with their family members. Let the potential employee know that you will get back to them in a certain timeframe.

References

Checking references is an important part of the screening process and can provide invaluable insight into the personality and work habits of a potential employee. No matter how convinced you are that you have the right person, always contact their current references.

Ask referees specific questions about the skills and experience of the potential employee:

- What responsibilities did the employee have while working at your company?
- How would you describe their working style?
- How did the employee perform at ...?
- Is this person a team player or do they prefer working alone?
- What are the employee's three strongest qualities and weaknesses?
- What was the employee's reason for leaving?
- What advice can you give me about how to manage this person?
- Would you re-hire this employee?

Describe the role the potential employee is applying for and some of the responsibilities involved. Ask the referee if the potential employee would fit into the role and business structure.

Employing workers from overseas

Check that potential employees are allowed to work in Australia. Legal workers are Australian citizens, permanent residents and people from overseas with a valid visa that allows them to work in Australia.

You can check if someone is allowed to work in Australia using the free service Visa Entitlement Verification Online (VEVO) on the Department of Immigration and Border Protection website www.immi.gov.au/managing-australias-borders/compliance/legalworkers

Visa holders and migrant workers, such as ‘backpackers’, seasonal workers and international students, are entitled to basic workplace rights and protections under the Fair Work workplace relations system. If you employ overseas workers you need to comply with both Australian workplace laws and immigration laws.

Immigration laws refer to understanding the rules of valid working visas and the obligation to pay market salary rates. Skilled - Regional Sponsored visa holders, commonly known as Subclass 475 visa holders, and so on.

Contact your state farming federation if you need assistance, or visit www.immi.gov.au for more information.

The final decision

Selection of an employee is rarely straightforward. Inevitably no single person will have all the attributes you are seeking. Have you considered the potential employee's:

- relevant skills and experience
- whether they will be a good fit for your business, work well with you and other employees
- other attributes
- potential benefits they may bring to your business?

Discrimination

Discrimination occurs in the workplace when an employer doesn't employ a potential employee, or offers different or unfair terms and conditions for the position compared to others, because of a protected attribute.

You cannot make a hiring decision based on the following protected attributes:

- race
- gender identity
- age
- marital status
- pregnancy
- political opinion
- personal association with someone who has one of the above attributes.
- colour
- sexual preference
- physical or mental disability
- family or carer responsibilities
- religion
- national extraction or social origin

Steer well clear of any questions relating to the points above.

Note: The above mentioned protected attributes are also relevant for any discrimination against employees in the business.

Records and feedback

Keep a record of the interview or selection assessment to prove how you objectively ranked each potential employee. At the very least, make a few notes in your diary after each interview.

Unsuccessful people may request feedback from the interview. Ensure any feedback is provided in a positive, constructive manner, offering genuine assistance to help them through their next interview. Be genuine and sincere and make sure the feedback is directly related to the position, referring to the position description and key selection criteria. Stick with the facts and stay away from opinions and feelings.

What should you do after you have selected someone to employ?

Once you have selected someone to employ, you will need to offer them the position. This can be done over the phone or in person initially, but remember it is not recommended to offer someone the position during or immediately after the first interview.

Some negotiation around the terms and conditions of employment and probationary period may be required and should be finalised before the potential employee accepts the position. It is important to be clear about the terms of employment so that there are no surprises or disagreements when the person begins working for you.

It is best to follow up these discussions with a letter of offer in writing outlining the terms and conditions of employment. The letter of offer, also known as a letter of engagement, can include a copy of the Fair Work Information Statement (www.fairwork.gov.au/fwis), any company policies, and forms you need completed such as a tax file declaration and superannuation choice (www.ato.gov.au/business/employers).

Once the successful person has signed the contract, you need to notify the unsuccessful people.

TIP: Hold off contacting other highly rated potential employees until after your initial offer is accepted or declined. It provides a fall back if your preferred person declines the offer.

Keep in contact with the new employee once they have accepted the position. This can be as simple as a making a phone call every now and then to touch base.

Remember there is always the chance that their current employer will make a counter-offer. Ensure you keep in touch with the person throughout this time, making sure your offer is significant enough and supporting them through their move.

Inducting new employees

When a new employee begins work, the first few days are critical for establishing and sharing the culture and focus of your business. These early days should be a positive experience and set expectations for going forward. It is also a good chance to find out what expectations the employee has of you.

In addition to establishing a positive working environment, it is important to make sure that you meet certain obligations around inducting new employees.



Figure 6. The third step in the employment lifecycle is induction.

What do I need to do when I employ someone new?

Having procedures and using checklists to help induct each new employee will give you the confidence that you will cover the relevant information at the right time.

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

- check that an overseas employee is allowed to work in Australia and has the required documentation
- provide a Tax File Number declaration form for new employees to complete and return to you

- determine if the employee is eligible to choose their own superannuation fund
- determine an employee's earnings base and the relevant superannuation pay contributions
- ensure you will meet the reporting requirements for superannuation contributions and payslips
- 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 or a specialised consultant. A useful resource is the Australian Taxation Office (ATO) website www.ato.gov.au/Business/Employers/

Tax and super obligations

You are required to withhold **tax** from an employee's pay; this is referred to as pay as you go (PAYG) withholding and relates to all employees including family members. You will need to:

- register for PAYG withholding
- withhold amounts from wages and other payments
- lodge activity statements and make payments to the ATO
- provide payment summaries to employees
- provide the ATO with a PAYG withholding payment summary annual report.

Payments and reporting requirements, including how often, are outlined in Table 7.

As an employer you must pay **superannuation** for your employees. You will need to:

- work out if you have to pay superannuation for your employees
- offer eligible employees a choice of superannuation fund and provide them a standard choice form

- nominate a default superannuation fund if the employee fails to choose their own
- pass on your employees' tax file numbers to their super fund
- work out how much to pay and make the payments at least quarterly.

If you provide **fringe benefits** to your employees, such as a vehicle, you may have to pay Fringe Benefits Tax (FBT) and need to:

- keep the necessary FBT records
- understand what benefits are exempt from FBT
- calculate how much FBT you have to pay
- register for FBT
- report fringe benefits on your employees' payment summaries
- lodge a return and pay FBT to the ATO.

Consult your taxation accountant to determine your fringe benefit liabilities.

Table 7. Payments and reporting requirements.

Report and/or payment	To whom	When
Payslip, including PAYG withheld amount	Employee	Employee payday
Payment summary / group certificate	Employee	Annually
PAYG withholding payments and reporting	ATO	Quarterly on BAS
PAYG withholding annual reports	ATO	Annually
Superannuation payments	Superannuation fund	At least quarterly
FBT instalment payment	ATO	Annually
FBT return	ATO	Annually by 21st May

Source: ATO, www.ato.gov.au/Business/Employers/Payments-and-reporting/

Paying wages and providing payslips

It is the responsibility of the employer to ensure that remuneration complies with the relevant award. It is a legal requirement to provide each employee with a payslip within one working day of paying the employee.

A payslip needs to include the following information:

- the employer's name and ABN
- the employee's name
- the date of payment and the pay period
- the gross pay and net pay
- any loading, allowances, bonuses, incentive payments, penalty rates or other paid entitlements
- if the employee is paid an hourly rate you need to include the ordinary hourly rate, number of hours worked and the amount of pay at that rate
- if the employee is paid an annual rate (salary) you need to include the rate as the last day in the pay period
- any deductions from the employee's pay
- any superannuation contributions paid for the employee's benefit.

It is a good idea to include an employee's personal and annual leave balance on their payslip; however it is not a requirement.

The National Employment Standards (refer to page 17) outline the different forms of leave employees are entitled, including parental leave and related entitlements; annual leave; personal carers leave and compassionate leave; community service leave; long service leave; and public holidays.

Details about each of the 10 standards can be found on the Fair Work Ombudsman's website www.fairwork.gov.au/Employee-entitlements/national-employment-standards

Check the relevant award to see if there are any additional leave entitlements to those outlined under the National Employment Standards.

Keeping records

You should keep track of an employee's current contact details, qualifications, training and licences, and their medical requirements. This information is important to ensure you get the most from their previous experience, identify any training needs and ensure they have the appropriate qualifications to complete the required tasks. It can also be important in case of an emergency or in the event of a workplace health and safety matter where proof of suitable qualifications and licences are required.

Maintain up-to-date information on:

- appropriate records in case of emergency;
- any allergies or special medical needs;
- proof of qualifications, licences or training;
- a signed copy of any workplace agreements or contracts;
- evidence of a WH&S induction.

Compile records for each employee that includes their full legal name, commencement date, the basis of their employment such as full-time, part-time or casual, as well as their position description and record of performance reviews. In addition, pay, hours of work and all forms of leave records need to be maintained.

There are a number of records that are required to be kept:

- copies of tax file number declarations or withholding declarations;
- copies of any contracts or workplace agreements;
- records of wages, allowances and other payments made to employees;

- copies of payments and reports provided to the ATO;
- copies of payment summaries;
- superannuation records, including payments; and
- records of fringe benefits provided, tax calculations, worksheets, declarations and supporting details.

These records need to be kept in an accessible form for five years in accordance with ATO regulations, and Fair Work Australia requires certain records to be kept for seven years such as time and wage records.

Providing the Fair Work Information Statement

A Fair Work Information Statement needs to be given to every new employee when they commence work. If you don't provide the statement, you are breaching the National Employment Standards and may face penalties. The statement can be found on the Fair Work Ombudsman's website: www.fairwork.gov.au/employee-entitlements/national-employment-standards/fair-work-information-statement

The statement has information for employees about:

- the National Employment Standards
- modern awards
- agreements under the Fair Work Act 2009
- individual flexibility arrangement
- termination of employments
- the Fair Work Ombudsman and the Fair Work Commission.

What should be included in an induction?

Employee induction is a crucial process that informs the new employee about your expectations, business layout and operation, key safety procedures and introduces them to their co-workers.

TIP: Develop an induction procedure and checklist for your business.

The induction process should:

- introduce the employee to their manager and/or supervisor and provide information about their reporting requirements
- provide information about where their position fits into the farming operation, what their initial tasks will be, and what equipment is needed
- explain the employees role and responsibilities
- give practical details about the farm's policies and procedures including where to park, break times, work attire, protective equipment and payroll
- familiarise the new employee with machinery, equipment and the layout of the property(s)
- provide and discuss the workplace health and safety policy or manual and the specific procedures that apply to that employee
- provide and discuss the company policies, such as procedures for taking leave and so on.

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

TIP: Think of the induction period from the viewpoint of the employee, providing enough information so can join the team as productively and efficiently as possible.

Ensure employees sign off on each aspect of the induction checklist and keep it as a record to show they have been trained appropriately and have access to suitable assistance. Without signed evidences you have no proof that they have undergone any induction.

On-boarding

Working alongside induction, on-boarding is the process of getting new employees 'on board' the business as quickly as possible. It is a process to help them acclimatise to the farm and its culture and help them 'fit in'. On-boarding is often based around building relationships.

Figure 7. An example induction checklist.

Induction checklist			
Employee name:	Jack Tillage		
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 dated by both parties		

Adapted from: The People in Dairy, www.thepeopleindairy.org.au/recruitment/induction.htm

It is not a one-off event and may take up to a year or more. Consider holding social functions to introduce the employee to all the employees and contractors and link the employee with someone to mentor them. Provide clarity as to the business's purpose and long term goals, and then communicate how the new employee is part of that process.

TIP: Assign a key responsibility to give the new employee a greater sense of purpose.

An on-boarding process has a positive effect on employee productivity and commitment to the business for the long-term.

Where does Workplace Health and Safety fit in?

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

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

- consult with workers to implement WH&S programs
- provide a safe working environment at all times
- organise safe systems and procedures for work
- provide adequate information, induction, instruction, training and supervision to employees
- maintain safe conditions for work areas, machinery and equipment
- ensure the safe use, handling, storage and transport of plant and hazardous substances
- assess health and safety risks to employees and others in the workplace, and have effective risk control measures in place
- provide adequate facilities for the welfare of workers.

Each farm business should have a WH&S policy or manual that is discussed with new employees during the induction process. Furthermore, a checklist can be used to ensure that the appropriate information is covered when giving a safety induction. Table 8 provides an example WH&S checklist.

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

It is also a good idea to keep employee records of any certificates of operation for machinery, and required retraining or 'top-ups' and when they are due to take place.

Table 8. An example Workplace Health & Safety checklist.

- | | |
|---|---|
| <input type="checkbox"/> Explain when and how health and safety is addressed on your farm | <input type="checkbox"/> Explain to the employee what a Material Safety Data Sheet (MSDS) is and where to find them |
| <input type="checkbox"/> Explain the employer and employee roles and responsibilities for health and safety on your farm | <input type="checkbox"/> Detail the hazards on the farm and what controls are in place, ideally using a farm hazard map |
| <input type="checkbox"/> Explain what the employee needs to do in case of emergency, particularly for employees who work in isolation or in remote locations. | <input type="checkbox"/> Explain how employees are to report hazards |
| <input type="checkbox"/> Identify where the first aid kits are located and who has had first aid training | <input type="checkbox"/> Explain how employees are to report incidents or injuries |
| <input type="checkbox"/> Show the employee where the workplace amenities are located | <input type="checkbox"/> Ensure the employee has the skills and knowledge required to do the work |
| <input type="checkbox"/> Explain to the employee the rules for using machinery, equipment and vehicles on your farm | <input type="checkbox"/> Explain Personal Protective Equipment (PPE) is provided, its use, maintenance and storage |
| | <input type="checkbox"/> Explain to the employee the procedures for the safe use and storage of chemicals |

Adapted from: WorkCover NSW, Farm Safety Starter Guide.

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.

Refer to your state-based WorkCover or WorkSafe authority for specific details about the workers compensation scheme that applies to you.

Table 9. State or Territory WorkCover or WorkSafe authorities.

State or Territory	Authority	Website
Australian Capital Territory	WorkSafe ACT	www.worksafe.act.gov.au
New South Wales	WorkCover NSW	www.workcover.nsw.gov.au
Northern Territory	NT WorkSafe	www.worksafe.nt.gov
Queensland	WorkCover Queensland	www.worksafe.qld.gov.au
South Australia	WorkCover SA	www.workcover.com
Tasmania	WorkCover Tasmania	www.workcover.tas.gov.au
Victoria	WorkSafe Victoria	www.worksafe.vic.gov.au
Western Australia	WorkCover WA	www.workcover.wa.gov.au



Employee performance and development

Investing in the development of your employees and understanding their needs is mutually beneficial. Employee performance and development includes the use of training, feedback and employee reviews to build an effective farm workforce with trust and loyalty.

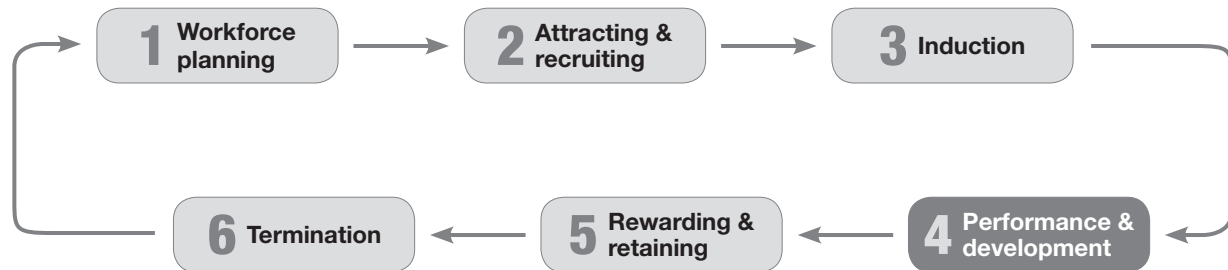


Figure 8. The fourth step in the employment lifecycle is employee performance and development.

How should I provide feedback to employees?

There are many ways to provide feedback to employees. There should be no surprises when you provide feedback to an employee if you are consistent about the competencies and attitude required in your business. You should articulate your expectations early and frequently, and provide regular feedback throughout the year as tasks are undertaken.

In addition, a probationary review should be conducted with new employees at the end of their probationary period. Structured feedback is also delivered to all employees during an annual performance review.

TIP: When providing feedback, you should consider the content, manner, timing and how often it is delivered.

Constructive feedback

Keep in mind the difference between positive, negative and constructive feedback. Providing clear constructive feedback is important for an employee's development and should focus on observations of behaviour and task or work related activity. Avoid vague, generalised and judgemental statements and be particularly careful not to focus on individual's personal characteristics.

It is important to recognise efforts well done as well as identify areas for improvement. If someone has completed a task well give them the feedback.

Sometimes it can be beneficial to use a third party to conduct reviews. This can be useful if you feel uncomfortable with the process or want to get feedback from the employee to improve the business and your management skills.

Minimum employment period

When you hire a new employee there is typically a probationary period applied. This is an internal period that provides a timeframe for the employee's initial development and assessment. During the probationary period, you have the opportunity to closely observe, train, supervise and assess the new employee to see if they are suitable for the position and your business. The new employee also has the same opportunity to assess their position in the business and decide if the position is right for them.

To get the best out of the probationary period, it is up to you and/or the manager to work closely with the new employee.

TIP: Specific probationary period details should be discussed during the interview process and then outlined in the employment agreement.

Employees are still entitled to pay, leave and notice of termination as outlined under the NES or relevant award during their probation or minimum employment period.

Don't wait until the end of the probation period to assess performance and give feedback to an employee. Ensure

Did you know?

Under legislation, the Fair Work Act no longer refers to a 'period of probation' but outlines a 'minimum employment period'. Either party can end the employment agreement for any reason in the minimum employment period, regardless of whether the employee is subject to a probationary period. An employee can only make an application for unfair dismissal after they have completed the minimum employment period.

The minimum employment period is either:

- six months for businesses employing 15 employees or more, or
- 12 months for a small business employing less than 15 employees.

TIP: An employee cannot be dismissed unlawfully or for discriminatory reasons at any stage during their employment, even in the probation or minimum employment period. For more information on unlawful dismissal refer to the 'Termination' section of this guide (page 69).

that feedback is provided regularly throughout this period. Feedback can be both formal and informal, but needs to be delivered as close as possible to observing the behaviour.

A review at the end of the probationary period provides you with an opportunity to formally discuss the initial employment period with the new employee and highlight any areas that may need to be addressed. If you are not satisfied with the performance or have concerns about the employee, write it down, even as a diary note, so you can refer to it later if needed.

The focus and attention should be clearly on the review and getting the best outcomes for the employee and your business. While strict formality is not always required, it is advisable to have some structure and schedule for these reviews. Allocate a specific time and appropriate place well in advance to ensure an uninterrupted and calm atmosphere.

Some examples of topics that can be covered during a probationary review include:

- communication
- expectations and deliverables
- record-keeping
- planning and follow through
- workload
- training
- time and priority management
- attention to detail.

Details of the probationary review should be documented, with any specific outcomes confirmed and agreed to by both parties. There may be a variety of outcomes and recommended actions depending on how the employment arrangement is going; some of these are outlined in Table 10.

Table 10. Possible outcomes and actions at the end of the probationary period.

How is it going?	Recommended action
The new employee is great and fits in well. They can, or have the potential to, clearly fill the position.	Let the employee know they are doing well and if things continue as they are you intend to confirm their contract at the end of the probationary period
The new employee fits in well and has a good attitude to work, but they have some deficiencies in skills or knowledge.	<p>Tell the employee that you would like to keep them on at the end of the probationary period, on the understanding that they do some training to up-skill in some areas.</p> <p>This may be possible in the existing contract, or alternatively you may wish to make a change to the contract.</p>
The new employee fits in well and has a good attitude to work but just doesn't seem to have the attributes or skills required for the position.	Reconsider your whole farm needs. Can you re-organise things so they can do different tasks, with someone else doing some of the tasks the new person can't manage? Discuss this with the new employee and with other employees before making any decisions. A new contract may be needed, and it is time to conduct a position analysis.
It has all been a bit of a nightmare. The new employee has not fitted in or has bad work attitudes and hasn't shown any interest in trying to improve.	<p>If you have given the person a fair chance and offered reasonable support then you should be within your rights to dismiss the person, as long as it is in the minimum employment period.</p> <p>Notify the new employee verbally at the time of the review that they will not be kept on and confirm it in writing.</p>

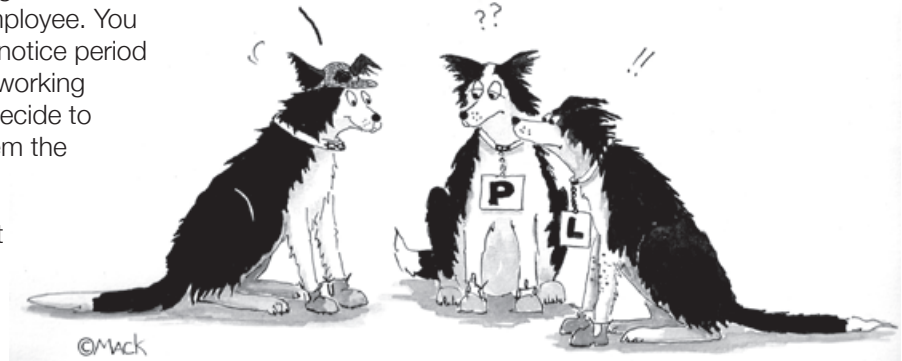
Adapted from: The People in Dairy, www.thepeopleindairy.org.au/recruitment/probationary-period.htm

If you decide to dismiss the employee by the end of the probationary period, they should be notified verbally and in writing. Being on probation does not change the amount of notice an employer needs to give an employee. You are required to give a minimum of 1 week notice period for permanent employees that have been working with you for less than one year. You may decide to pay out the employee instead of giving them the required notice.

An employee is also entitled to be paid out any annual leave that has accumulated during the probationary period.

More information can be found in the 'Termination' section of this guide on page 69.

"A little more training is needed but
you are showing real skill with the crossbreds
and your bark is just right with the merinos"



Annual reviews

Structured performance reviews should be conducted on an annual basis, with less formal discussions taking place on a more regular basis. These reviews are an opportunity for two-way feedback between the employer and employee.

The purpose of the annual review is to increase performance and productivity by improving communication, establishing goals and discussing past performance. Employees often perform better when they understand how their employer views their work, knowledge and skills, and they are more likely to initiate honest communication about goals and position related issues. It should be a fulfilling experience for both the employer and employee.

TIP: A benefit of regular reviews is that they can raise individual self esteem and add value to the relationship between the employee and employer.

Reviews provide a forum for giving and receiving feedback and discussing how the employee and the business is going. The focus should be clearly on the review and getting optimum outcomes for the employee and the business.

The position description, roles and responsibilities provide a basis for the review process.

A successful review:

- encourages open communication between employees and employers
- focuses on observable behaviour and performance
- documents employee growth and development needs as well as their achievements
- supports analysis and decisions about remuneration and training, and
- provides feedback to the employer.

It is very important that the employee is engaged throughout the feedback and review process. A preliminary questionnaire completed by both parties prior to the review can help the employer and employee reflect and prepare to discuss their position and performance. It provides a way to identify any issues or practices that need to be rectified or addressed. These can be issues an employee is concerned about and the employer needs to action, as well as the other way around. The questionnaire is a good way to get the employee talking early in the review and to understand their perspective.

There are a number of tools available on the internet that can be used as a guide or template. Notes should be taken during the review and reported back to employees with agreed outcomes. Some useful search terms include 'annual review template', 'annual performance review template', and 'employee annual review form'.

Some employers prefer to have a third party facilitate these reviews to ensure they are independent and well balanced.

There are four key topic areas that can be used to promote discussion and interaction during an annual review:

- personal aspirations such as short and long term goals, skills training and development
- personnel management such as relationships with other employees
- business management such as business review and outlook, philosophy and processes
- employment conditions such as position descriptions, workplace health and safety, work hours and work environment.

How should issues be resolved?

It can be confronting to deal with workplace issues, particularly when employing people is a new experience. When issues or disputes need to be resolved, remember that open and honest communication is imperative. Resolution should work towards solving the problem and maintaining a healthy working relationship for everyone involved.

Conflict or disputes can take place between employees, as well as between an employee and employer. They often relate to wages, awards and agreements, harassment and discrimination. Some other examples of issues managers may need to resolve include:

- conflict between employees
- issues with employees unsatisfactorily completing tasks
- employees arriving to work late or not 'pulling their weight'
- unclear authority to make decisions about tasks.

Managing conflict

It is inevitable that conflict will arise at some time, however, it is important not to take it personally. Managing conflict and solving problems should be approached with a positive mindset and handled constructively. Discussing issues openly, and learning to negotiate, compromise and develop alternatives can help you and the team work through problems.

To encourage a healthy, positive workplace it is important for issues to be dealt with as they arise. Resolving issues quickly prevents them from escalating. Issues can vary in their complexity, some may be quite simple while others might be more sensitive or require a strategic approach. The process should be fair, handled sensitively and be transparent, and can often be resolved with a discussion between the parties involved.

With employee clashes or friction, separate discussions with individuals involved can help resolve the situation.

Remember to:

- take the time to understand the different personalities and working styles in the team
- adapt your leadership style to suit the situation
- provide clearly defined roles and responsibilities to employees
- communicate effectively with the team
- reinforce team values during meetings.

Define conflicts and problems in terms of needs, not solutions. Focus on addressing the cause of the conflict, not the symptoms. Individuals often disagree about the right solution, but will usually agree on what is needed and can discuss and consider the issues and options.

Principles that help people manage conflict:

- Have a discussion to bring the issues into the open. Talk about the facts, not the person, and help the individual to define the problem in specific terms.

- Develop an understanding of what is happening and why before attempting to resolve the situation. Ensure each person listens to the other, and respects the other person's point of view even if they don't agree with it.
- Deal with the facts and also acknowledge emotions, don't be critical or dismissive.
- Stay calm, especially when dealing with employees who feel they have been dealt an injustice. Most people will calm down if you give them time.
- Frequently summarise the situation and obtain information on the thoughts and feelings of employees.
- Help identify areas of agreement and establish a commitment to work together.
- Review the progress, plan ways of following through and identify issues to monitor that are likely to be effective.

Adapted from: Dairy Australia's People in Dairy

Disputes can sometimes escalate and if they cannot be resolved internally, the resolution clause in the modern award or employment agreement should be followed. The clause will generally outline that an employee should meet with their more senior management to discuss the grievance, and if it cannot be resolved it should be escalated higher in the business, or referred to the Fair Work Commission. At this point, the employer or employee can appoint another person, organisation or association to represent them.

The general steps for dispute resolution:

1. Try to resolve the issue or dispute in the team. The matter should be discussed between the employee and their direct supervisor.
2. If the conflict is not resolved in step one, the matter should be discussed further with more senior management where applicable.
3. If the conflict remains unresolved, an independent person should be appointed to help. The first step for the independent person is to try to help both sides reach an agreement. The mediator must be neutral, make no proposals and offer no advice. Their role is to help the parties talk through the issue and find a mutually agreed solution.

4. When everything else has failed, the parties can, together or individually, refer the matter to the Fair Work Commission or some other independent person to settle the dispute.

The employee is required to work as usual while the dispute is being resolved unless there are reasonable concerns about workplace health and safety or there is no other work available.

Performance based issues

If the issue is performance based, try and identify why the employee is not performing to your expectations, and rectify. If the problem is skill based, training might be a solution.

If the issue is around conduct or performance concerns then you can provide a written warning to the employee. More information on the warning process can be found in the Termination section of this guide, on page 69.

In some instances, when there is significant work pressure, employees may revert to drugs to attempt to stay awake and prevent burnout. It pays to be mindful, particularly during peak work periods, of changes in behaviour and the dangerous impact drugs, alcohol and fatigue can have in the operation of farm machinery, vehicles and other equipment. These are prime examples of when you need to act swiftly and decisively.

Workplace bullying

As an employer you need to appreciate the significance of workplace bullying. For example when a new, often younger, person joins an established team, workplace bullying has the potential to be an issue. It is characterised by unwelcome, persistent and repeated negative or aggressive behaviour that creates a risk to health and safety.

Workplace bullying can be verbal, physical, social or psychological abuse by an employer, a manager, or work colleague.

As an employer you have a legal obligation to prevent workplace bullying. If you need help to respond to workplace bullying, contact the relevant workplace health and safety body or farming federation in your state.

TIP: Outline your bullying policy to all employees, letting them know what is acceptable and unacceptable behaviour in the workplace.

Should I provide training and personal development opportunities?

Training and personal development opportunities can be embraced to up-skill and keep employees engaged at work.

TIP: Identify with the employee if they have any career or development goals and how they can be met.

External training and stimulation provides an opportunity for the employee to learn new skills and bring ideas back to the farm business. In addition to accredited training courses, there are a number of other relevant external training opportunities such as field days, crop walks, GRDC Updates and so on. External training opportunities should be assessed closely to ensure they are relevant.

For upcoming training and development opportunities, keep in touch with your local farming systems group and refer to GRDC's events page: www.grdc.com.au/Media-Centre/Events.

Other reference points are Rural Skills Australia: www.ruralskills.com.au and Agrifood Skills Australia www.agrifoodskills.net.au

On-the-job training and instruction is often undervalued, however it can be extremely useful when delivered well. Remember to provide opportunities and time for this to occur.

Teaching and coaching new employees can be difficult and requires thought. Refer to GRDCs 'A Guide to Communication for Farm Families' for insights into different personality and learning styles: www.grdc.com.au/Resources/Publications/2011/03/A-Guide-To-Communication-For-Farming-Families

Rewarding and retaining employees

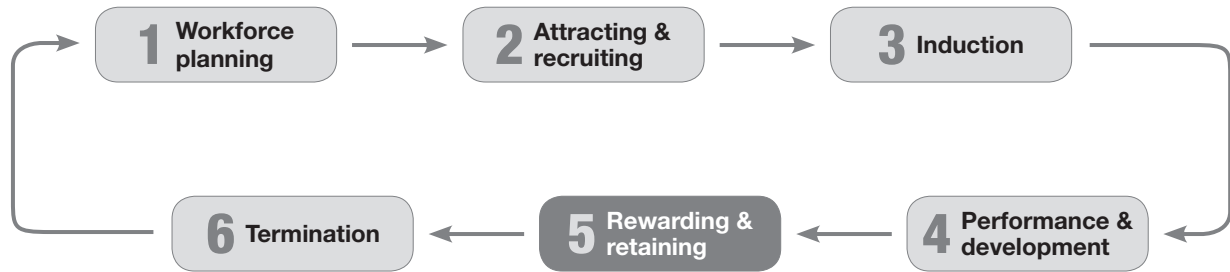
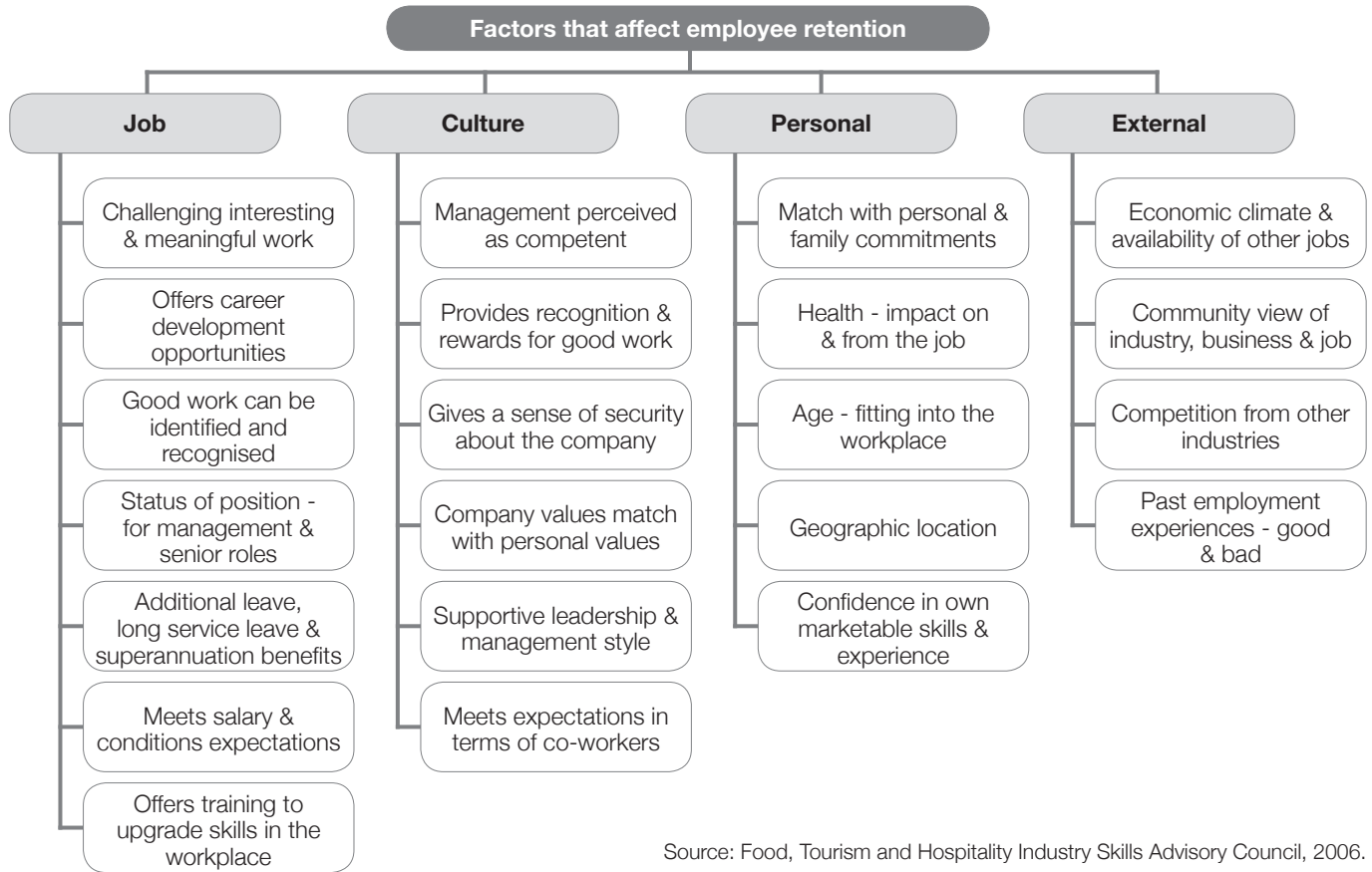


Figure 9. The fifth step in the employment lifecycle is rewarding and retaining employees.

Retaining employees

Retaining employees that have a good fit with your farm business should be a priority. When employees leave, knowledge and skills are lost which can be extremely difficult and costly to replace. In addition, the time it takes to replace the employee impacts on productivity. Look to identify things that you can do to keep employees for a reasonable period of time. It is a good idea to have some deliberate actions to encourage people to stay. This applies equally to family members that work on the farm.

Figure 10. Why people choose to stay.



Source: Food, Tourism and Hospitality Industry Skills Advisory Council, 2006.

There are many reasons why an employee stays in a business, see Figure 10. The reasons generally relate to four main areas:

- position
- business culture
- personal
- external

Consider how you can have a positive impact on these factors for each employee and create a satisfying workplace. Each individual will have different priorities, which may vary at different life stages. Satisfied employees are likely to:

- know what is expected from them each day
- have quality supervision
- be able to speak their mind freely without repercussions
- use their existing skill set regularly in their workplace
- regard their workplace as fair.

Employees are more likely to stay working on farms when they:

- have work that is stimulating
- have a fair salary package and other appropriate non-financial benefits
- are valued by others in the team
- have a work-life balance they perceive as reasonable
- have active support for ongoing education, training and development
- are confident that difficult situations are able to be resolved and that managers will address relationship and performance problems for the good of the team

- have a safe workplace
- have a career path.

Source: The People in Dairy, www.thepeopleindairy.org.au/individual-performance/retention-strategies.htm

TIP: As an employer there are things you can do to keep valued employees in the business beyond their base salary.

Providing opportunities for employees to connect with the community and develop a social network locally can also help them feel more satisfied overall and therefore less likely to look elsewhere.

The reality is that younger generations tend to change positions more regularly. This generally happens while they are free from commitments. They may decide that it is just time for them to move on and try something else, and it may not be position-related at all. The challenge is to celebrate when someone moves beyond your business. When an employee leaves a business with a positive view they will often share their positive experiences with others. In addition, they may return to your business for another role later on, bringing increased experience and knowledge that can further enhance your business.

Rewarding employees

There are a number of different ways to recognise and reward the contribution an employee makes to your farm business. Doing so is important for retaining employees. These actions do not need to break the bank, and should aim to provide some recognition of effort and value that an employee has contributed throughout the year.

Recognition

This is by far the easiest, cheapest and most important way to reward employees. Most employees are happy to be involved, do the extra hours and see a successful seeding or harvest. Although part of their position expectations, it is important to recognise and acknowledge their involvement.

Also acknowledge when someone has gone above what is expected of them, when someone has outperformed others, or has improved their performance. Actions and attitudes that are acknowledged and rewarded will define the culture of the workplace.



A trip to town can boost morale

TIP: Celebrate success and acknowledge business or personal achievements, for example, have a barbecue or a meal out with the team.

Thank You

These words are surprisingly rare in a lot of businesses, yet they can mean the difference between someone feeling appreciated or not. You can easily praise a job well done.

Bonus payment

A monetary payment can also show appreciation and reward effort. Bonuses can raise motivation and help retain employees when they are well defined and achievable. You can set out a clear bonus system based on production or performance. For example, these may be linked to farm production, profit, quality or marketing targets.

Note. Tax payments and superannuation contributions are payable on any bonus payments, regardless of what you call them. They are deemed to be performance related and therefore tax related.

Salary increase

A permanent salary increase is another way of recognising outstanding performance. It may also be related to and acknowledge an increase in responsibility. Any increase should be in line with your budgeting process. It is recommended to keep salary reviews separate from performance reviews. It is difficult to inform an employee of excellent performance yet not give a salary rise. Conversely, you should not heavily criticise performance then give a pay rise because it sends mixed messages that promote underperformance.

Time off in lieu

An employee may be provided with the opportunity to take time off, for the overtime worked. This time is taken at the normal hourly rate, not at an overtime rate.

Innovate

There is no law stopping you from thinking outside the square. Employees have interests outside of farming that could give you some ideas. How about providing a weekend away with their family to a beach resort? Or movie passes? Or

why not gift a V8 joy ride?
This personal approach goes a long way to showing appreciation for an employee as a person, not only a worker. Keep in mind that fringe benefits tax may be payable on innovative type rewards.

Allowing time off for employees to attend school or sporting events is another way to show they are valued. Offer social or team building opportunities that also involve employees' family members, contractors etc, and acknowledge personal milestones such as birthdays, births and workplace anniversaries.

If you get it right, life can be good



TIP: Be consistent and fair with rewards to ensure they do not generate resentment among employees.

Motivating factors

Employees that are motivated and engaged in the work they are doing are more likely to be retained. You should try and understand what motivates your employees. This can be different for each individual. There can be many factors that motivate an employee, including the type of work they are doing, flexible work hours, new challenges, reaching targets, and developing a career path.

Termination

Employees may leave your business because they have chosen to resign, been dismissed, or their position has been made redundant. In each case it is important to manage this stage of the employment lifecycle carefully to avoid misunderstandings that could trigger unnecessary legal or industrial action.

Each situation varies slightly and as an employer you should consider how to make the process as smooth and conflict free as possible. Approach this stage of the employment lifecycle logically and be as reasonable and rational as possible.



Figure 11. The sixth step in the employment lifecycle is termination.

TIP: Manage the exit process to prevent it becoming a negative experience for both you and the employee.

There are laws around the termination of an employment arrangement or contract. These laws establish whether the termination was unlawful or unfair, what the employee's entitlements were at the end of their employment, and the requirements around redundancy dismissals. For detailed information, visit the Fair Work Ombudsman's website: www.fairwork.gov.au/termination.

By understanding your legal requirements you can approach this stage with clarity and confidence.

TIP: Understand and always apply your legal obligation around termination. Train any managers about these obligations and processes.

What happens if the employment arrangement is not working?

Think about the reasons why the current arrangement is not working, and whether there is something you can do to remedy the situation.

There are many reasons why the relationship might not be working out, and they may be different for the employer and the employee. In some instances the employer may want to resolve the issue(s) and try to retain the employee. In other cases the employer may want to dismiss the employee because of consistent under-performance or serious misconduct. Sometimes the employee is the one who chooses to leave.

The reason an employee may not be 'working out' generally fits into one of the following areas:

- **Unclear position objectives and deliverables:** Are they clear about the objectives and priorities of the role and what they need to be achieving?
- **Unclear expectations of behaviour:** Are they clear about what is expected of their behaviour?
- **Time:** Do they have enough time to complete the tasks you are asking of them?
- **Tools and equipment:** Do they have the right tools and equipment to do the job to a standard you expect?
- **Personality:** Do your personalities clash?
- **Skills:** Do they have the appropriate skills to do the work that is required of them?
- **Communication:** Is your communication clearly understood? Do you listen and understand what your employee is telling you?
- **Personal reasons:** Do they have family commitments taking them away from the district?



The good news is that you can usually clarify objectives and expectations and fix the areas of time, tools and skills if you want to retain the employee. Be proactive and talk or schedule a meeting to discuss your concerns. This should be followed up to monitor the employee's progress.

More information about resolving conflict can be found in section four 'Employee performance and development' on page 50. However, if you are not getting the required outcome, you may end up deciding to terminate the employment agreement. This can be done with confidence if you follow a fair process and have a valid reason for the termination.

The loss of skills and experience when an employee leaves your business is unfortunate, however it provides an opportunity to refresh the culture and bring in different skill sets.

Types of termination

Resignation

An employee must give notice of their resignation according to the relevant award or as stipulated in the employment agreement. If the employee does not give notice, the employer can deduct pay from the termination payment for the shortfall in notice.

When an employee resigns they are entitled to the annual leave they are owed and if they have been employed for a number of years they may also be entitled to accrued long service leave.

Table 11. NES notice periods require an employer to provide a permanent employee at least the following notice.

Period of continuous service	Notice period
Not more than 1 year	1 week
More than 1 year, but not more than 3 years	2 weeks
More than 3 years, but not more than 5 years	3 weeks
More than five years	4 weeks

Source: Fair Work Ombudsman,
www.fairwork.gov.au/ending-employment

Note: If the employee is over 45 years of age and has completed at least two years' continuous services they are entitled to an extra week of notice.

Dismissal

You can dismiss an employee if you have a valid reason. The reason needs to be performance based, related to conduct or changes to the requirements of your operation.

As an employer you are required to provide the employee with written notice of their dismissal in line with the NES or the relevant award. You can choose to pay out the notice period instead of the employee working that time.

Small businesses with less than 15 employees should comply with the Small Business Fair Dismissal Code to ensure that the termination process is fair. The Small Business Fair Dismissal Code can be found on the Fair Work Ombudsman's website: www.fairwork.gov.au/ending-employment/unfair-dismissal

Instant dismissal

You should only dismiss an employee without notice if they are guilty of deliberate and serious misconduct. Instant dismissal should be reserved for the most serious cases of misconduct.

Serious misconduct could be:

- theft
- fraud
- assault
- being intoxicated (drugs or alcohol) at work
- refusing to do something lawful and reasonable that is part of the position
- deliberate behaviour that poses a serious or imminent risk to workplace health and safety.

Accurate records should be kept detailing what occurred in the lead up to the dismissal. You need strong evidence to substantiate any allegation and the more serious the allegation the stronger the evidence needs to be. This information can be used to help defend your position if unfair dismissal action is taken by the employee.

TIP: Notice is not required in cases of serious employee misconduct.

If you have allowed similar behaviour to occur in the past without taking any action, the misconduct cannot be used to justify the dismissal. In this case, you should use a written warning procedure before dismissing the employee with notice if there is no improvement. This excludes criminal behaviour, where you have every right to dismiss an employee instantly without notice.

Redundancy

A position becomes redundant when you decide that the position an employee has been doing is no longer needed. In other cases, fewer employees may be needed to in particular positions because of changes to the business's operational requirements. For example, the position may have been replaced by technology or restructuring.

TIP: You cannot make a person redundant because they are not a good worker. Genuine redundancy is where the position is no longer required.

Employees may be entitled to redundancy benefits depending on the size of the business and length of their service. Visit the Fair Work Ombudsman's website for more information: www.fairwork.gov.au/ending-employment/redundancy

Dismissal process and procedures

If you are a small business (fewer than 15 employees) and are going to dismiss an employee for underperformance or misconduct you should follow the Small Business Fair Dismissal code. The Code is not compulsory but it provides an easy to use checklist to help you comply with fair dismissal regulations.

TIP: Where there is an unfair dismissal claim, the Fair Work Commission will take into account whether, as a small business, the employer has followed The Code.

There are a number of areas that you should be familiar with if you are going to dismiss an employee due to underperformance or misconduct, Table 12. Make sure you highlight the performance and behaviour standards you expect from your employee right from the beginning, and have identified and addressed any issues with that employee along the way.

The employee should be given written warnings that are documented and kept on record. A written warning should:

- clearly identify the problem and indicate the areas that you expect the employee to improve
- state that dismissal might occur if the problem continues or performance doesn't improve

- set a time in the near future to review the employee's performance or behaviour.

If improvements don't take place, you will need to provide the employee with a written termination of employment letter in person. The letter should:

- outline the reasons for termination
- specify the notice period or if the employee will be paid in lieu of that notice
- advise the employee of their last day of work.

TIP: Keep comprehensive notes about all performance and termination discussions. Make sure the notes are accurate and include relevant work related information. Do not use defamatory, discriminatory and demeaning language, in person or in writing, emails or text messages.

Exit interviews

An exit interview provides a good opportunity to find out why an employee left your business and will enable you to get some feedback about the business and employee management.

Table 12. An example dismissal process for under performing employees.

1.	Clearly warn the employee, preferably in writing, that they are not fulfilling the position properly and have to improve their conduct or performance, or otherwise be dismissed.
2.	Provide the employee with a reasonable amount of time to improve their performance or conduct.
3.	Offer the employee any support, training or skills development opportunities.
4.	Monitor the employee for any improvement and provide feedback on performance.
5.	Before dismissing the employee, tell them the reason for dismissal and give them a chance to respond.
6.	Keep records of warnings made to the employee and of any discussions on how his or her conduct or performance could be improved.

Adapted from: Small Business Fair Dismissal Code,
www.fairwork.gov.au/ending-employment/unfair-dismissal

Think about who is best placed to conduct an exit interview. It is unlikely that you will get honest feedback if the direct supervisor is conducting the interview. Make sure that you get positive as well as negative feedback so that you have useful information for retaining good employees in the future.

TIP: Ask questions about their satisfaction with the initial induction process, and whether they have any feedback for improvement.

Final pay and entitlements

When an employee stops working for you, according to the ATO, you must:

- make any final PAYG payments
- send a payment summary to the employee
- retain the employee's TFN declaration for the current and next financial year
- include the details of any final payments made to the employee in your PAYG payment summary statement
- keep the necessary PAYG withholding records.

The final pay must include:

- remaining wages, including allowances and penalty rates;
- pay for any annual leave that hasn't been taken and annual leave loading if applicable
- pay for any long service leave that hasn't been taken
- redundancy pay entitlements if applicable
- payment in lieu of notice if applicable
- superannuation (note. a lump sum termination payment does not attract superannuation)

Unfair and unlawful dismissal

Unfair dismissal

An unfair dismissal refers to a situation where there was no valid reason for dismissal, or the termination process used by the employer was harsh, unjust or unreasonable, the employee was not given a fair go, or in the case of a redundancy, it was not genuine.

Employees can only make a claim for unfair dismissal after they have been employed for the minimum employment period. This period is 12 months for a small business that has fewer than 15 employees, or six months for employers with 15 or more employees.

TIP: Use the Small Business Fair Dismissal Code to make sure you don't unfairly dismiss an employee.

Unlawful dismissal

It is unlawful to dismiss an employee for reasons based on discrimination, such as:

- race, colour, sex, sexual preference, age, physical or mental disability, marital status, family or carer's responsibilities, religion, political opinion, or social origin;
- temporary absence from work because of injury or illness. An employee can be absent for up to three months with medical certificates if they are not on paid sick leave;
- maternity leave or other parental leave etc;
- temporary absence from work for a voluntary emergency management activity, if reasonable; or
- trade union membership or activities or non membership of a trade union or acting as an employee representative.

For more information on unlawful dismissal of employees visit: www.fairwork.gov.au

Checklist

Workforce planning checklist

Before you employ someone, check that you have:

- ☐ considered the responsibility and resources required to employ and manage someone?
- ☐ prepared a written position description?
- ☐ determined if you are planning to employ a full-time, part-time or casual employee or an independent contractor?
- ☐ determined whether the position is covered by an award or not?
- ☐ decided the terms and conditions of employment, rate of pay, and what will be included in the total remuneration package?
- ☐ registered for PAYG withholding tax?

Attracting and recruiting checklist

Have you:

- ☐ thought how and who will handle the recruitment process, such as responding to phone calls and returning emails?
- ☐ worked out how and where you will advertise to attract the most suitable person for the position?
- ☐ set up key selection criteria for evaluating the potential employees during the interview process?
- ☐ checked your preferred potential employee's qualifications?
- ☐ confirmed that they have a valid visa to work in Australia if they are from overseas?
- ☐ sent a letter of offer to your preferred potential employee?
- ☐ contacted unsuccessful potential employees, once your preferred candidate has accepted?
- ☐ prepared the employee tax basics such as superannuation and TFN detail forms and the Fair Work Information Statement.

Induction checklist

- ☐ Are you familiar with your obligation when you employ someone new?
- ☐ Does the new employee have a copy of the Fair Work Information Statement?
- ☐ Have you set up a file to keep up-to-date records for the new employee?
- ☐ Has the new employee been introduced to the business using an induction process, and have you kept a record of this?
- ☐ Do you have a process for ensuring the new employee is 'on board'?
- ☐ Have you discussed your Workplace Health & Safety procedures and processes with your new employee, and have you kept a record of this?

Performance and development checklist

- ☐ Are you clear on the types of competencies and behaviours required in your business and are you communicating and reinforcing them?
- ☐ Are you comfortable providing regular formal and informal constructive feedback to employees?
- ☐ Are you closely supervising, training and assessing the new employee to see if they are suitable for the position?
- ☐ Do you conduct annual performance reviews?
- ☐ Do you have a process identified to resolve workplace issues?
- ☐ Have you identified training opportunities that would benefit your employees and your business?

Rewarding and retaining checklist

- ☐ Do you recognise and reward employees to keep them motivated and reduce turnover?
- ☐ Do you know how your employees feel about their position and workplace culture?
- ☐ Are you saying thank you?

Termination checklist

- ☐ Have you followed the small business fair dismissal code and checklist if you employ less than 15 people?
- ☐ Have you collected things such as keys, phones, documents, fuel cards and so on from the employee?
- ☐ Have you asked the employee to notify you if they change address before the end of the financial year so you can forward their annual payment summary.
- ☐ Have you got a safe place to keep any records relating to the employee? Records should be kept for seven years from the date of the record or document, rather than seven years from the individual leaving the business.
- ☐ Do you have a written termination or resignation letter?

PART TWO

Case studies



Part Two: Case studies

A series of cases studies are presented in Part Two of this guide. The case studies have been drawn from the real life experiences of farming families.

Each case study includes:

- a summary of the situation
- a genogram representing the farming family
- each members role in the farm business and their expectations versus reality
- key lessons learnt
- final comments from the family members.

The case studies focus on the experience of different family members and their key learnings. They are designed to encourage readers to think about their own experiences.

The case studies do not necessarily reflect the views of the authors or any of the experts who have contributed to this publication. They are not designed to provide solutions.

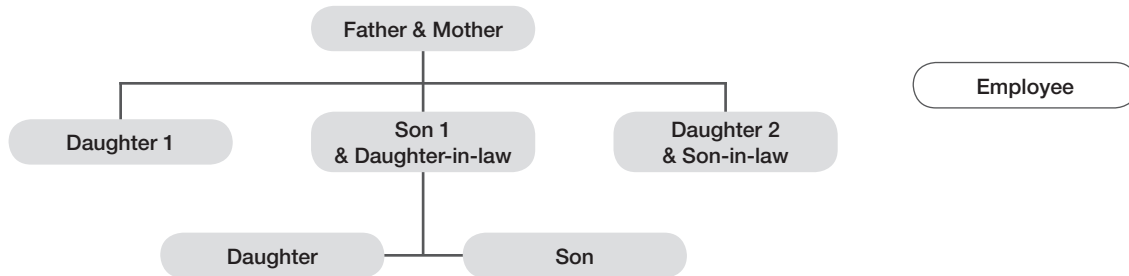
We would like to acknowledge the generosity of the families involved for giving us an insight into their experiences employing farm labour.

Case Study 1

Employing a non-family member for the first time

Situation summary:

This farm business was looking to employ someone with a skill set similar to the father as he moved into semi-retirement. The son and daughter-in-law had started their own family. The business was ready to expand but the view was they couldn't manage more land without more labour resources. Neither daughter is involved in the farm business. They decided to employ a full-time employee.



Who	Role in farm business	What they thought would happen	What is happening
Father	Semi-retired	Looking forward to reduced workload	Enjoyed the first 12 weeks then became frustrated with the situation
Son 1	Full-time	It would be good to have someone on board with similar skills to father	Found the employee overlooked important details
Daughter-in-law	Does the books for the farm and is employed off-farm as well	It would be a learning curve in terms of the HR side of things, looking forward to husband spending more time with young family	It was great because Son 1 started having weekends with the family for the first time and it brought some structure to the week
Employee	Full-time	Looking forward to a change and the freedom of the farming lifestyle	Wasn't sure who the boss was and found it difficult to deal with the constant conflict

Lessons learnt:

- They liked the employee as a person and in a social environment they were friends, but their **work values** didn't align and so the relationship became strained.
- The right **attitude** and similar values towards work were most important to them in an employee.
- They were prepared to **train and up-skill** the right person in the end if they took pride in their work and had attention to detail.
- They wanted someone with **initiative and drive** to take the role to the next level, rather than someone who was there just to do the bare minimum.
- Needed to **manage different people** in different ways. Some employees need someone to push them along every step of the way, while others pick up on the vibe and adapt to the workplace.

Final comment:

Who	Comment
Father	I can see the benefit of employing someone so I have the freedom to do what I want, when I want
Son 1	Communication is the most important thing, you have to be up-front about your expectations
Daughter-in-law	There's a lot involved when managing different personalities

Case Study 2

Employing a non-family member as a manager

Situation summary:

The daughter and son-in-law decided to return to off-farm work. While a number of casual employees are involved in the business, the father and mother decided to employ a full-time manager to run the farm's livestock enterprise.



TO BE JUST LIKE US



BUT MAYBE A BIT DIFFERENT



BUT BE EASY GOING



BUT WITH LOTS OF GET UP AND GO



BUT CAN FIT IN WITH US



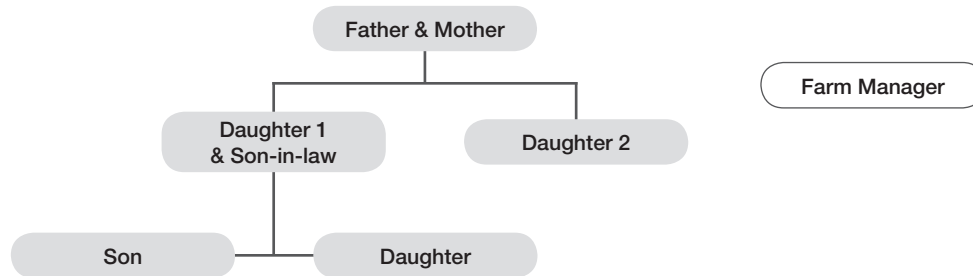
BUT CAN CHALLENGE OUR VALUES



BUT FUN TO BE WITH



BUT WITH NEW SKILLS



Who	Role in business	What they thought would happen	What is happening
Father	Full-time	Employing someone 'a bit older' would mean they were more responsible and had a better work ethic	Employee over exaggerated his knowledge and experience and was getting casual employees to do qualified work
Mother	Full-time	Looking forward to having the pressure taken off her husband	Employee doesn't get along with the rest of the team including our external contractors
Daughter 1	Previously part-time	Parents would find someone with the skills to do a good job and be able to step back a bit	Mum is stressed about the relationships between the employees
Son-in-law	Previously full-time	Changing jobs would give me more time to spend with young family	Feel guilty because it hasn't worked out as planned for parents-in-law
Farm Manager	Full-time	Job sounded ideal, looking forward to working in a team with other employees	Expectations weren't clear from the beginning, the hours are too long and the other employees are impossible to work with

Lessons learnt:

- Don't rely on word-of-mouth referrals. We now request **current references** for prospective employees and contact each of them.
- Have a **written position description** outlining the manager's role and responsibilities. Make sure everyone is clear about expectations from the start.
- Find out up-front if the employee is happy to **take full responsibility** for their work before determining the type of work to delegate, otherwise it can create a stressful work environment.
- It can be difficult for someone to join an established family team, especially as a manager. The **induction process** is really important to make sure there is good communication between everyone upfront.

Final comment:

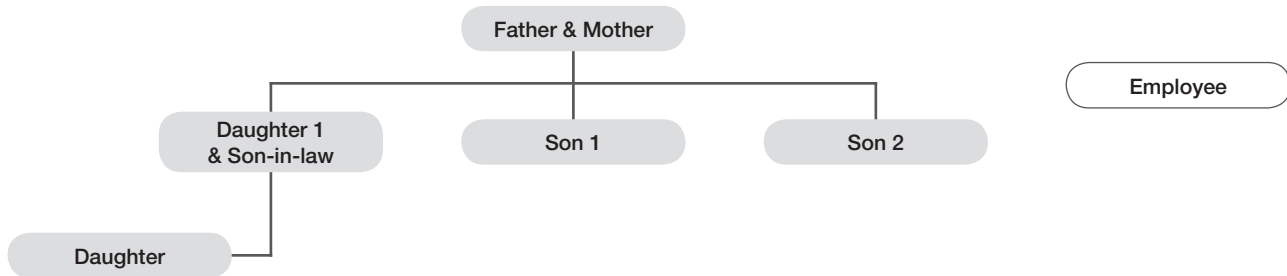
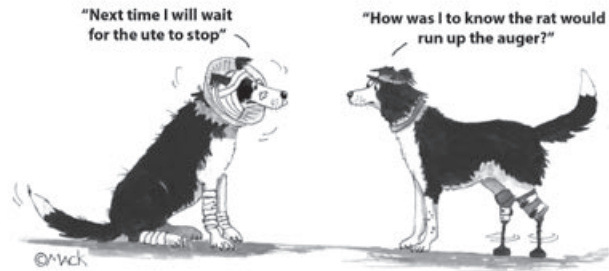
Who	Comment
Father	Check out the person thoroughly rather than just saying 'welcome aboard'
Mother	It's hard enough to manage individual personal issues let alone everyone's relationships in the team
Daughter	It's easy to forget that not everyone has the same attitude to working, especially if they're not one of the family or don't have a vested interest in the farm
Son-in-law	Find the right balance between family commitments and work

Case Study 3

Workers compensation claim

Situation summary:

The family employed someone full-time who ended up on workers compensation in the first three months of starting the job. The work cover claim carried on for well over one year, even though the employee didn't return to work with them. They ended up terminating the employment agreement.



Who	Role in farm business	What they thought would happen	What is happening
Father	Full-time	The employee would be joining the team long term and I would be able to take a step back	The employee was lazy to begin with and now we've had to fork out a bunch of money in compensation
Mother	Casual. Does the books for the farm and helps out where needed.	It would be a straight forward process with Work Cover to resolve the issues	Thought we were doing the right thing by all involved but it's been a very stressful situation
Daughter 1	Previously part-time		
Son 1	Full-time	We would be able to sack the employee because it wasn't working out anyway	Found out the employee was getting paid cash at another farm while claiming workers compensation from us
Son 2	Away studying		
Employee	Full-time	I would get paid my entitlements while injured	I don't have a job there any longer

Lessons learnt:

- Have the employment agreement and conditions **in writing and signed** by both parties. This will provide a foundation if there are any queries down the track.
- **Ensure everyone is clear** on the expected working hours and remuneration package. A 'common understanding' or 'handshake agreement' is not good enough in today's legislative environment. Write everything down, even if it's just in a diary.
- **Know your rights** as an employer and those of your employees. It's important because it can cost you a lot of money if you don't. If we'd been able to prove he was working somewhere else while he was getting compo from us, it could have reduced the financial burden and stress of a prolonged claim.

Final comment:

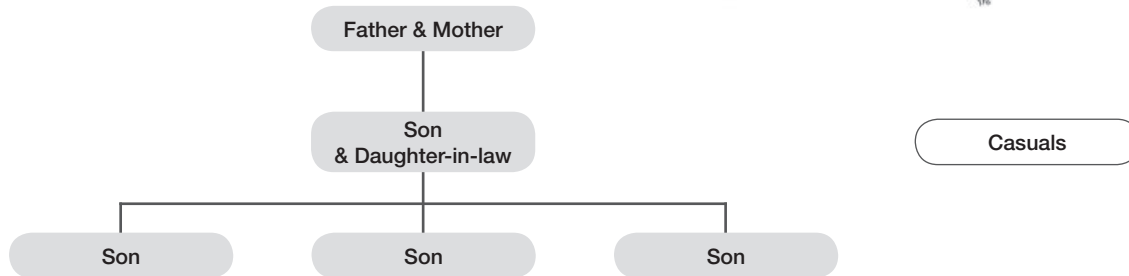
Who	Comment
Father	Losing that employee really put the heat back on us in terms of workload
Mother	I never want to go through an experience like that again and would rather forget the whole thing
Son 1	It's made us nervous about employing someone again but we're going to have to do it by the book next time

Case Study 4

Difficulty attracting full-time employees

Situation summary:

This farming business used to employ full-time employees when it ran a trucking business alongside the farm in the past. In more recent times they have found it difficult to find full-time employees and so have built up a network of casual employees to fill the labour gaps during peak work periods.



Who	Role in farm business	What they thought would happen	What is happening
Father	Full-time	There would be plenty of people keen to work in a good operation like ours	Find it hard to believe the young ones these days aren't prepared to do the hard yards
Son	Full-time	We would make do with casual employees seeing as we couldn't find an appropriate full timer	Casual employees are happy to drive the tractors and trucks but aren't so keen on doing the dirty work
Daughter-in-law	Part-time	The work load would be shared around with more employees	Employing casuals works pretty well but it's hard without the continuity of a full-time employee
Sons	At school		

Lessons learnt:

- People that don't understand agriculture can find the **work pattern a challenge**. Many seem to prefer a nine-to-five job and don't like going 'flat-stick' and then having a quieter period. This meant we either had to find someone familiar with agriculture that wanted full-time work, which was near impossible in our region, or look for an alternative to fill the peak work loads.
- **Casual employees** provided us with a good alternative when we couldn't find full-time staff. They don't necessarily have an ag background, but are quick to learn and available. Sometimes we get someone travelling around that has already been trained to drive the header further north and they're just working their way down the grain belt with harvest.
- **Pros and cons** with casual labour: they provide labour when we need it most, but any training or good skill sets aren't being put to use throughout the year and leave with them.
- Some casual employees don't seem to like working weekends, extra hours or doing the dirty jobs. However, that can probably be said for any number of employees, or family members.

Final comment:

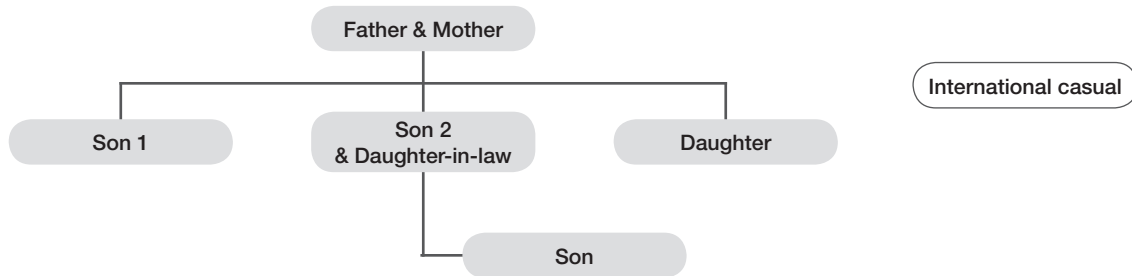
Who	Comment
Father	You make do with what's available, it's just the way it is
Mother	People come and go for all sorts of reasons but good working relationships are worth maintaining
Son	It's a bit tough training up casuals for one harvest or sowing season and then losing that knowledge from the business
Daughter-in-law	It would be good for my husband to have a bit more free time for the boys and maybe a full-time employee would help

Case Study 5

Employing international labour

Situation summary:

This family farm employed international labour for harvest each year to fill the labour gap. One year they had an international employee that spoke very little English.



Who	Role in farm business	What they thought would happen	What is happening
Father	Full-time	We would have an international employee for harvest like most years	The language barrier is a big challenge and gets frustrating but they're a hard worker and know how to use the gear
Mother	Casual. Does the books and works off-farm	It would be the same as any other year, husband would manage casuals	Had to get more involved to keep the peace and make sure everyone was on the same page
Son 1	Full-time	Would be good to have another younger person around the farm again	They couldn't speak much English so not sure how much they understood but they were happy to work and did a tidy job with the harvester
Son 2	Casual	Because I help out at sowing I don't have much to do with the harvest employees	Was good to see them having a go and learning English more, had a bit of fun playing the odd prank together
Daughter-in-law	Not involved	Wouldn't have much to do with them other than at family meetings	Despite the lack of English they were keen to learn and really lifted the spirits around the place
Daughter	Studying		

Lessons learnt:

- **Be patient** and remember how frustrating it must also be for the other person where there are communication issues.
- Use **different ways of communicating**, for example maps and drawn instructions to overcome language barriers. We soon learnt how much we pay attention to someone's body language when we don't understand what's coming out their mouth, or when we're trying to work out if they have understood us.
- Sometimes when you think you have explained something clearly it can still be misinterpreted. We started getting the employee to repeat back what we had asked them to do and that way we could **clear up any misunderstandings** before starting the job.
- **A bit of fun** and a light hearted spirit about the place was refreshing particularly during the stressful harvest period.

Final comment:

Who	Comment
Father	You can overcome most things if everyone can get on and work hard together
Mother	I felt responsible for the employee's wellbeing even more so because they didn't speak much English to begin with
Son 1	Nothing beats a hard worker no matter where they come from
Son 2	It's hard to get people here that work hard and know the machinery as well as some of the oversees workers
Daughter-in-law	A happy personality was a good fit even if we didn't know what each other was talking about half the time!

Case Study 6

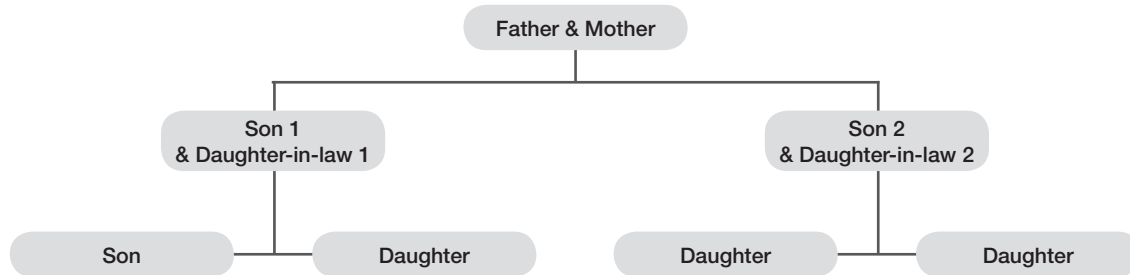
An additional family member returns to work on the farm full-time

Situation summary:

To prepare for their two sons to take over the main operations and running of their cropping farm, the father and mother involved their long-time farm consultant, solicitors and accountant to make sure it was a smooth transition. The second son came home after studying to join the eldest son full-time on the farm.



**AND BE PREPARED
TO SHARE THE BONE!**



Who	Role in farm business	What they thought would happen	What is happening
Father	Part-time	Thought the boys would have a few bravado battles to begin with but be able to sort it out	There was a natural fit for each son in the business and was good to see their partners getting involved as well
Mother	Not involved anymore	Looking forward to moving into town	Enjoying being able to be 'gran nanny' to all the little ones
Son 1	Full-time	It would be good to have another full-timer on the farm keen to work and get ahead	It was a natural progression and we both focused on running different aspects of the business
Daughter-in-law 1	Part time. Does the books	The work load would be spread around a bit more	More land was purchased and even though they got rid of the livestock the boys still work massive hours
Son 2	Full-time	Would be pretty easy to come home full-time and I'm looking forward to applying some of the stuff I've learnt	We were able to get into a routine pretty quickly and because the business expanded rapidly I handed over the bookwork to my brother's wife
Daughter-in-law 2	Not involved	A bit nervous about how husband would find it because his personality is very different to his brother's	He spends a lot of time on-farm and I guess it's for our benefit in the end, although he misses out on some things with the kids

Lessons learnt:

- Having a good **succession plan** in place and involving a neutral third party made the transition a lot smoother than others we've observed in the district.
- A strategic meeting once the boys got married helped **set the goals and roles** for everyone in the business and reinforced the initial succession plan. It was important to involve everyone and their partners in this meeting so everyone could feel comfortable with the direction of the business, and their role in achieving that.
- We were really lucky that each son had a slightly different focus within the business and their different attitudes to risk actually complimented each other. One son was keen on the machinery and operations side of the business, while the other was more interested in the financials, book work and marketing side. We worked with this **natural interest** to set up management roles and accountabilities.

Final comment:

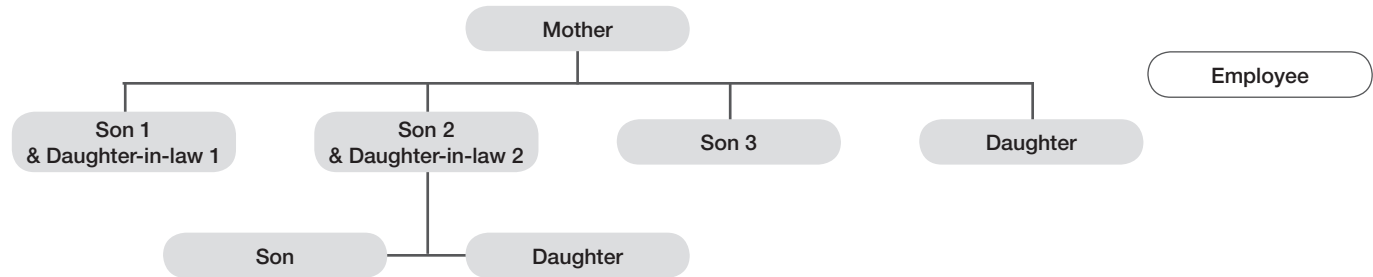
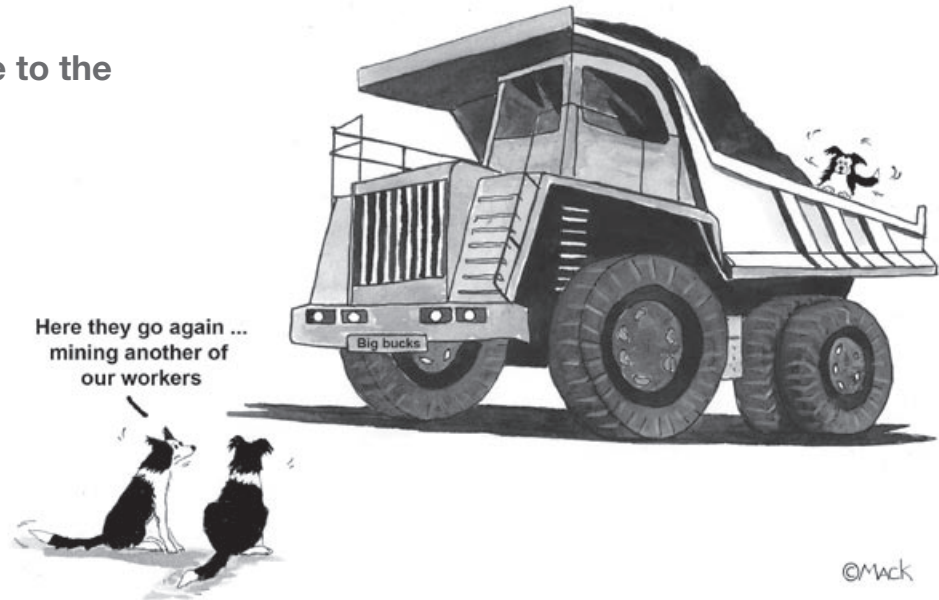
Who	Comment
Father	It's important to have the right people with the right skills and seek out people with agricultural experience whether that's your family, employees or advisers
Mother	It was important for our son's wives to feel part of the family business, I had to push hard for it
Son 1	It was pretty easy having my brother coming back to the farm full-time because we want the same things and are both prepared to work hard
Daughter-in-law 1	I'm an accountant by trade so it made sense to use those skills in the family business
Son 2	My brother's a bit of a risk taker but we balance each other out pretty well in the end
Daughter-in-law 2	Don't ever marry the sprayer

Case Study 7

Losing a good employee to the mining sector

Situation summary:

This farming family had a long term employee that decided to leave to go and work in the mines. They couldn't compete with the wages being offered.



Who	Role in farm business	What they thought would happen	What is happening
Son 2	Full-time	The employee had worked with us for years and we had hoped he would continue to do so.	We were given notice that he was going to go work in the mines
Daughter-in-law 2	Casual. Does the books	Hard to replace, but surely someone is keen to be an assistant farm manager	We're advertising for a replacement but it's hard to find the right person
Son 3	Casual. Helps out at harvest and shearing	He'd stick around for a while because he was on a good wicket for an assistant farm manager	My sister and I have to chip in a bit more until a replacement is found
Daughter	Casual. Helps out at harvest and shearing	Surprised it hadn't happened earlier, know a few guys that have done the same thing	Happy to help out at the farm a bit more, might have to make a plan for the long term if they don't find a suitable replacement

Lessons learnt:

- Sometimes it doesn't matter how good the whole **remuneration package** is, the grass still looks greener on the other side for some people.
- Work out the actual **dollar value** of the whole remuneration package rather than just the salary component, including a house with service bills paid, meat each week and having flexible hours during the quieter times.
- Replacing a long-term employee is very difficult, especially when they were a good fit, had the **right skills** and were almost part of the family.

Final comment:

Who	Comment
Son 2	It's really hard to replace the skills and knowledge of someone that's been working for you for a long time
Daughter-in-law 2	Good luck to him, but it was sad to see him go
Son 3	How is a farm meant to compete with the wages the mining sector has on offer?
Daughter	Doesn't seem to matter how good the farm package is, mining seems to offer the big bucks

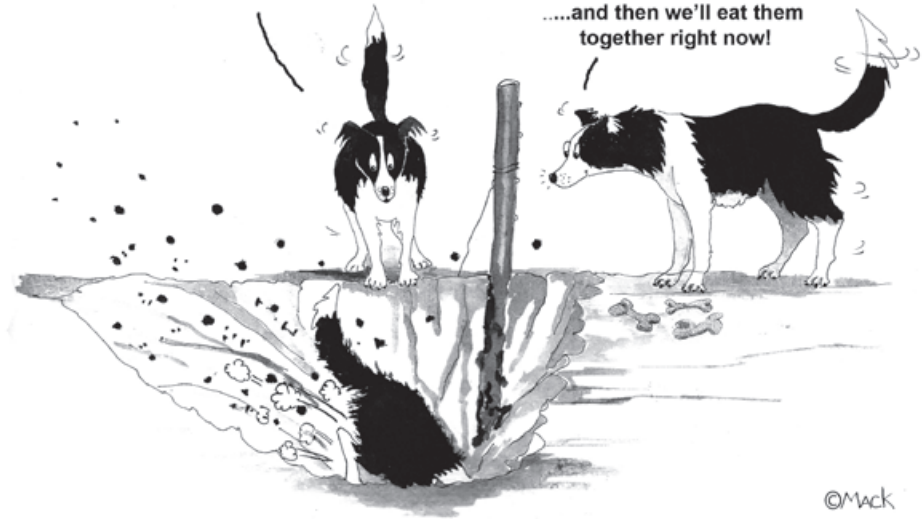
Case Study 8

Trading labour with neighbours

Situation summary:

This farming business had purchased the latest machinery and technology to implement a no-till farming system and struck up a deal with their neighbour to exchange labour and machinery. They ended up running the two adjoining farms as one through sowing, spraying and harvest.

We buried the bones together last year
....and now were finding them together this year



Husband & Wife

Neighbour

Who	Role in farm business	What they thought would happen	What is happening
Husband	Full-time	It would be a good way to spread the capital cost of the new machinery over a bigger scale	It was a win-win situation for both of us and as we were both farmers we worked hard for each other. I gained a good operator to help on my farm
Wife	Casual. Does the books	Wasn't sure how the logistics would work and how they would prioritise the jobs	They're happy with the arrangement although sometimes we carry a bit more of the load
Neighbour	Part-time	I would have an opportunity to use better gear than I could afford alone and so help me build scale	I was able to invest in more land rather than put capital costs into machinery

Lessons learnt:

- **Solutions to problems can be quite different** to what you initially think or plan. We would never have guessed that we could trade machinery for labour with our neighbour, and that this would allow us to operate our enterprise with better equipment and more efficiently even though we were essentially farming more country.
- We had a similar approach and **work ethic** so the things that needed doing got done.
- Having adjoining properties meant we didn't have issues with the **timing** of sowing, spraying or harvest. We were able to run the place like it was one.
- **Open communication** meant that instead of competing we were able to work as one tight-knit team. It didn't matter whose place we started spraying, seeding or harvest on, good planning and timeliness and respect meant things went pretty smoothly most of the time.

Final comment:

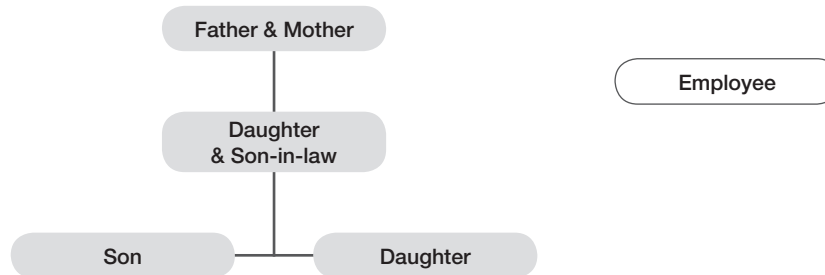
Who	Comment
Husband	This keeps options open for both of us going into the future, you have to find the benefit for both parties
Wife	Sometimes I can't understand why he works on the neighbours place when he hasn't started working on our own

Case Study 9

Retention and reward

Situation summary:

After years of difficulty keeping staff at their remote location this farming business decided to come up with specific strategy to retain their latest employee. The new employee was proving to be a good fit and a valuable team member so they sat down and talked about his motivators and setting some goals so he had some ownership in his work.



Who	Role in farm business	What they thought would happen	What is happening
Father	Full-time	Not sure whether it would be any different this time or not	Early days, but feel confident having talked about it openly
Mother	Part-time	Figured if we put the effort in to begin with we were more likely to change the outcome	There seems to be a good level of trust growing between the group
Daughter	Part-time	We needed to do something to maintain consistency in staff	Well he's still here so it's a good start
Son	Casual during holidays		
Daughter	Casual during holidays		
Employee	Part-time	Talking about what I wanted from the job was a different approach and not easy to do right up front	Having ownership of what I'm doing gives me a sense of satisfaction.

Lessons learnt:

- We needed to **change our approach** to keeping staff. Doing the same thing, such as being reactive rather than proactive, gets the same results and we means we lose good people from our business.
- **Be proactive** and ask employees what motivates them at work and outside. Use this information to come up with a retention strategy for each person and involve them in the process.
- While salary was an important motivator in this case, it came down to **giving the employee credit** for what they were capable of doing and ownership of some of the work around the farm. Together we came up with a strategy that involved some targets around the farm that the employee would be responsible for, such as operating and increasing the revenue from the hay contracting venture.
- We could see how the **motivating factors** may change in the future so we'll review them from time-to-time.

Final comment:

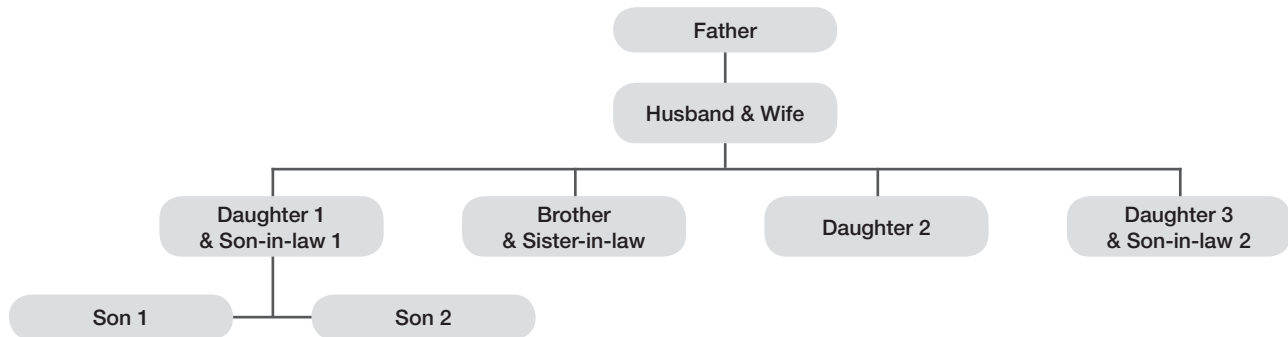
Who	Comment
Father	I had no idea the difference an individual retention strategy would make straight up to the way we work as a team.
Mother	Nothings a sure thing but when someone good comes along it's worth thinking outside the box.
Daughter	Reviewing employee needs as time goes on will also be important. It's not something you do once and forget about because needs change over time.
Employee	The discussion really made me feel valued and part of the team.

Case Study 10

Valuing the remuneration package

Situation summary:

This farming family knew it would be important to have a transparent remuneration package defined for Daughter 1 and Son-in-law 1 who were working on the farm. The husband and wife kept in mind that the package had to be comparable in language to off-farm packages and all items had to be valued such as the house, vehicle and meat. They were also hoping it would make things clearer and easier for future succession discussions and planning.



Who	Role in farm business	What they thought would happen	What is happening
Father	Not involved	Spends too much time on the detail, just needs to get on with the job	Sees the benefit in the next generation understanding the value of working on the farm
Husband	Full-time	Daughter and son-in-law would work for us and it was none of the other kids' business what was going on	Surprised at the value of the package and hopes daughter and son-in-law see the benefits of 'sticking' around
Wife	Part-time	If we didn't take an approach where the remuneration package was clearly defined it could become messy with the rest of the kids down the track	Knows there's some nit-picking behind closed doors, but it's much less than it would have been down the track without sorting out the package early on
Daughter 1	Part-time	Get along with siblings so didn't really see the need to do anything different, it would all work out in the wash	While my brother and sisters don't know the exact details, it's good they understand the process and what's involved
Son-in-law 1	Full-time	Having our roles and a remuneration package written out would set clear boundaries for now and the future.	It makes our work on the farm equivalent to the other siblings off the farm. We're working hard for what we get and that's all out in the open

Who	Role in farm business	What they thought would happen	What is happening
Brother	Not involved	Sister would be getting things easy on the farm	Understands what is involved and how their package is put together
Sister-in-law	Not involved	They would get all those little extras just because the were on the farm	Don't have to worry about what's fair or not anymore
Daughter 2	Not involved	Not really any of my business	Seems open and everyone is pretty happy
Daughter 3	Not involved	Sister and brother-in-law would work hard for what they got, it's not easy out there	Interesting to know how it all comes together, I hadn't thought about putting a value on the farm house
Son-in-law 2	Not involved	Want to make sure it's fair for all siblings in the long run	We know there's a professional approach that can be applied if another one of us goes to work on the farm, or they employ someone else

Lessons learnt:

- There's value in treating the **remuneration packages of family members** the same way you would if you employed someone outside the family.
- Don't need to share the specific details with everyone, such as the total dollar value, but with so many family members it was important that they all understood that there was a **definable process to working out what the salary and non-cash components involved** in the remuneration package were.
- The salaries, including superannuation for the daughter and son-in-law, house and utilities, vehicle and phones were all allocated a value. There was an allowance for training allocated for each as well. The non-cash components certainly added significant value to the remuneration package, and because the house was shared across the two 'employees' it was good value for the farm business as well.
- **Going through the process in the early days** of the daughter and son-in-law coming to work on the farm was important. Could see there would be complications down the track relating to succession if they didn't get it right up front.

Final comment:

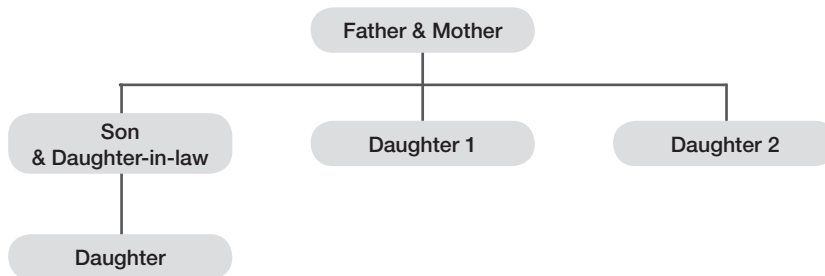
Who	Comment
Husband	It's interesting to work out the actual value of a farm remuneration package these days
Wife	You never know what's running through everyone's minds, what they think is fair and reasonable
Daughter 1	Because we're living in a house on the farm at the moment we should think about other opportunities to invest in real estate
Son-in-law 1	Can be challenging when there's a lot of people involved in a family business, even if they're off-farm

Case Study 11

Getting induction right

Situation summary:

This farming family is used to working closely together, so when the father and mother wanted to take a 'step-back' they were conscious about bringing a new employee into the team. Using outside advice, the family developed an induction and 'on-boarding' process to help everyone get off on the right foot.



If you get it right, life can be good



Employee

Who	Role in farm business	What they thought would happen	What is happening
Father	Part-time	If we focused on sharing our systems up-front then the transition should be easy	It was easier than I thought although my son did most of it. They actually got along pretty well.
Mother	Part-time	Setting up the induction and on-boarding process would work well for us as a family but not sure about the new employee	The employee seemed to appreciate the process, although it seemed tedious at times going through everything step by step.
Son	Full-time	Hoped the planning would get the person working in the team quickly	By working so closely together initially, we soon found a natural working pattern
Daughter-in-law	Full-time	Not easy to come into a close knit family unit, but hoped the time and effort put in would help	Surprised how quickly the new employee fitted in. He seemed open to the whole process even though he hadn't done one so formally before

Lessons learnt:

- Outside advice about how to bring a **new employee** into the business was really important for us because we didn't really know where to start. We were able to get help from the local council's business centre, through our farm consultant and our accountant.
- Having a process written down and knowing there was an **induction plan in place** gave us confidence to bring an outside worker into the family business. We were able to follow the steps and 'tick them off' as we went.
- Inducting and on-boarding meant the new employee had the **information and tools up front** to get straight into the work. This included information about where everything was, how we liked to work as a team, and who had what roles in the operation. It also involved working closely together initially so we could get a good feel for each other's working style, ethics and so on.

Final comment:

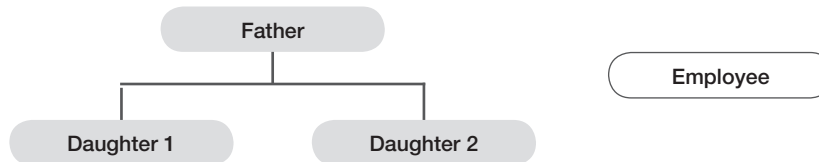
Who	Comment
Father	The induction process was easy to do once it was set up.
Mother	The benefits were clear not only for the new employee but also for us knowing we had done everything to get the best out of the situation.
Son	It turned out the induction and on-boarding was a two-way process and we learnt a lot about the new employee while he was learning about us and the business
Daughter-in-law	Don't forget to ask the new person what is going to work best for them.

Case Study 12

A tendency to micro-manage

Situation summary:

This farmer had increased the intensity of the farming operation to the point he required some help. He decided to employ a full-time employee. He initially employed younger people on an agricultural apprenticeship program where they worked on the farm four days and attended class one day each week. Having another labour unit would also provide this farmer with a chance to spend more time with his active school aged daughters.



Who	Role in farm business	What they thought would happen	What is happening
Father	Full-time	Employ someone to help with the workload	Spending too much time training, supervising, and even worse, re-doing the work
Employee	Apprentice	Would get on the job training on a progressive farm	Didn't matter how capable I was, he was always there. I never got a chance to learn and develop any proper skills

Lessons learnt:

- It's important to **work out your expectations** about the skill level required and tasks you actually want an employee to be able to do before taking someone on. Otherwise, you'll probably end up employing someone that doesn't meet your expectations and both end up frustrated with the situation.
- It can be very difficult to delegate tasks completely and **build trust** with new people, especially when you're used to doing everything yourself. It took a while before I worked out I had trouble delegating, but once I knew it was a problem I could work on it by training myself to delegate smaller level tasks to begin with.
- **Communication** is important. Think about the work that needs to be done, how and by whom. Have a plan or a way to share this with your employee that can set some boundaries for both of you.

Final comment:

Who	Comment
Father	Have to have a good work plan right from the start and stick to it
Employee	It can be so frustrating always having someone look over your shoulder and undermine your work.

Conclusion

This guide has provided a range of information and suggested resources to give you confidence to employ staff. If you need to sharpen some of your processes or you are looking to employ casual, part-time or full-time labour for the first time, don't put it off any longer.

Remember, there are plenty of people out there that can help and if you start on the 'right foot', your family and your employees are far more likely to have a positive experience.

Good luck.



