

Labour mobility key, says FM, but no mention of reforms

Author : Stephen Howes

Date : June 19, 2014

It was good to hear the Foreign Minister Julie Bishop give a ringing endorsement of the importance of labour mobility for the Pacific during her [opening address to the State of the Pacific conference](#) at ANU on Wednesday morning.

This is what she said:

Greater labour mobility will also be a key issue for the Pacific in the years ahead, particularly for those countries with challenging domestic economic prospects. Which is why Australia has expanded our Seasonal Worker Program; and why we continue to build up vocational skills to allow greater remittance earnings.

Some seasonal workers have earned up to \$12,000 in Australia, and have been able to remit about \$6,000 over a six month placement. Tonga, in particular, has embraced our program. We know that that scheme is having flow-on benefits. Some workers have used their income to pay for school fees for their children, to purchase tractors, to invest in a small business, and the like.

Greater flexibility with financial flows will also be important in the years ahead. Our Government wants to open up partnerships with Australian businesses in the Pacific. Recognising that remittances are playing a greater role in driving economic growth, we are working with Westpac and ANZ to find new ways to make it easier for Pacific workers to send their money back home. This will be a key theme when Australia hosts the G20 Conference in Brisbane later this year.

All fine and good, except for two important points. The Seasonal Worker Program might be expanding, but it is still tiny: far smaller than the equivalent scheme that New Zealand introduced. As we've argued [here](#) and [elsewhere](#), the SWP has multiple problems and will not expand to a significant size without policy reform.

As for building up vocational skills to foster remittances, that is what the Australia Pacific Technical College was meant to do, but it has not delivered, as we show in [this recent paper](#).

Before the election, the Coalition undertook to consider expanding the SWP. The relevant paragraph in its [foreign policy](#) said:

Promoting our reach and influence in the region also means looking at ways we can use Australia's domestic market to support private-sector development in the Pacific over the long-term. This includes considering opportunities under Australia's existing guest worker programme for a greater number of Pacific Islanders to undertake seasonal work. The goodwill this programme creates in the region should not be underestimated. While there are significant obstacles to improving Australia's current pilot programme, the prospect of placing Pacific Island economies on a more stable and diverse footing should be seriously considered and the Coalition commits to examining the case for the expansion of this.

Quite a detailed commitment, and in fact one of only two Pacific-specific points in the foreign policy. But there was no mention of reforming the SWP in the speech. (There was a nod to another point in the Coalition's foreign policy though: the need to take a new approach to Fiji.)

It is progress to get recognition of the importance of labour mobility. But our policy response to this recognition can only be described as tokenistic. A good place to start building a more serious response would be with SWP reforms. Another would be to give consideration to the [World Bank's suggestion](#) that we open up a permanent migration scheme for the Pacific.