



Pacific Agreement on Closer Economic Relations (PACER) Plus

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Submission to the Department of Foreign
Affairs and Trade (DFAT)

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Introduction

1. The Australian Council for International Development (ACFID) welcomes the opportunity to make this submission to the Department of Foreign Affairs and Trade (DFAT) regarding the Pacific Agreement on Closer Economic Relations (PACER) Plus.
2. ACFID is the national association of Australian non-government organisations (NGOs) working in the field of international aid and development. ACFID has 72 full members operating in more than 100 developing countries.
3. Since 1965, ACFID has assisted the Australian aid and development sector to promote sustainable human development so that people can enjoy the full range of human rights, fulfill their basic needs free from poverty and live in dignity.
4. Approximately 50 of ACFID's 72 member agencies actively work with local Pacific Island partners in a wide range of development cooperation activities. Much of their work is undertaken at a community level and, as such, these agencies have a thorough understanding of issues that are considered important to Pacific Island communities.

Scope of this submission

5. ACFID together with some member agencies have had ongoing dialogue with DFAT and AusAID over recent years on Pacific trade issues. Discussions have specifically focused on views received from Pacific Island partners about trade and development.
6. ACFID's submission to the Department focuses on:
 - 6.1 The importance of wide Pacific Island community engagement, capacity constraints, social impact assessment research and greater stakeholder understanding of PACER Plus.
 - 6.2 Labour mobility, especially the ability for unskilled and semi-skilled Pacific Islanders to engage in seasonal work in Australia.
 - 6.3 Public health issues – tobacco and alcohol management associated with the implementation of regional trade agreements and associated limits on taxation and import restrictions.

Recommendations

7. ACFID recommends that the Australian Government:

- a. Adheres to the gradual process of regional consultation and negotiation, adopted of recent times, that avoids strict deadlines and respects Pacific Island views relating to an appropriate negotiating pace. **(Recommendation 1)**
- b. Within the focus on capacity-building and gradual negotiation, ensures that human development outcomes, in line with progress towards attainment of the MDGs, are uppermost in mind. **(Recommendation 2)**
- c. Uses its best endeavours - within national sovereignty considerations - to encourage Pacific Island Governments to create opportunities for wide consultation and awareness-raising with their communities, also involving local media, in order to take community concerns fully into account *prior to* each negotiation session. **(Recommendation 3)**
- d. Encourages Pacific Island Governments to adopt a social impact assessment focus, including gendered analysis, within research opportunities funded by Australia. **(Recommendation 4)**
- e. Encourages the Office of the Chief Trade Advisor to convene a series of national meetings in Pacific Island Countries, funded by Australia to disseminate and discuss social impact research findings widely in the community. **(Recommendation 5)**
- f. Encourages the Office of the Chief Trade Advisor to undertake consultations with Regional Pacific civil society organisations (Suva-based) to gauge the perspective from organisations that are researching and have a good understanding of, trade issues. **(Recommendation 6)**
- g. Extends, in the long-term, the Pacific Seasonal Worker Pilot Scheme to include additional Pacific Island Countries and, whilst recognising cultural and social norms of the countries involved, encourages greater gender equality amongst participants in the scheme. **(Recommendation 7)**
- h. Raises the issue, for consideration by Pacific Island Governments, of potential health risks of tobacco and alcohol and import limits. **(Recommendation 8)**

Discussion on focus areas

I. The importance of wide Pacific Island community engagement, capacity constraints, social impact assessment research and greater stakeholder understanding of PACER Plus.

ACFID is conscious that, whilst some of the Regional Pacific civil society organisations have a thorough understanding of trade issues and have made detailed assessment of the likely impact of PACER Plus, the issue is not well understood more broadly across Pacific civil society. We understand that this point was underscored during discussions with civil society organisations in some Pacific Island countries, undertaken during a visit to the region earlier this year by The Hon. Simon Crean MP and The Hon. Bob McMullan MP. We recognise, too, that during their visit to the region, it was not possible (for political reasons) to visit Fiji, where most regional Pacific organisations are based.

We regard it as vitally important to have in-depth discussion (at both national and regional levels) to ensure that the views of broader Pacific community stakeholders about any likely impacts associated with PACER Plus are aired and fully taken into account.

We are cognisant that Pacific Island national sovereignty considerations make it difficult for the Australian Government to urge Pacific Island Governments to consult widely with their communities. However, it is hoped that strong encouragement, coupled with financial support to enable the convening of community consultations, be provided to ensure that PACER Plus is well understood, concerns can be voiced and stakeholder views considered.

Australian Government support for trade and development capacity building and research is welcomed. As above, whilst recognising that national sovereignty considerations need to be respected, strong encouragement could be given to ensure there is a focus in research on social impact assessment, undertaken by Pacific Island consultants and encompassing a gender analysis. The gender aspect is vital, given that in many Pacific Island countries women play a significant role in agricultural production.

The Office of the Chief Trade Advisor is integral to providing an independent mechanism for community engagement. With adequate financial support the Office of the Chief Trade Advisor could work with Pacific Island Governments to instigate a process of community consultation, social impact assessment research and awareness raising.

The above points are reflected in recommendations 1 to 6 on page 4.

II. Labour mobility, especially the ability for unskilled and semi-skilled Pacific Islanders to engage in seasonal work in Australia.

ACFID has been a strong advocate for a number of years for Pacific labour mobility and has watched with considerable interest the process adopted in the development of the Pacific Seasonal Worker Pilot Scheme. We welcome the close engagement between Australia and New Zealand during the preliminary stages of the Australian scheme's development and the sharing of lessons from New Zealand's Recognised

Seasonal Employer (RSE) program that has no doubt contributed significantly to a viable scheme in Australia. We especially welcome the considered and close engagement with local host communities and the establishment of local Advisory Committees that have recognised the importance to Pacific Islanders of religious worship and community cohesion.

A scheme of this type will inevitably have teething problems, potentially exacerbated by the Global Financial Crisis (GFC). However, we have welcomed the Government's handling of the process to ensure that the Pacific labour mobility scheme is targeting people without developed country skills and is established on a sound and sustainable footing despite challenges.

The importance of remittances to Pacific Island communities is well documented. Expansion of the scheme to include additional Pacific Island Countries, and especially targeting unskilled (without developed country skills) workers, could considerably contribute to development gains. Even without a culture of remittance transfer (unlike the Polynesian countries), the Melanesian and Micronesian countries of the Pacific could benefit significantly from broadening of the scheme and no doubt would adopt a remittance culture.

Whilst we recommend an expansion of the pilot scheme, including perhaps into other sectors besides horticulture, specific concerns have been expressed by some ACFID member agencies about the potential "brain drain". This concern relates especially to the health care area associated with loss of Pacific Island nurses and carers to Australian aged-care. There is a challenge to ensure that a labour mobility scheme as it matures and ventures into sectors other than seasonal horticultural work, does not at the same time deplete Pacific Island countries of important workforce skills.

The above relates to recommendation 7 on page 4.

III. Public health issues – tobacco and alcohol management associated with the implementation of regional trade agreements and associated limits on taxation and import restrictions

The draft Australian National Council on Drugs (ANCD) commissioned 'Situational analysis on drug and alcohol issues and responses in the Pacific 2008/09' has identified alcohol as the key drug of concern across 16 countries in the Pacific. Reports commissioned by the Secretariat of the Pacific Community (SPC) and published in 2003, 2005 and 2006 identify the risks for tobacco and alcohol management associated with the implementation of regional trade agreements and associated limits on taxation and import restrictions. While tobacco and alcohol have to date been excluded from the PICTA agreement this has been on a provisional basis and this arrangement is up for review again in 2009. Regulation of alcohol distribution and supply via excise, taxes and licensing are proven methods of managing consumption. Trade agreements have the potential to limit the freedom of the Pacific Island Countries to adopt these measures in addressing clearly identified public health issues. The broad impacts are outlined at:

http://www.spc.int/AC/Healthy_Lifestyle/tobacco_PACER.html

The above relates to recommendation 8 on page 4.