Vanuatu calls for reforms to Australia’s backpacker program

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In an interview with Radio Australia, Vanuatu’s Commissioner of Labour, Lionel Kaluat, has called on the Australian government to reform its backpacker or working-holiday visa program to give the Seasonal Worker Program (SWP) a chance to take off.

Mr Kaluat said “If the Australian Government can tidy up that particular program, then it will allow more room for the SWP to take up more of the employment opportunities that are available in the Australian market. If that is not addressed, then it will see a very, very slow pickup of the Seasonal Work Program for the Pacific island states.”

In 2006, the Howard Government reformed the working holiday maker program to enable backpackers who work on a farm for three months to get a visa for a second year. As a result of this change, and the general increase in the large number of backpackers coming to Australia, labour shortages in the horticultural sector have been largely eliminated – as we have documented through our employer survey (here) and confirmed through interviews with both employers and employees (here and here). As a result, the Pacific SWP, introduced in 2008, has struggled to attract employer interest.

Mr Kaluat made his comments in the context of confirming two new supply-side reforms to the scheme, which are set to be trialled in 2014. The upper age limit of 45 will be removed for participating countries, along with a restriction on those that have previously participated in New Zealand’s equivalent Recognised Seasonal Employer (RSE) scheme. The trial period will extend until the end of this year.

Mr Kaluat welcomed both reforms. However, without the demand-side reforms to the SWP which he suggests, increasing the supply of potential SWP workers will bring little benefit. One reform to rescue the SWP would be to give all backpackers a two-year visa.