

## **Value of skilled migration to Australia**

January 2026

## Introduction

Australian Dairy Farmers (ADF) and Dairy Australia welcome the opportunity to provide this submission to the Joint Standing Committee on Migration to support its review of the value of skilled migration to Australia.

Dairy farming is the third largest Australian rural industry and a key sector of the agricultural economy, with a farmgate value of about \$6.0 billion. Overall, the dairy industry generates \$18.5 billion in economic impact across products and value chains and employing a direct workforce of 30,400 across dairy farms and processing. Australia is a significant exporter of dairy products, exporting to over 100 markets. In 2024/25, 36% of milk production was exported, worth around \$3.8 billion. It ranks fifth in terms of world dairy trade, with a five per cent market share behind New Zealand, the European Union (EU), the United States (US) and the United Kingdom.

Australian Dairy Farmers Limited (ADF) is the national peak industry representative body for dairy farmers across all producing states. As a not-for-profit organisation, ADF provides leadership and advocacy to support the growth of internationally competitive, innovative and sustainable dairy farm businesses. Its membership comprises State Dairy Farming Organisations (SDFOs) and direct farmer members. ADF also fulfils formal representative roles with Dairy Australia, Animal Health Australia, SafeMeat and the National Farmers' Federation.

Dairy Australia is the national services body for dairy farmers and the broader industry. Its role is to help farmers adapt to a changing operating environment and to support a profitable, sustainable dairy sector. As the industry's Research and Development Corporation, Dairy Australia invests in projects and programs that individual farmers or companies cannot efficiently deliver alone.

Australian dairy production relies on skilled labour to manage livestock, machinery and increasingly complex farm systems. The average workforce size, including farmers and everyone who works on farm, has increased from 5.1 in 2020 to 5.9 in 2024, reflecting changing business profiles to more intensive production systems with increasing herd sizes. Dairy Australia's 2024 Power of People survey showed that 42% of farms had used overseas workers, compared to only 18% in 2020. Most overseas workers were on working holiday visas (31%) and 17% were on employer sponsored visas. This mix shows that dairy farmers have been utilising all available migration pathways: from short-term backpackers for interim relief, to longer-term skilled visas for core positions.

Skilled overseas workers play a vital role in meeting workforce needs, given the persistent and well-documented shortage of skilled labour across both farm and processing roles. The long-standing establishment of the Dairy Industry Labour Agreement (DILA) and two Designated Area Migration Agreements, the Great South Coast (Victoria) and South Australia, further demonstrates the ongoing demand for skilled dairy workers and the inadequacy of the domestic labour supply.

This skills shortage is having a material impact on the industry's capacity to maintain, let alone increase, production. While Dairy Australia is investing significantly in workforce attraction, retention and skills development, the reality is that for the foreseeable future the industry will continue to rely on skilled migration to fill critical gaps.

Skilled migrants in dairy are genuinely additive to the Australian labour market. This reflects:

- A structural shortfall in agricultural graduates relative to the number of skilled roles required across Australian agriculture.
- Tight regional labour markets, with unemployment rates in many dairying regions well below the national average.
- Severe housing shortages, which constrain the ability of farms to attract and retain local workers and make the availability of on-farm accommodation especially important.

Given these realities, skilled migration remains essential to the resilience, sustainability and productivity of the Australian dairy industry.

### **Economic, social and cultural value of skilled migration to Australia**

Skilled migration delivers long-term economic, social, and cultural value, particularly in regional industries such as dairy.

Economically, migrants fill roles for which there is no reliable domestic supply despite strong efforts to recruit and train locally. The National Farmers' Federation's 2023 Farmer Priorities Survey identified workforce shortages as the second-highest concern for dairy farmers, with over 75% of respondents expressing serious concern about their ability to find and keep staff. In key dairy regions, local labour pools are effectively exhausted, unemployment sits well below national averages, at ~1–2% in major dairy areas like Shepparton/Northern Victoria and south-west Victoria.

Dairy relies on highly skilled workers, including herd technicians, senior farm hands, skilled milkers. This work demands technical ability, animal health literacy, data handling, attention to detail, and intuitive stock management. These are not low-skill roles; they simply do not require formal degrees.

Socially and culturally, skilled migrants bring diversity and global perspectives to regional communities that are often demographically narrow. Their presence reduces misconceptions, strengthens social cohesion, fills local schools, contributes to community organisations, and sustains regional service economies.

Skilled migrants also strengthen Australia's food security. Dairy is a continuous production system where animals must be managed and milked year-round. Without skilled labour, farms reduce output, compromise animal welfare, and undermine the stability of national supply chains.

Finally, skilled migration not only addresses immediate labour shortages in Australia but also strengthens Australia's international relationships. By providing skilled migrants with opportunities to gain advanced technical knowledge, management experience, and exposure to innovative agricultural practices, Australia helps build human capital that can be applied in their home countries. If these individuals return home, they are better equipped to improve productivity, sustainability, and food security in their domestic agricultural sectors. This creates lasting benefits, fosters goodwill, and positions Australia as a trusted partner in developing resilient, knowledge-based food systems internationally.

### **Effectiveness of current skilled migration settings**

While existing migration pathways have supported the dairy industry to an extent, current settings remain only partially effective in meeting regional labour needs.

Key issues include:

- Limited inclusion of dairy occupations in standard visa programs

*Dairy Cattle Farmer (ANZSCO 121313)* has long been on the Regional Occupation List, enabling access to the 457/482 visa. However, skill-level constraints previously prevented other vital roles from being eligible under standard pathways.

With the recent ANZSCO update correctly classifying Senior Dairy Cattle Farm Worker at skill level 3, this occupation should now be included on the revised Consolidated Skilled Occupation List (CSOL) to maintain access through the standard skilled visa program. ADF and Dairy Australia have submitted evidence to Jobs and Skills Australia demonstrating a persistent shortage of skilled dairy farm personnel, including quantifiable labour market pressures in key dairy regions. These submissions also highlight the integrity and positive outcomes of migration in this sector, noting that roles attract genuine skilled workers, with salaries typically above \$70,000, minimal risk of exploitation or displacement of local workers, and strong retention over the long term, where programs are properly regulated and enforced. Despite this, the occupation has not yet been added to CSOL. The Australian dairy industry calls for a review and adjustment of the migration system to ensure it continues to meet evolving industry and community needs.

- Reliance on bespoke and regional agreements.

In addition to the DILA, two DAMAs provide limited access:

1. Great South Coast DAMA (Victoria) – covering Colac Otway, Corangamite, Glenelg, Moyne, Southern Grampians and Warrnambool;
2. South Australia DAMA – covering all SA regional areas.

These DAMAs allow sponsorship of Dairy Cattle Farmer, Senior Dairy Cattle Farm Worker and Dairy Cattle Farm Worker, but they are administratively complex and geographically restricted.

Overall, while the sector has managed to access skilled migration via the DILA, DAMAs and limited occupations lists, existing settings do not fully reflect industry skill needs or regional workforce realities.

### **Scope to more effectively target skills gaps and shortages in critical sectors**

Significant scope exists to better target skills gaps in the dairy industry.

Improved targeting would involve:

- Recognising dairy roles as genuinely skilled occupations across multiple skill levels, not only the occupation of *Dairy Cattle Farmer*. This includes broad-experience roles such as *Senior Dairy Cattle Farm Worker* (now correctly skill level 3) and *Dairy Cattle Farm Worker* (skill level 4).
- Integrating these occupations into the standard skilled visa program by placing *Senior Dairy Cattle Farm Worker* on the revised CSOL, reducing reliance on bespoke agreements.
- Ensuring skilled migrants can access industry training, including animal welfare, environmental management, and workplace safety. Migrants must understand Australian laws and systems before becoming managers; many require 2–3 years of local experience before taking on higher responsibilities.

- Recognising that agricultural skill gaps cannot be solved through technology alone. Dairy work requires concurrent physical, observational, and analytical tasks, robots and digital tools do not replace labour and, in some cases, fragment tasks and increase labour demands.

### **Scope for skilled migration settings to more effectively support Australian businesses, boost productivity and encourage innovation**

Skilled migration is essential to the productivity and competitiveness of the dairy industry. The 2024 Dairy Australia Power of People survey showed that of the 30% of dairy farmers who said they were likely to recruit in the next 12 months, 53% said they would recruit overseas workers.

Improvements to skilled migration could include:

- Streamlined access to skilled roles through updated occupation lists, eliminating reliance on multi-layered or region-restricted agreements.
- Pathways to permanent residency (as currently available through the DILA via the 482 and 494 visas) that incentivise long-term settlement and workforce stability.
- Policy settings that support structured skill development, allowing migrants to gain local context before moving into management. This protects businesses, improves compliance, and ensures a high-performing workforce.
- Stable staffing that enables innovation. Skilled workers allow farms to adopt new technologies, improve pasture management, implement environmental improvements, and scale operations with confidence.

Without skilled migration, dairy productivity declines due to understaffing, reduced output, and exhaustion of local workers. Migrants are essential to business continuity and innovation capacity.

### **Strategies to enhance public awareness and understanding of the role of skilled migration in Australia**

Public confidence in skilled migration can be strengthened through:

- Industry case studies highlighting how migrant workers have sustained farm businesses, maintained animal welfare standards, revived regional communities, and supported local schools and businesses.
- Clear messaging that skilled migration complements, not replaces, local workers, especially where full employment means genuine shortages.
- Highlighting the role of migration in food security, particularly during extreme weather events or global disruption.
- Public education on the skill content of agricultural work, breaking stereotypes that farm roles are low-skill or require only physical labour. For example, cupping cows is as critical to herd health as taking a pulse is for a patient; it requires high levels of observation, judgement, and technical competence.

A better-informed public is more likely to support well-managed and targeted skilled migration.

### **Approaches taken in other countries with similar migration objectives**

Comparable nations provide lessons that Australia could adapt:

- New Zealand's Green List

Australia could benefit from adapting elements of New Zealand's Green List and associated residency pathways to better support the dairy sector's labour needs. New Zealand's Green List streamlines the recruitment of skilled international workers in occupations that are difficult to fill and, importantly, links these roles to a clear work-to-residence pathway.

In the dairy context, on-farm herd manager positions and more senior roles are included on the Green List, with the primary eligibility criterion being relevant experience. After working in a qualifying role on a New Zealand farm for three years, international employees aged 55 or younger can transition from a work visa to residency, providing a meaningful incentive for long-term settlement and sector continuity. Adopting a similar targeted skilled occupation list and residency pathway in Australia could help attract and retain experienced dairy professionals, reduce recruitment uncertainty for employers, and better align migration settings with the structural labour demands of modern pastoral agriculture.

- Canada's Agrifood Pilot

Australia could also draw lessons from Canada's Agri-Food Immigration Pilot, which directly links workforce shortages in agriculture to a dedicated, sector-specific pathway to permanent residency. The pilot targets clearly defined agri-food occupations, including dairy farming and animal production, and provides eligible workers with a direct route to permanent residency where they hold a full-time, non-seasonal job offer and have at least one year of relevant experience.

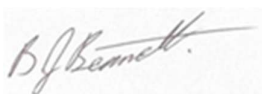
Importantly, the program recognises lower formal qualification thresholds, modest language requirements, and the value of on-the-job experience, reflecting the realities of agricultural work. By creating a tailored migration pathway for critical agri-food roles, Canada has improved workforce stability, supported long-term settlement, and reduced reliance on short-term labour solutions. Adapting a similar sector-specific, experience-based permanent residency pathway in Australia could help address persistent labour shortages in dairy and other agri-food industries while strengthening regional communities and supply chain resilience.

## **Conclusion**

The dairy industry demonstrates the national importance of skilled migration. Accurate recognition of farming skills, inclusion of key occupations in standard visa programs, streamlined regional pathways, and public awareness strategies would strengthen Australia's workforce, food security, and regional economy.

By building on the DILA, modern ANZSCO classifications, and lessons from comparable countries, Australia can create a skilled migration system that is fit for purpose, regionally responsive, and economically beneficial.

Yours sincerely,



Ben Bennett  
President  
Australian Dairy Farmers

**Contact**

Nathan Pope – Policy Manager, Australian Dairy Farmers

T: 0438 603 681

E: [npope@australiandairyfarmers.com.au](mailto:npope@australiandairyfarmers.com.au)

Karl Ellis – Manager – Economic Sustainability and Competitiveness, Dairy Australia

T: 0433 882 727

E: [Karl.Ellis@dairyaustralia.com.au](mailto:Karl.Ellis@dairyaustralia.com.au)

Dairy Australia, Level 3, HWT Tower, 40 City Road, Southbank, Victoria