

SUBMISSION TO SENATE EMPLOYMENT, WORKPLACE
RELATIONS AND EDUCATION COMMITTEE

INQUIRY INTO PACIFIC REGION SEASONAL CONTRACT
LABOUR

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SUMMARY

This submission argues that a carefully crafted and targeted seasonal labour scheme would be highly beneficial to Australian security interests in the Pacific as well as to the economies of those Pacific Island Countries where there are currently limited opportunities for permanent emigration that is Papua New Guinea, the Solomon Islands, Vanuatu, Kiribati and areas of Fiji. Economically, as well as filling a growing need for seasonal workers in Australia, such a scheme would contribute to the short-term reduction of poverty in the rural Pacific and to facilitating longer-term developmental take-off in islands otherwise doomed to stagnate. The submission also foreshadows a significant role for Pacific women in resolving Australia's growing aged care crisis.

SUBMISSION: PACIFIC REGION SEASONAL CONTRACT LABOUR

CONTEXT

I am making this submission in an individual capacity, but my qualifications to comment on these issues are attested to by my current academic position as Professor of International Agency Leadership [Peace Building] at the University of New England and my previous decade plus experience of working with AusAID: the Government's Development Assistance Agency including time spent as Head of the Pacific Branch.

In keeping with my areas of expertise, this submission focuses on Term of Reference (e): Potential effects of the scheme on the economies of the Pacific nations but it concludes with some comments on (d): Likely technical, legal and administrative considerations for such a scheme.

INTRODUCTION

A rural reaction from Armidale

To start with, one comment on the likely response from local communities in Australia. I am a resident of Armidale, in northern New South Wales and delivered my Public Lecture on 'Development and Security in the Pacific' making the argument in favour of a Pacific labour contract scheme to a general audience on 30th of June 2005 (see attached text). At the Armidale Town Hall, the overwhelming response to the proposal for such a scheme was highly positive. Those who had had some contact with islands, even if only as tourists, were especially positive. There was only one questioner who was markedly negative. He was concerned with the risk of overstayers and the potential to deny jobs to local Australians. In subsequent discussions, some people have said that such a scheme could be considered discriminatory and entrenching a 'second class status' by granting short-term visas whilst continuing to deny longer-term migration prospects to unskilled Pacific Islanders. However, pragmatically, most unskilled islanders would almost certainly prefer almost any opportunity to come to Australia to earn money to take home, to having no such opportunity, as is currently the case.

It is my personal view that starting with a pilot project would allow both Australia and the islanders to explore the possibilities in a context where minor errors can be rectified and strengths developed without building either unrealistic expectations in the Islands or uninformed opposition in Australia. A pilot scheme would also help resolve the question of the level of demand for seasonal workers. Having seen a pilot at work, if potential employers were not queuing up to join in, then the demand would clearly be lacking. It is currently difficult to assess the potential level of demand because the seasonal workers will partially act as replacements for the present workforce of European backpackers who are not available on a sufficiently numerous and reliable

basis. Understandably employers, who have only had experience of backpackers to date, want to be able to assess how good the Pacific islanders are as workers before they commit to a new scheme. In this context it is important to understand that the Polynesians and Melanesians have different working styles and strengths to offer.

E. THE EFFECTS OF THE SCHEME ON THE ECONOMIES OF PACIFIC NATIONS

1. Wages to be earned in Australia

Minimum wages in Australia represent relative wealth in the Pacific. This is simply demonstrated by comparing per capita incomes. The per capita Gross National Income of Australia is \$37,390 as against \$750 for PNG; \$765 for the Solomon Islands; \$1,350 for Kiribati; \$1,863 for Vanuatu (where a few rich people skew the overall figure for a very poor country); \$2,585 for Samoa; \$2,545 for Tonga and \$3,739 for Fiji [World Bank GNI data for 2004 converted to Australian dollars]. In the absence of remittances from emigrants GNI for could be as low as \$2,000 for Samoa and \$1,500 for Tonga.

These figures mean that for four months [16 weeks] of employment in Australia earning the Federal minimum wage of \$484.40 [i.e. a total of \$7,750], a Papua New Guinean or Solomon Islander would be able to earn close to ten times the per capita national income at home. [Estimates are that hard workers on piece work rates for fruit-picking etc. would earn \$600-\$700 a week rather than the minimum]. Even if half of the money earned goes in expenses (air-fares, accommodation, accident and medical insurance etc) the islanders would still be very significantly better off, most especially if they had been unemployed at home, since there are no unemployment benefits paid in the island countries. An unemployed adult in the islands has either to find some way of getting a little cash (for example by fishing) or they have to rely upon their relatives to feed and house them. As the GNI data show, the comparative benefits for Fijians and workers from Samoa and Tonga would be markedly less, which means that they would they have to stay longer to earn a sum with an equivalent value at home. A number of submissions to the Enquiry (including those from Government Departments) have argued that the economic benefits to the contract workers would be marginal – but they have not presented calculations to demonstrate this – nor do they allow for the poverty of the Melanesian countries. Potential employer and employees will do their own calculations but evidence from the New Zealand scheme shows that there are plenty of takers at the approximately one-third lower New Zealand wages. [For details of the New Zealand Scheme see under Horticulture and Viticulture Industries Seasonal Work Permit Policy – 2006 Pilot at www.immigration.govt.nz]

In the islands' context the fact that only some people from a village would be able to come to Australia would not prove socially disruptive as workers share benefits for example by paying for education and housing for their extended families. In Kiribati and Tuvalu, where there are labour contracts to work on

European ships, opportunities to work overseas are deliberately shared around to secure equity.

2. Economic and Security Issues

Australia has a very strong interest in peace in the region. We are already spending tens of millions of dollars each year on maintaining law and order in Papua New Guinea and the Solomon Islands and we would be under pressure to do the same for other Pacific Island Countries should internal conflicts break out into open violence.

A contract labour scheme would have two major economic effects

- (i) through money taken/sent home (remittances)
- (ii) through its impact upon unemployment in the Islands

In terms of regional security, it is the impact upon unemployment which would be the most significant. It is difficult to over-emphasize the problems posed to the Pacific Island countries by large numbers of young people sitting around in villages and on the fringes of informal urban settlements with nothing to do and no prospect of gainful employment. In this respect demography is destiny and unemployed youths are the tinder from which the bush fires of civil conflicts are ignited (PIA 2004). The most important factor making a re-ignition of civil war in Bougainville plausible/probable is the lack of opportunities for young people to find employment which will enable them to have a clear purpose in life. Imagine what Australia might be like with 20% of the total population or 40% of working-age adults of working age unemployed but with semi-automatic weapons buried in the bush. Clearly, no Australian contract labour scheme would ever be able to provide opportunities for more than a small proportion of Pacific youth. But, like a lottery, the prospect of opportunities for some serves to offer hope to all. One factor which has helped Fiji avoid descending into prolonged armed conflict has been the reality that Fijians who keep clear of criminal records have the chance to apply to serve in the British Army at British pay rates. In a similar way, the prospect of some young Solomon Islanders, Bougainvilleans or Ni-Vanuatu having the chance of coming for periodic work visits to Australia would serve as an incentive for many more to stay on at school, increase their educational qualifications and establish reputations for hard work and sobriety. Islanders are familiar with idea of employment as a lottery in which only the few secure paid jobs, what they want to ensure is that they at least have a ticket in the lottery.

3. Trade in Labour not Aid

Australia can assist the Pacific Island countries in three ways: (1) through aid, (2) through trade and (3) through allowing immigration. [It is significant that the somewhat split-personality Submission to the Enquiry by the Department

of Foreign Affairs and Trade concludes with a reference to the \$955 millions of Australian aid to the Pacific in 2005-06.]

The distinction between the mobility of goods (trade) and the mobility of labour (immigration) is politically vital but does not make a great deal of economic sense. From the viewpoint of someone who spent many years working for AusAID including time spent with responsibility for Australia's development assistance to the Pacific, a Pacific contract workers' scheme would achieve many benefits which development assistance has difficulty in delivering, especially at the grass roots level. The success of development assistance in the Pacific has been highly variable. Australians, the World Bank and other 'expert' outsiders have been telling Pacific Island countries successively for the past three decades that if only they would provide the right infrastructure; educate their populations; remove trade barriers and finally ensure good governance, international investment and economic development will be just around the corner. However, in reality the geographic isolation of the Pacific island countries precludes them following in the footsteps of Singapore or the Caribbean neighbours of the United States. Until recently, few experts have been game to query whether some countries are too remote, too small, too scattered or simply have too few national resources to achieve economic take off. However, this is now a possibility which the World Bank is ready to consider in the case of the remoter areas of the Pacific (Luria and Dhar 2005)

Aid experts are becoming more outspoken in recognising that some small countries have little prospect of achieving developmental 'take off' or even surviving in the absence of remittances, but this is much more difficult for politicians to accept and act upon.

We do not know how far money earned and skills developed through a seasonal migration scheme could accelerate overall economic development for the poorer regions of the Pacific. We do know that Samoa and Tonga have benefited from significant poverty reduction due to their major remittance flows [as Submission Number 46 by Dr Brown shows in detail]. These flows have also been used to finance high levels of education which, in turn, have facilitated further emigration in a deliberate strategy of work overseas to improve life for those at home. We also know that the Melanesian countries have much better and more extensive natural resource bases proportional to their population than Polynesia or Kiribati, therefore they have much greater scope for indigenous economic development. Across the Pacific, alleviating poverty is a more readily achievable goal than economic take off and a goal which certainly could be attained through a seasonal migration scheme.

Over the past two decades I have discussed their visions of the future with hundreds of young people in their schools and villages across the Pacific. A constant and almost universal theme has been the need for more employment opportunities to put their school education to work. A great virtue of a contract labour scheme is that the participants get to choose whether they wish to participate, so that self-selection means that those who join in are those who

are the most entrepreneurial and likely to use their overseas experience to innovate and set up new businesses at home.

All the evidence [including submission number 13 from Vanuatu] suggests that there will be many more people wishing to work in Australia than opportunities available. This will allow Australian employers to be selective in their choice of workers and could also allow island governments to use opportunities to work in Australia as rewards for regions far away from national capitals which feel that they have been unjustly neglected.

A contract labour scheme would represent the Australian private sector building up mutually beneficial economic links with the Pacific Islands with associated personal links. At present, Australia is at a strong disadvantage because our security interests in the region are not backed up by sufficient economic or personal ties with the island countries. Many Australians, who in earlier times developed personal links with the islands through working there, are now ageing and there is a real need for new ties. Matters would have gone better in the Solomon Islands if there had been more person-to-person links with Australia

Individuals taking their own earnings home to the poorer areas of the Islands can choose how to invest their money, rather than being at the end of a long chain of 'trickle down' development assistance which rarely reaches the poorer areas and the outer islands. Australia provides a high proportion of aid money in support of 'good governance' in the Pacific. This may or may not produce tangible results but it is unusual for it to directly improve the lives of villagers. With their own overseas earnings many villagers would probably choose to invest in education for themselves and their family members, thus building up the local skills base. Improved housing would also be a popular choice with flow on effects to the local economies and obvious health benefits. Some more entrepreneurial individuals would set up small businesses. Some money would certainly also be spent on taking home consumer goods from Australia such as DVD players, out-board motors, computers and clothes).

4. MEASUREMENT OF ECONOMIC IMPACT: POLYNESIA ALREADY HAS MASS REMITTANCES MELANESIA DOES NOT

It is not possible to generalise about the overall economic impact which a seasonal labour migration scheme would have on all the Pacific island countries. Undoubtedly, the economic impact of a seasonal labour program for the Pacific islands will vary markedly across the region because:

- (1) existing access to remittances and therefore available funding for local investment is already highly variable, and
- (2) even when money is available opportunities for rewarding investment vary

For countries such as Samoa and Tonga, where remittances are already a major component of national GDP such a scheme will have no more than a minor impact on their economies [unless permanent emigration becomes much more difficult].

For Samoa from 1970 to 1998 workers' remittances made up at least 24% of GDP (Chami et al. 2005). For Tonga remittances are already equal to 37% of GDP (Ratha 2003) and contribute 20% of total household cash income (Tonga Statistics Department 2003 - unofficial figures quoted by Dr Brown are even higher). Alongside such massive remittance flows, seasonal labour opportunities for Samoa and Tonga will not provide a significant new source of foreign exchange income. Investment opportunities in Samoa and Tonga could have been financed from the remittances from long-term emigrants these past thirty years. Indeed, at least 75% of households in Tonga already receive remittances (Small and Dixon 2004). The fact that these remittances have largely been spent on education, consumption and church activities suggests that Polynesians see education (and the possibility of subsequent emigration for the next generation) as the best investment available to them. The situation is quite different in Melanesia (excluding Fiji) where long-term emigration and remittance flows are rare and investment opportunities in agriculture are considerable and largely untapped.

Even where there are long standing and large remittance flows there is a lively debate amongst economists as to the impact these flows have on recipients (Puri and Ritzema 2005). To summarize the debate, there is general agreement that remittances are a stable and counter-cyclical source of foreign exchange and that they do serve to significantly alleviate poverty. However, there is a division between those who believe they have a positive overall effect on investment and the growth of national GDP and those who argue that remittances can create moral hazard, inciting laziness in those left behind and can even depress economic growth in some circumstances (Chami et al. 2005). Certainly, in the context of a seasonal labour scheme for the Pacific, where the workers would be remitting home money for their own use on return, the moral hazard argument simply does not apply. The more difficult question relates to opportunities for rewarding investment. Economists are uncomfortable with the idea of places where there are minimal opportunities for profitable investment but this is certainly the case in some areas of the Pacific. After all, if there were better opportunities for making money through investment at home, there would not be so many people emigrating and thirty years of development assistance would have delivered much more in the way of economic growth.

In general, if the opportunities for profitable investment in the Melanesian countries are only limited, then a seasonal labour scheme may still be able to do much to alleviate poverty but will not be able to spark economic growth. However, If rewarding investment opportunities are indeed to hand, as the Australian Government repeatedly tells the Forum countries, then the local people should be best aware of them and be able to exploit them using their money earned in Australia.

For the Melanesian countries a seasonal migration scheme could thus provide finance for rural development in a context where, as already noted, per capita land availability is often much better than in Polynesia so that extensive opportunities for growing cash crops for export could be available

given market information and financial backing. Around the world the evidence shows that for those from poor and remote regions, the experience gained from travelling to a developed country allows returnees to broaden their horizons and understand how a modern economy works in practice. Money earned in Australia could also finance infrastructure development through helping to build schools, clinics, water delivery systems and other village needs. Again, it could be used to finance small local businesses such as bakeries, copra, cocoa and fish drying machines, minibuses and village eco-tourism projects. Young people who have been to Australia for seasonal work should return with savings, skills and social networks. Seasonal earnings could also provide informal insurance when cyclones hit the islands.

5. Training Benefits

Even working on unskilled tasks such as fruit picking teaches many things including the discipline of working regular hours, following instructions, safety procedures etc. Workers in horticulture could also learn about matters such as the relationship between quality and price and the correct use of pesticides. A scheme with effective arrangements for payments to be made in the home country could also help teach budgeting. Workers returning annually, for say a 4-6 month stint, would be able build up their general work-force skills and use their visits to Australia to follow up on finding out about how to pursue entrepreneurial opportunities at home. For example, a group wishing to set up a bakery in their home village could see how country bakeries work in Australia and arrange to import the necessary equipment paid for from their earnings. Or a group from the atolls could learn about hydroponics. Because this scheme would target unskilled and semi-skilled workers¹ there should be no fear that it could contribute to 'brain drain' or 'brain waste' from the islands². To re-enforce this, anyone with higher education could be excluded from participation especially as they would pose a particular overstayer risk. The proposal for an Australian Technical College for the Pacific (referred to in the DFAT Submission Number 42 p.2) has a quite different objective of training islanders for permanent migration to Australia. If it succeeds, it will be providing opportunities so rare and so valuable that most islanders from the villages will still be excluded.

6. Gender Equity and Aged Care

In the longer term, the gender equity of the scheme should become a matter for consideration. One area of demand for unskilled labour, which is growing exponentially in Australia and across the developed world, is for people to provide physical care for the frail aged including those with dementia. Whilst this is not seasonal work, a scheme which would allow islanders (who for cultural reasons would predominantly be women) to come and work as nurses aides/ unskilled staff in homes for the aged could be very attractive to both

¹ Unskilled is a relative term, skilled canoe carvers or makers of herbal medicines are obliged to become unskilled labourers where there is no demand for traditional canoes or herbal medicines.

Tongan emigration has served to recreate a cash-backed demand for traditional artefacts in Tonga.

² 'Brain waste' is where highly skilled workers from developing countries take on unskilled work in developed countries because the pay is higher than they could get at the top of their profession at home

Australia and the Pacific. The benefits to the aged in Australia would be very marked since they would be gently cared for by people from cultures who still value the aged. The islanders would be filling jobs Australians have demonstrated that they do not want. For the islanders, opportunities for unskilled/semi-skilled women would be most welcome. The Kiribati government is already supporting the training of nursing aides as a means to give women the opportunity to earn income overseas. Recognising that Kiribati cannot survive as a country unless its citizens maintain opportunities to work overseas and send home remittances AusAID is working with the government to advance the training of nurses and nurses' aides. A successful seasonal scheme could pave the way for such longer-term semi-skilled/unskilled migration of carers for the aged. The DIMA suggestion for the use of Occupational Trainee Visas might well be appropriate for this group

D. TECHNICAL, LEGAL AND ADMINISTRATIVE CONSIDERATIONS

One major concern with any proposed contract labour scheme will always be the issue of potential overstayers.

However, fairness requires an acknowledgement that, because of their skin colour, it is much more difficult for Pacific Islanders than for the average European back-packer to just disappear into the general population especially in rural areas.

The DIMA submission discusses a number of ways of examining the risks associated with non-compliance with the conditions of temporary entry into Australia. These show Tonga (4.2 % or 703 persons) and Samoa (1.9% or 289 persons) to have high percentages of "stock estimates of unlawful non-citizens" but low actual numbers. The actual numbers rather than the percentages are important since it is these numbers that create costs for the taxpayer and any competition for jobs. So it is worth noting that using this definition there are 2,333 overstayers from the Philippines, 2,619 from the Republic of Korea and 4,939 from the United States of America and even 1,317 from France. In contrast Vanuatu and the Solomon Islands each have 35.

It is also worth querying why Australians should fear seasonal workers 'taking their jobs' when this alarm is not raised in relation to the 104,000 backpackers who are already working across Australia under the Working Holiday Maker Scheme: WHM (DIMA 2004-5 figures). The DIMA Submission to this Enquiry (no. 43) raises concerns that "one very possible outcome is that seasonal contract workers would displace legitimate Australian workers" (p.2). It appears unreasonable, and possibly discriminatory against poor countries, for DIMA to worry about a maximum of say 10,000 contracted seasonal labourers taking jobs from unskilled Australians, but to consider it "a great success" to

offer second visas to about 100,000 backpackers, 15% of whom are already engaged in seasonal harvest work!

DIMA stresses the reciprocity of the WHM scheme, yet the second ranked country for WHM visas in 2004-5 was the Republic of Korea with 17,706 grants in 2004-5 and a stock of 2,619 overstayers. Given the language barrier, it is difficult to envisage large numbers of young Australian either wishing to or being able to go and work in Korea. Certainly Australia has a much stronger stake in developing people to people links with the Pacific island Countries than with Korea.

7. Over Stayer Rates across the Pacific

There is a significant difference between Melanesians and Polynesians in the likelihood of their becoming overstayers. Melanesians (from Papua New Guinea, the Solomon Islands and Vanuatu) are much less likely to stay on than Polynesians from Samoa and Tonga who already have a longstanding tradition of permanent migration to Pacific Rim countries and sizeable established communities in Australia where they can blend in and disappear. Essentially, Melanesians tend to become home-sick and want to return home [see Vanuatu submission number 13] Thus, for example, over several decades of Australia sponsoring ni-Vanuatu to come and study in Australia, significantly less than 1% have failed to return home at the completion of their studies. Micronesians from Kiribati and Polynesians from Tuvalu have a long history of contract labour as sailors with the German and Japanese merchant marine and an excellent record for observing the repatriation conditions linked to their employment. They also share a strong desire to return home to their families and the beauty of their coral atolls³. Micronesians and Melanesians are often 'target income' migrants. That is they have a clear goal in mind, such as earning enough money to open a small shop or buy a copra-dryer, and once they have achieved their goals they are content to go home.

8. Communal Guarantees

Most Pacific societies, especially those in Melanesia, are highly communal in nature. This means that social groups are accustomed to being held responsible for the behaviour of their individual members. Thus, for example, if groups were contracted from villages in the Solomon Islands and Vanuatu, their traditional leaders would be able to play an important role in ensuring their discipline on the job and that all workers granted visas would return home at the end of their contracts. Thus, it would be feasible to make subsequent contracts for a geographical area dependent upon full return from earlier contracts, which would ensure minimal overstayer rates.

³ Beautiful but the atoll nations of Kiribati and Tuvalu are considered to have the most infertile soil in the world. Hence the need to go overseas to work. See UNESCAP Bangkok 1995 Sustainable Agricultural Development Strategies for the Least Developed Countries of the Asian and the Pacific Region for the limits to agriculture in the region.

9. Church Links

There are a number of arguments in favour of involving Church groups in seasonal migration. Churches in the Pacific play a very significant role in every day life including the regulation of social behaviour. Specific links between Pacific churches and local churches in Australia would provide groups of workers of known good character with ready made 'friends' on arrival in rural Australia and help them to understand our culture and feel at home. Church links could also give any exploited workers a source of neutral back up when needed. It would be expected that Islanders coming to Australia would have a good grasp of English (since past the first few years of primary school education is in English throughout the Anglophone Pacific) and therefore be able to talk with their employers and local sponsors from the start.

10. Lessons from the Canadian Scheme

Australia is in the fortunate position to be able to learn from the pros and cons of the long-established Canadian seasonal farm worker scheme.

(i) A proportion of wages should be paid at home

One major lesson to be learnt from the Canadian Scheme, which has been underway since 1966, is the benefits of reserving a proportion of the wages paid directly in the country of origin at the end of the season. This sensible proceeding would have particular benefit in the case of young people unfamiliar with handling large amounts of money. It might, however, be necessary to work out the procedures required to make this practice fit within Australian legal constraints on the delayed payment of wages.

(ii) Workers should be able to return each year

From America to Europe, experience shows that where workers have the prospect of being able to return to the employing country for a number of months each year, problems with potential overstayers are dramatically decreased since there is much less reason to overstay if one knows one can return. There are also great advantages to the employers in dealing with people who are already known to be good workers with experience in the industry. Much work in horticulture in areas such as pruning is not defined by DIMA as 'skilled' but is much better done by workers with prior experience.

(iii) Workers should NOT be tied to a single employer

Another lesson, from Canada, the USA and elsewhere is that schemes which tie workers to a single employer, through visas, loans or other conditions, are open to abuse by employers. Workers should, subject to a formal notification procedure, be able to change employers.

(iv) Workers should have access to a high profile, neutral complaint handler

Also, because of the possible potential for exploitation, there should be an independent Ombudsperson with a high profile amongst the contract workers,

to receive and investigate complaints. Knowledge that such a person exists should also help to deter exploitation which flourishes where immigrants have ambiguous status and have no one they trust whom they can complain to. A retired Australian Church leader might well be an appropriate Ombudsperson.

Employers of fruit pickers are certainly not exceptionally dishonourable, but tight margins can tempt them to trim down on workers' pay and conditions and the visiting status and limited formal education of the workers can expose them to exploitation (especially if, unlike the Islanders, they have little English). Because of their ability to manipulate the interface between cultures, middlemen from the workers' home country can be particularly exploitative. Equally, islanders from Polynesia would not necessarily feel duty-bound to protect Islanders from Melanesia and vice versa.

(iv) Employers should NOT be obliged to provide accommodation

The Canadian experience suggests that obliging employers to provide accommodation has a potential to result in exploitation and unhealthy and even unsafe accommodation. Leaving accommodation to the local market is preferable. Given the communal housing provisions to which islanders are accustomed at home, basic backpacker or caravan-park style accommodation can be both appropriate and inexpensive. Some larger companies will see benefits in providing accommodation on site.

(v) The Scheme should be administered by an independent body

Having an employer administered scheme, as in Canada, places too much weight on one side of the scales. An independent body with a range of representation including islanders from all sending countries would be more appropriate. This body should have the responsibility for ensuring that seasonal workers do not undercut Australian wages and conditions and receive at least the Federal Minimum Wage.

Learning from the Canadian scheme, it should be noted that President Bush and the business wing of the Republican Party are now supporting a temporary guest worker scheme for Mexicans to work in agriculture and other "jobs Americans won't do" (White House Press Release: President Bush Meets with President Fox in Cancun, Mexico 30 March 2006). The US Senate Judiciary Committee has recently endorsed a still controversial program which would allow up to 1.5 million temporary agricultural workers to legally enter the United States. Many believe that American agriculture could not survive without the temporary workers [see the "Summary of Immigration Reform Proposals" [Washington Post](#) 17/05/06].

New Zealand is currently piloting a Seasonal Work Permit Scheme which allows up to 4,000 temporary entrants to work in agriculture in regions with a demonstrated labour shortage (if Australia were to have an equivalent sized pilot commensurate with its total population, it could include up to 20,000 people - which would be too many for a pilot). If Australian industry's competitors have access to seasonal labour, so too should the Australian growers, subject to fair conditions for the workers.

11. Some Other Administrative Issues

(i) Taxation

It is important that the tax treatment of seasonal immigrants should be equitable and ensure a balance between the levels of tax to be paid and the government services to which they might have access. Clearly the level of taxation should not be so high as to act as a disincentive to participation in the scheme, as could be the case if the workers were simply treated as non-residents. Allowing the \$6,000 tax-free threshold but requiring payment for private medical insurance could be a fair compromise. No one is suggesting that seasonal workers should have access to Australian social security provisions.

(ii) Selection of workers

Selection of workers would occur at three levels

(a) Nationally

From the perspective of Australia's regional security interests and of minimizing the proportion of overstayers a strong case can be made for focusing on bilateral agreements with the Melanesian countries: PNG, the Solomon Islands and Vanuatu. As sea levels rise with global warming, countries such as Tuvalu, where nowhere is more than 4 metres above sea level should also merit serious consideration. Equally, if the objective is to support island countries whose neglected villagers have limited access to cash and even less to foreign exchange, then the priority should also go to the Melanesian countries. Recent events in the Solomon Islands demonstrate what happens when employment opportunities are absent or even taken away (it would appear that prior to RAMSI at least some of those who became stone throwers had been kept on the government payroll as special constables). Even quite limited numbers of well-paid employment opportunities for the unskilled can motivate youths to good behaviour and further educational efforts.

Polynesians and Fijian nationals have much less need for opportunities for temporary migration to Australia because significant numbers already can and do come in as permanent migrants. As the DIMA figures for settler arrivals show, people born in Fiji, Samoa and Tonga are already arriving in Australia in numbers which, whilst small by Australian standards, are very significant in island terms. In the decade 1995-2004 more than 2% of the total populations of both Tonga and Fiji arrived in Australia to settle. Fully 5% of the population of Samoa emigrated to Australia during that decade. The Polynesians also have the advantage that they, unlike the Melanesians, are allocated annual quotas of settlement places in New Zealand as well as access to the pilot seasonal workers' program which will allow up to 4,000 individuals to work in regional agriculture in 2006. In contrast, Melanesian settlers coming from PNG, the Solomon Islands and Vanuatu come in minute numbers (PNG with a population of 5.5 millions provides fewer settlers than Samoa with a total population of 178,000). Thus, if these Melanesian countries are to gain the

economic benefits of remittances, a seasonal labour scheme could play a much more significant role for them than for already remittance rich Polynesia.

On the other hand, the case for supporting seasonal labour agreements with Samoa and Tonga could rest on the size of the existing Samoan and Tongan communities in Australia and their ability to provide managers and other resources for groups of seasonal workers from their homelands.

Fiji is a Melanesian country with a number of Polynesian characteristics and almost half of its population of Indian origin. Skilled migrants from Fiji have been coming to Australia in large numbers at a rate of some 5,000 a year. Almost 90% of those emigrating from Fiji have been Indo-Fijians. Fiji now earns more from remittances sent home by emigrants than it does from sugar exports. The Fijian government is a strong supporter of proposals for short-term migration contracts, partly to redress the balance of migration opportunities by offering more prospects to unskilled rural Fijians rather than to skilled urban Indo-Fijians. On the grounds both of helping to alleviate rural poverty and to help to dampen threats to the internal peace of the country, a strong argument could be made for short-term labour contracts for a quota of unskilled Fijians to come and work in rural Australia.

(b) Locally

On the basis of the needs of the Pacific, there are two priority areas for migrant labour recruitment based on poverty and security concerns: (i) the poorer, usually remoter, areas and islands and (ii) those informal areas on the outskirts of towns where employment opportunities are minimal and young people stroll around aimlessly in hope of excitement, work, or any meaningful role in life. Priorities would include Bougainville for PNG, Malaita and the urban hinterland of Honiara for the Solomon Islands, and peripheral areas of Port Villa, the capital of Vanuatu. Young people from these areas still have strong rural roots in cultures based on horticulture and are used to hard physical labour. Many Melanesians have experience with a range of tree crops and most are familiar with climates beset by tropical extremes of heat and humidity. They would be ideal workers for seasonal labour in Australia.

(c) Individually

There are many arguments for contract workers coming to Australia as teams with their own local leaders included to act as spokespersons and task managers. These leaders will be able to ensure reliable working standards and good behaviour on and off the job. Overall, the aim should be to recruit young workers: the question of their marital status and the number of dependents (who would remain at home) should be for local decision, although mixed groups of singles and young parents might well work best. If teams wanted to bring one member with them as a cook/housekeeper for the team as a whole that person might also be allowed a seasonal visa. Work gangs of persons selected as individuals and coming from different ethnic and language groups might well be more difficult to deal with.

(iii) Twin cities

It has been proposed, including by Mares [see submission number 19], that a contract labour program could build on a 'twin cities' approach. This is partly to solve the problem encountered in Canada where the contract workers remained largely isolated from the Canadian community. Canada does not border on Mexico or the Caribbean (the source areas for their short-term immigration) but it is especially important for Australia that any temporary migration program should help to build up positive person-to-person links with our Pacific neighbours. If this is 'twin city' suggestion is to be adopted, then both Australian towns and Islander communities should be given a very clear picture of what is involved. Experience with Australian municipalities twinning with towns in East Timor has been very mixed. Sometimes those who enthusiastically promoted such schemes at the Australian end move on leaving a void which is not filled. Timor offers a language barrier which would not be the case in the Pacific, but it is still important lesson learned not to overburden the islanders with more roles than they can fulfil. It might well be better to start with say a church link and allow further links between town councils, credit unions or secondary schools to develop subsequently at their own natural pace. Undoubtedly, labour migration programs will work better if, through having visited in the region, the Australians involved have a realistic appreciation of the conditions which the islanders are coming from, for example villages where there may be a DVD but no watches or clocks; where there is no bank and no one has yet seen a tourist; where Sunday work (and play) is illegal and where young men will still obey old men simply because they are older.

12. PRACTICABILITY OF SUCH A SCHEME

Overall, although there is scope for improvements, the Canadian Seasonal Agricultural Worker Program has demonstrated that such a scheme can be made to work over 40 years and there is no reason why a similar scheme should not work in Australia. Certainly there is scope for workers to be exploited and for some workers to try to become residents but a well-designed scheme can minimize such risks.

It is often said that Australia has no tradition of 'guest workers'. However, around the world there has been a paradigmatic shift in migration patterns so that non-permanent migration has become much more common. This has been the case in Australia too to such an extent that "since the mid-1990s, the number of overseas visitors entering Australia on a temporary long-term basis (staying for at least one year) has exceeded the number of people arriving for permanent settlement, and since 1998/99 net long-term arrivals of overseas visitors has exceeded net permanent migration to Australia "(McDonald et al. 2003). In simple terms, Australia is no longer the country of permanent migration it once was.

The DIMA Submission [Number 43] imaginatively suggests the possibility of using either Business Long Stay Visas (BLSV) or Occupational Trainee Visas (OTV) for "workers from the South Pacific and East Timor". They note that

“the experience with the Fijian tobacco workers who come to Victoria on OTVs indicates that benefits can flow both ways” (p.7) however the specified requirements for the company or organization which is to be the trainer are considerable and, in the case of seasonal harvesters might need to be taken up by a peak body such as the National Farmers’ Federation. Alleged misuse of the Business Long Stay visa is already creating some concerns [eg “Beasley wants foreign worker ban” Daily Telegraph 18/05/06:9 and “Debate sparked in Australia by guest work visas” Taipei Times 17/05/06 quoting The Observer] and it might well be that the transparent creation of a specific Seasonal Work Permit-type Visa as in Canada and New Zealand would be more acceptable to the general public than massaging an existing visa category

CONCLUSION

Any unbiased observer would accept that a practicable seasonal migration scheme could be designed for Australia, it then becomes a political decision for the Australian government, bearing in mind the security as well as the economic benefits to Australia and the Pacific region, as to whether such a scheme should be established. The success of the scheme would depend upon participants obeying the rules with the employers treating the workers justly and the seasonal employees working hard to build up a good reputation so that their groups will be invited back from year to year. New Zealand already has a pilot scheme. If Australia knocks back the Pacific Forum countries on the grounds that guest workers are not a part of our tradition whilst we take in 162,095 temporary residents [as of December 31st 2005], the Islanders will not understand and will consider us to be biased and hypocritical⁴.

⁴ Papua New Guinea Foreign Minister Sir Rabbie Namaliu used the more diplomatic ‘disappointed’ in discussing the extension of working holiday visa conditions on PNG National radio on 16/05/06.

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