The lobbying of Australian government to allow temporary unskilled guest-workers into Australia that has intensified over recent years has finally borne fruit. Australia’s long-standing refusal of guest-workers has ended with announcements by Prime Minister Kevin Rudd at the Pacific Leaders’ Forum in Niue, and Agricultural Minister Tony Burke in Australia, of a three-year pilot seasonal worker scheme for the horticultural industry. Under the proposed trial, 2500 workers from Kiribati, Tonga, Vanuatu and Papua New Guinea will be given three-year visas. These visas will allow entry for fruit-picking and other horticulture work in designated regional areas (initially possibly Swan Hill in Victoria and Griffith in New South Wales) for up to seven months in any 12 month period.

To allay concerns about taking jobs from Australian workers, participating employers will have to demonstrate ‘reasonable’ efforts to employ Australians, and agree to participate in training programs for Australians who are not ‘job ready’. The seasonal guest-workers will be employed in accordance with Australian work standards, including awards, and will receive ‘the same protection from exploitation’ as Australian workers. Employers will have to pay half the return airfares and cover ‘establishment and pastoral care costs involved in bringing low-skilled Pacific island workers to Australia’. The department of education, employment and workplace relations (DEEWR) will administer the pilot program, and an interagency steering committee comprising DEEWR and the departments of immigration and citizenship (DIAC), foreign affairs and trade, and agriculture, fisheries and forests will oversee its operation and consult with stakeholders, including unions.

To allay concerns about visa overstays the seasonal workers will not be allowed to bring their dependents and will be barred from applying for visas while in Australia (except for protection—that is, refugee—visas). ‘Very rigorous procedures and requirements’ will apply to the selection of workers and conditions to be met in Australia. The main ‘incentive’ for both employers and workers to obey the rules will be that workers will be allowed to return in future seasons. Compliance with visa conditions will be monitored by DIAC.

The pilot program is to commence next year and will be reviewed after 18 months. Other countries in the region, including East...
Australia has jobs with no workers, neighbouring countries have workers with no jobs.³

The lobbyists are the governments of Pacific Island countries, Papua New Guinea and East Timor, sections of Australia’s foreign affairs and aid communities, academics and journalists, Australian fruit and vegetable growers, the National Farmers’ Federation and National Party politician Kay Hull. A sense of urgency and ‘no alternative’ has accompanied the announcement. Tony Burke has claimed that up to $700 million of fresh produce is being ‘left to rot’ on Australian farms through lack of reliable workers. He has also claimed that the scheme will provide ‘vital employment experience, earnings and opportunities for the seasonal workers to learn valuable skills’.⁴ Small fragile Pacific countries with high levels of unemployment and under-employment are said to be close to political crisis.

Proponents present the proposed guest-worker scheme as a win-win situation. It is a natural fit, whereby surplus workers from countries in our region in need of development assistance undertake harvesting work for employers in Australia in need of a reliable source of seasonal labour, to each country’s advantage. The small-scale, cautious nature of the trial however serves as acknowledgement that there are costs and risks associated with guest-worker programs, as well as the obvious benefits.

Costs, risks and hazards

In many ways it’s similar to old styled indentured labour, or bonded labour. These workers don’t have the right to stay in Australia.⁵

Proponents of the scheme argue that Australia already runs a guest-worker type program, through its temporary long-stay employer-sponsored 457 visas. (While there are skill requirements for this visa, concessional arrangements for regional areas have allowed employers to sponsor workers for jobs at lower skill levels, such as truck-driving.) Proponents point out that times have changed; the migration program currently has a strong labour-market focus, and temporary migration has become more important.

However there are crucial differences between the approximately 500,000 temporary residents with work rights in Australia, and the guest-workers who will enter under the government’s pilot scheme. The guest-workers will be confined to seasonal agricultural work. They will not be allowed to bring their families. Guest-worker programs are designed to exclude the workers from integrating into the broader community; the fact of their leaving when the work is done is what distinguishes program success from failure. People on 457 visas and other temporary residents working in Australia, such as overseas students, can bring their partners and children, they can change employers (in the case of 457 visa-holders, if they find another employer-sponsor), and they can live where they choose. And they are able to apply to stay in Australia; indeed, they are encouraged to stay, particularly in regional areas.

The situation will be very different for the guest workers in the new program. Indeed by their very nature, it is easy to argue that programs so constituted are exploitative.

Every guest-worker program—everywhere — has failed.⁶

While there is a broad consensus in developed economies about the need for and benefits of skilled immigration, including
temporary skilled migration, there is less agreement about low-skilled guest-worker programs. Experience with such programs in Western Europe and the USA in the past has been that short-term benefits turned into long-term problems, as the programs expanded and the ‘guests’ stayed. Researchers suggest that new-style tightly controlled niche programs can avoid the failures of the past, however a great deal of government involvement and intervention will be required. In the case of Australia, the limitations, costs and restrictions involved in a tightly managed scheme, such as is proposed, could mean that expectations in neither the sending nor receiving countries are met. And the controls and restrictions imposed on the workers could be seen as unfair and discriminatory.

The controls and restrictions could also prove difficult to enforce. The Recognised Seasonal Employers scheme in New Zealand, on which the Australian pilot scheme is to be based, was introduced in 2007. It has been generally deemed successful in its first year. However, there have been problems. According to a Pacific Island News Service report, of 70 workers from Kiribati, most of the 40 who have returned home are ‘struggling’ and in debt after being given little work or pay by New Zealand farmers. The workers complained about overcrowding in the accommodation provided in New Zealand. And New Zealand immigration officials have confirmed that 13 of the 70 workers from Kiribati have broken their visa conditions and ‘disappeared somewhere in the country’.8

I don’t think it is a part of the Australian ethos, I don’t think it is consistent with our culture and I don’t think it would be acceptable.9

Whatever the safeguards in the government’s scheme, there is something disturbing in the very notion of guest-workers; they summon images of bygone colonial eras. However obvious the short-term benefits to growers and workers may be, the proposed scheme presents particular costs and risks for Australia.

A principle of Australia’s migration program expounded by successive governments has been that it should be individually based and non-discriminatory in terms of country of origin, and free from political or foreign policy goals. The direction-setting FitzGerald Inquiry in the late 1980s was firm in its recommendation that Australia’s migration program should not be used to ease the economic or political problems of particular countries or communities.

The proposed guest-worker scheme thus represents a significant departure, even in an era of globalisation and people movement, from the migration identity and values and ethos that have been projected by successive governments to the broader public, and that have formed the basis of ongoing support for the permanent migration program.

The impact of Pacific workers will expose a historic failure in Australian policy and values.10

In debates about earlier guest-worker proposals the issue of Aboriginal employment has been raised only peripherally, to be quickly dismissed. With the effects of long-term unemployment and welfare dependency on Aboriginal communities seared into the public consciousness—and conscience—following the intervention,11 this particular elephant would appear to have left the room. Concerns have been expressed about migration implications.12 However public backlash against the proposed scheme to date has been directed not against the prospective foreign workers, as feared, but
against perceived government failure, ineptitude and paralysis over the issues of welfare and Aboriginal exclusion.

Why are the ‘vital employment experience, earnings and opportunities to learn valuable skills’ being organised, at considerable effort and expense, for foreign workers, when there is such a need for work for Aboriginal people already here in Australia? Or are those just weasel words to sugar-coat the reality that foreign workers are being brought in to do work that is too hot, hard, dirty and poorly paid for Australian citizens and residents?

THE LABOUR FORCE ISSUE

Fresh Australian fruit and vegetables should be harvested for consumers to enjoy at home and overseas—not left in the field to go to waste.¹³

The argument put forward by lobbyists such as the National Farmers’ Federation is that the lack of workers available to meet seasonal requirements means that farmers are unable to harvest their crops, leading to waste and economic loss, including loss of export opportunities. This loss and waste affects local towns and communities. More broadly it is argued that a reliable supply of labour would make Australian produce cheaper, and more competitive vis-à-vis regions like the USA, Canada and Western Europe, which do have access to seasonal guest-workers.

The extent and nature of the labour crisis in horticulture is at the heart of the guest-worker debate. Agricultural workers are among the lowest paid in the Australian economy: their minimum wage, from 1 October 2008, is $543.78 per week ($14.31 per hour), up from $522.12 ($13.75). Nationally the unemployment rate is low, under five per cent, but it is expected to rise. Unemployment levels are higher for unskilled workers, for young people, for migrants who entered on humanitarian visas, and for Aboriginal people in regional and remote areas. According to Helen Hughes, about two-thirds of Aborigines and Torres Strait Islanders are not living in mainstream society, and of these more than 80 per cent are on welfare.¹⁴

The focus on keeping rural wages low will need to change.¹⁵

A 2006 Senate inquiry into the harvest labour force, and a 2005 inquiry into farm sector demography by the Australian Farm Institute (AFI), both rejected, albeit hesitantly, the need for a Pacific seasonal contract labour scheme. The Senators were struck both by the large scale of investments in horticulture and the apparent absence of any systematic planning by the industry for its labour requirements. They concluded that there was no underlying labour shortage.¹⁶ The AFI found the farm sector was generally ‘not competitive in attracting labour’ and that in the medium to longer term its problems could only be met by professionalising its work-force.¹⁷

There are no enduring labour shortages affecting the harvest industry. … Growers who provide reasonable working conditions generally have their harvest labour needs met.¹⁸

Interestingly, the department of education, employment and workplace relations, the department tasked to administer the pilot scheme, has also advised against it. In its submission to the 2006 Senate inquiry the then department of employment and workplace relations said that while individual fruit and vegetable growers might experience difficulty, there was no concrete evidence that harvest labour shortages existed in sufficient magnitude to warrant a guest-worker program of Pacific workers. Those growers who experienced difficulty faced particular barriers: inability
to offer attractive pay and conditions; remoteness from a population centre; inadequate transport and a lack of accommodation.19

In 2005, Peter Mares conducted a survey of Murray Valley growers to determine their views about their labour force needs and their attitudes towards the potential recruitment of seasonal workers from overseas.20 Only 176 responses were received from the 2054 questionnaires distributed. Of the growers who responded, only half said they experienced difficulty getting seasonal labour. And while a majority of the respondents supported the idea of seasonal guest-workers, when confronted with questions about sharing the costs, they ‘exhibited less enthusiasm’. Only a minority said they were prepared to provide on-farm accommodation.21

I don’t think overseas workers should be employed. ... There are enough workers on the dole. ... Give the local unemployed the incentive or penalty to seek employment.22

The extent to which fruit and vegetable producers in Australia are willing to take on—and meet—the costs and other obligations assigned to them under the pilot guest-worker scheme remains to be seen. Their opinions about the desirability of such a scheme appear to be divided. A significant minority, almost a third, of the Murray Valley growers who responded to Mares’s survey said they would ‘never’ be interested in employing seasonal workers from overseas. Some expressed ‘strong disapproval’ of an offshore scheme, on the grounds that unemployed Australians should be encouraged (or forced) to do the work.23

Our industry relies completely on the current crop of illegal overseas workers (who have mostly just overstayed their visas) to exist. Without them the crop would not be picked.24

Whatever the views of growers about an offshore guest-worker scheme, fruit and vegetable growing on some farms and in some regions of Australia appears to have already become reliant on overseas workers. As farm labourers do not meet the skill levels required for independent or sponsored temporary migration, these workers have comprised working holiday makers, students, and illegals (mainly visa overstayers). More than one in four growers in the Murray Valley survey admitted to employing illegals.25 Reliance on overseas workers appears to have increased over the last few years. Elizabeth Wynhausen describes a ‘bleak reality’ for many of the ‘ethnic’ and illegal farm workers currently employed around Robinvale, with poor working conditions, sub-standard accommodation, low pay and exploitation through labour ‘contractors’.26

There is no indication that the seasonal guest-workers proposed for Australia’s pilot scheme will be paid market rates: in fact, it appears that employers will be required to pay them only award rates.27

THE AID ISSUE

A labour mobility scheme can strengthen diplomatic ties between Australia and Pacific nations, as well as bring about change and opportunity for the Pacific communities from which these workers would come.28

Requests from political leaders of Pacific region countries for Australia to open its labour market to their workers have been made since the 1960s, and some academics and journalists have responded sympathetically to these calls. They describe constraints on development in South Pacific nations because of their small size, remote geography, and limited resource bases. They point to increasing populations,29 high youth unemployment, and the increasing importance to the households and economies of these
countries of remittances from overseas workers. They refer to Australia’s special responsibility through its longstanding historical links and its substantial aid program, and to heightened security interests in the region.

A guest worker scheme no doubt would benefit the individuals lucky enough to be selected to participate in it, but it is not a development solution for the Pacific.30

Others point to poor governance as a cause of low economic growth in the Pacific region. Helen Hughes and Gaurav Sodhi argue that the numbers involved in any Australian guest-worker scheme would be insufficient to address unemployment problems and will merely provide a safety-valve or reprieve for under-performing governments. They maintain that, rather than relying on emigration, the Pacific needs to dramatically reform its large economies to encourage employment-generating growth.31

Studies and experiences of countries which have been large-scale exporters of workers, such as the Philippines, Egypt and Mexico, show that, on its own, sending workers abroad is not an effective development strategy. An International Labour Organisation report on migrant workers in the global economy concluded that ‘migration can, in some cases, contribute positively to development where a country is already poised to develop; it cannot, however, create such conditions’.32 A study by the International Monetary Fund concluded that further scrutiny of the effects of remittances on development is required.33

UNINTENDED CONSEQUENCES
They lead to large-scale permanent settlement, they spur parallel flows of illegal immigration and they distort the development of the industries in which the foreign workers are concentrated.34 The unintended consequences of guest-worker programs come about through processes of distortion and dependence. Guest-worker programs grow larger and last longer than intended. Once in place, they are difficult to terminate. Employers make decisions based on assumptions that migrants will continue to be available. They consequently resist innovation and change or investment in labour-saving technology. Dependence grows as migrant workers, their families, communities and home governments come to depend on foreign earnings and remittances. Home governments resist the sorts of policy changes that would reduce this dependence. If and when the employment offers stop, workers dependent on higher incomes re-enter illegally or stay illegally. Workers who agree initially to the program rules adjust their expectations and ambitions and abandon intentions to return home.

In sectors of the labour market where employers employ mostly foreigners to do work that is seen as undesirable, conditions may stagnate, and the work becomes even less desirable. As structural demand for foreign workers grows in a particular sector, links develop between guest-worker programs and the informal economy, as employers and illegals collude to circumvent the rules of the program. Immigrant sectors with low wages and inferior conditions emerge and grow, leading to social exclusion and marginalisation and fuelling intolerance.35

The Rudd Government, as noted earlier, has based its pilot on the current New Zealand scheme of Pacific seasonal workers. Lessons can also be drawn from guest-worker programs currently operating in Western Europe and Canada. A feature of these, as for Australia’s proposed scheme, is that employers must demonstrate that they have attempted to recruit locally, and that they are offering guest workers domestic-level wages and conditions. However,
labour market tests have proved difficult to implement in practice. Employers become adept at going through the bureaucratic hoops, and ingenious in ensuring that no local workers are found to fill vacancies.36

**TOKEN GESTURES AND MORAL HAZARDS**

[Most citrus farmers don’t have enough money to run their farms, let alone fly workers in and out.37]

As the minister for immigration has acknowledged, a guest-worker scheme of the scope envisaged will not be a panacea for Australia’s labour needs. It might turn out to be not much of a panacea at all. The tight control and management envisaged for the scheme could mean that those growers experiencing the most difficulty meeting labour needs will be those least likely to take on its costs and obligations. The costs could outweigh the benefits for the Australian taxpayer as well as for struggling growers. The immigration department advised in 2005 that the level of management and extent of controls necessary to ensure employer and employee compliance, and to safeguard seasonal workers from exploitation, would render a seasonal guest-worker program prohibitively expensive.38

*Short-term seasonal work that is not on Aboriginal land does not meet the aspirations of indigenous people.*39 ... *[More barriers need to be removed to enable Aboriginal people to successfully move to where seasonal jobs are.]*40

In terms of migration, the problem with the guest-worker scheme is that it sends a signal: we only want you for your labour. In terms of Indigenous policy, the guest-worker scheme also sends out a signal: it is not worth the effort. In light of the extent of suffering and disadvantage exposed in Aboriginal communities, there is something unsettling and even disturbing about the assurances of the minister for Aboriginal affairs, Jenny Macklin, that: ‘overseas low-skilled seasonal workers will be employed only after employers have demonstrated they have first made reasonable efforts to employ Australians’; and that the guest-worker scheme ‘would in no way stop indigenous Australians from getting a job as a seasonal worker’.41

And there is something positively Orwellian in the information delivered via journalist Paul Kelly: the guest-worker scheme which will provide employment for Pacific workers is in fact a scheme for Aboriginal employment! The public is instructed that the pilot seasonal worker scheme is in fact a ‘reform’ driven by Prime Minister Kevin Rudd. This reform is designed to have a ‘catalytic impact’; it will thus contribute to ‘the reform of income support rigidities that impede greater labour-force participation among indigenous people and welfare recipients’.42

*I think the reality is Australia has matured about those issues.*43

The immigration minister has rejected suggestions that ‘importing unskilled guest-workers’ may spark a right-wing backlash, on the grounds that Australia is a country of migrants who are used to migration. However a guest-worker scheme introduces broader costs and risks. While these are obviously acceptable to proponents of the scheme—interested parties have been consulted—they might be less acceptable to the Australian public, which has not. In implementing and evaluating the pilot, more public consultation and engagement might be advisable, so that the issues can be addressed and debated more widely.

The public backlash that has occurred,
shown in the selections of quotes from the media below, suggests that so far Australia is yet to be convinced that the Rudd Government’s proposed pilot guest-worker scheme is in the interests of Aboriginal Australians, or that the scheme is worth the costs and risks—and moral hazards—to the nation as a whole.

To hear that the Government are proposing to bring in more overseas workers when Aboriginal people are disadvantaged in the workforce is shameful.44

Enabling unemployed Aborigines and Torres Strait Islanders to earn money fruit picking is surely not beyond Australia’s capacity. The alternative is to condemn them to languishing on welfare in increasingly dysfunctional communities. Making use of workers already in Australia would be far better policy than ignoring them in favour of unskilled guest workers from overseas.45

It seems to me craziness when we’ve got 83,000 Aboriginal people sitting in the Job Network system without a job. … Everyone raves on about Aboriginal people being low-skilled workers and not trained. Well what training do you need to pick fruit?46

The kind of money which employers are putting up to bring them in and repatriate them would be much better invested in getting local Aboriginal people a start in the local economy.47

The only way they could make this whole thing more expensive would be to require the crops to be irrigated with Perrier and the workers’ meals catered by Martha Stewart. … Until now, it’s been heresy to suggest that Aborigines have to move off their lands to find real work but finally somebody like Mundine is saying it. And if that means they’ll have to be integrated into the larger society, so what?48

[we Indigenous people have] got to integrate into the economic opportunities of the country. And for many of us with low skills and poor education, those opportunities are going to have to come at the entry level. But it’s better for a child to see a mum or dad in the workplace cleaning a hotel room, working on a cattle station, working in primary industry and so on. It’s better for a child to see a parent in a humble job than it is to see them on welfare. And we’re never going to fix up Aboriginal social problems until the day comes when we integrate and take a place in the economy.49

The problem with training programs for indigenous people is that we have had decades of these programs which have never been linked to any real jobs.50

They do not get the full suite of rights that a permanent migrant has in relation to social security rights, health care and so on. … [W]here migration status is contingent on the goodwill of the employer, the potential for exploitation is an ever present, inherent problem.51

Why not just invite islanders as permanent migrants to join the many nationalities that migrate to Australia each year? Because there is a risk that if given the freedom to choose their occupation, they might not choose fruit picking.52

While around 300,000 people will migrate to our country this year, support for Australia’s immigration programme is successful because it is based critically on the view of our population that the Australian Government has control of the system. To open up our immigration system to unskilled labour from a very select group of countries, while around 600,000 Australians remain unemployed, represents a development that must be debated before it is imposed on the Australian community.53
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