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Hon David Coleman MP
Minister for Immigration, Citizenship and Multicultural Affairs
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister Coleman,

Dairy Industry Template Labour Agreement

In 2015, Dairy Australia finalised a template dairy industry labour agreement for the classification, Senior Dairy Cattle Farm Worker, with the formerly named Department of Immigration and Border Protection (the Department). This labour agreement enables dairy farmers to nominate skilled overseas workers for TSS visas to enable them to fill positions they are unable to fill from the local labour market.

At the time of negotiating the labour agreement we sought the Department's views regarding an option for permanent residency but for a number of reasons this was not pursued at the time.

We now write to seek your views on including a pathway to permanent residency in the dairy industry labour agreement.

Dairy farmers continue to seek access to skilled overseas workers due to a significant and chronic dairy farming skills shortage in all States, which is hampering the industry's capacity to grow.

Dairy is the third largest agricultural industry in Australia, after beef and wheat. The value of farm gate production was \$3.7 billion in 2016/17 and it is estimated that approximately 42,000 people are directly employed on dairy farms and by dairy companies in Australia. Over recent years, 30-40% of milk has been exported and Australia ranks fourth in terms of world dairy trade. Demand for dairy products is strong in Asia, particularly in China where dairy imports have more than doubled in the last six years.

Following recent communication with the Immigration and Visa Services Division of your department, we provide the attached submission for your consideration, outlining these key points:

- A permanent skilled workforce is required to operate dairy farms and produce milk—more than 170 separate skills in 11 specialist areas are required across the business.
- There is a well-documented and chronic shortage of skilled labour at all employment levels in the dairy industry, resulting in significant opportunity costs at the individual business, industry and regional levels—there are not enough local workers to fill employment needs across all of Australia’s eight dairying regions.
- The skilled labour shortage is not due to inadequate industry workplace conditions—the outlook for Australian dairy farm businesses is positive and rates of pay are competitive and fair.
- The Australian dairy industry has invested and continues to invest heavily in training and upskilling its workforce, including via industry-operated and owned certificate and diploma courses. However, despite the investment we are still unable to meet dairy’s growing demand for labour as farms expand beyond the capacity of family members to operate alone without employing workers.
- Skilled migration has been successful for the industry and a pathway to permanent residency is a key reason why skilled migrants report choosing Australian dairy farms over other nations as their preferred workplace.
- Retaining overseas workers on dairy farms adds value due to the on-farm upskilling and training which has taken place during the 4-year visa term. This has demonstrable flow-on effects for regional communities and stimulates local economies.

Including a pathway to permanent residency within the dairy industry labour agreement template provides an opportunity for the Australian Government and the Department to support both the dairy industry and growth in regional Australia.

We would therefore welcome a discussion with you about how to better attract and retain skilled staff in regional communities via a pathway to permanent residency within the dairy industry labour agreement template.

Yours sincerely

John Verstedden

Chair
Dairy Industry People and Development Council

Bruce Donnison

A/President
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