



TASMANIAN DISTILLING INDUSTRY WORKFORCE REPORT

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Table of Contents

Tasmanian distilling industry workforce report	1
1. Foreword	4
2. Introduction	5
3. About this report	6
4. About the Tasmanian Whisky Producers Association (TWPA)	7
5. About the industry	8
6. Challenges for the industry	10
7. The approach to training	11
8. Tasmania compared to other jurisdictions	13
9. Opportunities for the Tasmania industry	16
10. Survey Results	18
11. Recommendations	22
12. APPENDIX 1 – Participating businesses	25
13. APPENDIX 2 – Tasmanian distilling industry framework	26
14. Acknowledgements	27

This overview of the Tasmanian distilling industry workforce was prepared by Anne Gigney in consultation with the Tasmanian Whisky Producers Association and with funding provided by; Skills Tasmania, Department of State Growth, Tasmania.



1. Foreword

ABOUT THE TASMANIAN WHISKY INDUSTRY

Tasmanian whisky has gained a global reputation as producing some of the best whiskies in the world.

Tasmania, as an island region, is producing some truly astounding distilled beverages and our global regard and accolades continue to grow.

The Tasmanian whisky brand capitalises on the characters that the island state is famous for. Clean water, natural beauty and the quality and diversity of its local food and beverages. We like to think these elements come through in our products.

The unique qualities of our industry are the things that have value for our brands and for our consumers.

This lovely little island state has access to exceptional raw product, and the tourism experience that whisky can offer is significant. Our people are friendly, our distilleries accessible, our product amazing and our opportunity to be recognised as the leading craft, or niche, distilling location in the world exists if we care to take advantage of it.

This, despite the newness of our industry - just 25 years after Bill Lark established the first legal modern-day distillery in 1992, is where opportunity lies. Today's industry consists of around 20 distilleries - 12 of these are producing spirit and support around 100 workers in various roles in distilling and hospitality.

These people are the backbone of the industry. Whether it is the technical distiller's role, distillery management, stock control or front-of-house staff, each of these people play a role in upholding the values of the Tasmanian whisky brand.

We already invest significant resources in training our people to be the best they can be for our businesses and for the Tasmanian whisky brand. It is possible the time is right to consider how else we could strengthen the reputation of our brand as we look at investing in, and promoting the skills of, the amazing people that produce the goods.

Tasmanian whiskies continue to be recognised on the world stage. In 2015, Sullivans Cove Distillery was recognised by the World Whisky Awards as the best craft distiller in the world, Nant Distillery received gold and silver for its single malt at the World Spirit Awards, Lark named Best Australian Distiller, and in 2016 Shene Estate claimed gold and Redlands Distillery silver at the International Whisky Awards in Chicago. Recognition of our people and their skills as artisan distillers could be another feather in the cap of our industry. Hellyers Road Distillery owned by a shareholding of Tasmanian dairy farming families, their descendants and employees, has also impressed globally with recognition for producing a *Master Whisky* at the 2015 World Whisky Masters and in 2016 it won Gold at the World Spirit Masters Awards. In 2015 its single cask release in the Henry's Legacy Range was judged *Best Single Cask Release (Australasia)* at the World Whisky Awards.

We are excited by the exploration of our workforce, and the opportunities it will bring the industry. Tasmania has a unique opportunity and we owe it to the pioneers of our industry to take advantage of those.

The Tasmanian Distilling Industry Workforce Report is the first step in considering where the future and opportunity lies for our people in distilling. It would be great to think that Tasmanian distilling can lead the development of people in this, and industries like brewing and cider-making, and contribute to Tasmania becoming a global destination for artisan distilling and brewing education.

We already have amazing product, we have amazing brands and amazing people. It will be good to see where we can take our broader workforce into the future. We commend this report to you and hope you enjoy it.

Robbie Gilligan

President – Tasmanian Whisky Producers Association





2. Introduction

The Tasmanian distilling industry has, over the last two years grown significantly. Since 2014, the number of distilleries focused primarily on whisky in the state has doubled to be now in the order of 20¹ located regionally throughout Tasmania.

The Tasmanian distilling industry, although still quite small, is a significant driver of destination tourism. The quality of our distilled products, especially whisky, reinforces Brand Tasmania's focus on premium produce and unique tourism experiences for Tasmania's visitors.

In the last two years, production levels from the ten or so producing distilleries has grown. The number of distilleries producing whisky has also grown, but equally now are dedicated distilleries outside this number producing vodka, gin and other distilled products.

The industry has reached a point of comfortable scale where demand for product is about equal with supply. There is room and appetite for growth - exports to mainland and overseas distributors reach only niche volumes – and at least five of the lead distilleries are already planning growth.

Awards and acknowledgement for our leading distilleries has grown the global recognition and demand for Tasmanian whisky. This has had tangible flow-on benefits to Tasmania's other distilled products – such as gin.

With growth has come additional investment in the industry. Four² of the larger distilleries have taken on new investment partners with the aim of further production growth and/or product expansion. This growth has seen an increase in the number of people employed in the industry and changes to the types of job roles and skill needs within distilleries.

At its current size, the Tasmanian distilling industry could be considered niche, or craft, as measured by scale and production output. It is closely linked with the state's brewing industry and as such provides future opportunities across both industries in the sharing of expertise, transferable skills, training opportunities and industry experiences across sectors.

Current training

Training and education within the distilling industry continues to be informal with most new staff learning on the job. Some distilleries have simple competency matrices and training programs for employees but largely training is still done on the job. Some employees within distilleries are undertaking online technical training through providers such as the Institute of Brewing and Distilling (IBD) or Herriot Watt University³, but this is an exception rather than the rule.

There is a significant opportunity to provide targeted assistance to the distilling industry through pathways for training and tools for implementation.

It is suggested that this must also be balanced carefully to ensure that training does not take away from the 'craft' which has enabled its success, or create another level of red-tape or burdensome regulation for the industry's small business operators.

1 Number as at 1 September 2016 – a further four expected in 2017.

2 Number of Tasmanian distilleries with significant partner investment, as at 1 September 2016

3 IBD – ibdasiapac.com.au and Herriot Watt - www.hw.ac.uk





3. About this report

This report explores and analyses the existing workforce status of the Tasmanian distilling industry, provides information about job roles and makes recommendations for development opportunities in the training and people areas. Its main focus is on Tasmanian whisky distillers but there is some coverage of gin and vodka producers within the state.

Its goal is to assist in workforce development of the Tasmanian distilling industry, and further develop the skills and reputation of the industry. It also aims to reinforce the benefit of training for its people, and indeed a shared approach for training in Tasmanian distilling, which may provide opportunity for the state more broadly.

The recommendations at the end of the report have been provided for the industry to consider, accept or amend, and implement as part of its development. Its clear focus is on distillery businesses and the skills opportunities for them and the industry.

The report also considers opportunities for the industry with the goal of developing a reputation for producing the most skilled craft distillers in the world, and in turn reinforcing the Tasmanian whisky brand and its contribution to destination tourism.

The report covers the considerations for distilling businesses, at various scales and business stages. It may be that elements of the report will be more relevant to established and growing distilleries, than start up distilleries. The report however, does aim to represent and report on the industry as completely as possible.

There are three main types of businesses within the industry:

1. **Distilleries** (Producers of spirit, including established distilleries and those just starting up)
2. **Independent bottlers** (Businesses that purchase spirit and mature and/or market and rebottle for sale)
3. **Services to industry** (including tour operators, suppliers and other supporting businesses)

The report also identifies and refers to the training and education processes that are used in other parts of the world, namely Ireland, Scotland and the United States, and also considers industries where the development journey has been similar to the experiences of the Tasmanian industry.

It also broadly considers the standing and likeness of the Tasmanian industry in comparison to other parts of Australia. It is hoped that the report, and especially the recommendations, will be readily accepted by the industry and implemented as part of its development and growth.





4. About the Tasmanian Whisky Producers Association (TWPA)

The Tasmanian Whisky Producers Association is the entity that currently represents the interests of Tasmania's whisky distillers and supporters of the industry.

It is made up of around 20¹ individuals who represent the companies or organisations that produce whisky in Tasmania. TWPA was formed in 2007 and members at the time were made up of the existing distilleries and independent bottlers in Tasmania producing Tasmanian single malt whisky (of which there were 10).

The Association was formed to support Tasmania's growing industry and its success nationally and internationally.

Its express objectives are:

1. To Establish and promote Tasmania as being Australia's foremost whisky region (Tasmania – Australia's Whisky Island).
2. To participate in jointly marketing Tasmania as Australia's foremost whisky region where the opportunity arises.
3. To support the objectives of the Australian Distillers Association and its objectives.
4. To promote the responsible sale and consumption of alcohol.
5. To represent and advance the interests of the community of Tasmanian Distillers and independent bottlers of Tasmanian Whisky.
6. Whilst recognising the importance of other Tasmanian spirits, the focus of the Association is Tasmanian Whisky and its ingredients.
7. To define Tasmanian Whiskies and to establish a Tasmanian Whisky Appellation, for each category, backed by legislation and protected by this Association.
8. Tasmanian whisky must be produced in Tasmania from new make whisky spirit distilled in Tasmania, and distilled from grains only. Tasmanian new make spirit must be matured and bottled in Tasmania and be free of any artificial colourings and flavourings.
9. To monitor and encourage the correction or removal of any misleading labelling or marketing material to ensure that the integrity of the Tasmanian whisky industry is maintained.

The Association meets regularly and collectively identifies issues and points for discussion with fellow members.

The association elects a President, Vice President and Secretary. These offices are currently held by:

- President – Robbie Gilligan, Redlands Estate
- Bill McHenry, William McHenry and Sons
- Secretary – Mark Littler – Hellyers Road Distillery
- John Weilstra – Corra Linn

¹ Number of members as at 1 September 2016



5. About the industry

The industry in Tasmania is made up of around 20 distilleries (this number is growing every year) with over 100 employees. Australia in total has around 80 distilleries and this number, too, is growing. Sales from the Tasmanian industry are estimated to be around \$AUD 20M¹. The makeup of the industry includes single distillers, husband-and-wife or friend-based partnerships, formal partnerships, single companies and companies with investment at varying levels.

Distillery life stages

There are different aspirations and business stages of people within the Tasmanian distilling industry. At the present stage, there are 20 distilleries, two independent bottlers and upwards of 10 identifiable businesses that service the industry including providers such as barley malsters, cask makers, tour operators, education providers and various downstream businesses.

Research in developing this report has identified nine key stages in the development of a distillery business. It should be noted that these are typical life stages and may not be applicable to the business journey of every distillery.

- 1. ATO licenced** Have applied for a distilling licence and are progressing toward the development of a distillery
- 2. Start up business** Still building the business, not yet producing
- 3. New distillery** Making and maturing whisky. Not yet selling (but may be producing gin or other)
- 4. Established distillery** Selling whisky (2 years after whisky is made) and other products
- 5. Local distribution** Regular niche production, meeting local demand (also often sole distiller or partnership)
- 6. Diversifying distillery** Selling whisky and other products and diversifying into tourism (& considering employees). Direct distribution, online and through agent
- 7. Growing distribution** Local and national distribution and tourism (likely to have employees and possible specialisation where scale has increased)
- 8. Exporter/distributor** Significant scale. Diversified model may also be exporting and including employee specialisation – eg. Marketing specialist)
- 9. Scaleable investment** Established with plans for scale and seeking major investment (note this stage may also be applicable earlier within this model) (employee specialisation).

¹ Estimate from TWPA and Department of State Growth 2016, as exact figures are not available



The industry's position compared to the broader Australian market

Tasmania has, in many ways, led the modern-day emergence of distilleries in Australia. Bill Lark carved out a niche in the 1990s, established himself as a trailblazer and in doing so has provided an ongoing opportunity for the Tasmanian distilling industry.

Tasmania, however, is still operating at quite small scale whereas some distilleries on the mainland of Australia (Starward, Great Southern) have upscaled to take advantage of market demand in the region.

That said, throughout Australia different types and scales of businesses exist and the regional challenges (such as finding skilled people) for distilleries in remote areas, throughout Australia, are the same as those in Tasmania.

Nationally, many distilleries are trading on the provenance aspects of their regions. It is fair to say that this is becoming a successful trend throughout Australia with emerging whisky trails focused on tourism experiences in South Australia and some of Victoria's regions.

Tasmania's clear opportunity remains in this area. It must continue to capitalise on the craft of the locally made product, and link the product closely to provenance and the accessibility that Tasmanian distilleries can still provide to whisky visitors. A clear and co-ordinated approach to tourism also linking to cider and beer provides clear opportunity for all three industries.

About Tasmania's distilled products

The reputation of Tasmanian whisky and distilled products is globally significant. The industry has been building for some time and a series of accolades, starting with the Lark Distillery, followed by other distiller's awards, and finally Sullivans Cove Distillery's World Whiskies Award have categorically put Tasmania on the map.

It would be true to say that you can't find a bad whisky in Tasmania. Differences exist amongst the distilleries but the experts indicate that all Tasmania's current whisky products are amongst some of the best in the world.

Cost of product

On average, most of Tasmania's 500ml whisky products cost between \$185-\$300 per bottle. There are variations, brought about by maturation differences, market demand and distillery choice. Some bottles are available for sale between \$350-\$500 per bottle and some distillers are producing smaller sized bottles to provide market access to their product.

Some Tasmanian distilleries are also making cask investment available which provides a ready cash flow for the distillery but can also enable access to the public wishing to ensure access to the spirit upon maturation.





6. Challenges for the industry

Key challenges for the industry are indicative of the current state of maturation of the market in Tasmania and include:

- 1. Niche production levels.** There is more demand than supply. This has its advantages in terms of exclusivity and desire for product, but the risk is the market will look to other regions in the future if guaranteed supply is an issue.
- 2. Access to skilled workers in regional areas.** While there is no shortage of people applying for distillery roles, distillery businesses must also find quality front of house and hospitality people, which is a greater challenge outside of Hobart and Launceston.
- 3. Tourism/marketing impost on distillers.** The requirement for distilleries to be able to distil, manage tourism visitation, while also trying to grow and market their business brings an inherent challenge. While this is probably no different to any other small tourism-focused business it is still a challenge that the industry may benefit from by gaining advice or assistance.
- 4. Access to raw product.** It has been argued that an increase in production levels in Tasmania may affect both barley and barrel supply in the future. The demand for raw product is manageable under current circumstances but should be strategically monitored for the future.
- 5. Collecting new skills.** In most cases, distillers are self-taught and when starting out are arguably unlikely to invest in formal training except where compliance is a requirement. Troubleshooting problems also presents challenges for some in the industry. This also related to the small business challenge of time where you need time to skill up, but there is no possibility of time out of the business.

Number of employees in the Tasmanian distilling industry

There are currently between 95-120 workers (both full time and part time) at Tasmania's distilleries including distillery owners and partners, staff including front of house roles for larger distilleries and small increases in workforce for seasonal or peak time workers. This is likely to increase in 2017 due to the expansion of some and emergence of new distilleries.

Critical job roles include management and distiller, which make up the main roles for all distilleries. Specialisation into front of house/bar, stock management and marketing roles tends to occur once distilleries reach a scale where distribution is required.





7. The approach to training

In Tasmania, it is generally accepted that distillers and distillery staff need to undertake suitable training to effectively do their job.

There are current variances in the approach taken for training within distillery businesses. This is based on factors such as:

1. Size and location of business
2. Newness and stage of business
3. The actual and/or perceived needs of the business
4. The diversity of product offerings within the business, and
5. Understanding and interest in the benefit of training.

Differences in training needs for new businesses and established businesses

New distilleries are likely to have a different approach and/or needs for skills training compared to established businesses.

Research for this report indicates that businesses with more employees, and that are primarily production-driven, are more likely to have more formalised systems in place for training of staff. This training is largely focused on development of technical skill, and safety, or enable production levels to be met.

New distillery businesses, like some other new or emerging industries are likely to be self-educated and trained on the technical components of distilling and often skills related to distillery set up and business management.

Technical and compliance needs

It is considered reasonable to assume that most distillers, whether they are established or new, have an interest in the technical side of training (technical information and knowledge about making whisky) and the quality management systems and processes.

It is considered that the initial driver to undertake technical training (ie. Improving skills in brewing techniques, or distilling knowledge) is different for a new business compared to an established business.

For example: in a new business, technical training is more focused on building understanding about the process of making and producing spirit easily and consistently. Often a new distillery owner (who is often also the distiller) is focused on increasing their own knowledge, skill and capability.

For established and growing businesses, the need for quality technical training is more likely to be driven by a significant growth in production, or the exploration into new markets where a quality system (including production management and training of people) underpins the value of the brand. This investment will be spent on employees.

Additional challenges that have been identified within Australian distilleries include understanding compliance and risk management and the changing requirements related to this.



Legal, compliance and training requirements for Tasmanian distillery businesses

Like any small business, there are compulsory training and compliance requirements that businesses in the industry are required to observe.

These are requirements relating to the management of the distillery and to the making and storing of alcohol as specified by Australia or Tasmanian Government authorities.

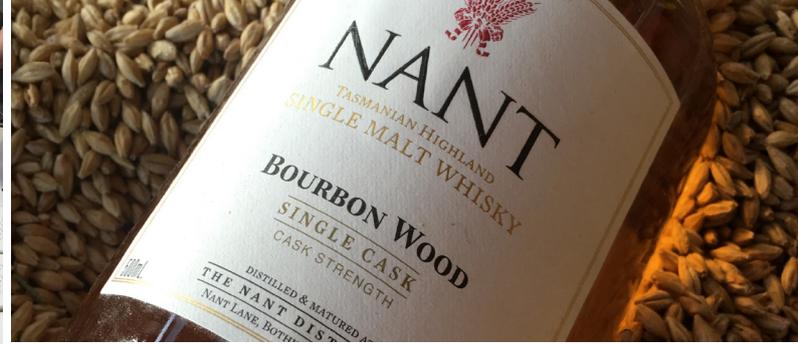
When establishing distillery businesses there are also codes of practice and requirements relating to distillery set up that new business owners must be aware of and comply with.

When employing people, businesses must assess and apply relevant codes of practice for the management and safety of its employees. Some of these are listed below.

Requirements and types of training needed for distilleries

For the establishment of a distillery business	
Licence to manufacture excisable products – alcohol	Australian Tax office
Licence to store excisable products – alcohol	Australian Tax office
Record keeping compliance requirements	Australian Tax office
Legal and compliance requirements	Various authorities
Company and employment obligations	Various authorities
For distilleries employing people (including distillery owners)	
<p>At this stage there are implied requirements by the nature of work undertaken in distilleries, these are:</p> <ul style="list-style-type: none"> • Company induction • WHS/OHS training • First aid training • Hazardous manual tasks awareness • In-house processes training • Other standards as relevant to each business <p>There are also specific operational areas of a distillery where a training ticket is required. These include:</p> <ul style="list-style-type: none"> • Forklift operations • Working at heights • Responsible Serving of alcohol • Confined space training (where applicable) • Fire safety training <p>This list of codes and of training requirements will grow as the business evolves and these requirements continually reviewed.</p> <p>There are also office and management requirements which may need training including:</p> <ul style="list-style-type: none"> • MS office/Excel • Management/Leadership 	<p>In-house</p> <p>In-house and external training providers</p> <p>In-house and external training providers</p> <p>External training provider/ professional development</p>





8. Tasmania compared to other jurisdictions

Compared to Australia

Australia does not yet have formal qualifications in distilling. A university level qualification is currently being considered by the Australian Distillers Association and it should be noted that any training package developed needs nationwide research and consultation with industry prior to commencement.

While there is no shared agreement nationwide of what the 'training' should or could look like for the industry, the six mainland Australia distilleries¹ that were consulted for this report agreed that 'technical training that meets the needs of growing distilleries' was desirable.

It must be noted that research undertaken for this report has indicated that Tasmanian distilleries are, overall, less interested in a formal qualification than they are in 'training on the job'. Opinions, however, vary and it is expected that as more distilleries emerge that established distilleries may start to tend toward something more formal to protect the quality status of the Tasmanian whisky brand.

Compulsory pre-requisites

At the moment there are no pre-requisites or required qualifications (either in Tasmania or Australia) to become a distiller, but there are clear preferences to the type of person who may be appointed to a distillery. These qualities include: physical fitness; previous experience in brewing, distilling or food processing are desirable; a passion for the industry; enthusiasm and the ability to learn. Most distilleries canvassed highlighted that 'cultural' fit was just as important in recruitment. There are however, some distilleries on the mainland of Australia that have the expectation that any distiller employed to their distilleries require a certificate qualification such the Institute of Brewing and Distilling (IBD) Certificate or Diploma in Distilling, which may be brought with the applicant or done on-the-job via self-paced online learning. That said, there are still compulsory requirements including Licence to Operate a Forklift (TLILIC2001A), Working Safely at Heights (RIIWHWS204D) and Confined Space Entry that are applicable to many workplaces.

Internationally

Training approaches vary across the world and are dependent on the scope and scale of operation. These respond according to the challenges each of the countries have. For example, factors such the variation and maturity of the existing market, the size of the population in those areas and where the growth opportunities are for each of those markets.

It is important to note that some of the challenges that are being discussed in Tasmania, are similar in other parts of the world.

Irish craft distilling industry

The Irish Whiskey Association² has indicated that finding the 'right' skilled people for their industry is a challenge. Ireland in comparison to Tasmania has roughly the same land mass, its population is tenfold Tasmania's and the craft distilleries number 12 as at end 2015.

The Irish industry indicated that it receives some of its trained and/or experienced workforce from other local industry areas such as brewing and in some cases from other countries in Europe.

¹ Discussion within recent Australian Distillers Association meeting, October 2016

² Irish Whiskey Association - <http://www.abfi.ie/Sectors/ABFI/ABFI.nsf/vPagesWhiskey/Home!OpenDocument>



An example provided as part of the research was where recruitment into the distillery from the Carlsberg Brewery in Germany recognised. **This exchange of people across sectors also possible across Tasmania, and should be explored as an option for the local industry.**

Additionally, if a national distiller qualification or accredited course existed, then the transference of these skills would be national. This would provide an opportunity for Tasmania to lead the way in Australia for the distilling industry.

The main difference between Australia and Ireland is that there are specific pre-requisites for new employees in distilleries (such as the requirement to have a fire certificate) and the ease of accessing existing curriculum (including IBD¹ and Herriot Watt²).

United States craft distilling industry

The United States (US) has over 1000 distilleries and is well serviced by the American Distilling Institute . At this stage, there is no formal qualification for distillers and the American Distilling Institute³ has indicated that they believe that there is no need for one- indicating that there are no issues threatening the industry.

The Institute however, does run training programs such as specialised distilling workshops, it builds and shares resources with its member base including business resources, and services the industry with information, links and suppliers. It also enables its members to share their own journey via a purpose built electronic forum that distillers to learn from each other.

The Institute has plans to build further training resources, including a more formal program with structured workshops in the future, based on the resources it has developed and already shares.

Scottish craft distilling industry

By the end of 2017, it is estimated that there will be about 40 distilleries in Scotland with a turn-over of about 20 million pounds (£20M) this equates to over AUD \$32M.

Like Australia, many of the people that work in Scottish distilleries have diverse backgrounds and are often recruited for best fit. One of the main differences between Australia (Tasmania) and Scotland is the ease of access to training materials and courses in Scotland with probably the best regarded curriculum (Herriot Watt and to a lesser degree IBD) readily available for students to undertake.

In Scotland, this means that employees may have some training before starting in a distillery. Again, the common element amongst those who start distilleries is the diversity of background and the management of challenges that come with building new distillery businesses.



1 Institute of Brewers and Distillers – www.ibd.org.uk

2 Herriot Watt University, Scotland - <https://www.hw.ac.uk/>

3 American Distilling Institute – www.distilling.com



The appetite for training within Tasmanian distilleries

There is varying appetite for training amongst Tasmanian distilleries. Some distilleries are happy to continue unstructured on-the-job training while others see value in considering a more structured framework that can guide the management of staff training and education into the future.

Distilleries interested in training agree the following options should be considered:

- i) a framework that adds structure to on-the-job training, or
- ii) a more formalised pathway for training

The latter is these has appeal to some to protect the industry as it grows and as new distillery businesses start to emerge. This approach is similar to that taken by the Tasmanian Wine Industry in last 10 years, providing a system that ensure the skills of its people while also providing some quality assurance to the Tasmanian wine brand. A formal pathway, whether or not it provides an accreditation for the industry may also help determine pay rates for the industry as it grows.

In some cases, larger distilleries are already undertaking on-the-job training using a form of training matrix. This has the benefit of establishing a structure for training that can be built on, and with the right components helps to mitigate any real or perceived risk in relation to workplace safety.

It will be the recommendation of this report that the industry adopt a standard framework (a distillers training matrix) that identifies key roles and skills which the whole industry can use in planning its training approach.

Interest in qualifications

There is emerging interest in some parts of the Tasmanian industry, and more broadly from mainland distilleries, in a formal qualification in distilling.

Research into the industry in Tasmania however has seen a divide in what is appropriate to support the industry. Our research indicates a range of education solutions is likely to better meet the industry's need that a single university level course.

From research undertaken with Tasmanian distillers and consultation with some Australian distilleries, there is interest in technical training which can help new and established distillers troubleshoot problems and to work together on creating solutions.





9. Opportunities for the Tasmania industry

Opportunity: A distilling framework for training

The Tasmanian distilling industry under the guidance of the TWPA has an opportunity to lead the country in the development of a training framework for the industry, in the same way that it has done with other aspects of distilling such as brand development and appellation.

It would be fair to say that the key job roles and skill sets within Tasmanian distilleries would be similar enough that an agreed framework for training could be developed and implemented. This first step would underpin any future decisions made about training and qualifications in the industry and is a useful tool for training people on the job.

Opportunity: Lead the national development of a Distilling course

The development of a recognised course in Distilling, created in Tasmania with support of the TWPA, provides the industry the opportunity to promote its approach to quality management, a factor which underpins the Tasmanian whisky brand.

Effective training should be accessible, promote best practice and foster improvements in productivity, profitability and competitiveness and the Tasmanian industry has the opportunity to shape a national curriculum to meet industry needs.

It is a recommendation of this report that a Tasmanian created course, which can be developed into a recognised qualification be investigated as a future opportunity for the industry.

Opportunity: Working with other craft industries to capitalise on shared opportunity

Through this report, it has become clear that both the brewing and cider-making industries, and to a lesser degree winemaking, share some challenges with distilling. These are challenges related to premises set up, WHS/OHS challenges and other technical issues, as well some technical similarities.

There is an opportunity for the industries to come together to identify areas of shared challenge and opportunity and discuss ways these industries can work side by side reduce cost and share training and tourism opportunity.

Brewing and cider-making will arguably also benefit from the adoption of a simple training matrix as provided herein.

Opportunity: Build increased tourism capacity and invest in skills

Most distilleries in Tasmania rely on tourism as a key part of their growth and financial strategy. There are distinct opportunities for the distilling industry to be more strategically aligned with Tourism Tasmania's Tourism 21 Strategy and provide input to Tasmania's tourism destination plans. Presently individual distilleries have a voice within tourism but there are limited single access points to the industry – these are provided currently through the Whisky Trail and the southern region through providers such as Drink Tasmania and the authors of this report. The Tourism 21 Strategy and engagement with current statewide destination plans may provide better strategic links for the industry.

There are three key areas of tourism opportunity for the Tasmanian distilling industry:

1. The development of a strategic cohesive tourism approach to the promotion of the industry
2. Strategic industry engagement with Tourism Tasmania and tourism industry groups to enable better connection and tourism opportunity, and
3. Tourism specific training that provides a level playing field for all distillers to provide effective service the tourism industry.

The report recommends that the industry develop a strategic tourism approach – consulting with Tourism Tasmania, industry groups such as TICT and industries and businesses such as cider, beer and wine.

It also recommends working with these entities for shared tourism training and professional development; and the identification of a TWPA representative to oversee skills and training based opportunities and challenges for the industry.



10. Survey Results

To gain information about the Tasmanian distilling industry, the report author undertook initial informal conversations with distilleries, developed a survey that provided foundation information about employment and work skills as well as interviewing distillers for additional information or collecting information from those who were unable to do the survey. This work took place from April to November 2016.

Following are the key survey results, from the results of the workforce survey and individual meetings with distillers during 2016:

Workforce summary

- Distilleries are generally split into two types of businesses:
 - i. 1-3 people operating a growing business
 - ii. Established business employing people
- Distilleries have different skills and people needs based on their lifestage
- 100% of distillery owners train personnel on the job
- Roughly half of the distilleries surveyed indicated they plan to employ more people in the next two years if their growth permits
- Recruiting and retaining people is not an issue for the industry
- 65% of distilleries employ part time or casual workers, but only two distilleries of those surveyed increase workforce seasonally

Critical Job Groups

The top critical job groups within the Tasmanian distilling industry are:

1. Distillery Manager/Business Manager (ANZSCO 111111, 111112)
2. Distiller (no clear ANZSCO code)
3. Front of house/bar (ANZSCO 149999, 431900, 431111)
4. Stock control (ANZSCO 741111)
5. Marketing/sales coordination (ANZSCO 225113, 225400)
6. Bottling coordination (ANZSCO 399900)

Job titles and awards

It is fair to say that while individual businesses may have differing titles for their roles, that the job groups identified here capture the key types of jobs within most distilleries. It is important to note that this level of specialisation will only occur in larger distilleries. Smaller distilleries will have 3-4 key people who manage these functions.

Presently the industry does not operate under an award. There is an opportunity for the industry to consider whether this is desirable and work toward endorsing key jobs to provide equity in pay scales across the industry. This will also provide the chance to create an industry career path.



Types of job roles within Tasmanian distilleries

Distilling and front of house roles within the Tasmanian industry create around half of the roles within Tasmanian distilleries. This result includes 10 of roughly 20 operating distilleries in Tasmania and while one single result shown below (Business 7) may skew the results below it is generally considered that front of house and customer service roles are an important part of the workforce mix.

This is supported by the interviews (the results of which are not shown here) where distilling and customer service are recognised as important. This result reinforce that the Tasmanian distilling industry is become as well known for its visitation experiences as it is for its product and that customer experience and tourism training will continue to be important for the industry.

Job roles within Tasmanian Distilleries



Skills and training of employees

All responding distillery businesses say their staff have existing skills or are trained in their area of work. Three of ten distilleries say that there would be room for staff to undertake additional training in their area of work, or where staff are cross trained in other areas of business.

It is noted that many distillery staff spoken to during the research period are undertaking their own self-guided learning due to their interest and passion for the industry.

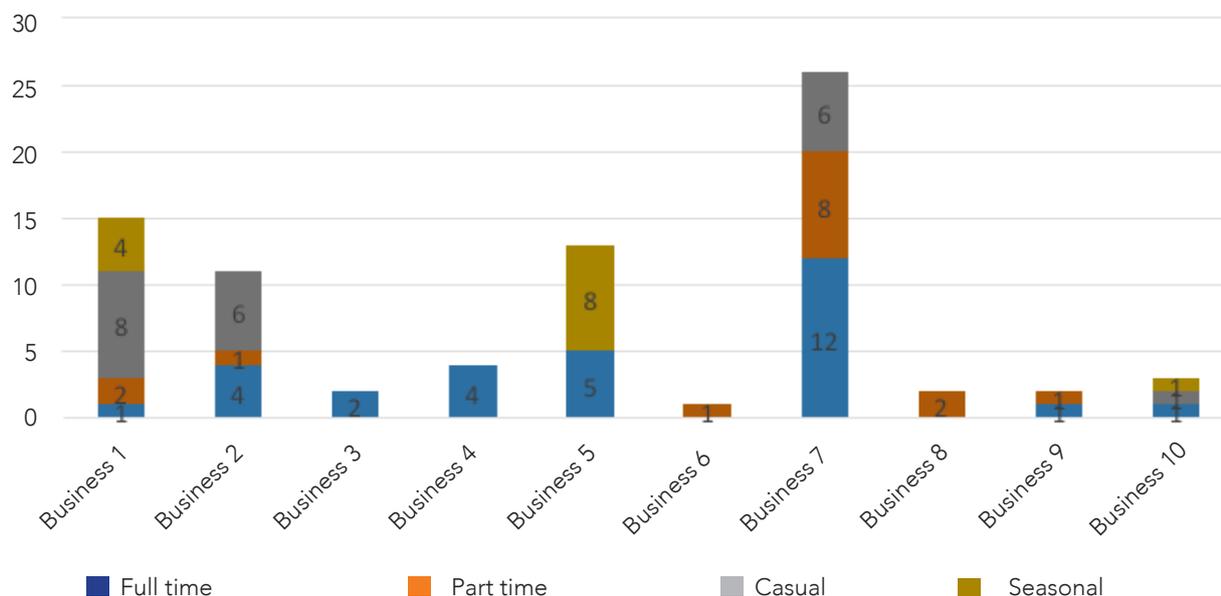
Question related to training of staff	Distillery responses
Are people trained in their area of work?	6 distilleries say their people area trained in their area of work by either formal or informal means
Do people have skills to do their job, but don't have formal training?	3 distilleries agree that staff have necessary skills but don't necessarily have, or in some cases need, formal training
Are people trained but could do with more?	2 distilleries agree that additional training could be beneficial



Full time and part time work in the industry

This chart indicates the work status of employees in the distilling industry. Nominally there are more full time employees in the industry (in this case 30 FT within 10 businesses) but Tasmanian distilleries also continue to be an important employer of part time and casual workers. The approach to training for these different types of workers may need consideration to ensure that casual and part time workers are trained to equal standard as full time employees.

Work status of distillery workers



Qualifications in the industry

Eight of the 10 distillery businesses say that in most cases organisational fit, enthusiasm and relevant experience are most important to the business than qualifications. This is not surprising given the current size of the industry, the existing traditions related to training people in the job, and existing access to formal qualification available in the industry.

Questions related to the value of qualifications when recruiting	Distillery responses
Number of distilleries that say they would recruit first for organisational fit	5 positive responses Note: that some distilleries who chose not to respond via survey agreed that recruiting for potential and best fit was their preference before qualifications
Distilleries who say experience is more important than qualifications	3 positive responses
Distilleries who say that they would recruit someone who is interested to learn	1 positive response
Distilleries who say that a distillers course/ qualification would be beneficial when recruiting	2 positive responses Note: That two other areas of expertise were noted as desirable for these distilleries – management and food science



Diversity in the workplace

The industry appears to be well balanced in terms of the gender and age profiles of its employees. The responses via the survey indicate the gender balance is pretty neutral though observations of the distillery businesses would tend to indicate that specific jobs within the industry are gender skewed – such as distilling toward males and front of house slightly toward females.

Male	32
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Female	28
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The following average age profile from those distilleries who replied via the survey:

Average age of employees	Number of distillery businesses with employees of this age
25-34	3
35-44	3
45-54	3
55-64	1

Employment growth in the 2016/17 year

The Tasmanian distilling industry, even since commencing this research early 2016 has grown. This survey has measured responses from 10 of an initial targeted 18 members of the TWPA (which included distillers, supplier businesses and independent bottlers).

From the 10 respondents, six indicated their intention to employ more people in the coming year, and four were either not sure or not planning for additional employees. Of those distilleries who have not responded to the survey but have been interviewed at distillery meetings, an additional five of these have indicated a likelihood of employing more people in the coming year.

In some cases these are new businesses recruiting for new skill or in the case of established distilleries recruiting in response to a proposed increase in production.

An example of this has been the establishment of a new distillery that has employed upwards of 6 people since opening in 2017.

Retention in the industry

The Tasmanian distilling industry is in fortunate position of being able to attract and keep skilled staff. All the distilleries surveyed and interviewed said that attracting and retaining people was not difficult, in fact the opposite was true with some distilleries being overrun with applications when roles were advertised. The only recruitment difficulty that was noted during the interviews, was finding the right management fit for one of the distilleries.

Business support to distilleries and role of Boards

During our research, many distilleries and distillery owners shared the value of skills-based boards, directors or in some cases investors to assist with the growth of the business. In the case of smaller businesses, this management and business support was often provided by a distillery partner, who may not be working in the business, but who does provide assistance in its management. In the case of larger distilleries, Boards provide a level of oversight and in some cases assistance in running the business. The common element here is that in most cases distillery owners have amassed a support network around them to assist with business growth.





11. Recommendations

The recommendations provided herein are focused on enabling the Tasmanian distilling industry to capitalise on its first mover advantage in distilling. It includes opportunities related to training; and tools, resources and information to assist with skills development and workforce management.

It is important to note that training can be more to the industry than 'something that has to be done'. In Tasmania, a global reputation for distillers who are highly trained in their craft will bring people to Tasmania to experience what it is that makes our whisky, and our state unique.

Developing Tasmania's distilling workforce, providing them a qualification, or recognising the skills they already will also ensure that Tasmania is a destination for people in the industry. The Tasmanian Whisky Producers Association and the individuals within its membership, have the power to capture and lead the education of the industry in Australia and the Asia-Pacific region and have this be an underpinning part of the industry's growth strategy.

The following recommendations include:

- Tools for Tasmanian distillers to help train their own people in-house
- Proposal to develop a certificate in craft distilling
- Work with other craft industries to identify opportunities
- Identify and provide a shared solution to challenge points within member businesses

Recommendation 1: The Tasmanian distilling industry adopt a shared training framework to skill their people

This recommendation is that the Tasmanian industry assist in the development, and adoption of, a standard training framework that sets out the typical steps for training a new distiller within the workforce. This will allow a common approach to training people within workplaces.

A **distilling industry framework** would outline:

1. Key roles in a distillery
2. Tasks expected of that role
3. Ways to assess that person is able and competent do that role safely

This approach forms the basis of a competency matrix, which in turns is the basis for a framework for training people in the industry. This approach can be applied to any job role.

The main advantages of a shared framework are:

- It gives distillers a shared tool to train their people on the job, and to track progress.
- It can help the industry build job descriptions and role titles that can become a standard for the industry.
- It can help the industry to build a wage profile for different types of roles.
- It forms a solid basis for further development of industry training.

Most importantly, a standard training framework helps distillery managers meet compliance requirements, reduce risk profiles (eg. 'we've trained our people in WHS'), and can become a quality system to underpin the Tasmanian whisky brand.

A basic framework has been shared with TWPA members, and should be considered for adoption and further development by the industry



Recommendation 2: The Tasmanian distilling industry lead the development of a Certificate in Craft Distilling

The Tasmanian distilling industry could further cement its reputation as the leading whisky region by developing a distilling course that can be recognised Australia-wide. This would be built from the training framework at Recommendation 1.

The certificate course (VET level Certificate III or IV) will have the advantage of providing an underpinning framework for future accreditation for the industry.

The certificate could be built through an external provider, with assistance and support of the industry to ensure that the certification meets current and future needs.

It is proposed that those already working in the industry could then be assessed within their workplace against a competency framework – ie. A qualification may be awarded through workplace assessment for skills already attained.

The Tasmanian wine industry provides a valuable comparison. Overall, Tasmanian winemakers are qualified and vineyards promote and trade upon their 'qualified winemakers'. The winemaking qualifications in Tasmania fall under the FDF03 Food Processing Industry Training Package standards, and cover technical, safety and food processing components. Certificate level qualifications are available as part of a career path for the industry. This is supported by industry development training (eg. Business, marketing, technical skills) which is provided by external providers and co-ordinated by WineTas.

Our recommendation is that the industry lead the development of a course that which will demonstrate the Tasmanian industry's leadership in education and training nationally. This enables that Tasmanian distilling industry to articulate what training should look like for the industry, and therefore overcome the risk of a less relevant qualification being enforced on the industry. This course can form the basis of a future qualification for the future if, and when, the industry deems it necessary.

Recommendation 3: Initiate a roundtable with Tasmanian craft brewers and cidermakers (and WineTas) to identify areas of commonality and opportunity.

Through the research for this project it has become clear that there are some areas of common challenge and opportunity for the distilling, brewing and cider making industries.

Areas of opportunity include:

- Shared training
- OHS/WHS challenges
- Technical challenges
- Tourism training and opportunities

There are similar areas of concern (eg. managing OHS/WHS and technical challenges) for all industries and due to the small scale of these three industries in Tasmania, it is likely that a facilitated forum will identify areas of common interest and development in people development, training and other areas (eg. shared training and development; resource sharing; tourism opportunity; and shared approaches to areas such as hospitality training for industry personnel.)

The Irish Whiskey Association (www.abfi.ie) also provides a viable approach to developing its own industry (especially in relation to tourism) which would be worth further examination and exploration by the industry.

An example of a shared submission from beer, whisky and cider industries to the Tasmanian Government's New Market Expansion Program for a tourism marketing campaign for Tasmania's craft beverage industries.

It is envisaged that a shared approach to some of these areas, especially in relation to tourism and skill, will provide efficiencies, opportunity and growth for all industries.

Our recommendation is that this process be developed in two phases:

1. *A meeting of each Executive to scope outcomes, resulting in the formation of a consultation group across industry to explore future opportunity*
2. *A facilitated forum to further explore these and develop a shared plan of action*



Recommendation 4: Investigation and investment in business, soft skills and tourism training

It has been identified that there are a range of areas where busy business owners are struggling, or are missing tourism and marketing opportunities due to time or lack of knowledge.

The industry can work with existing training providers and within existing structures to pick up these skills, for either themselves or their workers.

This training could be delivered in conjunction with regular TWPA meetings and might cover aspects such as marketing planning, maximising social media, maximising visitor experiences, or be more focused on business and troubleshooting aspects of the business.

It is recommended that areas of need are discussed and identified by the TWPA, opportunities within tourism be further explored by the industry (or in conjunction with recommendation 3) and training in areas that can assist distillery businesses be explored.

Recommendation 5: Further research the role and needs of training as part of a long term industry strategy

This report has researched the current position of skills and workforce development in the Tasmanian distilling industry and has identified:

1. Areas of opportunity for the industry to explore
2. Suggestions to help skill future workforce
3. Ways to explore collaboration in training
4. Tools to transition the industry to recognised training as it becomes ready

The final recommendation of the report is that the TWPA identifies a resource (person) within its membership, or works with an external provider, to manage and progress training and workforce opportunities.

The benefit of this action includes:

1. Ensuring the industry continues to control and lead decisions, and recommendations, about future training for the industry
 2. Enabling to industry to monitor changes or implications to its membership business.
 3. Proactively reduces future risk by identifying training opportunities and workforce changes.
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12. APPENDIX 1 - Participating businesses

List of participating businesses:

Workforce survey

Redlands Distillery

McHenry Distillery

Deviant Distillery

Overeem Distillery

Hartshorn Distillery

Fanny's Bay Distillery

Launceston Distillery

Tasmania Distillery Pty Ltd (Sullivans Cove)

Hellyers Road Distillery

Spring Bay Distillery

Stillworks Tas Pty Ltd T/as Nonesuch Distillery

Tasmanian Heartwood Malt Whisky

Additional interviews and conversations

Adams Distillery

Belgrove Distillery

Corra Linn Distillery

Lark Distillery

Nant Distillery

Southern Wild Distillery

Australian distilleries visited or discussions

McLaren Vale Distillery

Canberra Distillery

Archie Rose Distillery

Barossa Distillery

Various distillers at Australian Distillers Association meeting (October 2016)



13. APPENDIX 2 - Tasmanian distilling industry framework

The Tasmanian distilling industry framework is provided directly to members of the Tasmanian Whisky Producers Association, and covers the following areas.

Business essentials
Induction
Raw Ingredients
Mashing and Fermentation
Distillation
Bottling, Marketing and Distribution
(Front of house)



14. Acknowledgements

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This report has been produced by the Tasmanian Whisky Academy.

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