

World Bank calls on Australia to introduce permanent migration scheme for Pacific islanders

By Stephen Howes
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In a [just-released report](#), *Well-being from Work in the Pacific Island Countries*, the World Bank has called on Australia to introduce “an Australian Pacific Access category visa.” Under the Bank proposal, Australia would offer “2,000 permanent visas a year to immigrants from small PICs [Pacific island countries].”

The World Bank notes that “Australia has traditionally opposed such country-based allocations in favour of points-based, country-neutral allocation systems.” But it dismisses this argument, by countering that “New Zealand, however, has managed to offer preferential access to Pacific Islanders for many decades without significantly undermining the integrity of its broader points-based system.”

Australia should emulate New Zealand’s Pacific Access Quota, the World Bank argues, and make places available to Pacific islanders through a lottery. Use of a lottery rather than a skills-based points system minimises risks of brain drain. (New Zealand’s scheme has been extensively and positively reviewed, for example [here](#).)

Australia introduced a Seasonal Worker Program for the Pacific in 2007, but take-up has been very low. The World Bank in any case rejects reliance on seasonal migration schemes as an alternative to permanent migration schemes, arguing that these “must be viewed as a complement to, rather than a substitute for, increased permanent labour mobility.”

The Bank stresses the limitations of seasonal migration schemes, arguing that they “are appropriate only to certain industries, and not those, such as elderly care and construction, where demand is likely to be greatest over coming decades.” Moreover, seasonal schemes “require intensive involvement of sending and receiving governments and therefore impose administrative costs with sustainable gains less easily assured.” And seasonal migrants (fruit pickers) are mainly men.

Permanent schemes deliver larger benefits than temporary ones. The World Bank argues that, the evidence shows that “a broader range of benefits [accrue] to Pacific island countries from access to permanent labour” schemes than from temporary ones.

“Such benefits [from permanent schemes] include skills and knowledge transfer, increased

tourism receipts, and huge improvements in living standards for permanent migrants.”

And, for much of the Pacific the best way to support prosperity is to allow Islanders to move, not temporarily but permanently. As the Bank notes: “Under any scenario, seasonal schemes will not close the very large gap in incomes between large regional economies and small Pacific islands. The best opportunities for improved productivity and incomes for many Pacific Islanders will be to move to where greater opportunities exist.”

In conclusion, “permanent migration must therefore remain a key focus of policy attention.”

Importantly, the Bank tells Australia to focus on expanding migration opportunities where they are most needed in the Pacific. Unfortunately, the Australian SWP draws in workers overwhelmingly from Tonga, a relatively affluent Pacific country which already enjoys abundant labour mobility opportunities. With few exceptions, the Bank argues, “existing labour mobility arrangements deliver greatest benefit to the Pacific countries where incomes are highest and development outcomes strongest.” Any expansion of migration opportunities should instead be “targeted towards countries such as Kiribati and the Solomon Islands, where domestic economic prospects and mobility opportunities are heavily constrained”.

The report’s main focus is on the Pacific, but the Bank also notes that Australia and other receiving countries would benefit from introducing new labour mobility opportunities “especially as countries age.”

The World Bank is not the first to advocate a Pacific Access Quota for Australia. See Reginald Appleyard and Charles Stahl’s 2007 [report](#), *Migration and Development in the Pacific Islands: Lessons from the New Zealand Experience*, among others. But the World Bank is an influential player. Its 2006 [Pacific Islands Home and Away](#) helped make the case for the seasonal worker program which New Zealand and then Australia adopted. Especially given the low take-up of our SWP program, it is certainly time that we consider new options. I hope that the Bank’s new report on Pacific labour mobility is as influential as its last.

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