



Australian Dairy Industry Council Inc.

17 October 2014

Mr Stuart Bett
Director
Skilled Visa Review and Deregulation Taskforce
c/- Department of Immigration and Border Protection
PO Box 25
BELCONNEN ACT 2616

Dear Mr Bett,

RE: Australian Dairy Industry Council submission to the review of the skilled migration and 400 series visa programme

The dairy industry is one of Australia's major rural industries. Based on farm gate value of production, it is ranked third behind the beef and wheat industries, delivering \$13 billion of value to Australia's economy each year. There are approximately 6,400 farms producing close to 9.2 billion litres of milk annually, for a farm gate value of just under \$4 billion.

The dairy industry welcomes the opportunity to present this submission to the review of the skilled migration and 400 series visa programme. The dairy industry is a significant rural employer, directly employing around 43,000 people on farms, in factories and other industry bodies. The dairy industry, like other agricultural commodities, experiences labour shortages in critical on-farm and manufacturing roles, particularly in rural and regional areas, and often relies on temporary overseas workers to fill these roles.

This submission is made on behalf of the Australian dairy industry by the Australian Dairy Industry Council (ADIC). The ADIC is the national peak policy body for the Australian dairy industry and represents all sectors of the industry on issues of national and international importance. Its constituent organisations – the Australian Dairy Farmers Limited (ADF) and the Australian Dairy Products Federation (ADPF) – represent the interests of dairy farmers, manufacturers, processors and traders across Australia.

This submission outlines the ADIC's response to several of the questions raised in the discussion paper that are of most relevance to the dairy industry. In particular, we will focus on the effectiveness of the Australia and New Zealand Standard Classification of Occupations (ANZSCO) codes and occupations and Consolidated Skilled Occupation List (CSOL) in facilitating access to overseas temporary labour. We will also briefly outline the dairy industry's efforts to address labour shortages utilising both the domestic and overseas labour forces.

Should you require any clarification of the comments contained herein, please contact the ADIC on (03) 8621 4250.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Noel Campbell', written in a cursive style.

Noel Campbell
Chair
Australian Dairy Industry Council

ADIC RESPONSE TO THE DISCUSSION PAPER

Recommendations

1. Investigate whether the skills recognition framework used for the Australian migration system, the Australian and New Zealand Standard Classification of Occupations (ANZSCO), appropriately recognises industry skills and qualifications within primary industries.
2. Increase the number of agricultural occupations on the Consolidated Sponsored Occupations List (CSOL) – examples of current occupations not on the CSOL are ‘Senior Farmhand’ and ‘Dairy Farm Production Manager’.
3. Align the skill levels used by the Department of Immigration and Border Protection (DIBP) in assessing eligibility for skilled migration with the Australian Qualifications Framework skill levels.
4. Fast track the approval of agriculture sector template labour agreements for industries, such as the dairy industry, facing chronic shortages of skilled labour.
5. Reinstate the DIBP Outreach Officer programme.
6. Nominate a dedicated Case Officer (or team) within the DIBP to process visa applications from agricultural commodities, to ensure consistency in decision-making and in interpretations of skills assessments.

Skills shortages in the dairy industry

Dairy, like most other agricultural commodities, suffers a chronic skilled labour shortage.¹ Difficulty attracting workers to rural and regional areas has dire consequences for our industry, which is already impacted by an ageing demographic.

The dairy industry has been actively developing and implementing strategies to attract, develop and retain a skilled domestic workforce through education programs spanning from primary (Discover Dairy, Picasso Cows), and secondary (Cows Create Careers), through to tertiary education (the National Centre for Dairy Education Australia, postgraduate scholarships).² However, despite these efforts, a labour shortage exists that needs to be filled by overseas labour.

Dairy's future depends on attracting, training and retaining the next generation of farmers, food scientists, processing workers, and industry service providers. While the industry invests heavily in programs to recruit, train and retain skilled workers within Australia, closing the gap in the local workforce will take time. Recruitment of overseas workers offers a short-to-medium-term solution.

Many farmers rely on overseas labour to fill essential on-farm roles that cannot be filled by the domestic labour force. However, accessing overseas labour through the skilled migration visa programme is a frustrating and laborious task, leading to delays in recruiting skilled employees from overseas to fill skills gaps.

The Australian Qualifications Framework (AQF) and the Australia New Zealand Standard Classification of Occupations (ANZSCO)

Some of the challenges with the current process involve Department of Immigration and Border Protection (DIBP) staff unfamiliar with the skill requirements for many on-farm roles, and the skills and training recognition gained from overseas training institutions. These issues are exacerbated by misalignment of the Australian Qualifications Framework (AQF) with the skills classifications used by the DIBP in assessing eligibility for skilled migration, creating inconsistency between industry skills standards and immigration requirements.

The AQF is the national system of cross-sectoral qualifications, introduced in 1995 to provide national recognition and consistency as well as common understanding across Australia of what defines each qualification. The AQF levels define the relative complexity and depth of achievement and the autonomy

¹ http://c.ymcdn.com/sites/www.agrifoodskills.net.au/resource/resmgr/publications/2013_environmental_scan.pdf – AgriFood Skills Australia Environmental Scan 2013, p. 39

² <http://www.dairyaustralia.com.au/People-and-skills/Careers.aspx> – Dairy Australia Education and Careers programmes

required of graduates to demonstrate that achievement. In the AQF there are 10 levels with level 1 having the lowest complexity, recognised as Certificate I, and AQF level 10 the highest complexity, recognised as a Doctoral Degree. A Bachelors Degree is recognised at level 7, medium-high complexity.³

The ADIC sees a number of inconsistencies in ANZSCO definitions and current practice, such as definitions used in the Pastoral Award 2010, and for a number of occupations that have their skill levels classified too low to enable employers access to the skilled migrant visa scheme. For example, the ADIC believes Dairy Farm Cattle Worker (841512) skill levels are classified too low, at skill level 5, equivalent to Certificate I (AQF level 1). Conversely, classifications such as Dairy Cattle Farmer (121313) are classified too high, at skill level 1, equivalent to a Bachelors Degree (AQF level 7), meaning that many applicants do not pass the required skills threshold. Further, ANZSCO definitions do not recognise on-farm skilled qualifications between skill levels 1 and 5, which is inconsistent with AQF skills recognition. Under the AQF, Certificates III and IV in Agriculture and the Diploma of Agriculture are consistent with ANZSCO skill levels 4 and 3 respectively, yet ANZSCO definitions do not recognise these qualifications for the purposes of skilled dairy farmhands and managers.

ABS data from 2011 shows that 60.4 per cent of people employed in the agriculture and fishing sector have no post-secondary qualifications, with just 9.7 per cent holding a Bachelors Degree – relevant for the most applicable occupation of Dairy Cattle Farmer (ANZSCO 121313) on the Consolidated Sponsored Occupation List (CSOL).⁴ This is a clear demonstration that the skill rating for farmers under ANZSCO is not reflective of the actual skill level required for farming, where much training is done on-the-job, and experience is valued more highly than tertiary qualifications.

The ADIC notes that the next major review of ANZSCO is scheduled to begin following the 2016 census and release of the next full edition of ANZSCO in 2021. Given this timeframe, the ABS should work with industry to identify any significant changes required from the existing ANZSCO classifications.

Recommendation 1

Investigate whether the skills recognition framework used for the Australian migration system, the Australian and New Zealand Standard Classification of Occupations (ANZSCO), appropriately recognises industry skills and qualifications within primary industries.

Recommendation 2

Increase the number of agricultural occupations on the Consolidated Sponsored Occupations List (CSOL) – examples of current occupations not on the CSOL are ‘Senior Farmhand’ and ‘Dairy Farm Production Manager’.

Recommendation 3

Align the skill levels used by the DIBP in assessing eligibility for skilled migration with the Australian Qualifications Framework skill levels.

The Dairy Industry Labour Agreement

The dairy industry is currently preparing a labour agreement to assist farmers in accessing overseas labour and overcome some of the difficulties associated with the skilled migrant visa application process.

Labour agreements between an employer and the Commonwealth offer a solution to the difficulties many farmers experience in accessing the 457 visa programme. These agreements are designed to address a genuine, systemic labour market shortage, rather than accommodate an employer’s preference for a particular overseas worker, and may include skilled occupations that are not on the approved list for 457 visas. Labour agreements are generally effective for two to three years, and allow for temporary and permanent visas to be granted.

³ <http://www.aqf.edu.au/aqf/in-detail/aqf-qualifications/> – AQF Qualifications, accessed 24 April 2014

⁴ <http://www.awpa.gov.au/our-work/sector-specific-skill-needs/Documents/Food%20and%20beverage%20workforce%20study.pdf> – Australian Workforce and Productivity Agency, Food and Beverage Workforce Study, October 2013, p. 54

Preparing a labour agreement application is a time-consuming task requiring specialist expertise beyond the resources of most individual farmers. Based on the experience of the meat and pork industries, Dairy Australia is helping industry to prepare a labour agreement application for several farm businesses as a 'pilot', with a view to setting the standard for an industry-wide template agreement in future. Dairy Australia initiated this process following data from their annual National Dairy Farmer Survey that highlighted people and employment issues as being of high concern to farmers.

This initiative is being undertaken in response to growing frustration among farmers seeking overseas workers through 457 visas, or backpackers on working holiday visas. The 6-month limit on employment for the latter is disruptive for the business, while the former is proving laborious, frustrating and inadequate. Compounding the issue is the fact that many farmers do not want a highly qualified farm manager, but rather are seeking skilled senior farmhands (equivalent to FLH Level 7 in the Pastoral Award) responsible for coordination of daily operational tasks including milking cows, detecting/treating animal health issues, and animal husbandry. These skills are currently not recognised in ANZSCO.

Recommendation 4

Fast track the approval of agriculture sector template labour agreements for industries, such as the dairy industry, facing chronic shortages of skilled labour.

Engagement with the Department of Immigration and Border Protection

The DIBP Outreach Officer programme provided a valuable resource to farmers gathering information in preparation for an application, and the ADIC was disappointed by the closure of the programme in the 2014/15 Federal Budget. The programme provided a dedicated officer from the DIBP to respond to farmers' enquiries on migration matters and provide general information on visas and visa requirements. Since the cessation of the programme on 1 July, farmers seeking this information have been left with little option but to engage the services of a migration agent, which can be expensive, particularly for skilled migration visas where fees average \$2,000 to \$5,000. The ADIC strongly recommends the reinstatement of the Outreach Officer programme, to ensure farmers can access accurate immigration information in a cost-effective and timely manner.

The ADIC considers that a further challenge lies in the inconsistency of interpretation of skills by DIBP Case Officers assessing skilled migrant visa applications, and a lack of knowledge surrounding eligibility when skills assessments are conducted.

Anecdotal evidence from dairy farmers who have attempted to secure overseas labour using the 457 visa programme and had applications rejected indicates that there is a lack of understanding amongst DIBP staff about the skills requirements and duty statements of on-farm roles. This is supported by the Dairy Australia and ADIC's own discussions with DIBP staff, where Outreach Officers advising farmers on eligibility for 457 visas at dairy information sessions late last year advised that overseas workers can only be brought in as farm managers on 457 visas, whilst the Canberra-based Case Officer believed the farm manager classification would cover skilled workers below the manager level.

The ADIC proposes the establishment of a dedicated team of Case Officers processing skilled migrant visa applications from agricultural commodities. This will ensure consistency in decision-making and in interpretations of skills assessments, and enable training of DIBP staff to familiarise them with on-farm roles and eligibility criteria.

Recommendation 5

Reinstate the DIBP Outreach Officer programme.

Recommendation 6

Nominate a dedicated Case Officer (or team) within the DIBP to process skilled migrant visa applications from agricultural commodities, to ensure consistency in decision-making and in interpretations of skills assessments.