

8 May 2015

Committee Secretary
House of Representatives Standing Committee on Education and Employment
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Dear Sir or Madam,

RE: Inquiry into inhibitors to employment for small business and disincentives to working for individuals

The dairy industry is one of Australia's major rural industries. Based on farm gate value of production, it is ranked third, delivering \$13 billion of value to Australia's economy each year. There are approximately 6,300 farms producing close to 9.2 billion litres of milk annually, for a farm gate value of just under \$4.7 billion.

The dairy industry welcomes the chance to present this submission to the House of Representatives Standing Committee on Education and Employment. The dairy industry is a significant rural employer, directly employing around 43,000 people on farms, in factories and other industry bodies, and it indirectly provides a livelihood for more than 100,000 people in service industries.

This submission is made on behalf of the Australian dairy industry by the Australian Dairy Farmers (ADF). ADF is the national peak policy body representing the interests of dairy farmers nationally. As the collective voice to Government and the community on national issues affecting dairy farmers, ADF has a long history of successfully lobbying for the rights of dairy farmers on many fronts.

The dairy industry prides itself on its determination to attract, develop and retain local skilled labour through training and education programs. There are a range of initiatives the industry has taken, including the National Centre for Dairy Education (NCDE), which is industry-owned and provides education and training opportunities. The NCDE delivers nationally accredited courses in agriculture from Certificate II through to Advanced Diploma and may offer pathways to degree levels.

The dynamism and innovation of the dairy industry is a testament to this investment and demonstrates the benefit of committing to the industry's most important asset, its people. Although this dynamism and innovation has been driving growth, dairy farm businesses, including small farm businesses, encounter many challenges in expanding their businesses, including regulations that discourage additional employment.

One of these disincentives includes the three hour minimum engagement clause in the Pastoral Award 2010. This clause states that "an employer is required to roster a part-time employee for a minimum of three consecutive hours on any shift". This minimum was not set in the previous version (1998) of the award, and is considered impractical and burdensome. Dairy cows need to be milked twice daily, but it may only require one and a half hour for each milking. The three hour minimum then creates an additional cost, and often discourages dairy farm businesses, particularly those of a smaller scale, from employing staff, instead choosing to do the work themselves. This puts additional pressure on dairy farmers, who already work considerably longer hours, and it also potentially lowers the contribution of dairy to employment in regional communities.

Another obstacle put forward by the Pastoral Award 2010 is that milking is not classified as an essential service. Feeding and watering stock are considered essential services and are thus exempt from the double time pay for over time on Sundays. This fails to recognise that daily milking is an essential daily requirement in the care of cows. Furthermore, it can also exacerbate the additional costs related to the three hour minimum engagement clause, and put added pressure on smaller dairy farm businesses. The Award should therefore be updated to include "milking" as an essential service relating to penalty rate classifications, similar to "feeding and watering stock".

Should you require any clarification of the comments contained herein, please contact the ADF office on (03) 8621 4200.

Yours sincerely,



Noel Campbell
President