

## DFAT management response to the PLF review

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DFAT welcomes the analysis and findings in the Pacific Labour Facility (PLF) review.

The Pacific Labour Scheme (PLS) commenced in July 2018 following a successful pilot program in northern Australia and the success of the Seasonal Worker Programme. The original design of the program was for 10 years (structured as initial 5 years, with an option to extend for a second 5 years period in the design). The Pacific Labour Facility (PLF), which started in October 2018, delivers key elements of the PLS on DFAT's behalf.

The PLS is a critical part of Australia's step-up in the Pacific and Timor-Leste and remains highly valued by Pacific countries. The PLF has staff embedded in the labour sending units in 8 Pacific countries, and most of these staff are Pacific Islanders. Before COVID-19 travel restrictions, almost 1200 PLS workers had come to Australia to work in rural and regional areas where there are workforce shortages. Throughout the COVID-19 pandemic, the PLF team has provided welfare support to workers and employers, which has been critical while workers have not been able to fly home due.

It is now two years since the commencement of the PLF, and given the disruption to the PLS caused by COVID-19, it is timely to assess the delivery model for the PLS and the early performance of the PLF, and to develop clear strategies and timeframes to achieve scale and sustainability.

The purpose of the PLF Review was to assess the PLF's value for money, assess the effectiveness of PLF welfare services and to look for efficiencies between the Pacific Labour Scheme (PLS) administered by DFAT and the Seasonal Worker Programme (SWP) administered by the Department of Education, Skills and Employment (DESE). The review found that the delivery model for the PLF is sound and they are making good progress on most objectives. DFAT agrees.

The review recommends considering in more detail PLF's role in providing welfare support, especially as worker numbers increase, and an explicit focus on how to develop scale in the number of workers, sustainable in terms of the PLF budget. DFAT and the PLF will now develop a Roadmap to achieve scale for the PLS, guided by the PLF review findings.

Detailed responses by DFAT to the report's recommendations are outlined in the table below.

Recommendation	Response
<b>Recommendation 1</b>	
The PLF should establish an expanded role for employers in supporting the welfare of Pacific workers in Australia.	Agreed – subject to comments below.
a) Monitoring and protecting worker welfare should continue to be a high priority.	Agreed.
b) Employers should be carefully assessed for their capability and preparedness to provide appropriate levels of support,	Agreed, and implementation has begun. Approved Employers' responsibilities for worker welfare has increased in the latest PLS Deed of Agreement between DFAT and Approved Employers, in response to the re-start

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with a risk-managed approach to determine the level of PLF oversight	<p>of Pacific labour mobility and COVID-19. These changes were introduced in October 2020 and were designed to achieve greater alignment of Approved Employer reporting of welfare incidents between the SWP and PLS and to allow for a sustainable scale up of the PLS.</p> <p>The process of shifting responsibility for welfare and wellbeing to Approved Employers under the new Deed of Agreement will be incremental to ensure it does not result in a drop in protections. PLF and DFAT will develop a Roadmap to achieve scale for the PLS which will include a welfare framework that clearly defines responsibilities, reporting requirements and assurance functions.</p>
c) The PLF should continue to provide an avenue for direct contact by workers where needed	Agreed.
d) The PLF should establish a clear escalation model for employers, to clarify the matters that are the employer's responsibility, the matters on which the PLF will assist, and the more serious matters where the PLF will take the lead.	<p>Agreed. The process of notifying and escalating critical incidents will be outlined in the Approved Employer guidelines which will, when complete, support the latest PLS Deed of Agreement.</p> <p>The welfare framework will include escalation pathways for Approved Employers.</p>
e) Smaller employers will likely need a higher level of PLF support than larger businesses that have corporate HR teams; DFAT should consider the option of a modest levy on smaller employers for the higher ongoing support provided by the PLF.	Further consideration required. DFAT will consider options for PLF supporting small employers and other types of AEs to provide welfare support, noting that there are pros and cons for the option of a levy for smaller employers.
f) The FWO should be resourced commensurate with the growing scale of the PLS, to ensure external scrutiny of compliance with workplace laws.	<p>Agreed in-principle.</p> <p>FWO has an important role to scrutinise employers of Pacific workers in the PLS and SWP. FWO is already funded specifically to undertake monitoring and compliance activities for SWP and PLS workplaces (approximately \$1.6 million per year for PLS). Australian Government will further consider how to scale the FWO role for the projected increase in PLS employers and workers.</p>

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<p><b>Recommendation 2</b></p> <p>The PLF should establish and implement with greater urgency the strategies that will be necessary to manage the program sustainably at scale. These include:</p> <ul style="list-style-type: none"> <li>a) exploring potential private sector involvement in recruiting workers in Pacific countries</li> <li>b) developing industry-led demand strategies, and</li> <li>c) scoping and piloting welfare support by NGOs in Australia.</li> </ul>	<p>Agreed.</p> <p>PLF and DFAT will develop a Roadmap that will include strategies to achieve increased scale for PLS in the remaining years of the PLF program to June 2023. This will reflect an increasing role for PLF as a broker between PLS partners, rather than as a main ‘implementer’ of labour mobility activities. This will be completed by end 2020.</p> <p>The Roadmap to scalability will include</p> <ul style="list-style-type: none"> <li>- Supply approach: a broad assessment of ways to increase recruitment of workers in Pacific countries, including consider role of other stakeholders. A private sector model presents one option to do this, but presents its own sensitivities in some partner Pacific countries.</li> <li>- Demand approach: PLF will use the existing labour market assessments and industry specific analysis to develop an industry-led demand approach that will inform which future industries are targeted for PLS workers.</li> <li>- Welfare approach: Work is underway on a welfare framework and escalation model that articulates employer responsibilities and escalation pathways. PLF and DFAT will investigate alternative ways to deliver welfare support including using community-based organisations in regional areas.</li> </ul>
<p><b>Recommendation 3</b></p> <p>The PLF should adopt a more rigorous project management approach to forecasting and tracking its activities and deliverables. This will ensure a focus on the successful establishment of key strategies and platforms that will sustain the program into the future. It will also enable greater visibility to DFAT of the trade-offs that may become necessary as demands increase.</p>	<p>Agreed.</p> <p>Existing systems to be enhanced to support the Roadmap, when completed.</p>
<p><b>Recommendation 4</b></p> <p>There should be greater alignment between the PLS and the SWP. At a minimum, there should be common rules and processes and, depending on government priorities, a common policy</p>	<p>Agreed. Our objective, over time, is to get to a ‘one program, two streams’ approach.</p> <p>There is work underway to develop and refine common processes for Approved Employers across SWP and PLS. This includes</p> <ul style="list-style-type: none"> <li>- a new PLS Deed of Agreement issued early October 2020 is closely aligned with SWP Deed</li> </ul>

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<p>framework. DFAT and DESE should also consider amalgamating the provision of welfare support to workers in Australia under both schemes. There will be resource implications.</p>	<ul style="list-style-type: none"> <li>- work is progressing on single application process for Approved Employers, to include fast tracking existing SWP Approved Employers to join the PLS and enabling businesses to submit a single set of documents to satisfy both the SWP and the PLS</li> </ul> <p>Additional funding was provided to DESE in the 2020-21 Budget for additional program officers who will provide “on the ground” presence to establish direct links with SWP workers. DFAT will work with DESE to align our welfare approaches and coordinate support to workers and AEs where possible.</p> <p>DFAT, DESE and government stakeholders will consider further policy and program alignment options and report to Ministers.</p>