

Submission by the Labour Mobility Unit (LMU), on behalf of the Solomon Islands Government, to the Australian Commonwealth Parliament's Joint Standing Committee on Migration and its inquiry into the Seasonal Worker Programme.

In response to the terms of reference, the LMU has highlighted a number of issues where we believe the Australian government can take action to improve the efficiency and effectiveness of the Seasonal Worker Programme.

- **Expanding the Seasonal Worker Programme to other countries and sectors**

- a) *The LMU welcomes the Australian Government's pledge to expand the SWP to include "the broader agricultural industry" as outlined in the recent White Paper on Developing Northern Australia.*

Recommendation: expand the agricultural sectors to include animal farms and abattoirs.

It is not yet clear which new sectors within the agricultural industry will be available to seasonal workers. However, the LMU recommends that animal farms and abattoirs be included as part of the expansion. The LMU has previously received inquiries from piggeries in South East Queensland interested in hiring seasonal workers. Currently, however, animal farms and animal processing plants are sectors not available to seasonal workers. We accept that animal farms are not strictly "seasonal" in nature. However, there are numerous examples where horticulture farms using greenhouse and hydroponic schemes operate year round, and are available to seasonal workers. In addition, we believe that this form of employment is ideally suited to the skills and experience of rural workers in Solomon Islands and other Pacific Island countries.

- **The role of the Seasonal Worker Programme in supporting development assistance in the Pacific**

- a) *The LMU believes that the role of the SWP in supporting development in the Pacific is important in times of natural disaster.*

Recommendation: provide additional financial or labour mobility support to participating countries and individuals affected by natural disasters.

Pacific islands are vulnerable and prone to natural disasters; including cyclones, tsunamis, flooding and earthquakes. In April 2014, Honiara, the capital of Solomon Islands, was struck by a severe flood causing widespread damage. More recently, Vanuatu was severely affected by tropical cyclone PAM. Seasonal workers from Vanuatu that were affected by cyclone PAM were given free visas to participate in the NZ RSE. Australia could provide similar support, including;

1: Automatically extend visas for seasonal workers in Australia affected by natural disaster in their home country/province.

2: Provide free visa and/or airplane fares so seasonal workers can either (a) return home to comfort family and their community or (b) leave home to provide financial support for the rebuilding effort.

3: Offer some form or priority employment to individuals from disaster affected areas.

The terms and conditions of additional support can be determined per natural disaster. However, the LMU would welcome formal recognition of labour mobility support in times of natural disaster.

- **Any legislative and other impediments in attracting seasonal workers**

a) *The LMU recognises the administrative challenges to establishing and managing superannuation accounts for seasonal workers.*

Recommendation: either (a) automatically include superannuation payments within the employees' payslips or (b) remove superannuation obligations altogether in exchange for an equivalent reduction in the current income tax rate.

Growers have publicly stated their discontent with paying superannuation, a retirement scheme, to *seasonal* workers that have no pathways to permanent migration. Notably, growers believe the paperwork associated with superannuation accounts detracts from hiring seasonal workers. For seasonal workers themselves, the LMU has found it very challenging to retrieve superannuation funds for returned workers. Some workers have not been able to retrieve their funds due to complicated administrative and logistical requirements that can only be completed once workers return to Solomon Islands. For instance, many workers return to their regional provinces which do not even have banking facilities. When they are able to retrieve their funds, additional tax and bank fees are deducted. In New Zealand, however, Recognised Seasonal Employers are not required to make superannuation contributions. Of course, in order to retain existing levels of net remuneration the complete removal of superannuation would not be appropriate without equivalent compensation elsewhere.

b) *The LMU recognises the importance of a well resourced and leadership driven Department of Employment unit to promote, administer and improve demand-side constraints facing the SWP.*

Recommendation: Ensure the SWP team in the Department of Employment is adequately resourced and proactively engaged to work with and respond to demands from key stakeholders.

The SWP "brand" in Australia does not appear to be as strong as the RSE "brand" in New Zealand. For instance, earlier this year the LMU visited the town of Gatton in South East Queensland. We met with members of the Solomon Islands community and several labour hire contractors/companies. The labour hire contractors expressed an interest in hiring Solomon Islands seasonal workers but said the SWP was relatively unknown to them. One labour hire company, which regularly recruits Solomon Islander workers living in Australia, was not familiar with how the programme operates and how to recruit from Solomon Islands. Another prospective labour hire company, with experience

recruiting workers in NZ for the RSE, told us that they applied to become an approved employer with the Department of Employment in April and are still waiting on an outcome on their application. The only approved employer in the region (to our knowledge) is Gracekate farm, which is a small farm that recruits three Solomon Islands seasonal workers annually. As Gracekate is a family run farm, there is no opportunity for hiring additional seasonal workers. In our experience, the NZ RSE team regularly visits regional areas to promote the scheme to local growers and labour hire companies. The effect of this has resulted in widespread knowledge of the program and higher participation.

- **The visa regime for seasonal workers, including compliance and related issues**

a) *The LMU believes the average processing times for visa approvals must be significantly reduced.*

Recommendation: Ensure seasonal worker visas are processed within two weeks.

The processing time to approve seasonal work visas is not conducive to employer demands. The LMU has lost opportunities with prospective approved employers due to tardy visa approvals.

In our experience, Australian employers have, at times, requested seasonal workers within a short time-frame; one employer requested workers within three weeks and another within four weeks. However, the average visa processing time we have experienced is about 7-8 weeks (including the obligatory medical clearance – chest x-ray). In both cases, the combination of a short deadline and lengthy immigration processing time led to either an employer withdrawing a contract offer or a limited number of workers being recruited. Ideally, farmers/employers should be well prepared to hire seasonal workers months in advance. However, as the work is seasonal in nature, and crops reliant on weather, it can be difficult for farmers to plan if crops ripen early or later than expected.

b) *The LMU identifies the inherent economic and geographic advantage afforded to 'backpackers' over seasonal workers.*

Recommendation: allow backpackers, which are seeking their second-year visa, to obtain employment without industry/sector or geographic constraints.

This recommendation was originally made in Stephen Howes (Australian National University) and Jesse Doyle's (World Bank) 2015 discussion paper titled, *Australia's Seasonal Worker Program: Demand-side Constraints and Suggested Reforms*. Opening other sectors and regions to backpackers is likely to shift some of the backpacker workforce away from agriculture. This will have a positive effect for seasonal workers as more positions and a more limited backpacker workforce will encourage growers to source Pacific seasonal workers.

- c) *The LMU believes that restricting seasonal workers to one approved employer during the length of the workers' visa is overly restrictive and inefficient.*

Recommendation: Allow seasonal workers the opportunity to be hired by multiple employers during the period of their visa.

Currently, seasonal workers are bound to a single employer. This is an effective way to process and manage workers on long contracts from sender country to farm. However, this is not effective in two instances. Firstly, when contracts are only three months, a worker will often break even or achieve very minimal savings. A more flexible system should allow workers the ability to work for employer x (picking oranges for three months) and then work for employer y (picking apples for three months). This change will resolve employer frustrations over finding labour for short term contracts and will also improve development outcomes for workers. Secondly, instances have arisen when seasonal workers have been disadvantaged by unforeseen circumstances. For instance, when crops have gone bad or work has become scarce, seasonal workers have been forced to prematurely end their contract and return home, achieving less than expected savings. The LMU understands that allowing seasonal workers to utilise multiple employers is currently facilitated in the New Zealand RSE scheme, known as Approval to Recruit (ATR), and this flexibility is a key reason for the scheme's success.