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SUBMISSION TO THE STANDING COMMITTEE ON FOREIGN AFFAIRS DEFENCE AND TRADE INQUIRY INTO THE MAIN ECONOMIC AND SECURITY CHALLENGES FACING PNG AND THE FORUM ISLAND STATES

Thank you for the opportunity of contributing to this important inquiry. This submission will introduce the Association and address terms of reference with particular focus on those where Members have interests and experience.

Introduction

The Recruitment and Consulting Services Association (RCSA) makes this submission to the Standing Committee on Foreign Affairs Defence and Trade inquiry into the main economic and security challenges facing PNG and the Forum island States

The RCSA is the peak industry body for the recruitment and on-hired worker services industries operating across Australia and New Zealand.

As a not-for-profit organisation, the RCSA is managed by a Board of Directors whose central focus is “to represent and serve the interests of members for the increased profile and professionalism of the industry”. The RCSA has more than 3700 members in Australia and New Zealand comprising multi-national companies, single consultancies, and individual practitioners operating within a recruitment consultancy. The association is instrumental in setting the professional standards, educating and developing member skills, monitoring industry participant performance and working with legislators. Members are kept up-to-date on information regarding best practice techniques, resources and technological innovation, along with legislative changes impacting on employment.

The RCSA also represents Member interests to Government on issues that impact upon the industry and has a strong relationship with the public and private sector.



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Membership

Services provided by RCSA Members can be categorised as follows:

- On-hired employee services
- Contracting services
- Contractor Management Services
- Recruitment Services (incorporating permanent placement)
- Workforce Consulting Services

All are bound by a comprehensive Code for Professional Practice authorised by the ACCC.

According to Australia Bureau of Statistics research the employment services industry earned a total income of \$16 billion in 2005/2006. The industry contributes 1.3% to GDP, more than both legal services (1.2 per cent) and accounting (1.1 per cent).

Terms of Reference

1. The implications for Australia of the major economic and security challenges facing the Forum Island Countries

RCSA Members include global companies including the world's largest employers such as Adecco, Manpower, Hudson, Hays, and Vedior etc. Members recruit globally and place globally both with clients – that is third parties – and on their own account as on hire employees.

The South Pacific has not to date been of significant interest to Members in the past but that is changing and there have always been exceptions. In June the Forum secretariat convened a 'Private Sector Roundtable Meeting on Emerging Labour Markets, Issues, Challenges and Opportunities' in Fiji and three RCSA Members were invited to participate in addition the RCSA's government adviser. Our views are to some extent informed by their experiences.



As background to this TOR, we note that in 2005, South Pacific Forum leaders proposed a Pacific Plan which included greater labour mobility to enable islanders to work in Australia. It was a serious mistake by the then Howard Government to reject that approach and lost an opportunity to improve the political stability in the island states and create a more strategically cohesive region. It failed to capitalise on the benefits of a more integrated market – commercial opportunities in both directions. It missed an early opportunity to assume regional leadership in managing climate change.

The rest of the developed world sees the South Pacific as the responsibility of Australia and New Zealand - both strategically and developmentally.

Our record to date has been uninspiring although the recent announcement has gone some way to address past lapses.

2. How the Australian Government can assist

RCSA welcomes the announcement on 18 August of a Seasonal Worker Pilot Scheme for selected South Pacific countries. It is likely RCSA Members undertaking rural placements and on hire will inevitably be involved in the scheme. (It would be preferable if RCSA were involved sooner rather than later.)

It is only a first and relatively small step.

The more important goal is an integrated South Pacific market – to include goods, services and labour. Look at it this way, only 20% of high school graduates in Tonga find a job but Australia is desperately short of all manner of skilled and even unskilled workers. Pacific Islanders have strong cultures and a record of repatriating a part of what they earn. Those ties are often strong enough to take them home when they are financially independent by Island standards and even if some settle in Australia, the numbers are miniscule in terms of our total migrant intake and even by the standards of the 105,000 skilled workers now in Australia on S.457 visas and another 100,000 backpackers from rich Western countries.



Opening up to the South Pacific would create activities of substance for the aid program - it would make sense to offer skills to school leavers and others before they arrive on our shores. This 'graduated' migration and repatriation would over time strengthen representative institutions in the island states giving a more educated and travelled population a more considered and stabilizing voice in political processes. One area where this is already working is with trained nurses who are in great demand especially in regional and remote hospitals. The nurses are trained in Fiji where there is a surplus of graduates.

Finally, the solution – a borderless labour market in the region - can be staged to come in over a period of time.

If the seasonal migration scheme is shown to work then there is every reason to extend it to other Island states and East Timor.

3. Employment issues

There is a major hurdle in the recently announced scheme and it is an ongoing concern that there is no developed recruitment sector in the island countries and in RCSA's view this creates opportunities for unscrupulous operators.

A number of regional governments, through Labour Departments, are talking to on hire agents although they told our representatives at the Fiji Roundtable that they had concerns about potential abuse of workers once they were in an offshore location. And they were unsure of how to test the bona fides of the companies approaching them. The risk in this is that a couple of well publicised cases of abuse by fly-by-night firms could jeopardise the scheme's outcomes.

Recruiters should be regulated or self regulate. For example Membership of an organisation such as RCSA with its own Code of Conduct (registered with the ACCC) is often a preferred outcome to some Government regulatory process as the latter puts more pressure on limited bureaucratic resources – particularly the countries covered by this scheme.



At the June Roundtable, the Forum secretariat endorsed a proposal for a Code of Professional Practice and delegates were circulated copies of RCSA's Code. A number of Island country delegates subsequently told RCSA members that they could see its considerable value for them.

4. Barriers to trade, FDI and private sector development.

In our view this scheme along with the NZ scheme already in operation creates opportunities for new recruitment and on hire businesses in the island economies. This would also involve investment in local businesses and training of local recruitment staff.

5. Regional Organisations

Our limited experience of the Pacific Islands Forum Secretariat is that it is well placed to help introduce a single framework to assist the recruitment process.

In that context we offer our services to assist particularly in drafting an appropriate Code of Conduct and providing relevant recruitment training – as the RCSA training program is now recognised internationally in markets such as India, Singapore and the UK.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Geoffrey Leach', is written in a fluid, cursive style. The signature is positioned above the typed name of the signatory.

Geoffrey Leach for

Julie Mills
CEO

28 August '08