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The Committee  
Standing Committee on Employment, Workplace Relations,  
Skills and Training  
House of Representatives  
Parliament House  
Canberra ACT 2600

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Dear Committee,

Australian Dairy Farmers Limited (ADF) welcomes the opportunity to make this submission to the Standing Committee on Employment, Workplace Relations, Skills and Training as part of its inquiry into the operation and adequacy of the National Employment Standards. ADF would also welcome any invitation to expand on this submission via attendance at any hearings.

This submission draws on the direct, practical experience of dairy farm employers and workers operating in regional and rural Australia. It focuses on how the National Employment Standards function in practice within dairy farming, particularly where rigid or unclear interpretations create unintended safety, welfare and operational risks. The submission addresses matters directly relevant to the Committee's terms of reference, including the application of "reasonableness", workforce flexibility, leave arrangements, and the interaction between employment standards and labour availability.

## Introduction

Australian Dairy Farmers (ADF) and Dairy Australia welcome the opportunity to provide this submission to the Standing Committee on Employment, Workplace Relations, Skills and Training to support its Inquiry into the operation and adequacy of the National Employment Standards.

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.

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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.

The Australian dairy industry operates under unique conditions as a 365-day essential service, with animal welfare obligations requiring continuous, skilled labour every day of the year. Dairy farms are predominantly small, family-run businesses located in regional and rural communities, where labour shortages, limited access to relief staff, and seasonal workload variability create ongoing operational pressures. These realities mean that even well-intentioned changes to the National Employment Standards (NES) can have disproportionate impacts on dairy employers and employees alike.

Any approach to the NES that constrains reasonable flexibility in dairy farming risks increasing safety incidents, compromising animal welfare, and accelerating workforce burnout in an industry that already operates under sustained pressure. The industry therefore strongly supports a NES framework that is stable, clear, and practical, with guidance that reflects the operational constraints of dairy farming and agriculture more broadly.

Ensuring the NES remains practical for dairy is critical not only for farm viability, but also for sustaining safe workplaces, supporting work–life balance, and maintaining strong dairy communities.

## Key Issues

### 1. Clearer, agriculture-specific guidance

Dairy farmers have consistently raised concerns about how to interpret ‘reasonableness’ when balancing employee needs against essential daily animal care. Examples include requests for changes in hours, additional hours worked, short-notice roster changes, and competing obligations such as childcare or community activities. There is a strong need for clearer, agriculture-specific guidance so dairy farming employers can confidently and fairly apply the NES.

Decisions made by farm employers are often required in real time, in response to events that cannot be deferred or rescheduled. Concerns are raised that an increasingly narrow or legalistic interpretation of “reasonableness” risks placing dairy farmers in an untenable position, forcing them to choose between compliance uncertainty, compromised safety outcomes, or animal welfare risks.

Examples of “Reasonableness” Scenarios in Dairy:

- Unexpected staff absences during a milking shift require short-notice changes to rosters.
  - This may extended working hours for remaining staff, increasing fatigue and injury risk
  - This may reduce supervision, particularly during critical tasks such as milking, calving and machinery operation
  - Heightened mental stress on both employers and employees
- An animal welfare event (i.e heat stress) creates urgent welfare needs, requiring all available staff to assist temporarily.
- A request for time off during the peak calving period may be refused on reasonable operational grounds, provided alternative options are offered.
  - Peak calving is a critical period because it concentrates the highest animal welfare, safety and workload risks of the year. Adequate staffing is essential to manage calving complications, protect worker safety, and prevent fatigue-related incidents.

### 2. Annual leave entitlement

The annual leave entitlement provided under the NES is comparable to other similar economies, including New Zealand, Canada, United Kingdom, Ireland, Germany and France.

Dairy farms operate 365 days a year, and skilled relief staff are often difficult to source, especially in regional areas. Additional leave per employee would require more backfilling, increase labour costs, and reduce roster flexibility. It would also impact work–life balance of other employees and farm owners, who may lose the flexibility employers currently provide to support family commitments and community involvement.

### **3. Small Business Redundancy Exemption**

Most dairy farms fall under the small business definition of fewer than 20 employees. Removing the small business redundancy exemption would add financial pressure on already tight-margin operations. Redundancies in dairy tend to occur during difficult seasons, when cashflow is already constrained. Imposing redundancy liabilities at these times could worsen financial stress and discourage permanent employment.

### **4. Casual Employment and Casual Conversion**

Casual employment is essential in dairy due to seasonal fluctuations, unpredictable operational demands, and limited regional labour pools. Flexibility in casual conversion rules is critical. Strict or overly rigid rules may not accurately reflect genuine seasonal variability and may unintentionally restrict farm employers from meeting essential daily animal-care needs.

For example:

- Where WHM visa holders are filling genuine labour gaps in essential agricultural roles, continued employment should be facilitated, not restricted. From a safety, productivity and fairness perspective, it is entirely reasonable to allow WHM workers to remain with one employer where both parties wish to continue the employment relationship.

## **Conclusion**

The Australian dairy industry is committed to and depends on providing fair, safe and sustainable employment opportunities across its workforce. However, the unique operational environment of dairy farming, continuous 365-day operations, essential animal welfare obligations, seasonal variability and persistent labour shortages, means that even small changes to the National Employment Standards can have amplified consequences for dairy businesses, their employees and the regional communities they support. ADF and Dairy Australia therefore strongly support maintaining an NES framework that is stable, clear and

workable for small agricultural enterprises. Employment law and migration settings must work together, not at cross-purposes, particularly in sectors like dairy where continuity of skilled labour directly affects safety, animal welfare and business viability.

A practical, balanced and agriculturally-aware NES framework will support strong employment relationships, viable farming businesses and thriving regional communities, ultimately strengthening the resilience and productivity of one of Australia's most important rural industries.

Thank you for the opportunity and should you have any questions or would like additional information please feel free to contact Nathan Pope, Policy Manager at [npope@australiandairyfarmers.com.au](mailto:npope@australiandairyfarmers.com.au) or 0438 603 681.

Yours sincerely,



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