Dear Sir/Madam,

RE: Australian Dairy Farmers response to the Regulation of Australian Agriculture

Thank you for the opportunity to contribute to the inquiry into the Regulation of Australian Agriculture. This submission is made by Australian Dairy Farmers (ADF), a not-for-profit organisation that represents the interests of dairy farmers nationally.

Australian dairy is a $13 billion farm, manufacturing, and export industry, with an extremely positive future, including strong potential for growth. The industry directly employs 43,000 people on farms, in factories and other industry bodies, and indirectly provides a livelihood for more than 100,000 people in service industries.

ADF appreciates the opportunity to respond to this inquiry and assist the Productivity Commission (PC) in highlighting issues of overly burdensome red tape which is hindering agricultural productivity. ADF acknowledges regulations are necessary, and as producers of high quality and nutritious food products which are exported to the world, dairy food safety is at the forefront of our activities. However, ADF believes there are other key areas of unnecessary regulation which the PC should investigate further.

The submission focusses on issues of vital significance to the dairy industry, rather than addressing all questions raised in the issues paper.

We would appreciate the opportunity to discuss this submission with you further. Should you wish to seek clarification on any of the points raised, please contact ADF Senior Policy Manager Adele Beasley

Yours sincerely,

Simone Jolliffe
President, Australian Dairy Farmers
Australian Dairy Farmers

Response to

Regulation of Australian Agriculture

February 2016
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Introduction

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. There are approximately 6,100 farmers producing over 9.7 billion litres of milk annually. The dairy industry is the largest value added food industry, contributing $13.5 billion at wholesale to the economy and approximately 40,000 people are directly employed on farms and in dairy manufacturing. Dairy processing and service industries are largely based in rural areas, thus generating significant employment and economic activity in regional Australia.

The Australian dairy industry recognises the importance of effective and necessary regulation. As a producer of high quality, nutritious food which is exported to the world, the industry supports regulations to maintain and uphold the industry’s reputation. However, it is important that regulation is appropriately targeted, clearly understood and is not duplicated to the detriment of the industry and the economy. When regulation is unnecessary, it often adds an avoidable cost to dairy farmers, which has to be absorbed by the business. This can have the effect of constraining growth or limiting a farmers’ ability to allocate funds to necessary aspects of the business.

Australian Dairy Farmers welcomes the opportunity to participate in this inquiry and have identified some key areas which the Productivity Commission should investigate further. The response has been limited to issues of most relevance to dairy farmers and the productivity of the Australian industry. We also encourage the Productivity Commission to refer to previous submissions by the industry for input, including The Australian Dairy Industry Response to the Agricultural Competitiveness White Paper, 2014.

KEY POINTS

- Current planning and environmental regulations may have the potential to limit dairy industry expansion and innovation.

- State-based legislation enacted to limit the commercial use of GM crops denies dairy farmers access to technological advances critical to maintaining international competitiveness.

- Emerging water market distortions warrant urgent attention, for example delivery shares imposing a competitive disadvantage on one group.

- The industry is concerned about the proliferation of State and Federal Government food labelling requirements that are mandated with little, or no regard to whether they are fit-for-purpose, the expense and/or the market implications of implementation. Cost burden would be particularly felt by dairy SMEs and regional boutique dairy businesses.

- Technical Barriers to Trade are a significant burden on dairy export businesses. There is a clear role for government in assisting Australian businesses to meet the often onerous and excessive market-access requirements of some international jurisdictions. The combined impact of Technical Barriers to Trade on the Australian dairy supply chain exceeds $1.5 billion per annum.
1. **Land use planning**

The dairy industry continues to show strong signs of growth. To facilitate dairy industry growth and innovation, there may be opportunities to reduce regulatory burden and to streamline approvals processes in planning and environmental regulations applying to farms.

While the number of farms has fallen by two-thirds over the last three decades (from 20,060 in 1983 to 6,128 in mid-2015) milk production has risen from 6 to 9.7 billion litres. Average farm size has increased and dairy farmers are investing and modifying their production systems, and expanding existing operations – such as building a larger dairy shed or feed pad, or building a new effluent management system. Similarly, growing confidence in the Australian dairy industry is creating more opportunities for investment and an increasing amount of interest in purchasing larger farms or developing greenfield sites.

The Australian dairy sector wants planning and environmental legislative frameworks that foster a consistent and inclusive regulatory environment for a diverse dairy industry.

The legislative framework in which the Australian dairy sector operates is complex and its many components are administered at all three levels of government. Work undertaken recently by Dairy Australia indicates that current planning regulations have the potential to limit dairy industry growth and productivity. By way of example, Australia's dairy industry is largely, but not exclusively, based on animals grazing pasture for all or part of the year. Different state definitions for “intensive” or “extensive” farming create different triggers for permit requirements and regulatory compliance burdens. Some of these definitions (for example in Victoria) are particularly restrictive for what current agricultural businesses would classify as normal dairy production practices.

Furthermore, there may be perverse outcomes from existing regulatory arrangements that prevent dairy farmers being nimble and efficient in managing short-term and longer-term activities on farm. As noted above, there is inconsistent permit requirements at the local and state level which may be a business impediment. In some instances, farmers are triggering planning regulations when they are operating pasture-based systems, but sourcing an increased amount of feed off-farm during difficult seasonal conditions. Such anomalies in current arrangements hinder optimal business decision-making at the farm level.

The current land use planning regulatory framework has fallen behind. It no longer addresses the current issues, practices and potential impacts of the diverse dairy industry of today and the future. There is a need to further assess the adequacy and appropriateness of current regulatory frameworks to accommodate a diverse range of dairy production systems within zones established for farming activities. A regulatory system which appropriately provides for dairy production will also respond to, and clarify, the increasing challenge of urban encroachment around agricultural businesses in many regions. ADF seeks a review of planning definitions and associated land use regulation across jurisdictions to ensure it does not unnecessarily hinder the development of new dairy operations nor the upgrading and responsive decision-making of existing operations.

2. **Technologies**

The dairy industry supports the Australian Government regulatory system for the use of gene technology. This system is based on scientific risk and safety assessment and administered by the Office of the Gene Technology Regulator (OGTR). The OGTR was established to operate a licensing system in addition to Australia’s existing regulatory framework for ensuring the safety of Australia’s environment and consumers.
The Australian dairy industry invests in bioscience through the Dairy Futures Cooperative Research Centre (CRC), this includes research to develop a genetically modified (GM) high energy ryegrass variety.

Australian Dairy Farmers (ADF) recognises the potential productivity benefits of GM crops and the need to innovate to remain globally competitive. ADF supports farmers’ rights to use GM crops where available and supports farmer choice between the use of GM and conventional crops. Furthermore, the ADF supports coexistence of GM and non-GM crops and points to the effective management of differentiated grains supply chains over 20 years.

ADF believes the science-based regulatory system administered by the OGTR is sufficient for managing any environmental or consumer risks associated with GM crops and that additional state-based legislation is unwarranted and represents a serious impediment to the adoption of new technological advances evolving in the dairy sector. Moratoria on GM crops deny farmers access to much needed tools, and reduces their international competitiveness.

The dairy sector seeks a predictable path-to-market for GM crops and other new technological innovations.

3. **Agvet chemicals**

The dairy industry supports the government’s initiative to modernize and simplify the legislation and to reduce the red tape associated with the use of agricultural and veterinary (agvet) chemicals on Australian farms. Effective agvet chemicals and medicines are critical for successful farm businesses and the importance of responsible use of chemicals is well understood and supported by the dairy industry.

The dairy industry supports the removal of the requirement for agvet chemical re-approval and re-registrations, particularly where these products have a history of safe use. The re-registration process has been an unnecessary burden with little justification. The reforms will reduce red tape, improve efficiency and avoid the loss of established treatments.

The dairy industry welcomes the use of international data, assessments, standards and decisions, where appropriate, to reduce the burden of regulation, particularly given Australia’s position as a relatively small market for agvet chemicals. ADF supports a risk-based approach to accepting the decisions of regulators in peer nations to streamline approvals in this country.

4. **Water**

Water availability and affordability are key issues for the dairy industry. Government intervention to reduce the amount of water available through the Murray Darling Basin Plan is putting upward pressure on water prices. More than 1160GL has already been transferred from the pool allocated for irrigation across to the environment under the Basin Plan, through buybacks and on-farm upgrades. The pool may shrink even further, if the Basin governments push ahead with a commitment to recover another 450GL in addition to the Basin Plan’s 2750GL target.

A significant pain of adjustment is already being felt in the dairy industry, illustrated in dairy farming systems; exposure to higher water prices; a more volatile temporary water market; reduced viability of some irrigation districts; and overall, a constrained ability to grow milk production. The capacity to successfully adjust in a relatively short period is being further constrained by emerging issues in market regulation and structure (such as trading water between irrigation districts) that appear to be putting irrigators in shared irrigation districts at a significant disadvantage when competing on the water market.
The dairy industry supports facilitating easy trade of water. However, while water entitlements are freely traded, other water products such as delivery shares, are tied to specific shared irrigation districts and are not freely tradeable in practice. This represents a competitive disadvantage imposed on one group of farmers through an additional cost burden. The market’s capacity to deliver optimal socio-economic outcomes for irrigators and the communities they support is distorted and we recommend that the Productivity Commission consider further examination and review in this area.

5. Transport

Registration of new milk collection vehicles is hampered by inconsistent road classification at the local government level. Local Councils’ road classification protocols result in lengthy time-delays in PBS access approval applications. It appears that many councils have not classified roads within their jurisdictions as ‘Level One’ (similar to general access), or ‘Level Two’ (similar to b-double routes) or do not possess a detailed understanding of the load-restrictions, to determine whether the road may or may not be used by PBS vehicles. This is causing lengthy time-delays when processing companies are seeking to register new milk collection vehicles on regional roads.

Since the introduction of the Heavy Vehicle National Law (which was supposed to reduce red tape) state road authorities are no longer able to approve heavy vehicle operations on local roads without express approval from the councils involved. It was once the sole authority of state agency such as VicRoads to approve these roads, which was a simplified process. The introduction of this Road Manager Consent law is an issue the Productivity Commission should examine.

6. Animal Welfare

The Australian Animal Welfare Standards and Guidelines for Cattle (S&Gs) have been developed over the last five years.

The dairy industry has provided considerable input into their drafting and on 28 January 2016 Animal Health Australia announced the S&Gs have been agreed by State and Territory governments. The S&Gs now need to be legislated at State and Territory level to become law.

It is important there be nationally consistent implementation of the S&Gs to provide certainty and uniformity for dairy farmers across Australia.

It should also be noted that farmers are facing increased regulatory creep from retailers and large international companies often brought about by ongoing interest from NGOs.

7. Food Safety

Dairy industry safety and quality assurance program

Australia has comprehensive food standards and a system of legislation and regulation across the whole dairy production and processing chain. The system monitors compliance with food standards to ensure the integrity of the dairy supply chain.

The dairy sector would not like to see the model we have worked hard at over many years be devalued and become inoperable due to resource constraints within government authorities or through a move away from a partnership approach between governments and industry.

• Are food safety standards proportionate to the risks they are designed to address?
The dairy industry has long advocated that food safety legislation should be outcomes focused, science based, proportionate to risk, nationally consistent and able to be efficiently and effectively managed.

The dairy industry has a robust food safety system. Standard 4.2.4 of Food Standards Australia New Zealand’s (FSANZ) Food Standards Code: Primary Production and Processing Standard for Dairy Products, now provides a national whole of chain approach to food safety. The States dairy food legislation (eg Victorian Dairy Act 2000) provides a robust framework for implementing Standard 4.2.4 at the state level, helping to ensure consistent food safety outcomes across the dairy supply chain.

The recent food safety concerns in some of our export markets – especially China – have increased the scrutiny placed on food safety systems. The reliability and robustness of the Australian food safety system needs to be more actively promoted to position the Australian dairy industry as a supplier of choice for dairy products. As a vertically integrated industry, it is critical that all sectors of the dairy supply chain are actively encouraged to continue to undertake their food safety responsibilities.

- *Are there known examples of best practice process at the state and territory level in dealing with food safety regulation?*

Dairy Food Safety Victoria (DFSV) is one such example. DFSV is the independent statutory authority responsible for the regulatory oversight of the food safety of all dairy products produced in Victoria for the domestic and export markets. DFSV plays a pivotal role in maintaining and enhancing the Australian dairy industry’s food safety credentials.

Another example is the State Food Regulatory Authorities (SRAs), Department of Agriculture and Water Resources (DAWR) and industry co-regulatory partnership, implemented to deliver a streamlined approach to export dairy product certification, as well as assisting with market access issues for export products as required. DAWR appoints State Regulators as its agent to verify dairy companies ongoing compliance with export legislation. This enables a single regulatory audit system to be implemented to meet both domestic (state) and export requirements. This has also reduced overall dairy export certification costs and reduced the need for multiple audits. It is important that this model is maintained and dairy is not required to change to meet a one size fits all model across multi commodities.

However, it is important that food safety standards do not stifle industry innovation. Both FSANZ and the States need to have the flexibility and capacity to continually assess emerging food safety issues and evaluate new technologies to ensure the delivery of good food safety outcomes. Re-use of effluent on dairy farms, automatic milking technologies and reformulation of dairy products are examples of innovation in the dairy industry that required assessments of how the processes met the existing food safety standards. Similarly, in implementing national standards, state food safety regulators also need to be able to recognize those businesses that have systems in place to manage food safety risks appropriately and focus on those businesses that present higher risks – either through management practices, products being produced or facilities/technology. Outcomes focused standards provide this.

- *Do differing state and territory arrangements create unnecessary burdens on farming businesses operating across borders?*

States and territory requirements have been managed to date to try and avoid unnecessary differences. The State dairy regulators meet at regular intervals to discuss implementation to avoid inconsistencies. This should continue. One difference that is currently being reviewed is the Victorian Code of Practice – it is a more prescriptive approach to dairy food safety than the national
standards and guidelines. It does not necessarily reflect current practices due to the prescription in
the Code that was developed in early 2000s.

- **Do food safety audits create an unnecessary regulatory burden? Could food safety audits
  be streamlined or combined?**

**Assurances**

Increasingly, many groups, both regulatory and commercial, are looking for assurances regarding
regulatory and commercial compliance through the implementation of risk management
programs/systems. This leads to increasing pressure for audits relating to each assurance
program/measure, or for some other means of demonstrating compliance and systems integrity.
This has been happening post farm gate and is now being pushed down to pre farm gate
requirements. Individual farm businesses can have multiple and duplicative audits or assurance
measures imposed on their business by all the various groups seeking assurance for related
and similar components. This costs time and money to undertake – both by the dairy farmer and by
the body seeking assurance (a cost that is inevitably passed on to the producer).

There has been a great deal of effort put into streamlining food safety regulatory systems
assurances. A national food safety auditor framework has been set up, with agreed national
competencies for food safety auditors. All food safety regulatory authorities recognise the
competencies of auditors approved under the Framework. Once an auditing company/auditor is
approved, businesses are able to select an approved auditor to undertake their food safety
regulatory audit. If auditors are approved for other risk management issues (e.g. welfare,
environment etc.) then potentially, businesses should be able to select an approved auditor that can
undertake multiple audit requirements through a single farm audit.

The stream-lined system works well for domestic and export products. DAWR and the State Food
Regulatory Authorities have implemented the Beale recommendations whereby DAWR builds on the
domestic/national food safety systems at manufacturing level that rely on the state based system for
farm assurances. For example, DFSV has an arrangement with DAWR for export certification and
market access. DFSV is responsible for licensing dairy manufacturing businesses and dairy farm
businesses, validating the FSPs, verifying that FSPs are implemented appropriately and that the
businesses are in compliance with the national FSANZ food standards legislation and with the State
legislation relating to implementation. DAWR accepts the State system as part of the registered
exporter’s food safety system and then adds any additional market access requirements, again with
implementation overseen by SRAs.

**8. Food labelling**

The proposed introduction of mandated State and Federal Government food labelling requirements
(the front of pack Health Star Rating Scheme, Country of Origin and container recycling labelling) will
impose significant requirements and costs on food and beverage manufacturers. Moreover, any
sought-after impact on consumer behaviour, resulting from changes in labelling, is difficult to
measure. In this instance and where industry-driven voluntary schemes are in place, mandated
arrangements are difficult to justify.

In the case of Country of Origin labelling, key cost imposition involves the implementation time-
frames currently proposed. A transition period under two years will be difficult to achieve in
practice. When a company cannot execute printing in time, it may perversely be forced to use
ingredients sourced from overseas in order for existing label stock to be used lawfully. Such cost
impacts and perverse outcomes of these labelling arrangements represent poor regulatory design.
Perverse outcomes from a mandated front-of-pack labelling system such as the Health Start Rating scheme are likely too. Some yoghurts and cheeses may score just one or two ‘stars’ although they are a critical component of a well-balanced diet. While front-of-pack labelling should remain voluntary (since its impact on dietary choice is in question), it must also reflect and align with the Australian Dietary Guidelines and associated messaging.

The Container Deposit Scheme being prosecuted by the NSW government at the present time is unlikely to address public littering. COAG cost-benefit analysis has shown it is not the right policy tool to address the problem.

The potential for three different labelling schemes being required within three years represents unreasonable burden on the food sector. Evidence that consumer behaviour will change as a direct result of these labelling schemes is scant.

9. **Competition regulation**

9.1 **Technical Barriers to Trade**

It is valid to consider the impact of regulations imposed along the supply chain to meet the requirements of international markets as examining only domestic regulatory burdens would not show the true extent of the challenges faced by the dairy industry.

The industry seeks long-term economic sustainability which can be supported by improved market access opportunities. However, market access is not just about improving tariffs.

The dairy industry has undertaken extensive work in this area, with a particular focus on technical barriers to trade (TBTs). TBTs are onerous, excessive and burdensome product entry requirements and trade impediments that are imposed by governments. They include technical specifications, product standards and other administrative rules.

In 2013/14 the industry commissioned a study to quantify the effects of TBTs. The study identified an annual loss to the Australian dairy industry in opportunities of $1.57 billion as a result of technical barriers to trade. It has a direct effect on farm businesses through higher production costs, reduced product returns, restricted export demand and, ultimately, lower milk returns for farmers.

The study grouped the TBTs that affect commercial activity at different points of the supply chain, into 5 categories:

1. market access – requirements that restrict the volume of trade;
2. production cost – conditions that increase the cost of preparing a product;
3. shipment cost – conditions that increase the cost of supplying a product;
4. compliance level – product requirements that exceed commonly accepted standards;
5. administration – ‘red tape’ and deficiencies in the application of access conditions.

The study clearly showed that, when aggregated, the impact of TBTs on the Australian dairy industry is staggering. In many instances addressing these TBTs in key markets could produce gains even more beneficial to the industry than just tariff reductions. The Australian dairy industry is presently unable to seize major competitive advantages (like strong food safety, credible domestic regulators and reliable cold storage supply chains) because of international standards and requirements that are incoherent with those of Australia. There is even consistent feedback from Australian dairy exporters about “losing interest” in doing business in foreign markets as a response to frustrating TBTs.

9.2 **Collective bargaining**
The farm sector has specific and unique characteristics that mean the impacts of ineffective competition legislation can have a more detrimental bearing than other businesses in the economy. The farming sector is fragmented, made up largely of small to medium sized businesses in remote areas with limited access to market information and opportunities for collective organisation. Fluctuations in input costs, the impact of climatic variations, limitations in infrastructure and the perishable nature of produce leave some farmers in an economically vulnerable position operating under extremely tight margins. These market factors result in imbalances between participants in the supply chain.

This inequality of market and or bargaining power means that farmers are largely price-takers in the market and susceptible to at times questionable business practices. Farmers may be forced to accept standard form contracts on a “take it or leave it” basis or to operate under arrangements without the benefit of contractual security. As a consequence, collective bargaining is an important tool to help address these issues, and restore in some part a balance in the power of market participants.

The Competition and Consumer Act 2010 (CCA) restricts the use of either collective bargaining or boycotting, though there are exceptions. The restrictions aim to prevent lessening of competition. ADF recognises the necessity of protecting the competitive process. Nonetheless, in ADF’s view there are opportunities to amend certain regulations placed on collective bargaining, which in doing so will enhance competition within the market place.

**Public detriment test**

Instead of relaxing the current test for collective boycotts (that is, the public benefit test) an available reform is to seek a reversal of the onus. That is, in considering whether a collective boycott application should be approved, the Productivity Commission should recommend that the focus be altered to whether that boycott could cause any ‘public detriment’. This would be a less onerous test while still complying with the overarching purposes of the CCA.

A public detriment test does not specifically seek to advance consumer interests (unlike a public benefit test), rather it is aimed at maintaining them. In favour of this proposal is the argument that the current collective boycott regime is inaccessible and largely discounted in the marketplace. Because of this, processors are able to arrange their affairs in the knowledge that producers will always be at a competitive disadvantage and permanently hamstrung in their negotiation position.

**Interim boycott approval**

Reforms allowing interim boycotts in certain/limited circumstances may assist producers’ ability to progress negotiations. That said, a fundamental change to the ‘public benefit' test is first necessary for this proposal to have any impact.

**Threshold increase**

The current threshold for primary products is $5 million. An increase in this amount would expand its accessibility to a wider range of businesses within the agricultural market.

**Role of Peak Bodies**

The Productivity Commission should recommend changes that increases the ability for peak bodies to commence and progress collective bargaining and boycott applications, on behalf of their members.

However, in providing for this it is important that there are appropriate measures in place to ensure that peak bodies are truly representative of farmers in their respective agricultural sector.

Reforming misuse of market power provisions should be about protecting the competitive process, rather than protecting individual competitors. A truly competitive market, where companies succeed and fail as a result of merit, not as a consequence of dominant companies misusing market power, will best foster innovation and growth. Such innovation and growth will ultimately best serve the interests of the community.

In order to best protect the competitive process, ADF supports amending the Australian Competition Law. Specifically, ADF recommends amending section 46 of the Competition and Consumer Act 2010. ADF supports replacing the existing purpose test with an ‘effects test’. This would shift the onus of consideration from what a company’s purpose of conduct was, to what effect that conduct had on any given marketplace.

10. Investment

The dairy industry supports the Australian Government Foreign Investment Review Board (FIRB) to ensure foreign investment is in the national interest both now and in the future.

Applying to the FIRB is a compulsory regulatory approval process that carries an application cost. Whilst these fees are necessary, they must not be large enough to act as a disincentive to foreign investment.

In regard to investment (both local and foreign), the dairy industry reiterates the need for regulatory parity in the timing of approvals by different regulatory bodies such as the FIRB, Australian Competition Tribunal and the Australian Competition and Consumer Commission (ACCC). The timeframes involved in the various regulatory processes should not have the unintended effect of disadvantaging one bid (in an acquisition) ahead of another. An even playing field is both desirable and necessary as competition for processing resources intensifies.

11. Labour access and productivity

The future of the dairy industry is dependent upon the quality of its people. The industry invests significant resources in attracting and retaining the next generation of farm owners, managers, processing technicians and milk factory workers through school programs, promotional campaigns and through the dairy industry owned and managed National Centre for Dairy Education.

Despite this continued investment, there is still a gap in the amount of suitably qualified and experienced employees available to work on-farm and in processing facilities and some employers are forced to look overseas to fill these roles.

In 2015, the dairy industry and the Department of Immigration and Border Protection negotiated an industry-wide Labour Agreement to respond to the need to fill senior farmhand roles on farm. This initiative was sought because the current Consolidated Sponsored Occupation List did not acknowledge Senior Farmhands and therefore made it impossible for farmers to recruit people of this skill level on 457 visas.

The need for suitably skilled and experienced employees is only going to grow as farms aggregate and more senior roles become available. Current immigration requirements hampering these efforts, such as unaligned ANZSCO codes and visa limitations are imposing significant barriers for the employment of overseas labour. ADF 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 457 visa scheme. For example, ADF believes Dairy Cattle Farm Worker (841512) skill levels are classified too
low, at skill level 5, equivalent to Certificate I. Conversely, classifications such as Dairy Cattle Farmer (121313) are classified too high, at skill level 1, equivalent to a Bachelors Degree, meaning that many applicants do not pass the required skills threshold.

Current Pastoral Award 2010 provisions are also impacting upon dairy farmers’ productivity. Currently, the Award stipulates that part-time and casual employees must be engaged for three hours every shift. This stipulation does not meet the modern requirements of a dairy farm. Most dairy farms milk twice a day and the time it takes to milk depends on the season, the size of the herd, and the technology on-farm. Analysis shows that some farms take less than three hours to milk their entire herd and typically, when there are two people performing this task, one person may only be required for part of the milking process.

The requirement to pay a staff member for 3 hours’ work, rather than the hours actually worked, creates unnecessary costs to farmers, and also acts as a barrier to employment for employees who seek flexible working arrangements.