

## Pacific Labour Mobility Accommodation review

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Expansion of labour mobility is a key government priority under the Pacific step-up initiative. This includes the Seasonal Worker Programme (SWP), administered by the Department of Education, Skills and Employment (DESE), and the Pacific Labour Scheme (PLS), administered by Pacific Labour Facility, under contract to the Department of Foreign Affairs and Trade (DFAT). Ten countries participate in both labour initiatives: Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu.

Accommodation is one the largest ongoing expenses for workers in Australia under the labour mobility schemes. Approved Employers under both schemes are required to provide accommodation for workers, either for an initial period (3 months for PLS) or for the length of the contract (SWP). Workers in both the PLS and SWP can choose to relocate to private accommodation arrangements although. In practice, few workers choose this option, particularly in SWP. Workers usually pay for employer-arranged accommodation through deductions from their earnings. Under the SWP all accommodation provided by Approved Employers is required to be approved by DESE against minimum standards set under Guidelines prior to the accommodation being used to house workers

The purpose of the review was to examine the cost and inclusions of accommodation for PLS and SWP workers and to consider what changes are warranted to DFAT and DESE policies to improve the value and suitability of accommodation for Pacific workers.

The review focussed on accommodation for PLS workers, as more detailed PLS worker data was available at the time of analysis. A limited sample of properties was selected from the data set provided by the Pacific Labour Facility (PLF). Due to limitations arising from COVID-19, no site visits were undertaken as part of the review. Further, data from DESE relating the SWP was not considered. This has limited the utility of the data.

The PLF and DESE have since separately undertaken site visits of worker accommodation under the PLS and SWP, respectively. An SWP accommodation assurance activity was commenced by DESE in late 2020 and is due for completion by mid-2021, provided it remains safe and possible to do so. To date, DESE has visited 122 approved accommodations randomly selected as part of the activity.

We acknowledge that accommodation issues are an ongoing and serious issue and are important to resolve for the well-being of workers and reputation of the programmes. Accommodation issues are complex and, as noted by the Migrant Workers Taskforce, of concern for all temporary migrant workers. We are committed to resolving accommodation issues for Pacific workers, including by working through the Migrant Workers Taskforce on the broader issue.

Recommendation	Response
<b>Recommendation 1.1</b> We recommend the PLS to: Conduct further investigation into:	Agree. DFAT and PLF have investigated properties identified in the report as potentially over-crowded. <ul style="list-style-type: none"><li>- one property is no longer used by PLS workers (January 2021)</li></ul>

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Recommendation	Response
<ul style="list-style-type: none"> <li>overcrowded properties identified in PLS accommodation data and this report</li> <li>whether PLS and SWP workers share an approved property at the same time.</li> </ul> <p>Ensure responsible AEs undertake remedial action if overcrowding is confirmed.</p>	<ul style="list-style-type: none"> <li>one property is a fishing boat and occupancy rates are consistent with industry standards</li> <li>three properties had been modified to have additional bedrooms and were approved for use. Due to no site visits being conducted as part of the review, this was not captured.</li> <li>For two properties the data used in the report was incorrect (12 people were listed in each house, but actual occupancy was 5 workers).</li> <li>PLF and DESE will enhance information sharing to identify properties potentially being used by PLS and SWP workers, provided it is consistent with privacy and confidentiality legal obligations.</li> </ul>
<p><b>Recommendation 1.2</b></p> <p>We recommend that the Accommodation Calculator be finalised as soon as practicable and is used by PLF to assess the reasonableness of accommodation costs and occupancy rates.</p>	<p>Agree</p> <p>The accommodation calculator has been finalised and tested by the PLF.</p> <p>In early 2021, the PLF will introduce use of the calculator in the recruitment process. This will be defined in the Standard Operating Procedure (SOPs) that will be developed to give effect to the PLS AE Guidelines.</p>
<p><b>Recommendation 1.3</b></p> <p>We recommend that, on a sample basis, the Pacific Labour Mobility Section conducts periodic benchmarking against market rental prices to ensure accommodation costs are consistent with average rental prices.</p>	<p>Agree, noting approach below.</p> <p>To complement the accommodation calculator, the PLF will undertake periodic analyses (every six months) to assess broader accommodation issues, trends and/or discrepancies in relation to the local rental markets.</p> <p>The accommodation calculator (mentioned in rec 1.2) will likely identify high-cost properties before the periodic analysis.</p>
<p><b>Recommendation 1.4</b></p> <p>We recommend that the PLS and SWP teams share information, particularly on occupancy rates and high-risk AEs. This is to ensure any potential accommodation overcrowding or overcharging is identified and corrective actions are undertaken promptly.</p>	<p>Agree</p> <p>Provided it is consistent with privacy and confidentiality obligations, DFAT and DESE will share the approved accommodation details for PLS and SWP workers at regular intervals (minimum every 6 months).</p>

Recommendation	Response
<p><b>Recommendation 2</b></p> <p>While we acknowledge that PLS is in the process of drafting AE guidelines, we recommend that:</p> <ul style="list-style-type: none"> <li>• AE guidelines are finalised as soon as practicable</li> <li>• Guidance on the minimum standards of accommodation and monitoring activities are clearly articulated</li> <li>• AE guidelines are promulgated to all AEs.</li> </ul>	<p>Agree</p> <p>PLS AE guidelines were shared for consultation with AEs and DESE in October 2020. The AE guidelines will be finalised and published in early 2021. The Standard Operating Procedure (SOPs) will be developed to give effect to the new PLS AE Guidelines.</p> <p>The guidelines specifically refer to the accommodation form which outlines the minimum standards of accommodation for PLS workers, and AE responsibilities for ensuring all rental payments and inclusions are transparently deducted/recovered from workers.</p> <p>SWP AE Guidelines commenced with the new Deed of agreement on 1 January 2019 and set out minimum standards for accommodation. The Guidelines and an overview of the minimum accommodation requirements are publicly available on the DESE website.</p>
<p><b>Recommendation 3</b></p> <p>We recommend that the PLS builds an assurance framework incorporating:</p> <ul style="list-style-type: none"> <li>• Risk profiling of individual AEs and adjusting the level of compliance activities based on the AE’s risk profile</li> <li>• Combining site visits with desktop audits to increase efficiencies and introduce elements of unpredictability</li> <li>• Ensure results of compliance activities (including any accommodation issues) are reported to departmental Senior Executives.</li> </ul> <p>A robust assurance framework will increase the ability to promptly identify underlying root causes of noncompliance or accommodation concerns.</p>	<p>Agree</p> <p>The new PLS AE Guidelines will be accompanied by new Standard Operating Procedure (SOPs). These internal SOPs will define what, how and when assurance activities will be conducted, based on the risk-based approach outlined in the AE Guidelines.</p> <p>The PLS AE guidelines set out the intent of monitoring visits, including where visits may be conducted without notice. The PLS SOPs will include how an AE’s risk rating influences the frequency of monitoring visits.</p> <p>It is noted the SWP Assurance Framework, overviewed in the SWP AE Guidelines, provides for risk profiling of Approved Employers; regular and as-required assurance activities; and a tiered response to issues commensurate with the nature, severity and other factors.</p> <p>Senior executive reporting is considered below.</p>
<p><b>Recommendation 4</b></p>	<p>Agree, noting approach below.</p>

Recommendation	Response
<p>We suggest Executive Level reporting for both departments on a quarterly basis to include:</p> <ul style="list-style-type: none"> <li>Results on assurance and compliance activities including number of AEs reported to FWO and reports of unsuitable accommodation</li> <li>Available benchmarking results of PLS and SWP accommodation costs against market rates and identified outliers</li> </ul> <p>This would achieve cooperation between the two departments as encouraged by the PGPA Act.</p>	<p>DFAT will provide reports to Senior Executives three times a year on results of PLS assurance activities, including information on the outcomes of accommodation specific assurance activities and other assurance reporting, including FWO referrals. Information about serious compliance incidents will also be escalated as events occur.</p> <p>DESE notes that regular reporting is provided to the Executive of the department on the SWP including access for the program delegate to 'real time' reporting in SWP Online. All decisions taken by the department are informed by relevant and contemporaneous information. Additionally the SWP Branch provides a monthly report to the Department's Program Integrity Sub Committee for Employment services on program compliance and assurance activities.</p> <p>The responsibilities of the Fair Work Ombudsman (FWO) are defined by the Fair Work Act. Accommodation arrangements for SWP and PLS workers are not included in FWO scope (other than to ensure accommodation deductions match what was agreed in writing), so they are unable to assess fair cost or suitability of accommodation.</p> <p>Provided it is consistent with privacy and confidentiality obligations, DESE and DFAT will share assurance reports on Approved Employers who are active in both SWP and PLS.</p>
<p><b>Recommendation 5</b></p> <p>We recommend that the PLS explore initiatives to support PLS workers to find their own accommodation. Examples include:</p> <ul style="list-style-type: none"> <li>Educating PLS workers on how rental arrangements work in Australia</li> <li>Encouraging PLS workers to engage with other PLS workers who have entered private accommodation arrangements, to gain a better understanding of rental requirements and tenant obligations.</li> </ul>	<p>Agree, in principle. Implementation outlined below.</p> <p>PLS AEs are required to provide a minimum of 3 months of accommodation for new workers. SWP AEs are required to provide accommodation for whole contract period for SWP workers.</p> <p>The PLF will develop information resources to support workers who want to find and enter into a private accommodation arrangement, after their initial 3 months in AE provided accommodation. The PLF however will not proactively encourage workers who may not be ready to seek accommodation separate to that arranged by the AE. This recognises that many workers need time to adjust to life in Australia and will require additional support from their AE. Workers requiring assistance can also contact the PLF Welfare Hotline.</p> <p>Guidance on self-sourced accommodation for workers is also provided in the PLS AE guidelines.</p>