



Australian Government
Department of Foreign Affairs and Trade



PARLIAMENTARY INQUIRY ON TEMPORARY MIGRATION

Submission by the Department of Foreign Affairs and Trade

March 2020

TERMS OF REFERENCE

The Select Committee on Temporary Migration is inquiring into and reporting on the impact of temporary migration on the Australian economy, wages and jobs, social cohesion and workplace rights and conditions, with particular reference to:

- a. government policy settings, including their impact on the employment prospects and social cohesion of Australians;
- b. the impact of temporary skilled and unskilled migration on Australia's labour market;
- c. policy responses to challenges posed by temporary migration;
- d. whether permanent migration offers better long-term benefits for Australia's economy, Australian workers and social cohesion;
- e. the impact of wage theft, breaches of workplace rights and conditions, modern slavery and human trafficking on temporary migrants; and
- f. any related matters.

EXECUTIVE SUMMARY

- Temporary migration advances Australia's national interests by contributing to exports, foreign investment and economic growth, strengthening our international relationships and reputation, and fostering links between people.
- Temporary migration programs support Australian businesses and communities, particularly in rural and regional Australia, by providing a willing and productive workforce where there is a shortage of Australian workers. Current and future labour demands may be difficult to meet without temporary migration to countries with ageing populations.
- While temporary migration is responsive to changing needs in the economy, demand for labour is vulnerable to economic downturn. This submission precedes recent and unfolding developments relating to COVID-19. It does not seek to address its impacts on Australia's temporary migration programs, owing to the unprecedented nature of the pandemic and unknown timeframe.
- Temporary migration is an essential component of our trade relationships. Australia's free trade agreements contain legal obligations to facilitate the temporary entry of skilled workers, supporting broader two-way trade and investment. Reciprocal arrangements allow skilled Australians to gain international experience and skills, and explore business and investment opportunities in other countries.
- More broadly, temporary migration is an important component of our international engagement, advancing our foreign policy agenda, strengthening Australia's reputation and fostering links between people, businesses and communities.
- The success of our temporary migration programs depends upon Australia's workplace systems working effectively to protect workers' interests and rights. Safeguarding and enforcing these workforce settings and protections is a cornerstone of our temporary migration programs and is critical to upholding and managing risks to our international reputation. Implementing the Migrant Worker Taskforce recommendations to amend relevant legislation to protect temporary migrant workers will be an important next step.
- The Pacific Labour Scheme (PLS) and the Seasonal Worker Programme (SWP) are strong examples. They strengthen Australia's relationships with key Pacific partners and form a major component of Australia's stepped up engagement with the Pacific.
 - o These labour mobility programs provide employment and allow Pacific workers to develop skills and earn incomes, boosting economic growth and stability in Pacific island countries.
 - o They support Australian businesses in rural and regional communities to grow and thrive, by providing workers where there is a shortage of Australian workers.
 - o Labour market testing ensures Australian workers are protected.
 - o Pacific workers receive the same pay and conditions as Australian workers in accordance with Australia's workplace laws, preventing the erosion of Australian worker entitlements and conditions.
 - o Pacific workers are protected by the same workplace relations, and work health and safety laws, as Australian workers. Robust systems are in place for vetting employers and detecting, investigating and acting on matters that impact on worker welfare.

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INTRODUCTION

Australia is a nation built on migration, both temporary and permanent. Temporary migration programs advance Australia's national interests, meet skills and labour shortages, and contribute strongly to exports, foreign investment and economic growth, while adding to the rich fabric of Australian society.¹ Temporary migrants include students, tourists, business travellers, working holiday makers, temporary skilled and unskilled workers, and New Zealand citizens.²

Australia's temporary migration programs are an important part of Australia's international engagement and advance Australia's foreign policy agenda. Both temporary and permanent migrants contribute to Australia's successful multicultural society, our international reputation and influence. Temporary migration facilitates cross-cultural interaction and knowledge exchange and builds ongoing links between people from Australia and across the world.¹ Foreign nationals who come to Australia through our temporary migration programs gain an understanding of and familiarity with Australia that generates lifelong ties, boosts trade and investment, and helps export our democratic traditions and liberal values to the world.

Australian Free Trade Agreements (FTAs) include legal commitments to facilitate the temporary entry of skilled workers. These commitments support two-way trade and investment and are broadly reciprocal, with our trading partners also making commitments allowing skilled Australians to work temporarily in their countries, gain international experience and skills, and explore business and investment opportunities in other countries.

Australia's temporary migration programs provide a willing and productive workforce where there is a shortage of Australian workers. The Pacific Labour Scheme (PLS), Seasonal Worker Programme (SWP) and Working Holiday Maker program (WHM) enable citizens from key partner countries to work and holiday in Australia, fostering links between people while supporting Australian businesses and communities, particularly in rural and regional Australia.

While DFAT has an interest in all of Australia's temporary migration programs, it administers only one program, the PLS. The latter part of this submission therefore focuses on how temporary migration through the PLS strengthens our economy, our communities and our diplomatic relationships, while achieving strong development and reputational benefits. We consider the impact of the PLS on our economy, wages, jobs and social cohesion, as well as the impact of work place rights and conditions on temporary migrants.

This drafting of this submission precedes recent and unfolding developments relating to COVID-19. It does not seek to address its impacts on Australia's temporary migration programs, owing to the unprecedented nature of the pandemic and unknown timeframe.

¹ Jenny Lambert and Krithika Gururaj (December 2018) *Migration works for all of us*. The Australian Chamber of Commerce and Industry. Retrieved from: https://www.australianchamber.com.au/wp-content/uploads/2018/12/FINAL-Australian-Chamber_Policy_Migration_WEB.pdf

² The Department of Home Affairs describes temporary migration as people coming to Australia for a temporary stay for a range of purposes and categorises temporary residents into six main categories: visitor visas, the working holiday maker program, student visas, temporary resident (skilled) visas, other temporary visas and New Zealand citizens.

Source: Australian Government Department of Home Affairs (21 March 2019) Country profiles. Retrieved from: <https://www.homeaffairs.gov.au/research-and-statistics/statistics/country-profiles/temporary-migration>

TEMPORARY MIGRATION IS AN ESSENTIAL COMPONENT OF AUSTRALIA'S TRADE RELATIONSHIPS

Legal commitments to facilitate the temporary entry of certain categories of skilled workers are a standard feature of FTAs, dating back to the World Trade Organization (WTO) General Agreement on Trade in Services (GATS), which entered into force in 1995. These commitments on temporary entry in trade agreements support broader two-way trade and investment and are an important part of the overall package of negotiated outcomes.

Under GATS and in our FTAs, we make commitments to facilitate the temporary entry of certain categories of skilled workers. For example, short-term business visitors (e.g. to attend a conference); existing employees in a foreign enterprise being transferred to an office in Australia (known as intra-corporate transferees); independent executives (investors establishing a branch of a foreign enterprise); installers and servicers of specialised machinery and equipment; and skilled workers with specialist trade, professional and technical knowledge entering Australia to fulfil a contract (known as contractual service suppliers).

The Department of Home Affairs implements Australia's commitments on temporary entry of skilled workers through our existing visa system, primarily through the Temporary Skills Shortage (TSS) visa. TSS visas are available for occupations prescribed in the Short-Term Skilled Occupations List, the Medium-Long Term Strategic Skills Lists or the Regional Occupations List, which are managed by the Department of Home Affairs, incorporating advice from the Department of Education, Skills, and Employment.

The TSS visa is a demand responsive visa. Australia's FTA commitments on temporary entry have not resulted in a spike in foreign workers. On the contrary, between 2013 and 2019, the number of TSS and 457 visas (the predecessor to the TSS visa) granted to skilled workers from countries to which we have made temporary entry commitments declined by 32 per cent (from 11,891 to 8,091).

Any changes to Australia's temporary migration program would need to be consistent with Australia's international trade obligations under GATS and our FTAs.

TEMPORARY MIGRATION BENEFITS THE AUSTRALIAN ECONOMY

Temporary migration supports the Australian economy through Australian service exports and foreign investment, and offers a solution to Australian industries and communities experiencing critical workforce shortages.

Temporary migration is a net positive for the Australian economy. In 2018-19, international education was Australia's fourth largest export (worth more than \$37 billion to the Australian economy) and recreational travel (international tourists) was worth over \$22 billion.³ For example, the WHM program represents a significant portion of the growth in Australia's aggregate and youth labour force, especially in support of the tourism industry and regional Australia.⁴ Temporary skilled migrants are a net benefit to Commonwealth government budgets as they contribute to tax revenues without accessing many free or subsidised government services.

Temporary migration can also be responsive to Australia's economic conditions and has the potential to address labour shortages in a timely and targeted way. For instance, the Australian government recently took measures to ensure that temporary migrants can support critical sectors to mitigate the impact of COVID-19 on the continuity of essential goods and services. This included additional hours for international students to work in supermarkets and relaxing international student nurse visa work conditions to provide workforce continuity for aged care facilities, home care providers and other health care workers. Temporary migration supports foreign investment by allowing companies with major investments in Australia to bring skilled employees into Australia to fill temporary shortages, which contributes to investor confidence.

Future labour demands may be difficult to meet without targeted temporary migration. For example, projections suggest that the current aged care workforce will need to triple within three decades in order to meet anticipated demand.⁵ Australia, along with most OECD countries, is facing a decline in its working age population, while the number of elderly people is growing. Over the next 30 years, most OECD countries are predicted to lose 120 million working age individuals and gain 95 million people over the age of 65. As a result, there will be strong demand and competition for additional workers to migrate to these countries.⁶

Many Australian rural and regional communities are dependent on seasonal industries, such as agriculture and tourism which experience significant changes in workforce requirements over any 12-month period. Given the seasonal nature of their economies, these communities are not able to sustain their peak workforce year-round. A 2018 Regional Australia Institute policy paper found that

³ Australian Bureau of Statistics, *5368 International Trade in Goods and Services, Australia*, Jan 2020; and *5368.0.55.003 International Trade: Supplementary Information, Financial Year, 2017-18*.

⁴ Australian Government Productivity Commission (12 September 2016) *Migrant Intake into Australia* (page 381). Retrieved from: <https://www.pc.gov.au/inquiries/completed/migrant-intake/report>

⁵ Royal Commission into Aged Care Quality and Safety (14 October 2019) *Transcript of Proceedings* (page 5759). Retrieved from: <file:///titan/CHCH/Clients/edoig/Docs/Labour%20mobility/Submission%20to%20Select%20Committee%20on%20Temporary%20Migration/transcript-14-october-2019.pdf>

⁶ Lant Pritchett (24 February 2020) *Only Migration Can Save the Welfare State: Rich Countries Need 380 Million More Workers By 2050*, Foreign Affairs. Retrieved from: <https://www.foreignaffairs.com/articles/2020-02-24/only-migration-can-save-welfare-state>

‘migrant labour is required to sustain rural communities throughout the year and across the country’⁷. This temporary work is often unappealing to Australian jobseekers due to the high cost of relocation and preference for more permanent employment opportunities.⁸

Temporary migration programs such as the SWP and WHM provide suitable avenues for businesses to address seasonal peaks in workforce requirements from overseas. The flexible WHM visa allows employers to quickly scale up their workforce. Working holiday makers are an important, flexible source of labour when local workers are not available, particularly for seasonal roles. On 17 February 2020, the Australian government introduced changes to the WHM visa to enable to support bushfire recovery efforts.

In 2018-19, there was a 20 per cent increase in the number of working holiday makers staying for a second year because they had worked in a regional area, with 43,219 second year visas granted (an increase of 7,000 from the previous year). The Australian government introduced the option of staying in Australia for a third year for visa holders who complete six months of specified work in regional areas during their second year, from 1 July 2019.

The SWP is complementary, providing a more productive and stable seasonal workforce which is able to return in subsequent seasons, reducing workforce training and retention costs for businesses. A 2018 report by the Australian Bureau of Agricultural and Resource Economics and Sciences found that the productivity of seasonal workers was, on average, 20 per cent higher than that of WHM, as returning workers required minimal induction and training in subsequent seasons⁹.

Early uptake of the PLS has been driven predominantly by the Australian meat processing industry, which has employed 581 workers. Research by the Department of Education, Skills and Employment found shortages of butchers and small goods makers have been persistent since 2005¹⁰. A 2019 survey conducted by the Australian Meat Industry Council found that nearly two thirds of Australia’s red meat processors are prevented from running at full capacity due to labour shortages¹¹. Valued at \$18.4 billion, the industry struggles to attract Australian jobseekers and often has to turn to a migrant workforce to fill vacancies (see Case Study 1). In addition to meat processing, the PLS has placed 139 workers in hospitality, 133 working in agriculture and 34 working in aged care at the end of February 2020.

While temporary migration is a net economic positive for Australia, it is also important to acknowledge that it also brings with it a number of challenges, which need to be managed in order to maximise the economic benefits for both Australia and the temporary workers, and to ensure continued community support for policy settings.

⁷ Regional Australia Institute (May 2018) *The missing workers*. Retrieved from: http://www.regionalaustralia.org.au/home/wp-content/uploads/2018/06/180510-The-Regional-Australia-Institute-2018-The-missing-workers_policy-paper_FINAL.pdf

⁸ Australian Government Department of Jobs and Small Business (23 August 2018) *Relocation Assistance to Take Up a Job Evaluation Report* (page 9). Retrieved from: https://docs.employment.gov.au/system/files/doc/other/relocation_assistance_to_take_up_a_job_evaluation_report.pdf

⁹ Shiji Zhao, Bill Binks, Heleen Kruger, Charley Xia and Nyree Stenekes (February 2018) *What difference does labour choice make to farm productivity and profitability in the Australian horticulture industry?* ABARES. Retrieved from: <https://www.agriculture.gov.au/abares/research-topics/productivity/productivity-drivers/seasonal-workers-report>

¹⁰ Australian Government Department of Jobs and Small Business (November 2018) *Butcher and Smallgoods Maker*. Retrieved from: https://docs.employment.gov.au/system/files/doc/other/351211butchersmamakaus_1.pdf

¹¹ Australian Meat Industry Council (6 May 2019) *Labour Deficit Epidemic Facing Regional Australia’s Larger Employers*. Retrieved from: <https://amic.org.au/red-meat-industry-calls-for-government-to-chop-unreasonable-red-tape-costs-to-level-international-playing-field-2/>

While PLS workers are in-principle able to access pathways to permanent migration through other visas, the scheme is designed to enable temporary migration, with a visa valid for up to three years. Some rural and regional communities could benefit from a clearer pathway to retaining high-performing workers and the resulting reduction in turnover that this would enable.

Australia's policy settings seek to mitigate the risks of temporary migration, including the risks of informal employment, visa fraud and workplace exploitation. These economic issues, if not adequately managed, could become a reputational risk to Australia, reducing the foreign policy benefits of hosting temporary migrants in Australia.

Case Study 1: Pacific workers saving Cowra meat processing business

Cowra Meat Processing employs around 200 workers but has struggled to find staff. On occasion, the General Manager, Peter Browne, has worked on the slaughterhouse floor himself to make up the numbers. After unsuccessfully trying to recruit locally and through employment agencies, in 2018, Mr Browne visited Samoa to interview workers as part of the PLS.

Early the following year, seven men started work at the processing facility and he says the business now has a group of reliable workers. "A typical worker takes three months to learn but the Samoans have picked it up in three or four weeks, which has been a tremendous saving for us, instead of carrying people to learn. We have saved thousands of dollars already," Mr Browne says. "The Samoan workers are very keen to work, keen to please, excited about the work and passionate. It's a pleasure to have them on site....Their enthusiasm carries to other workers. This has been very good for us and we're very excited about it."

Mr Browne actively sought ways to involve the workers in the local community, introducing them to the local rugby team, with the club buying a pair of football boots to help one of the men.



TEMPORARY MIGRATION STRENGTHENS AUSTRALIA'S REPUTATION AND FOSTERS LINKS BETWEEN PEOPLE

Temporary migration programs provide opportunities to strengthen our economic and diplomatic relationships with partner governments and foster links between people and businesses.

For developing countries, temporary migration provides opportunities for their citizens to live, work or study in Australia, enabling them to acquire new skills and/or earn an income, which benefits their home countries on their return. This strengthens Australia's reputation as an important development partner and good global citizen, willing to support the prosperity of our region. Australia's commitment to providing work opportunities to our Pacific neighbours through labour mobility programs is an example of supporting both the region's prosperity and our own economy.

Temporary migrants become part of the Australian community during their stay, strengthening connections between Australia and their home countries. Diaspora communities have been described as 'living bridges' establishing economic and social ties between countries which in turn foster a greater degree of familiarity between countries.¹² From an economic perspective, this enables migrants to share knowledge and information about local markets and customs, encouraging greater trade and investment (see Case Study 2).

Temporary migrants and diaspora groups also make a strong contribution to our international reputation. As a successful and friendly multicultural country, Australia projects a positive image as a tolerant, diverse and contemporary nation that welcomes others.¹³ Migrants who have a positive experience in Australia share these experiences with family, friends and their wider communities.¹⁴

Case Study 2: Indonesia-Australia Skills Development Exchange Pilot Project

Indonesia is one of the fastest growing economies in the region and a growing market for Australian goods and services. The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), expected to enter into force in 2020, will create a framework for the two countries to unlock the vast potential of bilateral partnership, fostering economic cooperation between businesses, communities and individuals.

Under the IA-CEPA, Australia and Indonesia have agreed a Skills Development Exchange Pilot Project, which aims to enable skilled Australians and Indonesians to undertake short-term workplace placements of up to six months in the other country, to provide training in businesses or other organisations in priority sectors. The project seeks to build the capacity of Indonesian workers for skilled work in Indonesia – a key area of need in the Indonesian economy. It will also build lasting people-to-people links between Indonesia and Australia and increase mutual understanding and trade and investment opportunities.

¹² Alexander Mordecai Dushkin (1975) *Living Bridges: Memoirs of an Educator*, John Wiley & Sons.

¹³ Australian Human Rights Commission (25 February 2015) *Face the facts: Cultural Diversity*. Retrieved from: <https://www.humanrights.gov.au/node/12139>

¹⁴ Australian Government Australian Institute of Family Studies (January 2016) *Settlement experiences of recently arrived humanitarian migrants*. Retrieved from: <https://aifs.gov.au/publications/settlement-experiences-recently-arrived-humanitarian-migrants>

SPOTLIGHT ON PACIFIC LABOUR MOBILITY

Australia's Pacific Labour Scheme is an excellent example of a temporary migration program that delivers positive outcomes for both Australia and our Pacific island country partners. The PLS, along with the SWP, supports rural and regional businesses and communities, while also advancing our bilateral relationships with Pacific island countries and fostering links between people in Australia and the Pacific.

The Pacific labour mobility initiatives, the SWP and PLS, are particularly valuable in supporting Australia's relationships with its closest neighbours and are considered vital components of Australia's Pacific 'Step up'. They provide valuable employment opportunities for Pacific and Timorese workers, generating much needed remittances and skills development to boost economic growth in Pacific island countries. These Pacific labour mobility initiatives help make our region more secure, stable and prosperous, strengthening Australia's standing in an important and increasingly contested region.

The SWP, which commenced in 2008 (including a pilot), allows Australian employers in the agriculture sector and accommodation sector (in Northern Australia) to recruit unskilled and low skilled workers from nine Pacific island countries (Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu) and Timor-Leste. Through the SWP, employers can recruit workers for up to nine months to cater for businesses' seasonal workforce needs, where there is a shortage of Australian workers. More than 12,000 Pacific islanders and Timorese workers came to Australia last financial year (2018-19) through the SWP, providing a productive and stable seasonal workforce.

The PLS commenced on 1 July 2018. The PLS is open to all industries located in rural and regional Australia and allows Australian employers to recruit unskilled, low and semi-skilled workers from the same nine Pacific countries and Timor-Leste for between one and three years. This allows Australian businesses facing chronic labour shortages to recruit and invest in quality workers from the Pacific where no Australians are available, and to expand their businesses with greater certainty around their workforce.

Since its inception, the PLS has grown steadily, with a total of 1,048 visas granted (as at 28 February 2020). PLS workers are present in all Australian states and territories except the Australian Capital Territory and participate in the hospitality and tourism, aged care, agriculture, fisheries, forestry, and meat processing sectors.

Supporting Rural and Regional Communities

The PLS is designed to promote the growth and prosperity of Australian rural and regional communities, by filling vacancies in industries which operate in rural and regional Australia and experience labour shortages. In addition, PLS workers live and shop in the community, providing growth opportunities for many local businesses and rental income for property owners. With a median age of 31.2 years for PLS workers currently in Australia, this cohort of workers is also bringing a young face to towns experiencing aging populations (see Case Study 3).

The Pacific Labour Facility, the contractor engaged to support delivery of the PLS, takes a community partnership approach to supporting workers. This includes working closely with approved employers and other key community stakeholders to promote positive community connections for workers.

PLS workers are encouraged to integrate with their Australian host communities, whether this is through participation in church organisations, local sports, community groups and local events (see Case Study 4). Pacific workers joined fire-fighting efforts in Queensland and New South Wales. In late 2019, four Papua New Guinean seasonal workers stepped up alongside their employer to help protect his avocado farm when it was threatened by bushfires (see Case Study 5).

DFAT is piloting six months of enhanced community outreach to ni-Vanuatu workers in the Cassowary Coast and Sunraysia regions through the DFAT-funded Church Partnerships Program, recognising the importance of connecting workers to communities while in Australia. The first two events were well-attended by workers and a broad range of community representatives. Further events are planned for 2020.

Case Study 3: i-Kiribati workers contribute to lives of older Australians

Bolton Clarke, a provider of independent living services for older Australians, joined the Pacific Labour Scheme in 2017 as part of efforts to recruit suitable workers. At their remote site in Longreach, i-Kiribati workers have been praised for their positive, caring attitude and work ethic.

Their participation in the PLS has led to a reduction in staff turnover, with positive impacts on team performance and staff morale. The organisation's Workforce Resourcing Manager, Alison Boundy, said that having a stabilised workforce is also meaningful to residents.

"We can teach people a lot of skills, but actually having respect for elderly people is something that we can't teach everyone...That heart connection to the work is really important," she said.



Case Study 4: Pacific workers creating community connections

Pacific workers are getting involved in their communities.

Three SWP workers from Solomon Islands perform in their local church nativity play.



Ten Fijian PLS recruits working in a Tamworth meat processing business share their culture with the local community, performing a traditional dance at the annual Fiesta La Peel Multicultural Festival in October 2019. They also cooked a selection of Fijian dishes for a food tent as part of their contribution to the event.

Two of the Tuvaluan forestry workers mobilised to Kingaroy joined the response crew in callouts to the September 2019 bushfires in Queensland, contributing to firefighting efforts. They had recently undertaken their fire crew accreditation.



The Hope City Church Muswellbrook has welcomed a group of ni-Vanuatu workers to their church where they attend services and have helped with renovations to the church building. At Christmas, the pastor organised a bus for the workers to attend Christmas carols at Moonan Flat, an hour away, building further connections between the workers and the wider community.

Case Study 5: PNG workers help protect farm during bushfires

“I have never been so proud”, says Aussie Orchards Managing Director

Four Papua New Guinean seasonal workers not only helped Aussie Orchards in northern New South Wales address its ongoing labour shortages, but they also helped protect its farm during the recent bushfire crisis. When bushfires approached the Mooball property in late 2019, the Pacific recruits worked alongside other staff to protect the farmhouse and surrounding buildings, farming equipment and around 7,000 avocado trees.

Aussie Orchards managing director Colin Foyster recruited the workers after hiking the Kokoda trail. He told ABC North Coast that he had never felt so proud. “They stood here shoulder-to-shoulder with us and fought this fire. It’s just amazing the hours they put in...all night, all day, at a hectic pace.”

Mr Foyster has a close connection to PNG: his grandfather was based in Port Moresby with the Australian army during World War II. During a 2018 visit to hike the Kokoda Track, he observed the strength and resilience of the local porters on his trek and offered four of them jobs on his NSW property. This has provided more workforce consistency for his businesses with plans now afoot to recruit more workers.



Protecting Australian Jobseekers and Preventing Exploitation

Protections for Australian jobseekers

Under Australia's Pacific labour mobility initiatives, Australian jobseekers are protected when seeking employment. Labour market testing is critical to the integrity of temporary work programs and is essential to ensure strong support from the Australian public.

In order to recruit through the PLS, eligible businesses must test the local market and prove they are unable to fill vacancies with Australian workers before receiving approval to recruit from the Pacific or Timor-Leste. Employers must provide details of where and when advertising took place, the number of applicants, the number of successful recruits, and the reasons candidates were not successful. Furthermore, vacancies advertised through the PLS in the Pacific or Timor-Leste must contain the same pay and conditions as advertised in Australia. This prevents the erosion of Australian wages and conditions.

In light of the anticipated economic impacts of COVID-19, DFAT acknowledges that some sectors may become more attractive to Australian jobseekers. However, DFAT anticipates that migrant workers will continue to make an important contribution to the Australian economy, including during the COVID-19 outbreak, in critical sectors such as agriculture and aged care. In seasonal sectors such as horticulture, it is expected that temporary workers will continue to be an important source of labour.

Laws and regulations prevent exploitation of Pacific workers and the erosion of Australian entitlements and conditions

Migrant workers are afforded the same workplace rights as Australian workers: they are protected by the same workplace legislation, awards and work, health and safety requirements. For the PLS, on top of these protections and in recognition of vulnerabilities particular to a migrant workforce, DFAT has put in place additional protections. Robust systems are in place for vetting employers and for detecting, investigating and acting on matters that impact on the welfare of workers.

Businesses eligible to participate in the PLS as Approved Employers are vetted by DFAT to ensure they are financially solvent, have a history of compliance with Australian workplace and immigration legislation, have established employment and workplace policies and procedures, and are able to meet the high worker welfare requirements of the Scheme. Only those businesses which meet these criteria are approved to participate in the PLS. DFAT has a range of graduated responses to address non-compliance by Approved Employers, ranging from further education and monitoring, to suspension or expulsion from the Scheme.

Through the PLS, the Fair Work Ombudsman (FWO) receives funding as part of Australia's Official Development Assistance to undertake education and compliance activities with Approved Employers. In this financial year (2019-20), the FWO will audit the pay slips of nearly a fifth of PLS employees and provide education and advisory services to Australian employers. The FWO has translated educational material about award rates and conditions of service into seven Pacific languages (Bislama (Vanuatu), Fijian, Nauruan, Tok Pisin (Papua New Guinea), Samoan, Solomon

Islands Pijin and Tongan) and Tetum (Timor-Leste) to ensure workers understand their entitlements while working in Australia.¹⁵

DFAT has also put in place a series of measures to increase PLS worker knowledge and familiarity with Australian workplace conditions. PLS workers participate in a briefing prior to departing for Australia which covers topics including understanding contracts, Australian workplace awards, overtime and deductions, and workplace health and safety. PLS workers receive an on-arrival induction upon commencement of their employment in Australia which covers more specific information relevant to their new Australian workplace including workplace health and safety procedures and policies.

DFAT, through the Pacific Labour Facility, has engaged a team of highly skilled worker welfare officers to support PLS workers and has instituted a 24 hour emergency phone line for workers to access. The team of case workers, arrival coordinators, training and health coordinators and other staff also provide practical support such as financial literacy, banking services and remittance transfers.

DFAT is also encouraging partner governments in the Pacific and Timor-Leste to appoint liaison officers in Australia to provide a range of support including pastoral care, incident management, employer engagement and assistance to returning workers. Several countries current have liaison officers in Australia including Timor-Leste, Solomon Islands, Tonga and Samoa. Liaison officers allow workers to raise concerns in their own language and in a culturally appropriate manner.

Finally, multi-year, multi-entry visas for Australia's Pacific labour initiatives allow workers to return home at regular intervals to maintain connections to family and their communities.

Temporary Migration benefits Pacific island countries and Australia's relationships with them

Pacific labour mobility is a critical component of Australia's stepped-up engagement with the Pacific. Pacific governments strongly support and highly value Australian labour mobility programs. Temporary migration through labour mobility therefore strengthens our economic and diplomatic relationships with the Pacific, while delivering strong development and reputational benefits.

The youth bulge in the Pacific and high unemployment means many people in the Pacific are looking for work and opportunities to develop skills.¹⁶ Labour mobility is giving Pacific workers an opportunity to earn income and develop skills that they can take back home. For example, many seasonal workers are learning more productive methods for growing produce, which have been used in some cases to boost production and start new businesses in their home countries (see Case Study 6).¹⁷ There are also important opportunities for women, who are concentrated in low-paid and low skilled jobs, informal and often vulnerable employment, to find more stable employment. There were 201 females and 849 males in Australia under the PLS on 20 March 2020 (see Table 1).

¹⁵ Australian Government Fair Work Ombudsman. *Language Storyboards*. Retrieved from: <https://www.fairwork.gov.au/language-help/language-storyboards#papua-new-guinea>.

¹⁶ World Bank, *Pacific Possible: long-term economic opportunities and challenges for Pacific Island Countries*, 2017.

¹⁷ The World Bank, *Maximizing the Development Impacts from Temporary Migration: Recommendations for Australia's Seasonal Worker Programme* (2018) accessed 28 February 2020

Table 1 PLS workers in Australia by gender at 20 March 2020

Gender	Fiji	Kiribati	Nauru	PNG	Samoa	Solomon Islands	Timor-Leste	Tonga	Tuvalu	Vanuatu	Total
Female	31	71	8	2	13	9	18	11	3	35	201
Male	199	39	12	46	169	117	62	54	29	122	849
Total in Australia	230	110	20	48	182	126	80	65	32	157	1050

Our Pacific labour mobility programs provide employment opportunities for Pacific workers in Australia. With low and semi-skilled job opportunities, labour mobility provides an alternative pathway to the skilled visas that our other neighbours in the region access.

Remittances are an important source of income and consumption in Pacific island countries, as well as foreign exchange and investment. This is likely to remain so. We are seeing evidence of the impact of increased labour mobility on Pacific economies. In Tonga, for example, net earnings from the Seasonal Worker Programme have now surpassed Australian annual aid receipts and exports to Australia as sources of national income (see Figure 1).¹⁸



Figure 1 Tonga: net earnings from SWP, aid and trade

The benefits of temporary migration, however, extend beyond remittances and provide unique opportunities to develop mutual understanding and strengthen connections between people and communities in Australia and the Pacific. Some research has indicated that trade flows between sending and receiving countries tended to increase as a result of immigrant diasporas and as the economies of the Pacific grow and mature, this may present new opportunities.¹⁹

¹⁸ The World Bank (2018) *Maximizing the Development Impacts from Temporary Migration: Recommendations for Australia's Seasonal Worker Programme* (page 58) accessed 28 February 2020.

¹⁹ M. Nathan (2014) *The wider economic impacts of high-skilled migrants: a survey of the literature for receiving countries* (pp. 1–20) IZA Journal of Migration, vol. 3(4).

Despite our geographic proximity and historical ties to the Pacific region, Pacific island diasporas in Australia remain relatively small. Less than one per cent of Australians claim Pacific heritage. However, the number of people claiming Pacific ancestry grew by 38 per cent between 2011 and 2016.²⁰ Most of these people have come to Australia through New Zealand Realm countries. Temporary migration provides opportunities to boost numbers and build more vibrant diaspora communities, albeit temporarily.

In order to ensure the benefits of labour mobility are realised by our Pacific neighbours, DFAT is undertaking research to better understand the social and economic impacts on Pacific and Timorese communities. Given the PLS has only been operating for less than two years, some of the impacts of the PLS are not yet well understood.

DFAT has commissioned the Australian National University's Development Policy Centre and the World Bank to undertake this research, which will help the Department maximise the benefits and mitigate the challenges posed by temporary migration through the PLS. The research agenda includes analysis in response to possible concerns around the loss of skilled workers from Pacific economies, family separation and gender impacts, as well as assessing equitable access to the schemes and understanding the impact of remittances on households and broader economies.

This research will contribute to better understanding how workers' attitudes about gender relations may change during their experience in Australia and how this might impact on workers as they return to their communities. It will also be important to learn lessons on how pre-departure briefings, on-arrival briefings and ongoing engagement with the Fair Work Ombudsman can address risks around sexual harassment in the workplace, family separation and personal (including domestic violence) risks for women upon return to their homes.

²⁰ James Batley (28 September 2017) *What does the 2016 census reveal about Pacific Islands communities in Australia?* ANU DevPolicy Blog. Retrieved from: <https://devpolicy.org/2016-census-reveal-about-pacific-islands-communities-in-australia-20170928/>

Case Study 6: Australian wages create opportunities in Timor-Leste

Seasonal workers returning to Timor-Leste are using their savings and the skills gained from working in Australia to launch new businesses. After returning from participating in seasonal work in Australia, Guiomar Umbelina Do Espirito Santo and Avelino Feliciano Gutierrez joined together with nine other seasonal workers to use their Australian wages to establish a chicken farming business in Timor-Leste, each contributing A\$1,000. They worked together to build chicken houses and purchased 1,000 broiler chickens to produce high quality local chickens.



CONCLUSION

Temporary migration generates benefits for Australia's economy, our trade relationships, for rural and regional communities, and for the temporary migrants who visit, work or study in Australia. Australia has historically required a mix of temporary and permanent migration to meet labour demands. Temporary migrants fill gaps in the workforce, provide skills and knowledge not available in Australia, and underpin investment into Australia.

Many rural and regional communities depend on seasonal industries such as agriculture and tourism to fuel economic growth. The peaks and troughs result in dramatic changes in economic activity and workforce requirements over any 12-month period. Workforce requirements during the peaks are often not able to be met by the local workforce, with temporary migrants providing critical support. While this submission precedes recent developments relating to COVID-19, DFAT anticipates that temporary migrants will continue to play an important role in Australia's economy.

For employers seeking a more stable, longer-term workforce, the PLS offers employers the opportunity to secure workers for up to three years, where they are unable to source local workers. This gives employers and communities the stability required to invest in their businesses, local facilities and services. While PLS workers are in-principle able to access pathways to permanent migration, some rural and regional communities could benefit from a clearer pathway to retaining high-performing workers.

As well as the economic benefits, temporary migration programs such as the SWP, PLS and WHM, foster people to people links, advance our foreign policy objectives, strengthen our bilateral relationships and in some cases boost regional economic growth and stability through remittance and skills transfer. Temporary migration programs are also an important aspect of Australia's free trade agreements, which support two-way trade and investment and present opportunities for skilled Australians to gain international experience, skills and business and people to people links in other countries. For temporary migrants, working in Australia provides opportunities to develop skills and earn Australian wages. They also gain an understanding of Australia that generates lifelong ties and helps export our democratic traditions and liberal values to the world.

The continued sustainability of our temporary migration programs relies on effective protection of workers, which is also critical to upholding our international reputation.