

Chapter 3

Labour from the South Pacific

Introduction to Australia in the South Pacific region

3.1 Small Pacific states have been identified as a suitable and likely source of temporary labour for Australia in the event that any such scheme was agreed to. This chapter looks at Australia's place in the South Pacific and explores some of the characteristics of the region that are relevant to a temporary harvest labour scheme proposal.

3.2 Proponents of a harvest labour scheme, like the National Farmers' Federation, see countries which are aid recipients as preferred sources of labour, with the South Pacific states being the most obvious choice because of the relatively close cultural affinity with Australians. The Core Group Recommendation Report (Core Group Report) for a White Paper on Australia's aid program suggested the option of opening a 'Pacific Window' for unskilled temporary migration, similar to that of New Zealand.¹ The Core Group Report resulted from the deliberations of three experts on aid, charged with outlining a medium-term strategic framework for the delivery of aid. The core group's report, published in December 2005, was the product of extensive consultations with government, those engaged in aid delivery, and with the public. Most proponents who submitted to this inquiry emphasised the importance of reciprocal benefit, which would occur most obviously with Pacific labour, and not at all in the case, for instance, of Chinese labour. Any scheme which eventually results would be seen not simply as a labour supply measure benefiting the Australian economy, but as a regulated instrument of Pacific region policy.

Australian aid in the Pacific

3.3 The Core Group Report contains an extract from the 2003 Department of Foreign Affairs and Trade (DFAT) White Paper giving an overview of why the Pacific region is important to Australia. In part, the White Paper reports that:

History has tied Australia intimately to the nations and people of the South Pacific. Australia helped to shape some of the island states as they became independent – their economic bases, power-sharing arrangements between the centre and the provinces, and philosophy of governance. And in some cases we passed on our institutions and ideas underpinning them –

1 Core Group Recommendation Report for a White Paper on Australia's aid program, AusAID 2005, p.69

constitutions, parliaments, public services, legal systems, and security forces²

3.4 The Core Group Report goes on to discuss the continuing diplomatic and security reasons for Australia to increase its influence in the region. They include the withdrawal of former imperial powers from the region, and the tensions created by the more recent and economic influence of China, Taiwan and Malaysia. It is argued that Australia needs to assert a leadership role in the region and give explicit recognition that regional economic and social stability is essential to Australian interests.

3.5 For all these reasons, Australia plays a significant aid donor role in the South Pacific. Of the approximately \$2.5 billion allocated to aid in the 2005-06 budget, about \$950 million was allocated to Papua New Guinea and other Pacific countries. It is clear that assisting Pacific region states to achieve their development goals has been a challenge, and that while economic growth in the region has been slower than hoped for, Australia is committed to giving aid over the long-term.³ Australia's position in relation to the Pacific is confirmed in another White Paper, this time on the future of Australian aid:

Australian aid to the Pacific will continue to operate within very long timeframes. Change will be slow and incremental, and Pacific partner governments will be set up to fail if demands for reform and progress are framed merely in the short term. The Government remains committed to working with its Pacific partners in support of their own sustained reform agendas and will not walk away with the job partly done. However, governments in the region should not expect that Australia will simply continue to provide unlimited assistance. Australia will help, but the Pacific island governments must face and tackle poor governance and corruption. And they must do so urgently.⁴

3.6 The future of the Pacific, the group concluded, hinged on its integration with the global economy. In relation to the issue of labour migration and its connection with the provision of foreign aid, the core group submitted that although by no means a panacea, part of the integration solution is migration. Indeed, migration was the only route to viability for Pacific micro-states. The core group supported the Government's intention to help establish a regional technical training facility to provide greater opportunities for skilled migration and urged consideration of opportunities for unskilled migration as well.⁵

2 Core Group Recommendations Report, Companion Volume, AusAID, December 2005, p.8-7, drawn originally from *Advancing the National Interest*, Department of Foreign Affairs and Trade, February 2003, Chapter 7.

3 See, for instance, Core Group Recommendations Report, p.21

4 Australian Aid: Promoting Growth and Stability, A White Paper on the Australian Government's Overseas Aid Program, AusAID, 2006, p.29

5 Core Group Report, *op cit*, p. vi

3.7 In the 2006 White Paper, the Government took up many of the points made by the Core Group Report, giving support for increased labour mobility, and for training schemes to increase employment both domestically and abroad.⁶ But the White Paper ignored references in the Core Group Report to mobility of unskilled labour. The White Paper does not explain the Government's decision not to pick up on the core group's recommendation, but the committee presumes that to do so would invite a domestic argument over a foreign policy issue, which would be regarded as being undesirable and potentially damaging to relations with the South Pacific region.

Current labour migration in the Pacific

3.8 Pacific workers are highly mobile. Maclellan and Mares point out that i-Kiribati and Tuvaluan workers crew large numbers of ships on the main trade routes, and that many construction workers in Australia and New Zealand are of Tongan or Samoan birth. More than one thousand Fijians work in Iraq and Kuwait in security roles. Skilled Indo-Fijians and Tongans routinely leave their homelands in search of lucrative jobs abroad.⁷ A significant proportion of Polynesian and Melanesian labourers now live in mainland centres around the Pacific Rim, while in smaller islands such as Niue, Cook Islands, Wallis and Futuna, and Rotuma, the number of citizens living outside the country is greater than the number who remain. The Asian Development Bank points out that Pacific Islanders constitute 2.4 per cent of Australia's population, and that in 2001, the immigrant population residing in Australia and New Zealand from the Cook Islands represented 96.9 per cent of the total population.⁸ Migration rights carried over from former imperial times make this possible.⁹

3.9 Migration in the Pacific is not solely an international phenomenon. Urban migration within countries is also common, although this is often a precursor to migration off-shore. Pacific islands are faced with many of the same challenges seen in Australia through urban migration, where the concentration of people and money leaves rural areas with fewer services, and increasingly unattractive as places to live, while the housing and infrastructure in urban centres is strained by the pressure of a swollen population.

6 Australian Aid, *op cit*, p.29

7 Nic Maclellan and Peter Mares, *Remittances and Labour Mobility in the Pacific; a working paper on seasonal work programs in Australia for Pacific Islanders*, Institute for Social Research, Swinburne University of Technology, 2006, p.6

8 Terrie Walmsley, S. Amer Ahmed, and Christopher Parsons, *The Impact of Liberalizing Labour Mobility in the Pacific Region*, Asian Development Bank-Commonwealth Secretariat Joint Report to the Pacific Island Forum Secretariat, Pacific Studies Series, Volume 3, Working Paper 17, p.4

9 Maclellan and Mares, *op cit*.

Potential source countries: a socio-economic summary

3.10 Central to the Australian aid strategy is the shoring up of stable governance and the generation of economic growth in recipient countries. This is vital for national and regional stability through development of a productive workforce, and for the integration of Pacific states into the global economy. As a general proposition, Pacific island states face serious challenges in relation to achieving these goals. They lack natural resources, and are dependent on revenue from tourism and aid. Thus, Pacific economies are vulnerable. Circumstances are made worse by widespread corruption, lawlessness and disorder. The outlook for many Pacific states, and in particular the so-called micro-states such as Nauru, is bleak.¹⁰

3.11 This is acknowledged by Pacific states. As noted in the report of the 2003 Senate inquiry into Australia's engagement in the region:

Economic security is very much a concern of the countries in the region. Given the extent to which economic security is linked to both internal political stability and the global economy, a number of countries in the region have an acute awareness of their fragility and vulnerability. Much of the evidence presented to the committee raised concerns for the current state of many of the economies of the Pacific and many submissions argued that countries such as Papua New Guinea (PNG), Nauru and the Solomon Islands are confronting a worse economic and social outlook in 2003 than they were at independence.¹¹

3.12 In its report, the Asian Development Bank provided a sobering description of the current situation and likely future of small Pacific states. While acknowledging that variation exists between states, it stated that:

...[T]ypically they are small isolated communities, endowed with few natural resources, comprising of many smaller islands and atolls which often suffer from a lack of geographical proximity to one another. A direct result of this isolation is that a disproportionate share of total income is spent on communication, administration and transport. A narrow production base exacerbated by the declining terms of trade in Pacific island agricultural commodities, failures to successfully diversify economically, significant diseconomies of scale (due to incredibly small domestic markets), and an inability to compete effectively in the global marketplace, have resulted in large trade deficits.¹²

3.13 The Pacific island nations are amongst some of the smallest and poorest in the world, but a number are experiencing significant statistical 'bulges' in the proportion

10 Australian Aid, *op cit*, p.29

11 Senate Foreign Affairs, Defence and Trade References Committee, *A Pacific Engaged: Australia's relations with Papua New Guinea and the island states of the South-West Pacific*, August 2003, p.13

12 Terrie Walmsley, S. Amer Ahmed, and Christopher Parsons, *op cit*, p.2

of their population comprised by youth. More than 50 per cent of the population of some Pacific states is aged less than 15 years.¹³ The Core Group Companion Volume Report noted that:

All Pacific Island Countries have relatively high fertility rates and therefore have large cohorts of young people. In countries experiencing strong investment growth, a large supply of youthful labour can provide a demographic bonus, as experienced in East and South East Asia. However, when investment is not growing strongly, the youth bulge can be a problem, including through contributing to political instability. Large numbers of young unemployed male youth in urban areas can be an ingredient for political instability by providing by providing the manpower for those keen to ferment civil unrest.¹⁴

3.14 Given the young and growing populations in most island nations, the issue of employment generation will become increasingly urgent in the Pacific in coming decades. Pacific island fertility rates have declined since the 1980s, but not fast enough to reduce the demand for jobs in the cash economy. Except for the French territories of New Caledonia and French Polynesia, none of the Pacific island countries will reduce their total fertility rate to less than 2.1 per cent by 2029.¹⁵

Remittances

3.15 Remittances keep many economies afloat. The World Bank reports that global recordable remittances were expected to reach \$167 billion by 2005, but that at least another 50 per cent of this amount flows through informal channels. This is more than double the amount which flows between countries in the form of international aid, and has doubled in the past five years.¹⁶ More recent studies by The World Bank show that remittances are about three times all official development assistance, and unlike other sources of revenue they do not dry up.¹⁷

3.16 South Pacific countries are a case in point. States such as Tonga, Samoa, Kiribati, Tuvalu and the Cook Islands look to remittances to supplement income from foreign aid, and to alleviate the difficulty many have in attracting significant foreign investment. The committee was told that remittances have turned Tonga into what is

13 AusAID, *Submission 42*, p.5

14 Professor Ron Duncan and James Gilling, *Core Group Recommendations Report*, Companion Volume, AusAID 2005, p.8-14

15 The 2.1 per cent fertility rate combines Migration, Mortality and Birth Rates – see Helen Ware: “Pacific instability and youth bulges: the devil in the demography and the economy”, paper to the 12th biennial conference of the Australian Population Association, 15-17 September 2004, Canberra, quoted in NicMaclen, *Submission 32*, p.3

16 *Global Economic Prospects; Economic Implications of Remittances and Migration 2006*, The World Bank, Washington, 2006, p.xiii

17 Dr Manjula Luthria, *Committee Hansard*, Canberra, 23 August 2006, p.40

virtually an international economy, to the extent that the majority of its population lives abroad and most families at home are in receipt of remittances.¹⁸

3.17 It is not only in very small countries that remittances form a cornerstone of the local economy. Fiji already earns more from remittances than from any other sector except tourism, and when unrecorded remittances are accounted for, remittances might be Fiji's biggest source of foreign income. An estimated 40 per cent of Fijian households receive income from remittances. Of more than F\$306 (AUD\$234) million of remittances earned in 2004, about F\$200 (AUD\$153) million came from the salaries and allowances of Fijians working abroad. In Fiji, as in other places, a substantial proportion of remitted income is transmitted in cash and goes unrecorded.¹⁹

3.18 The recent World Bank report found that remittances reduce the incidence and severity of poverty; increasing incomes, and levelling peaks and troughs in income in times of adversities like crop failure. Diversifying income streams reduces risk to vulnerable people on low incomes, and provides a source of savings for investment in capital²⁰. The committee also heard that remittances can have the effect of levelling out income distribution. Remittances also provide macro-economic advantages. A flow of foreign currency can improve a country's ability to borrow to fund economic development, reducing dependence on aid, and for that matter, on remittances. These benefits go some way toward countering arguments that an insufficient proportion of remittances are deployed directly into investment.

3.19 There are claims that while the continuing importance of remittances is clear, their sustainability is less so. An immigrant's integration into their new country, and the passing of the generations, may lessen the willingness, or compulsion, to remit earnings. While much evidence exists that first generation migrants are likely to continue to remit, little analysis has taken place on subsequent generations. One study, conducted by La Trobe University, suggests that subsequent generations are unlikely to remit at the same rate as their parents.²¹

3.20 Such views have been disputed by an authority on remittances, who claimed that remittances do not decline with the passage of time. As Professor Brown explained:

People might say, 'What happens when the parents die? They will stop remitting.' But they do not. They remit to the next generation down and to

18 Professor Richard Brown, *Committee Hansard*, Brisbane, 19 April 2006, p.27

19 Maclellan and Mares, *op cit*, p.12, 13. The *Global Economic Prospects Report*, *op cit*, reported on econometric analysis which estimated that official, reported remittance flows underestimated the real amount by at least 50 per cent

20 *Home and Away: expanding job opportunities for Pacific islanders through labour mobility*, The World Bank, 2006

21 H.M Lee, *Tongans only want our money: the children of Tongan migrants*, paper presented to the SSGM conference on Globalisation, Governance in the Pacific Islands, October 2005

organisations. They do not only remit to third parties but also to their own pension funds. Most migrants will entertain the belief that they will one day return for retirement, and so they want to keep a nest egg for their retirement; they want to keep in with the community if they have to return. If they have not been looking after the community while they have been away, they will be rejected on their return. They invest in both social capital and physical capital for their eventual retirement. That has become the way of life in countries like Tonga and Samoa. That is the mode of development. To entertain the idea of these countries industrialising I think is absolutely crazy²²

3.21 The relevance of remittances in this context is that the wages that might be paid to workers from Pacific island states is probably the best form of aid. It ensures that assistance and maintenance goes to those who need it from those who earn it. The benefits percolate through to the community.

3.22 The committee was interested to note in the conclusion to the submission from DFAT the following statement:

It is possible that nett financial benefits, after costs of travel, accommodation, insurance and living expenses, would not deliver an increase in remittance flows. Further, the numbers of workers likely to be needed in seasonal contract labour schemes may not make a substantial difference to unemployment rates in Pacific island countries. Certainly such schemes would not detract from the challenge of generating economic growth in Pacific island countries, and the need for governments to adopt pro-growth policies.²³

3.23 Two pieces of evidence need to be cited in relation to the first part of this statement. Australian Horticulture has submitted that weekly wages in the horticulture sector are around ten times higher, at least, than wages typically available in the Pacific islands. They are also many times higher than civil service and professional salaries paid in those countries.²⁴ Second, Professor Brown told the committee that even individuals living on social security in Australia have been able to remit, provided they had extended family support.²⁵ The World Bank has stated that Pacific harvest workers could gross the equivalent of their entire monthly income in just a few days work in Australia at the 2005 award rate of \$15.38 per hour.²⁶

3.24 In regard to the final sentence in the quoted extract, the committee's reaction on a first hearing is that it is not aware of any suggestion that a choice lies between the mobility of unskilled Pacific islanders and economic growth at home. Economists

22 Professor Richard Brown, *Committee Hansard, op cit*, p.29

23 Department of Foreign Affairs and Trade, *Submission 42*, p.6

24 Horticulture Australia, *Submission 11*, p.35

25 Professor Richard Brown, *Committee Hansard, op.cit*, pp 34-35

26 *Home and Away, op cit*, p.124

have demonstrated that the two are linked. DFAT would be aware that the World Bank considers that the prospect for economic growth in Pacific states is 'unusually limited'.²⁷ It is possible, however, that the DFAT submission was alluding to a difference of opinion among some development economists about institutional impediments to economic growth that are rooted in the culture of both Polynesian and Melanesian societies. This is the basis of Professor Helen Hughes' opposition to a harvest labour scheme. Professor Hughes argues that while the remittance argument is 'intuitively appealing', remittances sustain a consumption society where productive economic activity hardly exists. This happens because the absence of private property rights reduces investment opportunities, and ensures that remittances are claimed by clans and extended families.²⁸ The committee does not believe that such arguments loom large in underpinning the government's objection to a harvest labour scheme, as distinct from domestic political considerations, but it is an interesting reflection on the complexity of making policy for dealing with the economies of Pacific states. Leaving aside issues of Pacific island economic development, and focussing on more immediate needs, the importance of increased remittances to Pacific island states which would result from a harvest labour scheme appears to be obvious.

The WTO angle

3.25 The committee took some interest in an argument presented by DFAT in which it was proposed that a policy which allowed the entry of harvest labour exclusively from Pacific island countries would be in breach of World Trade Organisation (WTO) rules, and would be subject to objections from other countries. It was explained to the committee by DFAT in this way:

We are a member of the World Trade Organisation and have taken on obligations under the General Agreement on Trade in Services [GATS], and that agreement does have a number of provisions that impact on the temporary movement of service providers. One of the provisions relates to most-favoured nations. That is article II of the agreement, and it basically ensures that members are unable to discriminate between service providers from different countries. In that sense, under the provision, depending on just how that scheme was structured and whether the scheme could be characterised as falling under the General Agreement on Trade in Services—principally that would be a movement of a person to supply a service on a temporary basis under sponsorship or contract—I think we would have a problem.

If it was a preferential scheme which was not open to all WTO members, then we could be in breach of our WTO obligations. ...It is when you are having a movement of a natural person who is coming across temporarily under a contract—and usually under some form of sponsorship arrangement—that the annex on the movement of natural persons under the

27 *ibid*, p.49

28 Helen Hughes and Gaurav Sodhi, 'Should Australia and New Zealand Open Their Doors to Guest Workers From the Pacific?', CIS Policy Monograph 72, 2006, pp.21-22

General Agreement on Trade in Services comes into play. That kind of scheme would fall under the GATS and we would face some problems in terms of being in violation of our most favoured nation obligations.²⁹

3.26 This advice was strenuously contested. There is significant legal uncertainty about what the relevant provisions in GATS cover. The DFAT view appears to be based on a broad interpretation of GATS Article IV, which treats immigration as a component of trade. Another view of GATS is that immigration is unrelated to trade, an issue which arose in the negotiations over the Australia-United States Free Trade Agreement, when labour provisions had to be covered in separate legislation. This more narrow view prevails in the United States and in the European Union. On this precedent, movement of labour could be considered as a purely immigration matter.

3.27 In its discussion of GATS, the Asian Development Bank was also of the view that the instrument '... does not prohibit countries imposing stricter regimes for visas for nationals from particular countries ...'³⁰ As Dr Luthria put it, the WTO and migration 'do not mix'.³¹ If this analysis is accepted it is highly unlikely that the government would be required to extend a labour entry arrangement to all WTO members. Australia, no less than any other country, exercises its sovereign rights in regard to migration and in accordance with its regional policies and bilateral agreements.

3.28 Even if the argument that immigration is inextricably linked to trade is supported, there are still ways to allow Pacific island workers into Australia under WTO rules. GATS Article V (and GATT Article XXIV for goods) allows exemptions to Most Favoured Nation provisions for the negotiation of preferential trade agreements. Negotiations towards a free trade association could be undertaken with Pacific states with a view to making exemptions for the supply of temporary labour into Australia. A contingency harvest arrangement for services under Mode 4 could then allow near immediate access, should it be necessary.

3.29 Dr Manjula Luthria of The World Bank explained to the committee that GATS is an agreement covering services, and explicitly excludes agriculture, manufacturing and services incidental to them, including harvesting. Dr Luthria submitted that Australia was perfectly open to define harvesting as a service incidental to agriculture, and that:

... all countries do choose their own definition and stick with what the WTO says: that this is a service incidental to agriculture. Countries are completely within their rights to define it that way.³²

29 Mr Edward Sulikowski, *Committee Hansard*, Canberra, 22 August 2006, p.17

30 Terrie Walmsley, Amer Ahmed and Christopher Parsons, *The impact of liberalising labour mobility in the Pacific region*, Asian Development Bank, ADB Public Studies Series, Volume 3, Working Paper no.71, p.7

31 Dr Manjula Luthria, *Committee Hansard*, Wednesday 23 August 2006, p.43

32 *ibid*

Our relationship with Pacific states on labour migration³³

3.30 Pacific Island countries have for some time wanted Australia to provide seasonal work opportunities for their unemployed and have raised the issue with Australian governments over a number of years. One of these occasions was during negotiations for the Pacific Agreement on Closer Economic Relations (PACER), a broad umbrella agreement for all Pacific Forum members, which was signed in 2001.

3.31 PACER requires that Australia and New Zealand be treated at least on the same negotiating basis as the European Union, which is in negotiations with Pacific states over an Economic Partnership Agreement (EPA). Preliminary negotiations have canvassed labour mobility. Should they form part of the final agreement, provisions relating to labour mobility may give Pacific states the opportunity to open negotiations with Australia (and New Zealand) in the same vein.

3.32 Some Pacific states were evidently encouraged by the Senate's 2003 Report which recommended the Australian Government support moves to develop a pilot program to allow for labour to be sourced from the region for seasonal work in Australia.³⁴ The Government noted the recommendation but said that 'Australia has traditionally not supported programs to bring low skilled seasonal workers to Australia'.³⁵

3.33 At the Australia-Papua New Guinea Ministerial Forum in December 2004, the issue was raised by the Papua New Guinean Foreign Minister, Sir Rabbie Namaliu, who sought access to Australia for unskilled and semi-skilled Papua New Guineans for seasonal work, such as fruit picking. The issue came up again at the 2005 Forum. Australia confirmed it had no plans to introduce a seasonal or guest worker scheme.

3.34 In May 2005, Pacific Forum trade ministers commissioned an investigation of the potential benefit of a move under PACER towards a comprehensive framework for trade (including services) and economic cooperation between Australia, New Zealand and Pacific Islands. Two months later, Pacific Islands Forum economic ministers considered the issue of labour mobility in the Pacific at their meeting in Tuvalu. Forum economic ministers recognised the need for further examination of labour market issues in the Pacific, including 'the issue of labour mobility through the region and beyond'.

33 AusAID, *Submission 42*, p.1-2, Mares and Maclellan, *op cit*, pp.19-22

34 http://www.aph.gov.au/Senate/committee/fact_ctte/completed_inquiries/2002-04/png/index.htm

35 Government Response to the Senate Foreign Affairs, Defence and Trade References Committee Report, '*A Pacific Engaged: Australia's Relations with Papua New Guinea and the Island States of the South- West Pacific*', tabled 24 June 2005, p.7, available at http://www.aph.gov.au/Senate/committee/fact_ctte/completed_inquiries/2002-04/png/index.htm

3.35 More recently, the issue has been raised in the context of the development of the Pacific Plan. The Plan aims to create links between countries of the region and identify sectors where the region could gain the most from sharing resources of governance and by aligning policies. The Pacific Plan was commissioned by delegates to the Pacific Islands Forum meeting in Auckland in 2004 and subsequently endorsed by them at the Port Moresby Forum in October 2005. The Plan calls for integration of services, including temporary movement of labour, into the Pacific Islands Countries Trade Agreement (PICTA) and the Economic Partnership Agreement (EPA) that Pacific Island states are currently negotiating with the European Union. Australia is not a party to PICTA or to the negotiations with the European Union.

3.36 At the 2005 Port Moresby Forum, Prime Minister Howard, in response to approaches from some Pacific leaders, confirmed that Australia would not accede to requests to introduce a seasonal or guest worker scheme. It was at that time that the Prime Minister announced an intention to establish a multi-campus technical college for the Pacific. It is intended that the college will increase significantly the numbers of skilled workers in the Pacific and facilitate the mobility of workers within and beyond the region, including to Australia. The technical, vocational and trades training undertaken by the college will meet Australian accreditation standards, with the intention of enabling Pacific islanders to be more competitive in the global skilled labour market, including Australia. According to the DFAT submission, the college is not intended to encourage an outflow of qualified people with much needed skills from island states to Australia and other developed countries. Nonetheless, this will occur because the assets of Pacific states are mostly human capital. The value of this capital is most profitably realised abroad. The same economic logic would apply to unskilled labour.

3.37 The government expects that Pacific states will continue to press for seasonal worker access to the Australian labour market. Most recently, at a ministerial meeting of the Melanesian Spearhead Group in 2006, PNG, Solomon Islands, Fiji and Vanuatu agreed to pursue the issue of labour mobility 'at every opportunity in regional and bilateral meetings'.³⁶

3.38 The Pacific states are correct in seeing a benefit in exporting their unskilled labour. The Asian Development Bank confirmed that Pacific island economies would gain substantially from sending unskilled labour to Australia and New Zealand. The report also found benefits for the Australian economy in taking in the labour³⁷ Given that the Pacific region already features prominently in Australia's aid and development objectives, proponents of a seasonal mobile labour force in the Pacific see much to commend in the integration of any labour scheme with Australia's aid program in the region. There is unanimous agreement among bankers, including the World Bank and the Asia Development Bank, and among academic experts, that stimulation of Pacific island economies through remittances, through increasing the skill levels of workers

36 AusAID, *Submission 42*, p.2

37 Terrie Walmsley, S. Amer Ahmed, and Christopher Parsons, *op cit*, p.29. See also para. 1.26.

from the islands, and reducing the economic isolation which plagues many Pacific states, are all valuable contributions to achieving identified aid objectives. The movement of unskilled labour, even to a limited extent, and on a temporary but systematic basis, is consistent with these other objectives.