

Seasonal Worker Program own goal

by Stephen Howes

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This year, for the first time, Australian horticulturalists are facing limits on the number of Pacific workers they can hire under the Seasonal Worker Program (SWP). And some sending nations are only allowing returning workers to go to Australia under the program.

The official written advice from the Department of Employment is that it needs “to continue to manage the programme within the number of places allocated by government.” The Department says that it “will provide regular updates to partner countries and approved employers on the number of places remaining.” If gaps emerge, “a small number of places” may be allocated to “existing or new employers”.

Informally, the feedback from growers and sending countries is that they are already facing restrictions on the number of workers they can send and/or sponsor.

Why? The cap for the SWP this year is 3,250, but 650 of those places are reserved for four non-horticultural sectors: sugar cane, cotton, aquaculture and seasonal tourism. Hardly any of those slots are being taken up. But this reservation leaves only 2,600 visas for horticulture and that sub-cap is on track to be reached by the end of the year. Numbers had reached about half of this level in the first six months of the year according to the Department of Employment.

I’ve often **said** that the solution to the problem of the SWP’s small size is not to lift the overall cap, or at least not *only* to lift the overall cap. More fundamental constraints on demand need to be addressed. But clearly at the current time there is a strong case for immediately doing away with the reservation for the non-horticultural sectors. This would straight away lift the horticulture cap to almost 3,250 and allow current restrictions to be lifted.

The irony of the current situation is that the trial (for three years, starting in June 2012) of the expansion of the SWP to the four non-horticultural sectors expires this July. The extension sectors have only ever attracted tiny numbers, and the Department has already indicated that next year there will be no sub-caps, meaning that all 4,250 places available next year will be open to horticulture. Given the more

than ample room for growth next year, why artificially restrict growth this year?

After all, the SWP remains a small program, with modest growth. Every year, the SWP grows by about 500 places. It was 1,500 in 2012-13 and 2,000 in 2013-14. It might get to 2,600, but not 3,000 this year, and not 4,000 next year.

The SWP has in fact struggled since its inception. It remains very small in size, whether compared with the number of backpackers working on farms in Australia, or to its New Zealand twin, the RSE, which has just increased its cap to 9,000. Over-regulation and competition with backpackers provide natural and very real limits on the size of the SWP, keeping it below the modest overall cap on numbers.

Nothing should therefore be easier than to remove the reservation of places for the non-horticultural or extension sectors a few months ahead of schedule. If we are prepared to accept in total 3,250 Pacific seasonal workers this year, we shouldn't care whether they are in horticulture or cotton.

And yet this is not the path being taken, despite the **official position** of the Government being that it is in favour of SWP expansion. The damage to the Australian Government's and the program's reputation will be considerable. The Government is in the midst of trade negotiations with the Pacific island nations (PACER Plus) in which the **clearest demand** of the island nations on Australia is for greater labour mobility. This fiasco will send the unfortunate message that Australia is not willing to take even the smallest step to extend labour mobility opportunities to the Pacific. And the SWP already has a reputation among employers for being cumbersome and micro-managed, which the current restrictions on hiring will only reinforce.

Removing the reservation of places for the extension sectors six months ahead of schedule would be the most modest reform imaginable to the SWP. Much bigger changes are needed to make the scheme grow to a significant size. Not removing that reservation is simply an own goal.

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*If you are interested in the Seasonal Worker Program, check out the **February 18 launch** of the latest World Bank report on employer demand for SWP workers.*

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