

Labour Mobility Initiative (LMI)

Australian Assistance for the Seasonal Worker Program in the Pacific and Timor-Leste

Program Design Document (PDD)

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Acronyms

APTC	Australia Pacific Technical College
ATO	Australian Taxation Office
AusAID	Australian Agency for International Development
DAFF	Department of Agriculture, Fisheries and Forests
DFAT	Department of Foreign Affairs and Trade
DIBP	Department of Immigration and Border Protection
DoE	Department of Employment
GDP	Gross Domestic Product
MBIE	Ministry of Business, Innovation and Enterprise (NZ)
MDGs	Millennium Development Goals
MERI	Monitoring, Evaluation, Reporting and Improvement
MOU	Memorandum of Understanding
M&E	Monitoring and Evaluation
NGO	Non Government Organisation
ODA	Official Development Assistance
PAILS	Pacific Islands Labour Sending Forum
PDD	Program Design Document
PSWPS	Pacific Seasonal Worker Pilot Scheme
RSE	Recognised Seasonal Employer Scheme
RTO	Registered Training Organisation
ToC	Theory of Change
TORs	Terms of Reference

Executive Summary

1. Background

The overall goal of the Labour Mobility Initiative (LMI) is to address poverty through increasing incomes, improving human capital and maximising the use of earnings from labour mobility for women and men in the region. The purpose of the initiative is to improve the capacity of participating governments to manage the Australian Seasonal Worker Program (SWP). There are nine participating countries in the SWP – Solomon Islands, Vanuatu, Papua New Guinea, Kiribati, Tuvalu, Nauru, Samoa, Tonga and Timor-Leste. The LMI is funded by the Pacific Regional Program and the Timor-Leste bilateral program will provide co-funding. Since the SWP commenced in 2012, more than 3,500 visas have been issued. The Australian Department of Employment (DoE) has provided support to governments to participate in the SWP, as well as through the Public Sector Linkages Program (PSLP), while the Australian aid program provided technical assistance to selected countries through the World Bank and the International Labour Organization (ILO).

Over the first four years of the full SWP, up to 10,450 job placements will be available in the horticulture sector. An additional 1,550 job placements have been allocated to a small-scale trial in the sugar cane, cotton, aquaculture and tourism accommodation sectors. An Independent Progress Report (2013) of Australian aid program support indicated that further improvement in the capacity of participating governments is required. The proposed LMI will run until mid-2017 with the possibility of an extension for an additional year. In September 2013 a design mission was tasked to prepare an Investment Design that meets the needs of participating countries, conforms to Australian aid standards and can be successfully tendered for implementation by a managing contractor.

The design mission visited PNG, Vanuatu, Tonga, Samoa, the Solomon Islands and Timor-Leste between 3 October and 5 November 2013. Interviews were conducted with relevant stakeholders in government, private sector representatives, community organisations and development agencies. Registered labour agents and returned workers were also interviewed. The design team met previously with key whole of government agencies in Australia and examined a range of documents associated with the SWP and from Australian-provided capacity building and technical assistance. The design team consulted representatives from other participating countries at the Pacific Islands Labour Sending (PAILS) conference convened by the World Bank in Samoa and by telephone.

This initiative clearly supports Australia's national economic interest by contributing to Australia's prosperity. The LMI contributes to the Australian Government's economic diplomacy agenda by supporting economic growth, business activity and new jobs in Australia and the Pacific region. Foreign Minister, Julie Bishop, has expressed her strong support for the SWP and that it should be "strengthened to enable a greater number of

Pacific Islanders (and workers from Timor-Leste) in particular, to undertake seasonal work in Australia.”¹

2. Development Context and Key Issues

The economic impact of seasonal work in Australia and New Zealand for Pacific Island Countries is substantial, and remittances can surpass bilateral aid levels if the schemes are managed and run effectively. There is acknowledgement that unemployment, especially for unskilled workers, is a major concern in most participating countries and seasonal work can therefore be used to generate employment and income opportunities, especially for poorer households. A number of key issues are addressed through the design:

a) *Creating demand for seasonal workers.* The success of the LMI will largely depend on Australian employers using workers from the nine participating countries. The LMI will work with in-Australia whole of government partners and assist participating governments to develop country-specific marketing plans and strategies, and long term relationships with employers based on their comparative advantage, particular interests and availability of resources. A number of countries implement measures to reduce barriers such as upfront costs for employers, and these will be further extended or adapted for other countries.

(b) *Supply and quality of workers.* Australian employers will be more likely to invest in the SWP if it provides a regular supply of able, experienced and reliable workers. The LMI design focuses on supporting labour sending units within governments participating in the SWP to improve their management of worker recruitment and the quality of the work ready pool. This will be achieved including through sourcing from a range of existing work readiness and skills programs, including community based training and TVET systems. Preparation and pre-departure processes will also be strengthened.

(c) *Reintegration – skills, training and use of remittances.* Returned workers are not currently receiving information or assistance on reintegration. Participants gain skills and work experience under the SWP, and are expected to be more employable on return, however links to further training and education are limited. Evidence indicates that remittances are mainly used for household consumption, however there are options that could be provided to workers to channel earnings into more productive activities. In any case, household consumption has a direct link to economic productivity, e.g. investing in children’s schooling has long term economic benefits; better housing leads to healthier families and less money spent accessing health services, etc. Participating countries have organisations in both government and the private sector that could be utilised to better prepare workers for investment and business opportunities.

(d) *Gender and Inclusion.* The ability to earn an income is important for women as it can improve the ability to make and influence decisions, enabling more financial choices and reducing poverty. More money in women’s pockets has been shown globally to improve

1 <http://juliebishop.com.au/address-to-national-dialogue-on-the-role-of-the-private-sector-in-development-and-aid-for-trade/>, Accessed 12 March 2014.

development outcomes for all, since women are more likely to invest their earnings in nutrition, schooling and health. The numbers of women recruited into agricultural work under the SWP is influenced by demand and supply, along with the roles women play in their families as carers. Employer demand is a key driver since many employers want either men or women for different job types. Increasing the number of women in seasonal work will be a priority for the LMI, and will require action across all elements of the SWP, including marketing to employers, in-country labour sourcing processes and adequately preparing workers and their families.

(e) *Economic and social impacts.* No participating country has a clear idea how remittances are being used by either men or women, or whether there are any differences on the impact of seasonal work for men and women. A number of countries note the negative social impact of seasonal work on workers' families. There was agreement amongst all participating governments of the need to conduct tracer studies, as part of a broader study on the social and economic impact of seasonal work and remittances.

3. Program Description

The overall goal of the LMI is to address poverty through increasing incomes, improving human capital and maximising the use of earnings from labour mobility for women and men in the region. At the conclusion of the four year period of the LMI, there are expected to be four primary outcomes:

1. Increased numbers of workers from participating countries offered seasonal work opportunities
2. Communities benefit from the effective use of remittances earned through labour mobility
3. Women and men participating in the Seasonal Worker Program have increased employability
4. Increased partner government capacity to manage international labour

Component One: Improving Demand for Seasonal Workers

This component of the LMI will be implemented in close coordination with DoE's continuing work in marketing the SWP to Australian employers and industry and building connections between approved and prospective employers and sending countries. Any increase in demand will be constrained by the annual cap in visas issued during each year of the Seasonal Worker Program.

Intermediate Outcomes

1. Increased numbers of Australian employers sourcing workers through the SWP and the respective labour sending units
2. Long term connections between employers, their representatives and labour sending countries are established
3. Better understanding in Pacific countries of Australian employer requirements and expectations

Component Two: Improving the Supply and Quality of Seasonal Workers

To meet demand for seasonal workers, Pacific labour units and their in-country partners will ensure that there is a work ready pool of potential women and men available on a timely basis. The quality of labour supplied by each country must also meet the needs of Australian approved employers. The LMI will work with labour sending units and in-country partners to improve quality and supply of workers, as well as ensure equity of access.

Intermediate Outcomes

4. Improved quality of workers, through enhanced work readiness and better pre-departure training
5. Improved access to the SWP for women, people with a disability and those from remote areas or outer islands
6. Greater use of partnerships with community, church and private sector groups to deliver the SWP or source workers
7. More efficient processing of employer requests and quicker response times
8. Improved monitoring and evaluation on the implementation of SWP.

Component Three: Maximising the Development Impacts of the SWP

The benefits from participation in the SWP are primarily twofold: opportunities for work experience and skills development for the individual worker, and increased incomes for participating workers, their families and communities. The LMI will coordinate with in-Australia skills training and certification currently provided through DoE and recognised training providers. More effective use of remittances will be supported through links to business and other opportunities, such as access to microfinance or business development programs. Any negative impacts of seasonal work on sending communities also needs to be mitigated as far as possible.

Intermediate Outcomes

9. Greater employability of seasonal work participants
10. Increased numbers of seasonal workers using skills and funds for productive activities
11. Reduced problems experienced by seasonal workers and their families while participating in the SWP.

Component Four: Evidence to Improve Policy and Program Outcomes

The LMI is strongly guided and informed by a focus on capacity development for participating governments in managing labour mobility. In collaboration with other programs aimed at improving the policy and enabling environment, the LMI will establish improved monitoring and evaluation processes for the SWP, and undertake a series of focused research and demonstration activities to build greater understanding of seasonal work amongst SWP stakeholders.

Intermediate Outcomes

12. Evidence gathered on social and economic impacts of seasonal work to inform future policy development and management of labour mobility
13. Evidence and case studies for use by Australian-supported advocacy programs on the impact of the SWP differentially on women and men, rural and remote people and people living with disabilities in the region
14. Greater numbers of workers from countries such as Tuvalu and Kiribati participating in the SWP.

4. Risks

External risks are associated with ongoing demand for seasonal workers in the Australian market. Seasonal workers compete with other sources of labour which may be lower cost to growers and producers, and climate and weather conditions could also have a serious impact on demand. A rise in unemployment in Australia could also lead to more domestic job seekers filling seasonal jobs in horticulture and reducing the demand for workers through the SWP.

Government-level and sector-wide risks include insufficient resources in partner governments that may compromise the effectiveness of capacity building. The LMI will take this into account when designing interventions, will not displace counterpart government funding for labour sending units and where possible, additional resources will be leveraged.

There are too many countries in the LMI for the budget available under the initiative. The budget for the LMI is spread over nine countries. Managing the range of partners, all with different levels of capacity and sometimes with competing interests, will be a challenge for program management. This risk is compounded by a relatively modest budget. Co-funding by bilateral aid programs will be encouraged.

Labour sending units are unable to manage the SWP. Some countries currently use systems and procedures that are not always responsive to employer needs, and result in poor quality workers or prolonged recruitment delays. Capacity building efforts will address these issues.

Access and Equity are essential to achieve development outcomes, particularly for the poorest households. Regular monitoring and results from pilots will identify gender and disability issues and challenges so that management or other action can be taken.

Governance arrangements are not able to deliver the LMI. The design provides clear roles for the whole of government partners and under current institutional arrangements, these should work satisfactorily.

5. Management and Governance

An Australian whole of government Steering Committee will guide the LMI. A Reference Group with Australian and partner government representatives will provide a forum for policy and strategy discussions on capacity building support for labour mobility in the region. The New Zealand government will also be invited to participate. The LMI will be managed on a day to day basis by DFAT's Pacific Division Economic Growth Section and in close consultation with the Department of Employment. A managing contractor will be engaged to deliver the LMI activities. Focal points at the Australia missions in each participating country will be identified to manage the in-country coordination of activities under the LMI and endorse the contractor's bilateral activities under the LMI.

THE LABOUR MOBILITY INITIATIVE

1. Analysis and Strategic Context

1.1 Introduction and Background

The Seasonal Worker Program (SWP) is an initiative of the Australian Government that allows Australian Approved Employers to employ nationals of Pacific island countries and Timor-Leste for periods from 14 weeks up to 6 months to assist with seasonal work demands in selected industries in Australia, primarily unskilled jobs in horticulture. The SWP was preceded by a pilot which commenced in 2009 as the Pacific Seasonal Worker Pilot Scheme (PSWPS), with four participating countries (Tonga, Vanuatu, Papua New Guinea and Kiribati). On 18 December 2011 the Australian Government announced the introduction of a permanent seasonal labour mobility program, the SWP, starting on 1 July 2012 and the program was extended to a total of nine countries - Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu. To 30 June 2014, a total of 3,487 visas have been issued to workers under the SWP.

The SWP is a whole of government initiative, led by the Department of Employment (DoE) and involving a range of Australian government agencies. Under the various bilateral MOUs covering the PSWPS and SWP, the Australian Agency for International Development (AusAID)² was responsible for a program of assistance for participating countries. This assistance, known as the interim Labour Mobility Initiative (LMI), aimed to:

- assist participating countries to develop pre-departure briefing materials for seasonal workers; and
- assess labour sending capacity and providing technical assistance, including through the secondment of government officers, Pacific island country government officers and the provision of specialised advice.

Support to labour sending governments under the interim LMI was delivered through the World Bank and the International Labour Organisation (ILO), focusing on building capacity to develop and implement the appropriate systems for sending labour. At the same time, DoE received funds under the Public Sector Linkages Program (PSLP) with the aims of helping participating governments to identify labour mobility opportunities in Australia, to understand Australian employers' requirements and to take part in regional promotional or other marketing activities. In another element of support to SWP, Westpac was contracted to provide basic financial literacy training for departing seasonal workers, activities which were later transferred to the Pacific Financial Inclusion Program.

An Independent Progress Report³ of the LMI found that further improvement in the capacity of labour sending governments is required. While the interim support was appreciated, there was minimal evidence of change as a result of the interventions. A clear need was identified for further assistance in pre-departure and re-integration briefings.

² AusAID was merged with the Department of Foreign Affairs and Trade on 1 November 2013. For ease of reference, this document will only refer to AusAID when there is a specific need to differentiate policy or actions from those of DFAT prior to this date.

³ Independent Progress Report, AusAID March 2013

The report also found that with time and sufficient support, new systems and structures would likely be adopted. The limited effectiveness of capacity building under PSWPS was attributed to the lack of long-term capacity building plans, insufficient resourcing and staffing instability in some labour sending governments.

A design mission for a new four-year package of support under the LMI was arranged in September 2013 and given the task of preparing a more detailed Program Design Document (PDD). The new PDD would describe an investment that will further improve the capacity of participating governments to recruit, prepare and manage workers for the SWP and to assess some new options for what capacity building should focus on and how it should be delivered. This capacity building assistance will primarily continue to focus on labour sending governments as managers of the recruitment and preparation of seasonal workers, as mandated in the MOUs.

The following options for assistance were to be assessed further in the design:

- Improving information systems, human resources and governance arrangements in Pacific island governments. This would consolidate the work already undertaken by the World Bank and ILO;
- Improving the quality and consistency of pre-departure briefings and developing more comprehensive re-integration briefings for returning workers. These briefings are the responsibility of Pacific island governments while DoE and other Australian agencies have assisted in providing content;
- More structured assistance to ensure the consistency and quality of briefings through existing TVET or other programs, and more comprehensive reintegration briefings to enhance the development impact of remittances and address social problems;
- Assessing how access to the SWP can be improved for women, poorer and more disadvantaged sections of societies such as people with disabilities;
- Ensuring the integrity of the selection process to reduce the risks of favouritism, nepotism and corruption;
- Enhancing the ability of private recruitment agents to source workers using practices that comply with the SWP's requirements and liaise with employers, and
- Improving the provision of consular assistance in Australia to address pastoral care issues for workers undertaking job placements.

The design team visited Papua New Guinea, Vanuatu, Tonga, Samoa, the Solomon Islands and Timor-Leste between 3 October and 5 November 2013. Interviews were also conducted with representatives from Kiribati, Tuvalu and Nauru during the Pacific Islands Labour Sending (PAILS) Forum in Samoa and by teleconference. Other teleconferences and face to face interviews included officials from the Australian government, employers, community organisations and development agencies. Registered labour agents and returned workers were also interviewed. The design team met previously with key agencies in Australia and examined a range of documents associated with the SWP and Australian-provided capacity building and technical assistance. The Terms of Reference for the LMI design mission and details of the design team are included as Annex 1. A list of persons met and organisations consulted is at Annex 2.

1.2 Labour Mobility and the Development Context

According to the World Bank⁴, in 2009, more than 192 million migrant workers sent home more than USD 316 billion to developing countries, or more than twice the value of Official Development Assistance (ODA). In the Pacific region, personal remittances account for over USD 400 million per year and many countries such as Tonga and Samoa have been reliant on overseas remittances for decades, where these funds can constitute up to 40 per cent of their Gross Domestic Product (GDP). The nexus between remittances and social and economic development is not well understood, particularly in the Pacific. The global experience suggests that remittances are used primarily for consumption, and this view appears to be backed up by the limited evidence so far available from seasonal workers from the Pacific in Australia and New Zealand. Even if not used for productive investment outside the home, remittances will have a strong social protection impact, and contribute to a community's overall welfare. For example, domestic consumption can include payment of school fees, leading to more educated children with increased work options. Further, there is an expectation that seasonal work provides opportunities for work experience and skills development, and can support human capital and workforce development. Again, there is limited information on the links between seasonal work and skills acquisition.

There is some evidence that seasonal workers come from poorer households⁵, however despite the unskilled nature of the jobs, and because of competition between countries, labour sending governments tend to select high quality candidates to enhance the reputation of their country's workers amongst employers in receiving countries. Seasonal workers from some sending countries may need to have significant financial resources, or minimum levels of education, which might not be available to all members of society – particularly young women. This may mean that the poorest segments of the population in some countries may not be able to access seasonal work or receive direct benefits from labour mobility.

Research demonstrates income earned by women, or income controlled by women, is more likely to be spent on development outcomes e.g. schooling for both girls and boys, improvements in housing, better food, leading to better health for all family members⁶. Therefore, it follows that the more women workers on the SWP, or the more women able to invest remittances well, the more development spin-offs in sending countries. Promoting greater female participation in the SWP is also in line with the Millennium Development Goal to 'Promote Gender Equality and Empower Women'.

4 <http://www.worldbank.org/en/news/press-release/2013/10/02/developing-countries-remittances-2013-world-bank> Accessed 21 November 2013

5 See Gibson, McKenzie and Rohorua 'How Pro-Poor is the Selection of Seasonal Migrant Workers from Tonga under New Zealand's RSE Scheme?', Discussion Paper 07/08, Centre for Research and Analysis of Migration, University College London, undated.

6 Armendariz de Aghion, B, Morduch, J, 2005, 'Subsidy and Sustainability', The Economics of Microfinance, MIT Press, Cambridge, Massachusetts, pp. 231-55

Ability to earn an income is also important for women as it can contribute to women's ability to make decisions that improve their own lives – 'agency'. Earning more money automatically improves women's ability to make decisions as it reduces poverty and enables more financial choices.

At the moment, women's agency is severely constrained in the Pacific through lack of access to independent income, combined with social norms and practices that determine women's roles in the domestic sphere, or informal markets such as subsistence farming and produce selling. Women's agency is also limited by extreme levels of violence – rates of violence against women by intimate partners are the highest of any region of the world with a majority of women experiencing severe violence⁷. Women suffering such violence may find it impossible to make a choice to work overseas, or decide how to use remittances sent. Worse, increased money may increase the incidence of violence.

Although there is agreement that increasing seasonal labour mobility will generate net benefits for individuals and communities, there can also be short-term costs. These will ultimately depend on the characteristics of seasonal workers and labour market conditions in both sending and receiving countries. For example, the opportunity for seasonal work may reduce the incentives for productive work in the home country, while in the receiving country the presence of seasonal workers can lead to fear of higher permanent migration, lower wages and increased unemployment. In some cases, sending and receiving governments need to implement policy and regulatory measures to minimise any negative effects, including the risks of exploitation of workers by employers.

Consultations in both the design of the *Pacific Women Shaping Pacific Development Program*⁸ (PWSPD) and the SWP identified some negative social impacts of labour migration e.g. in Vanuatu and Tonga, some women have experienced violence because partners have had affairs whilst overseas, or remittances have not been used by women left at home, as male workers had envisaged.

Labour mobility was endorsed as an important aspect of regional economic integration by Pacific Leaders in the Pacific Plan. The importance of remittances in reducing poverty was recognised in 'An Effective Aid Program for Australia'. Greater access to the labour markets of Australia and New Zealand remains a high priority for Forum Island Countries in the negotiations for a PACER Plus trade agreement. The availability of seasonal work also helps address persistent high unemployment in the Pacific by providing formal employment and income to be spent in the Pacific to generate further private sector activity.

Labour mobility in the Pacific, however, is far broader than the SWP, and the LMI can have a positive impact on migration, employment and remittances through developing partner government capacity to manage other programs. New Zealand's Recognised Seasonal

7 AusAID 2008, Violence Against Women in Melanesia and East Timor: Building on Global and Regional Promising Approaches, AusAID, Canberra.

8 A ten year, AUD 320million program to increase women's empowerment and equality between women and men, funded by DFAT.

Employer (RSE) scheme allows foreign workers to work temporarily in the horticulture and viticulture industries to meet labour shortages. The RSE scheme has up to 9,000 places available to overseas workers each year, most of whom are from the Pacific islands. Pacific governments are also involved in managing their nationals to take up employment in other parts of the world such as the United States or as seafarers. Australia and New Zealand meet regularly to coordinate our capacity building assistance to Pacific governments.

Discussions about what could replace the Millennium Development Goals (MDGs) post-2015 have included placing a stronger emphasis on growth, employment, equity, political accountability, security, environmental sustainability, and resilience. While MDG 8 aimed to develop a global partnership on key policy areas, including issues related to trade, debt relief, aid and knowledge transfer, migration was not mentioned. Many argue that labour migration can be an important tool to reduce poverty, by increasing labour earnings of migrant seasonal workers, as well as through the impact of remittances. Increased labour mobility is consistent with programs that promote economic growth and private sector development, key components of the Australian aid program.

1.3 The Australian Seasonal Worker Program

The implementation of the SWP is led by DoE and involves DFAT, Department of Immigration and Border Protection (DIBP) and the Fair Work Ombudsman (FWO). DoE convenes policy and program management committees on a regular basis to assist with the management of the SWP.

The PSWPS (“pilot”) was announced by the Australian Government in August 2008 with the first workers arriving in Australia in February 2009. The objectives of the pilot were to determine if a seasonal worker program could:

- contribute to Australia’s economic development objectives in the Pacific region, in particular by enabling workers to contribute to economic development in their home countries through remittances, employment experience and training gained from participating in the Pilot, and
- assist Australian employers in the horticultural industry who have demonstrated unmet demand for local seasonal workers to fulfill their seasonal labour needs.

Under the PSWPS up to 2,500 job placements were made available in the horticulture sector over the three year period. Over the four years of the new SWP (2012-16), up to 10,450 job placements will be available in the horticulture sector. An additional 1,550 job placements have been allocated to a small-scale trial in the sugar cane, cotton, aquaculture and tourism accommodation sectors. The following table summarises participation by country in the PSWPS and the first year of the SWP. As can be seen, Tonga has provided the vast majority of seasonal workers through PSWPS and the first two years of the SWP. The success of Tonga can, in part, be attributed to Australian employers engaging Tongan-Australian representatives to undertake much of their recruitment sourcing and processing, essentially acting as facilitators for both the employers as well as the sending countries. The Tongan Government, through senior members of government and ministers, has also taken significant steps to promote its workforce and services to

approved employers. To date, around 13 per cent of participants have been female, although the proportion is up to 30 per cent from some countries such as Vanuatu.

Table 1: Participation by Country – PSWPS and SWP

Country	PSWPS 2009-12		SWP 1 July 2012 to 30 June 2014		Total
	Female	Male	Female	Male	
Kiribati	5	47	10	38	100
Nauru	0	0	2	8	10
PNG	28	54	13	39	134
Samoa	0	39	5	179	223
Solomon Islands	0	0	13	38	51
Timor-Leste	5	7	28	67	107
Tonga	148	1,183	326	2,370	4,027
Tuvalu	0	0	16	4	20
Vanuatu	21	96	64	267	448
Total	207	1,426	477	3,010	5,120

Source: Department of Immigration and Border Protection

An evaluation by DoE of the PSWPS in 2011⁹ found that any future program needs a long term strategy to meet the need for a skilled, reliable workforce to address the seasonal labour requirements of horticulturalists. This should be coupled with consolidation of the program parameters, investigation of new areas of demand and development of sustainable practices to support expansion. The PSWPS also had a role in improving compliance with migration and employment regulations in Australia by offering an alternative supply of legal labour to support enforcement practices. Overall, it was found that the pilot met the domestic objective despite significant barriers imposed by unprecedented global economic and weather events.

For the DoE, implementing the SWP in Australia involves implementation arrangements with labour sending countries to recruit workers, making immigration policy and operation procedures for visa processing and compliance monitoring, the establishment of deeds with employers to engage workers, testing of market conditions to ensure local Australian workers are not displaced and Special Program Agreements covering pastoral care to ensure workers are treated fairly and are welcomed by the local communities in Australia. Supporting these processes are other activities to market the SWP domestically and ensure that it meets market expectations through engagement with peak bodies representing employers in the horticulture and other industries.

Industry participation in the early stages of PSWPS was low with only a handful of growers participating by the end of the pilot. Participation has grown over time, most notably since December 2010 when changes to some program parameters were made. Participation by women has remained steady as a percentage of overall participation. Under PSWPS, 12.7 per cent of visas were issued to females compared to 13.7 per cent up

⁹ Final Evaluation of the Pacific Seasonal Worker Pilot Scheme, DEEWR May 2011
LMI Design Document 20 March 2014

to 30 June 2014 under the SWP. In total under the SWP there are over 50 Approved Employers currently registered with DoE, representing around 160 different growers or individual businesses. Demand for labour has been increasing steadily, and is continuing to grow through 2014. The SWP appears to have made traction in particular regions and is gaining momentum via repeat participants or “re-hires”.

The SWP has been successful in terms of generating earnings for individuals. A survey undertaken as part of the interim LMI indicated that that households with seasonal workers increased their annual cash income by 30-40 per cent. Many of the seasonal workers were found to be poor by global standards with 16 per cent living in households earning less than USD 1 per capita per day, and 40 per cent in households earning less than USD 2 per capita per day. The total direct income gain through remittances for all PSWPS and SWP workers by the end of 2012 was estimated at AUD 11.1 million, with workers averaging a net income of AUD 5-6,000 for each six month work placement in Australia. This already exceeds Australian aid program expenditure on the interim LMI of around AUD 6.7 million. As noted, remittances are an important contributor to the GDP of many countries in the region (see Table 2). Based on a World Bank assessment of the program¹⁰, for most countries an effective seasonal worker scheme has the potential to exceed every other known and measurable development intervention.

Table 2: Income from Remittances, Selected Countries

Table E1: Importance of remittances to selected FICs

Country	Remittance Flows (US\$m)	Remittances as a % of GDP	ODA Flows (US\$m)	ODA flows as a % of GDP	Average cost to remit funds (%)
Fiji	175.0	4.9	45.3	1.3	18.0
Kiribati	9.0	6.6	26.9	19.7	13.9
PNG	13.3	0.2	304.4	3.7	26.7
Samoa	135.0	25.8	39.5	7.5	23.7
Solomon Islands	20.4	3.2	224.3	34.8	26.6
Tonga	99.5	35.8	25.7	9.2	20.8
Tuvalu	5.6	18.7	16.6	55.4	14.5
Vanuatu	7.0	1.2	91.7	15.5	23.3
Overall	464.9	12.0	774.3	18.4	20.9

Source: World Bank Development Indicators Database 2008. Average costs are based on January 2009 SendMoneyPacific.org data.

Obtained from Pacific Islands Forum Secretariat, FEMM Paper No. 2 2010

Results arising from the Australian aid funded capacity building activities undertaken by the World Bank and the ILO have been mixed. Senior officials from Tonga, Samoa, Kiribati and Vanuatu have expressed appreciation for the assistance received, particularly because it was targeted at country-specific requirements. However, databases, marketing plans, policy drafts, regulation and organisational management systems have not been utilised in Tonga, Kiribati or Vanuatu. There appears to have been insufficient follow-up and support to enable labour sending units to adequately use and apply the support provided. External factors such as staff turnover (all countries), a lack of leadership within some countries, and institutional re-structuring have negatively influenced the effectiveness of interventions. A positive sign that the capacity building support has been somewhat effective is that labour sending units (especially Tonga) have managed the recruitment of an increasing number of workers over the past couple of years for the PSWPS/SWP.

¹⁰ Externally Financed Output No. 173 Completion Report, World Bank undated.
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1.4 Policy, Regional and Sector Issues¹¹

The Pacific region including Timor-Leste is characterised by a rapidly growing population and rapid urbanisation. Demographically, there is a “youth bulge” which leads to problems of chronic un- and under-employment for many young people, especially the unskilled. Education systems produce large numbers of graduates, and these, as well as school drop outs, find themselves in economies with little prospect of domestic formal employment. In Melanesia, girls education lags behind boys, with the gap of school completion rates increasing with the grades. In Papua New Guinea, women are 25 per cent less likely than men to be literate. Only 57 per cent of women believe they are literate¹². Formal employment is limited to the public sector or a small private sector with women holding only 30 per cent of formal sector jobs. Many of the countries of the region are therefore substantially reliant on migration and remittances. Further, the small island states of the region are at the centre of debates on the negative impacts of climate change.

As a result, labour mobility has been at the forefront of Pacific island governments discussions with Australia and New Zealand for a number of years. In the region, there is considerable political commitment to the SWP and the equivalent New Zealand scheme (the RSE), although this is not always reflected in formal government policies and development plans. This may be due to labour mobility being seen as a migration or trade issue in international forums, and benefits accruing to individual participants and their families, rather than one relating specifically to programs of social or economic development. DFAT representatives in the region believe that the SWP has been one of the most important initiatives of the Australian government and is referenced frequently in bilateral discussions. Labour mobility does not yet appear in any of the Australian aid program’s Partnerships for Development, with the sole exception of Kiribati.

The original MOUs for the PSWPS are well understood by partner governments, and the operations of the SWP are outlined in a set of Implementation Arrangements. The delivery of the SWP involves three Australian Government agencies – DoE, DFAT and DIBP – each with different interests, responsibilities and capabilities. In order to maximise the development outcomes from the SWP it will be critical that the Australian Government agencies effectively coordinate implementation, and that decision making responsibilities are clear. The current governance arrangements may need to be re-examined following the AusAID/DFAT merger, and greater clarity is needed in delineating the respective roles of DoE and DFAT when dealing with partner governments, especially as both agencies will be providing capacity building assistance¹³. Because of the high diplomatic profile of the

11 A summary table of development problems, critical issues, and their analysis by the design mission with recommendations for the LMI is contained in Annex 3, and lessons learned from evaluations are summarised in Section 1.6. Detailed country profiles, proposed responses and capacity building priorities are listed in Annex 4.

12 World Bank, UNDP, AusAID, PNG Government, ADB 2013, *Papua New Guinea Country Gender Assessment 2011-2012*, World Bank, Port Moresby, Papua New Guinea, p. xvi

13 The merger of AusAID and DFAT will make this process easier to manage at posts, where existing responsibilities are well defined.

SWP and the importance of bilateral relations between Australia and partner countries, DFAT has an important role to play both at regional/program-wide and country levels.

In the pilot phase, a number of partner governments received assistance in developing labour mobility policies and plans through the ILO or World Bank. None of these plans have been formally endorsed or ratified. Supporting the further development of these policies and plans will depend on further analysis of the relative priority of labour mobility in the legislative and policy framework of each country, and its relationship to social and economic development goals. Similarly, aligning the SWP with relevant bilateral elements of the Australian aid program, and future incorporation of labour mobility into the Partnerships for Development, should be undertaken on a country by country basis.

The NZ Ministry of Business, Innovation and Employment (MBIE), the responsible agency for the RSE, will also be providing capacity building assistance over the next three years to seven countries¹⁴ through the Strengthening Pacific Partnerships (SPP) program. In these seven countries, the labour sending unit works with both RSE and SWP, often using the same recruitment and selection processes. Implementation of the SWP will require coordination with MBIE and alignment of technical inputs to avoid duplication and to maximise the benefits for the partner country stakeholders. Regular coordination meetings between the Australian government agencies and their New Zealand counterparts will assist in resolving operational matters, as will regular contact in country through the respective diplomatic missions. More broadly, forums such as the biannual PAILS conference convened by the World Bank are opportunities for Australia and New Zealand to engage at a policy and strategic level with the region on labour mobility.

The ability of participating countries to derive benefits from the SWP will ultimately be determined by their ability to match demand and supply.

Increasing Demand for Seasonal Workers

The success of the LMI will largely depend on Australian employers using workers from the nine participating countries. Demand for the SWP to date has been modest but is rising steadily. In 2012-13 and 2013-14, around 75 per cent of places under the cap were taken. As the cap rises over the next two years of the SWP (3,250 in 2014-15 and 4,250 in 2015-16) there will be scope for demand to rise further. The cap limit of 12,000 places over the first four years of the SWP was determined by the Australian Government based on demand for PSWPS with room for a gradual annual increase.

The demand-driven nature of SWP means that participating countries must convince Australian employers to choose their workers ahead of alternatives such as backpackers or illegal labour. A study recently released by ABARES shows that productivity of Pacific seasonal workers is substantially higher than backpackers, and this could be used as a selling point for the SWP¹⁵. Further, seasonal workers tend to return, and productivity also

14 The SPP program includes Tonga, Samoa, Vanuatu, PNG, Kiribati, Solomon Islands and Tuvalu.

15 'Measuring the efficiency of horticulture labour: case study on seasonal workers and working holiday makers', ABARES, 2013.

increases with experience and skills acquisition. The New Zealand experience also demonstrates that enforcing compliance with labour laws to address the use of illegal workers is important for the success of its seasonal work program.

The DoE is responsible for promoting the SWP in Australia and for regulation of approved employers. In 2012 the Australian Government funded (DoE through PSLP) a workshop attended by all participating countries which involved meeting with employers and a workshop on marketing. These workshops were welcomed as an effective way to build relationships between employers and labour sending units, particularly for understanding Australian labour market requirements and preferences, but partner countries would appreciate further support to visit Australian industry and approved employers.

Partner countries have also noted that many potential Australian employers are not aware of the SWP, or that these potential employers found the process of registration costly and time consuming. Industry ownership will be critical in driving demand for workers under the SWP. As the number of places available under the SWP grows, Australia's model for engaging with employers will need to adapt. Employer engagement under the RSE scheme has been much more successful – relationship managers are employed by MBIE to work closely with New Zealand employers and labour sending units on matching their needs to the supply of labour from the region. This approach may not be replicable in Australia due to the small size of the SWP compared to the RSE. Providing this assistance to Australian employers may require additional resources and could involve development officers embedded within industry associations.

The promotion of the SWP within Australia will need to continue, and be expanded so that industry feels that it is a useful program that fills an important need for temporary labour. Meanwhile there will also be a need to support participating governments to develop country-specific marketing strategies, based on their comparative advantage, particular interests and availability of resources. Marketing and promotional activities under the LMI will need to be coordinated with DoE to identify and communicate Australian labour market requirements and employer preferences, while related activities will be delivered both onshore and offshore. The aim of these interventions is to build long term relationships between Australian approved employers and labour sending countries, building on proven strategies such as that of Tonga under the PSWPS.

Some participating countries, especially the microstates of Tuvalu and Kiribati, face considerable barriers to participation in the SWP. Costs of airfares, for example, may be prohibitive for both workers and employers¹⁶. Marketing of workers from these countries will require additional effort, including better analysis of comparative advantage and the particular strengths of the workforce, and perhaps the use of temporary subsidies in order to “kick start” relationships with employers in Australia. For example, Tuvalu and Kiribati both use a revolving fund mechanism to reduce upfront costs of travel for workers to New

¹⁶ SWP requires employers to purchase the entire airfare upfront and then seek the return of any amount over AUD 500 from seasonal workers. Although the final cost of the airfare to the employer is therefore the same regardless of the worker's country of origin, the employer has to bear a significantly higher upfront cost for workers from more remote Pacific islands..

Zealand, which Kiribati has adapted for the SWP to make its workers more attractive for employers.

The numbers of women recruited in agricultural work under the SWP is influenced by both the demand and supply side. In Tonga and Samoa where most jobs are in horticulture, social norms between women and men impact on the numbers of Polynesian women interested in agricultural work, though this is not the case in Melanesia where women are often responsible for the majority of horticultural activity.

Employer demand is a key driver since many employers want either men or women for different kinds of stereotypical roles e.g. Polynesian men are in demand for heavy agricultural jobs such as apple picking due to strength and size. Melanesian women, though used to heavy work, may find it hard to compete with Polynesian men in the market due to actual physical differences, combined with the perceptions of Australian employers.

It appears that Australian employers prefer women for some jobs, for example, packing fruits or picking berries and kiwi fruit. There is a perception that women are more careful – the ‘nimble finger’ stereotype that privileges women over men in electronic factories in South East Asia. Women are also preferred in the cut flower industry. This is not to say that women are not working in fruit picking but the numbers are less and this is because of these market drivers which are both real and perceived.

SWP is a market based program so a light touch approach through the LMI that extends employer demand will be important and most effective as demand will ultimately drive the number of jobs available for women. As countries respond to more demand, and more women become workers, this in itself can lead to changes in social norms. Increased income can be a powerful motivator in changing gender roles.

Supply of Quality Workers

Employers are more likely to invest in the SWP if it provides a regular and responsive supply of able, experienced and reliable workers. The competence and efficiency of Pacific island governments to enable the recruitment, sending and management of workers is an important factor in the success of the SWP. Labour sending units are located in a range of different government agencies – including labour departments, offices of the Prime Minister and external affairs agencies. However, each uses broadly comparable recruitment and selection processes, apart from two countries – Vanuatu and Solomon Islands – where registered labour agents carry out much of the recruitment and processing work.

Partner governments are responsible for developing and maintaining a ‘work ready pool’ of potential seasonal workers¹⁷. Recruitment to the work ready pool is done through public or targeted advertising, informal communication or in some cases, the work ready pool has been managed by labour agents, who are responsible for their own recruiting. Labour

¹⁷ Detailed information on each country’s policies, processes and operations is included at Annex 4.
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sending units have limited understanding of Australian employer requirements, although this is changing as the SWP progresses and feedback from employers and returned workers is obtained. There are acknowledged to be two types of recruitment. The first type is where an Australian employer will approach the labour sending unit and seek names of potential workers. The other (known as 'direct recruiting') is when an employer or their representative approaches workers, either returning workers or new recruits. This second form of recruitment was associated with higher levels of absconding workers, high reported incidences of prospective seasonal workers handing over money to be considered for the SWP and a greater risk of nepotism and corruption. Labour sending units will need to continue to develop a better understanding and better regulate direct recruitment as employers establish relationships with their countries and seek to re-hire returned workers.

Figure 1 outlines how the design team viewed the seasonal work cycle, in order to describe the various activities under the proposed program of support. It is necessarily simplified, and does not include private recruitment processes, for example, although these are acknowledged throughout the design.

Figure 1: The SWP Cycle



As noted, workers who have performed satisfactorily for a particular employer are re-hired to work the following season (i.e. "re-hires"). Further, Australian employers and their

representatives in countries such as Tonga and Vanuatu will ask team leaders to identify other workers that are “as good as you”, and therefore a large number of new workers are often recruited from the same communities as the original group. This is also a feature of the New Zealand RSE scheme. As a result, it can be difficult for people from communities that have not yet participated in the SWP to get their first job, and labour sending units often find it a challenge to be equitable with regard to community and gender participation.

Labour sending units tend to lack resources and are generally under staffed. Not all labour sending units market seasonal work programs domestically, and this affects the number and quality of potential workers in the work ready pool. Some governments use additional selection criteria for seasonal work applicants, such as a requirement to have finished high school, or be familiar with English, which can limit participation by poorer members of the community, by women and by people from remote islands or those living outside the capital city. Broadening and improving the breadth and quality of the work ready pool could be achieved through more appropriate recruiting practices, and sourcing workers from a range of existing in-country work readiness and skills programs, or civil society organisations already connected with women (such as Women in Agriculture in PNG and in Australia), or people with disabilities, including those provided by community based training organisations and TVET centres. There may need to be specific interventions to ensure equity of access for those in more remote locations or otherwise disadvantaged.

Labour sending units spend significant time and resources communicating and engaging with the public on a range of issues related to seasonal work. Communication ranges from broad scale media (radio and television) appearances to local, village level meetings and consultations. Governments have had to undertake communications to counter misperceptions of the SWP (i.e. that recruitment agents must be paid a fee), to deal with problems as they arise (e.g. if a worker absconds) and to raise awareness and build the profile of the Australian and New Zealand schemes. There is a need to demonstrate the benefits from inclusion of greater numbers of women and people with disabilities in seasonal work programs. This could be done, for example, by using returned female workers to promote greater participation by women, by targeting activities for women in agriculture and by identifying specific job opportunities for people with disabilities. DoE produce a range of good news stories, many featuring women. Partner countries could reproduce these in their own language to assist with increasing the participation of women in the SWP.

Australian employers often require workers quickly, and processing systems have to be responsive, including those managed by the partner government (having candidates trained and ready) and those under the responsibility of Australian government agencies (visa processing, health checks). In circumstances where resources are lacking, labour sending units in participating countries could utilise the services of community based and church organisations, credit unions, banks or similar providers to deliver training, including family and relationship counselling and financial literacy that include workers along with their families. This, along with broadening the scope of the work ready pool, may require government labour sending units to change their current arrangements and move towards a partnership model to sourcing, preparing and sending workers. Regular monitoring of

the preparation process, including identifying potential delays and bottlenecks, is a key responsibility of the sending and receiving governments.

Cooperation with New Zealand

The SWP and RSE schemes are similar and are managed through the same partner government agencies in the seven overlapping countries. In most cases, the work ready pools for both programs are the same, and recruitment and preparation processes are harmonised. This close coordination has allowed the Australian aid program to leverage RSE support, and vice versa. Australian and New Zealand assistance has been complementary, with Australia's capacity building focussing on policies and systems within labour sending units while New Zealand has focussed on elements such as leadership training. Regular meetings have been held between government representatives, including delivery partners such as the World Bank and the ILO.

With the proposed LMI and the New Zealand SPP, there is considerable opportunity for greater cooperation on capacity building and increasing efficiency. For example, participating governments have asked if rules and requirements of the SWP and RSE could be harmonised to reduce their burden of compliance, and changes have been made to age limits and waiting periods in the Australian SWP to enable this to happen. Assistance programmed under the LMI will need to be coordinated with the SPP and other work undertaken by MBIE. There is also scope for combining resources on in-country marketing, strengthening the work ready pool, provision of training and in evaluation/research on the impacts of seasonal work.

1.5 Development Problems/Issue Analysis

Technical Competence to Manage the SWP

The investment made by the Australian aid program in building the capacity of the labour sending units under the interim LMI has been worthwhile but much remains to be done. Finalising labour mobility legislation and policies is a priority for most participating countries and is being addressed through World Bank and ILO interventions in the Pacific, and through a separate Australian funded ILO project in Timor-Leste. Operationally, "end to end processes" have been developed and manuals produced for labour sending units. This documentation will need consolidation and further training associated with embedding procedures and systems on a country by country basis. Most countries have a labour mobility plan and an institutional assessment has been undertaken, however it is unclear whether all partner governments have ownership of these documents and use them for planning purposes.

Reorganisation of, and staff turnover within, labour sending units has affected some countries. This problem is particularly acute where labour sending units are staffed by a few key people. Capacity building interventions will need to be delivered in a way that takes this into account, such as involving a larger range of domestic stakeholders in the recruitment and preparation phases, and perhaps outsourcing some elements of training.

The World Bank is considering measures to strengthen change management processes within labour sending units, and this could be followed through in the LMI.

As the SWP evolves, it is more likely that Australian employers and their representatives will develop long term relationships with workers and their communities. Formal or informal agents or facilitators have also been involved in successful programs such as Tonga, even to the extent of running their own pre-departure work preparation and training programs. This has also been the experience of New Zealand in the RSE. The role of labour sending units may therefore change over time, to one of policy compliance and quality control rather than governments being directly involved in recruitment. Future assistance to labour sending units could focus on developing structures and systems to manage these processes, starting with improving the oversight of the direct recruitment mechanism and/or registered agents where these operate.

Pre-departure Preparation

Pre-departure training is a requirement of the SWP. Presently it is not clear whether every worker being dispatched in the SWP is provided a pre-departure briefing. This is partly because of a lack of oversight of the direct recruitment process (see above). The implementation arrangements that support MOUs between Australia and participating governments outline minimum content requirements of each pre-departure briefing. Pre-departure preparation should include essential information on employers' expectations, what to expect and adapting to work and life in Australia, how employment overseas will change gender roles within the family, where to go for assistance and financial literacy and basic business skills, in relation to managing wages, remittances and savings and investing them prudently. Pre-departure training should be open to family members to ensure both women and men understand the implications working overseas may bring. Sending governments also add content on their own expectations related to behaviour and the consequences of poor performance for the individuals and their communities.

Pre-departure training can range from a few hours to three weeks, depending on the country (see profiles in Annex 4). All training could be delivered by staff of the labour sending unit or could involve others – such as representatives from banks (for financial literacy), returned workers or even employers, if they are available. Few sending countries involve worker's families as part of the pre-departure preparation. NGOs and church organisations are well positioned to be involved in assisting with these programs that could involve other service providers and members of workers' communities.

It has been suggested that more practical examples of horticulture work could be included in training. This is supported by employers in Australia, who noted that pre-departure training currently does not adequately equip workers for the “operational realities” of working in Australia. Employers stated that closer industry engagement would improve the effectiveness of training delivered to workers. In addition, a number of informants stated workers should be more adequately prepared through leadership training, aimed at nominated team or group leaders. English language is an issue, where some countries require applicants for seasonal work to pass an English test (e.g. Timor-Leste) while others have minimum education levels (e.g. PNG Grade 10) to ensure workers have adequate

English communication skills before being accepted into the work ready pool. Some English language training is available to first time workers through the Add-On Skills Training activity and employers have noticed an appreciable improvement in workers who have undertaken this training. A number of participating countries address this issue through making sure team leaders or senior members of the work groups have the ability to translate on behalf of other team members.

Pre-departure training could also include briefing workers on opportunities for further skills acquisition or business development opportunities upon return. These are discussed in more detail below.

Skills Acquisition

Training is recognised as a significant opportunity for the SWP to contribute to impacts that are enduring and sustainable. In Australia registered training organisations (RTOs) are contracted by the DoE to provide first year seasonal workers with Add-On Skills Training in areas such as first aid, basic numeracy and literacy, and IT skills with courses taking place at a time suitable for the employer and seasonal workers, which is often after work hours. Further, seasonal workers participating in a subsequent season can access a recognition of prior learning assessment conducted by an RTO for a qualification that is related to their work in Australia that can lead to a Certificate Level II qualification in Horticulture. The delivery of this form of training while in Australia is constrained by distances and costs, and to date only a small percentage of workers have participated in the programs. However, commencing in 2014, DoE now aims to offer this training to 75 per cent of first time workers. Within the RSE scheme, seasonal workers in New Zealand have access to an ODA-funded program ('Vakameasina') that provides formal training through facilities located in the main regions where seasonal workers are employed. This program has considerable employer support, with training rooms being provided on site. This approach, however, may not currently be feasible in Australia given the size of SWP, the large geographic size of Australia and the tendency for seasonal workers to be spread across the country rather than concentrated in particular locations.

New Zealand has trialled delivery of a Certificate Level II course Horticulture for Tonga and Samoa, and will be extending this to Vanuatu. Around 20-25 graduates in each country have been trained, including a number of instructors. The aim of this course is to potentially link to the RSE scheme, and be incorporated in pre-departure training for horticultural workers heading to New Zealand. However, it is unclear how the course will be managed in both Tonga and Samoa, how it will be delivered in future and there are concerns that the costs of delivery (between NZD 100-150,000) per course are prohibitive.

Within the SWP, there is a need to carefully balance credible training which provides legitimate, recognised qualifications with practical considerations such as the learning needs and preferences of seasonal workers, and the costs and location of in-Australia delivered courses. The LMI, through existing and planned TVET programs in a number of countries, could examine options for returnees associated with relevant training institutions and organisations, or through non-formal education. Further, participants

gain skills and work experience under the SWP and Add-On Skills Training, and are expected to be more employable on return.

Skills that workers acquire whilst they are participating in seasonal work include generic employability skills, such as self management, communication, teamwork, problem solving, initiative and enterprise, planning and organising and confidence. Workers will also acquire industry specific skills and some of these may be relevant to occupations in their own countries (particularly tropical horticulture, tourism accommodation and aquaculture). To date, such skills and experience have not been widely and formally recognised. However, expansion of the Add-On Skills Training offered to first time seasonal workers which includes Recognition of Prior Learning could act as a reference for future employers and a potential entry point for further training on return.

Use of Remittances

As noted, it is understood that remittances are mainly used for household consumption, however there are options that could be provided to workers to channel some of their earnings to immediate productive income generating activities. From existing anecdotal evidence and consultations made, it is apparent that most monies are used for immediate priorities such as housing and school fees. Although traditionally seen as consumption, investment in schooling has a long term productive benefit with educated children more able to be employed. Better housing leads to better health (e.g. better provision of clean water and sanitation), reducing the costs of health care. More money spent on nutrition improves the health of family members. Better nutrition for children has been shown to have a massive impact on their brain development, and in fact, is one of the most protective investments to reduce poverty. Therefore, it is important to track exactly what 'consumption' means in the use of remittances. In some countries remitted funds also go towards family obligations and the church. There were a number of cases where small businesses were established with the proceeds of seasonal work, however these were undertaken without support from the LMI.

For the SWP to clearly and demonstrably contribute to sustainable growth and poverty reduction, it is critical that the LMI develop programs for workers and their families to effectively utilise their remittances. First time workers undertaking Add-On Skills Training while in Australia will develop a solid basis for making informed financial and career decisions upon returning home. In terms of promoting business opportunities, reintegration programs could include information on business development and business skills training. Although there are case studies of some workers returning to set up a small business, this remains an undersupported area. Participating countries have organisations in both government and the private sector that could be utilised to better prepare workers for these investment and business opportunities. More links between DFAT funded programs (agriculture, private sector, *Pacific Women*) should be made to leverage better investment in small or micro businesses.

Australia and New Zealand have supported the SendMoney Pacific initiative that provides information on the costs of remitting money. Under the SWP, Timor-Leste has been able to negotiate with a commercial bank for a substantial reduction of costs of transferring

funds for seasonal workers. It should be possible for other countries to replicate these arrangements. The LMI can support further research into these types of models and level of remittances, providing data for partner governments and Australia and New Zealand to advocate for further reductions in the costs of money transfer.

Equity and Access

A study of the PSWPS¹⁸ noted that there are trade-offs between spatial equity and efficiency which has implications for the SWP. On the one hand it is more efficient for labour sending governments, Australian agencies and employers to increase the percentage of returning workers in the SWP. Returning workers are consistently shown to be more efficient (from an employer's point of view) and capable of remitting a higher proportion of wages than first time workers. On the other hand, it is also necessary from a development point of view to increase the distribution of benefits within the SWP by ensuring that remote islands and workers from poorer backgrounds are represented. Meanwhile, despite recognition that increasing the participation of people with disabilities and female workers is necessary to maximise development impact there is no explicit strategy setting out how this will happen.

Moreover, of the 130 households assessed in the World Bank assessment referred to above, only 23 identified a female head. Given the importance to the SWP of funds remitted by workers to their households, females are benefitting, albeit indirectly. As noted, remittances have typically been spent in categories such as consumer goods, housing and education. Research demonstrates income earned by women, or income controlled by women, is more likely to be spent on development outcomes e.g. schooling for both girls and boys, improvements in housing, better food, leading to better health for all family members.

However the ability to earn an income is also important for women as it can improve the ability to make and influence decisions, enabling more financial choices and reducing poverty.

The SWP may provide a unique opportunity for women survivors of domestic violence to earn an income and build a sustainable and independent future. Therefore, the program should be well promoted through women's organisations and particular efforts made by sending countries to enable access to the full benefits of the program.

Timor-Leste appears to have the most developed pathways into training and work experience for all participants, especially for workers in the accommodation/tourism sector. This is particularly important for women workers as women are likely to be able to access such jobs more easily due to their gendered connection with household duties. Therefore, this sector offers particular opportunities to women workers.

More could be done to link women into the pool of ready workers in each country by linking with bilateral programs supporting women workers. For example, in Solomon

¹⁸ Gibson and McKenzie, 'Australia's Pacific Seasonal Workers Pilot Scheme: Development Impacts in the First Two Years', University of Waikato, 2011.

Islands, the Australian aid program already funds a women in cut flower initiative. Women in this SWP would be competitive in the Australian market and could bring skills learnt there, and possibly market networks, back to their businesses in Solomon Islands.

Road programs in PNG, Solomon Islands and Vanuatu, where women make up 30 to 70 per cent per cent of workers, and receive training in setting up small businesses, running bank accounts and tendering for simple contracts, would be a ready source of labour with the ability to capitalise on these skills on return. The multi-country Markets for Change program for women in produce markets also has direct links to a semi-skilled pool of entrepreneurial women.

In Papua New Guinea, there is a national network of Women in Agriculture that already has links with the Australian equivalent. Linking these groups together could help promote the SWP in Australia as well as create new pathways for women workers with employers that do not need to be convinced of the economic value women can add in agriculture.

Direct pathways into agricultural courses though are less clear and possibly less significant than business training, basic literacy and numeracy, financial literacy, access to financial services and information about women's rights. Such skills training could be open to spouses left behind so that they are well positioned to use and invest remittances well. This is especially important as possible triggers for violence include instances when women spend money on recreational options.

Lack of women at senior levels in government in some sending countries is noticeable. Hearing from women workers or women interested in getting into the SWP, will be essential in improving their access to the program and minimising risks when marriages break down, or in using remittances well. Annual planning processes must consult directly with women in a deliberate and targeted way. Conferences to share practices should include a women's stream.

To date, no approved employer has knowingly recruited a person with a disability to participate in the SWP. A number of countries have active work readiness programs that target people with a disability. These work ready programs will assist in finding people with disabilities who are more than capable of undertaking the physically intensive work that is typically required in the SWP (e.g. a person with a hearing disability). It is possible that an Australian employer inclined to understand the SWP as a development program as much as a source of workers, will be willing to take on a trial of a small number of disabled workers. These workers could be integrated with other members of a team who would be responsible for support and care, if required. The results of such a trial would be useful in supporting other Australian aid initiatives in the region, particularly advocacy around policies and practices encouraging more people with a disability in the workforce.

Increasing the number of women, people with a disability and other workers from poorer backgrounds in seasonal work should be a priority for the LMI, and will require action across all elements of the SWP, including marketing to employers, in-country labour sourcing processes and adequately preparing workers and their families who will be separated for extended periods. The MOU signed with participating countries contains a gender equity clause to promote better representation of women in work ready pools.

Pastoral Care and the Welfare of Workers and their Families

A number of countries noted the negative social impact of seasonal work on workers' families. At present, pre-departure processes do not involve families of seasonal workers. The decision to participate in the SWP occurs prior to acceptance into the work ready pool. It is important that participants and their families are able to make an informed decision to undertake seasonal work. As part of the communication and outreach associated with marketing the SWP in participating countries, returned workers or others familiar with the issues faced by seasonal workers could provide information directly, or through church and community groups to family members of candidates thinking of applying for the work ready pool.

By far the most critical social problems for seasonal workers in Australia relate to separation of married couples and issues over money, resulting in domestic violence upon completion of seasonal work. There are a number of church and community based welfare services available in sending countries. In addition, some expatriate communities have established support services, for example for Samoans in Brisbane. Families of seasonal workers could be referred to these services, and labour sending units could ensure that the availability of these services is known and understood. Where geographically feasible, families of workers could be included in financial management training and couples could jointly agree a plan for use of remittances. Workers could sign codes of conduct before they leave, agreeing not to seek violent redress on return.

The costs and operations involved in remitting funds have been highlighted as a problem for most workers and while the Australian and New Zealand Governments have been active in helping address some of these concerns, there are opportunities, as Timor-Leste has demonstrated, to reduce these costs further with more focused efforts on advocacy with financial institutions.

Other issues relate to appropriate behaviour while in Australia. Participating governments are addressing this issue through strict conditions placed on workers, and sanctions on them and in some cases on their home communities should there be serious problems. Again, better preparation of workers, the formation of cohesive and stable teams with returned and senior workers and the incentive for re-hiring by employers will all help address poor behaviour. These issues are well understood by labour sending units.

Pastoral care in Australia is primarily the responsibility of the employer. There have been some cases where employer behaviour has been less than satisfactory. Monitoring of employers rests with DoE and other Australian agencies, however seasonal workers are often unwilling to report problems in case it has a bearing on their employment in future rounds. Labour sending units may need further assistance to be able to deal with these issues as they arise, and to ensure correct and sufficient information is included in pre-departure briefings. Some countries have used their diplomatic representatives in Australia or members of the labour sending units to undertake pastoral care visits, and this has been well received by both employers and workers. Such visits also help develop positive relationships with employers and strengthen connections with sending countries.

There was agreement amongst all participating governments of the need to conduct tracer studies of returning workers, as part of a broader study on the social and economic impact of seasonal work and remittances.

1.6 Evidence Base/Lessons Learned

The SWP has been subject to a number of different assessments and studies. These include the evaluation of the SWP conducted by DoE and the Independent Progress Report of the interim LMI, as well as assessments and reviews undertaken by the World Bank and the ILO. The design mission also had access to research papers on seasonal work in the region produced by Australian and New Zealand universities, which are referenced in this document.

The Australian aid program has a Monitoring, Evaluation, Reporting and Improvement (MERI) Plan to outline the objectives, tools and processes in the interim LMI. The plan identifies a total of 23 measurable indicators, however, at present there is no means of data collection or known sources for this information. The establishment of an effective, simple and sustainable M&E system for use by participating countries, posts and program managers will be critical to the success of the LMI. In all nine countries, currently available evidence of the impact of seasonal work on individual workers and their families, on communities and nationally is largely anecdotal. Countries have developed their own M&E systems and databases, from which it is often difficult to extract sufficient information to inform policy and management decisions. Individual countries are facing similar challenges in accessing the SWP and there are likely to be benefits in exchanging information.

The Independent Progress Report of the interim LMI provided the basis for the TORs of the LMI design mission and the broad parameters of the proposed program of capacity building assistance. Key lessons learned and recommendations from that report included:

- Clarifying roles and responsibilities of agencies in the SWP, to ensure that capacity building of labour sending countries fits within the wider program design;
- Posts to include a stronger commitment to labour mobility in any renegotiated Pacific Partnerships for Development;
- Greater oversight of the interventions conducted by the World Bank and other contractors/sub-contractors;
- Ensuring capacity building interventions have an adequate level of follow up support and training for labour sending units;
- Developing a monitoring and evaluation system to facilitate an understanding of how the investment has contributed to outcomes and achievements of the SWP, differentiating routine monitoring and measurement of higher level outcomes and impacts, and
- Clarifying the Theory of Change for the Seasonal Worker Program illustrating how the program will contribute towards higher level development objectives.

Key lessons and recommendations from the World Bank assessment of the interim LMI included:

- Labor migration has been identified as a crucial aspect of development in the Pacific, in light of the very limited opportunities for productive local employment, given the islands' geographical remoteness and scattered populations.
- A longer term program with greater funding support is required as short term funds and grants are not conducive to locking in longer term gains. With the possible exception of Vanuatu – labour units are still incompletely restructured and their staff not fully trained. Shortage of time and resources also hindered implementation of the databases designed for each country by consultants. These data are needed to operate the schemes effectively, to evaluate them and to develop policies.
- Governments' differing views about the importance of formal legal and regulatory frameworks for these seasonal labour schemes suggest that greater analytical work would be useful, drawing perhaps on other countries' experience in the rest of the world. A special issue is the role of the private sector in recruitment. Those governments which initially relied on the public sector to recruit, have found that employers preferred to bypass work ready pools and recruit directly themselves or through returning team leaders.
- The market research effort was useful, but still inadequate and it would be also useful to undertake or refresh earlier research on where the greatest market opportunities were for seasonal employment in Australia and New Zealand – which sectors and areas have the largest labour vacancies.
- Cross cutting issues (e.g. developing sound management and administrative foundations, staff training on generic skills, database, pastoral care, market research) would more cost effectively be addressed through a regional approach however, there are no universal templates. Distinctive Pacific government contexts and philosophical approaches shape systems for the governance and management of labour migration.
- The business of managing labour migration is new for Pacific governments and many of the hallmarks of this 'new-ness' are evident in existing issues e.g. location of responsibility for lead Ministry, deliberations on the need for and shape of national policy and/or legislation, lack of information systems on domestic workforce and undeveloped competencies in key areas e.g. database, market research. It is important however to be mindful that during this early period, most Pacific Labour Migration Units have just a few staff (some less than two) at best and not everything that 'should' be done 'can' be done.
- Pacific Labour Management Units need practical support and guidance on the 'how', performance/management coaching to implement capacity improvements so that they become 'business as usual,' and staff training and development for competencies related to new functions.
- Reaching the poorest households may require additional incentives to employ workers from them, especially where transport costs are high.

The report also made mention of improving pre-departure briefings, including the inclusion of the work undertaken by employers and their representatives. Reducing the cost of remittance transfers was seen as important, as was advice on use of remittances

on return. For labour sending governments, legal and regulatory frameworks will need to be changed to take into account the growing presence of direct recruitment and the use of agents and employer representatives, and the need for capacity building in areas such as marketing to employers, data analysis and policy improvements.

The International Labour Organization Literature Review of Australian and New Zealand seasonal work in the Pacific and the global experience of migrant workers included a number of relevant findings:

- Pre-departure services seem to be working reasonably well and training continues to evolve in response to concerns as they arise. In the case of the RSE scheme this has meant the development of training DVDs in the workers' language, greater emphasis being placed on employment contracts, briefings by returning workers, and the provision of information about budgeting and financial management.
- There are no overarching vocational skills development programs in the home or host countries in the context of the RSE scheme and PSWPS. Job-specific training is left up to individual employers and occurs on-job rather than through training programs. The skills that the workers develop are specific to their jobs and may not be applicable or transferable in their home countries. However, workers also acquire other skills such as English language, time management, and financial management which are transferable and there is the potential to build on these once workers return to their home countries.
- Very little literature was found on reintegration services under the RSE scheme and PSWPS that support development impacts for migrants returning home (i.e. supporting economic livelihoods, income generation, skills and employment prospects). While remittances have helped to alleviate poverty and improve living conditions and educational standards of the migrants' families, development impacts with respect to building economic livelihoods, income generation, skills and employment prospects have been less evident.
- To date reintegration services in the Pacific, e.g. in Vanuatu and Tonga, have a stronger focus on community development activities compared to activities that support the improvement of economic outcomes for return workers. Further research, policy, and development work is required in order to establish reintegration services that focus on economic development in the Pacific.
- Temporary migration has positive and negative ramifications for women and there are considerably fewer women than men in temporary work programs. A range of factors contributes to this including, the culture and traditions of home countries, the nature of work in host countries and the gendered way in which employers recruit workers in the horticulture, viticulture and agriculture industries. However as women workers save more money than men, the literature shows that there are opportunities within home and host countries to develop their financial management skills so they are better placed to use their savings for productive and investment activities.

The ILO review concluded that there are opportunities for building economic livelihoods, income generation, skills and employment prospects once temporary migrants return

home, but this is reliant on a range of factors: the political, social and economic conditions of the countries; the finances of the individuals, their respective governments and NGOs; support in the form of aid, training and investment from host countries; training and skill development; and the characteristics of the migrants themselves. The RSE scheme and the PSWPS have the potential to make a significant contribution, however the full benefits of the schemes have not emerged as the focus has been on pre-departure and meeting the labour market needs of host countries. Further research, policy and development work in relation to reintegration services will need to be undertaken, making stronger connections between immigration, development and aid policies in home countries.

1.7 Rationale for Australian Aid Engagement

The Theory of Change in Annex 5 identifies three potential impacts for the LMI, based on Australian aid priorities in the region. These are poverty reduction through economic growth in the formal sector, women's economic empowerment and livelihoods and increased regional integration. The LMI will lead to citizens of partner countries having access to employment opportunities in overseas labour markets, improving household incomes, contributing to remittance flows and enterprise development opportunities for workers', their families and communities. Labour mobility can provide an important avenue for women survivors of domestic violence, to earn an independent income and create a long term sustainable living. The economic impact of seasonal work in Australia and New Zealand for Pacific island countries is substantial, and remittances can surpass bilateral aid levels if the schemes are managed and run effectively. There is acknowledgement that unemployment, especially for unskilled workers, is a major concern in most participating countries and seasonal work can therefore be used to generate employment and income opportunities, especially for poorer households.

Labour mobility is becoming increasingly important in the development context and the LMI is well placed to bring about further knowledge and understanding of seasonal migration, human capital development and the use of remittances. The high profile of the SWP in the region is also important for Australia's relationships with participating countries, and the development cooperation partnership with New Zealand.

Value for Money

As a rough indication of the development benefits of the interim LMI, it was estimated that SWP workers remitted AUD 10 million up to 30 June 2012 from an investment of AUD 6.7 million in aid funds. As the program expands, this "return on investment" will grow substantially larger. If the cap of 12,000 places over four years is met, this should result in around AUD 144 million in gross earnings, translating to AUD 60-72 million in net remittances to the nine participating countries. The LMI, of course, cannot claim full credit for the total remittances figure since other government departments and partner governments also make important contributions. However, it should be noted that the Australian Government's total ODA expenditure on the first four years of the SWP is expected to consist of around AUD xxx in funding for the LMI and a further AUD xxx in ODA expenditure by other departments.

At the program level, the LMI will need to demonstrate value for money in terms of how the Australian investment relates to the achievement of program outcomes, and sustainable change for labour sending governments. Value for money does not always mean that the LMI will select the cheapest option, rather that whole of government partners will ensure adequate systems and processes for achieving quality results with the most efficient transaction costs. The design of a single program of assistance (the LMI) brings together several forms of assistance currently delivered through multiple contracts with a range of other providers. In terms of efficiency, the LMI managing contractor will be able to program future assistance in a more cohesive and flexible manner, in line with partner government priorities and availability. The managing contractor will provide a single point of contact for Australian whole of government partners. Participating countries also continue to have access to financial support in marketing to Australian employers through a PSLP project managed by DoE.

Value for money in the LMI includes considerations of effectiveness, efficiency and economy; critically however, these need to be assessed and understood through a lens of access and equity, which would remain central to development outcomes. Equity and the underlying implied equality of access to the benefits of the SWP acknowledges that greater costs are often incurred to include small island states and reach the poorest and most marginalised members of communities. Thus, what constitutes value for money in terms of outcomes will be influenced by the degree to which this equity has been achieved. Global research on micro-finance (relevant because of the private sector drivers in micro-finance institutions, and partnerships with donors) shows that donors should provide support for activities that may not attract income, but can nevertheless open up access to poorer people, ultimately increasing financial viability. In the same way, Australian aid can add value to the SWP by contributing funds to support aspects of the program that will increase access and markets, but will not otherwise attract investment since these activities may not of themselves attract a profit.

Results also need to be considered in terms of the effectiveness of the whole of government partnership and relations with the nine participating countries. That is, the effectiveness of LMI should be assessed according to its contribution to strategic and policy discussion of labour mobility and social and economic development in the Pacific and Timor-Leste.

The LMI will be guided by DFAT's Transparency Charter, which provides guidance on being responsive to the rights of the Australian public to know that Australian aid funds are spent effectively, achieve real results and help people to overcome poverty.¹⁹ Equally, the value for money approach respects the need for accountability and provision of accessible information to, and mechanisms for feedback from, target beneficiaries in the participating countries.

Leveraging

¹⁹ AusAID (2011), Transparency Charter, <http://www.aisaid.gov.au/about/Documents/aisaid-transparency-charter.pdf>

Close coordination with the New Zealand RSE has allowed Australia to leverage its support to labour sending units. Regular meetings with New Zealand have included representatives from the World Bank, ILO, DoE and DIBP as delivery partners. Australia's capacity building has focussed on the overall functioning of labour sending units while New Zealand has focussed on meeting the requirements of RSE and leadership training. Australian and New Zealand assistance has been complementary, and will continue to be so through the LMI coordination process.

Sustainability

The National Farmers Federation expects that the horticultural sector in Australia will continue to experience a labour shortage pointing to an enduring demand for labour from the SWP. The Independent Progress Report of the interim LMI stated that there was a high level of ownership and commitment of the SWP by participating governments. If Australian support ended, partner governments would still recruit, prepare and manage workers for the SWP due to the significant benefits of the SWP to their countries and to individual workers. The design of the LMI is not meant to duplicate these efforts, but rather to support and "kick start" the process of matching demand and allow all nine countries to have equitable access to the SWP, while helping to maximise the potential development benefits.

2. Program Description

2.1 Design Logic and Theory of Change

The design logic of the proposed LMI takes into account what will be undertaken through the proposed program of activities, what is being done by others across the broader SWP and what is being delivered bilaterally or regionally. The size of the LMI (around AUD xxx over 4 years) precludes implementing many direct interventions through the program itself, rather the design is based on leveraging or facilitating these and other concurrent activities, including those being implemented by whole of government partners and those delivered bilaterally, as in Timor-Leste. The design team believes that the SWP will function more effectively and more sustainably by allowing Australian employers to develop and build long term relationships with labour sending countries. By the end of the program, it is expected that the role of government in labour sending countries will have shifted somewhat to oversee and facilitate this process rather than being directly involved in every aspect of recruitment, selection and reintegration. The LMI will also take advantage of other aid interventions being implemented or planned for the target countries, such as human resource development, TVET training and support, business and private sector development and financial inclusion.

Annex 3 shows how each of the recommended LMI interventions emerges from the issues and problem analysis. This includes a gap analysis of what and where previous or current interventions have achieved, or will be working towards over the next four years. The analysis also helps identify a hierarchy of problems and proposed solutions, and this is matched against each country's individual situation and priorities listed in Annex 4. The proposed LMI interventions listed below are therefore representative of all participating countries, and have been discussed initially with the program stakeholders in Australia and the region. Further discussions on details of each country's specific plans under the LMI will need to take place as the program moves towards inception. This can be undertaken by posts, perhaps in consultation with the appointed managing contractor.

The Theory of Change (ToC) for the LMI has been developed through a workshop facilitated by Australian aid program staff, and the testing of the assumptions of the draft ToC against the evidence base and performance of the interim LMI. Further, the design mission discussed elements of the ToC with stakeholders in the region during the field mission and country visits. The ToC is incorporated into the description of the four components below, while Annex 5 provides a diagrammatic interpretation, highlighting the linkages between the activities to be undertaken by the LMI and those of other actors, including the Australian government, New Zealand government, participating countries and employers. The Monitoring, Reporting, Evaluation and Improvement (MERI) Framework at Annex 8 is based on the ToC and outlines the expected results from LMI over the four year period, how these results will be measured and how they will be reported to program management.

2.2 Program Goal and End of Program Outcomes

The overall goal of the LMI is to address poverty through increasing incomes, improving human capital and maximising the use of earnings from labour mobility for women and men in the region.

At the conclusion of the four year period of the LMI, there are expected to be four primary outcomes:

1. Increased numbers of workers from participating countries offered seasonal work opportunities
2. Communities benefit from the effective use of remittances earned through labour mobility
3. Women and men participating in the seasonal worker program have increased employability
4. Increased partner government capacity to manage international labour

2.3 Intermediate Outcomes and Proposed Activities

There are four components of the LMI, dealing with demand, supply, maximising the benefits of the program and strengthening evidence to policy. The following table summarises the design logic and shows the Intermediate Outcomes expected to be produced during the four year implementation of the LMI.

Table 3: Program Components and Expected Outcomes

Program Components	Intermediate Outcomes
1. Improving Demand for Seasonal Workers	<ol style="list-style-type: none"> 1. Increased numbers of Australian employers sourcing both women and men through the SWP and the respective labour sending units 2. Long term connections between employers, their representatives and labour sending countries are established 3. Better understanding in Pacific countries of Australian employer requirements and expectations
2. Improving the Supply and Quality of Seasonal Workers	<ol style="list-style-type: none"> 4. Improved quality of workers, through enhanced work readiness and better pre-departure training 5. Improved access to the SWP for women, people with disability and those from remote areas or outer islands 6. Greater use of partnerships with community, church and private sector groups to deliver the LMI 7. More efficient processing of employer requests and quicker response times 8. Improved monitoring and evaluation on the implementation of SWP
3. Maximising the Development Impacts of the SWP	<ol style="list-style-type: none"> 9. Greater employability of seasonal work participants 10. Increased numbers of seasonal workers using skills and funds for productive activities

	11. Increased numbers of women in the SWP and in non-stereotypical work 12. Reduced problems experienced by seasonal workers and their families while participating in the SWP
4. Evidence to Improve Policy and Program Outcomes	13. Evidence gathered on social and economic impacts of seasonal work to inform future policy development and management of labour mobility 14. Evidence and case studies for use by Australian-supported advocacy programs on gender and people living with disabilities in the region 15. Greater numbers of workers from countries such as Tuvalu and Kiribati participating in the SWP

Each of the country profiles in Annex 4 covers the detailed priorities and specific activities proposed for each participating country. The profiles contain a recommended timeline for implementation, which will need to be confirmed during the inception phase. Annex 6 includes an Implementation Schedule for the overall LMI, listing the main activities, regional interventions, reporting points and key deliverables for the managing contractor.

Component One: Improving Demand for Seasonal Workers

This component of the LMI will be implemented in close coordination with DoE's continuing work in marketing the SWP to Australian industry and employers and building connections between these prospective and approved employers and the sending countries. Interventions will address:

- Developing and implementing inclusive marketing strategies for labour sending units to increase their access to potential Australian employers
- Building relationships and communication between Australian employers, select CSOs, and in-country sources of labour
- Identifying specific areas of demand that match participating countries' comparative advantages and/or specific priorities

Each country will be assisted to revise existing marketing plans or develop new marketing plans, taking into account comparative advantages in geographic location, workforce skills of women and men, and potential for inclusion of people with disabilities, and existing and potential connections to Australian employers. These marketing plans will guide labour sending countries' and the program's investments in promoting the SWP domestically and in Australia. These plans will take into account, and leverage, parallel activities in Australia undertaken by DoE through PSLP and other funding, and in New Zealand being delivered by MBIE.

Once developed, the labour sending units will work with the Australian managing contractor, DoE and MBIE to determine annual priorities for the marketing plans, and how specific activities will be resourced. The managing contractor will provide technical advice and mentoring support to labour sending units, including specific training and other

capacity building, as well as assistance in making connections with Australia employers and understanding their requirements. Activities under this component could include promotional events in Australia and with relevant civil society organisations (i.e. in addition to those run by DoE), bringing selected employers to the labour sending country and conducting assessments of employer feedback on workers' performance. The Managing Contractor will take care to ensure that any marketing activities to prospective employers are coordinated through the Department of Employment as the single point of contact for employers within government.

Labour sending countries will also be encouraged to work with interested private sector organisations and business councils to promote the SWP to potential employers. Further, use could be made of current Australian investors in the Pacific to be included in marketing campaigns, highlighting their experiences with the productivity of Pacific workers. Labour sending countries could consider using their diplomatic missions, trade commissioners and members of the diaspora in Australia to promote their workers. These representatives could coordinate marketing activities with DoE in Australia and act as a link between employers and the labour sending units.

The managing contractor, when developing the marketing plans and capacity building plans for the small island states (Tuvalu, Nauru, Kiribati) will examine specific barriers that limit participation in the SWP, and come up with practical options to assist. Options could be considered that reduce costs or offer other incentives. The whole of government partners will consider these options, with a view to providing additional resources from the LMI budget. Additional resources (or incentives) from the LMI will need to be well structured, short term in nature, be focused on benefitting women and others less likely to access the current SWP, and result in a positive return on investment (see Component 4).

Component Two: Improving the Supply and Quality of Seasonal Workers

To meet expected increases in demand, labour sending units and their in-country partners need to ensure that there is a work ready pool of potential workers available on a timely basis. To ensure continuing participation in the SWP, the quality of labour supplied by each country must continue to meet the needs of Australian approved employers. The primary activities under this component will be to assist labour sending units to consolidate their policies and plans around managing seasonal work, including strengthening the recruitment, selection and reintegration processes, ensuring equity of access and, where relevant, developing an appropriate partner government oversight role of private recruitment agents.

In particular, the pre-departure process will be reviewed in each country, to guarantee that workers, and their families, are adequately prepared for Australian employment conditions and aware of the potential impacts on relationships before proceeding. Depending on the results of these reviews, the managing contractor for the LMI will work with the labour sending units to improve the quality of materials and delivery. Activities under the LMI will build on the significant capacity building assistance already provided by the World Bank and the International Labour Organization which is related to the work of

this component. Some work under this component may involve following up this earlier capacity building assistance and ensuring that mechanisms and procedures are in place to enhance sustainability. Further, opportunities will be sought to link existing pre-employment or work readiness programs to the SWP, increasing the potential for high quality workers, including women and workers with disabilities, to be recruited, and also offering individuals relevant work experience opportunities. For example, selecting agricultural trainees for horticulture work and tourism and hospitality graduates for work in the accommodation sector. Financial literacy is a critical element of these sessions, and should include family members.

Another priority will be to develop and implement reintegration processes, which are, as yet, limited in scope but will be increasingly important as the SWP matures. The managing contractor will assist labour sending units to develop a reintegration strategy and program, which may include linkages with, and referrals to, existing training providers business services, and social support if needed, for example. Some of these reintegration aspects are covered in Component 3.

Interventions under this component will address:

- Supporting labour sending units to develop community and private sector partnerships in-country that will increase access to, and broaden the base of, the work ready pool
- Use of identified employers and returned female workers to promote greater participation of women and people with disability in the program
- Understanding the importance of sending cohesive work teams, and developing leadership skills for team leaders
- Using existing work preparation and work readiness programs to ensure that potential recruits have appropriate basic skills and understanding of the requirements of seasonal work
- Support labour sending units to improve their management of the operations and processes of the SWP
- Support labour sending units to improve their oversight of private recruitment agents in countries which have licenced agents to perform functions under the SWP
- Strengthening pre-departure briefings and training programs using minimum standards and ensuring that these are in line with employer expectations and support families make informed decisions about the program
- Strengthen and standardise M&E and monitoring systems covering labour mobility.

The LMI will be the primary source of technical assistance and support for labour sending units over the next four years. The New Zealand SPP will also provide some assistance, although on a smaller scale at about NZD 750,000 a year, for seven of the participating countries, as will residual funding from the World Bank and ILO continuing from the interim LMI. Activities under this component will therefore be coordinated with MBIE, as

well as with DoE which will have some involvement in capacity building of staff from labour sending units.

The managing contractor will consult with labour sending units, MBIE and DoE to develop an annual capacity building plan for each country that will outline priorities for the following 12-month period. Specific activities will very much depend on each country's own level of capacity and resources available. These are described in more detail in Annex 4.

While most activities will be delivered on a bilateral basis, there is scope for combining training and/or workshops on similar themes across participating countries. This will also provide opportunities for cross-learning and peer evaluation (see also Component Four below).

Component Three: Maximising the Development Impacts of the SWP

The benefits from participation in the SWP are primarily twofold: opportunities for work experience and skills development for the individual worker, and increased incomes for participating workers, their families and communities. Currently, the SWP provides (through Add-On Skills Training managed by DoE), opportunities for skills development while the workers are in Australia, and this is expected to continue through the four years of the LMI. At present, very little has been done in relation to making more effective use of remittances, and this is an area that will also be subject to further research and analysis (see Component Four). However, both skills acquisition and more effective use of remittances by workers and their families will be addressed through the reintegration strategies and programs developed under Component Two.

The LMI will seek to leverage opportunities that will allow the SWP to make use of a pool of already trained workers who will benefit from work experience in Australia, while offering further skills development and training opportunities as part of the reintegration process. The LMI itself will not provide training, but will strengthen the capacities of labour sending units and their in-country partners to recognise and identify domestic and regional opportunities for returning workers. Each country's situation will be different in regard to TVET/training and business development opportunities. However, many countries have options for further formal training, often supported by Australia and New Zealand.

Similarly, work experience in Australia (while unskilled) does increase an individual's employability, hence recognition of the skills developed whilst participating in seasonal work can be important for future job prospects. The managing contractor will work with DoE and Australian employers on recognition of prior learning elements of the Add-On Skills training delivered by DoE to ensure that any certification will have maximum benefits to individuals with respect to participating countries' qualifications systems.

When putting together the pre-departure and reintegration programs, the managing contractor will assist the labour sending unit to develop pathways for workers and their families to understand opportunities for small business development. Including business support services in pre-departure and reintegration sessions will provide basic information that can be followed up with interested workers. Financial literacy is crucial for seasonal

workers and their families, and information on basic financial management and services provided by banks, credit unions or other institutions can be included in both pre-departure and reintegration processes, especially for those seeking to start a business on return.

Improving pre-departure briefings, especially with the inclusion of families, will reduce the number of problems experienced by seasonal workers, and address some of the concerns about the negative social impacts of the SWP (See Component 2). Better informed and better prepared workers will be of benefit to employers as well. A code of conduct that precludes violence on return will also help reduce negative unintended consequences. While pastoral care is primarily the responsibility of the employer, a number of countries offer their seasonal workers additional in-Australia support through arranging pastoral care from official representatives, churches and community groups. For families remaining behind in the home country, existing social welfare and other services may be available. Even while resources are limited, the LMI will, together with the DoE and partner governments, examine options for strengthening connections and finding ways of extending these low cost models of service provision.

Interventions under this component will address:

- Maximising benefits for workers of formal recognition of work experience and skills development while participating in the SWP, thereby improving future employability
- Developing reintegration processes that provide returning workers with information and pathways into further training or business development
- Working through community, church and other non-government organisations to provide support and pastoral care systems for seasonal workers and their families both in-country and in-Australia

Component Four: Evidence to Improve Policy and Program Outcomes

Whilst driven by the need to achieve immediate results, the LMI is strongly guided and informed by a focus on capacity development for participating governments in managing labour mobility. In collaboration with other programs aimed at improving the policy and enabling environment, the LMI will establish improved monitoring and evaluation processes for the SWP, and undertake a series of focused research and demonstration activities to build greater understanding of seasonal work amongst program stakeholders. Note that the Australian aid program is also separately supporting research into the social impact of seasonal work in Tonga, through the *Pacific Women Shaping Pacific Development* Program and will be separately funding a development evaluation of the impact of the SWP.

The managing contractor will review the draft Monitoring, Evaluation, Reporting and Improvement (MERI) framework (Annex 8) and develop a rigorous M&E system to collect and report program results to inform management at national level (for participating countries) and program level (for the whole of government partners). In all nine countries, currently available evidence of the impact of seasonal work on individual male and female

workers and their families, on communities and nationally is largely anecdotal. Countries have developed their own M&E systems and databases, from which it is often difficult to extract sufficient information to inform policy and management decisions. The managing contractor will assist labour sending units and other relevant agencies to standardise data collection and other monitoring and evaluation processes, and train officials and other staff in analysis and reporting. Results from each country will be consolidated and shared at regular regional peer evaluation meetings that will be arranged to coincide with broader strategic management meetings of the SWP.

Ensuring access to the SWP for small island states, women and people with a disability still requires a degree of external support. Marketing plans developed under Component 1 for countries such as Tuvalu, Kiribati and Nauru may recommend specific interventions to overcome barriers. The managing contractor will work with interested labour sending countries to assess the barriers for participation from women, geographical issues and access issues for people with disabilities before then designing and implementing pilot programs promoting women workers in agriculture and horticulture. A further pilot will be developed to include workers with a disability. These pilots will require extensive liaison with Australian employers, and relevant community organisations in the sending countries (see the country profiles in Annex 4). The LMI will provide funding to reduce start up costs for employers and participants, and undertake regular monitoring and evaluation of workers' performance and productivity, as well as other expected outcomes. The results of the pilots will be disseminated to employers, Australian whole of government partners, the New Zealand government, partner governments and communities in the region.

The broader impacts of seasonal work are yet to be measured, particularly the effects of remittances for both women and men. The managing contractor will consult with the program's whole of government partners, the Government of New Zealand and representatives from selected participating countries on a research program to examine the social and economic impacts of seasonal work in the region. The managing contractor will gauge the interest of labour sending units, along with their respective resource commitments and willingness to participate, before recommending a set of specific research activities for implementation in the later years of the LMI. These activities could be managed by the contractor or sub-contracted to regional research organisations.

Research into use of remittances could also include analysis and options for reducing the costs of transferring money for seasonal workers. This will build on existing programs in the region, supported by Australia and New Zealand, to increase the transparency and understanding of the costs of sending money home.

Interventions under this component will address:

- Data collection and analysis on the impact and use of remittances from seasonal work, through current and new research activities
- Through trial programs, demonstrating the benefits from inclusion of greater numbers of women and people with a disability in seasonal work programs (e.g. targeted activities for women in agriculture and specific job opportunities for people with disabilities)

- Trialling and developing special sending arrangements to reduce up front costs and other barriers faced by small island states
- Gathering evidence on practical measures and supporting initiatives to reduce the costs of sending money for seasonal workers.

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2.4 Resources

	LABOUR MOBILITY INITIATIVE BUDGET SUMMARY (AUD)		Bilateral Activities	Regional Activities	Managing Contractor	Total
	Cost Category	Description of Costs				
I	Project Personnel	Costs of LMI technical advisers	xxx	xxx		xxx
II	Office Support Costs	Managing contractor operational costs, administration, finance, audit			240,000	240,000
III	Technical assistance and training	Unallocated technical assistance, capacity building, training and other activity support based on annual and country plans	460,000	150,000		610,000
IV	Equipment/Supplies	Costs for all non capital expenditures: laptops, computers, printers, furniture, computer supplies	120,000	40,000	36,000	196,000
V	Travel	Travel for project staff based on Australian government guidelines	926,000	134,000	20,000	1,080,000
VI	Program Activity Costs	Costs of implementing activities contained in annual and regional/country plans.	2,370,000	530,000		2,900,000
VII	Pilot Program Costs	Women in agriculture, small island states and disability pilot costs	580,000	240,000		820,000
VIII	Monitoring and Evaluation	Design and delivery of tools and systems, database development, evaluation visits	xxx	xxx	xxx	xxx
IX	Research and Learning	Analysis of existing material and commissioning of new research studies.	600,000	240,000		840,000
X	Management and Regional Meetings	Steering Committee, Reference Group, management services		250,000	90,000	340,000
	TOTAL for 4 YEARS		xxx	xxx	xxx	xxx

3. Governance, Management and Delivery

3.1 Delivery Arrangements

The Australian aid program examined recommendations from a number of reviews, principally the Independent Progress report of the interim LMI, and determined that a single project would be the most effective and efficient means to deliver offshore assistance in support of the SWP. A preferred design approach was recommended that included management of all participating Pacific countries under a single agreement. The design team was asked to prepare a document that would outline a program of assistance to be managed through a contractor model. Delivery options were to be developed by the design team – three of these options are considered in more detail below.

Option 1 – Continue with the Interim LMI Model

The World Bank provided capacity building assistance from 2009 to the four PSWPS countries (Kiribati, Papua New Guinea, Tonga and Vanuatu) plus Samoa. This assistance will also include Tuvalu while the LMI design is being finalised. Under the pilot some useful results were achieved, including drafts of labour mobility policies, but overall there was little sustainable impact.

An agreement was signed with the ILO for capacity building assistance in 2012-13 after the World Bank would not work in Nauru and Papua New Guinea. The ILO was considered a suitable partner due to its experience in the Pacific through the Australian funded Labour Governance & Migration Project (2010-12) and the Training and Employment Support Program in Timor-Leste which, in part, supports the SWP in that country.

Option 2 – Staffing Assistance

This option involves funding in-line positions in labour sending governments, as a result of the limitations of short term capacity building inputs, the proven efficiency of the units within partner governments, and the anticipated rise in seasonal workers over the next few years. Any support for in-line positions would also need to acknowledge the obligations of participating governments under SWP MOUs to properly resource agencies that manage seasonal workers.

Option 3 – An Enhanced LMI

This option would continue the work already undertaken by the World Bank and ILO in capacity building with a focus on improving information systems, human resources and governance arrangements using a single managing contractor. A managing contractor will have the flexibility to work across multiple country environments and be able to tailor their project management structure to suit the needs of the project, Australian whole of government partners and labour sending governments. A managing contractor would also work with the World Bank and ILO in countries where this relationship is effective and likely to continue. In addition to providing technical advice, this option could also include the placement of Australian volunteers with labour sending agencies to work on specific interventions.

It was decided by the Australian aid program to design and implement an enhanced LMI model using a managing contractor to coordinate and deliver inputs. The TORs for the design mission were approved on this basis.

Australia's funding for capacity building under the pilot averaged around AUD 350,000 a year. Under the first two years of the SWP (2013-13 and 2013-14) this figure rose to around AUD 800,000 a year as more countries are participating in the SWP and there is a higher volume of workers (1,633 over four years under the pilot but 3,487 in 2012-13 and 2013-14). It is proposed that the LMI would have a budget envelope of AUD xxx over four years, a figure that could rise further if parts of the investment, such as the proposed pilot programs, demonstrate significant development impacts. Once capacity building, marketing and research plans are finalised, the Pacific Economic Growth Section, in conjunction with the Managing Contractor, will discuss co-funding of activities with bilateral aid programs in their respective countries.

3.2 Governance

Critical to the success of the LMI will be efficient governance arrangements that can effectively implement core program activities, as well as maintain responsiveness to changing priorities and learning from results. The governance structure will deliver a cost-effective program of assistance that meets the expectations of the whole of government partners and the participating countries, reduces transaction costs and allows funding to be directed towards the highest priorities across the region.

- At the strategic level, the LMI will be overseen by a Steering Committee with senior representation from DFAT, DoE and DIBP. The Steering Committee will be co-chaired by DFAT and DoE, and will meet annually.
- At the operational level, LMI activities will be managed by the Economic Growth Section of DFAT as the contract and budget holder. DFAT, DoE and DIBP will arrange a monthly teleconference with the Managing Contractor to enable the early identification of issues and organise joint visits where practical.
- A broader range of stakeholders will be involved in providing guidance for the LMI and acting as a Reference Group for disseminating monitoring and evaluation learning and information and the results from research and pilot activities. This group will include representatives and specialists from a wider range of Australian government agencies, participating governments, community and employer organisations. The Reference Group will meet annually and will be expected to coincide with other events such as the SWP domestic stakeholder conference and the PAILS Forum.

The design team has developed charters for the Steering Committee and the Reference Group, describing the management arrangements and key principles of operation. These are included in Annex 7.

3.3 Management

The managing contractor will be responsible for implementation of the LMI through a contracting arrangement with DFAT. The managing contractor will be responsible for recruiting and mobilising all technical advisers and monitoring their performance, as well

as being accountable for all financial and administrative arrangements for the LMI. Key personnel are detailed below.

The managing contractor will produce the following key deliverables:

- An Annual Plan and Budget for the LMI for approval by DFAT and endorsement by the Steering Committee. The Annual Plan will list activities by component by country, and be compiled from priorities determined by partner governments through development of their marketing and capacity building plans.
- A Six Monthly Report for DFAT on LMI progress, risks and issues.
- An annual Evaluation Report for the Steering Committee and Reference Group containing results from monitoring and evaluation of the program and learning from pilot programs and research activities.

The implementation of the LMI will be led by a Team Leader/Senior Technical Adviser (42 months over four years) at ARF Level B3. He/she will be responsible for coordinating all managing contractor inputs and communication with DFAT, act as secretary to the Steering Committee, and make arrangements for meetings of the Reference Group. He/she will establish good working relationships with contact points in each labour sending government. He/she will have experience in implementing development projects, and have practical experience in labour management or human resource development, with a detailed understanding of the seasonal work market in Australia. As a Senior Technical Adviser, he/she will work with DoE and labour sending units in participating countries on increasing demand for seasonal workers and developing marketing approaches.

A Capacity Building Adviser (36 months over four years) at ARF level B2 will be recruited to provide support to labour sending units to manage seasonal workers, focusing on pre-departure and reintegration arrangements. He/she will have a background in capacity building in the public sector, and experience working with pacific island governments. He/she will be responsible for helping develop annual capacity building plans for each participating country, and delivering mentoring, training and advice as necessary, as well as assisting the Team Leader to program LMI inputs.

The managing contractor will recruit an M&E Adviser (240 days over four years), at ARF Level C3 responsible for coordinating M&E activities, overseeing the results of learning from research activities, undertaking quality assurance and assisting with project reporting, including the aggregation of results (disaggregated by sex, geographic location, etc.) and interfacing with DoE and in-country activities where appropriate. The M&E Adviser will finalise the revised MERI within four months of inception, including the development of plans for capacity building of partner governments in improving databases and M&E systems. M&E updates will be part of the Six Monthly Reports from the managing contractor to DFAT, and evaluation/impact level data from the MEF and pilot research activities will be presented at annual meetings of the Reference Group.

The LMI will also have the ability to recruit short term technical advice on a needs basis. Gender and social development expertise will be necessary and will be provided through

short term inputs. Advice will be determined through the priorities identified by partner governments in their capacity building plans, and will be subject to approval of DFAT and endorsement of these plans and budgets by the Steering Committee. The draft budget includes 300 unallocated person days available for bilateral and regional activities.

A draft Scope of Services for the managing contractor is included at Annex 9, including a resource schedule and position descriptions for the Team Leader/Senior Technical Adviser, the Capacity Building Adviser and the M&E Adviser.

3.4 Financial Management and Procurement

Overall responsibility for program level budgeting will reside with the whole of government Steering Committee, while operational and contract management will rest with DFAT. The managing contractor will have robust financial management processes and systems which will be used to support program management. The administrative arrangements such as budgeting, financial monitoring and reporting will be under the direction of the Team Leader/Senior Technical Adviser. The managing contractor will be subject to regular oversight to ensure compliance with Australian government financial management requirements. The project will be subject to internal and external audit processes.

The procurement of any goods or services will be undertaken in a manner consistent with the Australian Commonwealth Procurement Guidelines, in particular the core principle of achieving value of money. A register of program assets will be maintained in accordance with standard procedures.

3.5 Monitoring, Evaluation, Reporting and Improvement (MERI)

The program's approach to monitoring and evaluation will be as participatory as possible, with active engagement of women and men from labour sending units, recruitment agents, approved employer representatives, seasonal worker representatives and other stakeholders. The LMI monitoring and evaluation system and plan should be integrated with the Theory of Change as well as program implementation, and should be aligned as far as possible with partner governments' planning and reporting processes.

The key performance indicator for the LMI, and therefore the primary measure of the LMI's success as a whole will be the total number of seasonal workers (women and men) recruited, in accordance with the caps, per year. Other indicators will be used to measure the extent of achievement of the Intermediate Outcomes, the attainment of which will contribute to the four primary outcomes, and the program's success or otherwise in achieving equity and access. The indicators to be used by the program, means of verification (including baseline data sources) and assumptions will be developed by the managing contractor following a review of the current system as part of developing a revised MERI Framework based on the current draft at Annex 8.

The LMI will also seek to build partner government capacity to monitor and evaluate seasonal work and impact of remittances. As part of the capacity building plans, support will be provided to partner governments' labour sending units and statistics services to

strengthen existing data collection surveys and systems. The conduct of research activities associated with the impact of seasonal work will also work through these same counterparts in participating countries.

3.6 Sustainability

The overall LMI has been designed to maximise sustainability of interventions. As noted, the matching of demand and supply for seasonal workers will ensure the continuation of the SWP once Australian government assistance has ended. For each of the Intermediate Outcomes, activities will be designed and delivered to achieve success within the four year period, and maximise ongoing support or ownership beyond that time. The emphasis on building capacity to establish relationships with Australian employers and to manage and regulate the operations of private sector agents, employers and their representatives will be crucial to the future mandate of labour sending units. The success of capacity building is whether the processes developed become so embedded and effective that they endure even if there is staff turnover. The processes established must aim to be efficient enough that partner governments will be able to maintain them after project completion.

Although increased partner government capacity to manage international labour is one of the four primary outcomes, it is assumed that further assistance will be required by some participating countries after the four years of LMI. Pilot programs and research activities will contribute to a greater understanding of the factors that influence the success of seasonal work programs. In particular, the results of pilot programs such as that proposed for the small island states will need to be monitored carefully to understand if further investments are warranted, or will produce a cost effective return.

3.7 Cross-Cutting Issues

Equity and inclusivity are among the central themes of the LMI, with a resultant thematic or cross-cutting focus on poverty.

Gender

SWP is a market based program so a light touch approach through the LMI that extends employer demand for increasing the numbers of female workers is important and will be most effective as demand will ultimately drive the number of jobs available for women. As countries respond to more demand, and more women become workers, this in itself can lead to changes in social norms. Increased income can be a powerful motivator in changing gender roles. Increasing women's participation in the LMI will require a range of interventions, and will be integrated into marketing and capacity building plans, as well as management and MERI systems.

The managing contractor will be required to address specific gender issues. These are likely to include:

- Through the marketing plans in Component 1, assess the economic contribution women are making in all job categories and promotion of these to employers and within sending countries
- In strengthening labour sending units and broadening the work ready pool (Component 2), more effectively match jobs in the agricultural sector to women's capabilities or economic interests in their own countries e.g. market gardening and cut flowers
- Design, implement and evaluate pilot programs for women in agriculture (Component 4)
- Research studies to examine in more detail the barriers to women's participation, the social impact of seasonal work on families and children, and the use of remittances by women and men (Components 3 and 4)

Disability

Enhancing the lives of people with disabilities is highlighted as one of ten development objectives in Australia's aid policy,²⁰ while the *Development for All* strategy guides investments within the Australian aid program to ensure the needs of the most vulnerable are met. Disabilities affect approximately one quarter of the Pacific population if both the persons suffering a disability and affected family members are included. The strategy outlines that people with disabilities should have the same opportunities to live decent lives through participation and social and economic well being.

Including people with disabilities in the SWP rests on demand from employers. Promoting the SWP to people with disabilities is critical but this will only raise expectations that are unable to be fulfilled as long as employers do not see the advantage of taking on this cohort. Many people with disabilities are able bodied and would be competitive in a range of seasonal work -- for example, people who are hearing impaired, or suffer a mild intellectual disability. People who are able to work but need some specific support such as an interpreter, could be partnered with support people who are also part of the work team.

As noted under Component 4, a pilot program for persons with a disability could also cover any additional costs or provide small financial incentives to encourage employers to trial employees with a disability. The pilot program would need to be marketed to specific partners with expertise in providing support to people with disabilities. The managing contractor would need to cultivate partnerships with such service providers, or networks, to develop appropriate briefing materials, pre-deployment training and to work with mainstream reintegration trainers to ensure access.

Child Protection

No children will be employed through the SWP though it is possible that children will be affected when either parent leaves to take up a job. This can partly be mitigated through instituting family interviews inclusive of children, as already happens in some countries, to

²⁰ <http://www.ausaid.gov.au/makediff/Pages/aid-policy.aspx>

help families think through the consequences for children and work out steps to reduce the impact. Likewise making sure appropriate child care arrangements are in place may help alleviate this. The ability to communicate with the missing parent is important, so access to Skype, such as one agent ensures in Solomon Islands, may help reduce the cost of communication and provide a way of keeping regular communication.

The research on the social and economic impacts of the SWP should explore the impacts for children as well.

Workers Rights and Protections

The Australian government, partner governments and individual participants in the SWP have an expectation that workers will receive appropriate remuneration, have safe working conditions and be free from the risks of exploitation including sexual harassment. The regulations and operating parameters governing the SWP provide this assurance, however governments are still required to be vigilant to ensure that these practices are adhered to.

Labour sending governments are responsible for ensuring that the recruitment and selection process is open, fair and equitable. This is more difficult in some countries where recruitment agents operate and some of their internal practices are not necessarily open to scrutiny. Further, remittance and debt arrangements need to be monitored carefully to ensure that workers receive their full individual entitlements while families at home are able to access sufficient funds for everyday expenses. Labour sending units still require some capacity building in how to improve these forms of oversight, and to detect and resolve potential areas of risk.

In Australia, DoE and DIBP are responsible for monitoring workplaces. Pacific island and Timor-Leste workers are provided with information on how to report complaints or concerns, but many are reluctant to do so, for a range of reasons. Problems can occur when the immediate supervisor/grower is not the approved employer. Again, it is critical that all labour practices are open to examination. More details on managing these risks are contained in the risk assessment below.

Fraud

Accountable use of funds and the prevention of misuse, misappropriation of funds or fraud will be paramount for the LMI, with the development and application of clear systems and guidelines a priority for the inception phase of this program. The Australian aid program's Fraud Policy Statement²¹ will be used as the primary guide for ensuring accountable use of funds, along with continued support and policy guidance from the managing contractor's staff responsible for financial management.

²¹ <http://www.ausaid.gov.au/Publications/Documents/fraud-policy-statement.pdf>

3.8 Risk Assessment

The most significant risks to the LMI are discussed below, while risk mitigation and minimisation approaches are listed in the Risk Management Matrix at Annex 10.

- *External risks* are associated with ongoing demand for seasonal workers in the Australian market. Seasonal workers compete with other sources of labour which may be lower cost to growers and producers, so improved policing of illegal workers could have a significant effect on the success of the SWP. Inadequate marketing of the SWP to potential employers and over-bureaucratic procedures may also limit participation. Adverse weather conditions and higher domestic unemployment could also have a serious impact on demand for seasonal workers.
- *Government-level and sector-wide risks* include the level and commitment of the Australian and partner governments to the implementation of the SWP. Insufficient resources may limit Australian agencies' capacity to monitor approved employers or investigate problems in a timely manner. It is not expected that the LMI will displace counterpart government funding for labour sending units, however, it should in practice be used to leverage additional resources. As far as possible, LMI work plans and budgeting should be linked to the equivalent government processes and timing.
- *There are too many countries in the LMI for the budget available under the initiative.* The budget for the LMI is relatively small and is spread over nine countries. With only two full-time project personnel, there is a risk that partner governments will not feel that their needs are being adequately addressed and that capacity building is not tailored to suit each country's needs. Managing the range of partners, all with different levels of capacity and sometimes with competing interests, will be a considerable challenge. DFAT and the Steering Committee have key roles in decision making on annual plan priorities and allocation of budgets to activities and across participating countries. Bilateral programs will be encouraged to fund extra activities in accordance with marketing and capacity building plans, and to further develop pilot programs.
- *Labour sending units are unable to manage the SWP.* This is a lower level risk, however knowledge transfer is always inherently difficult in resource poor environments and where there is high staff turnover. Some countries currently use systems and procedures that are not always responsive to employer needs, and result in poor quality workers or prolonged recruitment delays. If demand increases significantly, other countries may not be in a position to deal with a large jump in the processing of workers. Capacity building efforts will need to address these issues.
- *Access and Equity* are essential to achieve development outcomes, particularly for the poorest households. Recruitment and selection may not always favour the most disadvantaged or include enough women. Regular monitoring and results from pilots will identify gender and disability issues and challenges so that management or other action can be taken.
- *People trafficking.* Although people choose to apply for the SWP, there may be instances where the actual jobs could be very different from what has been portrayed to new recruits in countries of origin. For instance, workers being charged bogus fees for accommodation; few daily hours so all pay is used up in accommodation etc;

organisations arranging for teams of workers to travel for work to Australia and then collecting the pay of individuals. Already, there are isolated examples of such deception. Greater monitoring of the SWP by sending countries and the DoE will mitigate these risks, along with clearer pastoral support in country by embassies.

- *Governance arrangements are not able to deliver the LMI.* The primary risk is that management and governance arrangements do not function effectively, and strategic and operational management is affected. The design provides clear roles for the whole of government partners and under current institutional arrangements, these should work satisfactorily.

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