

Pacific exceptionalism and its implications for Australian Pacific policy

Submission into the “Inquiry into activating trade and investment between Australia and Pacific island countries”

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Introduction

This submission aims to demonstrate the unique nature of the Pacific economies, and of their interactions with the outside world, including Australia. It concludes that a conventional approach to promoting trade with the Pacific will fail, and that it is essential that the Committee put labour mobility at the front and centre of its considerations.

Based on our analysis, we present four specific policy recommendations, summarised below with more details in the concluding section.

Recommendation one: PACER Plus is irrelevant, and should not be pursued as a Pacific integration strategy.

Recommendation two: Deep integration is a better alternative than PACER Plus.

Recommendation three: Labour mobility must be central in Australia’s economic relationships with the Pacific. Expansion of labour mobility has been the most positive development in the Pacific over the last decade, but there is much more to be done.

- First, we need to move beyond a focus on temporary migration to build pathways to permanency.
- Second, we recommend lifting enforced family separation under the Pacific Labour Scheme.
- Third, we recommend reversing recent policy changes to the Working Holiday Maker visa, specifically the provision of a third-year extension.
- Fourth, we recommend a strengthened focus on promoting migration opportunities to improve employment outcomes for Australia Pacific Training Coalition (APTC) graduates.

Recommendation four: The Pacific bubble should be pursued with interested Pacific countries to support tourism and labour mobility.

The submission is presented under three sections:

1. The Pacific context.
2. Pacific external economic links.
3. Economic links of the Pacific with Australia.

The Pacific or PICs (Pacific island countries) are the independent island member countries of the Pacific Islands Forum, namely Cook Islands, Fiji, Federated States of Micronesia (FSM), Kiribati, Republic of Marshall Islands, Nauru, Niue, Palau, Papua New Guinea (PNG), Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Timor-Leste is both an Asian and a Pacific country, and is also included in the analysis below due to its many similarities. Due to limited data availability not all PICs have been reported against all indicators presented in this submission – see notes for exclusions.

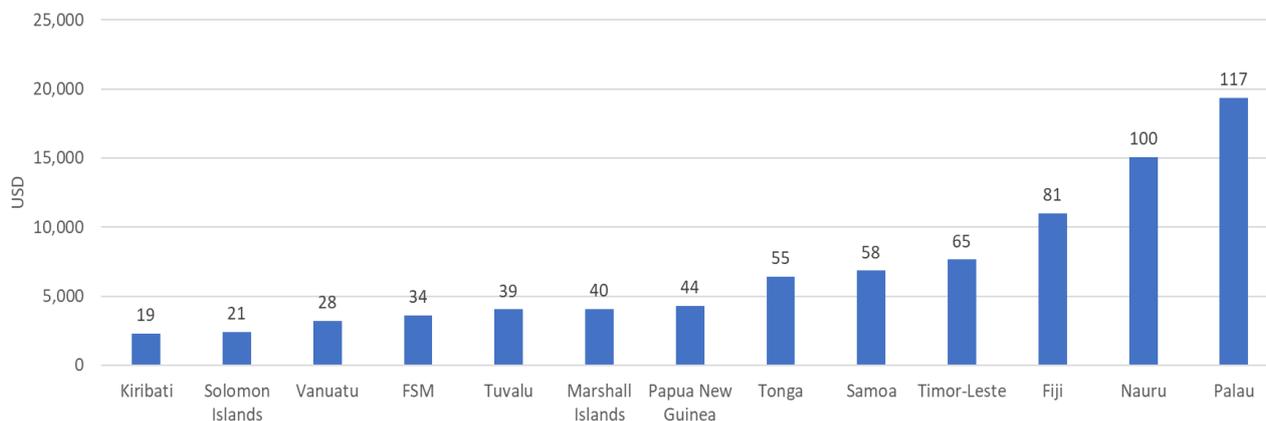
This submission does not address the Inquiry’s terms of reference in relation to investment between Australia and the Pacific.

1. The Pacific Context

The Pacific is unique. Economically, the Pacific is a relatively poor, but diverse region.

Palau and Nauru are high income countries. At the other end of the spectrum, three Pacific countries are among the 30 poorest countries in the world: Kiribati (19th), Solomon Islands (21st), and Vanuatu (28th).

Figure 1: GDP per capita, PPP



Source and notes: [World Bank](#), 2018, current prices. 'PPP' indicates that incomes are valued using purchasing power parity conversion factors. Data labels=GDP per capita (PPP) compared to other countries (1=lowest, 187=highest).

The economic structures of Pacific countries vary. Most have a large agricultural and rural sector, with a high level of subsistence. In FSM, PNG, Vanuatu, Samoa, Solomon Islands, Timor-Leste and Tonga, 70% or more of the population reside in rural areas.¹ Apart from this commonality, there is considerable divergence. We can distinguish between three types of economies. Economic rents (unearned profits or income) are important sources of income for all Pacific economies. There are five for whom they are particularly important relative to the overall economies. These 'rentier economies' include Kiribati and Nauru (for whom aid and fishing licence revenues are very important); and PNG, Timor-Leste, and Solomon Islands, whose rents derive from petroleum and/or minerals and/or forestry. For five other Pacific nations, aid and fishing licence revenues are also important, but so too are remittances and/or, more generally, migration opportunities: these are the Marshall Islands, FSM, Tuvalu, Samoa, and Tonga. Finally, there is the group of more successful Pacific economies who benefit from tourism as well as rents and migration: namely, Fiji, Vanuatu, Cook Islands, and Palau. This classification is summarised in the table below.

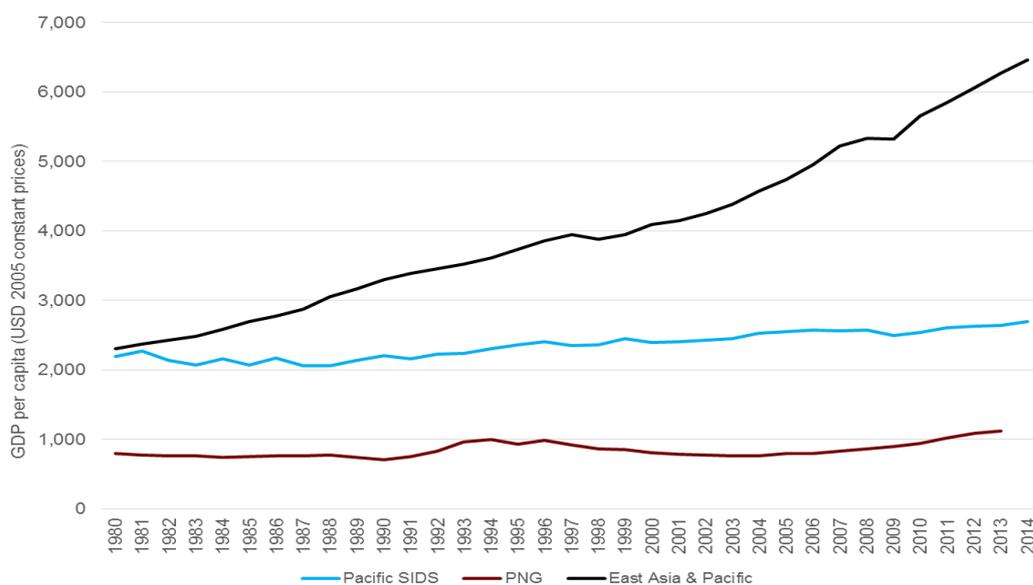
Table 1: An economic typology of the Pacific

	Countries	Distinctive features
Rentier economies	Kiribati, Nauru	Aid and fisheries
	PNG, Timor-Leste	Minerals and/or petroleum
	Solomon Islands	Forestry
Rents + migration	Marshall Islands, FSM, Tuvalu, Samoa, Tonga	Aid, fisheries and/or migration
Rents + migration + tourism	Fiji, Vanuatu, Cook Islands, Palau	Aid, fisheries, migration, tourism

¹ [World Bank](#) 2019

Regardless of differences in economic structure, economic growth has been disappointing across the Pacific, with PICs generating only very modest levels of growth in the past few decades. The figure following contrasts the low growth over the last few decades in the Pacific and PNG with the much higher growth East Asia has experienced. Projected growth rates from current levels are also low, with per capita income levels in 2040 projected to be only moderately higher than at present.

Figure 2: GDP per capita in Asia and the Pacific



Source: World Bank 2017, [Pacific Possible](#). 'SIDS' are the PICs excluding PNG.

PIC populations are young and characterised by high levels of underemployment. 54% of the PIC population (including Timor-Leste) are aged under 25,² creating what is referred to as a 'youth bulge'. Formal sector employment opportunities are limited; PICs are not creating enough formal sector jobs to meet demand. For example, in PNG 87,000 people enter the labour force each year and are competing for just under 12,000 formal sector jobs created annually. A similar mismatch between demand and supply is present in Kiribati, Solomon Islands, Tonga, and Vanuatu. Of course, in developing countries most workers are engaged in the informal economy. But the numbers here show the limited opportunities to move out of the low-productivity informal sector into the formal sector. It is difficult to measure unemployment, because there is no formal safety net. But definitely underemployment is rife.

Table 2: Labour force entrants and formal sector jobs created

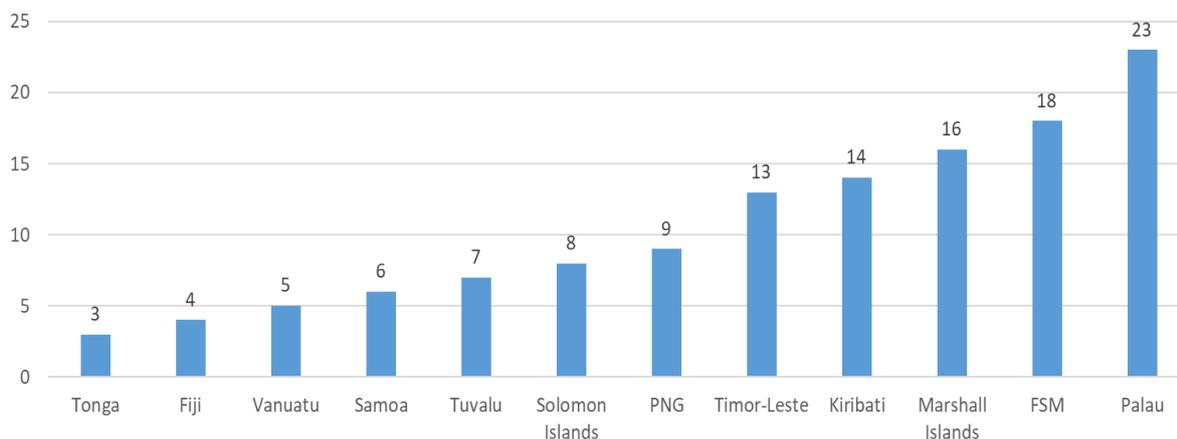
Country	Labour force entrants (annually)	Formal sector jobs created (annually)
Kiribati	3,200	65
Papua New Guinea	87,000	11,932
Solomon Islands	13,000	2,089
Tonga	5,600	325
Vanuatu	3,800	1,260

Source and notes: [Pacific Possible Labour mobility: the ten billion dollar prize](#). Kiribati: Census (2005; 2010); PNG: Census (2000; 2011); Solomon Islands: Census (1999, 2009); Tonga: Census (2006; 2011); Vanuatu: Census (1999, 2009). Numbers in brackets are the census years for labour force entrants and formal sector jobs created respectively. These numbers are rough approximations only, and comparability across countries may be limited due to different census definitions.

² [UN World Population Prospects](#); 2020 estimates

Why has development performance been so poor in the Pacific? Two explanations are normally provided. One is that PICs are amongst the most geographically and economically remote in the world. Using the World Bank’s remoteness ranking, seven PICs – Tonga, Fiji, Vanuatu, Samoa, Tuvalu, Solomon Islands, and PNG – are ranked in the top ten most remote economies, measured by their distance from major economic markets.

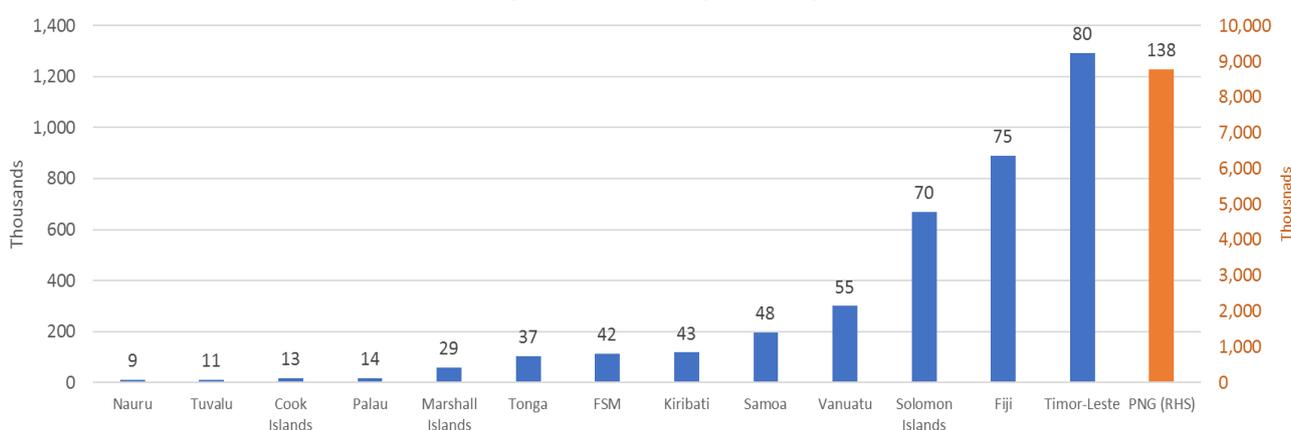
Figure 3: Remoteness ranking



Source and notes: [Pacific Possible: Long-term Economic Opportunities and Challenges for Pacific Island Countries](#). Data labels=remotenes ranking (1=most remote, 199=least remote).

PICs also have some of the smallest and most dispersed populations in the world. Four are in the smallest 20 countries in the world; all are in the smallest 100, except for PNG which stands out with a population of nearly nine million. Smallness is not necessarily a disadvantage, but dispersion is. The small populations of the Pacific reside on hundreds of islands that are spread across an area that is equivalent to 15% of the earth’s surface. In the case of PNG, inland (highland) areas are often inaccessible as well.

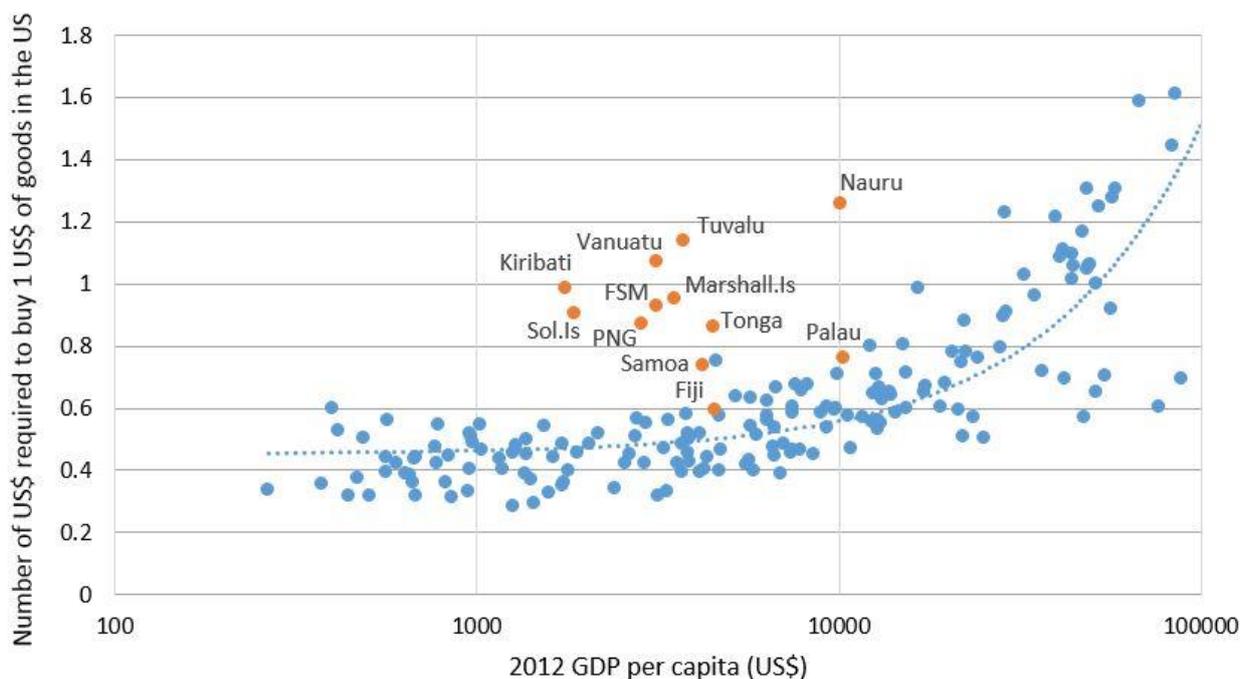
Figure 4: Population size by country



Source and notes: [UN Population Division](#); 2019 estimates. Data labels=population size compared to other countries (1=smallest, 208=biggest)

One consequence of their remoteness and dispersion is that the PICs lack competitiveness. Most developing countries have the advantage of low wages and prices which pave their way to compete in export markets. As the figure following shows, this is not true of the Pacific.

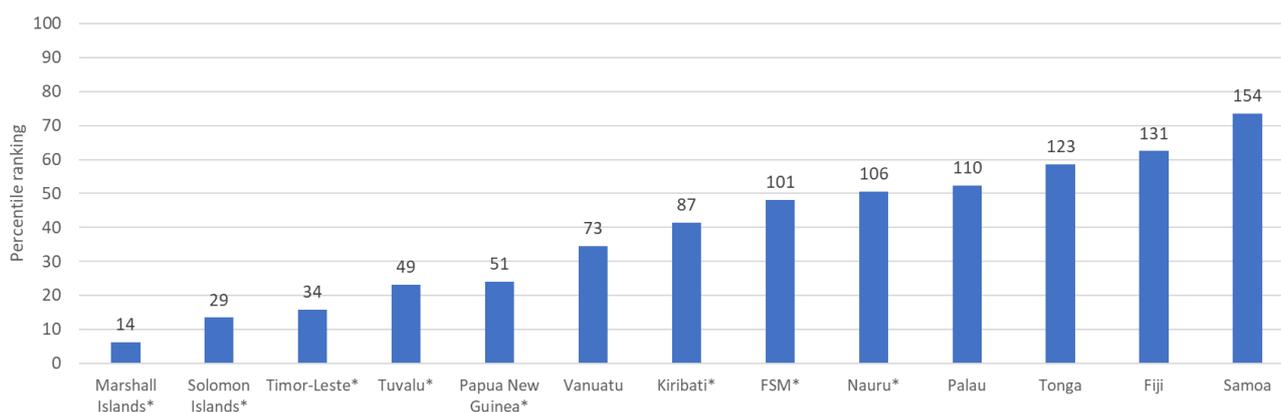
Figure 5: The cost of living in the Pacific, and worldwide



Source: *Devpolicy Blog 'The expensive Pacific', 2012 data*

Second, development potential is impeded by poor governance. Eight PICs are ranked in the lower half of the world’s countries for government effectiveness, using the World Bank ranking. Eight (almost, but not exactly the same eight) are also classified by the World Bank and the Asian Development Bank as ‘fragile states’. Poor governance, which may be linked to small population size and remoteness, compounds Pacific economic disadvantage.

Figure 6: Government effectiveness

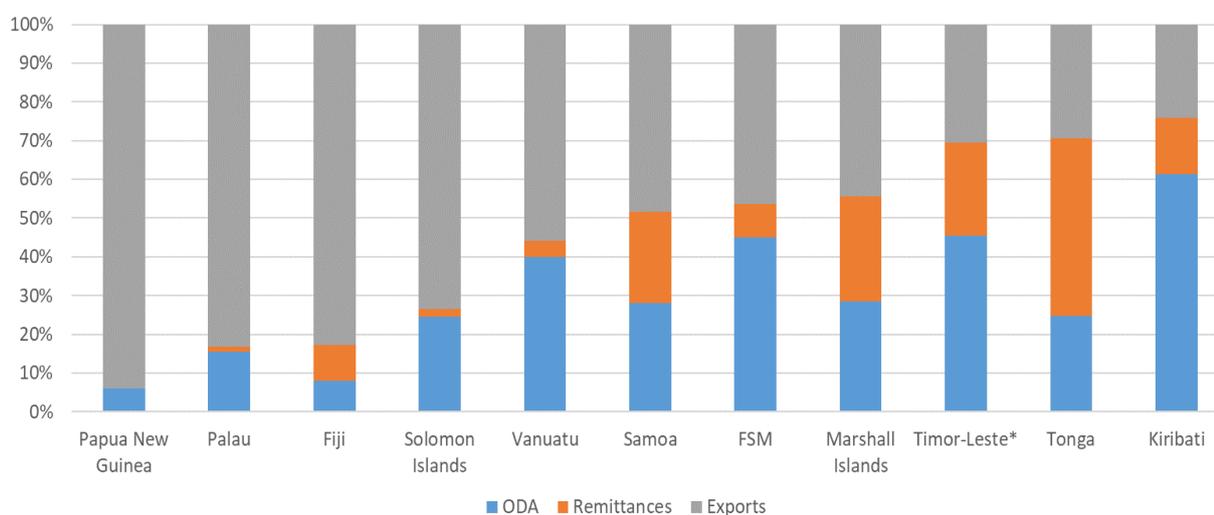


Source and notes: *World Bank, 2018. *countries classified by World Bank/ADB as fragile states. Data labels=ranking in terms of government effectiveness as measured by the World Bank (1=least effective, 209=most effective).*

2. PICs external economic links

Most countries export in order to import. PICs are different. For most, exports are not their major earner of foreign exchange. Other very or more important sources of foreign exchange for the Pacific are foreign aid, remittances, and fishing licence revenue. The figure below shows the dollar values of exports, aid and remittances for a number of PICs. Exports are the major source of revenue only for the larger countries of Vanuatu, Solomon Islands, Fiji, and PNG.

Figure 7: ODA, remittances and exports (goods & services) as a proportion of foreign exchange



Source: [Lowy Pacific Aid Map, 2017](#); and World Bank [Exports](#), & [Remittances](#), 2017

We can also demonstrate the importance of non-conventional sources of foreign exchange for the Pacific by looking country-by-country at the top three sources of foreign exchange. To identify the top three, we consider the following: tourism, remittances, fishing licence revenue, aid, and other merchandise export categories. Aid is a top-three source for ten of the countries; tourism for seven; frozen or fresh fish exports for four; remittances, fishing licence revenue and resource exports (gold, gas or timber) for three.

Table 3: Top three sources of foreign exchange

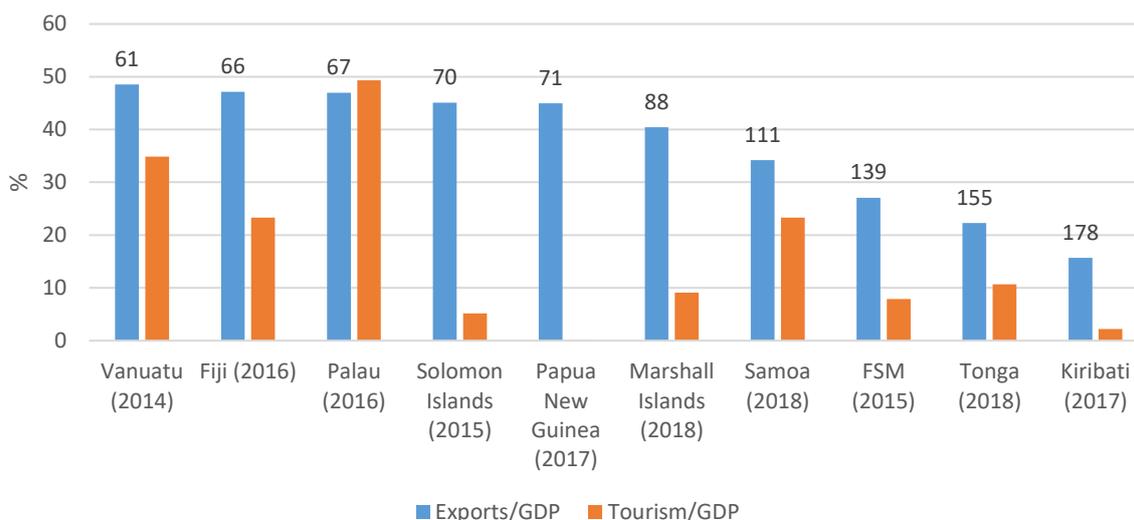
Country	Foreign exchange
Fiji	Tourism, remittances, aid
FSM	Aid, fishing licence revenue, frozen fish
Kiribati	Fishing licence revenue, frozen fish, aid
Marshall Islands	Boat registrations, aid, fishing licence revenue
Palau	Tourism, aid, fresh fish
Papua New Guinea	Gas, gold, aid
Samoa	Tourism, aid, remittances
Solomon Islands	Timber, aid, tourism
Tonga	Remittances, aid, tourism
Vanuatu	Tourism, aid, frozen fish

Source: World Bank [International tourism receipts](#), 2017; [Lowy Institute Aid Map](#), 2017; World Bank [Remittances Inflows](#), 2017; Pacific Islands Forum Fisheries Agency [Fishing licence revenues and fish exports](#), 2016; Other merchandise exports [Atlas of Economic Complexity](#), 2017 & the [Observatory of Economic Complexity](#), 2017. For merchandise exports, we use categories provided by [Observatory of Economic Complexity](#).

We now turn to the four main sources of foreign exchange for the Pacific: exports, aid, remittances, and fishing license revenue.

The Pacific is not in general a trading region. Normally, one would expect small nations to have high export/GDP ratios. Most Pacific countries have higher export/GDP ratios than Australia's (which is about 22%), but they have low export/GDP ratios relative to other small countries.³ The exceptions are: PNG and Solomon Islands who, as mentioned before, rely heavily on the export of natural commodities; and Palau, Vanuatu, Samoa, and Fiji who are reliant on tourism.

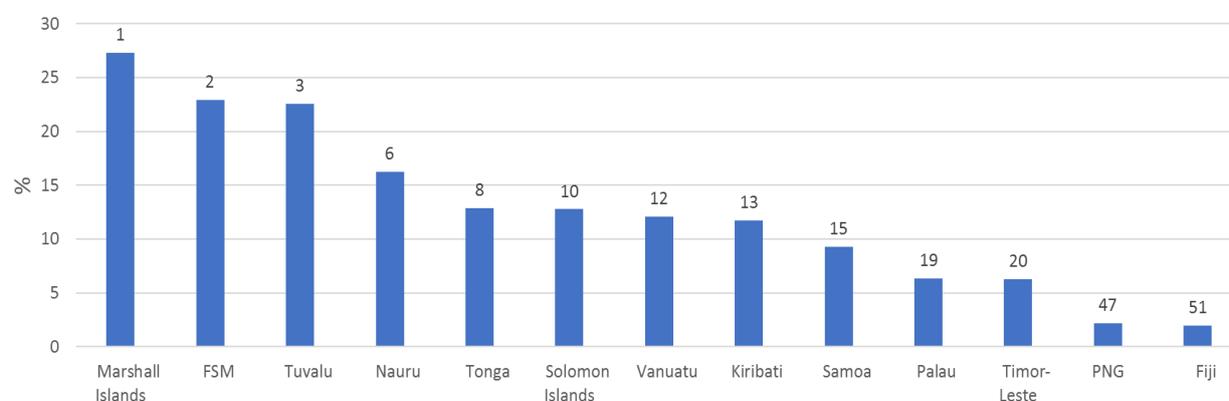
Figure 8: Exports (goods & services) and tourism as proportion of GDP



Source and notes: World Bank [exports/GDP](#) and [International tourism receipts/GDP](#). PNG and Fiji exports/GDP from national sources. Year most recent data available across all indicators. Data labels=global trade integration ranks based on exports/GDP (1=most integrated; 197=least integrated). In principle exports/GDP cannot be smaller than tourism/GDP – the Palau discrepancy presumably reflects measurement error; tourism dominates the Palau economy.

The Pacific is highly dependent on aid. With the exception of PNG and Fiji, PICs all fall within the top 20 most aid dependent countries in the world, measuring aid as a proportion of Gross National Income. Six are in the top ten – Marshall Islands, FSM, Tuvalu, Nauru, Tonga, and Solomon Islands.

Figure 9: Aid as proportion of Gross National Income

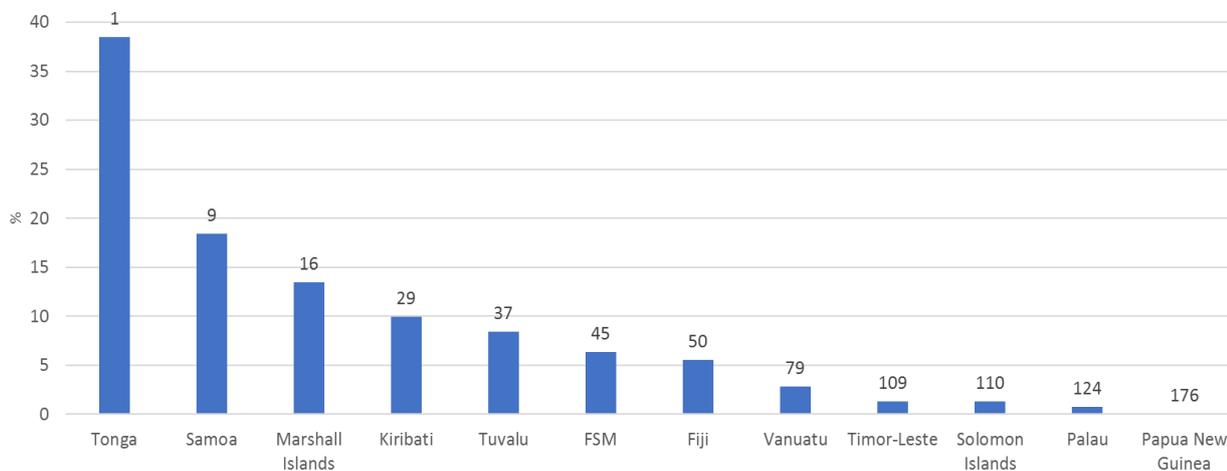


Source and notes: [OECD](#); 2017. Data labels=global aid dependency ranks based on aid/GNI (1=most dependent, 143=least dependent).

³ See Figure 10 of World Bank (2011) [Pacific Futures](#)

PIC reliance on remittances is highly variable, with Pacific nations represented at either end of the international spectrum. At one extreme, Tonga is the most remittance-dependent nation in the world. At the other, PNG is the third least dependent on remittances in the world.

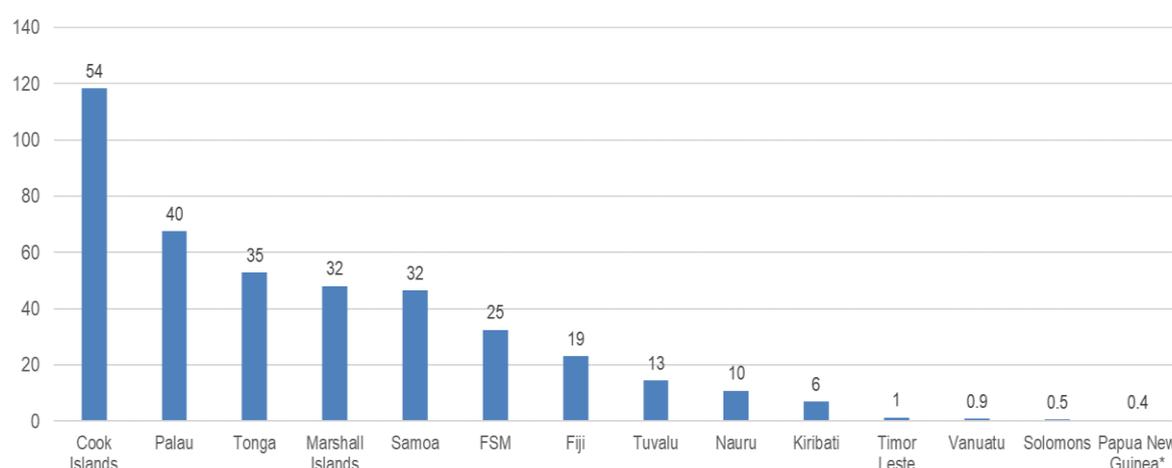
Figure 10: Remittances as proportion of GDP



Source and notes: [World Bank; 2018](#). Data labels=remittance importance ranks based on remittances/GDP (1=most dependent,178=least dependent).

The varying importance of remittances lines up with the extent to which Pacific countries have been able to build up an overseas diaspora. Strikingly, for Cook Islands there are 118% more emigrants than residents. A relatively high proportion of Palauans, Tongans, and Marshalllese have also immigrated to other countries. These are all countries with full (Cook Islands) or partial (Tonga) access to New Zealand or with full access to the United States (Palau, Marshall Islands). The six countries with the smallest diaspora relative to domestic population are: Nauru, Kiribati, Timor-Leste, Vanuatu, Solomon Islands, and PNG. Some Timor-Leste citizens have been eligible to migrate to the United Kingdom⁴ and Kiribati is included in a small New Zealand migration program. Otherwise, these countries lack special immigration arrangements: their populations have historically been, and largely remain, isolated.

Figure 11: Emigrants/Pacific Island resident population

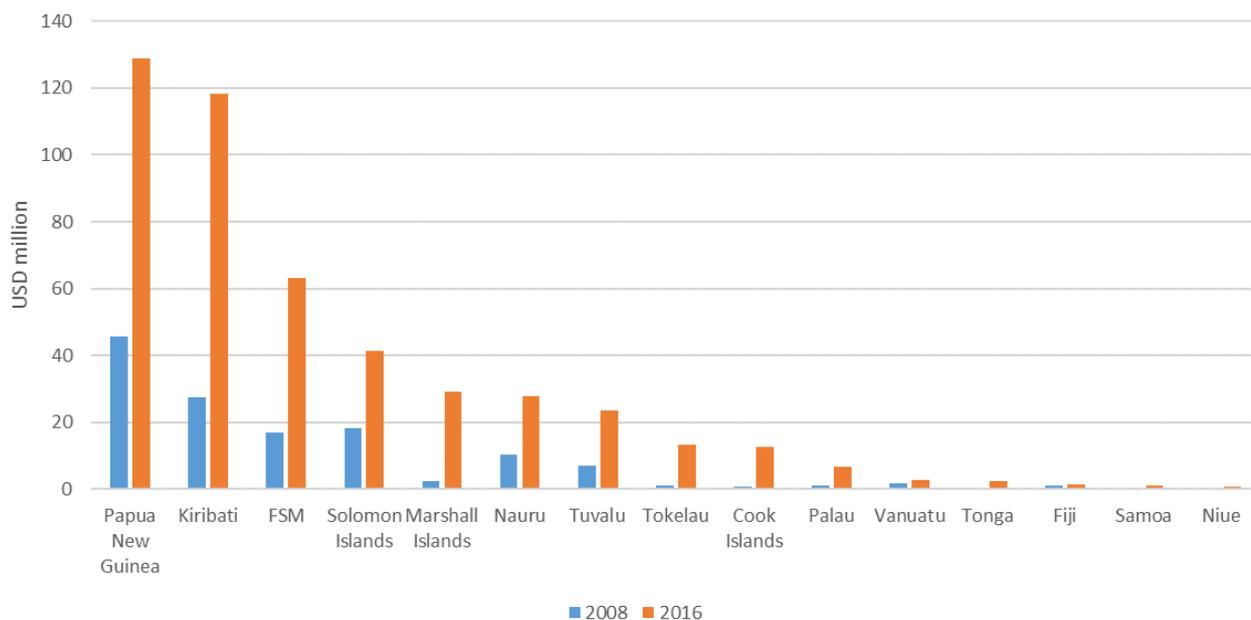


Source and notes: [Database on Immigrants in OECD Countries, 2015-16](#). *PNG national citizens only. Data labels=emigration rate i.e. share of country's population living overseas.

⁴ [Wigglesworth & Boxer 2017](#)

The Pacific region contains one of the largest exclusive economic zones in the world and control over the largest sustainable tuna purse seine fishery through the [Parties to the Nauru Agreement](#) (PNA). PNA member countries generate revenues by selling fishing licences and charging fishing access fees to foreign nations. As shown earlier in Table 3, fishing licence and access fee revenue is in the top 3 most important sources of foreign exchange for Kiribati, FSM and Marshall Islands. A comparison of revenue earned in 2008 and 2016 (Figure 12) shows that all PICs countries have increased their fishing licence revenue over that period, most by more than 200%.

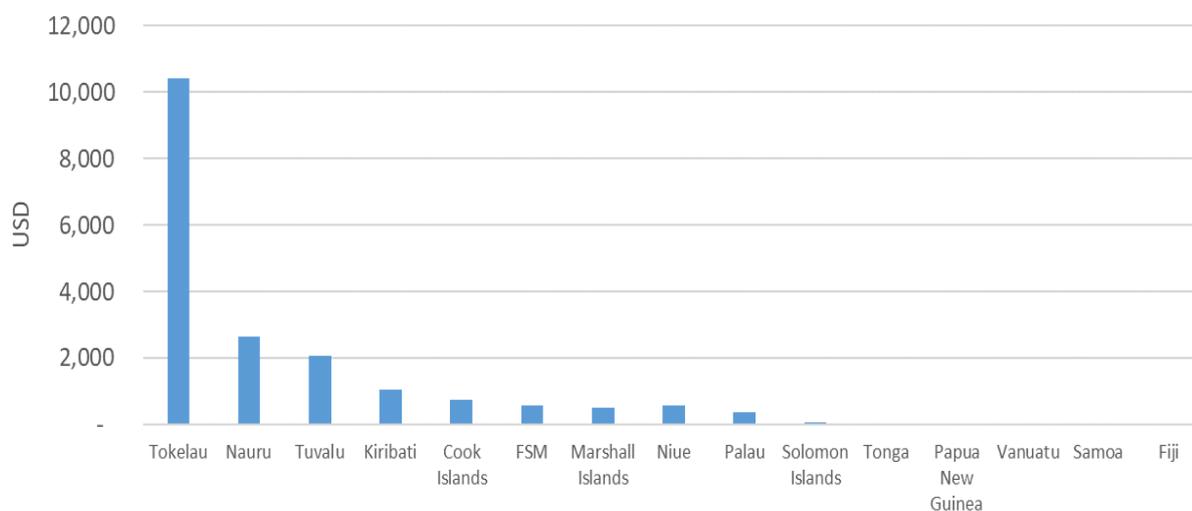
Figure 12: Fishing licence and access fee revenues, 2008 & 2016



Source: [FFA Pacific Islands Forum Fisheries Agency](#)

Looking at these revenues on a per capita basis, fishing licences and access fees particularly benefit PICs with smaller and more remote populations such as Tokelau,⁵ Nauru, Tuvalu and Kiribati.

Figure 13: Fishing licence revenues per capita, 2016



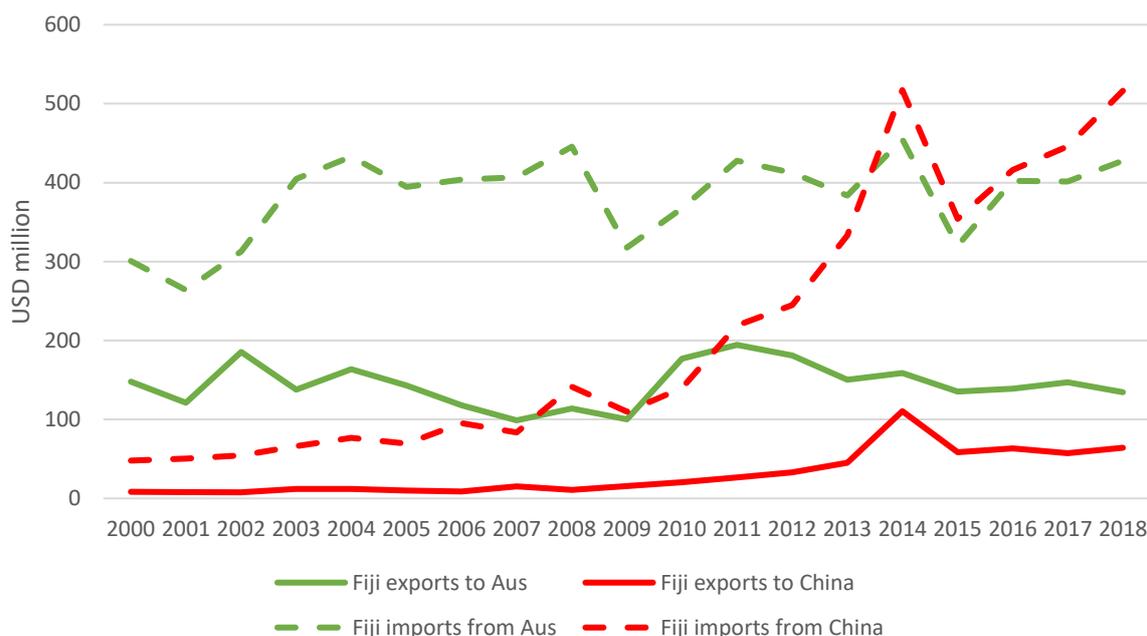
Source: [FFA Pacific Islands Forum Fisheries Agency](#)

⁵ Tokelau is a dependent territory of New Zealand, and not included in the general analysis of this submission.

3. Economic links of PICs with Australia

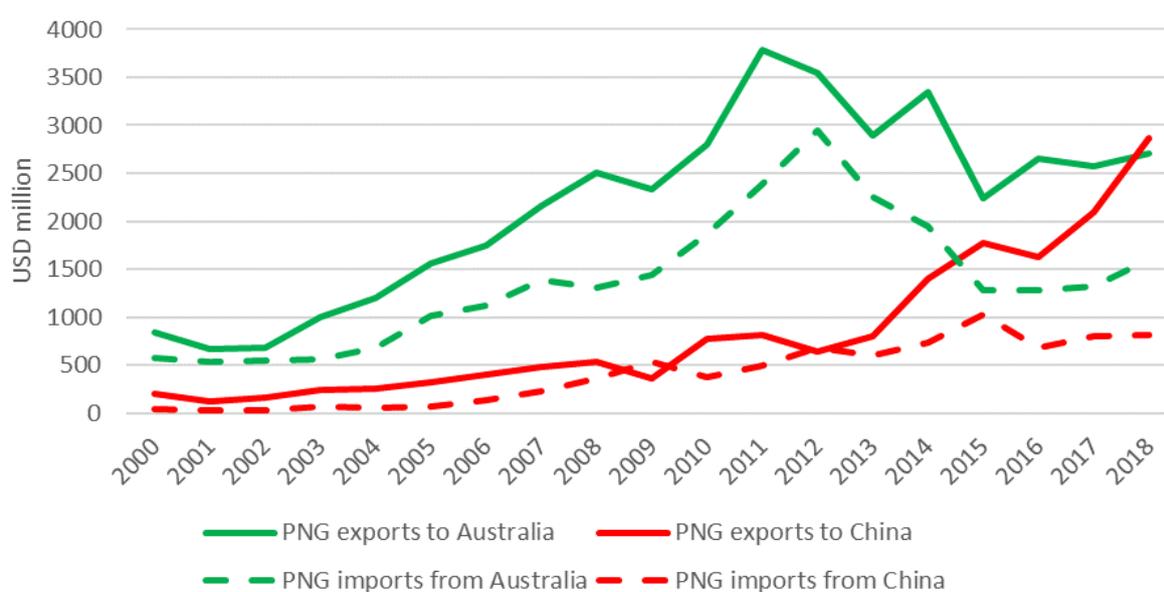
With a good understanding of the Pacific, and how it interacts with the outside world, we can turn to the interaction between the Pacific and Australia, under the three headings of trade, aid and remittances. Australia has traditionally been the Pacific’s major trading partner, but China now shares that role. Fiji and PNG are by far the Pacific’s biggest traders. Figures 14 and 15 below show that while exports to and imports from China are increasing, Fiji’s and PNG’s exports to and imports from Australia have been falling or stable.

Figure 14: Fiji exports & imports with Australia and China



Source and notes: [UN Comtrade](#); exports and imports of goods only.

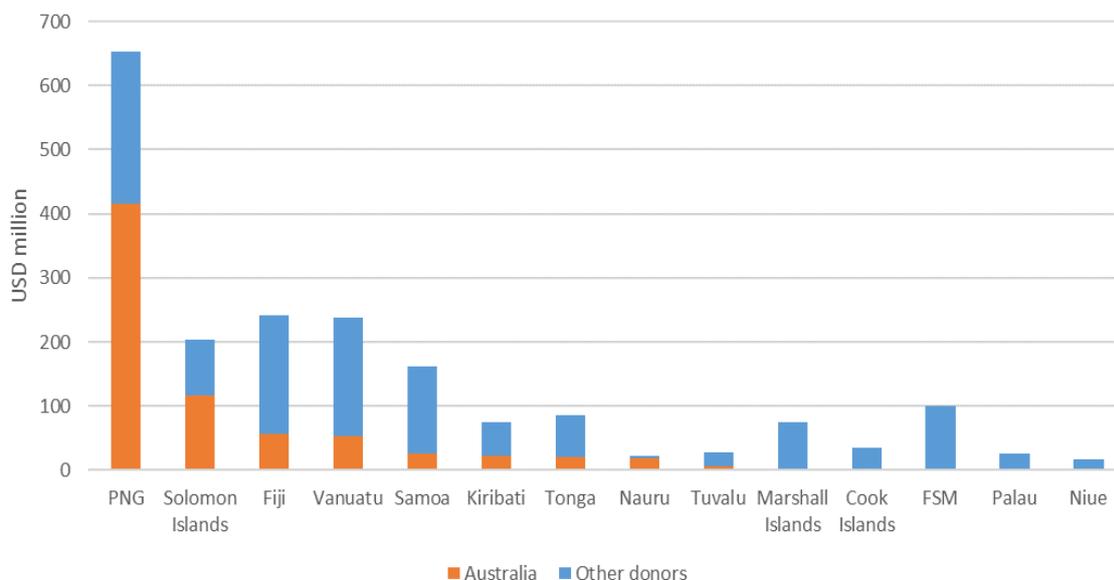
Figure 15: PNG exports & imports with Australia and China



Source: [UN Comtrade](#), [DFAT](#) and [Devpolicy Blog](#) 2018; exports and imports of goods only.

Australia remains the most important donor of aid to the Pacific region. Based on data from the [Lowy Pacific Aid Map](#), in 2017 Australia's aid program to the Pacific was US\$750 million, well ahead of New Zealand (US\$221 million) and China (US\$199 million). This leading position does not always apply when it comes to individual countries. The largest proportion of Australia's aid spend in 2017 was directed to PNG (US\$415 million). In Samoa, however, China was the largest donor of aid – US\$30 million, with Australia's aid program to Samoa reported as US\$26 million.

Figure 16: ODA to Pacific island countries – Australia and other donors



Source: [Lowy Pacific Aid Map](#), 2017

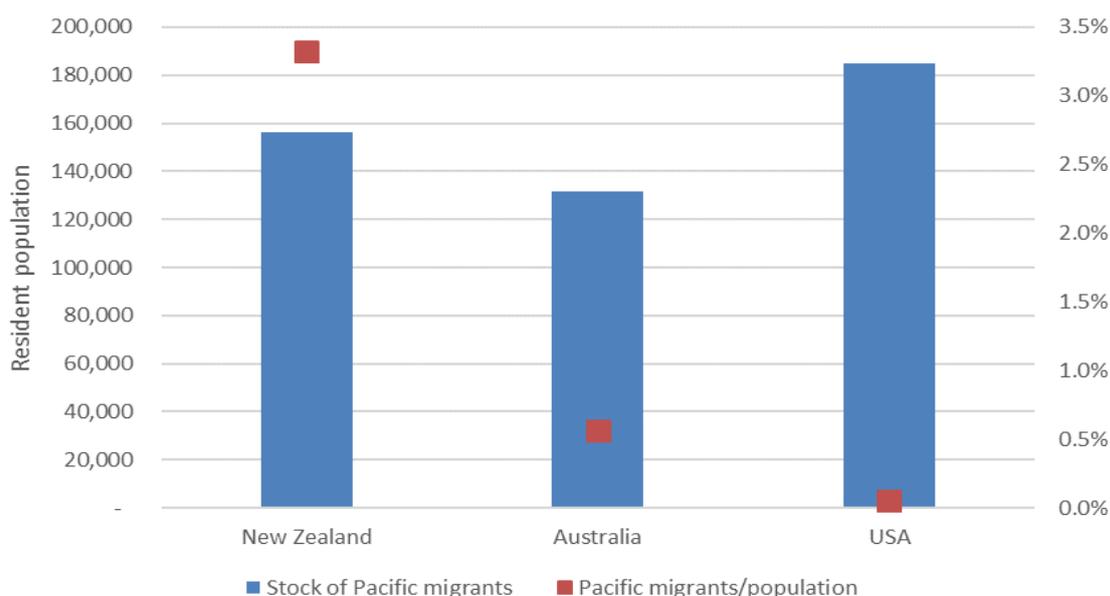
Australia is a major destination for migrants from the Pacific. There are around 130,000 Pacific islander-born residents in Australia, compared to 156,000 in New Zealand, and 185,000 in the United States. Yet Pacific islander-born migrants are a very small proportion of the overall population in Australia at 0.6%, compared to 3.3% in New Zealand.

There have been no dedicated permanent migration pathways to Australia for Pacific islanders. Australia's policy focus on skilled migration has favoured migrants from Fiji – around 61,500⁶. Most Pacific islander-born residents in Australia have entered via the New Zealand Special Category Visa pathway due to long-existing opportunities for Polynesians to migrate to New Zealand and become New Zealand citizens.

Samoa has a population of 198,000 and was a former New Zealand colony; PNG has a population of almost nine million, and was a former Australian colony. However, there are 24,000 Samoan migrants in Australia and 21,000 from PNG.

⁶ [ABS TableBuilder](#), 2016, usual residents.

Figure 17: The three major destination countries for Pacific islanders

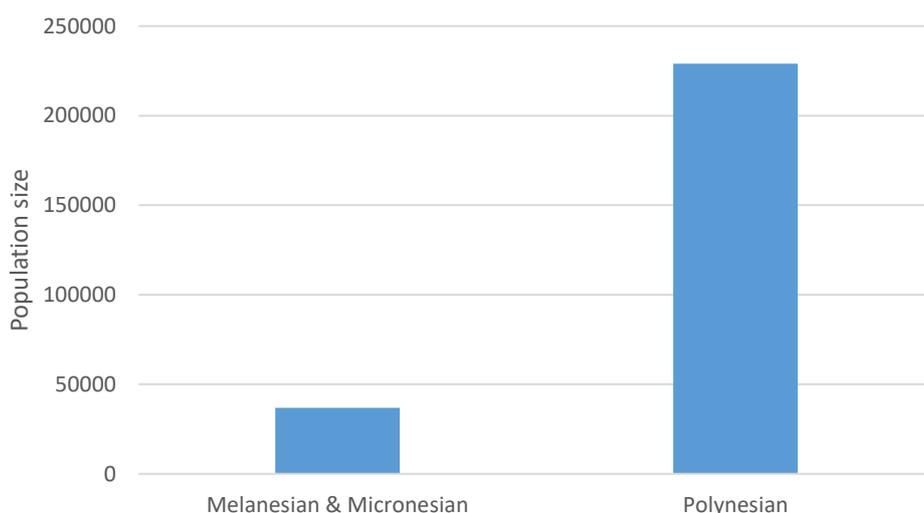


Source: [NZ Stats](#), 2018; [Australia ABS TableBuilder](#), 2016; [US Census Bureau](#), 2016; [OECD DIOC database](#), 2015-16

Extending beyond the migrant population is the Pacific islander diaspora⁷. At the time of the 2018 New Zealand Census, the Pacific diaspora population was estimated to be 381,642⁸ (8.1 percent of the overall population), in comparison to the Pacific diaspora in Australia which was 265,796⁹ (1% of the overall population).

Around 85% of the Pacific diaspora in Australia is of Polynesian ancestry, predominantly Samoan, Fijian* and Tongan (Figure 18).

Figure 18: Pacific Islander diaspora in Australia



Source and notes: [ABS TableBuilder](#), 2016, usual residents, Pacific Island-born and multi-response ancestry, ABS classifies Fijian as Polynesian. Timor-Leste not included.

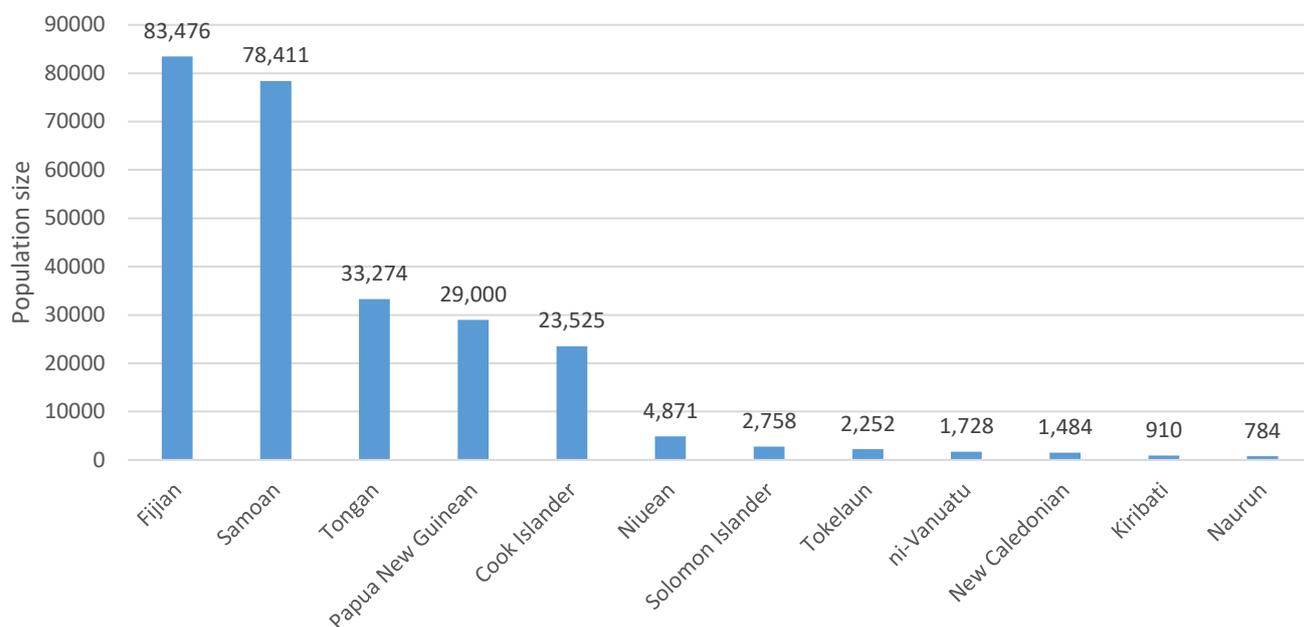
⁷ IOM 2019 defines diaspora as ‘migrants or descendants of migrants, whose identity and sense of belonging have been shaped by their migration experience and background’.

⁸ [StatNZ 2019](#)

⁹ [ABS TableBuilder](#), 2016, usual residents.

*ABS classifies Fijian as Polynesian.

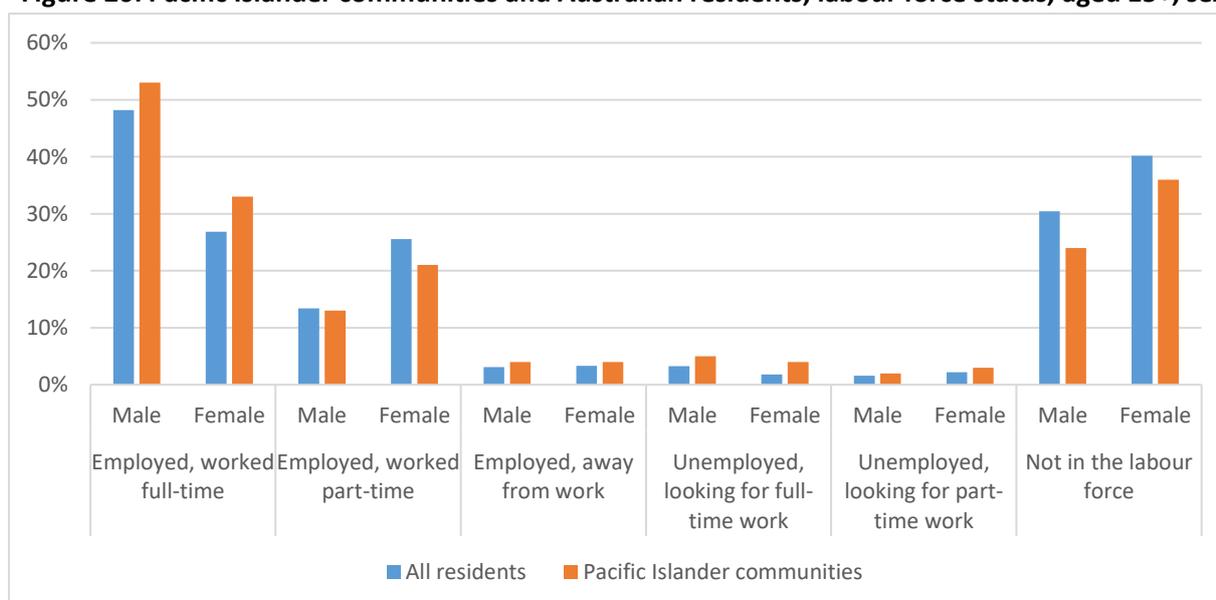
Figure 19: Pacific Islander diaspora in Australia



Source and notes: [ABS TableBuilder](#), 2016, usual residents, Pacific Island-born and multi-response ancestry, ABS classifies Fijian as Polynesian.

Australian Census of Population and Housing data (2016) on labour force status (Figure 20) showed that within Pacific Islander communities both males and females were employed full time at a higher rate than all male and female residents of working age within Australia. Unemployment rates between these two population groups were comparable.

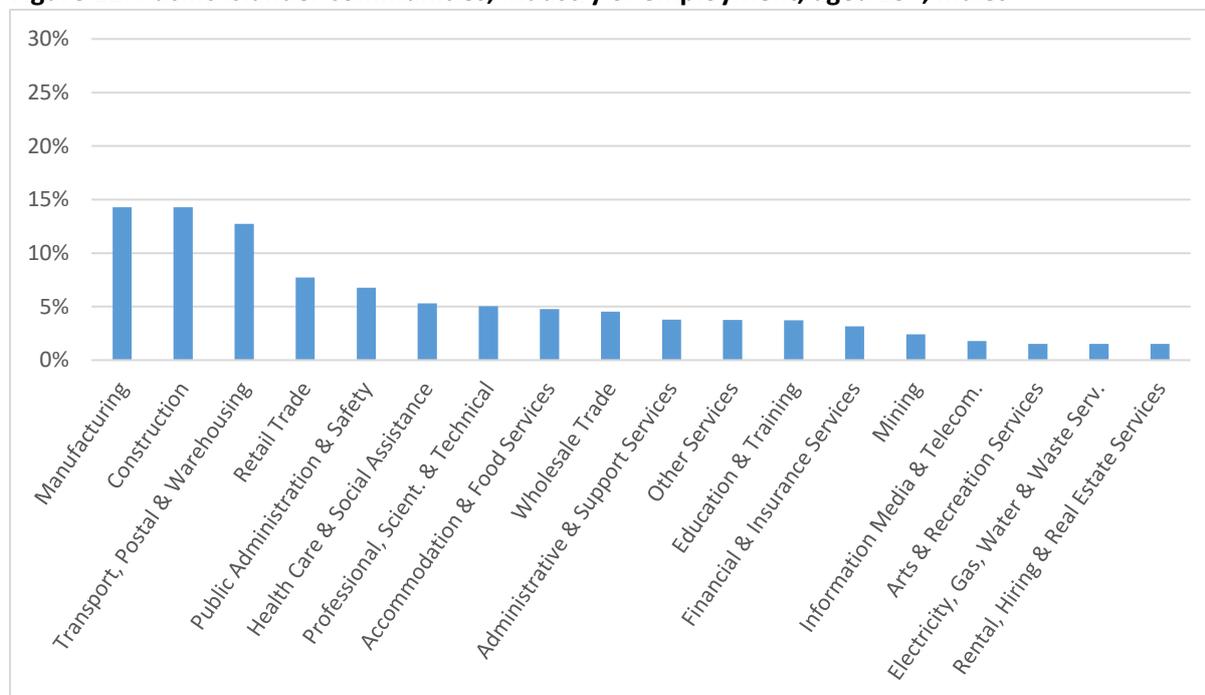
Figure 20: Pacific Islander communities and Australian residents, labour force status, aged 15+, sex



Source and notes: [ABS Census TableBuilder](#), 2016, population aged 15+, all usual residents; and born in Pacific island countries and Australia & New Zealand-born identifying Pacific island ancestry

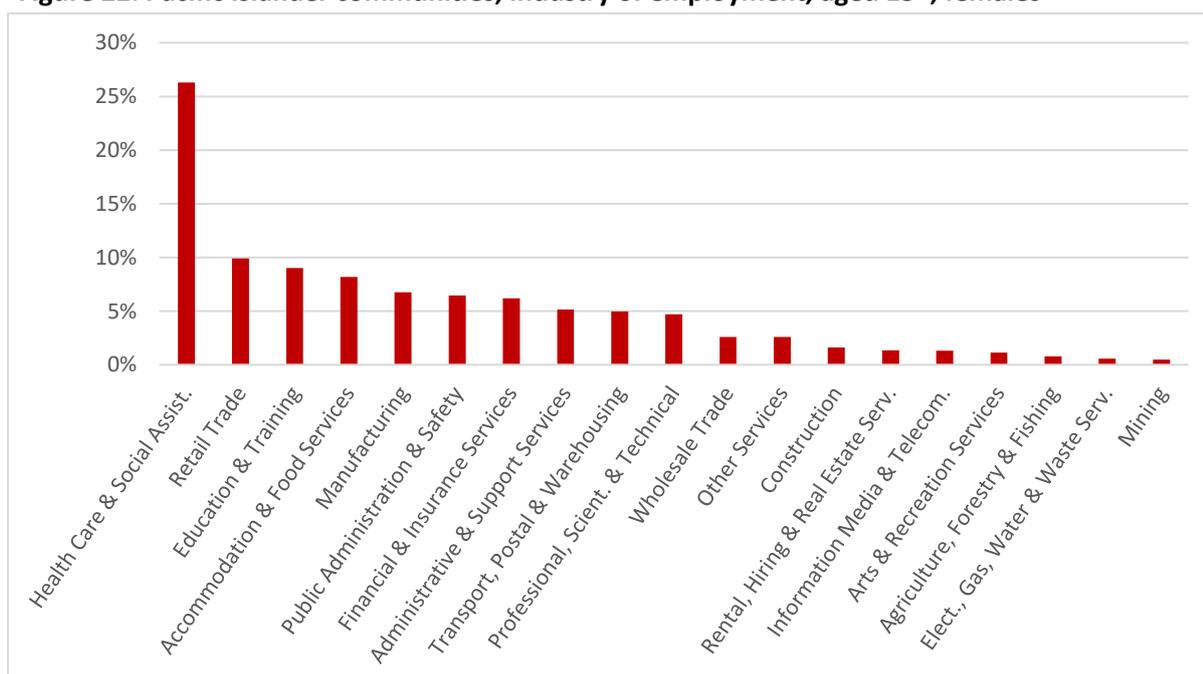
While the Pacific Islander community in Australia is relatively small, the population was employed across a diverse range of industries. The top three industries for males were manufacturing (14%), construction (14%), and transport, postal and warehousing (13%). Health care and social assistance stood out as the most prominent industry of employment for females (25%), followed by retail trade (10%), and education and training (9%).

Figure 21: Pacific Islander communities, industry of employment, aged 15+, males



Source and notes: [ABS Census TableBuilder](#), 2016, population aged 15+, born in Pacific island countries, and Australia & New Zealand-born identifying Pacific island ancestry.

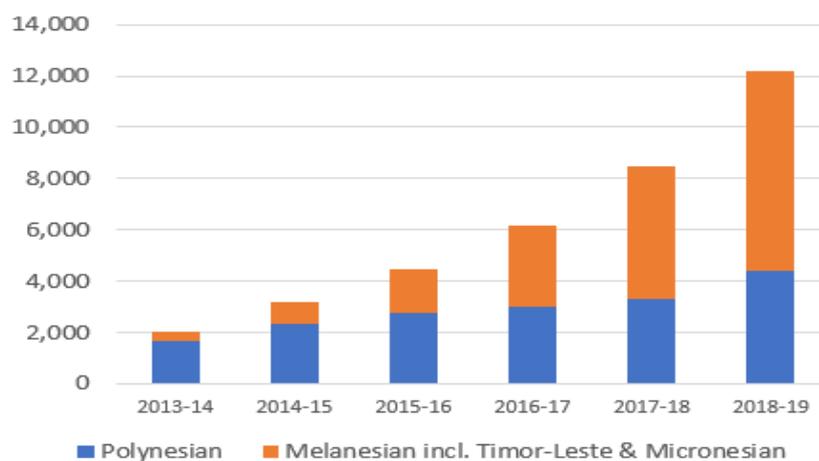
Figure 22: Pacific Islander communities, industry of employment, aged 15+, females



Source and notes: [ABS Census TableBuilder](#), 2016, population aged 15+, born in Pacific island countries, and Australia & New Zealand-born identifying Pacific island ancestry.

Temporary migration programs, such as Australia’s Seasonal Worker Programme (SWP) and the Pacific Labour Scheme (PLS) have provided welcome new opportunities for the Pacific (including Timor Leste) to work in Australia. The PLS, which allows work for up to three years, is still a new scheme: there are currently 981¹⁰ participants in the scheme, with workers from Fiji, Kiribati, Nauru, PNG, Solomon Islands, Timor-Leste, Tonga, and Vanuatu. The SWP has grown rapidly over the last few years with 12,200 visas approved for 2018-19. SWP visa approvals were on track to increase for 2019-20, however due to Australia’s international border closure to non-permanent residents and non-citizens in March 2020, the number of SWP visa approvals for 2019-20 is only 8,594.

Figure 23: Participants in the Seasonal Worker Programme

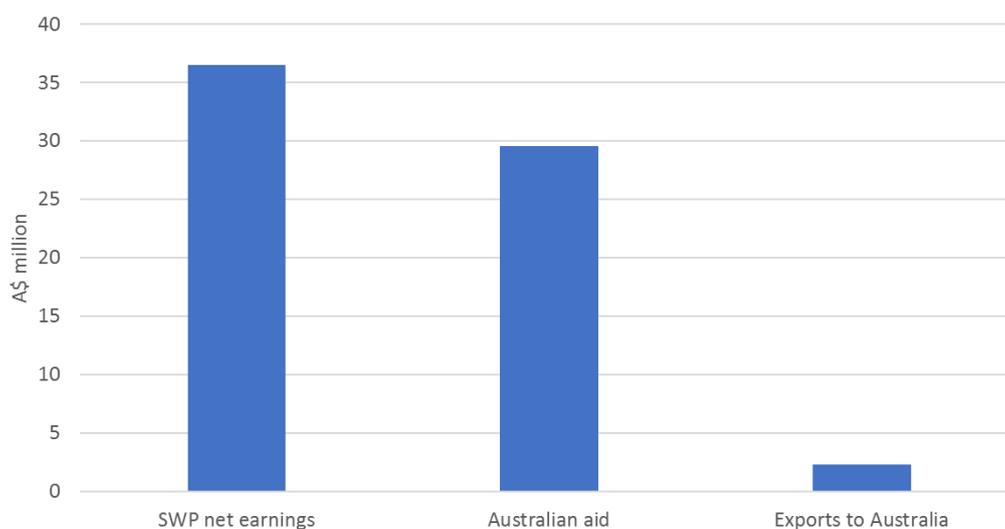


Source: Australian Department of Home Affairs.

Countries compete to send workers (there are no quotas) and Vanuatu, Timor Leste and Tonga are the three major sending countries. Due to Vanuatu’s dominance, one positive feature of the scheme is its skew towards Melanesia which, as outlined earlier in this submission, has been underrepresented in Pacific migration to date.

That said, Tonga is the biggest SWP participant in per capita terms, and is the leading example of how important seasonal migration opportunities have become to the Pacific. Estimates suggest that net earnings from the SWP now exceed Tonga’s income from aid from Australia and exports to Australia, combined.

¹⁰ [Pacific Labour Facility](#)

Figure 24: Tonga: net earnings from SWP, aid and trade

Source: SWP calculations 2019 [World Bank](#); ODA 2019 [DFAT](#); Exports goods 2019 – [DFAT](#);

4. Recommendations

Based on the above analysis, we make observations and recommendations in four areas.

Recommendation one: PACER Plus is irrelevant, and should not be pursued as a Pacific integration strategy.

PACER Plus negotiations were useful for PICs, because they provided a forum for the Pacific to pressure Australia and New Zealand to provide more labour mobility opportunities. But the treaty took a long time to negotiate (2009 to 2017) and still hasn't come into force three years after signing (it opened for signing in June 2017). As of March 2020, only three PICs had ratified the Agreement (Samoa, Kiribati and Tonga). Ratification by another three of the nine PIC signatories are needed for it to come into force. The two biggest Pacific economies, Fiji and PNG, which together constitute 83% of Pacific GDP, have not signed PACER Plus. All this shows the lack of interest in the treaty from the Pacific, which in turn is due to the fact that the Pacific has long had duty-free access to Australia and New Zealand. It is also the case that a traditional trade treaty such as PACER Plus is of little relevance to the Pacific, given its exceptional characteristics as outlined in this submission. One cannot expect Australia to drop PACER Plus, given how much the country has invested in it, but expectations that it will have a meaningful impact should be avoided.

Recommendation two: Deep integration is a better alternative than PACER Plus.

The PACER Plus approach is shallow and broad. An alternative approach to the broader goal of Pacific integration would be deep and narrow. This would involve Australia reaching a bilateral agreement with one or more Pacific island countries. The bilateral agreements would offer Pacific economies greater access to the Australian labour market, and perhaps other benefits (such as participation in various government services, such as meteorological or drug registration). In return, the Pacific economy would have to make various commitments. Some¹¹ have argued that these commitments should relate to security. It is unlikely that many Pacific countries would enter into security compacts with Australia, but alternative requirements could relate to standards of good governance, and/or education and health. Such an approach should be pursued together with New

¹¹ [Australian Foreign Affairs 2020](#)

Zealand, and seen as an expansion of the Closer Economic Relationship, with the end goal of extending that relationship beyond Australia and New Zealand. While that goal would take decades to reach, it could be approached incrementally, starting with one or two interested Pacific countries.

Recommendation three: Labour mobility must be central in Australia’s economic relationship with the Pacific.

Expansion of labour mobility has been the most positive development in the Pacific over the last decade. As shown in the submission, the Pacific is not a traditional trading region. But decades of experience show that aid is not the solution either. Labour mobility is a private sector activity, appropriate to Pacific characteristics. **While we have made a start there is much that can be done to boost Australia-Pacific labour mobility pathways. Our recommendations follow below (see also Recommendation four on COVID-19):**

First, we need to move beyond a focus on temporary migration to build pathways to permanency. Recycling workers in and out of countries that lack the jobs to employ them is of less benefit than building up the Pacific diaspora in Australia. Pacific Islanders are very poorly represented in the Australian population, with some nationalities particularly marginalised. There are fewer Papua New Guineans in Australia than there are Samoans (Samoans enter Australia via New Zealand). We recommend a **permanent lottery scheme**, as per the New Zealand model. The PLS could also be reformed to include a permanent pathway¹².

Second, we recommend lifting enforced family separation, under the Pacific Labour Scheme (PLS). There are serious concerns about the potentially harmful social effects of family separation. For example, there is convincing evidence that, in the context of migration to New Zealand, Pacific household members left behind are often worse off in terms of poorer diets, higher rates of alcohol consumption, declining child weight, and lower asset holdings¹³. Allowing accompanying family members would go a long way to improve optics, strengthen positive relationships, and alleviate some of the ethical concerns around our Pacific temporary migration programs. There is also the possibility of school children building enduring relationships and obtaining improved education outcomes while accompanying their working parents. If Pacific workers want to take out the benefits of PLS participation via better education for their children, that choice should be respected. On the other hand, making the PLS Australia’s only temporary migration scheme that bars accompanying families is simply not viable in the longer run.

Third, we recommend reversing recent policy changes to the Working Holiday Maker visa, specifically the provision of a third-year extension. The Working Holiday Maker visa extensions currently undermine the SWP by incentivising the Working Holiday Maker program and introducing an unregulated and poorly-targeted *de facto* agricultural visa. The strategic returns to Australia are dubious, and the consequences for worker exploitation dire¹⁴.

Fourth, we recommend a strengthened focus on promoting migration opportunities to improve employment outcomes for Australia Pacific Training Coalition (APTC) graduates. Recent analysis shows that APTC graduates are increasingly struggling to find employment. Among the roughly half of APTC graduates who do not have a pre-existing employment arrangement to return to, more than one-third are out of work at the time of follow-up tracer surveys, compared to less than 10% at the start of the last decade. The APTC needs to train fewer graduates for domestic markets and more for overseas markets.

¹² [Howes 2019](#) and [Rose 2020](#)

¹³ [Gibson, McKenzie & Stillman 2011](#) and [Gibson, McKenzie & Stillman 2011](#)

¹⁴ [Howes 2018](#)

Recommendation four: COVID-19: The Pacific bubble should be pursued with interested Pacific countries to support tourism and labour mobility.

In the current environment, the immediate need is to help the Pacific re-open its international borders. Australia can do this by proactively working towards a Pacific bubble, supporting Australian tourists to visit the Pacific and Pacific workers to work on Australian farms. With evidence of a looming harvest shortage¹⁵ over summer, supporting a pathway, with appropriate safeguards, for Pacific Islanders to work in Australia is particularly important. Pacific countries will want to open their borders at different times. Australia should work with those Pacific island countries who are willing to reactivate their economies, and thereby ease their suffering.

¹⁵ [Curtain](#) 2020