

Submission to the Consultation on the Draft Papua New Guinea National Labour Mobility Policy

Richard Curtain
Research Fellow
Development Policy Centre
The Australian National University, Canberra
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1. Introduction

More and better labour mobility options offer great potential to improve the long-term relations between the governments and people of Australia and Papua New Guinea (PNG). Geopolitical considerations make it vital that more is done by both governments to make it easier for Papua New Guineans to work and live in Australia on a short, medium, and long-term basis.

PNG citizen migration into Australia for work has been minimal. The Seasonal Worker Programme (SWP) data for the 12 months to the end of March 2020 (when international borders closed) show that PNG had only 158 workers in Australia. This was by far the lowest number for any sending countries with SWP workers in Australia. Much smaller countries such as Kiribati and Samoa had 371 and 779 workers respectively. Solomon Islands had 356 SWP workers in Australia.

To end January 2021, PNG citizens accounted for only 55 of the 2,022 visas granted to participants in the Pacific Labour Scheme (PLS). Over the last five years to end June 2020, only 72 PNG citizens were granted work visas out of a total of 31,127 primary applicants granted Temporary Skill Shortage (TSS) visas at the Skill Level 3.¹

The purpose of this submission is to offer an assessment of two key features of the draft National Labour Mobility Policy. The first issue is the importance of the primary role of employers in seasonal work recruitment. The second key point is the benefits for PNG of fostering labour mobility to Australia for trade-qualified workers. The opportunity to do this is for the PNG government to encourage and support the Australia Pacific Training Coalition (APTC) to focus its efforts to promote labour mobility on its unemployed trade-qualified graduates.

2. Is sole use of a work-ready pool appropriate for recruiting workers?

A key objective of the policy is to: 'Develop a strong and reliable work-ready pool' based on 'a revolving pool of 100 workers per region, with at least 12 participating regions'. The draft policy states that: 'The regional recruitment model was designed through best practice learnings from other countries and is the primary mechanism for improving the performance of workers' (p. 17). The draft further states that: 'Its success lies in maintaining a close connection between regional administrations, the Labour Mobility Unit and workers. When problems arise, regional administrations and leaders are called upon to assist in resolving them'. However, what is missing is the key role employers must play in the recruitment process.

¹ The two largest Skill Level 3 occupations of the temporary resident skilled work visas granted to PNG citizens over the five-year period to end June 2020 were diesel motor mechanic (25 visas granted) and fitter (general) (23 visas granted).

There is good evidence, discussed below, to show that most seasonal work employers do not want to recruit workers via a government-managed work-ready pool. This is because of the high level of uncertainty they have about the reliability of the workers selected by this process. Employers prefer to either select workers directly themselves, or to take advice from a trusted intermediary, such as a selected return worker or an agent.

How employers prefer to recruit seasonal workers

In our recent report '[Governance of the Seasonal Worker Programme in Australia and sending countries](#)', Stephen Howes and I draw on the results of two surveys to show that few approved employers want to recruit from a government-managed work-ready pool. These results are confirmed by the RSE (Recognised Employer Scheme) Employer Surveys over the last three years to 2019. RSE employers were asked how their business recruited its Pacific RSE workers in the last year. Two out of three employers (66% based on an unweighted average for the three years) said they recruited their Pacific workers directly; two-in-five (39%) also used return workers to recruit for their business; and less than one quarter of employers (23%) had used a Pacific government-sponsored work-ready pool.

How existing work-ready pools function in the three major SWP sending countries

In our report, we note that neither Tonga nor Vanuatu, the two most successful seasonal labour sending countries, have made little or no use of a work-ready pool to select new workers before COVID-19. With the onset of COVID-19, Vanuatu has re-established a work-ready pool for seasonal workers. However, as it is most likely that all workers selected to work in Australia post-COVID-19 will be return workers, the work-ready pool will not be used to recruit new workers. Indeed, [New Zealand government's requirements for RSE workers](#) to enter New Zealand include that they must be experienced return workers. Vanuatu's work-ready pool has primarily an administrative purpose. Its function is to ensure that the Government of Vanuatu has complete records of all workers going to overseas.

Timor-Leste does operate a large work-ready pool for selecting new workers. The government allows in theory that employers can nominate workers, provided they are already registered and processed by the work-ready pool. However, as our report notes (p. 50), if an employer asks for a specific worker, and that worker is not already in the work-ready pool, then that person has to go through the steps required to register and be tested for entry to the work-ready pool. This often involves an extended delay which means that employers have to forgo their choice.

Indeed, the Timor-Leste government wants length of time on the work-ready pool to be considered in selecting new workers into the SWP. This means that the employer has no guarantee of being able to select the workers they have requested be inducted into the pool. This has become a major point of dispute between employers and the LSU.

Addressing past policy flaws

Two elements of the draft Policy that are good practice are its focus on community involvement in who is selected and the need to recruit farm workers from rural locations.

These two elements were missing in the original PNG labour mobility policy which mandated that recruits had to have a Year 10 education level because the government officials assumed that SWP workers needed a good standard of English. This requirement favoured applicants in urban areas and in particular from Port Moresby where most

workers were recruited from. However, employers soon realised that the workers selected from the government pool were not prepared for the hard work required.

Labour mobility is driven by employers, not governments

A key mistake that both sending and receiving countries make in working out the appropriate role for government is to assume that labour mobility initiatives are aid programs. In our report we note that the SWP, (and the RSE and the Pacific Labour Scheme – PLS) is a private sector, employer-driven scheme operating within a regulatory framework set by government. Some aid funds have been directed to support the SWP, RSE and PLS, but employers are not given any government funding to employ workers. Nor are there any country quotas based on population size, as an aid program would require. The dominance of small Vanuatu as the leading sending country in both the SWP and the RSE proves that employers decide from which country to recruit, based on their assessment of the ease and benefits of doing so.

Need to ask employers what they want

A good starting point to work out a new policy is to ask employers what process they want to see in place. The draft policy shows that New Zealand with a smaller horticulture sector and at a greater distance has slightly more PNG workers in 2018-19 than in Australia (over 172 compared with over 128). So, it would be valuable to ask RSE as well as SWP employers how they are recruiting workers, their assessment of its effectiveness and what would they prefer.

In particular, employers need to be consulted about their preference for trusted return workers to select new workers to replace workers not returning. The Draft National Labour Mobility Policy is unclear about this issue. The benefits of the use of return workers to select new workers flow to both the employer and the workers. The employer gains from having the team leader or work team select someone they can vouch for and train up to be a productive worker. The work team also benefits because they get new workers who they are confident will be a reliable both at work and as someone they can live with for an extended time.

Why is RSE employing more PNG workers?

The draft policy notes that the RSE employs more PNG workers than the SWP. Understanding why this is the case when travel to New Zealand is likely to be more costly is worth exploring. This could be done by using administrative data to compare the profiles of RSE employers and the SWP employers in terms of whether they are labour hire firms, growers, or grower cooperatives (in the case of the RSE). Employer size may also be an important variable. Information on the preferred method of recruitment of the different types of employers should also be included. Key questions to consider are: (1) are labour hire firms more important than growers as SWP employers in terms of PNG worker numbers? (2) Are growers or grower cooperatives more important than labour contractors as RSE employers? (3) Are larger SWP and RSE employers more important than small employers in both schemes in the number of PNG workers they employ? (4) Are growers and grower cooperatives more likely to recruit workers directly from (a) villages, (b) urban areas or (c) Port Moresby compared with labour hire firms?

3. Missed opportunity to promote the labour mobility of trade-qualified APTC graduates

The draft PNG National Labour Mobility Policy focuses only on low and semi-skilled labour mobility opportunities. Missing is any reference to the labour mobility opportunities for APTC trade-based graduates. A forthcoming Development Policy Centre (Devpol) policy brief and blog spells out an obvious role that APTC should be playing to promote labour mobility to Australia (and New Zealand) for graduates with trade-based qualifications. Despite its labour mobility objective, APTC over its existence has had very few APTC graduates migrate to another country. According to the [APTC 2019 Graduate Tracer Survey](#) (GTS), only 3.5% of the 895 graduates surveyed said they had moved to another country.

Employers looking for workers at ANZSCO² Skill Levels 1 to 3 are eligible to sponsor a TSS visa holder (Skill Level 1 is the highest). APTC provides 22-week top-up courses for Skill Level 3 occupations to give Australian qualifications to workers who already have a trade qualification, based on up to four years' relevant work experience. Skill Level 3 APTC graduates in occupations in demand are eligible to migrate to Australia for well-paid jobs under the TSS visa. APTC in PNG is well-placed to be the trusted intermediary that employers are looking for. They want ways to reduce the high level of uncertainty they face when seeking workers from countries with little or no past track record in sending workers overseas.

APTC has a mandate to promote labour mobility for its graduates

The Devpol policy brief proposes that the APTC, given its mandate to promote international labour mobility, focus on helping eligible graduates who lack full-time work in their own economies to get a TSS visa, rather than focusing on the more limited opportunities for work for APTC graduates under the PLS. Many PLS workers have no need for APTC qualifications, based on the type of jobs offered by PLS employers to date. Also, most Skill Level 3 jobs are only available in metropolitan areas in Australia, but the PLS is restricted to regional Australia.

The APTC GTS show that APTC graduates are finding it increasingly difficult to find work at home. Analysis in a forthcoming Devpol Discussion Paper of GTS employment outcomes found that about half of APTC graduates do not have an employer to return to after their studies, and so need to find a job. The GTS results over a decade show an oversupply of APTC graduates in a range of qualifications, including at Skill Level 3 (See Table A1 for information on PNG APTC graduate outcomes over five years for those who do not have an employer to whom they can return.

Weak employment outcomes for trade-qualified graduates

Table A1 (attached) reports APTC GTS results for the five years 2015 to 2019 on the employment outcomes of graduates resident in PNG. The qualifications of graduates are ranked by proportion of graduates not in full-time paid work. One qualification listed in the table – Certificate III in Hospitality – is not eligible for a TSS visa but is eligible for a PLS visa. It is included also for comparison purposes.

Table A1 shows clearly that for this five-year period about a half or more of APTC graduates with trade-based qualifications are not in full-time paid work. These are fitters and machinists, metal fabricators, diesel fitters, and vehicle mechanics. Also, the table

² Australia and New Zealand Standard Classification of Occupations

shows that carpenters, electricians, and cooks with APTC qualifications have a large share of their numbers not in full-time paid work. Graduates with qualifications related to these occupations who want to migrate for work should be prime targets for APTC assistance.

What about brain drain?

Given that so many APTC graduates are struggling to find work in PNG, brain drain is not really an issue. Moreover, any assistance that APTC provided would be to their “away track” students, that is, not those who have an employer to return to.

TSS is a temporary skilled work pathway to Australia for up to four years. For some occupations, there is a pathway to permanent residence. How many would seek and be offered this option by an employer is unclear. A skilled PNG diaspora would deepen Australia-Pacific relations and increase incentives for skills acquisition in PNG.

Why do Australian employers avoid recruiting skilled workers from PNG?

The main reason is that most temporary skilled work migrants are hired while resident in Australia. They get into Australia as a student or a working holiday maker. This reduces costs for the employer and gives them an opportunity to try out the worker before incurring the costs of a TSS visa. Few from PNG can afford to study in Australia and new PNG working holiday visa arrangements are focused on university students. When employers hire off-shore, they will return to places where they have been successful in finding good workers. They will also try places where there is a large concentration of workers, where there are agents, and where the required testing is undertaken. These factors direct them away from the Pacific.

How APTC can support employers seeking skilled workers

The Devpol policy brief recommends that to increase Pacific TSS visa numbers to work in Australia, the best option is to get Australian employers to look to the Pacific to fill some of their skilled labour needs.

The PNG government should ask the APTC to act as a trusted intermediary by actively encouraging Australian employers to recruit skilled workers from PNG. Australian employers need to be reassured that APTC graduates are of good quality. The fact that APTC graduates have Australian qualifications is a big head-start. But employers will still need to be reassured in person by a trusted intermediary that they have good work habits and are well trained.

The PNG government could also ask the APTC to assist visa applicants to undertake the technical assessment interviews they need to obtain a visa. As well, APTC could be asked to subsidise visa expenses, at least initially. APTC could also prepare graduates for the language test as required. They could as well help with individual visa submissions by graduates with an offer of employment from an Australian employer.

Working holiday maker visas and APTC graduates

The draft National Labour Mobility Policy notes that in 2019 Papua New Guinea made the necessary legislative changes to the Non-Citizens Employment Act to participate in Australia’s Work and Holiday Maker (WHM) scheme. The draft policy also notes that the WHM scheme provides opportunities for tertiary graduates to spend time in Australia working without the need to obtain employment in advance. The scope for eligibility for the working holiday visa for Australia should be widened to include young APTC trade-

qualified graduates to enable them to gain relevant Australian work experience which may lead to an offer of extended employment under a TSS visa.

4. Conclusion

PNG citizens are in a strong position to take advantage of the opportunities in Australia for low to middle-level skill work for the short, medium, and long-term term. However, engaging with Australian employers has to be the starting point for those seeking this work and those helping them to do so. Employers need to be reassured that the process of recruiting suitable workers from PNG is one that puts their requirements first and foremost.

Attachment 1

Table A1: Employment outcomes of PNG APTC graduates not still with the same employer prior to starting their APTC course, 2015-2019, ranked by proportion not in full-time job, %*

APTC Qualifications	Full time job	Part time job	Not in paid work	Total	Grand Total
Certificate III in Hospitality	39.5	0.0	60.5	100	38
Certificate III in Engineering - Mechanical Trade (Fitting and Machining)	45.7	4.3	50.0	100	46
Certificate III in Engineering - Fabrication Trade	48.2	19.6	32.1	100	56
Certificate III in Engineering - Mechanical Trade (Diesel Fitting)	51.6	6.5	41.9	100	31
Certificate III in Light Vehicle Mechanical Technology	52.6	2.6	44.7	100	38
Certificate III in Carpentry	55.4	10.7	33.9	100	56
Certificate III in Electrotechnology Electrician	56.0	8.0	36.0	100	25
Certificate III in Commercial Cookery	56.4	10.9	32.7	100	55

Source: APTC Graduate Tracer Survey results, 2015-2019, qualifications with 25 or more respondents only reported.