

## **Australian Dairy Farmers and Dairy Australia**

### ***Response to***

### **Jobs and Skills Australia targeted for consultation Core Skills Occupations List (CSOL)**

**May 2024**

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## Introduction

Australian Dairy Farmers (ADF) and Dairy Australia welcome the opportunity to provide a submission to the Jobs and Skills Australia (JSA) consultation for the “CSOL targeted for consultation” list (CSOL).

Australian Dairy Farmers Limited (ADF) is a not-for-profit organisation recognised as the national Peak Industry Representative Body (IRB) for dairy farmers from all dairy producing States across Australia. ADF’s mission is to provide strong leadership and representation to allow for the continued growth of internationally competitive, innovative and sustainable dairy farm businesses.

ADF’s membership base include State Dairy Farming Organisations (SDFO’s) and direct farmer members. ADF’s has formal representative functions with Dairy Australia, Animal Health Australia, SafeMeat, and is the dairy representative member of National Farmers Federation.

Dairy Australia is the national services body for dairy farmers and the industry. Its role is to help farmers adapt to a changing operating environment, and achieve a profitable, sustainable dairy industry. As the industry’s Research and Development Corporation, it is the ‘investment arm’ of the industry, investing in projects that cannot be done efficiently by individual farmers or companies.

The dairy industry is the third largest rural industry in Australia and is a key sector of the agricultural economy, employing 14,900 people on farm and over 33,500 across the whole supply chain. Dairy generated \$6.1 billion in farmgate value in the 2022-23 financial year with the sectors exports totalling \$3.7 billion for the same period. Australia is a significant exporter of dairy products, exporting approximately 30 per cent of milk produced. It ranks fourth in terms of world dairy trade, with a five per cent market share behind New Zealand, the European Union and the United States.

## Executive Summary

Two ANZSCO occupations listed on the “CSOL targeted for consultation list” are highly relevant for the Australian Dairy Industry. These are ANZSCO classification occupation 121313, Dairy Cattle Farmer which has historically been listed on the Regional Occupation List (and predecessor lists), and ANZSCO classification occupation 363213, Senior Dairy Cattle Farm Worker. It is these occupations which will be addressed in this submission.

Dairy is a skilled industry. It requires talented and skilled people to manage livestock, heavy machinery and complex processes on farm. Skilled overseas workers play an important role in meeting farm skill needs as there exists a persistent and well documented shortage of skilled labour at all levels in the dairy industry from entry level to farm manager level which is not able to be met from the current domestic workforce. The establishment of the Dairy Industry Labour Agreement and that two Designated Area Migration Agreements (Great South Coast and South Australia) also provide migration pathways for skilled dairy workers further highlights the ongoing demand for skilled workers in dairy.

This skills shortage is seriously impacting upon the ability of the industry to increase and even maintain current production. The dairy industry is taking significant steps to address the skills shortage, with Dairy Australia investing heavily in worker attraction, retention and development programs.

For the foreseeable future the dairy industry will continue to rely upon overseas workers to fill critical skills gaps. Skilled migration in the dairy industry is genuinely additive to the current Australian labour market, due to:

- The ongoing shortfall in the number of Agricultural graduates needed to fill roles across Australian Agriculture.
- Unemployment rates across many dairying regions are well below the national rate indicating extremely tight labour markets.
- Well documented housing shortage which significantly impacts on dairy’s ability to secure the people and skills necessary.

The Australian dairy industry requires skilled and talented workers in the roles highlighted for consultation (**121313 - Dairy Cattle Farmer and 363213 - Senior Dairy Cattle Farm Worker**) and at present and for the foreseeable future this demand cannot be met by the domestic labour pool. **It is critical that these two occupations be placed on the revised CSOL.**

# Background

## Dairy requires skilled workers

The dairy industry by its nature requires skilled people to work with animals and manage complex machinery. There are very few jobs on the dairy farm which can be successfully undertaken by unskilled workers. In fact dairy farmers need more than 170 separate skills in 11 specialist areas to run a successful farm business<sup>1</sup> and capitalise on market opportunities at home and abroad.

These include:<sup>2</sup>

- Fencing
- Natural resources
- Working with machinery
- Occupational health and safety
- Feeding livestock, pastures and soil
- Irrigation and water
- Working with chemicals
- Working with animals
- Milk harvesting, food safety and quality assurance
- Business management and
- Human resources

Unskilled workers impose unnecessary additional cost pressures in an industry where margins are already very tight. An inability to detect sick and injured animals early and administer appropriate care, costs dairy businesses tens of thousands of dollars a year in vet bills and lost milk production.

Three examples detailed below refute this impression in relation to dairy farming.

### ***Example 1: Treatment of mastitis in dairy cows***

Mastitis is an udder infection which is often treated with antibiotics. If picked up early enough and treated early, the length of time that the cow is out of production is reduced. Only skilled competent workers will be able to detect early mastitis.

If mastitis is not picked up early the cow can become severely affected and may have to be euthanised meaning total loss of that cow to production and loss of the rearing costs which have gone into getting that cow to production.

Proper hygiene at milking and milking all of the milk from the cow (milking out) helps to prevent mastitis occurring in the first place. Unskilled workers lack the capability to make these assessments or to know when a cow has been milked out properly.

Milk is tested at the milk processing facility for traces of mastitis which shows up as an increased white blood 'cell count'. If this is detected the milk will be downgraded and substantial penalties imposed by the milk factory because the cell count in the milk is above a certain level. Over a year this can amount to a significant amount in the vicinity of \$75,000 to \$80,000 per year for an average sized dairy farm.

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<sup>1</sup> 'Dairy Farm Skills Framework' (Dairy Australia)

<sup>2</sup> [www.legendairy.com.au/dairy-farming/our-farming/a-day-on-the-farm/farmer-skills](http://www.legendairy.com.au/dairy-farming/our-farming/a-day-on-the-farm/farmer-skills)

While the cow is being treated with antibiotics, extreme care must be taken to ensure that the milk from cows being treated with antibiotics isn't sold for human consumption. When the antibiotic cow is being milked, the skilled operator needs to identify the cow and then manually divert the milk from the main vat. If this is not done and the antibiotic milk gets into the main vat then the whole tanker load will be rejected at a cost of \$10,000 to \$15,000.

### ***Example 2: Misuse of farm machinery***

Employing unskilled workers can present occupational health and safety risks because the work on a dairy farm involves working with large animals and complex machinery, both of which require appropriate training. Misuse of machinery can be very costly to the farm business and can result in damage to the machinery, damage to property, injury to livestock, and in the worst-case scenario injury to farm workers.

### ***Example 3: Food safety requirements***

All dairy farming operations must be licenced by a state dairy regulatory authority. It is a mandatory requirement that these farms comply with the Food Standards Australia New Zealand, (FSANZ) Food Standards Code.

Standard 4.2.4 of the Code, Primary Production and Processing Standard for Dairy and Dairy Products requires the development of a Food Safety plan for all dairy farming establishments.

The food safety plan must include control measures for food safety hazards, including herd health management, usage records of farm inputs such as chemicals and veterinary medicines, and compulsory milk temperature management for microbiological control.

Milk is a perishable commodity that requires strict attention to ensure a maximum degree of food safety integrity. As such, the Food Standards Code specifically references the skill requirements of dairy farming personnel.

Clause 6 of Standard 4.2.4 states:

#### ***6 Skills and knowledge***

*A dairy primary production business must ensure that persons undertaking primary production activities have skills and knowledge of food safety and hygiene matters commensurate with their work activities.*

## **Skilled occupations in the dairy industry as defined by ANZSCO and industrial coverage**

For the purposes of this submission, occupations which are listed in the ANZSCO classification structure at a skill level greater than skill level 3 are relevant as it is these occupations which enable access to the standard visa programme for the temporary skilled visas 494 and 482.

ANZSCO recognises three dairy farming occupations with a skill level greater than Skill level 3.

- Occupation 121313- Dairy Cattle Farmer -Skill Level 1
- Occupation 363213 - Senior Dairy Cattle Farm Worker - Skill Level 3
- Occupation 363213 Production Manager (Dairy Cattle) - Skill Level 2

## **Occupation 121313- Dairy Cattle Farmer**

ANZSCO lists the occupation Dairy Cattle Farmer as follows:

*Alternative Title - Dairy Cattle Farm Manager*

- *Plans, organises, controls, coordinates and performs farming operations to breed and raise dairy cattle for milk, meat and breeding stock.*
- *Dairy Herd Managers are excluded from this occupation. Dairy Herd Managers are included in Occupation 363213 Senior Dairy Cattle Farm Worker.*

*Skill Level: 1*

*Specialisation - Share Dairy Farmer*

In practice in the dairy industry this occupation is a highly skilled position which is outside of coverage by the Pastoral Award 2020 and is performed by high level managers or share dairy farmers.

Tasks include high level overseeing and managing of farm operations and staff including lower level managers such as herd managers and other production managers.

It is expected that staff at this level be able to manage a farm with little supervision by the farm owner.

## **Occupation 363213 - Senior Dairy Cattle Farm Worker**

ANZSCO lists the occupation **Senior Dairy Cattle Farm Worker** as follows:

*Alternative Title - Dairy Herd Manager*

- *Performs skilled tasks on a dairy farm in managing and supervising the breeding, raising, droving, feeding and milking of dairy cattle.*

*Skill Level: 3*

*Specialisations - Production Manager (Dairy Cattle) (Skill Level 2)*

In practice this occupation is covered by the Pastoral Award 2020 at classifications Farm and Livestock Hand (FLH) 5, FLH7 and FLH8.

This is a skilled position at each classification level and the wage rates reflect these skills.

At FLH5 the employee is expected to be able to use their knowledge and skills to multiple operations involving basic levels of problem solving and decision making and have an appreciation of the overall processes involved in a dairy farm.

At FLH7 the employee is expected to use their knowledge and skills to coordinate the operation of a farm process or area of expertise e.g. milking and animal attendance, pasture and farm maintenance, breeding programs and artificial insemination area.

At FLH8 the employee is expected under the direction of the owner or manager, to use their expertise and skills in order to supervise and maintain the operation of a dairy farm.

## **The dairy industry and access to skilled overseas workers**

ANZSCO occupation 121313 - Dairy Cattle Farmer has been included in the Regional Occupation List (and its predecessors) for many years and the dairy industry has accessed the sponsored temporary skilled migration pathway for the historical 457 visa, and its modern replacement the 482 visa.

Prior to the recent refresh of ANZSCO all other dairy farming occupations were listed at skill level 5. For this reason, the dairy industry applied for and was granted a Labour Agreement (the Dairy Industry Labour Agreement (the DILA)) for the occupation Senior Dairy Cattle Farm Worker in 2014. This occupation was allocated to skill level 3 reflecting the skilled nature of the role.

The further occupation Dairy Cattle Farm Worker at skill level 4 was recently added to the DILA again reflecting the skilled nature of the occupation albeit at a lower skill level. The relevant visas for the DILA are the 482 visa and the 494 visa with a pathway to permanent residency available.

The dairy industry did not seek to have the occupation Dairy Cattle Farmer as an occupation in the DILA as access to skilled migration was possible through the standard visa programme via the 482 (457) visas.

In addition to the DILA there are two Designated Area Migration Agreements (DAMAs) which also provide migration pathways for skilled workers.

In Victoria the DAMA for the Great South Coast includes the LGAs of Colac Otway Shire, Corangamite Shire, Glenelg Shire, Moyne Shire, Southern Grampians Shire and Warrnambool City. This DAMA provides access to skilled migrants in the occupations of Senior Dairy Cattle Farm Worker and Dairy Cattle Farm Worker.

The South Australian DAMA which covers the whole of SA enables employers to sponsor skilled migrants in the occupations of Dairy Cattle Farmer, Senior Dairy Cattle Farm Worker and Dairy Cattle Farm Worker in regional areas.

The recent refresh of ANZSCO has seen the occupation of Senior Dairy Cattle Farm Worker correctly placed in the ANZSCO classification structure at skill level 3. As such it is submitted that this occupation should be available for skilled migration under the standard visa programme and placed in the revised CSOL.

# Employment Outcomes

## The skills shortage

There is a significant and documented skills shortage in the dairy industry which is not being met by the Australian workforce. Similar to other Agricultural industries, the Australia Dairy Industry is skewed heavily towards a workforce aged over 55 years including a high proportion of owner operators and as these older workers who are more highly skilled retire the sector needs to replace these workers with other highly skilled workers. The loss of this age group from the sector requires a significant and targeted resupply of high-level skilled persons.

In addition, over recent years the family farm model has gradually been replaced by larger farms with expanding herd sizes and increased workloads with increased need for higher skill levels at the skilled farm hand Senior Dairy Cattle Farm Worker and at the managerial level Dairy Cattle Farmer. Farm managers with high level business management, technical skills and consequently higher-level qualifications are required to manage larger, more complex businesses.

Dairy Australia continues to invest and support the industry to source and retain workers, however, there remains a significant skills shortage in the dairy industry. *The National Farmers Federation's Farmer Priorities Survey 2023*<sup>3</sup> identified worker shortages as the second highest priority for Australian dairy farmers, with over three-quarters of dairy farmers surveyed either very concerned or concerned about the issue.

The challenges in obtaining skilled labour in the Australian agriculture industry are long standing and well documented. The answer is more difficult and complex.

*"Demand for qualified people in agriculture has been sustained for a long period. The concern is that, despite the availability of employment at competitive salaries since at least the turn of this century, the sector has had little to no impact on the annual supply of qualified personnel. In 2022, the employment market is highly challenging due to low unemployment levels generally and the strong claims for workforce in other industries, such as tourism, hospitality and health, as well as for rural industries."*<sup>4</sup>

*"Employment offerings on-farm show no signs of declining or levelling off. Rather, they have intensified. On-farm over the period of 2015 to 2021 inclusive, the demand for management personnel, based on internet advertisements, increased by over 160% and for non-management staff by around 77%. The increase for on-farm staff overall increased by 53% in 2021 over that for 2020."*<sup>5</sup>

Given the current and foreseeable skilled labour shortage in the dairy industry it is not anticipated that skilled workers from overseas will displace Australian workers.

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<sup>3</sup> National Farmer Priorities Survey October 2023

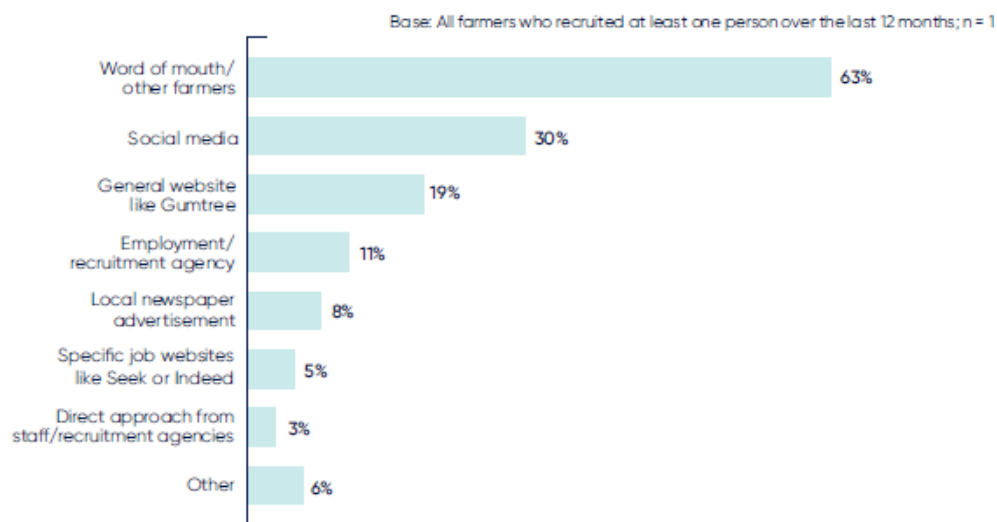
<sup>4</sup> *The employer of choice or a sector without workforce?* In Australian Farm Institutes' quarterly volume Winter 2022 34

<sup>5</sup> Ibid 36

## Workforce attraction, recruitment, and retention

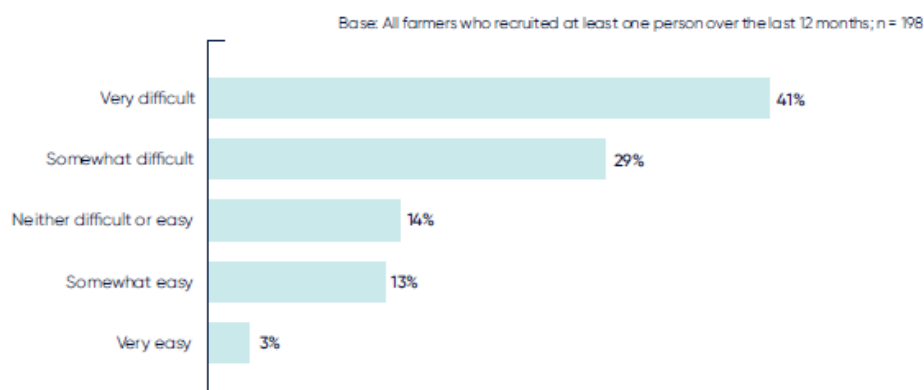
Dairy Australia surveys dairy farmers every 4 years and will provide updated results for its latest *The Power of People on Australian Dairy Farms Survey* in August 2024. The results of *The Power of People On Australian Dairy Farms Survey 2020* remain indicative of the situation currently facing the dairy industry and dairy farmers. Key results of *The Power of People On Australian Dairy Farms Survey 2020* are presented below.

### Over the last 12 months, what places did you use to recruit new staff?



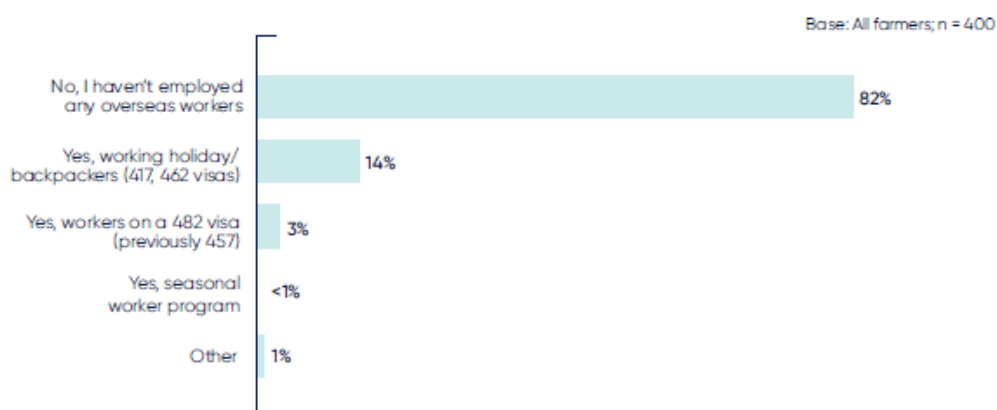
The reality that most staff employed on Australian Dairy farms were recruited by word of mouth/personal networks and social media, raises concerns about how well suited JSA's labour market analyses is for providing intelligence on the labour shortages for the Australian Dairy industry. It's Dairy Australia's understanding that JSA's analyses relies heavily on online job advertisements which are not extensively used by the dairy industry. Research undertaken by the dairy industry indicates that job advertisements are regarded as expensive and largely ineffectual.

### In general, when you recruit new staff, how easy or difficult do you find it to fill the positions?



Filling vacancies on farm is often incredibly difficult, due to the nature of the skills required and small available labour pools. In *The Power of People On Australian Dairy Farms Survey 2020*, 70 per cent of farmers surveyed found recruiting new staff either very or somewhat difficult.

### In the last 12 months, have you employed any overseas workers on your farm?



## Unemployment in Dairying Regions

There is a misapprehension that dairy farmers should be able to source labour from the pool of unemployed workers. Apart from the fact that the dairy industry is a skilled industry which cannot draw workers from an untrained pool of possible workers, unemployment rates are very low in many parts of regional Australia and in fact indicate full employment. For example, unemployment is 1.1 per cent in the Shepparton region and 1.8% in south-west Victoria which are two of Australia's largest dairy regions. This exacerbates the difficulty in finding the suitably qualified and skilled workers needed on dairy farms.

### Australia's largest dairy producing regions and unemployment

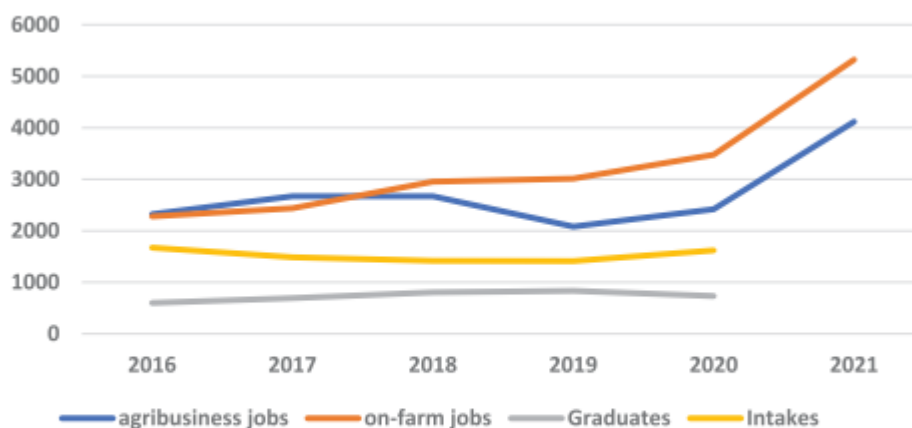
Region	Population	Unemployment Rate	Number of dairy farms	Number of people employed on dairy farms	Share of national Dairy Production
Warrnambool and South-West Vic	109,000	1.8%	941	2,900	22.7%
Gippsland	264,600	4.6%	1,028	3,000	22.3%
Shepparton/Northern Victoria	116,900	1.1%	861	2,700	19.8%
Rest of Tasmania (Excl Hobart)	269,600	4.0%	351	1,600	11.2%

Sources: Population and unemployment rate provided by JSA Jobs and Skills Atlas March 2024 and ABS Labour Force, Australia, Detailed April 2024. Dairy Industry Statistics provided by Dairy Australia In Focus 2023.

The regions presented in the table together account for three-quarters of Australia's dairy production and the majority of milk for dairy product manufacturing and therefore export products (approximately 80%). The table highlights that unemployment is low to extremely low across Australia's largest dairying regions.

## Lack of available agricultural graduates

The issues faced by dairy are often shared by other Agricultural industries. One of the key challenges faced by Agriculture is increasing the number of Agricultural graduates to meet the demand. The chart below from the report *The Employer of Choice or a Sector without Workforce?* In Australian Farm Institutes' quarterly volume Winter 2022 demonstrates this.<sup>6</sup>



**Figure 5:** Discrepancy between the job availability market in agriculture and the supply of agriculturally qualified personnel out of university for the period 2016 to 2021.

Source: ACDA, unpublished.

Despite efforts by the dairy industry to attract agricultural graduates to on farm roles graduate outcomes are not reflected in on farm employment with the majority of graduates obtaining employment in non-farm production roles.

*“Over the past decade much has been written about the decline in the availability of agricultural graduates in Australia (e.g. Pratley, 2008; Pratley and Copeland 2008; Pratley 2012)) and elsewhere, due in part to the perceptions that career paths were not attractive and that there were limited employment opportunities. This perception was challenged by the presentation of job advertisement data (Pratley and Hay, 2010) indicating that there were at least 6 jobs for every graduate and that the shortfall in the availability was a threat to the sustainability of agricultural and horticultural industries in Australia. Over that period, employers were seeking graduates and there was a significant shift in workplace attractiveness, including salaries, in order to encourage potential employees into the sector.”<sup>7</sup>*

Of the agricultural education institutions, “Marcus Oldham College (28%) had by far the highest proportion of graduates entering farm production. By contrast the University of Sydney only had 1% of its graduates enter farming. Charles Sturt University (12%) and La Trobe, Queensland and Adelaide Universities (all around 10%) also significantly provided to farm production.”<sup>8</sup>

*“Rural finance (15%) and retail/general merchandise (14%) were the main employing sectors. Around 10% of respondents went into farming while 9% joined government agencies and 7% were in the university system either as employees or in further study.”<sup>9</sup>*

*“It is unlikely that demand for workforce in agriculture will decline significantly and so balancing the demand/supply equation necessarily relies very heavily on **increasing supply**. The challenge is identifying the mechanisms to do this given that here have been various attempts at improving the*

<sup>6</sup> *The employer of choice or a sector without workforce?* In Australian Farm Institutes' quarterly volume Winter 2022

<sup>7</sup> Graduate Destinations in Agriculture Jim Pratley and Nigel Crawley

<sup>8</sup> *ibid*

<sup>9</sup> *ibid*

*equation balance over the last three decades, particularly in the most recent decade. The task is becoming even more complex as it is now well known that unemployment is at very low point (<4%) and other sectors are also seeking to bolster their workforces.”<sup>10</sup>*

In the current and foreseeable employment market it is highly unlikely that skilled overseas workers will assume roles these graduates may wish to pursue.

## **Addressing the skills shortage**

Dairy Australia has been working consistently since 2006 to implement a significant number of long term and permanent measures to assist in ensuring that dairy farmers can access a labour force from the Australian community to enable them to operate and expand into the future. Dairy Australia delivers a range of initiatives on behalf of the industry to help retain and develop domestic and overseas workers as follows:

- Dairy Australia Jobs Board, which is an online platform to help assist Farmers with their role vacancies. <https://www.dairy.com.au/dairy-matters/dairy-jobs-matter/dairy-farm-jobs-board>
- Marketing campaigns aimed at regional jobseekers to promote the benefits of working in dairy farming and encouraging Australians to explore a job in dairy.
- Careers education for school students on job opportunities in dairy farming and career pathways.
- Dairy Australia Capability Guide - <https://thepeopleindairy.org.au/dfcf/>
- Dairy Australia Enlight, which is an extensive suite of training and development courses on its learning management system, which are free and open to access for farmers, employees, service providers, and the general public.  
<https://enlight.dairyaustralia.com.au/>

## **Retention of skilled overseas workers in the dairy industry**

The timeframe for preparation of this submission has not provided sufficient time to undertake a comprehensive analysis of the employment outcomes for overseas workers in the dairy industry. DA and ADF are aware that there are 140 DILA holders<sup>11</sup> but the numbers of overseas workers engaged pursuant to these agreements is unknown at this stage. Likewise, DA and ADF do not have statistics on the numbers of overseas workers and the employment outcomes for those on the standard visa programme or the DAMA programmes.

Anecdotally, it can be said that most overseas workers will stay in the dairy industry at least for the term of their visa albeit they may move between farms. A typical overseas worker may begin as a working holiday maker on a 462 or 417 visa and then apply for a 494 or 482 visa under the DILA or one of the DAMAs meaning that their stay may well be at least 6 years.

DA and ADF expect to collect more statistically sound data later in the year during the consultation phase for this process.

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<sup>10</sup>Agribusiness Australia Report - The Workforce Challenge in Agribusiness in Australia October 2022  
Jim Pratley, Charles Sturt University, Wagga Wagga NSW

<sup>11</sup> [List of current labour agreements](#), DoHA

## Access to the standard visa programme

The majority of dairy farms do not employ overseas workers due to the time it takes for a successful application, the financial cost attached to visa processing and securing an overseas worker. This means that this employment option will remain a lower preference for dairy farmers compared to sourcing local workers.

However, given skilled labour shortages which are not expected to ease in the foreseeable future, access to the Standard Visa Programme for both the Dairy Cattle Farmer and Senior Dairy Cattle Farm Worker is essential to provide options for farmers if they do not need to access the concessions contained in the DILA and DAMAs. It would also mean that the dairy farmer need not engage in the complex, time-consuming and expensive DILA/DAMA process ahead of sponsoring an overseas worker.

The CSOL will be the gateway to access to overseas workers on temporary skilled visas and for this reason it is submitted that both the occupations of Dairy Cattle Farmer and Senior Dairy Cattle Farm Worker should be contained in that list.

If the occupation of Dairy Cattle Farmer is not replaced into the CSOL the dairy industry will need to look at adding this occupation to the DILA and relevant DAMAs.

## Conclusion

While overseas workers do not account for a significant number of workers on Australian dairy farms, they play an important role in filling skills gaps and adding to extremely tight regional labour pools. Given the current and foreseeable skilled labour shortage in the dairy industry it is not anticipated that skilled workers from overseas will displace Australian workers. As different regions undergo transitions and adopt more intensive dairying systems, which is also often linked to greater corporate ownership, the ability of securing talented farm managers and senior employees is critical.

The Australian dairy industry requires skilled and talented workers in the roles highlighted for consultation (121313 - Dairy Cattle Farmer and 363213 - Senior Dairy Cattle Farm Worker) and at present and for the foreseeable future this demand cannot be met by the domestic labour pool. It is critical that these two occupations be placed on the revised CSOL.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'B. Bennett', is written over a light grey rectangular background.

Ben Bennett  
President  
**Australian Dairy Farmers Ltd**