

## DFAT Management Response to the Independent Evaluation of the Pacific Labour Facility (2023)

### A. Introduction

DFAT and its partners welcome this timely and important Independent Evaluation (IE) of the Pacific Labour Facility (PLF). The evaluation was undertaken in mid-2023 and completed in December 2023, with the team comprising one independent evaluator and two members of a Quality Technical Assurance Group (QTAG). The evaluation team reviewed key documentation and undertook more than 50 hours of interviews with stakeholders in Australia, Vanuatu, Tonga, and Kiribati.

The evaluation focussed on the period October 2018 – June 2023. It had three main areas of focus.

- The effectiveness and efficiency of the PLF's coordination of support services.
- The effectiveness of the PLF's services and capacity building of Labour Sending Units (LSUs).
- The appropriateness and utility of Monitoring, Evaluation and Learning (MEL) arrangements.

In line with DFAT policy priorities, the evaluation team also explored the integration of gender equality, disability, and social inclusion (GEDSI) and sustainability principles across the various domains of PLF work.

## B.Findings

The IE concluded that the PLF has delivered effective, efficient and culturally appropriate services against the backdrop of a highly complex and dynamic operating and policy context. The PLF was found to have supported Australian Government commitments to increase the number of workers arriving in Australia, including a modest increase in female workers, during a period of global and domestic upheaval. To accommodate the increase in scale, the PLF evolved its structure, size and ways of working, including to work with state governments for the first time, while remaining responsive to key stakeholders.

The IE found a strong focus on assuring worker welfare in Australia, though a range of stakeholders felt frontline worker support could be improved or clarified. The evaluation team found that PLF support to LSUs is widely appreciated and resulted in improved organisational capacity, but noted that broader sustainability ambitions were curbed by the need for capacity substitution to respond to the scheme's rapid expansion. The team identified notable improvements to worker readiness processes and proposed that the rollout of bespoke information systems will aid the scheme's efficiency and transparency. The team found that plans to develop worker reintegration processes were not fully delivered, compromised by the demands of growth and broader policy and implementation priorities. MEL processes were found to be responsive, and while there was heavy emphasis on capturing and reporting worker metrics, there were clear cases of research and reflexive practice that contributed to program improvement and policy directions.

Underscoring the PLF's successful delivery of support overall, the IE concluded that the scheme remained an appealing proposition for workers, their communities and for labour sending governments, and a strategically important initiative for Australian foreign policy and for Australian businesses. The IE noted that most stakeholders agree there will be a need to further support to the scheme along the lines of the PLF to ensure the continued success of the scheme, but with clearer delineation of responsibilities and accountabilities between stakeholders.

## **DFAT Responses to the Recommendations**

DFAT welcomes the review findings and agrees with five recommendations and partially agrees with the remaining two recommendations (see below). A number of recommendations are already in train. Detailed management responses to each recommendation are included in the table below.

### **Recommendation 1: DFAT should continue to resource through diplomatic missions in Australia an expanded gender equitable network of Country Liaison Officers commensurate with the number and distribution of workers.**

<b>DFAT response <sup>1</sup>: Agree</b>
<b>Comment</b>
<p>DFAT agrees with the ambition of this recommendation. As the IE acknowledges, the cohort of Australia-based Country Liaison Officers (CLOs) play a critical role in delivering culturally appropriate support to workers and employers. Some PALM scheme countries have invested their own resources in expanding their CLO capabilities – a commitment the Australian Government welcomes as an important investment in the partnership for effective labour mobility.</p> <p>The Australian Government is committed to increasing the number and proportion of female participants in the PALM scheme. That ambition extends beyond the number of PALM scheme workers. At present, the number of female CLOs is broadly in line with the proportion of female workers in the scheme itself. While the appointment of CLOs is undertaken by participating governments, DFAT is committed to advocating for and, where possible, facilitating an increase in the number of female CLOs.</p>
<b>Action plan and timeframe</b>
<p>In recognition of the importance of CLOs and the resourcing constraints faced by some governments, the Australian Government Budget 2023-24 included a commitment to resource additional CLOs in line with worker numbers and as part of a series of measures to strengthen oversight of the PALM scheme (although the funding of CLOs will no longer be ODA eligible under new OECD DAC definitions). At February 2024, the number of CLOs had grown to 22 (17.8 full-time equivalent, FTE) from 9 (9 FTE) in June 2023. Each participating country now has at least one CLO.</p> <p><b>Commenced and ongoing</b></p> <p>DFAT will continue to work closely with participating governments to grow the number of CLOs, including the number of female CLOs, commensurate with the growth of worker numbers in the PALM scheme. It will also continue to support development of relevant individual competencies such that CLOs are well placed to provide gender-sensitive support to workers and employers.</p>

**Recommendation 2: DFAT/DEWR should commission a comprehensive review of the Community of Care model, including the delineation of roles between LSUs, AEs, CLOs.**

<b>DFAT Response: Partially agree</b>
<b>Comment</b>
<p>DFAT agrees with the findings about the critical importance to both Australian and participating governments of worker welfare. The Australian Government is committed to protecting and supporting workers and has strengthened its oversight of the PALM scheme by bringing domestic delivery of the scheme into DEWR.</p> <p>The Australian Government recognises that the majority of Approved Employers (AEs) engage with the scheme responsibly. Nonetheless, the PALM Community of Care model has an important role to play in driving improved welfare outcomes. The model seeks to apportion responsibility for worker welfare across an array of stakeholders, including AEs (in particular), Australia-based stakeholders (e.g. CLOs, Diplomatic Mission staff) and in-country representatives (e.g. Labour Sending Units). It also links with the DEWR-contracted Community Connections Program. Given the number of actors, the IE rightly notes that it is critically important that stakeholders understand and can operationalise the model, with due clarity about ‘who is who’ and ‘who does what’.</p>
<b>Action plan and timeframe</b>
<p>DFAT, DEWR and participating governments are committed to a worker welfare model that is dynamic, shares common objectives and adheres to common principles. Work is ongoing to clarify roles and responsibilities for all Community of Care stakeholders.</p> <p>As part of its commitment to facilitate an effective model, the PLF is providing support to LSUs which have welfare officers. The PLF will facilitate engagement between LSUs and DEWR to support worker welfare. Work is ongoing in DEWR to develop Standard Operating Procedures around critical incident response and management. DFAT is also developing a manual for Australia-based Pacific and Timor-Leste HOMs which will articulate roles and support HOMs in undertaking their consular responsibilities in relation to PALM scheme workers.</p> <p>As part of the scheme’s commitment to continuous improvement, the Australian government (with its partners) may consider a review of the Community of Care model in due course.</p>
<b>Ongoing</b>

**Recommendation 3: The next phase of PLF should further prioritise ways to support employability and entrepreneurship among returning workers to leverage the development benefits of labour mobility.**

<b>DFAT Response: Agree</b>
<b>Comment</b>
<p>The IE rightly identifies labour mobility as a potential driver of sustainable development outcomes. Recent World Bank-led research (2023) has found that temporary labour mobility programs generate considerable economic (and social) returns to participating countries.</p> <p>Labour mobility is one of the primary economic opportunities available to the working-age population in the region, with the potential to generate significant economic and social benefits for workers, including financial income, work experience and skills development. Like our PALM scheme country partners, Australia is keen to ensure development returns through the program are maximised. DFAT agrees that opportunities to generate greater dividends to participating workers should be identified and harnessed, and that the PLF (and its successor) can play an important role in that regard.</p>
<b>Action plan and timeframe</b>
<p><b>Commenced and ongoing</b></p> <p>The PLF/PALM scheme continues to work in close collaboration with Posts and regional programs (e.g. APTC), with a view to generating optimal benefits from labour mobility arrangements. While the PLF will play a role in enabling returning workers to secure benefit from their time in Australia, DFAT will seek to optimise returns on labour mobility by leveraging the ‘competitive advantages’ of other investments in Australia’s development program. For instance, in January 2024 the Minister for International Development and the Pacific announced a new program of support to assist Timorese workers participating in the PALM scheme that will complement and maximise PLF investments but be financed by the bilateral program. The ongoing design of the PLF successor program from 2025, the PALM scheme Support Program (PSSP), is looking at similar points of interface with other bilateral programs. The findings of round 4 of PLF’s tracer study, which focuses on the experiences of returned PALM workers, will also inform future reintegration support.</p> <p>The upcoming bilateral Development Partnership Plans (DPP) will set out our shared priorities in line with the International Development Policy. Canberra continues to guide Posts on how best to shape DPPs in ways that optimise links between bilateral investments and key regional programs, including the PALM scheme.</p>

**Recommendation 4: DFAT Posts should explore ways to integrate/align upcoming Development Partnership Plans (DPP) with relevant strategies that leverage local PALM scheme priorities (e.g. skills development, entrepreneurship, employment incentives, government revenue).**

<b>DFAT Response: Agree</b>
<b>Comment</b>
The IE identifies the role and importance of the upcoming DPPs in framing shared objectives and the associated opportunity to develop a coherent portfolio of investments. Under Australia's International Development Policy, in-depth and expanded Country and Regional DPPs will set out shared objectives, expected outcomes, and approaches to evaluation and learning based on consultation with partners. Country and Regional DPPs should be published by the end of 2024. These will include Performance Assessment Frameworks.
<b>Action plan and timeframe</b>
<b>Commenced and ongoing</b>
DPPs are in development. DPPs will draw strongly on engagement with Pacific partners and stakeholders. The DPPs are emerging at the same time as the design of the PSSP, allowing for due alignment of consultation processes and end documents. The Office of the Pacific will engage with relevant Pacific Posts as DPPs are developed to integrate PALM scheme priorities.

**Recommendation 5: DFAT and DEWR should commission a process to broker and articulate understanding of mandates and responsibilities among all key PALM scheme stakeholders, including periodic review and update.**

<b>Response: Partially agree</b>
<b>Comment</b>
<p>The IE identifies several events that have affected the scheme’s trajectory since 2018. These include the pandemic (and associated surge in demand from 2022) and a change of Australian Government. The latter led to changes in labour mobility policy that manifested as two Machinery of Government changes (2021 and 2022), leading to a transfer of responsibilities between Australian government departments. All stakeholders, including DFAT and DEWR, have had to work through the implications and uncertainties posed by these changes, and it is therefore noteworthy that “the evaluation team formed the view that PLF delivered effective services to PALM scheme stakeholders against the backdrop of a highly complex and dynamic operating and policy context”.</p> <p>While changes to the broad mandates and responsibilities associated with the two MoG changes were well articulated at the time, DFAT, DEWR and their partners (including the LSUs and the PLF) have invested considerable time and effort in identifying, agreeing and responding to the myriad operational implications, some of which were not anticipated when the MoG changes were announced. This effort is ongoing and is recognised by participating governments.</p> <p>The PALM Senior Executive Committee (PALM SEC), which comprises senior officials from DFAT and DEWR, has led coordination efforts. It continues to do so. Senior officials from both departments engage frequently on a planned and <i>ad hoc</i> basis, proactively identifying and resolving issues in a timely manner to the extent possible. Recent/ongoing cross-departmental collaboration includes a PALM scheme governance review and a series of DFAT-DEWR workshops on a scheme-level theory of change and enhancing ways of working.</p>
<b>Action plan and timeframe</b>
<p>As an ongoing requirement, this exercise goes beyond a discrete, time-bound ‘process’. DFAT and DEWR are open to using external assistance where there is need, for instance to clarify and align Standard Operating Procedures. In keeping with their shared commitment to continuous improvement, both departments are also open to periodic review of working practices.</p> <p><b>Ongoing</b></p>

**Recommendation 6: DFAT should continue to proactively engage in strategic bilateral dialogue and programming with partner countries in support of their national labour mobility policy, strategy, and governance.**

<b>DFAT Response: Agree</b>
<b>Comment</b>
DFAT regards proactive engagement in strategic bilateral dialogue and programming as its core business. It is also consistent with Australia’s International Development Policy, which is centred on listening, respect and genuine partnership. The Australian Government is therefore committed to expanding and improving the PALM scheme in ways that recognise that participating countries are sovereign nations that have their own systems, legal frameworks and interests to consider and have the choice to participate in the scheme on their own terms. Open, trusted collaboration and engagement are therefore key. As such, DFAT welcomes the IE’s acknowledgement that the “new strategic labour mobility engagement role in Posts is timely” as a means to deepen strategic government-to-government engagement.
<b>Action plan and timeframe</b>
<p>The Australian Government is fully committed to strengthening dialogue and programming on labour mobility with partner countries. The government’s decision to invest in dedicated labour mobility officers at most Pacific Posts is a demonstration of this commitment. These staff will support the HOM and other personnel at Post to further the objectives of the PALM scheme to the mutual benefit of participants, including through the sharing of research findings by DFAT-supported partners (e.g., IOM and World Bank) that could inform national policies and strategies.</p> <p>Labour mobility arrangements and opportunities will continue to inform development and implementation of bilateral Memoranda of Understanding between Australia and PALM scheme countries and associated annual bilateral consultations that review progress, identify opportunities and areas of concern, and related action points.</p> <p>Consultation with New Zealand to support alignment and coordination between the PALM scheme and New Zealand’s Recognised Seasonal Worker Scheme will continue.</p> <p><b>Commenced and ongoing</b></p>



**Recommendation 7: The design team for the next phase of PLF should ensure adequate resourcing of ongoing information system rollout and support, a robust and responsive research agenda, and a high standard of MEL including benchmarking of quality and value-for-money.**

<b>DFAT Response: Agree</b>
<b>Comment</b>
<p>The Australian Government is committed to delivering a high quality, effective development program – one that responds to partner needs, achieves results, and is informed by robust MEL. In that light, DFAT acknowledges and agrees with the IE’s assessment that the PLF has a high-performing MEL function. It also notes the evaluators’ acknowledgement of the significant investment in information systems, with its potential upsides for transparency and program efficiency and effectiveness. Such investments are aligned with the Australian Government’s multi-year investment in a robust, credible body of research that generates evidence about what is working, what is not and for whom (including women and people with disability).</p>
<b>Action plan and timeframe</b>
<p>As per Australia’s International Development Performance and Delivery Framework (2023) and the <i>Public Governance, Performance and Accountability Act 2013</i>, DFAT will continue to undertake regular investment performance reporting, reviews and evaluations to maximise the potential and value for money of its programs. The Australian Government is therefore committed to developing and utilising high-quality systems in the PLF and its successor, the PSSP.</p> <p>While DFAT is committed to delivering optimal value for money (VFM), it recognises that what countries ‘value’ in the scheme’s approach and outcomes may differ from one setting to another, and from one stakeholder to the next. The uniqueness of the PALM scheme undermines the validity of any external comparators, while the number and nature of external shocks that could affect this program (e.g., changes in policies and governments across the participating countries) undermines the usefulness of internal ‘benchmarking’. DFAT is therefore committed to establishing a useful VFM framework that meets policy requirements, and which is fit for purpose and the Pacific operating context.</p> <p><b>Commenced and ongoing</b></p> <p>The design team for the PSSP has been tasked with identifying how best to continue PLF’s commitment to a high-performing MEL function, ways of optimising the returns on Australia’s investment in high quality, policy-relevant research, and allowing PALM scheme countries to secure benefit from appropriate information systems. Strategies include the timely sharing of analysis with our posts in PALM scheme countries, in support of deeper and more effective bilateral engagement and advocacy.</p>