

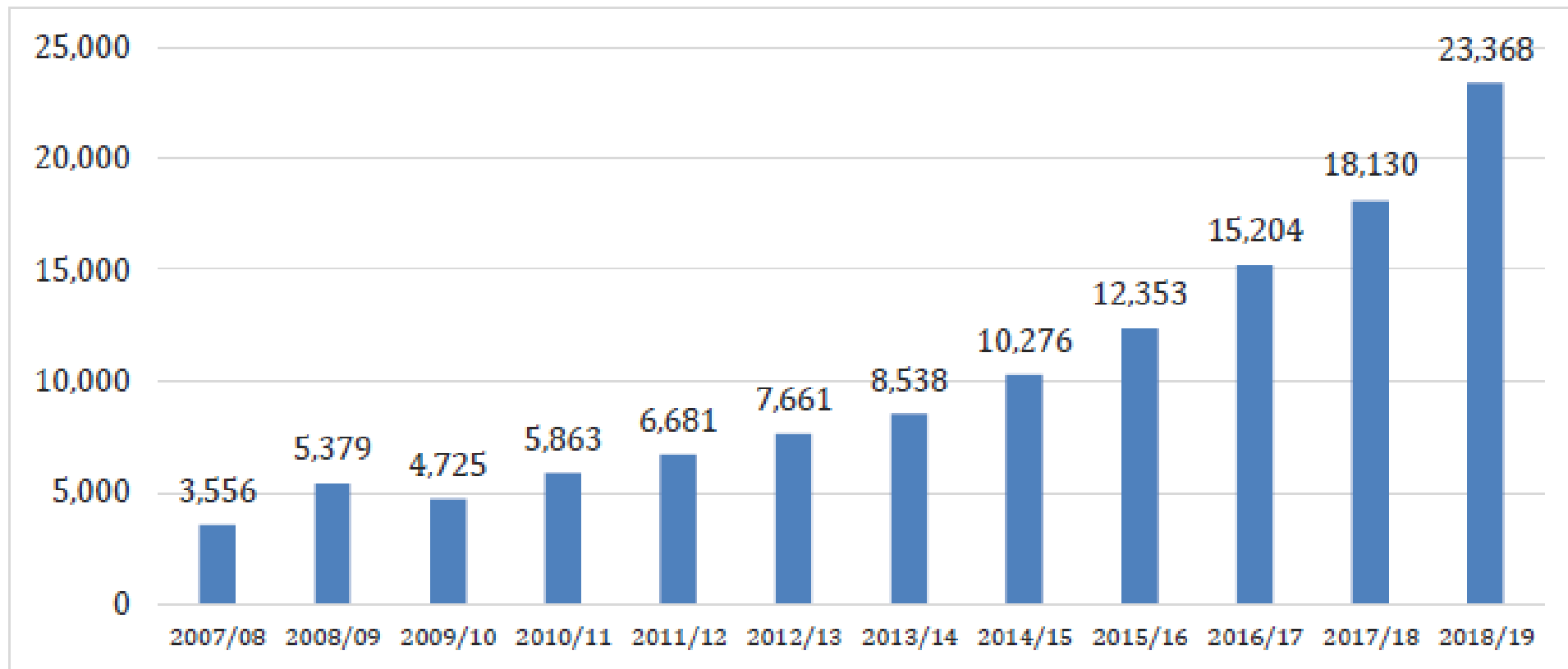
# Governance of the Seasonal Worker Programme in Australia and sending countries

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Report Launch  
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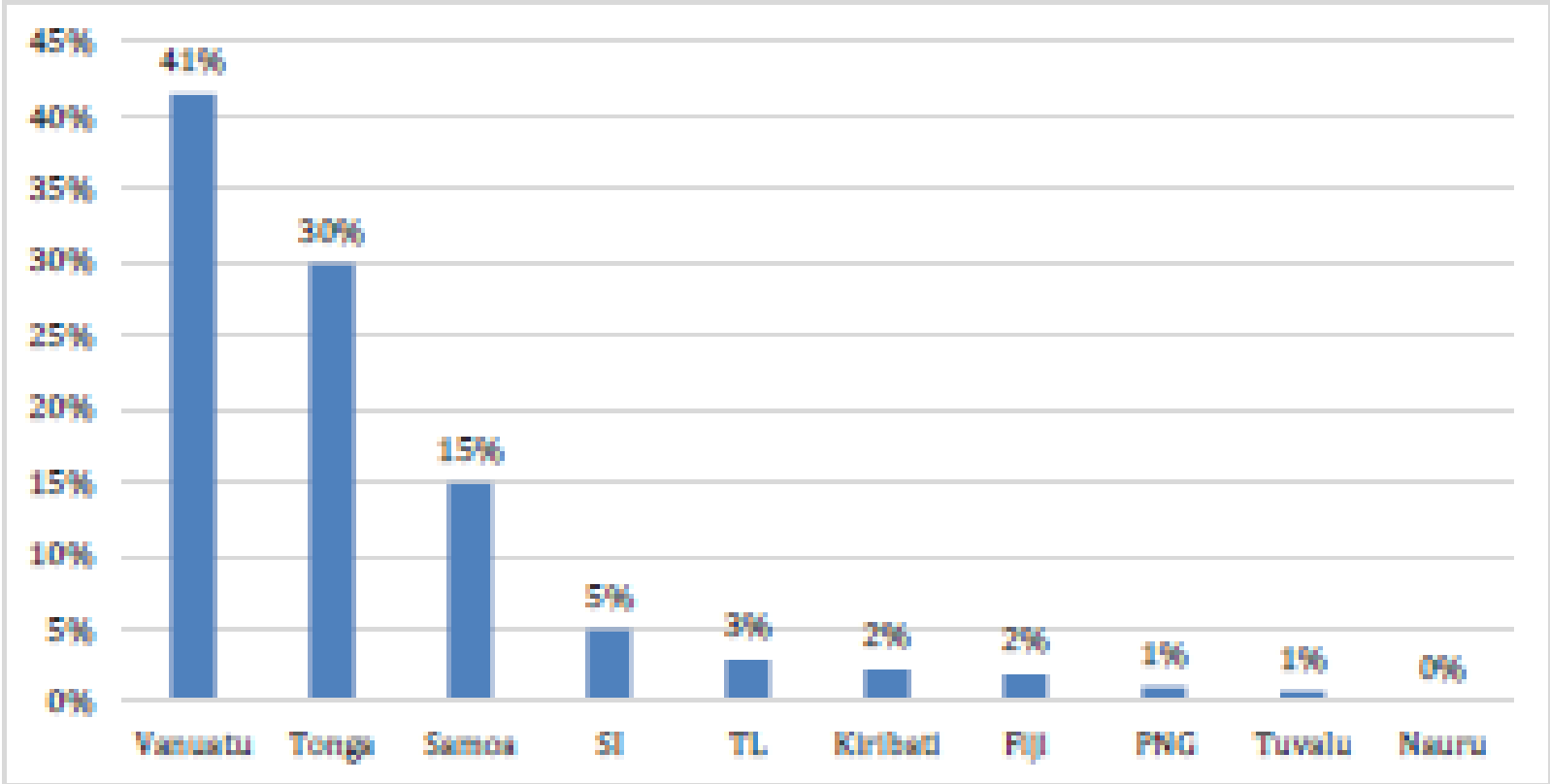
# Seasonal labour in the Pacific has been growing rapidly

**Figure 1: A decade of growth in Pacific seasonal labour mobility: SWP and RSE visas**



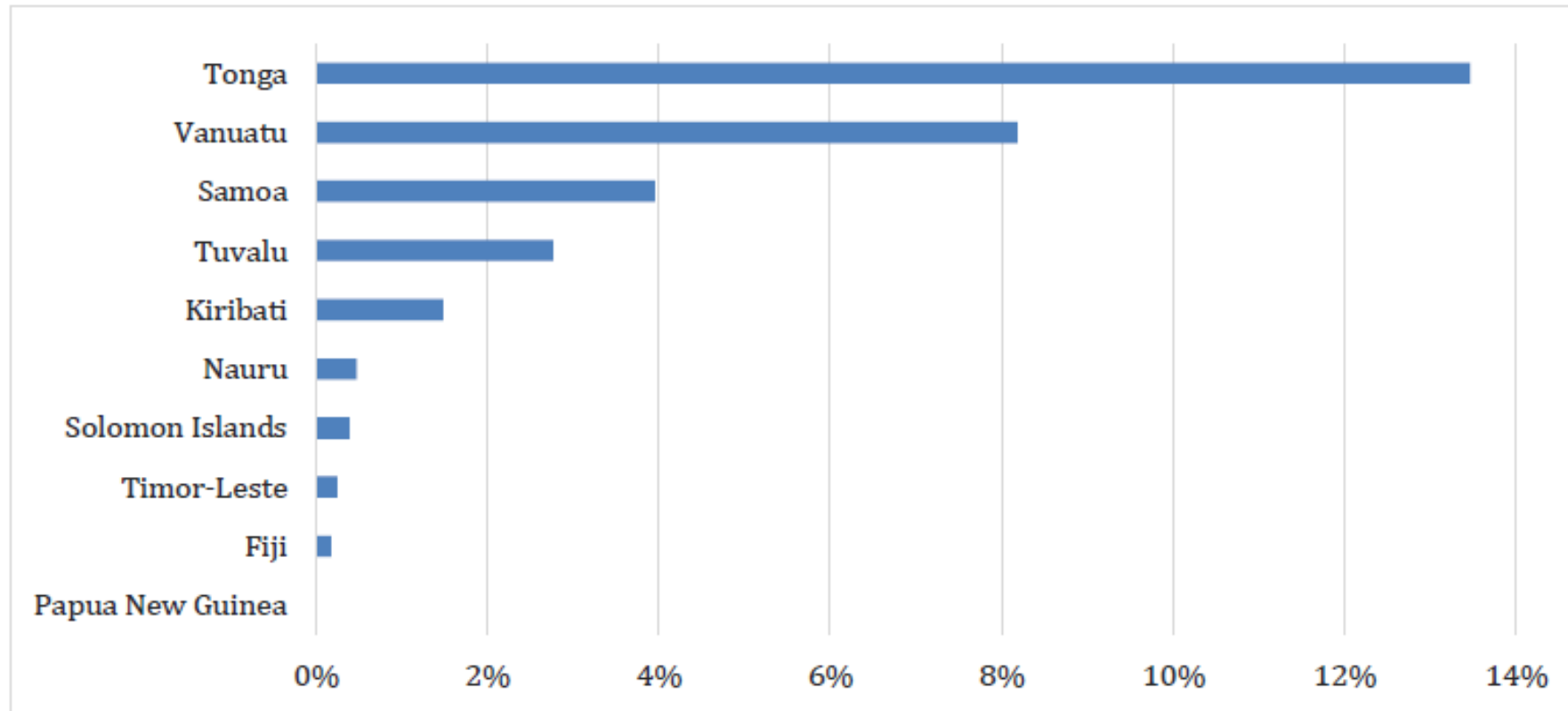
But participation has been very uneven across countries

Figure 7: RSE and SWP combined market shares, from commencement to 2018/19



# Especially relative to population

**Figure 10: Ratio of seasonal workers to the male population 20-45 years (%)**



# Governance varies a lot across sending countries

**Table 3: How seasonal workers are recruited**

Sending country	Work-ready pool	Direct employer recruitment	Licensed agent
Vanuatu		X	X
Tonga	X	X	
Timor-Leste	X		
Samoa	X	X	
Fiji	X	X	
Solomon Islands	X	X	
Kiribati	X		
PNG	X		
Tuvalu	X		
Nauru	X		

# Report focus

- We know seasonal labour is of great benefit to participating workers and employers
- How is labour mobility managed, both in sending and receiving countries?
  - Focus on Australia, Vanuatu, Tonga and Timor-Leste
- How should it be managed?
  - How to ensure the schemes keep growing?
  - How can countries who have missed out get a bigger market share?
  - How to promote equity in recruitment?
  - How to protect worker welfare?
- Limitations: governance is dynamic; report will be quickly out of date. But conclusions robust and documentation important.

# Background research

- Report based on extensive research from 2012 onwards:
  - Two surveys of Australian famers
  - Surveys of SWP employers
  - Research into the RSE
  - Field work in 9 sending countries
  - Quantitative and qualitative
  - And not just our research...

# SWP-RSE differences

- In many ways, the two schemes are very similar: introduced about the same time; many similar features. But also important differences

	SWP	RSE
<b>Employers</b>	Dominated by large labour hire companies	More diverse employer base
<b>Demand trajectory</b>	Initially slow, then rapid (uncapped)	Initially rapid, then slow (capped)
<b>Geography</b>	Dispersed	Concentrated
<b>Sectoral characteristics</b>	Producing for domestic market; price-conscious	Producing for export markets; quality and reputation conscious
<b>Level of compliance with labour laws</b>	Low but increasing	High
<b>Importance of seasonal workers relative to backpackers</b>	Backpackers much more important	Seasonal workers much more important
<b>Role of industry</b>	Marginal but growing	Central
<b>Lead government department</b>	Education, Skills and Employment	Business, Innovation & Employment
<b>Regulatory focus</b>	Compliance	Problem solving



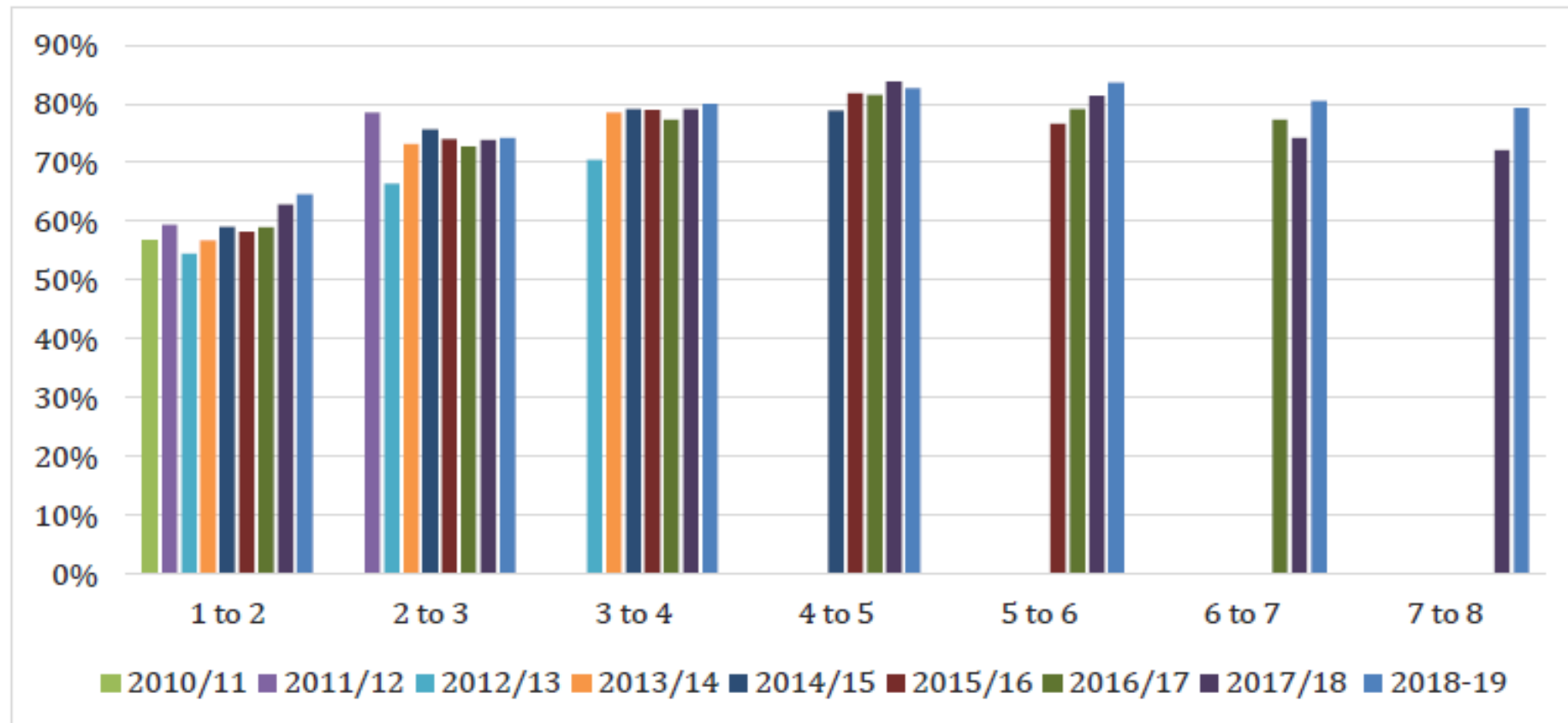
Sending country governance

# Sending country governance

- Bilateral agreements impose little structure – and considerable diversity is observed across sending countries.
- First- or early-mover advantage important but not a guarantee of success, especially in Australia with slow growth initially followed by rapid growth later.
- Return workers are key to SWP: false dichotomy to think of a trade-off between return and new workers.
- Employers have a strong preference for flexible recruitment; they don't like work-ready pools.
  - 2018 Survey of employers: 58% preferred direct recruitment; 33% licensed agents; none indicated preference for work-ready pool.
- Sharp gender inequity, but: better than NZ; improving (TL and Tonga).

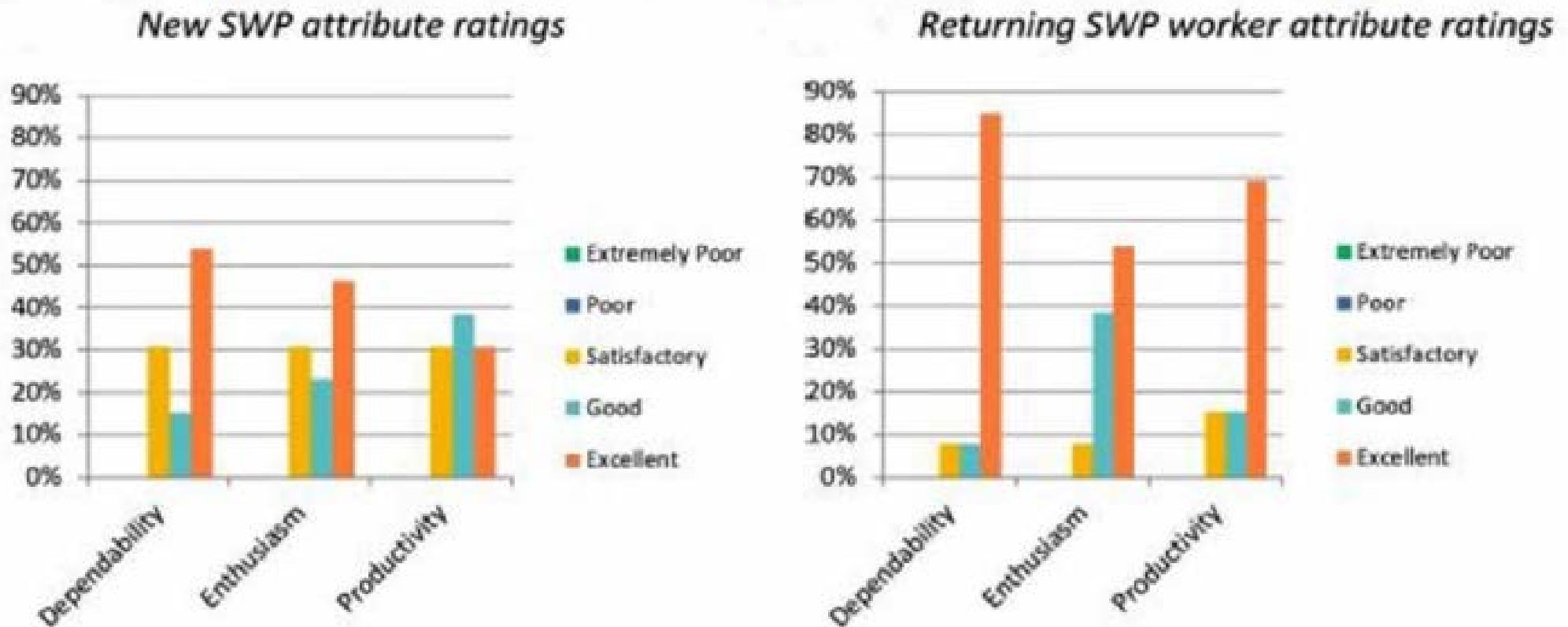
# SWP not a one-shot game

Figure 14: Return probabilities for the SWP



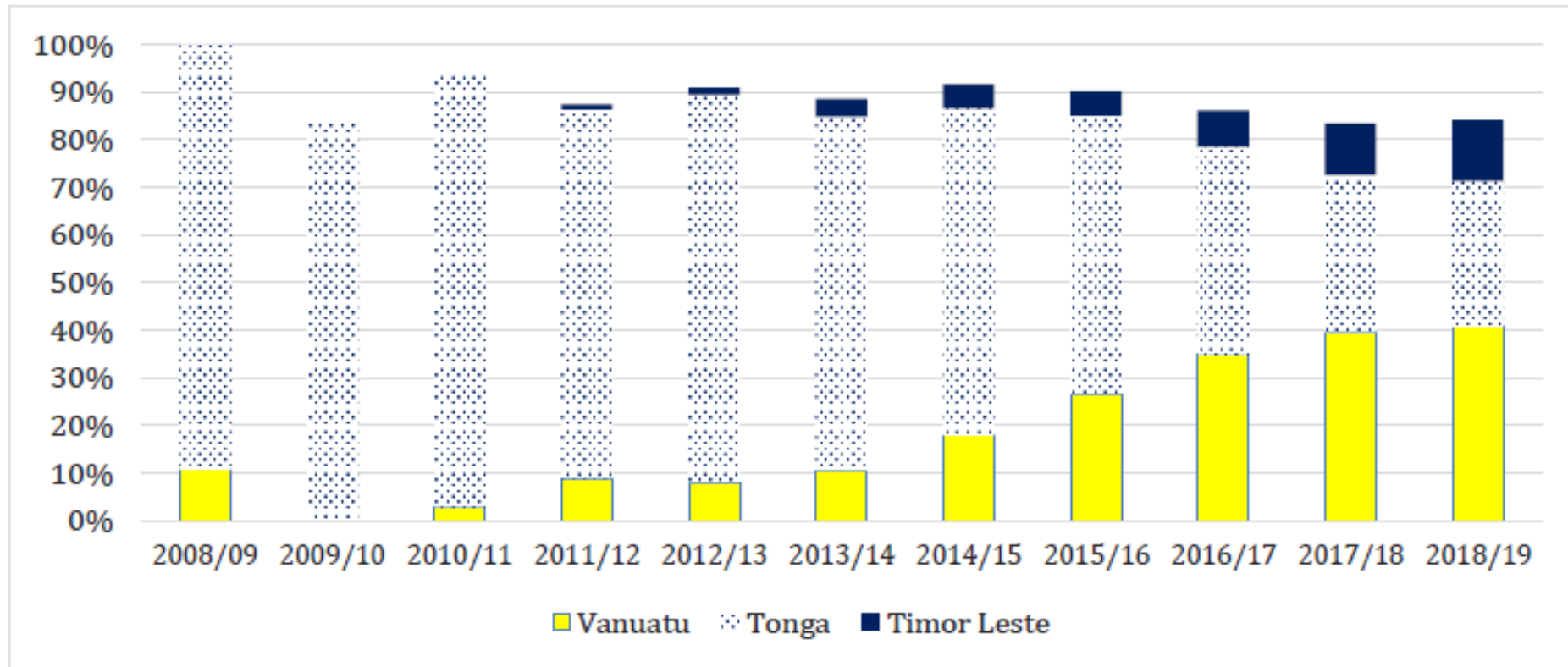
# Employers prefer returning workers

**Figure 15: New and returning SWP worker attribute ratings**



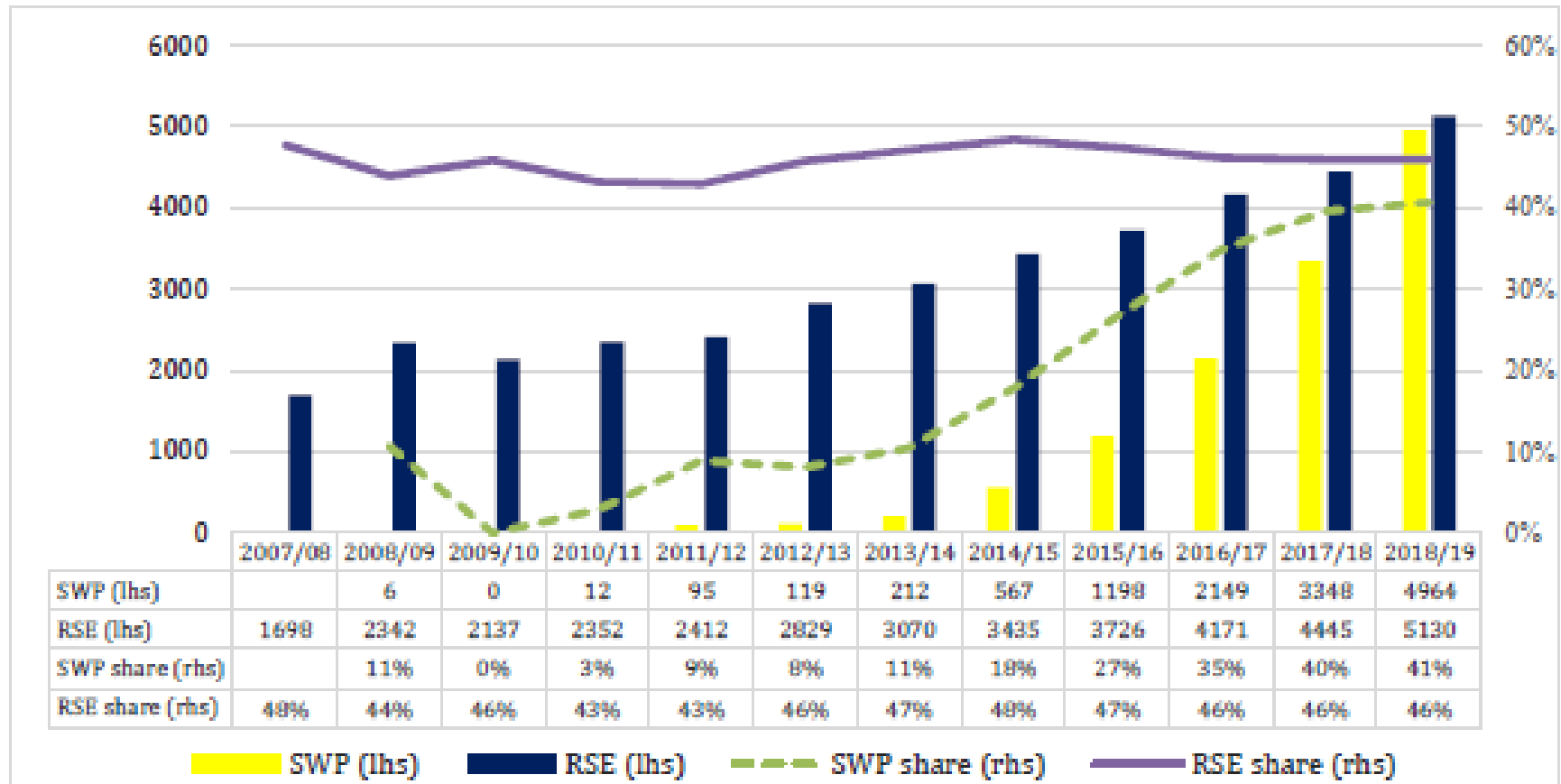
# Vanuatu, Tonga and Timor-Leste

**Figure 12: Shares of Vanuatu, Tonga and Timor-Leste in the SWP**



# Vanuatu

Figure 17: Vanuatu in the SWP and RSE

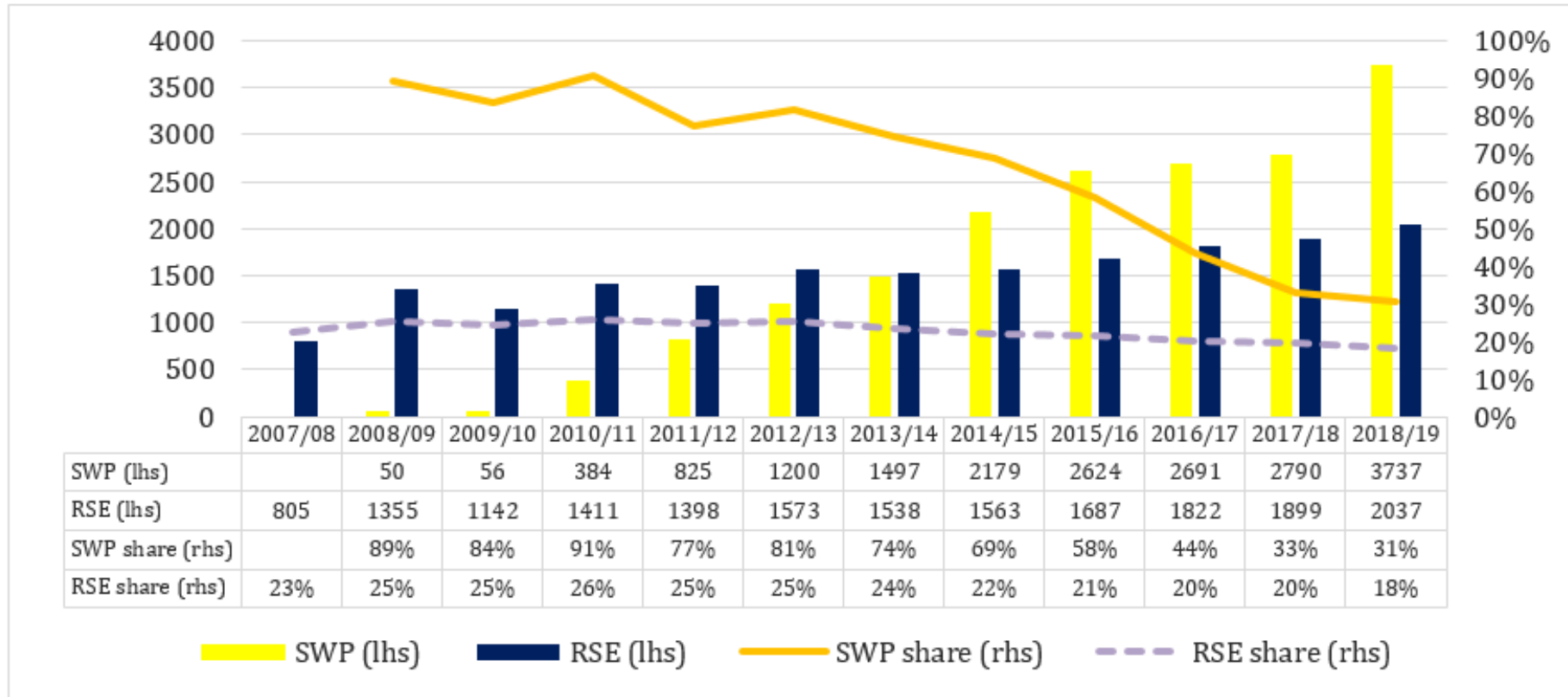


# Vanuatu

- No work-ready pool
- Unique system of licensed agents, as well as direct recruitment
  - Which the new government has just announced it will abolish, replacing it by a work-ready pool!
- Vanuatu's system has worked well and should be reformed (as per its own LM policy) rather than abolished.
  - Improved resourcing, at home and in receiving countries
  - Fewer and better regulated agents
  - Incentives for more equitable recruitment – esp for SWP

# Tonga

Figure 20: Tonga in the SWP and RSE



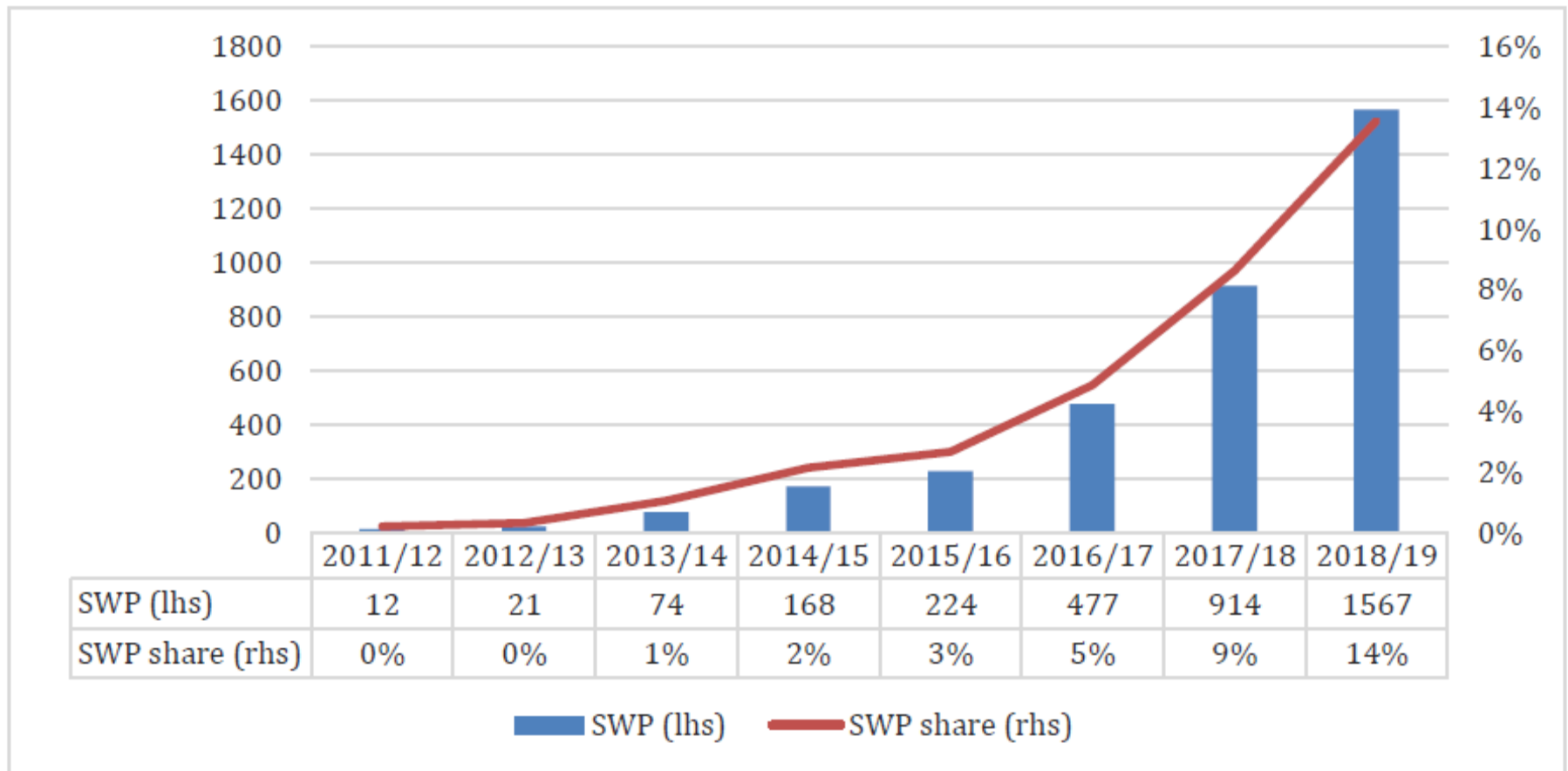


# Tonga

- Except that agents are not licensed, very similar system to Vanuatu, and similar challenges.
- Tonga has lost SWP market share to Vanuatu, possibly around reputational problems to do with absconding workers. Has responded by placing in-country liaison and seems to have recovered.
- Good regional and improving gender equity: Share of SWP female workers increased from 11.5% in 2012/13 to 17.3% in 2018/19.

# Timor-Leste

Figure 23: Timor-Leste in the SWP



# Timor-Leste

- Relies on work-ready pool – very different to Tonga and Vanuatu
- Earlier had made flexible use of the work-ready pool, but now saying that it will not allow employers to insert workers into the work-ready pool. This has generated a negative employer response.
- Also, has had the strongest in-Australia presence of the sending-countries, but has now weakened that
- These moves are heading in the wrong direction.
- Other issues with work-ready pool:
  - Variable equity performance
  - Unrealistic expectations

# Conclusions

# Government-central v government-light

**Table 7: The government-central and government-light approaches**

<b>Governance aspect</b>	<b>Government-central</b>	<b>Government-light</b>
<b>Recruitment</b>	By employer but from government-selected work-ready pool	By employer (or their agent) without constraint
<b>Visa processing</b>	By government	Employer/agent also helps
<b>Promotion</b>	Strong role for government	Weak role for government
<b>Welfare and wellbeing</b>	Strong role for government	Weak role for government
<b>Receiving-country presence (liaison officer)</b>	Yes	No

Note: All references to government are to the sending-country government.

# Government-central v government-light

**Table 8: Classification of sending countries by governance type**

<b>Country</b>	<b>Classification</b>
Vanuatu	Government-light
Tonga	Government-light
Timor-Leste	Government-central
PNG	Government-central
Kiribati	Government-central
Nauru	Government-central
Tuvalu	Government-central
Fiji	In between
Solomon Islands	In between
Samoa	In between

# Is there a best form of sending-country governance?

- Successful countries:
  - Have a high ratio of return workers
  - Attract large employers
- But what makes for success?
  - Exogenous factors, such as early-mover advantage
  - Responsive, scalable, well-resourced governance
- No single “first best” model
  - Vanuatu has succeeded with licensed agents, whereas Solomon Islands tried and abandoned that model.
- But countries should avoid the extremes of government-central and government-light
  - Survey of employers showed **no** support for repeat recruitment through work-ready pool.
  - Growth in numbers needs to be matched by growth in resources.

# Recommendations

- For sending countries
- For Australia
- For interactions between Australia and sending countries
- For COVID-19



# Recommendations for sending countries

**Recommendation 1:** Sending governments should avoid exclusive reliance on a work-ready pool.

**Recommendation 2:** Sending governments should use the private sector to take on governance functions.

**Recommendation 3:** Most countries need to provide increased resourcing to the governance of labour mobility as numbers grow, both at home and abroad.

**Recommendation 4:** The main priority for countries that have struggled to break into the SWP market has to be responsiveness to employer needs.

# Recommendations for Australia

**Recommendation 5:** *Visa changes to incentivise backpackers to work on farms should be reversed. There should be a national licensing scheme for labour hire companies, with the resources needed to monitor compliance.*

**Recommendation 6:** *A reference group consisting of approved employers (growers and labour hire operators), and key industry associations should be established. Together with government representatives, this group would be tasked with developing a more collaborative approach to identifying and resolving key problems.*

**Recommendation 7:** *The SWP should be managed by the federal Department of Agriculture, Water and the Environment.*

**Recommendation 8:** *The Australian Government should place relationship managers, with a brief to resolve problems close to where they occur, in each of the main horticultural areas where SWP workers are most concentrated.*

# Recommendations for interactions between Australia and sending countries

**Recommendation 9:** Australia and New Zealand should initiate (separately or preferably jointly) bilateral or trilateral monitoring mechanisms with each sending country to address a range of operational issues in private.

**Recommendation 10:** Approved employers, either individually or jointly, should have an ongoing presence in the three main sending countries, and should take more responsibility for compliance in relation to the recruitment and preparation of workers.

# COVID-19 recommendations

**Recommendation 11:** The reference group recommended earlier (see Recommendation 6) should be established now, with an initial mandate to solve SWP-related problems arising from the closure of international and state borders.

**Recommendation 12:** New COVID-19 bilateral agreements should be established with willing sending countries.

# Thank you!

**DEVELOPMENT**  
POLICY CENTRE

## **Governance of the Seasonal Worker Programme in Australia and sending countries**

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**8 December 2020**

<https://devpolicy.crawford.anu.edu.au/publications/reports>