

Dairy Industry Labour Agreement (DILA)

Frequently Asked Questions

September 2025

While this FAQ provides some guidance, **all questions about the application process** for a labour agreement should be directed in the first instance to the Department of Home Affairs via email: labour.agreement.section@homeaffairs.gov.au.

About the Labour Agreement

1 What is the Dairy Industry Labour Agreement (DILA)?

The **Dairy Industry Labour Agreement (DILA)** is a **template labour agreement** designed to help Australian dairy farmers address chronic workforce shortages.

A **labour agreement** is a negotiated work arrangement that sits outside the standard skilled migration programs (such as the Skilled Occupation List or standard employer-sponsored visas). It provides concessions to standard visa requirements, enabling industries or regions experiencing genuine labour shortages to access employees from overseas.

In response to the **ongoing critical workforce shortage in the dairy sector**, Dairy Australia identified the role of **Senior Dairy Cattle Farm Worker** as essential but not covered under the standard migration program. In 2018, Dairy Australia commenced negotiations with the Department of Home Affairs on behalf of the industry. The outcome of these negotiations was the establishment of the DILA, which is now available for use by any Australian dairy farmer.

Under the DILA, employers can recruit skilled and semi-skilled farm workers through:

- **Skills in Demand (SID) visa (subclass 482)**
- **Skilled Employer Sponsored Regional (SESR) visa (subclass 494)**
- **Employer Nomination Scheme (ENS) visa (subclass 186)**

Because the DILA is a **template agreement**, individual employers are not required to negotiate terms from scratch or define eligible occupations themselves. The agreement recognises:

- **Senior farmhands (FLH5–7), and**
- **Farmhands (FLH3)**

as eligible occupations for sponsorship under the visas listed above.

As part of the labour agreement process, the Department of Home Affairs typically requires consultation with key stakeholders, including the relevant industry body and unions. For the DILA, Dairy Australia fulfils this role by:

- Providing a **cover letter of support** to the Department on behalf of all dairy farmers, demonstrating the industry's generalised workforce need.
- Conducting **bi-annual consultations with the Australian Workers Union (AWU)**, so that individual employers are not required to engage the union when preparing their own applications.

2 How long does it last?

The **Dairy Industry Labour Agreement (DILA)** is approved for a period of **five years**.

During this time, employers can recruit and nominate overseas workers in line with their **approved annual ceilings**—that is, the maximum number of workers permitted each year under the agreement.

Each overseas employee is granted an individual visa with its own validity period:

- **Skills in Demand (SID) visa (subclass 482):** up to **four years** with a **pathway to permanent residency** through the **Employer Nomination Scheme (ENS) subclass 186**
- **Skilled Employer Sponsored Regional (SESR) visa (subclass 494):** up to **five years**, with a **pathway to permanent residency** through the **Permanent Residence (Skilled Regional) Visa subclass 191**.

3 What roles are covered?

The **Dairy Industry Labour Agreement (DILA)** recognises two key occupations as eligible for sponsorship:

1 Senior Dairy Cattle Farm Worker

- Classified under **FLH5** to **FLH7** in the *Pastoral Award 2020*.
- Eligibility requirements:
- An **AQF Certificate III (or equivalent)** and at least **two years of recent, relevant work experience**, OR
 - At least **three years of recent, relevant work experience** without formal qualifications.

2 Dairy Cattle Farm Operator

- Classified under **FLH3** in the *Pastoral Award 2020*.
- Eligibility requirements:
 - An **AQF Certificate II or III (or equivalent)**, OR
 - For a **Skills in Demand (SID) visa**: at least **one year of recent, relevant experience**.
 - For a **Skilled Employer Sponsored Regional (SESR) visa**: at least **two years of recent, relevant experience**.

Costs and Conditions

4 What are the costs?

There is **no cost to apply** for the Dairy Industry Labour Agreement (DILA) itself.

However, standard fees still apply when an employer submits a **nomination application** for an overseas employee. These include:

- The **nomination application fee** charged by the Department of Home Affairs.
- The **Skilling Australians Fund (SAF) levy**, which is calculated based on the business's turnover and the length of employment being nominated.

Note: Visa application charges are separate and are usually paid by the worker.

5 What must I pay employees?

Under the **Dairy Industry Labour Agreement (DILA)**, employers must pay sponsored workers at least the higher of:

- The **Core Skills Income Threshold (CSIT)**, or
- The **going market salary rate** for the role.

From **1 July 2025**, the CSIT is **\$76,515**.

For Category 3 location employers, 'Regional centres and other regional areas' for skilled migration purposes, employers must pay at least **90 per cent of the CSIT** (i.e., **\$68,864**) or the going market rate, whichever is higher.

In addition, employees must receive the correct **overtime rates, penalty rates, and other entitlements** in line with the *Pastoral Award 2020*.

6 Do overseas employees have the same rights?

Yes. They are covered by the *Fair Work Act 2009*, National Employment Standards, workplace health and safety laws, workers' compensation and superannuation obligations, just like Australian workers.

Permanent Residence Pathways

7 Can employees transition to permanent residency?

Yes. After three years on a temporary visa SID 482 under the DILA, they may be eligible for ENS 186 with concessions on age and English in regional areas.

Requirements and Obligations

8 What level of English is required?

For immigration purposes, applicants under the **Dairy Industry Labour Agreement (DILA)** must meet a **minimum English language requirement**, unless exempt under the standard visa program.

- **Skills in Demand (SID) visa – subclass 482** and **Skilled Employer Sponsored Regional (SESR) visa – subclass 494** (for workers nominated in Category 2 and 3 regional locations):
 - **IELTS score of at least 5.0 overall**, with **no minimum score required in each component** (speaking, reading, listening, writing) or equivalent test scores (e.g., PTE Academic).
- **Employer Nomination Scheme (ENS) – subclass 186 (permanent residency pathway)**:
 - **IELTS score of at least 5.0 overall**, with a **minimum of 4.5 in each component** (speaking, reading, listening, writing) or equivalent test scores (e.g., PTE Academic).

9 Do I need Labour Market Testing?

Yes. Employers must demonstrate that they have made genuine efforts to recruit workers from the Australian labour market before seeking to sponsor an overseas worker under the Dairy Industry Labour Agreement (DILA).

Key requirements include:

- Providing evidence that recruitment efforts have been made **within the last 12 months**.
- Advertising the position **nationally**, including a mandatory listing on the **Australian Government's Workforce Australia website**.
- Ensuring each advertisement runs for a **minimum of four weeks**.

This evidence must be provided to the Department of Home Affairs as part of the nomination application.

10 Do I need to pay the Skilling Australians Fund (SAF) levy?

Yes. The **SAF levy** is a **mandatory charge** that Australian employers must pay when sponsoring overseas employees under certain skilled visa programs, including those available through the Dairy Industry Labour Agreement (DILA).

The levy is payable **at the time of nomination** and the amount depends on the size of the business and the visa subclass:

- **Subclass 482 – Skills in Demand (SID) visa**
 - **\$1,200 per year** of sponsorship for **small businesses** (turnover under \$10 million)
 - **\$1,800 per year** of sponsorship for **larger businesses** (turnover \$10 million or more)

- **Subclass 494 – Skilled Employer Sponsored Regional (SESR) visa**

- **One-off payment of \$3,000** for small businesses
- **One-off payment of \$5,000** for larger businesses

11 Do I need to become a sponsor separately?

No. Once your Dairy Industry Labour Agreement (DILA) is approved, your business is **automatically recognised as a sponsor under the agreement**.

This means you do not need to apply for a separate standard sponsorship approval unless you are sponsoring an overseas worker for an occupation outside of the DILA.

12 Can employees bring family?

Yes. Spouses and dependent children can be included, with work and study rights.

13 Will the Department check on employers?

Yes. The Department can audit employers at any time to check the employee is doing the job they were hired to do, consistent with the duty statement in the labour agreement. The Department will also check payroll, records and conditions at any time to ensure compliance.

Change of Business Entity

14 Change of business entity/structure and DILA

If a farm business undergoes a change to its business entity, resulting in a new ABN or ACN, a new DILA is required, and the farm business (employer) will need to re-nominate any existing visa holders under a new labour agreement. Existing visa holders (employees) do not need to make a new visa application if:

- The sponsor is essentially the same business (e.g. same business name and/or operations albeit restructured or under new ownership); and
- The nominee is doing the same job (e.g. same duties, working conditions and/or management structures).

Seek advice about the impact of the DILA when selling or buying a business..

General information

15 Do I need to use a migration agent?

Not necessarily, the application process can be done with or without the help of a migration agent. Fees can vary significantly, and it is advisable that employers contact at least two firms for price comparison.

Search for registered migration agents · OMARA Self-Service Portal

16 Are there any standards for staff accommodation?

There are no prescribed standards for housing employees and the laws about accommodation vary from state to state. **Accommodation | The People in Dairy**

Providing sub-standard housing carries a substantial risk to the health and wellbeing of employees, and also to the farm and industry's reputation.

Next steps

17 Once I have the DILA, what next?

You can begin recruiting suitable employees from overseas.

18 Key stages of the visa process – summary

i Sponsorship – The employer must apply to become a Standard Business Sponsor or enter into a Labour Agreement. This allows the business to sponsor skilled employees and confirms the business's capacity to employ and pay the employee's salary under Australian employment standards.

- Sponsor must hold the ABN of the employing entity/business that will pay employee's salary.
- Sponsorship is valid for five years once approved.
- Labour Agreement is subject to pre-allocated nominations.

ii Nomination – The employer nominates a specific occupation for the employee, providing evidence of genuine position and ensuring compliance with TSMIT/CSIT and other nomination criteria.

Labour Market Testing is required and must run for a minimum of 28 days prior to lodging a Labour Agreement or Nomination.

iii Visa Application – The nominated employee lodges a visa application, demonstrating that they meet the skills, qualifications, and experience relevant to the role, as well as the required health and character standards, and any other visa criteria. Average visa processing times are listed on the Department's website.

For further information

Visit **Hiring people from overseas** on The People in Dairy website.

Disclaimer

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