

# **The Swan Hill Region Workforce Development Strategy**

The Current State – Manufacturing

Aug 2013

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## Glossary

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Term	Description
ABS	Australian Bureau of Statistics
DEEWR	Department of Education, Employment and Workplace Relations
Mid Murray Employment Service Area	A DEEWR area that includes the Swan Hill, Buloke and Gannawarra Local Government Areas
Working age population	ABS uses 15+ and DEEWR uses 15-64
NILFET	Not in the Labour Force, Employment or Training
MMLLEN	Murray Mallee Local Learning and Employment Network
LLEN	Local Learning and Employment Network
LGA	A Rural Council or Shire Region
Swan Hill LGA	Swan Hill Local Government Area, used interchangeably with Swan Hill Rural City Council region
SHRCC	Swan Hill Rural City Council
Swan Hill City	The Swan Hill city segment of Swan Hill Rural City Council
The Steering Committee	Swan Hill Region Workforce Development Strategy Steering Committee

# Executive Summary

*The Current State - Manufacturing*

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## Industry Trends

- Manufacturing is the fourth largest employing industry in the Swan Hill Rural City Council (SHRCC) region providing employment for more than 720 people. Employment in the sector showed a small decline of 4% between 2006 and 2011.
- The largest employing segments within manufacturing are 'Meat Processing' (e.g abattoirs) and 'Other Food Processing' category, which combined employ a conservative estimate of more than 200 people.

## Employers

- The Swan Hill manufacturing sector is diverse. Employers are involved in the manufacturing of polymer products, vehicle bodies and trailers, agricultural machinery and equipment, structural metal products, wine, and fruit and vegetable processing.
- Swan Hill is perceived to have some well run manufacturing companies that are considered 'good employers', and are known for their 'can do' attitudes, investment in equipment and training and willingness to train apprentices.
- One of the largest employers, the Abattoir is expanding and expecting to increase employment opportunities, particularly at the entry level.
- The SHRCC region has nearly 90 manufacturing businesses. Just over half have 4 or less people (ABS, 2011)

## Key Occupations

- There are approximately 180 people working as structural steel workers, welders, metal fitters or machinists in SHRCC region
- Trades and technical roles are among the most difficult to fill and attract the fewest applicants of all roles according to the November 2012 DEEWR survey. Employers report they don't necessarily advertise these roles because they like job hunters to approach them.
- People with CAD and drafting skills are also hard to find.

## Workforce Development

- In 2012, 75 secondary school students were enrolled in VETiS engineering, the highest number for the traditional trades.
- Employers use a range of RTOs including local, interstate, regional and Melbourne providers.

## Workforce Risks

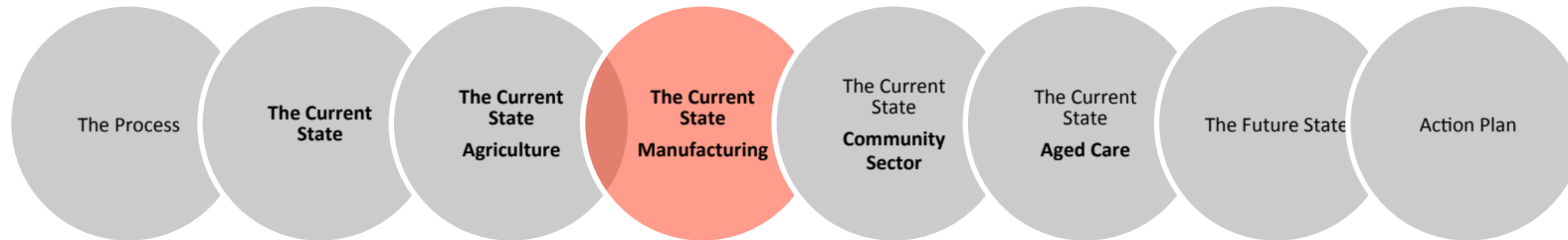
- A perception that young people have low awareness of the diversity of the local manufacturing base, roles and opportunities.
- A perception that few local employers commit to training apprentices unlike other segments dominated by small business e.g. motor mechanics.

# About this document

*The Current State – Manufacturing is one of four industry specific snapshots that contributes to The Current State*

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**The Current State – Manufacturing** is one of eight documents that has been produced as part of the Swan Hill Region Workforce Development Strategy Project.



The Current State - Manufacturing contributes to the body of evidence on which the Swan Hill Region Workforce Development Strategy and Action Plan have been based.

This document summarises relevant ABS data, local research and consultations with Swan Hill employers and training providers as well as the Swan Hill Region Workforce Development Strategy Steering Committee members.

This Current State – Manufacturing focuses on the Fabrication, Welding and Meat Processing workforce in Swan Hill. Moving from general to more specific data it covers:

- Growth segments in manufacturing
- Number and size of businesses by Swan Hill regions
- Enrolment in Certificate 1 - Diploma qualifications (State Government funded under the Victorian Training Guarantee)
- A SWOT Analysis combining research with consultation findings
- Risks and Suggested Strategies drawn from the SWOT Analysis
- An Executive Summary covering key findings

## Employment Trends in Manufacturing in Swan Hill (2006 – 2011)

*Swan Hill has a diverse manufacturing sector*

More than 720 people work in manufacturing in Swan Hill. It is the fourth largest employing sector.

Employment dropped by 4% between 2006 and 2011.

'Meat processing ' and 'Other Food product Manufacturing' are the largest employing sectors in Swan Hill. 'Other Food Product Manufacturing nec' includes: units mainly engaged in manufacturing coffee and tea, food flavourings, seasonings and colourings, frozen pre-prepared meals and health supplements.

Industry	2006	2011	% Change	
Meat Processing	93	76	18% down	↓
Wine and Other Alcoholic Beverage Manufacturing	81	49	40% down	↓
Other Food Product Manufacturing, nec*	<b>75</b>	<b>126</b>	<b>68% up</b>	↑
Manufacturing, nfd	71	104	46% up	↑
Other Polymer Product Manufacturing	55	62	13% up	↑
Motor Vehicle Body and Trailer Manufacturing	46	33	28% down	↓
Agricultural Machinery and Equipment Manufacturing	38	30	21% down	↓
Fruit and Vegetable Processing	32	32	0% no change	
Bakery Product Manufacturing (Non-factory based)	21	32	52% up	↑
Other Structural Metal Product Manufacturing	17	19	12% up	↑
Wooden Structural Fitting and Component Manufacturing	16	14	12% down	↓
Wooden Furniture and Upholstered Seat Manufacturing	15	6	60% down	↓
Bread Manufacturing (Factory based)	14	4	71% down	↓
Other Wood Product Manufacturing, nec	14	7	50% down	↓

'nec' means not elsewhere classified', 'NFD' means 'not fully defined'

Source: ABS Census of Population and Housing 2006 and ABS 2011. Table generated using Tablebuilder)

# Manufacturing Businesses in Swan Hill City – No. and Size

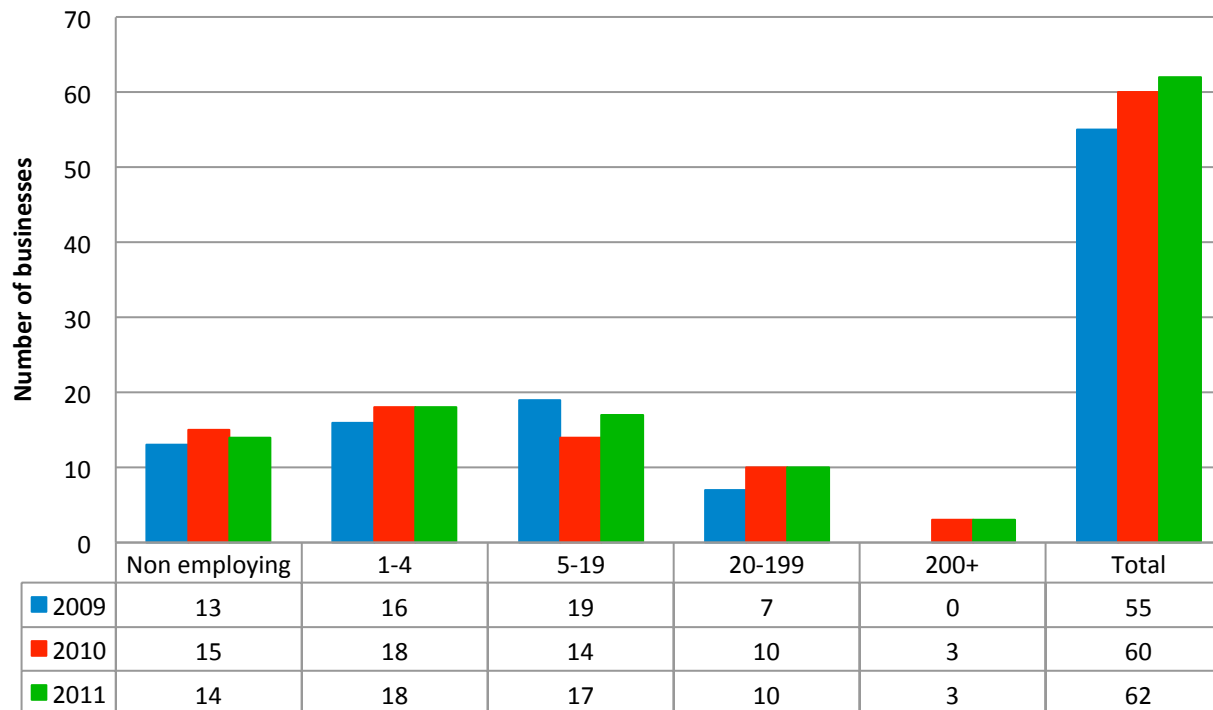
*The number of manufacturing grew between 2009 and 2011*

Between 2009 and 2011 the total number of businesses located in the Swan Hill city grew from 55 to 62.

In 2011 of the 62 manufacturing businesses, half of them employed 4 people or less.



## Manufacturing - Swan Hill

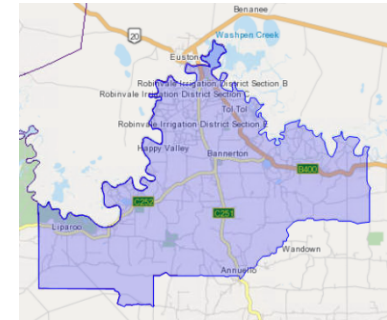


# Manufacturing Businesses in Robinvale – No. and Size

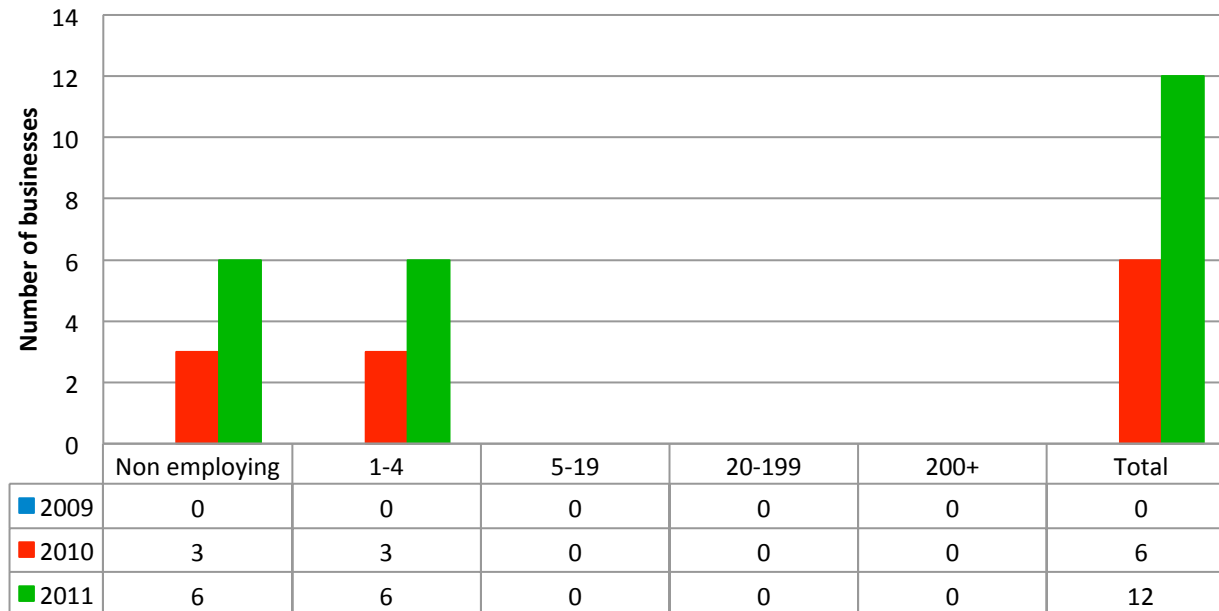
*Robinvale has a handful of small manufacturing businesses*

Between 2009 and 2012, Robinvale went from having no small manufacturing businesses to 12 businesses.

Half are sole operators and half employ four or less people.



### Manufacturing - Robinvale



Source: Australian Bureau of Statistics, Counts of Australian Businesses, including entries and exits Businesses by Industry Division by SLA 2 by employments size ranges

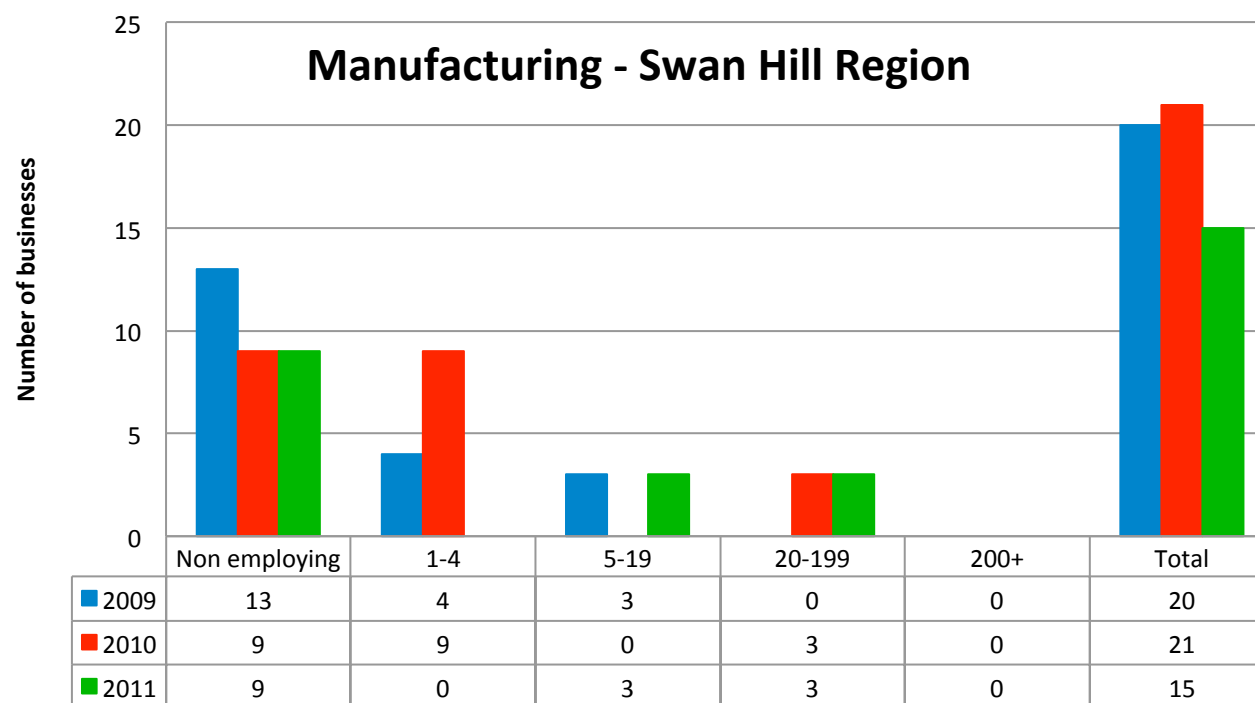
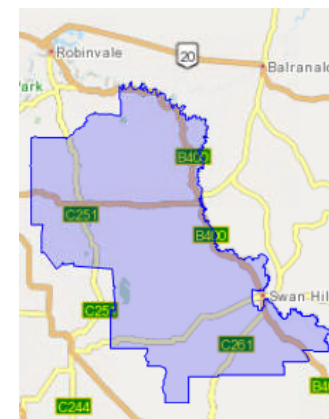


# Manufacturing Businesses in Swan Hill Region (excluding Swan Hill City) – No. and Size

*The number of manufacturing businesses outside Swan Hill and Robinvale is dropping*

Between 2009 and 2011, the number of manufacturing businesses reduced by 5, from 20 to 15.

In 2011 three businesses employed 20 or more staff and 9, or 60%, of the businesses were non-employed.



Source: Australian Bureau of Statistics 2011 Census of Population and Housing, Table builder to 2 digit level , Businesses by Industry Division by SLA 2 by employments size ranges

## Employment Trends: Manufacturing/engineering related occupations in Swan Hill (2006-2011)

*Employment trends have varied between the occupations*

Occupation	2006	2011	Change	
Motor Mechanics	155	152	2%	↓
Electricians	70	96	37%	↑
Structural Steel and Welding Trades Workers	90	89	1%	↓
Metal Fitters and Machinists	87	81	7%	↓
Plumbers	59	66	12%	↑
Carpenters and Joiners	46	40	13 %	↓
Labourers nfd	39	37	5%	↓
Packers	50	36	28%	↓
Meat Boners and Slicers, and Slaughterers	29	35	21%	↑
Painting Trades Workers	20	31	55%	↑
Handypersons	37	27	27%	↓
Food and Drink Factory Workers	28	17	39%	↓
Architectural, Building and Surveying Technicians	6	20	233%	↑↑

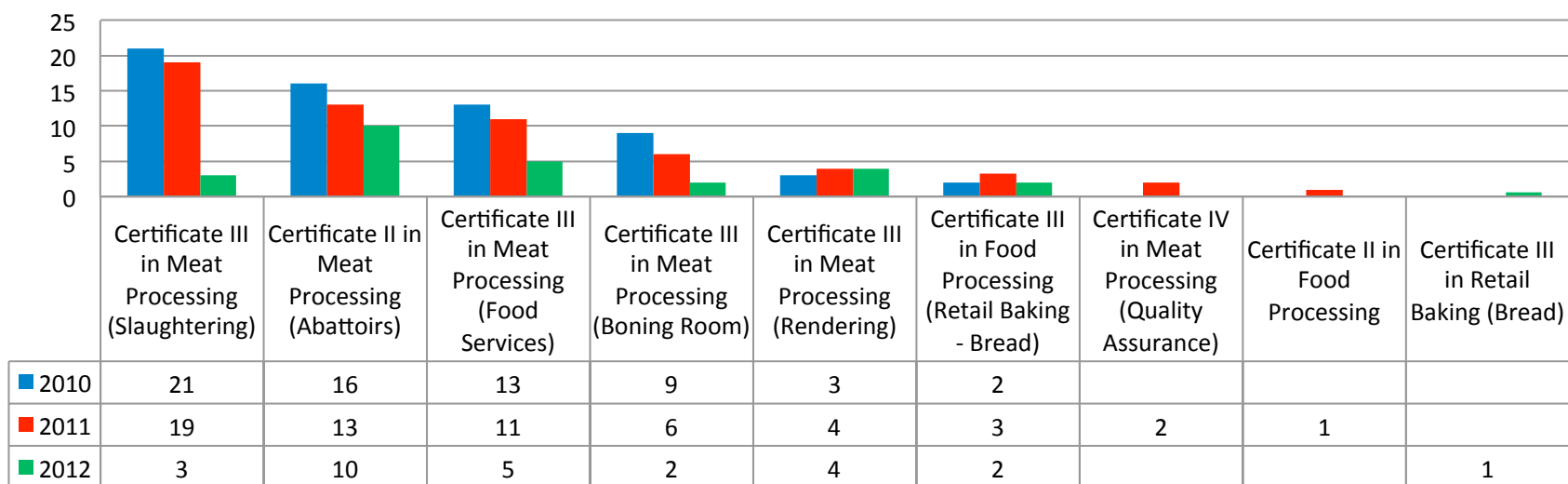
## Vic Govt Funded Enrolments in Food Manufacturing by Swan Hill Residents (2010 – 2012)

*Enrolments in Meat processing courses dropped in 2011*

This table shows the number of SHRCC residents enrolled in Food Manufacturing and the qualifications they are studying. It does not indicate where they are studying, the provider, or the mode of study.

Enrolments in Meat Processing qualifications declined each year between 2010 and 2012. This can reflect a stable staffing i.e. once people are trained, if they stay the need to train more people in these areas reduces.

### Course enrolments for Food Manufacturing by learners residing in Swan Hill, by qualification, Government Funded only, 2010-2012



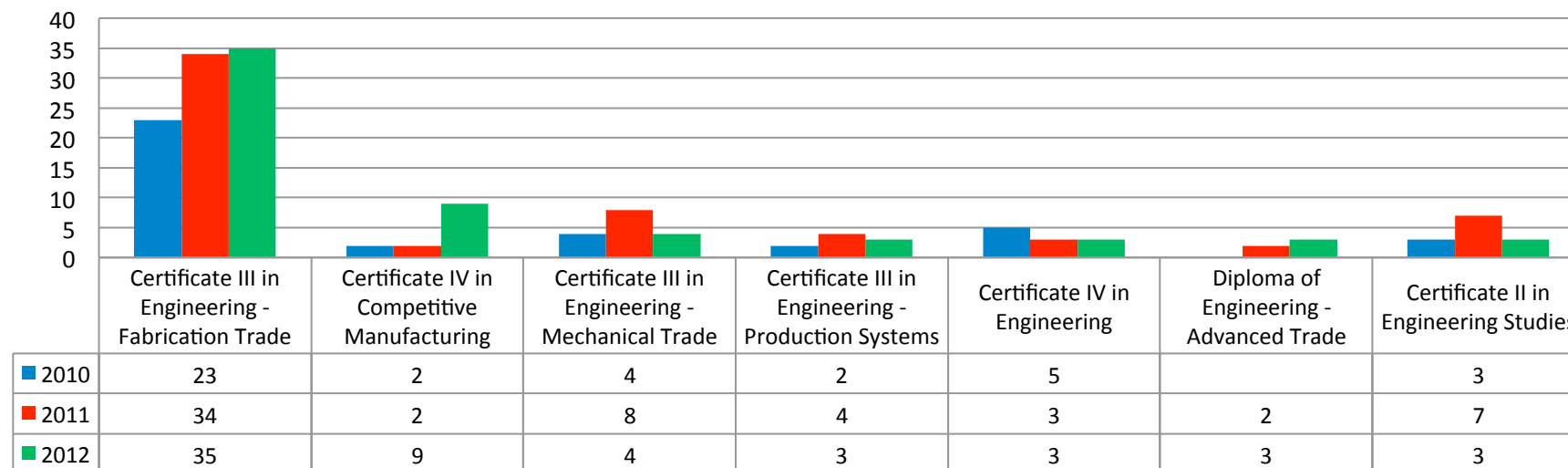
## Vic Govt Funded Enrolments in Metal, Machinery and Engineering related courses by Swan Hill Residents (2010 – 2012)

*Enrolments in Fabrication courses have increased*

This table shows the number of Swan Hill residents enrolled in Engineering qualifications and what they are studying. It does not indicate where they are studying, the provider, or the mode of study.

Between 2010 and 2012 Engineering-Fabrication enrolments increased.

### Course enrolments for Metal, Machinery and Engineering related manufacturing by learners residing in Swan Hill, by qualification, Government Funded only, 2010-2012

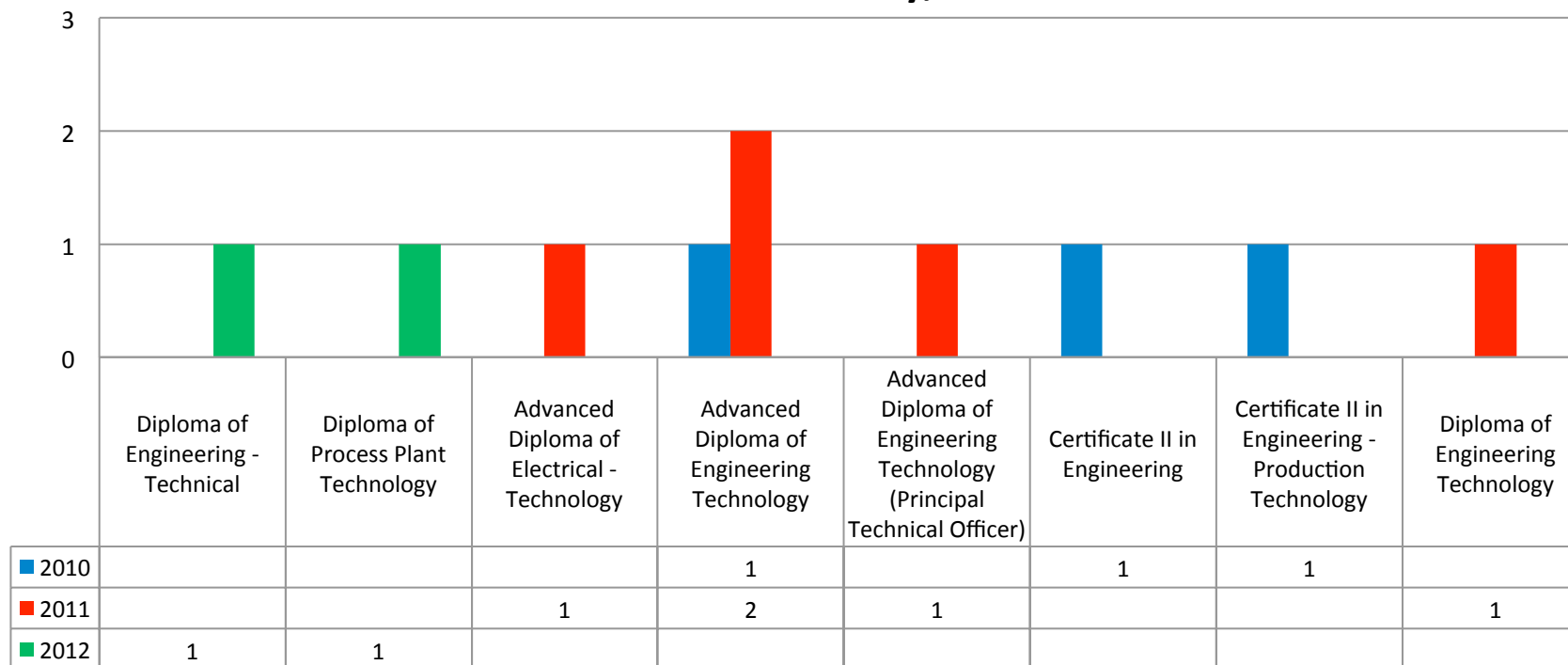


## Vic Govt Funded Enrolments in Metal, Machinery and Engineering related courses by Swan Hill Residents (2010 – 2012)

*There are small numbers enrolled in higher level engineering VET qualifications*

There have been a small number of enrolments in the higher level VET qualifications.

### Course enrolments for Metal, Machinery and Engineering related manufacturing by learners residing in Swan Hill, by qualification, Government Funded only, 2010-2012



Source: DEECD report on Swan Hill selected industry sectors table 1

# Manufacturing : SWOT Analysis

*ABS data, local research and consultations with employers and RTOs were considered in this SWOT analysis*

Strengths	Weaknesses/challenges
<p><b>Diverse sector</b></p> <ul style="list-style-type: none"> <li>• 16% of region’s workforce work in manufacturing</li> <li>• 730 Swan Hill residents working in manufacturing</li> <li>• There are 81 businesses, of which 63 employ people</li> <li>• In 2011, 89 people worked as structural steel or welding trades workers, one less than in 2006</li> <li>• Food manufacturing (including meat processing) is the largest segment. It employs 350 people</li> <li>• 35 Swan Hill residents enrolled in Cert III Engineering (Fabrication) in 2012. received Vic Govt subsidies (DEECD, 2013)</li> </ul> <p><b>Good business examples</b></p> <p>Swan Hill is perceived as having some well run engineering businesses, whose owners :</p> <ul style="list-style-type: none"> <li>• have a ‘can do’ attitude and are ‘good employers’ and believe in investment in facilities, staff, equipment/IT</li> <li>• focus on improving the work environment</li> <li>• show a willingness to train, including apprentices, and offer opportunities for promotion</li> <li>• offer competitive salaries in some cases</li> </ul> <p><b>Pockets of Growth</b></p> <ul style="list-style-type: none"> <li>• Abattoir is expanding and increasing output</li> <li>• Abattoir provides entry level roles and is open to employing anyone from any background</li> </ul>	<p><b>Work fluctuations</b></p> <ul style="list-style-type: none"> <li>• Quiet periods means there is a reluctance to put on more staff</li> <li>• Many sole person /small businesses don’t take on apprentices</li> </ul> <p><b>Difficult-to-fill-roles</b></p> <ul style="list-style-type: none"> <li>• Can be hard to find people for entry level/unskilled roles in the abattoir, partly because of nature of work e.g. Lifting involved</li> <li>• Difficult to fill roles include slaughterman, supervisor, leading hands and inspector roles</li> <li>• Lack of interest by some groups to move into higher skilled and supervisory roles</li> <li>• Difficult to find specialist trades people such as CAD/drafting skills and estimators (to build work pipeline), welders, machinist (e.g. took 3-6 months to recruit one)</li> <li>• Civil engineers and motor mechanics are difficult to find (DEEWR, Nov 2012)</li> </ul> <p><b>Attraction of schools leavers</b></p> <ul style="list-style-type: none"> <li>• Employers have an openness to connecting with local schools. This could strengthened be so that school leavers understand local opportunities in manufacturing</li> <li>• Perception that a small group of employers employ trainees and apprentices</li> </ul>

# Manufacturing : SWOT Analysis

ABS data, local research and consultations with employers and RTOs were considered in this SWOT analysis

Opportunities	Threats
<p><b>Transferable skills</b></p> <ul style="list-style-type: none"> <li>• People from farms are seen as a good source of labour for manufacturing, if they don't mind working indoors</li> <li>• School leavers who are good with technology have worked well in local engineering firms</li> <li>• 'Farm kids' are seen as having transferable skills for engineering/manufacturing work .One firm provides meaningful work experience in the holidays.</li> </ul> <p><b>Skills needed in manufacturing to support growth</b></p> <ul style="list-style-type: none"> <li>• Mechanical knowledge and aptitude (assembly/use of routing tools, fitting)</li> <li>• Forklift driving, 'confined space entry'</li> <li>• Plastics moulding</li> <li>• Driving and Literacy</li> <li>• CAD/drafting skills</li> </ul> <p><b>Availability of flexible training options</b></p> <ul style="list-style-type: none"> <li>• Employers have access to a range of training options: in house e.g. UBT Brethren training programs; external providers, including University of Ballarat, AIM, TAFESA and SuniTAFE</li> </ul>	<p><b>Visa Changes</b></p> <ul style="list-style-type: none"> <li>• Changes to the 457 and 857 visa rules have reduced the availability of unskilled workers</li> </ul> <p><b>Operating Costs</b></p> <ul style="list-style-type: none"> <li>• Costs of staff</li> <li>• Cost of freight</li> </ul> <p><b>Training</b></p> <ul style="list-style-type: none"> <li>• Organisations want to release small numbers of people for training at a time, which requires flexibility on the part of the RTO</li> <li>• Apprentices have 'been attracted to the mines'</li> </ul> <p><b>Employability issues</b></p> <ul style="list-style-type: none"> <li>• Literacy issues are common. Issue is disguised when applicant has not prepared their own CV</li> <li>• The perception of alcohol/drugs issues among some pockets of workers</li> </ul> <p><b>Willingness to take on apprentices</b></p> <ul style="list-style-type: none"> <li>• Small engineering businesses have been less interested in taking on apprentices than other small business operators, such as motor mechanics</li> </ul>

## Manufacturing - Risks to be prioritised and Suggested Strategies

*During the consultations participant suggested solutions to address risk and issues*

Risks	Relevant to other industries	Ideas and Suggestions from consultations
Inadequate staff to support the growth of industries (abattoir)	No	<p>Improve the image of manufacturing, particularly meat processing work to attract a wider pool of workers</p> <p>Highlight opportunities to ‘tree changers’ and encourage them to ‘knock on doors’</p> <p>Need to ‘sell Swan Hill’</p>
Inadequate literacy levels among new recruits (not just school leavers)	Yes	
School students lack an understanding of the diverse opportunities available locally for those interested in manufacturing work	Yes	<p>Update and educate career teachers, the parent community and students on roles, opportunities and careers pathways</p> <p>Develop a programs for school students similar to the ‘Set your Heart on a Career in Accounting’ developed by Swan Hill Inc.</p> <p>Develop stronger link between engineering firms and the local secondary colleges</p>
Reluctance of many small employers to take on apprentices	No	
Perception of drug and alcohol usage among low skilled/entry level staff impacts on the image of the workplace.	Yes	A drug and alcohol policy for workplaces



## References

*The following documents were reviewed in this Project*

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1. Australian Bureau Of Statistics, Census of Population and Housing, 2006 and 2011
2. Australian Bureau of Statistics, Counts of Australian Businesses, 2009, 2010 2011
3. DEECD, Higher Education Skills Group (HESG) Data provided on Victorian Government Funded enrolments in VET courses
4. DEEWR, Labour Market Research and Analysis branch, Nov 2012, Mid Murray Employment Service Area, presentation by Sandra Taylor-Steele
5. DEEWR , Australian Jobs 2013
6. Sunraysia Institute of TAFE, 2012, Start your Career at SuniTAFE 2012



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