



Australian Government

Australian Government response to the
Joint Standing Committee on Migration report:

Seasonal change
Inquiry into the Seasonal Worker Programme

FEBRUARY 2017

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Overview

The Australian Government welcomes the report by the Joint Standing Committee on Migration into the Seasonal Worker Programme.

The Government is committed to ensuring that the Seasonal Worker Programme delivers results for all stakeholders and continues to contribute to:

- the economic development of participating countries through the provision of employment experience, skills and knowledge transfer and workers being able to send money back to their home countries; and
- assisting Australian employers who are unable to source enough local Australian workers to meet their seasonal labour needs by providing access to a reliable workforce, able to return in future seasons.

The Seasonal Worker Programme is a whole-of-government programme administered by the Department of Employment in collaboration with other agencies including the Department of Immigration and Border Protection, the Department of Foreign Affairs and Trade, the Department of Agriculture and Water Resources, the Fair Work Ombudsman, the Australian Taxation Office and Austrade.

Under the Seasonal Worker Programme, many thousands of workers from Pacific Island countries and Timor-Leste have benefited from the opportunity to work in the agriculture and accommodation sectors where employers cannot source enough Australian labour.

The majority of seasonal workers that participate in the programme have a positive experience and are able to remit earnings back home to their families and communities. A study by the World Bank into remittances under the Seasonal Worker Programme pilot in 2011 indicated that a typical seasonal worker earned \$12,000-\$13,000 in Australia, of which approximately \$5,000 was sent back home. The World Bank is currently updating this study.

The Seasonal Worker Programme provides a reliable and returning seasonal workforce to employers. Employers sourcing labour under the Seasonal Worker Programme report efficiencies by having access to a productive seasonal workforce with reduced absenteeism and staff turnover.

There have been significant reforms to the Seasonal Worker Programme over the last eighteen months. These include the uncapping of the programme from 1 July 2015 so that demand is driven by employers' need for labour and expanding it to the broader agriculture sector. A trial of the programme in the tourism sector in Northern Australia has also commenced.

The Government will continue to work with stakeholders to communicate these reforms and build the ongoing success of the Seasonal Worker Programme.

Australian Government response

The Government's response to *Seasonal Change* is set out in detail below.

Role of seasonal workers in the horticulture industry

Recommendation one:

The Committee recommends that a comprehensive review of the changes to the seasonal worker and working holiday maker programmes be undertaken by December 2017 to ensure they are meeting their stated goals, and not impacting on each other or the local labour market in unintended ways.

The Government **does not support** this recommendation.

The Australian Government does not support further reviews of the Working Holiday Maker and Seasonal Worker Programmes by December 2017. A number of comprehensive reviews into these programmes have either been completed or are currently underway.

The Government has completed a review of the Working Holiday Maker Visa programme. The Rural Industries Research and Development Corporation completed a study on the productivity of new migrants, including seasonal workers, in Australia on 12 October 2016.

A number of domestic and international reviews of the Seasonal Worker Programme will be undertaken during 2017. These reviews will take account of the changes to expand and streamline the Seasonal Worker Programme announced by the Government in June 2015 in *Our North, Our Future: White Paper on Developing Northern Australia*.

They will:

- 1) assess the development impact of the programme on workers, labour sending communities and countries, with a particular focus on gender aspects.
- 2) assess the productivity of seasonal workers and the costs, benefits and other factors impacting on farm profits associated with the Seasonal Worker Programme.
- 3) ensure Australian job seekers are not being displaced by the Seasonal Worker Programme.

The Government will continue to consider a number of issues and suggestions that emerged during the Working Holiday Maker Tax Review. In addition, in October 2016, the Government established a Migrant Workers' Taskforce, to target those involved in unscrupulous labour hire practices and the exploitation of vulnerable foreign workers.

Workforce requirements for sectors that may benefit from seasonal workers

Recommendation two:

The Committee recommends that the Australian Government undertake improved qualitative and quantitative research on full-time, part-time and seasonal labour workforce requirements to better inform Government policy.

The Government *notes* this recommendation.

The Department of Employment collects information from around 12,000 employers across the country each year about their recent recruitment experiences. The *Survey of Employers' Recruitment Experiences* was modified in January 2016 to identify employers with seasonal staffing requirements. Findings on the recruitment and retention difficulties experienced by employers who have seasonal staffing requirements will be available in early 2017.

Expanding the Seasonal Worker Programme

Recommendation three:

The Committee recommends the Australian Government consider expanding the Seasonal Worker Programme to include the aged, child, and disability care sectors, which have already been included in the White Paper on Developing Northern Australia.

The Government **does not support** this recommendation.

The Seasonal Worker Programme is designed to meet short-term seasonal labour needs of Australian employers in industries that experience seasonal peaks. The skills requirements and lack of seasonal peaks in demand in the aged, child and disability care sector go beyond the parameters of the Seasonal Worker Programme.

To address non-seasonal labour needs in Northern Australia, the Government is piloting the potential for workers from specific Pacific Islands to work in aged care, as well as other sectors, through the Pacific Microstates–Northern Australia Worker Pilot Programme. This initiative was announced by the Government in June 2015 in *Our North, Our Future: White Paper on Developing Northern Australia*.

The pilot will run for five years, allowing up to 250 citizens (around 50 per year) from Kiribati, Nauru and Tuvalu to work for two to three years in Northern Australia. It aims to address labour and skill shortages in Northern Australia and provide workers from Pacific Microstates with better access to employment opportunities.

Impact on the Australian labour force

Recommendation four:

The Committee recommends that the Australian Government allocate funds to establish a three year pilot programme for 17-24 year olds to train and work in the agricultural sector, a 'Future Force', similar to the Green Army programme model with appropriate adjustments.

The Government **notes** this recommendation.

The Government agrees that attracting, employing and retaining local labour in the broad agriculture sector is vital to ensuring that the industry remains sustainable in the long term. The Seasonal Work Incentives for Jobseekers pilot will provide incentives for young jobseekers to undertake seasonal work in the horticultural industry.

The Government also has a range of initiatives to support young people into employment:

- jobactive providers across Australia have the flexibility to tailor their services to a job seeker's assessed needs to assist them take up employment, including seasonal employment opportunities;
- Transition to Work is a new service to support young people aged 15–21 on their journey to employment. The service will provide intensive, pre-employment support to improve the work-readiness of young people and help them into work (including apprenticeships and traineeships) or education;
- Empowering YOUth Initiatives support new, innovative approaches to help unemployed young people aged 15 to 24 years to improve their skills and move toward sustainable employment; and
- a new Youth Jobs PaTH (Prepare – Trial – Hire) to support young job seekers into jobs will start from 1 April 2017.

Increased access for women and youth workers

Recommendation five:

The Committee recommends that the Australian Government implement the following measures to increase gender equality and provide women greater employment opportunities:

- The Department of Employment review the memorandums of understanding with Seasonal Worker Programme participating countries;
- The Australian Government assist interested countries in the establishment and development of programmes focussed on gender equality;
- That Pacific Agreement on Closer Economic Relations Plus negotiations include discussions on gender equality.

The Government **notes** this recommendation.

All Memoranda of Understanding with partner countries set out critical success factors for the Seasonal Worker Programme, which state that the arrangements will be effective if opportunities for employment facilitate inclusive participation by women and under-represented groups.

To support this, the Government is working with Pacific Island countries and Timor-Leste to improve women's participation in the Seasonal Worker Programme. A key objective of the Labour Mobility Assistance Program (\$5.8 million, 2016–2017) is to increase the number of women from Pacific Island Countries and Timor-Leste taking up and benefitting from seasonal work opportunities.

Under the Labour Mobility Assistance Program each partner country has negotiated a work plan that includes specific activities to improve gender equity in the Seasonal Worker Programme. For example, in Papua New Guinea the Australian funded 'Women in Agriculture Program' will promote the participation of women agricultural workers, and help returning seasonal workers share and apply their new skills to the local industry.

In September 2016, the Office for the Chief Trade Adviser for PACER Plus released a Sustainability Impact Assessment of the potential economic, social and environmental impacts of trade liberalisation under PACER Plus on the Pacific Islands Forum Countries and made recommendations for mitigating these impacts. The Sustainability Impact Assessment found that PACER Plus will generally improve the livelihoods of Pacific Island populations, contribute to poverty alleviation, and in some instances narrow the gender gap by providing more employment opportunities to women. Australia will provide development assistance to support Forum Island Countries' participation in PACER Plus; this assistance will include resources dedicated to improving women's ability to benefit from trade.

Development outcomes in the Pacific

Recommendation six:

The Committee recommends that the Seasonal Worker Programme provide an employment pathway for Australia Pacific Technical College health and community services industry sector graduates.

The Government **does not support** this recommendation.

As outlined in the response to Recommendation 3, the Seasonal Worker Programme is designed to meet short-term seasonal labour needs of Australian employers in industries that experience seasonal peaks.

The Government is piloting the potential for workers from specific Pacific Islands to work in aged care, as well as other sectors, through the Pacific Microstates–Northern Australia Worker Pilot Programme.

The Microstates Pilot will allow the Government to test an employment pathway for Australia Pacific Technical College health and community services industry graduates. Because these industries are not seasonal in nature, the Seasonal Worker Programme is not suited to employment in these areas.

Possible legislative and other impediments

Recommendation seven:

That the Australian Government standardise the labour market testing requirements across the range of temporary work visas.

The Government **notes** this recommendation.

The purpose of labour market testing is to ensure that overseas workers are a supplement to, and not a substitute for, Australians. As the report of Joint Committee notes, ‘the requirement to undertake market testing is not overly burdensome’ (Section 9.27).

The variation in labour market testing requirements reflects a range of factors, primarily the duration and skill level of employment opportunities and the purpose of the visa programme that an employer is looking to utilise. For example, the community would reasonably expect the labour marketing testing requirements to vary according to whether an employer is seeking one highly skilled individual for up to four years (under a 457 visa) compared to short term, seasonal opportunities for a number of unskilled or lower skilled positions (under a 403 visa for the Seasonal Worker Programme).

In all cases employers’ recruitment practices must satisfy Australian equal opportunity, anti-discrimination and workplace relations laws. Vacancies and job advertisements published by Australia businesses cannot discriminate against Australian applicants and should not invite applications from persons holding certain types of temporary visas.

Recommendation eight

The Committee recommends that the Department of Treasury undertake a review of current superannuation arrangements for Seasonal Worker Programme participants, having regard to:

- whether or not current arrangements meet the objectives of the Seasonal Worker Programme;
- The barriers to accessing accumulated superannuation funds for seasonal workers and measures to improve access.

The review should be conducted primarily with a view to ensuring seasonal workers receive their full entitlements as efficiently and quickly as possible.

The Government **notes** this recommendation.

Seasonal Worker Programme participants are subject to the same superannuation rules as most other overseas workers on temporary visas, including that they can claim their superannuation after they leave Australia and their visa is cancelled or expires by applying for a Departing Australia Superannuation Payment.

Australian Government agencies are working to address barriers to participants claiming their superannuation and improve claim rates. Some of the initiatives include educating seasonal workers and governments on the claims process and encouraging governments from labour sending countries to help seasonal workers complete their application.

The Australian Government through the Labour Mobility Assistance Programme is currently updating and enhancing information provided to seasonal workers on living and working in Australia. This includes providing improved pre-departure information that is translated to increase understanding by participating governments' labour sending units and seasonal workers.

The Department of Treasury, Australian Taxation Office and other Australian Government agencies will continue to identify opportunities to streamline administrative processes for seasonal workers to receive superannuation payments once they have departed Australia.

Compliance and related issues

Recommendation nine:

The Committee recommends that the Australian Government implement Recommendation 32 of the Senate Education and Employment References Committee report on the impact of Australia's temporary work visa programs on the Australian labour market and on the temporary work visa holders.

The Australian Government response to this recommendation will be addressed in its response to Recommendation 32 in the Senate Education and Employment References Committee report *A National Disgrace: The Exploitation of Temporary Work Visa Holders*.