



# Social Protection for Migrants from the Pacific Islands in Australia and New Zealand

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# **SOCIAL PROTECTION FOR MIGRANTS FROM THE PACIFIC ISLANDS IN AUSTRALIA AND NEW ZEALAND<sup>1</sup>**

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## **Abstract**

This report studies the social protection for migrants from the Pacific Islands in their host countries of Australia and New Zealand. The report focuses on the access for migrants to social services in the host countries and provisions for the portability of entitlements, particularly superannuation and health benefits, between host and home countries. It describes the current legal provisions for access to social services, portability of entitlements, implementation of these provisions in the relevant countries, analyzes shortcomings, and draws policy conclusions.

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<sup>1</sup> Please note that the report was completed in 2007 and subsequent changes in policies and legislations are not incorporated.

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## Executive Summary

This report studies the social protection for migrants from the Pacific Islands in their host countries of Australia and New Zealand. It relates the social protection that both Australia and New Zealand offer Pacific Island migrants to the respective immigration polices. Both countries operate immigration policies that give priority to migrants with skills each country needs. Families of principal applicants are also admitted. Skilled migrants compete internationally for entry with both countries allocating points for certain valued qualities. Applicants gaining the most points are successful. Apart from Fijians, comparatively few Pacific Island migrants enter either country under the skilled migrants' category.

Both New Zealand and Australia operate a humanitarian category that admits migrants who do not have the required skills. International use of the term "humanitarian" mainly refers to policy targeting refugees and asylum seekers and this is the main basis of Australia's humanitarian migration policy. However, under its humanitarian migration program New Zealand allows about 1,750 Pacific Islanders annually from five Pacific Island countries<sup>3</sup> the chance to immigrate if they are successful in a ballot. The ballot is designed to ensure that New Zealand does not just admit the most skilled migrants. There are some stringent conditions attached such as the requirement for successful applicants to have a twelve months job that provides an income deemed sufficient to provide for family. These conditions are necessary as migrants admitted under this policy need to wait for 104 weeks to qualify for some social benefits such as unemployment benefits. New Zealand has policies that allow immigrants to sponsor their extended families. The ability to sponsor extended family members is an important factor in helping Pacific Island migrants to settle well and a significant reason why they remain. Because immigrants entering under the family sponsored stream also have a stand down period before accessing all benefits, sponsors have to agree to support applicants until all benefits become available. Stringent conditions for migrants entering under both the Family Sponsorship and the Pacific Quota Schemes are designed to ensure that migrants can survive economically until all benefits are available. In one sense these entry conditions ensure migrants' social and income protection.

An important exception to the above policies occurs because residents of the Cook Islands, Niue and Tokelau are New Zealand citizens and enjoy free access to New Zealand and immediate access to all benefits. As New Zealand citizens they also can freely live and work in Australia. The population decline these countries face as a result of their residents' ability to emigrate freely is beyond the scope of this study.

Despite Australia's proximity to the Pacific very few of those admitted under its otherwise very generous humanitarian migration program are from the Pacific Islands. The different emphasis on the Pacific as part of a humanitarian immigration program is perhaps the main difference between the immigration policies of New Zealand and Australia.

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<sup>3</sup> Samoa, Tonga, Tuvalu and Kiribati. Fiji's participation was suspended as a result of the December 2006 military coup in that country.

One advantage of gaining New Zealand citizenship for Pacific Island migrants who do not already have this status is that they can then move to Australia and many do so. About half of Pacific Island born immigrants to Australia enters as New Zealand citizens

The above policies mean that unskilled Pacific Islanders that are not included in the New Zealand quota system have little chance to migrate to either country. This especially affects the Melanesian countries of Papua New Guinea, Solomon Island and Vanuatu. It means these countries do not receive the benefits that emigration has brought to some other Pacific Island countries. They miss out on the important contribution that remittances are making to countries such as Samoa and Tonga that have a long history of emigration. Secondly, they do not benefit from the lower population growth and consequent reduced pressure on resources that result from high emigration. Thirdly they miss out on the benefits of older migrants returning home with New Zealand superannuation and making a subsequent contribution to their home country economy and the tax base.

Migration policies that give priority to skilled migrants can mean that developing countries face a drain of their highly skilled or qualified workers. The New Zealand ballot system means that many of the successful balloters will be people who will not qualify as skilled migrants. Although the jobs they secure in New Zealand may be low paying jobs, they will pay more and provide a higher standard of living than jobs in the home country. Migrants will also eventually gain access to all the health and social service benefits that both developed countries provide to their permanent residents and citizens.

The New Zealand ballot system provides a way for unskilled Pacific Islanders to migrate and may have helped Samoa and Tonga avoid the problem of having only their highly skilled people emigrate. However this study provides some suggestions that high migration of skilled people has had negative effects for Fiji.

### **Assistance to Help Migrants Settle Well**

The immigration and settlement policies of both host countries aim to encourage settlers to settle well so they reside permanently in their host country. Both countries have formal settlement policies to help achieve this outcome. Both countries for instance fund a range of social service and migrant assistance agencies to provide initial help.

It should be noted that settlement policies usually conflict with return assistance programs which are often promoted to help mitigate the adverse effects of emigration for sending countries. The study shows that at present the emphasis in both countries is on helping migrants settle permanently rather than on return policies.

### **Provision of Social Services to Pacific Island Migrants**

Both New Zealand and Australia provide a high level of social benefits and services to their permanent residents and citizens. Some of these benefits are available only after a migrant has held permanent residency status and lived in the host country for two years or longer.

Access to social services of Pacific Island migrants in New Zealand is dependent on whether or not they are already New Zealand citizens. Those who are New Zealand citizens (those from Cook Islands, Niue and Tokelau) can access all benefits and services immediately.

Others must wait for at least two years before they can access all the benefits.

In the initial two years all permanent migrants to New Zealand can access the health care system, primary and secondary schooling for their children and tertiary courses. They also have access to New Zealand's Accident Compensation system. If they get into financial difficulty they may also be eligible for an Emergency benefit from the Ministry of Social Development but most social welfare benefits are not available immediately.<sup>4</sup>

In October 2007, along with some other changes, the Government announced that from a yet unspecified date in 2008, people sponsoring their parents must have certain income levels and must guarantee to support the applicants for five years. It means that in future some older migrants will not have access to the same social services as other New Zealanders for five years. The implications of this change will not become clear until 2008.

Migrant social protection in Australia is similar to that in New Zealand. Pacific Island migrants can access health care, education and some other benefits immediately. The general philosophy is that benefits available to migrants immediately are those deemed to be "emergency" benefits. Many of the social service benefits (e.g. unemployment benefit) require a 104 weeks residency but there are specialized benefits that require longer residency. The conditions of entry are designed to ensure that migrants can survive economically until these benefits are available.

In both countries, until the recent New Zealand changes affecting parents of existing residents, Pacific Island migrants were able to access the same level of social service benefits as are available to the rest of the population after the 104 weeks qualifying period.

### **Portability of Superannuation**

New Zealand has special portability arrangements with most Pacific Island countries allowing beneficiaries, to receive their superannuation entitlement in those countries. Under the 'Special Portability Arrangements', returning migrants who are 65 or over and intend to stay in the Pacific Island country for at least 52 weeks can access partial superannuation payments if they have lived for at least 10 years in New Zealand. Full payments are available to people 65 and over who have 20 years or more residence in New Zealand.

However in August 2007 only 497 full or partial superannuation benefits were being paid under this arrangement. These numbers are a small proportion of the 11, 675 New Zealanders of Pacific Island descent aged over 65 and who might be eligible to return to their home country. The study suggests that the emphasis on family reunification, the policies designed to help Pacific Island migrants retain their culture and the less

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<sup>4</sup> An Emergency Benefit is a benefit paid to people facing financial hardship.

comprehensive health and social services available in the home countries, have made returning to their home country less attractive for most Pacific Islanders.

Even though the numbers who are taking up this superannuation offer are small, the policy is providing significant financial assistance to Pacific Island economies. Current payment numbers result in an annual payment to Pacific Island countries of approximately US\$5,000,000. This income is paid at a gross rate and is not taxed in New Zealand. Tax should be paid according to the taxation policies of each Pacific Island country although the study did not examine whether or not this is happening. If numbers could be increased, Pacific Island Governments could increase their tax base. There would also be increased spending in the economy of each country. Further study to establish the factors that made these 500 migrants return home could help develop policies that might lead to more such migrants returning home. Further study could also establish if they are making the social contribution to their home countries that might be expected.

Australia does not currently allow its universal pension, the first tier of its superannuation to be paid in any Pacific Island country because it does not have portability arrangements with any of these countries. The second level of Australian superannuation, Australian Contributory superannuation, is portable, but current taxation policy to not tax payments made in Australia make it more attractive for beneficiaries to remain in Australia or at least keep the accumulated sum there and receive interest payments. Migrants returning home would only receive the payments they made under the Contributory Superannuation not the first tier. As the Contributory scheme has only been in place since 1993, accumulated sums are not large. This makes it unattractive for superannuitants to leave Australia at the moment but this problem will reduce as accumulated benefits increase.

### **Portability of Health Care**

Neither country has any provision for portability of health benefits to countries with which they do not have reciprocal arrangements. The philosophy underlining both health systems is that health care is funded mainly through the tax system and provided within the resources available to those residents who most need it. The concept of an “entitlement” that can be portable is seen as not compatible with this philosophy.

Although New Zealand health Care is not portable all citizens and permanent residents with a returning visa are able to continue to access health care in New Zealand, even if they are resident in another country. Those who are resident in a Pacific Island country can return to New Zealand for operations that may not be available in the Pacific Island country. This provision helps returning migrants gain access to expensive operations that are not available in a Pacific Island country, but is of little use in an emergency.

Australia allows holders of its Medicare card, which provides financial assistance for health care continued access to Medicare for five years after leaving Australia. People must return to Australia to access these provisions. However, the loss of such access after this time, may act as a disincentive for migrants to return to a Pacific Island country where health systems are not as comprehensive as in Australia. The fact that Australia does not allow migrants to return with superannuation payments that the Pacific Island Governments can tax, means that any returning migrants from Australia could be a drain

on the health services of Pacific Island countries. This may make such migrants less attractive to home country governments.

For countries with a tax funded health system, allowing migrants who return to their home country to continue to access health care in the host country is one way to help them retain adequate health care. The study did not examine whether this provision is available in other country with a tax funded health system.

### **Social and Health Services in Pacific Island Countries**

The social and health services available in Pacific Island countries are not available to the same extent as in either New Zealand or Australia which is a disincentive for migrants to return. Inadequate health care may be a particular disincentive as older people generally use health services more.

Pacific Island pensions are generally funded through national provident funds. These return the capital and interest accumulated during the time of paid employment. The sums paid out are not large compared to the taxpayer funded pensions available in New Zealand or Australia.

Migrants who return to a Pacific Island country are likely to be citizens of that country and therefore can access the health care available. Medical care although sometimes free or heavily subsidized is not as generous as in the two developed countries. Most Pacific Island countries have shortages of facilities, trained personnel and equipment

Both New Zealand and Australia recognize this and both have overseas development assistance programs that provide trained personnel visiting the Pacific Island to carry out operations that would otherwise not be available. New Zealand pays for some Pacific Islanders who are not New Zealand citizens to receive operations in New Zealand. The criteria for this assistance excludes New Zealand citizens because they are able to access health care in New Zealand, even though they are not living there. In this way the development assistance tries to ensure that former migrants who have returned home are not eligible for assistance under both programs.

Improvements in the social protection available in Pacific Island countries could attract more former migrants to return home. The current benefits to Pacific Island countries of people returning home with New Zealand superannuation suggest finding ways to increase the numbers utilizing this scheme is important. The study recommends further study to find ways to achieve this goal.

## **Recommendations**

### **Recommendation One**

That further study is commissioned to try and determine the extent of problems faced by new migrants to New Zealand because of their inability to access some social service benefits during the initial two year period of residency and to find out what pressures sponsoring families face as a result of this policy.

### **Recommendation Two**

That Pacific Island countries that do not currently allow dual citizenship for their citizens consider altering policies to make it easier for those emigrants who have taken up citizenship in their host country to return home.

### **Recommendation Three**

That Pacific Island Governments check to ensure that all returning migrants receiving New Zealand superannuation pay the tax required to ensure that the costs of providing them health and social services are covered by the tax payments received and are not born by the economy of the home country.

### **Recommendation Four**

That New Zealand explores ways of allowing Pacific Island residents eligible for New Zealand superannuation to apply in their home country and publicize any policy change in the home countries.

### **Recommendation Five**

That in order to ease any concerns that Pacific Island Governments may have about whether returning migrants are a burden on their infrastructure further study should clarify whether taxation payments made by returning superannuitants are sufficient to cover the costs for home countries in providing basic health care and any other social services provided.

### **Recommendation Six**

That Australia explores ways to include targeted and managed migration from Pacific Island countries in its migration programs. It is recommended that the Solomon Islands and Vanuatu are given priority. These countries should be chosen first as they are two of the closest Pacific Island countries to Australia, are not part of the New Zealand Pacific Islands quota and are facing expanding populations, a limited land mass and the need to find new ways of achieving more sustainable economic growth.

### **Recommendation Seven**

That Australia considers introducing a scheme similar to the special portability arrangement that New Zealand has with Pacific Island countries and allow Pacific Island Australian citizens and permanent residents to receive all their aged pension entitlements in a Pacific Island country.

### **Recommendation Eight**

That in order to increase the incentives for Pacific Island migrants in Australia to return to their home countries, Australia consider allowing citizens and permanent residents to continue to access Medicare in Australia indefinitely in the same way that New Zealand citizens and permanent residents can continue to access state funded health care when visiting New Zealand

### **Recommendation Nine**

That in order to gain a more comprehensive picture of the value of the New Zealand portable superannuation scheme to Pacific Island countries, a more in-depth study of the contributions that superannuitants who have accessed this scheme are making to the social and economic life of their home countries and to identify the factors that led these people to return home. This research would also make recommendations about how the scheme's value to Pacific Island countries could be improved.

### **Recommendation Ten**

That given the contribution to Pacific Island economies from returning migrants who receive New Zealand Superannuation, a more in-depth study of the social protection offered in Pacific Island countries should be commissioned to identify what improvements could provide the best incentives and lead to more former migrants drawing their superannuation in a Pacific Island country.

### **Recommendation Eleven**

That given the problems in the Fijian National Provident Fund and its importance for maintaining social protection for older citizens, the World Bank conduct further study, drawing on global lessons on best practice in using National Provident Funds, to ensure that the Fijian Fund is able to meet its obligations to its citizens in the future.

### **Recommendation Twelve**

That in view of the importance of improving health care as a possible incentive for former migrants to return home and the importance of Aid donors in achieving such improvements, the World Bank support and possible initiate a regional meeting of key stakeholders involved in the secondary/tertiary health sectors to develop a regional response and a more coordinated approach to provision of assistance in the health sector.

# **SOCIAL PROTECTION FOR MIGRANTS FROM THE PACIFIC ISLANDS IN AUSTRALIA AND NEW ZEALAND**

**Geoff Woolford**

## **Part One: Social Protection for Pacific Island Migrants in New Zealand**

### **1. Pacific Island Migration to New Zealand**

This section provides an overview of the Pacific Island population in New Zealand, and explains the various immigration policies that have led to about 6.9% of New Zealand current population describing themselves as being of Pacific Island ethnicity.<sup>5</sup> Relatively high levels of Pacific Island migration means that many new Pacific Island migrants now have extended family members in New Zealand as well as being involved in robust Pacific Island communities that enable them to continue many of the practices from their home country. These help new migrants settle well.

The section describes both permanent immigration and outlines a new seasonal work scheme that will allow up to 5,000 Pacific Islanders to come and work in New Zealand for up to 7 months in an 11 month period (9 months for citizens of Kiribati and Tuvalu).

#### **1a An Overview of the New Zealand Pacific Island Population**

The 2006 census showed that on census night there were 265,874 people who identified with Pacific Island ethnicity in New Zealand<sup>6</sup>. This represented 6.9% of the New Zealand population and was an increase from 231, 801 (6.5%) people of the population at the time of the 2001 census. In New Zealand people can identify with more than one ethnic group so some of the respondents will be people with more than one ethnicity. The 2006 census also showed that 11, 675 (4.4%) of New Zealanders of Pacific Island ethnicity were aged 65 or over. Most of these would have lived in New Zealand for a long time.

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<sup>5</sup> Many people of Pacific Island decent have more than one ethnicity.

<sup>6</sup> The total population of New Zealand on census night 2006 was 4,143,282

**Table 1: Seven Largest Pacific Ethnic Groups - 2001 and 2006 Censuses<sup>7</sup>**

<b>Ethnic Group</b>	<b>2001 Count</b>	<b>2006 Count</b>	<b>Percentage Increase</b>
Samoan	115,017	131,103	14.0
Cook Island Maori	52,569	58,008	10.3
Tongan	40,719	50,481	24.0
Niuean	20,148	22,476	11.6
Fijian	7,041	9,864	40.1
Tokelauan	6,204	6,819	9.9
Tuvaluan	1,965	2,628	33.7
<b>Totals</b>	<b>231,801</b>	<b>265,874</b>	

These figures are unlikely to include many people of Fijian Indian descent as Fijian Indians are generally categorized as “Asian” in New Zealand. The 2003/06 migration statistics that show 7,507 immigrants from Fiji in the period 2003-2006 alone make it clear that not all Fijian Indians are included in Table One.

#### **1b Permanent Migration from the Pacific Islands to New Zealand**

The 6.9% of New Zealand’s population of Pacific island descent is a result of many years of migration as well as a high rate of natural population increase.

Table 2 below shows the migration for the years 2003-2006. It excludes the Cook Islands, Niue and Tokelau that have open entry to New Zealand because they are New Zealand citizens. This means they have full access to social service and health benefits as soon as they arrive in New Zealand. As New Zealand citizens they also have open entry to Australia. As a result, Pacific Islanders from these three countries have high migration rates to Australia given the small size of their populations.

One effect of the open entry to both New Zealand and Australia is that there is comparatively high emigration from the Cook Island, Niue and Tokelau (countries with a total population of about 20,000). The depopulation these countries face is outside the scope of this study.

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<sup>7</sup> Source NZ Statistics Department. 2006 Census data.

**Table 2: Migration to New Zealand from Pacific Island countries 2003-2006 (excluding Cook Islands Tokelau and Niue)<sup>8</sup>.**

Country	03/04	04/05	05/06	3 year totals
Samoa	2203	2364	2188	<b>6755</b>
Fiji	2307	2894	2306	<b>7507</b>
Tonga	1801	1482	968	<b>4251</b>
Kiribati	62	155	163	<b>380</b>
Tuvalu	267	145	160	<b>572</b>
Other Polynesia (French Polynesia, American Samoa, Nauru)	36	17	21	<b>74</b>
Papua New Guinea	15	34	23	<b>72</b>
Other Melanesia (New Caledonia, Vanuatu, Solomon Islands)	28	47	30	<b>105</b>
Other Micronesia, Marshall Islands, Palau. Pitcairn Island	0	1	4	<b>5</b>
<b>Totals for all Pacific Countries (excluding Cook Islands Niue and Tokelau )</b>	<b>6719</b>	<b>7139</b>	<b>5863</b>	<b>19721</b>

Tables 1 and 2 show that the 34,073 rise in the Pacific Island population was partly a result of migration but also a result of natural population increase. 2006 census data showed that 37.7% of the Pacific Island population in New Zealand was less than 14 years old which is the highest proportion of all the major ethnic groups.

The 2006 Census also asked people how long they had resided in New Zealand. These questions revealed that of the 265,874 residents of Pacific Island descent, 135,853 (almost 50%) were born in a Pacific Island country.

### **1c Return Migration**

Migration is not all one way. This study did not examine movements back to the Pacific in detail. Staid and Appleyard (2007)<sup>9</sup> in their study of Pacific Island migration to New Zealand found that there was a dearth of information on return migration, including the acquisition skills abroad, which is generally cited as the main value to home countries of return migration.

Source: <sup>8</sup> www.immigration.govt.nz

<sup>9</sup> Staid Charles and Appleyard Roger "Migration and Development in the Pacific Islands: Lessons from the New Zealand experience. Australia Agency for International Development April 2007

Table 3 records the number of permanent departures from New Zealand for three Pacific Island countries for the 2006 and 2007 years. It is included to show that migration is not all one way but also to show that return migration is much smaller than migration to New Zealand. Some of the long term departures will be temporary visitors, and students who have been studying in New Zealand. Some will be former immigrants returning home including some superannuitants taking advantage of a policy that allows them to draw their superannuation in a Pacific Island country. Table 3 shows that even including all these categories, far fewer Pacific Islanders are leaving New Zealand than are migrating to it.

**Table Three. Permanent Long Term Departures to Three Pacific Island Countries 2006 and 2007<sup>10</sup>**

Years to June	Permanent Long Term Departures	
	2006	2007
Fiji	371	287
Samoa	461	446
Tonga	270	189

#### **1d Immigration Policies that Affect Pacific Island Migration**

New Zealand has three immigration policy streams that allow Pacific Islanders to migrate. Migrants who are not already New Zealand citizens or refugees are granted permanent residency status, which entitles them to live and work in New Zealand and access some social services. After two years of permanent residency status most categories of migrants are entitled them to the same range of social service benefits that are available to New Zealand citizens.

The three streams are:

##### **Skilled/Business Stream (27,000 migrants (about 60% of the total) – in 2005/06)**

This stream includes the Skilled Migrant Category<sup>11</sup> (SMC), Work to Residence<sup>12</sup>, Investor, Entrepreneur, and Employees of relocating businesses.

<sup>10</sup> [www.dol.govt.nz](http://www.dol.govt.nz) Labour Market quarterly report update June 2007

<sup>11</sup> [www.immigration.govt.govt.nz/mzis/operations-manual/8247.html](http://www.immigration.govt.govt.nz/mzis/operations-manual/8247.html)

- Applicants for skilled migrant visas are allocated points for a number of desirable qualities. For instance they gain 50 points for having an offer of skilled employment for 12 months or more, or for a recognized degree or trade qualification. Applicants have to have a minimum number of points (currently 100) and those with the highest number of points gain entry.
- The work to residence policy allows some potential migrants to get a temporary visa and/or permit to work in New Zealand as a step towards gaining permanent residence. Applicants need to have a genuine offer of a full time job that pays above US\$39,400 (NZ\$45,000) per year. They must be either qualified in a highly specialized or in demand work field, or have an exceptional talent in sports or the arts field. After two years, successful applicants will be eligible to apply for permanent residence.

Some Pacific Islanders, particularly from Fiji, who have skills that New Zealand requires and who have offers of skilled employment enter as skilled migrants.

#### **Family Sponsored Stream (14, 967 migrants in 2005/06, about 30% of total)**

This stream provides a path for the reunification of family members of existing residents. In 2005/06 applicants from the UK and China (18% each) were the largest source countries<sup>13</sup> Pacific Island migrants use this stream to bring close relatives to New Zealand and it provides a significant migration path.

Under this policy New Zealand citizens and permanent residents who have lived in New Zealand for at least 184 days in each of the previous 3 years leading up to the application can apply to sponsor relatives; mainly parents, dependent and adult children, and siblings. In 2001 a policy change allowed siblings sponsored under this category to bring their families whereas previously they needed to be single. This change recognized the importance of extended families in Pacific Island as well as in other home countries.

Family reunification helps Pacific Island migrants retain this important part of their culture and is a significant assistance to satisfactory settlement.

All family members entering under this policy must be sponsored. Sponsors must meet the following conditions. They must ensure there is adequate accommodation and financial support for the migrant for at least the first 104 weeks and agree to repay any costs incurred by the New Zealand Government resulting from a failure to meet the above

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<sup>13</sup> New Zealand immigration Department. Migration Trends 2005/06

obligations. The 104 weeks is the period during which migrants cannot access many of the Government provided accommodation and benefits available to New Zealand permanent residents. Sponsoring family members can put strains on families.

From mid 2006, there has been no cap on the number of partners or dependent children allowed under this stream. However with this change, New Zealand retained a cap on the number of places for parents, adult children and siblings. The 2006 changes also introduced an age limit of 55 for sibling and adult child applicants. (But not for parents) These new age limits may reduce the number of immigrants in the 55 plus aged category.

In 2005/06 a total of 1,158 approvals were granted under the sibling category. 5% of these (59) were from each of Tonga and Samoa and 18% (144) from Fiji. Under the dependent child category 33% (289) of the 869 people admitted were from Samoa.

In October 2007 Government accounted further changes to Family Sponsored Stream policy.<sup>14</sup> In future sponsors bringing in their parents and/or their partners will require a minimum income of US\$24,000 (NZ\$29,897.92) per year, which can be obtained from paid or self employment or regular investment income. There was no such income level previously. Such income levels were necessary because Government also extended the period that sponsors were required to support the applicant from 2 years (104 weeks) to 5 years. The implications of this change will not become apparent until this new policy is introduced some time in 2008 but it is likely to reduce the number of older Pacific Island migrants moving to New Zealand. Pacific Island migrants had been actively bringing in their parents. In 2005/06 5% (220) out of 4,400 approvals under the parent category were from each of Samoa and Tonga and 16% (704) were from Fiji. This change also has significant implications for the social protection of migrants because it effectively ends the previous policy that after 104 weeks all migrants were able to access the same social benefits as New Zealand citizens. This issue is discussed further in section 3.

### **International Humanitarian Stream (about 4, 500 per year)**

This stream covers a Refugee Quota (750<sup>15</sup>), Refugee Status, Refugee Family Quota (250), Samoan Quota (1,100), and Pacific Access (650). It makes provision for

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<sup>14</sup> *Higher migrant hurdles for some.* Dominion Post newspaper, Wellington. October 13 2007

<sup>15</sup> New Zealand has a quota for the number of refugees it accepts annually. through the United Nations Refugees programme

victims of Domestic Violence, and contingencies where access is by Ministerial Discretion.<sup>16</sup>

As part of its humanitarian stream, New Zealand provides a quota of places for selected Pacific Island countries which is designed to assist these countries in their economic development. A key feature of the quota schemes is that it gives applicants who do not qualify under the various skilled categories the opportunity to migrate.

The quota schemes are

- **Samoa Access Quota:** This is one way that New Zealand has given effect to provisions of the 1962 Treaty of Friendship with Samoa. Under this scheme 1100 people, including their partners and dependent children, are granted permanent residency in New Zealand each year.
- **The Pacific Access Quota:** This was introduced in 2002 with Fiji being added in 2003. It provides one way for citizens of Fiji, Tonga, Kiribati and Tuvalu to migrate to New Zealand. Under this scheme Fiji and Tonga are allocated 250 places per year and Kiribati and Tuvalu are allowed 75 places for a total of 650 per year. However as a result of New Zealand Government sanctions imposed on Fiji as a result of the December 2006 coup, citizens of Fiji are not eligible to participate in the 2007 Pacific Access Category.

Successful applicants are decided annually by ballot to avoid a biased selection towards the best applicants. The ballot is for individuals so that if an application has more than one individual in it, each individual counts towards the final figure. The system allows successful ballotees to bring immediate family members to New Zealand.

Conditions for both the Samoa and the Pacific Quota are essentially the same. Persons eligible for the ballot must be citizens of the Pacific Access Country under which they are applying and be aged between 18 and 45 at the scheme registration date. Persons successful in the ballot are invited to apply for permanent residence. A residence permit is affixed into a passport and grants a migrant the permanent right to live and work in New Zealand. The entry date is used by authorities to assess eligibility for social services that require two years or more of residency. To gain the residency permit, they must then meet the following criteria.

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<sup>16</sup> It is official New Zealand Policy to include the various Pacific Island quota schemes under its humanitarian stream. Skilled Pacific Island migrants enter under the skilled migrants' stream.

- Have an acceptable offer of employment and/or have a partner included in the application who has an acceptable offer of employment. Current policy defines an acceptable job as one that is “ongoing and sustainable with a single employer.”: The offer must be for a permanent or indefinite job or for a stated term of at least 12 months with an option of further terms. It must also meet each of the following criteria.
  - For an average of at least 30 hours per week or more
  - Current (available as the NZ Immigration Department assesses the application)
  - Genuine (The offer of employment must be submitted in writing)
  - For a position that pays a salary or wage and not by commission, self employment or a retainer
  - Accompanied by evidence of technical or professional registration in New Zealand if that is required

And

- If they have dependent children they must show that when in New Zealand they can then meet the minimum income requirement of US\$21,894 (NZ\$29,430)<sup>17</sup>. This is to show that the applicant can support the dependents. Income levels are changed annually.
- For people with no dependent children the job offer must be for no less than the New Zealand minimum wage which is currently US\$8.37 (NZ\$11. 25) per hour for a minimum of 30 hours per week. This equates to approximately US\$13,353 per annum.
- Pass an English language test involving reading English, understanding and responding to questions in English and maintaining a basic English language conversation. Immigration officials determine if the principal applicant can pass this test
- Pass a medical and X-ray test to show that they are not likely to be a danger to public health or are unlikely to impose significant demands on New Zealand’s Health services or special education services, and are able to perform the

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<sup>17</sup> Income levels are as September 2007.

functions for which they have been granted entry. All family members must pass this test.<sup>18</sup>

- Be of good character and not pose a security risk to New Zealand. All applicants aged over 17 must provide a police certificate from their country of citizenship and every country where they have lived for 12 months or more in the 10 years before they lodge their application
- Raise the US\$419 (NZ\$563) necessary for a formal residency application.<sup>19</sup>

Not all the successful ballotees are able to meet the subsequent requirements. It is for instance often very difficult for successful ballotees to gain work in New Zealand when they reside in a Pacific Island country. Since 2004, the Immigration Department has been working more closely with New Zealand employers to assist successful quota applicants to find employment.

Although the above procedures are very cumbersome with a significant number of successful ballotees not meeting the criteria, the schemes are very popular in Pacific Island countries because they provide a pathway for migrants who do not have the skills normally required for entry to New Zealand. For instance over the last year 19,000 Samoans, over 10% of the population in Samoa, applied for one of the quota positions<sup>20</sup>.

### **1e Temporary Migration - The New Zealand Seasonal Work Scheme for Pacific Island Countries**

A new work scheme that will recruit Pacific Island temporary workers to ease seasonal labor shortages in the horticulture and viticulture industries was launched in April 2007. The scheme allows for up to 5,000 seasonal workers from the Pacific Island countries to enter New Zealand and work for periods of up to 7 months (or 9 months for nationals of Tuvalu and Kiribati). Five Pacific Island countries have been chosen to start the scheme (Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu). Bilateral agreements between the New Zealand Department of Labor and implementing government agencies in the respective Pacific Island countries form the backbone of the scheme. The scheme is intended to help fill labor shortages in the New Zealand horticultural and viticulture

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<sup>18</sup> NZIS leaflet 1121. "Health Requirements for entry into New Zealand"

<sup>19</sup> NZ Immigrations operations Manual Residence. Chapter 13.2

<http://www.immigration.govt.nz/migrant/general/generalinformation/operationsmanual/>

<sup>20</sup> Article in New Zealand Herald, July 22 2007. This figure is likely to include some unsuccessful applicants from earlier years who decide to reapply,

industries, and to provide income-earning opportunities for low/semi-skilled Pacific workers and to provide subsequent benefits for the home countries.

The shortage of a reliable source of labor (New Zealand had a low unemployment rate of about 3.9% in May 2007) has made it difficult for New Zealand's horticulture and viticulture industries. The industry has had to employ short term labor with new workers generally being employed each season. However, producing high quality produce requires many workers to be skilled and in the past employers have not been willing to train workers who will not return. This scheme has the potential to help solve these problems by providing seasonal workers who could return each season.

The New Zealand Government in announcing the scheme made it clear that it was also seen as one way that New Zealand could help the Pacific Islands. The Ministers' announcement stated that New Zealand has a special relationship with the Pacific. *"We have a multitude of shared interests and are working to enhance regional cooperation....Temporary work access can make a positive contribution for our objectives of encouraging economic development and stability in the region...It is an outlet for unskilled workers to earn an increased income and to aid knowledge transfer through work experience<sup>21</sup>"*

### **Main Features of the Scheme**

Employers who wish to participate must meet the following criteria which have a strong emphasis on providing social protection for the temporary workers. They must allow the New Zealand Department of Labour to audit their compliance with these. Site visits can be made at any time.

Potential employers must follow a series of clear steps designed to ensure the protection of all workers involved. These steps are set out below.

#### **Step 1: Gain Recognized Seasonal Employer Status.<sup>22</sup> (RSE)**

A New Zealand employer must be granted an RSE status by Immigration New Zealand in order to participate in the scheme. RSE status is limited only to New Zealand employers whose core area of business is horticulture or viticulture. To be granted RSE status employers must:

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<sup>21</sup> Joint statement announcing the scheme by the New Zealand Ministers of Immigration and Employment. 25 October 2006.

<sup>22</sup> New Immigration Operations Manual available on line at <http://www.immigration.govt.nz/migrant/general/generalinformation/operationsmanual/>

- Be in a sound financial position (to ensure they can meet their financial obligations to the workers.)
- Have appropriate human resource practices, including dispute resolution practices, in place and ensure that all seasonal workers have a written employment agreement
- Show they can promote the welfare of workers. Compliance officers will check this when they do site visits
- Have previously met all immigration and employment laws
- Have demonstrated a commitment to recruiting and training New Zealand workers
- Agree to pay all workers the market rates
- Agree to pay half the return airfare between New Zealand and the home country
- Agree to pay a financial penalty of up to a maximum of US\$2,100 (NZ\$3,000) if any employed workers need to be sent back to their home country. (E.g. for overstaying) They will also face the possibility of revocation of their RSE status

## **Step 2: Gain an Agreement to Recruit (ATR)**

The ATR is an approval for a Recognized Seasonal Employer to recruit foreign resident workers. Approval will only be granted if the scheme has sufficient places. The application form requires RSEs to provide detailed information about three main areas.

1. The exact nature of the jobs offered.
  - i) The regional seasonal demand for workers
  - ii) The number of workers required and that they are appropriate for the work required
  - iii) Details of each position (e.g. for planting, harvesting or packing)
  - iv) The length of time for each position
  - v) The country or countries the RSE intends to recruit from
  - vi) A copy of the written employment agreement for workers
2. Show that the specific positions offered cannot be filled by New Zealand workers. For instance the vacancies must have been listed with the local Work and Income office (NZ Government employment agency)
3. Show that the following protections for the seasonal worker are in place. All workers must have

- Transportation to and from the port of arrival and departure
- An induction programs<sup>23</sup>
- Suitable accommodation
- Transportation to and from the worksite
- Access to personal banking
- Personal protective equipment
- Suitable facilities at the worksite (e.g. toilets and shelter)
- Opportunities for recreation and religious observance

The National Coordinator for the scheme reported that there was a lot of employer interest in the scheme. As at August 31 nearly 70 horticulture and viticulture employers had applied for RSE status, including a cooperative representing over 30 employers. However the above criteria are seen as stringent by employers. By early September only 18 employers had been granted RSE status with a number of applications still being processed. Of the 18 RSEs, 7 had approved ATRs.

### **Transition Towards RSE Policy<sup>24</sup>**

By September 2007 the Government had become worried that not enough employers had been granted RSE status and the industry may be short of workers for the 2007/08 summer season. Accordingly in September the Government announced some transitional arrangements that allowed employers to recruit seasonal workers who were already in New Zealand. Such workers could be granted a once only work permit for up to four months.

The new policy is seen as a transitional one and it will only be in place for two years. To qualify under the TRSE policy, employers have to show that they are working to get on board with the RSE policy.

### **Potential Recruitment for the Pacific**

Horticulture New Zealand sees the Pacific Islands gaining from this scheme in the following ways.

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<sup>23</sup> An Induction Programme is the technical term for a programme designed to introduce and familiarize a new worker with the things he/she needs to know about the new job. In this case it is likely to also include information about living in New Zealand

<sup>24</sup> [www.hortnz.co.nz/communications/pdffs/TRSEpdf](http://www.hortnz.co.nz/communications/pdffs/TRSEpdf)

The seasonal workers will remit part of their wages back to their host communities and/or families. How much is likely to be remitted is not clear at this stage. Horticulture NZ estimates that workers who receive the minimum NZ wage of about US\$343.00 (NZ\$460) a week, after deduction of living expenses and taxes, would have about US\$90 (NZ\$120) a week to spend. Overtime payments would increase this figure. If half this sum were remitted, the 5000 workers allowed could remit about US\$210,000 (NZ\$300,000) a week or a total of about US\$4,200,000 (NZ\$6,000,000) over 20 weeks. (Horticulture NZ expects that most workers will remain in NZ for less than the 24 weeks maximum allowed).

The workers will gain training and increased skills in the horticulture and viticulture industries. Horticulture New Zealand sees many of these skills as transferable and used to possibly improve horticultural production in their home countries. One possibility is that increased horticulture skills could assist workers to produce more food directly for the local tourism industry, thus replacing some of the imported food.

### **Monitoring and Evaluation of the Scheme**

The design of the scheme has incorporated many best practice lessons from temporary work schemes operating in other countries. As part of its commitment towards ensuring a successful outcome of the scheme, New Zealand is incorporating evaluation mechanisms to review the implementation of the scheme and to identify risks to be managed. In collaboration with New Zealand, the World Bank is conducting a study to measure and document the development outcomes in the Pacific sending countries that have resulted from the scheme. The World Bank study also aims to provide sound evidence to support the fine-tuning of the scheme's facilitative arrangements so that country concerns and potential problems can be addressed. It is expected that the study will also provide important lessons on the benefits of temporary migration programs for global dissemination. This could encourage more countries to experiment with similar schemes once the merits and pitfalls have been rigorously evaluated.

### **Conclusion**

The scheme has incorporated many best practice ideas from temporary work schemes operating in other countries. It does appear that if implemented as set out, it will achieve its goals of helping New Zealand by lifting productivity and providing a more

stable workforce. It should also help the Pacific Islands through its remittance payments and by providing transferable skills that could be utilized in the home countries.

If it succeeds in benefiting all parties, it could provide a model for Australia that also faces similar labor shortages in its horticultural industries. It is expected that the World Bank monitoring and evaluation of this scheme will be able to show whether this scheme is working out in practice and whether it is making the contribution to the Pacific Islands that its designers intended.

## **2. The New Zealand Settlement Strategy**

Both New Zealand and Australia have recently developed formal strategies that aim to ensure that all immigrants settle well in their new country. The strategies cover migrants and refugees from all countries including those from the Pacific Islands. In both countries the Settlement Strategy funds a range of social service agencies and migrant assistance agencies that provide initial help. Their aim is to ensure that migrants remain permanent settlers who can then contribute to the host countries economic and social life rather than have them return to their home country because of dissatisfaction and a failure to settle well.

There may be a policy conflict between these aims and policies to assist migrants to return to their home country. This section shows that at present most emphasis in New Zealand is on helping migrants settle permanently although the section on superannuation policy shows that the provision allowing portability of superannuation payments to Pacific Island countries aims to assist former permanent migrants to return home if they wish.

### **2a Main points of The New Zealand Settlement Strategy (2004)**

The introduction to the strategy<sup>25</sup> explains why it was necessary.

*“We (the government) want all migrants regardless of their reasons for coming to live here, to establish their families quickly and successfully in local communities, and to contribute fully to our nation’s social and economic life. For many people settlement is relatively straightforward, despite the challenges of life in a new country. Other people need more assistance as part of our welcome to them. A range of government agencies already provide and fund settlement services. However, services have been fragmented*

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<sup>25</sup> New Zealand Settlement strategy 2004. available on line at [www.immigration.govt.nz](http://www.immigration.govt.nz)

*and of uneven quality. ....The New Zealand Settlement Strategy addresses these issues by taking a cross-government approach to settlement<sup>26</sup>”*

The Strategy has six goals. Migrants, refugees, and their families:

- Should obtain employment appropriate to their qualifications and skills
- Are confident using English in a New Zealand setting, or can access appropriate language support to bridge the gap
- Are able to access appropriate information and responsive services that are available to the wider community (for example, housing, education, and services for children)
- Can form supportive social networks and establish a sustainable community identity
- Feel safe expressing their ethnic identity and are accepted by, and are part of, the wider host community, and
- Can participate in civic, community and social activities”

The strategy is targeted at permanent residents of New Zealand and their families and aims to help them feel at home permanently so that they do not return to their home country. Encouraging migrants to return to their home country is not part of the strategy.

## **2b Development of the Strategy**

The New Zealand Settlement Strategy was the result of increasing awareness that a more coordinated approach to assisting new settlers and providing more resources was necessary if all the diverse groups were to settle successfully and happily in their new country.

The development of the strategy in 2004 involved a number of consultations with recent migrants. These provide some of the best information about the assistance migrants believed they needed to settle well and these perceptions played an important part in formulating settlement policies. New settler satisfaction and social protection are closely entwined.

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<sup>26</sup> New Zealand Settlement strategy page 3

## **Concerns Identified by Pacific Island Communities During 2004 Consultations**

In the 2004 initial consultations<sup>27</sup> all migrant groups, included Pacific Island respondents, identified four areas that were keys to settling well. These were the importance of making new friends, (with many of the new friends being people from the same ethnic group as the migrant), the need to be able to access the right information when needed, the importance of finding employment, and the need for migrants from non English speaking countries to learn English. These four points now form four of the six goals of the New Zealand Settlement Strategy.

Later in the same year after an initial release of the strategy, the Immigration Department held a further series of regional consultations.<sup>28</sup> These consultations identified some areas of specific concern for Pacific Island migrants.

### **Topic 1 Good Communication between government and other Stakeholders (migrants and migrants groups) is important**

- Face to face communication in the form of community meetings with government agencies is particularly important to Pacific communities. Many Pacific people are unaccustomed to speaking in meetings and tend to rely on community leaders to speak for them. This applies also to other communities, whose members might need encouragement to speak in such a forum. Regional relationships and forums established by central government agencies are positive.
- Pacific communities favor face-to-face communication, but support the use of the media (radio and television were mentioned frequently) as an additional communication tool.<sup>29</sup>

### **Topic 2 Better Co-ordination of Settlement Information is needed**

- At present information comes from too many sources and it is very difficult to access information about basic services. For example, many parents are unable to understand the education system, especially the National Certificate of

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<sup>27</sup> "New Zealand Immigration department": Pilot Survey Report: Longitudinal Immigration Survey: New Zealand. Cited in "A Future Together" 2004

<sup>28</sup> "Feedback from the initial dialogue with stakeholders July-August 2004 New Zealand Department of Immigration. Available on line at [www.immigration.govt.nz](http://www.immigration.govt.nz)

<sup>29</sup> The Ministry of Pacific Island Affairs indicated that it and other Government agencies are now making extensive use of Pacific Island radio stations that broadcast in Pacific Island languages to disseminate information to Pacific Island listeners.

Educational Achievement (NCEA)<sup>30</sup>. A central point is needed where migrants could access all settlement-related information, as well as immigration policies, media releases and updated information<sup>31</sup>. It should be easy to identify where to go to find information.

- Pacific communities favor using church and community leaders, as well as regional officials from the Ministry of Pacific Island Affairs, to share information.

### **Topic 3 More Programs to Assist Settlement are Needed**

- There are no specific settlement programs for Pacific migrants, yet they face many of the issues faced by refugees. Pacific communities see themselves as disadvantaged in comparison with other migrants, and would like services to be tailored to meet their needs as they often have poor English language ability, limited finances and limited skills. Pacific migrants often need intensive support in both learning English and gaining employment.
- There is a need for intensive orientation on arrival. Pacific Island migrants could live with their host families and attend the orientation centre during the day.
- Pacific migrants want to be able to access any provider, Pacific or mainstream, and be assured of a culturally responsive result

### **Topic 4 Other Issues**

- Families hosting migrants are often overstretched, both financially and in terms of housing. (These families would be those sponsoring migrants under the family sponsorship stream)
- The holistic approach that is favored by Pacific communities can lead to burnout by community volunteers and assistance is needed to build capacity within communities.

#### **2c Other Consultations with Pacific Island Migrants**

Some other regional consultations also provided evidence of how well Pacific Islanders saw the settlement assistance they received. For instance a 2004/05 consultation

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<sup>30</sup> The first 3 levels of NCEA are gained at each of the final 3 years at secondary school. It is a competency based system of exams and internal school assessments.

<sup>31</sup> *Living in New Zealand* is a comprehensive guide to living in New Zealand, which is sent to applicants within the skilled migrant business stream. It can also be found on the New Zealand Immigration Service website at [www.immigration.govt.nz](http://www.immigration.govt.nz), along with other information about immigration.

process in the Wellington region with four Pacific Island communities and recent Pacific Island migrants found that<sup>32</sup>.

- Significant numbers of Pacific Island<sup>33</sup> people have been migrating to New Zealand for 30-40 years and many people asked why it had taken so long to develop a strategy to assist them. However, this meant that compared to more recent settler communities, the Pacific Island communities had well established processes in place. At the same time the Pacific Island population in New Zealand still had a number of problems e.g. its unemployment rate was higher than average, its health statistics were lower. These issues suggest that many Pacific Island new settlers have not settled as well as they could and that there was scope for improving the process.
- The major factor Pacific Island migrants look for in a helping agency is having staff or volunteers from the same island group who speak their language. Migrants saw this as far more important than what kind of agency it was. Where the agency did not have such staff, new settlers were less willing to seek help.
- Most Pacific Island new settlers are sponsored by their own extended family. (under the Family Sponsorship Stream). This sponsorship often involves having the new settlers living with them and helping them find a job. This can put a financial strain on the host families. Some respondents suggested that finding ways to reduce this financial strain should be one of the major tasks for the settlement strategy. (N.B. This has not happened and recent policy changes are likely to increase these strains).
- After the extended family, churches were the most important agency assisting new Pacific Island settlers and they had been providing a voluntary settlement service for decades. Many Pacific Island migrants chose to live close to a church of their denomination because of the church's importance in helping them settle and in providing an ongoing community. Six Pacific Island Ministers from different denominations at one consultation agreed that they carried out the following process to assist new settlers:

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<sup>32</sup> Geoff Woolford "Framework for the Development of a Wellington Regional Settlement Strategy" Final Report to the Wellington Regional Mayoral Forum April 2005"

<sup>33</sup> The consultations included: Samoa, Tonga, Cook Islands, and Fiji, Tokelau, and Niue communities.

- The Ministers looked for new faces at the church
- The church offered a welcome
- Extended family members or people from the same village in the congregation would be identified if possible and asked to assist.
- The women's group would check that the new arrivals have food and bedding
- Younger members would be put in touch with the Sunday School or Youth group
- The Minister would visit to see what problems they faced
- The church would put the new arrivals in touch with other agencies that can help
- If the new arrivals were looking for work, the church would put them in contact with existing leading hands etc who could sometimes find them employment
- If eligible for assistance (mainly migrants with New Zealand citizenship) they would be put in touch with Work and Income. The Ministers stated that when seeking help from Government social services the new settlers preferred to talk to Pacific Island speaking staff.

All these consultations indicated that the two institutions that Pacific Island migrants turned to for help in New Zealand, the extended family and their church, were the same two traditional sources of help in their home country. Thus, the emphasis in the Settlement Strategy is on funding community and church related social services that are staffed mainly by people from the same Island group as those seeking help.

## **2d Implementation of the Strategy**

In 2004 The New Zealand Government promised to spend an average of about US\$9.3million (NZ \$12.5 million) a year for four years to implement the new strategy. Some of the funded areas were new and some involved increased spending on programs already in place. (e.g. funding for refugees)

The strategy

- increased funding to provide careers advice and information for new migrants. The funding was to cover additional interviews for migrants, including those without work and those in work that was not appropriate to the qualifications and experience that gained them entry to New Zealand.<sup>34</sup>

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<sup>34</sup> Prior to the policy changes in 2004, New Zealand provided entry to people with skills that were in short supply in New Zealand. However many migrants were not able to find appropriate jobs in New Zealand and

- increased funding to assist adult migrants to learn English. Pacific Island migrants selected under the quota system have to meet a basic level of English.
- increased funding for English as a second language in schools. (As the quota English language requirements are for the principal requirement it is likely that recent Pacific Island migrants still at school are involved in these classes but no numbers are available)
- promised new funding for migrant resource centers. (This funding has largely funded the Settlement network (see following section))
- increased funding for the National Refugee and Migrants Service (an NGO focused on providing in depth help for refugees.)
- established a national secretariat in the Immigration Department to develop and monitor the strategy. This secretariat drives the strategy and is charged with making sure all new settlers receive the help they need to settle satisfactorily.
- provided new funding to help refugees have their qualifications assessed to see if they would get recognition for them in New Zealand. (not applicable to Pacific Island migrants).

This programs is now being implemented. It is difficult to find out to what extent Pacific Island migrants are benefiting it because large scale Pacific Island migration dates from the 1960's and Pacific Island communities had for many years been assisting migrants from their own community with little official Government help. Whether the strategy is responsible for improvements is not clear. Some of the initiatives are not relevant to Pacific Islanders and the strategy is so recent that evaluations of its effect are not yet available.

## **2e Appointment of Local Settlement Coordinators**

The 2004 budget had planned to fund a migrant resource centre in each of seventeen locations with high migrant populations. However, work on some regional strategies showed that there was no one agency that was working with all migrants and that most tended to have a focus on one group (e.g. refugees, or migrants from one ethnic group). These studies also found that migrants were currently seeking information from a number of different agencies (e.g. libraries, Citizens Advice Bureau, churches, Ethnic

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often ended up doing less skilled work. This was one of the main reasons for the increased emphasis on migrants first having a job before being allowed to enter New Zealand.

Associations) and funding just one organization would duplicate and perhaps undermine work that was already going on. It could mean that some migrant groups would miss out on assistance<sup>35</sup>.

As a result the Government decided that the funding would be spent funding settlement coordinators who would work with existing settlement groups to ensure that all services were coordinated and that no matter which local agency a migrant approached for information or help they would then be put in contact with all the help or information they needed. These coordinators would link together to provide a national settlement network. Section 3.c. examines the provision of social services for migrants and contains a case study to show how this network is being implemented in one New Zealand city with a large Pacific Island migrant population.

### **3. Social Services Available to Migrants and Access to these Services by Migrant Category**

As has been pointed out, Pacific Island migrants who do not arrive in New Zealand as citizens are not eligible to access all the social services available for at least the first two years of residence. Migrants from the Cook Islands, Niue and Tokelau are full New Zealand citizens and have access to all social services from the day they arrive, on the same basis as other New Zealand citizens<sup>36</sup>. Other migrants are granted permanent residency status on arrival but currently have to hold this for 104 weeks before they can access all social services benefits<sup>37</sup>. In future, migrants admitted under the parents family sponsored stream will have to wait for 5 years. Anecdotal information from migrant agencies and feedback from the 2004 consultations referred to earlier suggest that the difficulty of accessing some services and benefits in this initial period causes some problems and puts considerable stress on sponsoring family members but it was not possible to obtain hard data about the extent of this problem. However, the study received sufficient informal comment to suggest that further study is warranted to analyze the extent of these problems.

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<sup>35</sup> Geoff Woolford. *“Framework for the Development of a Wellington Regional Settlement Strategy. Report to the Wellington Regional Mayoral Forum”*. April 2005.

<sup>36</sup> Refugees are also able to access full benefits immediately.

<sup>37</sup> [www.workandincome.govt.nz/manuals-and-procedures/studnets/astudent-allowance](http://www.workandincome.govt.nz/manuals-and-procedures/studnets/astudent-allowance)

### **3a Social and Health Services that be Accessed Immediately by all Migrants with Residency Status.**

For migrants with permanent residency some social service benefits and most health benefits are available immediately. Some of the most important are:

- Free education at Primary and Secondary Schools. Education is compulsory up to the age of 16.
- Emergency Benefits from the Ministry of Social Development<sup>38</sup>
- Accident Compensation.<sup>39</sup> Everyone in New Zealand including overseas visitors is covered for treatment in New Zealand for personal injury caused by accident regardless of fault. If people are injured they seek treatment and complete the appropriate form. The health provider is reimbursed by the Accident Compensation Corporation (ACC), a government body that administers this scheme. ACC also pays a portion of usual earnings for any period that a person is off work because of the injury. All New Zealanders in paid employment pay a compulsory levy which varies according to the assessed degree of risk for each industry and which covers the schemes costs. The scheme is fully funded through levies and does not receive any other Government help. ACC does not cover illness, only injuries that happen while in New Zealand
- Access to Tertiary Study. Each tertiary institution has its own criteria and assessment process for entry. Some institutions have special arrangements with institutions in the Pacific. Pacific Islanders who wish to study in New Zealand can apply for and receive a study permit to live and study in New Zealand. As with other areas, students from the Cook Islands, Niue and Tokelau have automatic access to tertiary level study in New Zealand. Permanent residents are defined as New Zealand citizens and their tertiary fees are subsidized by the New Zealand Government.<sup>40</sup> This includes access to Government funded English as a second language courses,

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<sup>38</sup> Emergency Benefit is an income and asset tested benefit payable to people who are in hardship and who are unable to earn enough income for themselves (and any dependent family) **and** cannot receive another benefit. Each application for Emergency Benefit should be assessed on its own merits.

([www.workandincome.govt.nz/manuals-and-procedures/income\\_support](http://www.workandincome.govt.nz/manuals-and-procedures/income_support))

<sup>39</sup> [www.moh.govt.nz/moh.nsf/indexmheligibilit-amieligible-accidents](http://www.moh.govt.nz/moh.nsf/indexmheligibilit-amieligible-accidents)

<sup>40</sup> [www.tec.govt.nz/domestic-student-status](http://www.tec.govt.nz/domestic-student-status)

## Health

The Government funds a large number of health services but there is also a private sector where people pay for health treatment. Publicly funded services include<sup>41</sup>

- Free public hospital treatment, including 24 hour accident and emergency clinics
- Free laboratory tests and x-rays at public clinics
- Free healthcare during pregnancy and childbirth
- Free prescriptions for public hospital patients and subsidies on other prescriptions
- Subsidized fees for visits to family doctors for people under 25 and over 44

Publicly funded services for children include:

- Free or subsidized doctor visits and prescriptions for under 6 year olds
- Free immunization
- Free post natal care
- Free dental care for school aged children

The New Zealand Health and Disability Act 2000 states that publicly funded health and disability services are for people who meet the following conditions<sup>42</sup>. People qualifying must be lawfully in New Zealand at the time of seeking services AND be **one** of the following:

- a New Zealand citizen including those living in the Cook Islands, Niue or Tokelau. All New Zealand Citizens are eligible to access health care. New Zealand citizens who visit New Zealand on a temporary basis can access health care during their visit if needed.
- a New Zealand citizen by descent
- a child born in New Zealand whose parents are eligible<sup>43</sup>
- regarded as 'ordinarily resident'<sup>44</sup> in New Zealand. These are people who hold a current **New Zealand residence permit and their children aged under 18 years**

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<sup>41</sup> [www.wellington.govt.nz/move/health-housing/publichealthcare.html](http://www.wellington.govt.nz/move/health-housing/publichealthcare.html)

<sup>42</sup> [www.moh.govt.nz](http://www.moh.govt.nz) Eligibility for public ally funded health and disability services.

<sup>43</sup> Prior to 1 January 2006 all people born in New Zealand (including the Cook Islands, Niue, Tokelau, or the Ross Dependency) qualified for New Zealand citizenship. After that date citizenship was only granted to people born in New Zealand (including the Cook Islands, Niue, Tokelau, or the Ross Dependency) who had a New Zealand citizen as one of their parents or entitled to be in New Zealand indefinitely at the time of their birth. [www.dia.govt.nz](http://www.dia.govt.nz). (Services-Citizenship-Requirements)

who either have already lived in New Zealand for two years, **or** hold a current Returning Resident's Visa. (Most migrants with permanent residency status will have a Returning Residents visa).

- An Australian Citizen who intends to stay in New Zealand for at least 2 years.

The policy is that medical staff should ask for verification that a patient is entitled to free healthcare. New migrants are advised to take their passport, visa material or refugee documents with them to prove eligibility.

Having access to Government funded health care on arrival is an important social protection for new permanent migrants.

### **Ability to vote**

New Zealand is the only democracy where people do not have to be a citizen in order to vote (although only a citizen can stand as a candidate for election). Citizens, along with permanent residents who have been in New Zealand for a year, are required to enroll and can vote.<sup>45</sup>

### **3b Most Important Social Services thatc be Accessed Immediately by Migrants who are not yet New Zealand Citizens or have not been Residents for at least 104 weeks.**

Accessing the following benefits require non-citizens to hold a residency permit and to have lived in New Zealand for at least 2 years but from some time in 2008 parents brought in under the family sponsorship stream will need to wait for 5 years. The current 2 year period is a total amount and need not be continuous. Offices use passport entry stamps to verify eligibility but because people leaving New Zealand are not given exit stamps, verifying eligibility is sometimes difficult.

- **Government assistance with Housing.**

The New Zealand Government provides state houses at a low rent<sup>46</sup> and some rental assistance for low income families in private rentals who are assessed as being in the greatest need. The policy mainly affects migrants who are in low paid jobs as those in high paying employment would not qualify. Therefore this restriction is unlikely to affect skilled migrants who are likely to have high paying employment. This inability to access

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<sup>44</sup> This criterion affects permanent residents who are not New Zealand citizens. People must be lawfully in New Zealand when they apply to meet the criteria set out in this clause.

<sup>45</sup> [www.elections.org.nz/who-can-vote.html](http://www.elections.org.nz/who-can-vote.html)

<sup>46</sup> State Houses are Government owned housed that are rented to low income families on the basis of need. There is currently a shortage of State Houses and long waiting lists in most areas.

state housing support means that many migrants from independent Pacific Island countries start their residency by staying with extended family members. Some agencies suggested this can lead to overcrowding and increased family tensions. This study was not able to find any formal research about how widespread this problem is.

State housing is popular with low income families and demand exceeds supply. In May 2007 there were 11,300 low income families on the waiting list. Earlier this year a political party, New Zealand First, released figures showing that in 2005/06 1508 recent migrants were granted state houses after two years residency and only 150 of these were refugees. The Party complained in parliament that these recent migrants had been able to access state houses after only two years residence ahead of New Zealand citizens.<sup>47</sup> However, the fact that such so many recent migrants were judged to be the most in need shows that their previous living conditions were not satisfactory. Given the difficulty unskilled migrants from other parts of the world face in entering New Zealand many of the 1,508 are likely to be Pacific Islanders.

Pacific Island migrants face some other housing related problems as well. Recent rapid increases in the costs of housing may also be making it difficult for many recent migrant families to obtain suitable housing. There is a shortage of affordable housing in many parts of New Zealand. The 2004 consultations with the Pacific Island community also suggested that much of New Zealand housing stock is geared for smaller families. Finding houses large enough for an extended family is another problem.

- **Social Service benefits**

A wide range of Ministry of Social Development social service benefits e.g. Unemployment benefit and sickness benefits currently require a stand down period. However, emergency benefits can be made available to migrants suffering financial hardship.

- **Student loans for tertiary study**

Permanent residents can currently apply for a Student Loan from the Government to cover tertiary course fees and some living costs. These loans are interest free provided the student remains in New Zealand after graduation. Once students reach a certain level of income, loan repayments are automatically deducted from their wages.

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<sup>47</sup> Press Release from New Zealand First (A political party). May 22 2007. Reported on [www.scoop.co.nz/stories](http://www.scoop.co.nz/stories)

### 3c Gaining New Zealand citizenship

Gaining New Zealand citizenship allows migrants access to the following privileges but these are not substantially better than those available to permanent residents<sup>48</sup>.

- To hold a New Zealand passport. This allows foreign travel and freedom to return to New Zealand on a New Zealand passport. This is particularly important if the migrant wants to move to Australia.
- Full economic rights;
- Some public service positions may only be held by New Zealand citizens;
- Ownership of rural land is difficult for people who are not New Zealand citizens.
- Full access to education;
- Only New Zealand citizens qualify for;
  - i) some scholarships and awards;
  - ii) financial assistance from some overseas universities.
- Access to international sport. Some sports require that international players are citizens of the country they represent.
- Ability to contest elections

On 21 April 2005 the residency requirements for a permanent residence to gain New Zealand citizenships were extended from 3 years to 5. Permanent Residents are now required to have:

1. Been present in New Zealand for a total of at least 1,350 days during the 5 years immediately before they make their application; **and**
2. Been present in New Zealand for a total of at least 240 days in each of those 5 years, with a Permanent Resident Permit issued by the New Zealand Immigration Department.

The main practical effect of this change for Pacific Island migrants is that it extends the time they need to live in New Zealand before they can migrate to Australia.

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<sup>48</sup> [www.dia.govt.nz/services-citizenship](http://www.dia.govt.nz/services-citizenship)

### **3d Case Study of Agencies Assisting Pacific Island New Migrants in Porirua**

Porirua is a city in the Wellington metropolitan area, with a population of about 60,000<sup>49</sup>. It was chosen for a more in-depth examination of settlement services available to Pacific Island migrants because

- 25% of the population is of Pacific Island descent.
- There is ongoing significant migration from the Pacific.
- The Porirua Settlement Agency is one of the seventeen Settlement Coordination Agencies funded through the Settlement Strategy.
- It has a wide range of agencies providing social services and assistance which makes it similar to other cities with a high migrant population.
- The range of agencies involved with migrants shows the importance of coordination of these services, which is one of the main roles of the new settlement coordinators.

As part of its coordination role, the Porirua Settlement Agency has mapped the agencies providing social services to migrants. Some of the services can only be accessed after a stand-down period. Its map identifies the following agencies<sup>50</sup>.

#### **Government Agencies directly providing social services to migrants from the Pacific**

- Capital and Coast District Health Board. Operates the hospital and funds a range of Primary Health care agencies.
- Housing New Zealand. Provides State Houses to low income families on the basis of need.
- Ministry of Social Development /Work and Income New Zealand (WINZ) section. Manages all benefits e.g. unemployment, sickness, invalids etc. and funds some specific assistance programs.
- Police
- Road safety agencies
- Schools

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<sup>49</sup> Wellington is the Capital city of New Zealand

<sup>50</sup> Information made available to this study by the Porirua Settlement Agency May 2007

### **Local Government provided services**

- Porirua Settlement Network (funded by Government but housed by the Local Government)
- Library
- Recreational services e.g. Swimming Pools, Sport Grounds etc.

### **Non Government or church-run agencies**

These provide social services and assistance to the wider Pacific Island Community, including migrants. Criteria for help provided by these NGOs are not always as strict as that set by Government agencies. Some provide help for migrants not eligible for Government assistance.

- 6 Community agencies providing primary health care (funded through the District Health Board).
- 2 agencies providing emergency housing
- 5 agencies providing English as a second language courses or providing one to one assistance.
- 6 agencies providing advice and information. E.g. Citizens Advice Bureau. (A volunteer run NGO that acts as a single contact point for information on any matter.)
- A community law centre that provides free legal advice
- 5 agencies providing help with employment or careers advice or skills training to help migrants find a job
- 15 Pacific Island Non Government Agencies running a variety of social services. E.g. counseling, budgetary assistance, family support services etc. Services are generally targeted at a specific cultural or church group.

### **Agencies providing a voice for migrants and the Pacific Island community**

- Pacific Island Forum
- Associations for most Pacific Island Groups. (e.g. Cook Islands Association)

A similar list of agencies could be developed in most New Zealand cities with a large migrant population.

The 2004 consultations with Pacific Island migrants indicated their preference for social services delivered by people who speak their language and understand their culture.

The above list shows there are fifteen Pacific Island controlled Non Government Agencies (NGOs) providing such services. This pattern is typical of other areas with a large Pacific Island population. The total national number of Pacific Island social service providers is not known. The Ministry of Pacific Island Affairs does not have a total national list of such providers

This policy of supporting culturally relevant agencies extends beyond programs to help migrants. Many social services, health, and some education programs are delivered through culturally relevant agencies. These are seen as being more effective because they can establish a better rapport with their clients and have a deeper understanding of their needs. Many Maori<sup>51</sup> social, educational and health services are also delivered through Maori controlled agencies.

### **3e The Effectiveness of Social Protection: Living Conditions of Samoans in New Zealand.**

It is very difficult to find statistics that show the living conditions of recent migrants and which therefore provide some evidence for how effective are policies that provide migrant social protection. The following statistics taken from the 2001 census show the living conditions of Samoans but include both migrants and those born in New Zealand.

- 53% of the Samoan population was born in New Zealand
- 30% lived in an extended family situation, compared to only 8% of the total New Zealand population.
- 17% held a post school qualification compared to 32% of the total population
- The Samoan adult population had a medium income in 2001 of about US11,000 (NZ\$ 15,000) compared to a NZ medium of US13,760 (NZ\$18,500).
- 60% of Samoans lived in rental accommodation compared to 33% of the New Zealand total. Of these 44% were in state rental accommodation
- The most common occupations were plant and machinery operators (18%, clerks (18%), and service and sales workers (16%) These are all relatively unskilled occupations.

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<sup>51</sup> Maori are the indigenous people of New Zealand.

- Samoans born in New Zealand were more likely than their migrant parents to be employed as demonstrators and managers (7% to 4%), or professionals (10% to 7%), and associate professionals (14% to 7%)

Although the above statistics are not specific to migrants, a large number (47%) who were not born in New Zealand and have migrated. These living conditions can be currently characterized as lower socio-economic status, nevertheless many second generation Samoans are showing the upward mobility characteristic world wide of the children of immigrants. The numbers indicate that they have received some education benefits and have been able to find employment, even if these place them below the New Zealand medium. Other Pacific Island groups are likely to show similar patterns.

### **Conclusion**

It would appear that the main way that New Zealand could improve its social protection for migrants would be in making more benefits available earlier but any move to do this would require the Government to spend more. For instance the large number of Samoans living in state provided housing suggests that providing migrants access to this assistance earlier would improve their social protection. As there is a shortage of state houses and a long waiting list, making this change would be politically controversial. If other New Zealand citizens were not to be disadvantaged it would require Government to build more state houses.

However, recent trends in the New Zealand Government seem to be to increase time periods required to access benefits rather than decrease them; or to make it more difficult for migrants who might impose significant costs on the New Zealand health and benefits system (e.g. older siblings and parents) to enter New Zealand.

### **Recommendation One**

That further study is commissioned to try and determine the extent of problems faced by new migrants to New Zealand because of their inability to access some social service benefits during the initial two year period of residency and to find out what pressures sponsoring families face as a result of this stand-down policy.

#### **4. Portability of Social Security Benefits to the Pacific Islands**

##### **4a New Zealand Superannuation and Veterans Pensions**

At 65 everyone who has resided in New Zealand for at least 20 complete years since the age of 20 receives New Zealand Superannuation. The payment is not means tested and is intended to provide a floor that will ensure all residents are able to maintain a basic standard of living. Current Government policy sets the superannuation payment at 66 % of the average New Zealand wage. As at 1 April 2007, payments per fortnight before tax range from about UIS\$460.00 (NZ \$619.32) for a single person living alone, to US\$760.00 (NZ\$1022.40) for a married couple or a couple in a civil union<sup>52</sup>. This benefit is added to any other retirement income such as a private superannuation scheme. All superannuitants receiving superannuation in New Zealand pay tax at the normal rate for the total income received.

For New Zealand residents, superannuation has to be paid in full. People cannot migrate and claim a part payment after a few years residency unless they migrate from a country with a portability arrangement with New Zealand.<sup>53</sup>

Current policy allows Pacific Island superannuitants to receive their payment in their home country. The policy also contains a special provision that enables people to receive **partial payments** if they have lived in New Zealand for less than twenty years, **as long as they have lived there for at least ten years, five of which are after they turned fifty.**

This may seem a popular provision that would lead many Pacific Islanders to return home but only a few superannuitants are utilizing it. More Pacific Islanders aged over 65 are migrating to New Zealand than are choosing to return to their home country and receive superannuation payments there but the recent policy changes to the family sponsorship policy are likely to reduce this number.

##### **4b Superannuation Eligibility for Pacific Island New Zealand residents**

On census night 2006 there were 11,675 people born on a Pacific Island who were aged 65 and over. To receive superannuation, migrants must be 65 and have resided in New Zealand for at least 20 complete years since the age of 20. This reduces this form of

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<sup>52</sup> A Civil Union is a formal legal arrangement making the couple each other's next of kin but is not a marriage.

<sup>53</sup> Superannuation payments from another Government that New Zealand has a reciprocal agreement with provide an exception to this rule. Payments from these countries are deducted from the New Zealand payment.

protection for those migrants with less than twenty years residency which is why migrants applying under the various Pacific Island quota schemes have to be aged 45 or under. Only 6,000 Pacific Islanders, who **have lived in New Zealand for 20 years or more**, draw a **full** superannuation. As large scale migration to New Zealand generally started in the 1960s most of these would have been born on a Pacific Island

Table 4 below is based on 2006 census data and shows that 1,975 Pacific Islanders aged over 65 have moved to New Zealand within the period 1997 to 2006 and that 3,000 Pacific Islanders over 65 years arrived in New Zealand less than 20 years ago. The data does not distinguish between new migrants and those who have lived in New Zealand before and who are returning. Some may also be on visitors' visas. Some may be returning permanent residents who returned after spending some time overseas, including Australia.

This study assumes that most of those older migrants who are new to New Zealand would have been admitted under the Family Sponsored Migration Stream that allowed some parents and siblings of New Zealand citizens and permanent residents to come to New Zealand.

**Table 4: Pacific Island born population and years since arrival in New Zealand<sup>54</sup>**

Age Group/Years of Residency	less than 1 year	1-4 Years	5-9 Years	10-19 years	20 years or more	Did not complete this census question	Total
<b>Totals under 60</b>	<b>7,749</b>	<b>18,386</b>	<b>20,646</b>	<b>28,785</b>	<b>31,226</b>	<b>10,625</b>	<b>118,986</b>
<b>60-64</b>	<b>168</b>	<b>427</b>	<b>570</b>	<b>936</b>	<b>4,053</b>	<b>537</b>	<b>6,681</b>
65-69	150	273	438	663	3,054	405	4,983
70-79	138	288	462	834	2,871	543	5,136
Over 80	30	73	126	264	820	243	1,556
<b>Totals over 65</b>	<b>318</b>	<b>634</b>	<b>1,026</b>	<b>1,761</b>	<b>6,745</b>	<b>1,191</b>	<b>11,675</b>
<b>Totals</b>	<b>8,235</b>	<b>19,447</b>	<b>22,242</b>	<b>30,762</b>	<b>42,024</b>	<b>12,153</b>	<b>135,852</b>

<sup>54</sup> NZ Statistics Department .2006 Census data. [www.stats.govt.nz](http://www.stats.govt.nz)

The Government recently announced that from sometime in 2008 sponsors would need to guarantee to support parents for a 5 year period and introduced a minimum?? income for sponsors. This change reduces the income protection offered to these older migrants by the country's social services and means that income protection is being provided mainly by the extended family. However, the Ministry of Social Development states in some cases these people would be able to access an Emergency Social Welfare benefits if necessary.<sup>55</sup> These changes are likely to reduce the number of parents being brought into New Zealand under the family sponsored stream because they reduce the number of sponsors due to introducing a minimum income level and place greater burdens on the sponsoring family.

Older recent migrants still qualify immediately for medical benefits. For people over 65 gaining access to free hospital care and subsidized primary care, from a much better health system than available in their home country may be one reason for migrating

#### **4c Provisions Allowing Superannuitants To Receive Their Payments In A Pacific Island (Portability Of New Zealand Social Service Benefits).**

New Zealand does not have any bi-lateral social security agreements allowing reciprocal portability of benefits with any Pacific Island country. However it has included a unilateral provision to sections of the New Zealand Superannuation and the Retirement Income Act 2001 that provides for enhanced portability of New Zealand superannuation to 22 Pacific countries.<sup>56</sup> The provision is known as the "Special Portability Arrangement" and means that any Superannuitant, not just former Pacific Island migrants, can theoretically receive their entitlement in any of the 22 countries. Under the 'Special Portability Arrangements', Superannuitants who are 65 or over and intend to stay in the Pacific Island Country for at least 52 weeks can access partial superannuation payments if they have lived for at least 10 years in New Zealand or full payments if they have 20 years or more residence. An applicant must be "ordinarily" resident in New Zealand at the time of application and qualify for Superannuation before leaving New Zealand. Thus Pacific Island migrants, who return to live in their home country before reaching 65, would need to return to New Zealand and live for some time in order to

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<sup>55</sup> Correspondence from New Zealand Ministry of Social Development June 2007

<sup>56</sup> American Samoa, Cook islands, Federated states of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, Northern Marianas, Palau, Papua New Guinea, Pitcairn Island, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis and Futuna.

qualify. Apart from some exceptional circumstances, applicants need to apply in New Zealand at least 4-6 weeks before leaving

The original Pacific Portability arrangements were introduced in 1993 but were enhanced in 1999 when the current policy of allowing people to draw a full entitlement was introduced with a further enhancement being introduced in 2001.

At present superannuitants with less than 20 years residency can receive 1/20 of the full amount for each complete year they have resided in New Zealand. The formula of the partial New Zealand Superannuation is

$$\frac{a \times b}{20}$$

20

where

a is the base rate

b is the whole number of years the person has resided in New Zealand since turning 20 years

Payments are made to the applicant's overseas bank account every 4 weeks (or to a New Zealand bank account every 2 weeks). Superannuitants receiving their superannuation overseas are not eligible for any extra payments (e.g. extra disability allowances or family tax credits that some superannuitants living in New Zealand can access).

Ministry of Social Development statistics show that few people are receiving New Zealand superannuation in a Pacific Island country. 482 such payments were made in May and 497 in August 2007<sup>57</sup> but this is a small percentage of those eligible (approximately 4% of the 11, 675 Pacific Island born residents in New Zealand aged over 65). The Ministry of Social Development cautions that payment numbers fluctuate so that the above figures should be used carefully and may not indicate any long term increase.

As Table 5 below shows the total gross value of these payments to the economies of the Pacific Islands is estimated to be approximately US\$5,200,000 (NZ \$7,000,000) per year which is a significant sum. Increasing the number of people receiving this payment could have a significant impact on the economies of Pacific Island countries.

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<sup>57</sup> Figures supplied by Work and Income New Zealand.

**Table 5: Numbers Receiving Full or Partial New Zealand Superannuation Payments in a Pacific Country and value of payments in August 2007**

Pacific Countries.		Year in NZ (part payments)	Years in NZ.(Full payments)	Years in NZ.(Full payments)	Grand Total	Approximate annual value in US dollars (NZ\$)
Country	Data	10-20 yrs	20-30 yrs	30+ yrs		
<b>Cook Islands</b>	# of people	9	51	209	269	<b>US\$2,924,000</b> <b>(NZ\$3,931,639.40)</b>
	Total Payment/week(NZ\$)	\$2,151.74	\$14,353.37	\$59,103.34	\$75,608.45	
<b>Fiji</b>	# of people	2	7	18	27	<b>US\$272,000</b> <b>(NZ\$366,225.60)</b>
	Total Payment/week(NZ\$)	\$382.96	\$1,895.36	\$4,764.48	\$7,042.80	
<b>Kiribati</b>	# of people	0	0	1	1	<b>US\$12,000</b> <b>(NZ\$16,102.32)</b>
	Total Payment/week(NZ\$)			\$309.66	\$309.66	
<b>Niue</b>	# of people	3	3	18	24	<b>US\$242,000</b> <b>(NZ\$325,581.88)</b>
	Total Payment/week(NZ\$)	\$588.93	\$821.06	\$4,851.20	\$6,261.19	
<b>Pitcairn</b>	# of people	0	0	2	2	<b>US\$24,000</b> <b>(NZ\$32,204.64)</b>
	Total Payment/week(NZ\$)			\$619.32	\$619.32	
<b>Samoa American</b>	# of people	4	1	5	10	<b>US\$105,000</b> <b>(NZ\$141,394.24)</b>
	Total Payment/week(NZ\$)	\$969.08	\$309.66	\$1,440.38	\$2,719.12	
<b>Samoa Western</b>	# of people	29	33	84	146	<b>US\$1,482,000</b> <b>(NZ\$1,992,830.84)</b>
	Total Payment/week(NZ\$)	\$6,413.78	\$9,366.52	\$22,543.37	\$38,323.67	
<b>Tokelau</b>	# of people	0	1	1	2	<b>US\$24,000</b> <b>(NZ\$32,204.64)</b>
	Total Payment/week(NZ\$)		\$309.66	\$309.66	\$619.32	
<b>Tonga</b>	# of people	3	4	7	14	<b>US\$143,000</b> <b>(NZ\$193,299.08)</b>
	Total Payment/week(NZ\$)	\$634.79	\$1,130.72	\$1,951.78	\$3,717.29	
<b>Vanuatu</b>	# of people	0	0	2	2	<b>US\$19,700</b> <b>(NZ\$26,592.80)</b>
	Total Payment/week(NZ\$)			\$511.40	\$511.40	
<b>Total number of people</b>		50	100	347	<b>497</b>	
<b>Total /Payment /week</b>		\$11,141.28	\$28,186.35	\$96,404.59	\$135,732.22	<b>US\$5,270,000</b> <b>(NZ\$7,058,075.44)</b>

Source: Ministry of Social Development

The superannuation is paid to the recipient in the Pacific country at a gross rate (as with all superannuation that is exported). Taxation on these earnings depends on the tax regime in the relevant country. New Zealand payments do not take account of any extra money a person earns in a Pacific country. This means that in Samoa the 146 recipients would pay income tax<sup>58</sup> and a value added tax of 12.5% on expenditure. The money this provides to the Samoan Government should be sufficient to cover many of the extra burdens the recipients placed on that Country's health and social services and other infrastructure but it may be useful to test this assumption with further research. In general Pacific Island Governments would be well advised to ensure that all returning migrants receiving New Zealand superannuation pay the tax required to ensure that the costs of providing them health and social services are covered by the tax payments received and are not born by the economy of the home country.

The provision allows all superannuitants to receive their payments in a Pacific Island country but in practice only those eligible to live in such countries, can access this scheme. New Zealand and Australian citizens do not have open access to Pacific Island countries. This means it is important that Pacific Island migrants who are considering returning to their home country retain their original citizenship. This also allows them to access whatever social and health benefits home countries offer their citizens when they return. A useful policy for Pacific Island countries is to allow dual citizenship. Samoa has allowed dual citizenship for some time. Tonga decided in June 2007 to make dual citizenship possible<sup>59</sup>. Fiji and Kiribati have some restrictions on dual citizenship. Pacific Island countries that want the economic and social benefits of migrants returning home with New Zealand superannuation would be advised to allow dual citizenship.

#### **4d Publicizing This Provision<sup>60</sup>**

One possible reason for the low numbers of Pacific Islanders utilizing the portability arrangements may be that they do not know of them. After the most recent changes in 2001, the Ministry of Social Development carried out the following to publicize this arrangement.

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<sup>58</sup> Samoa income tax rates are nil up to \$10,000, 10% between 10 and \$15,000 and 20% between 15,000 and \$20,000. The basic NZ superannuation would provide an income for a single recipient of between \$15,000 and \$20,000 Samoan Tala depending on exchange rates.

<sup>59</sup>[http://www.pmo.gov.to/artman/publish/article\\_132.shtml](http://www.pmo.gov.to/artman/publish/article_132.shtml)

<sup>60</sup> Information provided by the Ministry of Social Development

- There were press statements from the Minister
- The Ministry held a public meeting in Parliament Buildings to inform the Pacific community of the changes
- Ministry staff was interviewed on Radio Pacific and Access Radio
- Multilingual pamphlets and flyers were distributed
- Letters were sent to Pacific groups
- Advertisements appeared in a number of local newspapers
- Public meetings were also held in Samoa

Brochures about this scheme are currently in every Work and Income office, and on the Work and Income website: <http://www.workandincome.govt.nz/documents/international-services/pacific-countries.pdf>

The Ministry of Social Development believes that the information it has provided and continues to provide is sufficient to fully inform prospective applicants.

#### **4e Possible Reasons for the Low Numbers Receiving New Zealand Superannuation in Pacific Island Countries**

Although this study did not undertake extensive research about why few migrants were utilizing this scheme to return home, some Pacific Island respondents and migrant agencies that were consulted informally made the following suggestions. The reasons set out below seem consistent with other findings of the study. None of these people mentioned a lack of information about this scheme by New Zealand residents. They suggested the following reasons.

- Most Pacific Island superannuitants will have settled in New Zealand for many years (20 if they are eligible for the maximum payments) and will have adjusted to life in New Zealand. People who did not adjust are likely to have returned home before 65.
- New Zealand allows migrants to apply to bring members of their immediate family to New Zealand. Many are able to do this. This reduces the attraction of returning home because doing so would mean leaving their immediate family behind in New Zealand. Portability of benefits for a nuclear family only is not an attractive option. Most long term migrants will have children in New Zealand and would be reluctant to return home without them.

- The Family Migration policy was extremely important in helping Pacific Island migrants settle successfully and permanently. Bringing family members to New Zealand implies a permanent decision to remain in New Zealand.
- One Samoan respondent suggested that many of the people returning to Samoa are those that have not succeeded in bringing their extended family members to New Zealand.
- 65 is not a time of life when many people are looking to make significant life style changes.
- Health care systems in Pacific Island countries are not as comprehensive as in New Zealand. Access to good health care is important for older people.
- Many Pacific Island migrants are able to retain many aspects of their culture in New Zealand. Because 6.9% of the New Zealand population is of Pacific Island descent there are robust communities for most Pacific Island groups. Most live in areas with a high proportion of Pacific Island families. They are often able to place their children in a Pacific Island pre school where their children can learn their own language and can participate in a cultural life centered on their local Pacific Island churches.
- The proximity of New Zealand to the Pacific Islands and relatively frequent air connections makes it easy for Pacific Islanders to return home regularly. Pre Christmas flights are usually filled to capacity with people returning home. Pacific Island migrants are able to live in New Zealand and still keep close regular contact with the home country.
- Cultural expectations in some home countries, especially Samoa and Tonga, often mean returning migrants face greater pressure to share income payments with their extended families than they face when living in New Zealand. Migrants with long New Zealand residence may not be so willing to conform to there cultural expectations.
- Migrants who have become New Zealand citizens have faced problems in returning to some Pacific Island countries that do not allow dual citizenship. (E.g. Fiji and Tonga). New Zealand citizens who are not also citizens of these countries cannot migrate freely to Pacific Island countries.

- However, the previous point is not a barrier for Samoans as Samoa allows dual citizenship. Tonga is working to ensure that Tongans can be dual citizens following a June 2007 Privy Council decision to approve such a change. Cook Islands, Niueans and Tokelauans are New Zealand citizens and can freely move between New Zealand and their home country.

The low numbers returning home does suggest that the social protection New Zealand has provided and the life style offered is sufficiently attractive to keep most Pacific Island migrants in Zealand rather than returning home.

One New Zealand based Samoan respondent interviewed during this study perhaps summed up the reasons for the low numbers of over 65 year olds returning.

*“They come here. They can then bring their immediate family here. They may only have distant relatives in Samoa. They have a good community here and a higher standard of living. Why would they want to return home?”<sup>61</sup>*

## **Conclusions**

It appears that immigration policies that assist families to reunite, the higher living standards in the destination countries, a policy emphasis on helping migrants settle well and an environment that helps them retain important aspects of their traditional culture have all helped to make Pacific Island migrants reluctant to return despite the portability of superannuation. Further study would be required to determine which are the most important.

The numbers of people utilizing the superannuation portability arrangement indicates that for Pacific Island migrants to New Zealand the provision of portable superannuation by itself is not a sufficient attraction to persuade many to return.

At the same time, the above policy has resulted in nearly 500 former migrants returning home, bringing with them considerable financial resources and skills to assist their home countries. Whether or not returning migrants are assisting Pacific Islands by taking leadership roles is something that requires further study. Another area for further study would be to identify the factors that have led these people to return with a view to developing policies and practices that increase the numbers utilizing this scheme.

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<sup>61</sup> Interview, Pacific Island former migrant currently working in a Government agency May 2007

#### **4f Changes that could Increase the Numbers Receiving Superannuation in Pacific Island Countries**

Some Pacific Island migrants return home before reaching 65. The study was not able to obtain accurate numbers although the number of permanent departures shown in Table 3 indicates that numbers are small. Some of these people would be eligible for a partial superannuation payment although at present they have to be “ordinarily” living in New Zealand to apply. Anecdotal comments suggested the numbers eligible for partial payments are higher than those currently receiving partial payments in the various Pacific Islands.

There are probably two reasons why these people are not accessing such payments. Firstly, despite the ongoing publicity campaign they may not be aware of their entitlement because most current publicity is targeted at beneficiaries in New Zealand. Secondly, the requirement that they are resident in New Zealand when applying means that some migrants who have returned to their home country may have to return to New Zealand and live there for sometime.

New Zealand could possibly enhance take up rates if people were entitled to apply, once they reach 65, in the Pacific Island country where they now reside. This would assist those migrants who had returned home before reaching 65 but who still met eligibility criteria but it will not immediately increase the numbers returning migrants. Over time it may increase numbers who return before 65 as people will no longer have to wait in New Zealand to qualify for superannuation. It would assist Pacific Island countries by increasing resource flows. One problem in introducing such a provision could be finding a way for former migrants to prove their entitlement as they may not have records of their years in New Zealand.

#### **4g Portability of other Income Support Payments**

The above special superannuation arrangements with Pacific Island countries do not apply to other New Zealand income support payments. Unemployment benefits, independent youth benefits and emergency benefits all stop the day that a recipient leaves New Zealand. Recipients leaving New Zealand have to repay any payments made while overseas.

The following benefits can be accessed for 4 weeks while overseas, thus allowing short trips to another country: Domestic Purposes benefits (for single parents with dependent children), Widow's Benefits, Sickness benefits and Orphans or Unsupported Youth Benefits. Invalids benefits (for those with a more permanent disability that prevents them working), can sometimes be accessed for 6 weeks.

The main reasons for the lack of portability is the different levels of work testing that apply to different benefits i.e. unemployment beneficiaries are expected to be available to take up work at all times which means they cannot travel out of New Zealand

#### **4h Portability of New Zealand Health Care**

Publicly funded health care in New Zealand is only portable to countries that New Zealand has a reciprocal health agreement with. None of these are Pacific Island countries.

The Ministry of Health policy does not use the Ministry of Social Development's definitions of "residence" when determining eligibility for publicly funded health and disability services in New Zealand.<sup>62</sup> Health policy allows people who are not citizens but residents who are 'ordinarily resident'<sup>63</sup> in New Zealand to access health care. "Ordinarily resident is are defined as people who hold a current **New Zealand residence permit and their children aged under 18 years** who either have already lived in New Zealand for two years, **or** hold a current Returning Resident's Visa. (Most migrants with permanent residency status will have a Returning Residents visa which is valid for an indefinite period of time.).

This provision means that Pacific Islanders who have qualified for New Zealand superannuation and who wish to receive payments in their home country can also continue to access health care when they visit New Zealand. Both those who are New Zealand citizens and those who have permanent residency status only (likely to be those from countries not allowing dual citizenships) are eligible for this policy. It means they can return to New Zealand for health care that is not available in their home country. As treatment may involve waiting times it does not provide access to emergency health care in New Zealand and means that returning migrants have to rely on emergency health care in their home country. This may be a disincentive to return.

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<sup>62</sup> E mail from the Ministry of Health September 6 2007

<sup>63</sup> This criterion affects permanent residents who are not New Zealand citizens. People must be lawfully in New Zealand when they apply to meet the criteria set out in this clause.

New Zealand does not have a public health insurance scheme. Health care system is funded through taxes, and there is no relationship between payments and accessibility. The philosophy is that within funding limits available health care should be provided to those who need it and care is not related to payments made. There is no “entitlement” that can be made “portable”. Ministry of Health staff consulted during this study suggested that taxation funded health care does not lend itself easily to “portability” because it is not based on an “insurance” model (as in USA or some European countries) where entitlement to health care is related to the payments made.

Many New Zealanders have Private Health Insurance as an additional cover in the belief that they may need more health care than is available through the publicly funded health system (e.g. for non urgent operations which may require a waiting period.) The New Zealand health system also does not reimburse people for any health care incurred abroad. New Zealanders generally take out health insurance if they travel abroad.

Under the current system the Government funds twenty one District Health Boards (DHBs). Funding is provided according to population but with some weighting for low socio-economic status and some cultural factors. These Boards in turn fund a range of local health care providers covering both primary and secondary levels of health care. Hospital treatment is provided free for those who have the greatest need.. Doctors’ visits are subsidised for various categories of patients. The Boards also fund a range of preventative health programs (e.g. healthy eating programs).

Given the above funding mechanisms and health care philosophy, providing a portable health benefit to Pacific Island migrants returning home would be very complicated. The following points were made by various respondents.

- Paying the returning migrants a benefit equal to the average amount paid to New Zealand residents over 65 would be contrary to the philosophy behind the New Zealand Health System. It would mean paying an amount to some people who may not need that amount of health care.
- The inability of many Pacific Island countries to provide access to the full range of health care provided in New Zealand, means that even the provision of a portable health benefit will not offer a returning migrant the same level of health care as is available in New Zealand. For instance some complicated operations such as heart operations cannot be performed in Pacific Island Countries.

- Recognition that Pacific Island health systems cannot offer all a wide range of operations has led New Zealand to provide assistance to Pacific Island Health systems through its Development Assistance Programs. (see section 15)
- Making payments directly to the returning migrants who then purchased their health care from local medical providers could distort existing Pacific Island health systems. For instance it could undermine the provision of health care because the returning migrants would be able to buy their health care, thus going ahead in any queue, or perhaps persuading medical staff to cater for their needs rather than people who had not migrated and who did not have as much money.
- Because returning migrants qualify for health care when visiting New Zealand, it would be difficult to stop them returning and accessing the better healthcare available there, thus leading to “Double Payments” for such people. This policy of allowing citizens and permanent residents to continue to access health care in New Zealand is based on the assumption that they are also not being funded for treatment abroad. This trade off may be put in jeopardy if a portability system were instituted. Ensuring there was no double funding may require an end to the current policy of allowing ongoing access to health care while in New Zealand, even while visiting temporarily. The criteria for accessing operations available through New Zealand’s development assistance programs excludes people who are New Zealand citizens, thus avoiding some people having access to two funding streams.

#### **4i Access to Health Care in New Zealand for Superannuitants Receiving their Payments in a Pacific Island Country.**

The Ministry of Health stated that in general Pacific Islanders who are New Zealand citizens or permanent residents living overseas and with a re-entry visa are likely to visit New Zealand for operations that could not be performed in a Pacific Island country or where there are long waiting times, rather than for general practice level care. “They would be referred to specialist public care on the same basis as any one else accessing elective services. Elective services are provided on the basis of a "needs assessment". Acute care obviously is offered immediately<sup>64</sup>”. Air fares between New

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<sup>64</sup> E mail from the Ministry of Health September 6 2007

Zealand and most Pacific Island countries are relatively cheap and a person receiving New Zealand Superannuation in the Islands could probably afford such fares.

However given this equality of access to health care for all returning former migrants it is not clear why over half of these receiving their superannuation in a Pacific country are doing so in The Cook Islands, Niue and Tokelau compared to only 30% doing so in Samoa, despite the fact that over 50% of Pacific Islanders in New Zealand are of Samoan descent. Samoans who are either New Zealand citizens or permanent residents with a returning visa, and are living in Samoa can also access health care in New Zealand. Unless people from Samoa or Tonga are not aware of this provision, a possibility that this study has not examined. It would therefore appear that access to health care is not the reasons why the proportion of Samoans returning home is much less than the proportion of Cook Islanders.

Citizens of Pacific Island countries can access health care in their home country on their return. The extra burdens that returning older migrants could make on their home countries health care is being offset by the New Zealand contribution to the costs of their health care because New Zealand allows Pacific Island countries to tax superannuation payments. These taxation payments are likely to be more than the burdens imposed on home countries' health care but further study would be needed to show definitely that this is the case. However, as health care systems in Pacific Island countries are less comprehensive than in New Zealand migrants who return home will not receive the same level of health care as if they remained in New Zealand and this may help explain the low numbers returning.

For these reasons, increasing numbers of returning migrants probably could be assisted by improving health care systems in the Pacific Islands through Overseas Aid and Development budgets. This issue is addressed in Section 15. New Zealand citizens or permanent residents with a returning visa living in any Pacific Island country have access to a much better health system than available to people who remained in their home country. This is a significant advantage of migrating.

## **Conclusion**

Provided that costs of air fares remain affordable the policy of allowing Pacific Islanders who return home to access health care both in their home country as well as in New Zealand for serious, non-emergency, health issues may provide better social

protection for Pacific Island migrants than ending this provision and providing them with a portable health benefit in their home country. As has been pointed out, there is likely to be strong resistance to providing portable health benefits as this is seen as contrary to the philosophy that underlies the New Zealand health system. However, the less comprehensive health systems available in Pacific countries probably acts as a disincentive to return for older migrants who are likely to access health care more than the more youthful counterparts.

The New Zealand policy of allowing their citizens who live overseas to continue to access health services in New Zealand may provide an alternative approach to portability of health benefits for those countries with a tax funded health care system where access is based on need and not on payments made. However this policy is most useful when a migrant knows of an impending health problem and can return to New Zealand for treatment. It does not provide emergency cover for some operations that may be of particular relevance for older Pacific Islanders.

### **Recommendation Five**

That in order to ease any concerns that Pacific Island Governments may have about whether returning migrants are a burden on their infrastructure, the World Bank commission further study to clarify whether taxation payments made by returning Super annuitants are sufficient to cover the costs for home countries in providing basic health care and any other social services provided.

### **Summary of Main Points in Part One**

- Since the 1960s there has been significant Pacific Island migration to New Zealand. Migration and natural birth increases have resulted in about 6.9% of New Zealanders now being of Pacific Island descent.
- New Zealand migration policies generally favors skilled migrants and few Pacific Islanders outside Fiji have gained entry as skilled migrants.
- New Zealand operates a policy that allows a certain number of applicants from Samoa, Tonga, Tuvalu and Kiribati to enter a ballot. Those who are successful have the chance to migrate to New Zealand provided they meet certain stringent conditions, such as not having major health problems and a job that pays sufficient to support the immigrant and their immediate family.

- Once in New Zealand migrants can apply to sponsor the settlement of other family members to New Zealand. Success in this also helps migrants settle well but seems to place some burdens on the sponsoring families.
- New Zealand has a settlement policy that aims to ensure all migrants settle well and remain permanently. More resources are going into this policy than into assisting them to return to their home countries.
- Migrants from the Cook Islands, Niue and Tokelau who are already New Zealand citizens have open entry and can immediately access all the health and social service benefits that New Zealand provides.
- Migrants from other Pacific Island countries who gain permanent residency status have immediate access to State funded health care, the education system and can receive compensation for accidents. The Government is likely to provide emergency benefits if they require emergency financial assistance.
- These migrants have had a 104 week stand down before they can access many other social service benefits and State provided housing. Recent policy changes plan to extend the stand down period to 5 years for parents who enter under the Family sponsored stream. This will end the situation where after 104 weeks all migrants have access to the same social services as all New Zealanders
- The conditions of entry that require people to have a job are strict but are designed to help people survive economically for this stand down period. There is some evidence that a lack of access to state housing may result in some migrants on low incomes living in sub-standard housing conditions for the stand down period. This restriction may particularly affect Pacific Island migrants.
- New Zealand permanent residents and citizens who qualify for superannuation can have their payments made in any one of 22 Pacific Island countries provided they plan to live in that country for at least 52 weeks. However only about 500 people, about 4% of people born in a Pacific Island who qualify for New Zealand superannuation, have returned to their home country as a result of this policy.
- Despite the small numbers this policy, which allows Pacific Island Governments to tax the gross sum received, is presently contributing approximately US\$5,200,000 (NZ \$7,000,000) to the economies of Pacific Island countries. Increasing the number of people receiving this payment could have a significant positive impact on those economies.

- The numbers of people utilizing these portability superannuation arrangements indicate that for Pacific Island migrants to New Zealand the provision of portable superannuation by itself is not a sufficient attraction to persuade many to return.
- Health care in Zealand is funded through taxes and is made available to those with the greatest need. Health care is not related to payments made and this means that there is no entitlement that is “portable”
- Returning migrants who are New Zealand citizens or permanent residents with a returning visa can continue to access health care in New Zealand even though they are living in a Pacific Island country. This allows them to return to New Zealand for serious non emergency operations that may be beyond the resources of the home country. This helps returning migrants to retain adequate health care. However health care in Pacific Island countries is not as comprehensive as in New Zealand and this provides little incentive for people to return home.

## **Part Two: Social Protection of Pacific Island Migrants in Australia**

### **5. Overview of Australian Migration Policy**

Australian immigration policy can be grouped under two broad program categories. One is targeted at skilled migrants and families of existing residents. The is targeted at refugees and other people who are subject to human rights abuses. Australia has a very generous humanitarian policy but unlike New Zealand, it does not operate any special humanitarian migration schemes equivalent to the Pacific Access Quotas that are targeted at Pacific Island countries.

Pacific Island migrants who gain New Zealand citizenship are able to migrate to Australia subsequently because it offers open entry to New Zealand citizens. The emphasis on skilled migration means it is difficult for unskilled Pacific Islanders who are not New Zealand citizens to gain direct entry to Australia. They do however have access through the family reunification policies if they have existing family in Australia.

These immigration policies affect Australia’s settlement programs and the social protection provided to migrants of Pacific Island descent. Those Pacific Islanders who have lived first in New Zealand and made some cultural adjustments may not be seen as having the greatest need for assistance compared with those who have gained entry through the humanitarian programs targeted at refugees or because they are subject to human rights abuses.

## **5a Migrants Programs**

Visas offered under this programs vary slightly from year to year but Australia aims to make between 134,000 and 144,000 migrant visas available in the 2006/07 year. Of these about 97,000 will be skilled migrants and 46,000 will be selected on the basis of their family relationship with a sponsor or nominator in Australia<sup>65</sup>. Skilled migrants are sourced from around the world and entry is very competitive. Applicants are graded on the basis of points. Applicants are able to migrate when their accumulated points pass the minimum required.

Because the Pacific does not have a large base of skilled workers the numbers of Pacific Islanders entering Australia as skilled migrants is both numerically small and a small percentage of the overall migration.

Migrants have to apply for a skilled migrant's visa which can be costly for Pacific Island applicants. Visa application costs are currently US\$1,600 (A\$1,900) but this covers the family unit. There are additional costs to pay for Australia's evaluation of the applicant's skills, to sit an International Language test and for medical costs.

A skilled Fijian migrant who successfully applied to migrate in January 2007 found that the total costs of his application were just over US\$1,960.<sup>66</sup> Although his family was relatively well off, a number of extended family members had to assist with these costs. The family is expecting the successful migrant to repay the money loaned.

Had the applicant used a migration consultant total fees would have been in the range of US\$2,200-\$2,800 (\$F\$3,500-4,500).

## **5b Humanitarian Scheme**

13,000 humanitarian visas are to be granted in 2006/07<sup>67</sup>, the same levels as in previous years. This number consists of 6,000 places for the resettlement of refugees which represents 19% of the total number of refugees settled through the United Nations High Commission for Refugees. Australia settles the second highest number of refugees through the United Nations after the USA.

7,000 of the 13,000 humanitarian places are for people admitted under a Special Humanitarian Programs category (SHP) which exists for people outside their home country who are subject to substantial discrimination amounting to gross violation of their

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<sup>65</sup> National Framework for Settlement Planning. Page 6 March 2006 [www.immi.gov.au](http://www.immi.gov.au)

<sup>66</sup> Interview with a family member in Fiji June 2007.

<sup>67</sup> National Framework for Settlement Planning. Page 6 March 2006 [www.immi.gov.au](http://www.immi.gov.au)

human rights in their home country. This programs is currently focusing on settling persons from Africa followed by the Middle East and South West Asia. These high numbers of refugees and people subject to gross violation of their human rights is important in examining Australia's Settlement Framework and the assistance offered to Pacific Island migrants. Much of the settlement assistance is targeted to these 13,000 people who are seen as having the greatest need.

No Pacific Islanders were admitted under the Humanitarian category in 2003/04, nine in 2004/05 and six in 2005.06

### **5c Temporary Work Schemes Migration**

Australia issues some temporary visas for skilled migrants but most Pacific Islanders would not meet the skill test and generally would not qualify for temporary work under this category.

Australia does not have any temporary work schemes targeted at Pacific Island Countries. Therefore the questions of the social protection for Pacific island migrants involved in temporary work schemes does not apply at present.

Australia has yet to be persuaded of the benefits of a temporary work scheme for the Pacific. Thus the success of the New Zealand scheme is important if Australia is to implement a similar scheme.

## **6. Pacific Island migration to Australia**

Pacific Island migration occurs within the policies explained above. The table below shows the birthplace of migrants from Pacific Island countries entering Australia from 2003 to 2006 under the above streams. Given that few Pacific Islanders enter under the humanitarian programs, these figures generally cover migrants who enter under the migrants' programs, either as skilled migrants or as family members of existing residents.

**Table 6: Pacific Settler Arrivals in Australia by birthplace 2003-2006<sup>68</sup>**

Birthplace	03/04	04/05	05/06	3 year totals
New Zealand <sup>69</sup>	14,418	17,345	19,033	50,796
Samoa	665	747	594	2,006
Fiji	1,603	1,736	1,830	5,168
Tonga	232	284	269	785
Cook islands, Niue, and Tokelau) (can enter as New Zealand citizens)	168	152	154	474
Other Polynesia (French Polynesia, American Samoa, Tuvalu,)	16	25	18	59
Papua New Guinea	192	182	215	589
Other Melanesia (New Caledonia, Vanuatu, Solomon Islands)	47	67	42	156
Micronesia	18	20	12	50
Totals for all Pacific Countries (excluding New Zealand)	2,841	3,213	3,134	9,188
Totals all countries.	111,590	123,424	131,593	

The high migration figures from New Zealand are because New Zealanders are the only foreigners who can live and work in Australia without first securing immigration approval (provided they have no criminal records). The New Zealand figures will also include a number of migrants of Pacific Island descent who were born in New Zealand.

The entry conditions for New Zealanders provide a way for unskilled migrants from some Pacific Islands to enter Australia. If they are from an eligible country they can migrate to New Zealand under the Pacific Quota schemes or through family sponsorship, gain New Zealand citizenship and then move freely to Australia. For this reason an examination of the provision of social services to Pacific Island migrants needs to look at the services provided to migrants from New Zealand as well as those provided to Pacific Island migrants who enter directly from their home country.

<sup>68</sup> Figures supplied by Australian Department of Immigration May 2007

<sup>69</sup> Figure covers only those who receive a permanent entry visa.

## 6a The Importance of New Zealand Citizenship for Pacific Island Migration to Australia

New Zealand citizens are able to enter Australia freely under a Special Visa Category (SCV). They do not need a visa and on arrival in Australia their passports are stamped showing they are holders of a SCV. This is the only evidence necessary to show they are holders of an SCV<sup>70</sup>. Permanent New Zealand residents who are not New Zealand citizens do not enjoy this right.

The relationship with New Zealand is an exception to the general Australian immigration policy emphasis on skilled migration. In 2004/05 30.5% (6834) of New Zealand migrants to Australia were classified as skilled and 21.0% (4,700) were unskilled. The remainder were not in the labor force or unemployed<sup>71</sup>.

Table 7 below shows the number of Pacific Island born migrants entering Australia as New Zealand citizens. It excludes Pacific Islanders born in New Zealand. This table shows clearly that one important route to Australia for Pacific Islanders from those countries that have access to New Zealand (Fiji, Samoa, Tonga, Cook Islands, Niue and Tokelau) is first to migrate to New Zealand and then, as New Zealand citizens, to migrate to Australia. This path is not new. A 1999 study reported that in the four years 1994-98, about 11% of New Zealand immigrants to Australia were from either the Pacific Islands or Asia,<sup>72</sup>

**Table 7: Totals and percentages of Pacific Born Migrants from selected countries entering Australia with New Zealand Citizenship 2003-2006<sup>73</sup>**

Birthplace	03/04	04/05	05/06	3 year total	Percentage of PI born migrants with NZ citizenship (rounded)
Samoa	623	704	542	1,859	93%
Fiji	173	180	177	530	10%
Tonga	118	165	141	424	54%
Cook island, Niue, Tokelau	168	152	154	474	100%
<b>Totals</b>	1,072	1,201	1,014	3,287	

<sup>70</sup> [www.nzembassy.com-Australia/NewZealanders in Australia](http://www.nzembassy.com-Australia/NewZealanders%20in%20Australia)

<sup>71</sup> [www.nzembassy.com. Australia/New Zealanders in Australia](http://www.nzembassy.com. Australia/New Zealanders in Australia)

<sup>72</sup> Migration News vol 6 no 5 February 1999.

<sup>73</sup> Figures supplied by Australian Department of Immigration May 2007

Tables 6 and 7 together show that almost 40% of Pacific Island migrants born in the six countries represented in table 7 and who entered Australia in the years 2003-2006 were New Zealand citizens. Most of the other Pacific Island migrants from these countries would have entered as skilled migrants, or as family members of previous migrants.

Over the three year period 2003-06, 1,858 (90%) of the 2006 migrants who were born in Samoa, entered Australia as New Zealand citizens. For Tonga the figure was about 53% (424 out of a total of 785) with 47% entering directly. Comparisons with Table two showing Pacific Island migration to New Zealand show that a much smaller percentage of Tongan migrants move on to Australia than Samoans do. There seem two reasons for these different percentages and much lower actual numbers of Tongans using this route. One reason is that New Zealand only extended its quota migration policy to Tonga in 2002 and Tongans migrating under this policy would have had to live in New Zealand for 3 years at that time to qualify for New Zealand citizenship. Fewer Tongans than Samoans would have had New Zealand citizenship as the Samoan quota scheme had been operating since the 1960's. Another explanation may lie in the citizenship policies of Samoa and Tonga. Whereas Samoa has allows dual citizenship, which means that those becoming New Zealand citizens can retain Samoan citizenship, Tonga has not. Tongans who took up New Zealand citizenship in order to enter Australia lost Tongan citizenship, making it very difficult for them to return to their home country. Tongans considering returning to Tonga are likely to have decided to remain as permanent residents, a status that does not allow entry to Australia. Those that did move to Australia as New Zealand citizens might be more active in trying to gain access for their family members under family sponsorship programs. Successful migrants under this family sponsorship category could enter Australia as Tongan citizens. Tonga is soon to allow dual citizenship so if this has been a reason for the different rates noted above, patterns are likely to change soon. In future Tongans as well as Samoans will be able to gain New Zealand citizenship and migrate to Australia without having to forgo their home country citizenship. This may lead to an increase in Tongan migration to Australia from New Zealand to be closer to Samoan levels. .

100% of the 474 migrants from the Cook Island Niue and Tokelau were New Zealand citizens. Total migration to Australia from these countries (474) with a total

permanent population of about 15,000<sup>74</sup> was almost the same as migration from Papua New Guinea (589) with a population of about 5,000,000<sup>75</sup>. This shows the importance of Pacific Island countries having access to New Zealand for access to Australia.

The above tables show a different pattern for migration from Fiji. Fiji had a comparatively high direct migration to Australia compared to any other Pacific Island country. The two tables show that for the period 2003-06 just over 50% (4,638) of the total 9,188 Pacific Island born migrants to Australia were skilled migrants or family members from Fiji. These migrants were more likely to have left Fiji because of domestic political uncertainty and for that reason may be less likely to want to return, even if superannuation policies and health care benefits were fully portable. Only 10% (530) of Fijian born migrants entered Australia as New Zealand citizens and 90%, entered directly. Fiji only joined the New Zealand quota scheme in 2003 so few migrants would have qualified for New Zealand citizenship by 2006. AS its involvement is currently suspended because of this coup, future Fijian migration to Australia is not likely to change from these 2003- 2006 patterns unless New Zealand policy towards Fiji also changes.

The family migration programs allows family members of existing residents to gain visas and helps to explain the comparatively high numbers entering Australia from those countries that also have access to New Zealand. Once in Australia, migrants can apply to bring in family members. For instance this policy helps to explain why Tonga with a population of just over 100,000 provided 785 immigrants in the three year period whereas those Melanesian countries that have difficulty gaining entry to New Zealand had low migration to Australia as well. Between 2003 and 2006 Papua New Guinea with a population of about 5,000,000 provided only 589 migrants and the Solomon Islands, Vanuatu and New Caledonia together provided 156. The migration from all these countries was the same as for Tonga with a much smaller population. The ability of Tongans to first enter New Zealand, migrate to Australia and then bring in their family members helps to explain migration differences amongst Pacific Island countries and the subsequent economic benefits such as remittances that migration provides.

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<sup>74</sup> [www.unicef.org/pacificislands/overview.html](http://www.unicef.org/pacificislands/overview.html)

<sup>75</sup> New Zealand Ministry of Foreign Affairs and Trade. Cook Islands country information paper. This paper explains that the total population of the Cook Islands in 2006 was 12,959 of which only 12,400 were permanent residents. The permanent population of the Cook Islands declined by 6,000 since the 1996 census.

## **6b Exploring Migration Policy Changes that could Assist Pacific Island Countries**

The main way that unskilled Pacific Islanders enter Australia is via New Zealand or as a result of family reunification policies. The reasons why Australia's humanitarian policy targets migrants from other parts of the world and does not include some provision for entry of migrants from Pacific Island countries are outside the scope of this study.

Allowing open migration from Pacific Island countries can result in population decline and place the viability of small Island countries at risk. Allowing only skilled migration can result of a loss of skills that developing countries require for their social and economic health. However, this study will show the advantages emigration brings to those Pacific Island countries where developed country policies allow the entry of a managed number of unskilled as well as skilled migrants. Providing a way for some direct migration of unskilled Pacific Islanders to Australia for those Pacific countries that do not already have such emigration access to a developed country would greatly benefit those countries.

### **Recommendation Six**

That Australia explores ways to include targeted and managed migration from Pacific Island countries in its migration programs. It is recommended that the Solomon Islands and Vanuatu are given priority. These countries should be chosen first as they are two of the closest Pacific Island countries to Australia, are not part of the New Zealand Pacific Islands quota and are facing expanding populations, a limited land mass and the need to find new ways of achieving more sustainable economic growth.

## **7. Settlement Issues Faced by Pacific Island Migrants**

Unlike New Zealand, Pacific Island migration is a small percentage of overall migration to Australia, with Pacific born migrants, including those who come via New Zealand, averaging only about 3-4% a year of the total number. Pacific Island migrants' ability to settle is influenced by the fact that those who have spent some years in New Zealand will have already experienced a settlement process and will have become more used to a culture similar to Australia. One of the biggest issues facing Pacific Island migrants is the issue of moving from a Pacific Island where their culture and language predominated, or from New Zealand with a large Pacific Island population and strong and visible Pacific Island cultures to a country where Pacific Islanders are a small group in a

much larger multi cultural mix. Feedback suggests that in this environment it has sometimes been difficult for Pacific Island voices to be heard.

#### **7a 1999 National Consultation with Pacific Island Migrants**

A 1999 workshop held at the Australian National University<sup>76</sup> believed that it was the first such gathering of members of Pacific Island communities in Australia. Participants developed a list of issues that Pacific Island migrants faced. There was a strong emphasis on issues involving identity and retaining their traditional culture

The following are the themes discussed that are most relevant to the issues of helping Pacific Island migrants settle. The workshop recorded:

- Resistance to the classification of “Pacific Islanders” as a homogenous single entity, and an insistence that the differences within and between Pacific communities be acknowledged and respected.
- A greater tendency to identify as “Pacific Islanders” when abroad.
- Affirmation of the importance for migrants of continuing to practice their Island culture and identity. Song, dance, language, food style, sport and religion were expressly mentioned.
- Concern about the difficulties experienced by the children of migrants, especially those of mixed marriages, in growing up intertwined in different cultures. Participants agreed that some children have problems fitting into either culture or experience discrimination and ambivalence as “half castes,” whereas others identify strongly as Islanders or are proud of their "hybridity.” Several speakers expressed regrets about the loss of religion and indigenous language by their children and stressed the importance of maintaining frequent physical contact with their home country.
- The opinion that it is often easier to leave than go back, especially as migrants develop individual self reliance which may conflict with indigenous collective values. There was also a view that emigration can be positive for the home country too if migrants feed back the benefits of their personal learning experiences

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<sup>76</sup> Pacific Islanders Abroad: Perspectives on Governance, Diaspora, and Inter-Ethnic Relations. Proceedings of a Workshop held at the Australian National University. 16 October 1999.  
<http://rspas.anu.edu.au/melanesia/pacnetwork.htm>

- There is a need to examine the changes and continuities in women's roles in migrant communities. Issues identified were the implications of better education for women, careers outside the home, having fewer children and political participation.

The workshop decided Pacific Islanders in Australia should network and establish a unified body to represent them, fight for their rights and help them participate effectively in a multicultural Australian community. It set up a website to serve as a discussion forum. One respondent involved in this network reported that it had a limited life and suffered from a lack of infrastructure at the federal level for Pacific Islander services, communication, collaboration and support. She suggested that because Pacific Islanders in Australia are not mainstreamed it is very difficult for them to have their perspectives taken into account in policy development. She suggested that support at the state level was uneven.

## **7b Some Current Issues Faced by Pacific Island Migrants to Australia**

### **Views of some people working with migrants**

The study was only able to interview three people working with Pacific Island migrants in Australia and so the following views may not be totally representative of all opinions. The three were all migrants who had entered Australia via New Zealand and who were therefore able to make some comparisons between the two countries.

They reported that the term "Pacific Islanders" is used differently in New Zealand and Australia. In Sydney people draw a distinction between "Pacific Islanders"—those who have migrated directly from the Pacific -and "Pacific Peoples" which refers to everyone. This term covers people who have migrated from New Zealand but also includes recent Pacific Island migrants. Many Pacific Peoples also identify in Australia as New Zealanders or as "Kiwi." These distinctions are not known in New Zealand.

They suggested that Pacific Island migrants (i.e. those who are first generation migrants) tend to follow similar settlement patterns as in New Zealand. They receive the greatest help from their extended family and churches. There are very few Pacific "run" non church organizations directly providing help, and this is a significant difference from New Zealand.

Some of the main problems faced by Pacific Island migrants are learning English, adjusting to the workforce, and adjusting to a different culture. They suggested that

families face additional problems. Because parents decide whether to migrate and not children, many find that their children have difficulty adjusting. They suggested this was particularly difficult for older children and teenagers who have to leave friends behind and adjust to a different life style.

One of the main problems Pacific migrants both from the Pacific and from New Zealand face is moving from a country with a large Pacific Island population with a large number of helping agencies and agencies dedicated to helping them retain their culture (e.g. Language nests<sup>77</sup>), to one where people of Pacific descent are a very small number in a very multi cultural environment and are outnumbered by other ethnic groups e.g. Middle East and South Asia. This makes it more difficult to retain their Pacific cultures because the value of those cultures is not reinforced. Retaining their culture relied very heavily on the home and the church.

All of the above issues and problems have yet to be resolved.

### **7c Attitudes to Returning Home**

This study has found reference to only one research article exploring whether Pacific Island migrants had settled well and whether or not they intended to return home. A study by Ahlburg and Brown (1998)<sup>78</sup> of 982 households in Sydney of persons from Samoa and Tonga found that only 10% indicated an intention to return to their home country, although a further 23% of Tongans and 38% of Samoans were undecided. This study concluded that return was not a major channel for the acquisition of human capital for either Tonga or Samoa.

This 1998 research suggests that Pacific Islanders in Australia have similar attitudes and intentions to those in New Zealand and intend to remain in the host country rather than return home. The same reasons suggested in section 4.e. for why Pacific Islanders in New Zealand prefer to remain in the host country, probably apply to those in Australia as well. In addition Australian Pacific Islanders, as this study will show, do not have the ability to access their superannuation in a Pacific Island country and would lose their access to subsidized health care in Australia after 5 years absence. These make it

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<sup>77</sup> Language nests are New Zealand pre school child care where children attending learn the language of a particular culture .e.g. Maori or Samoan.

<sup>78</sup> Ahlburg D.A & Brown R.P. (1998) *Migrants' intention to return home and capital transfers: A stated of Tongans and Samoans in Australia*. Journal of Development Studies, 35, (2) pp 125-151. (Quoted by Stahl & Appleyard (2007)

less attractive for Pacific Islanders with long residence in Australia to return home than for those living in New Zealand.

One further hurdle for Tongans wishing to return is that in the past, the approximately 54% who moved to Australia through New Zealand would have had to take out New Zealand citizenship to qualify. As Tonga did not allow their citizens to hold dual citizenship, Tongans taking this route would have had to forgo Tongan citizenship, making it very difficult for them to return even if they wanted to. This may have influenced intentions to return. Tonga is moving to allow dual citizenship so this hurdle will end, but this study suggests that this will not greatly increase return rates. As in New Zealand most Pacific Island migrants prefer to remain permanently in the host country.

## **8. The Australia Settlement Framework- Helping Migrants Settle Well**

In March 2006 Australia adopted a Settlement Framework<sup>79</sup> The Framework aimed to provide “*a more strategic and coordinated approach to settlement planning at a national level, thus improving the ability of governments, service providers, community organizations’ and other settlement stakeholders to plan for the arrival and settlement of new migrants.. It aimed to enable:*

- *Easy and systematic identification of new and ongoing settlement needs and service delivery issues*
- *Improved communication and information flows between settlement stakeholders, including on new caseloads and the unmet settlement needs of new arrivals*
- *Clarification of the roles and responsibilities of different settlement stakeholders within the Department of Immigration and Multicultural Affairs*
- *Development of clear referral and feedback pathways for issues identified.”<sup>80</sup>*

As with the New Zealand policy there was a strong emphasis on improving coordination so that all agencies worked cooperatively to provide a more seamless service. The new policy replaced several different funding programs with a new Settlement Grants Program that made funding available to organizations assisting in the settlement process.

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<sup>79</sup> National Framework for Settlement Planning. March 2006 [www.immi.gov.au](http://www.immi.gov.au)

<sup>80</sup> Settlement Framework page 6

The National Framework for Settlement Planning states that “*the Settlement needs of new arrivals will determine the levels of support they require on arrival to settle successfully....The Framework recognizes the settlement needs of many migrants are shared with the wider Australian community (for example, accommodation, employment health care and education). As a general rule the assistance in meeting these mainstream needs is most appropriately provided by mainstream government agencies*”.<sup>81</sup>

The provision of mainstream services to migrants is guided by “The Charter of Public services in a Culturally Diverse Society” (the Charter). This Charter aims to ensure that government services are delivered in a way that is sensitive to the language and cultural needs of all Australians.

The settlement framework recognizes that some new arrivals require additional assistance to settle successfully. The Department of Immigration provides a range of services targeted at those new entrants in most need of assistance. The Framework states that “*Settlement services are not intended to act as an alternative service network for new entrants- instead they have a specific and limited role focusing primarily on building self reliance. This is achieved by developing English language skills and fostering connection with mainstream services in the early settlement period.*”<sup>82</sup>

As well as the above benefits, specific settlement programs are funded and coordinated through the Commonwealth Department of Immigration and Multicultural Affairs (DIMA). They comprise:

- English language tuition through the Adult Migrant English Program (AMEP)
- On-site and telephone interpreting and translating, through the Translating and Interpreting Service (TIS)
- Financial grants to community and service organizations/programs such as Migrant Resource Centres (MRCs) and the Community Settlement Services Scheme (CSSS), through the Community Grants Program.
- Humanitarian settlement services through the Integrated Humanitarian Settlement Strategy. This was established in 1997–98 to provide a more targeted approach to settlement services for humanitarian entrants.

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<sup>81</sup> Settlement Framework page 3

<sup>82</sup> Settlement Framework page 2

Because so many Pacific Island migrants arrive as New Zealand citizens it is very difficult to gain information about how many Pacific Island born migrants are accessing these services.

#### **8a Settlement Grants Scheme**

The Immigration Department funds a large number of agencies to assist migrants who are seen as having the greatest needs. For the 2007-08 financial year around US\$28 (A\$32) million will be made available under the Settlement Grants Programs (SGP). The SGP is targeted to meet the settlement needs of recently arrived humanitarian migrants and family stream migrants, as well as dependants of skilled migrants in rural or regional areas, with low levels of English proficiency.

Under the SGP organizations are funded to deliver services which assist eligible clients to become self-reliant and participate equitably in Australian society as soon as possible. The SGP funds organizations to implement projects that:

- assist new arrivals to orient themselves to their new community
- help new communities develop
- promote social participation and integration

Few specifically Pacific Island social service agencies are receiving assistance under this scheme. The Department of Immigration stated that during the 2006-07 financial year, the Pacific Islands Council Board of Mission of the Uniting Church of Australia was funded to provide settlement services to the Pacific Island community in the Liverpool and Blacktown area in Sydney.<sup>83</sup> The services they provided in this capacity focused on information and referral services; casework; capacity building and service planning. During this period, the Canterbury Bankstown Migrant Resource Centre also provided settlement services to this client group, which focused on orientation to Australia, developing communities and integration.

For the current financial year (2007-08), the Pacific Island Women's Advisory and Support Service Inc (PIWASS) was funded to provide SGP services for Pacific Island migrants in the Fairfield, Liverpool and Blacktown area. Services provided focused on orientation to Australia, developing communities and integration.

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<sup>83</sup> Email from the Department of Immigration July 13 2007

## **8b Role of Migrants Centers**

The Settlement Grants Scheme funds a large number of Migrant Centers across Australia. These centers provide services and settlement assistance to migrants from a wide range of ethnic backgrounds. The range of services varies, but in general they seem to focus on services most relevant to refugees and other migrants who enter under the humanitarian programs and who may have the greatest difficulty adjusting. Two centers examined in detail are representative of the kinds of assistance provided.<sup>84</sup> Both centers are responsible for the provision of settlement services to all new arrivals who need priority assistance in their geographical area. Services provided include:

- Reception at Airport
- Information and Orientation including sessions on local services
- General settlement information
- Case Coordination
- Early Health Assessment and Intervention, accessing health services and providing information on the Australian health system;
- Short Term Torture and Trauma Counseling
- Provision of Accommodation and Household Support through Partnership with other agencies
- Advocacy and Community Participation
- Accessing education services (especially enrolment in schools and English classes); Helping obtain recognition of overseas qualifications;
- Dealing with family issues/problems;
- Accessing income support through Centrelink and other agencies;
- Accessing banks and other financial institutions;
- Obtaining legal advice and assistance;
- Filling in forms;
- Providing referrals to other professional services;

Some of the Migrant Resource Centers have Pacific Island workers attached, but the study was not able to ascertain how many are in this position. It does appear that Australian Settlement Policy does not see Pacific Island migrants as being amongst those that need most special assistance. Given the large numbers of migrants from refugee

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<sup>84</sup> The Migrant Resource Centre South Australia (MRCSA) and The Canberra Migrants Resource

backgrounds and those having faced other traumas, there may be some justification for this view. The fact that so many Pacific Island migrants move to Australia after having resided in New Zealand for at least the 5 years required before they can become New Zealand citizens, also provides some support for the view that the needs of other migrants may be more urgent.

## **9. Social Services Available to Migrants in Australia and Access to Those Services by Different Groups of Migrants**

### **9a Introduction to the Australian Social Security System**

The Australian social security system, like that of New Zealand, differs from those of many other developed countries, in that it is funded from general revenue, rather than from direct contributions by individuals and employers.<sup>85</sup> Instead of reflecting the level and duration of contributions into a social insurance fund, Australian income support payments are based on residence and need (as defined by income and assets tests). In general, a person must be an 'Australian resident', as defined in the *Social Security Act 1991*, in order to qualify for Australian social security payments. An Australian resident is a person who resides in Australia and has permission to remain permanently - either because they are: an Australian citizen; the holder of a permanent visa; or a protected Special Category visa holder (SCV).<sup>86</sup> In deciding whether a person is residing in Australia, factors such as the person's domestic, financial and familial ties to Australia are taken into account, as well as the frequency and duration of any absences from Australia and the reasons for such absences.<sup>87</sup>

Australia's social assistance system provides benefits in relation to the contingencies of old age, unemployment, disability, survivorship, sickness and maternity and family responsibility. Social insurance also covers old age, sickness and maternity and work injury.<sup>88</sup>

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<sup>85</sup> Much of the material in this section has been adapted from: "Australian Treasury, Country Report. August 2004.

<sup>86</sup> For more information on SCV see section on New Zealand migrant's access to social services.

<sup>87</sup> Australian Government Department of Family and Community Services Australian Income Support - Residence Criteria accesses at [http://www.facs.gov.au/internet/facsinternet.nsf/aboutfacs/international/res\\_criteria.htm](http://www.facs.gov.au/internet/facsinternet.nsf/aboutfacs/international/res_criteria.htm)

<sup>88</sup> United States Social Security Administration *Social Security Programs Throughout the World: Asia and the Pacific, 2002 - Australia* at [www.ssa.gov/policy/docs/progdsc/ssptw/2002-2003/asia/Australia .pdf](http://www.ssa.gov/policy/docs/progdsc/ssptw/2002-2003/asia/Australia.pdf).

The Australian Treasury<sup>89</sup> argues that the principle that only Australian residents should qualify for social security payments is fundamental to the Australian system

### **9b Access to Services for Temporary Residents**

Australia operates a temporary residence programs that seeks to facilitate the temporary entry of persons who benefit Australia by contributing to the economic, cultural or social development of the Australian community. The program consists of three streams (economic, social and cultural, and international relations).

The criteria for the temporary scheme mean that it is generally skilled migrants that qualify. As most Pacific Islanders do not have skills that Australia requires they would not generally be successful in utilizing this category

Temporary Residents are required to pay taxes on income earned in Australia but do not have access to social welfare benefits or national public health cover.<sup>90</sup> (e.g. Medicare etc). For this reasons they are entitled to tax refunds on leaving the country.

### **9c Access to Services for Migrants with Permanent Residency<sup>91</sup>**

All migrants lawfully entering Australia have permanent residence. For most migrants some benefits, largely those that provide urgent care and essential care, are available immediately. Others require a waiting period of 104 weeks and some disability benefits require residence for 10 years.. The benefits available and those requiring a waiting period are very similar to those provided in New Zealand.

As in New Zealand one exemption for accessibility to benefits is that refugees and holders of a humanitarian visa are able to access all benefits immediately. This provision however would affect only that very small number of Pacific migrants who enter under a humanitarian visa.

After arriving all permanent migrants need to do the following:

- **Open a bank account.** This requires them to provide proof of identify\_by providing various documents which must add up to 100 points. A passport is worth 80 points. Other documents can include a photographic driver's license and an electricity account. All documents must be in the exact name of the applicant.

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<sup>89</sup> Written response to this study from the Australian Treasury. June 8

<sup>90</sup> [www.iran2Australia.net](http://www.iran2Australia.net) Australian Temporary Resident Vs Permanent Resident vs. Citizen

<sup>91</sup> [www.aph.gov.au/library/intguide/SP/settlement.htm](http://www.aph.gov.au/library/intguide/SP/settlement.htm)

- **Obtain an Australian Tax file number.** (TFN) and start paying tax and the Medicare levy as this entitled them to access health benefits funded through Medicare.

#### **9d Benefits Accessible Immediately**

Migrants who enter Australia with Permanent Residency status are eligible for the following benefits. The benefits below are broadly seen as those providing urgent care. All benefits are dependent on the migrant providing proof of identity.

#### **Health Benefits**

- Migrants who intend to stay long term are eligible for Medicare once they have established their identity and are paying the Medicare levy.<sup>92</sup> The Medicare levy is generally set at 1.5% of an individual's taxable income but there are some variations e.g. some exemptions for low income taxpayers. The Medicare levy does not cover the full costs of health care which is mainly funded through the tax system. Medicare allows migrants to obtain free public hospital treatment, free or subsidized treatment from doctors and access to subsidized pharmaceuticals through a Pharmaceutical Benefits Scheme. This provides access to necessary medicines at an affordable price.

Wikipedia, the on-line encyclopedia describes how Medicare operates. *“All permanent residents of Australia and their families are eligible for a "Medicare Card",....The card lists an individual as well as any members of his or her family he or she chooses to add who are also permanent residents and meet the Medicare definition of dependent. The card must be produced or the Medicare number provided if the Medicare rebate is paid directly to the doctor under the [bulk billing](#) system. It is also necessary to provide a Medicare number (although not necessarily show the card) to gain access to the public hospital system to be treated at no cost as a public patient. For non-elective treatment, public hospitals will admit patients without a number/card and resolve Medicare eligibility issues after treatment.”*<sup>93</sup>

#### **Benefits paid through Centre link <sup>94</sup>**

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<sup>92</sup> Information on Medicare levy available from [www.ato.gov.au](http://www.ato.gov.au)

<sup>93</sup> Wikipedia the free encyclopedia [http://en.wikipedia.org/wiki/Medicare\\_card](http://en.wikipedia.org/wiki/Medicare_card)

<sup>94</sup> Centre link is the Federal Government Benefits payment agency.

- Family assistance payments are available. These are income supplements intended to assist families with the cost of raising children (such as Family Tax Benefit), Child Care Benefit, Double Orphan Pension, Maternity Allowance, Maternity and Immunization Allowance
- A Special Benefit is available for people in severe financial need due to circumstance outside their control. This is seen as a benefit of last resort.
- A Disability support Pension is available for people unable to work for two years due to illness, injury or a disability.
- New migrants have access if needed to the services of the Job Network. This is a national network of private and community organizations dedicated to finding jobs for unemployed people, particularly the long term unemployed.

### **First Home Owner Grant**

Some new migrants may qualify for a one-off \$7,000 grant available to some first home buyers who are buying or building their own home.

### **State Government Benefits**

- States provide Legal Aid schemes that new migrants can access.
- State Governments provide hospital and other medical care that Medicare makes affordable. These services are funded through the general tax system.

### **9e Benefits Accessible Only After 104 Weeks Residency**

For the payments described below, a waiting period applies for people who have not been residing in Australia for a period of, or periods totaling, 104 weeks (two years). There are some minor exceptions that allow access sooner for some benefits. Periods spent in Australia as an Australian resident at any time in a person's life can be counted towards the waiting period. After 104 weeks, migrants are eligible for the same social service benefits as Australian citizens. They do not need to become Australian citizens to access these benefits.

**Social assistance allowances** requiring the satisfaction of a waiting period<sup>95</sup>

**Newstart Allowance** is paid to unemployed residents or those temporarily incapacitated for work but capable of undertaking employment, and who are available for and actively seeking work. It is paid for undertaking an activity to improve employment prospects. Applicants must be aged 21 or over but under the Age Pension age and be registered as unemployed. They must also be willing to enter into an activity agreement if required, allowing participation in a broad range of activities.

**Youth Allowance** is payable to full-time students aged 16 to 24 years, or who are temporarily incapacitated for study; the unemployed aged under 21, looking for work or combining part-time study with job search, or undertaking any other approved activity, or temporarily incapacitated for work; and to an independent, aged 15 and above the school leaving age (e.g. homeless) who are in full-time study or undertaking a combination of approved activities.. The same is true of the Sickness Allowance.

**Widow's Allowance** is payable to a woman aged 50 or over, who is not a member of a couple and who has been widowed, divorced or separated (including separated de facto) since turning 40. She must have no recent workforce experience (recent workforce experience means work of at least 20 hours a week, for 13 weeks or more during the last 12 months) and must be an Australian resident. It is only provided if both the woman and her partner were Australian residents when she was widowed, divorced or separated.

**Special Benefit Allowance** is awarded if an applicant is in financial hardship and unable to earn a sufficient livelihood for themselves and dependants due to reasons beyond their control and he/she is unable to get any other income support payment. Recipients must either be Australian residents, or holders of the temporary visa with certain subclasses or a Criminal Justice Stay Visa (CJSV) - issued specifically for the purpose of assisting in the administration of criminal justice in relation to the offence of people trafficking, sexual servitude or deceptive recruiting. Non-citizens receive this allowance only after 104 weeks in Australia, unless they have experienced a substantial change in circumstances beyond their control since making an irrevocable decision to come to Australia.

**Mature Age Allowance, Partner Allowance, Sickness Allowance and Carer Payment** are available to all Australian residents (and holders of special category visas

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<sup>95</sup> [www.centrelink.gov.au](http://www.centrelink.gov.au)

and prescribed temporary visas, as described above), if they have children in their care and meet the relevant income tests

**Bereavement Allowance** is paid to those who have been an Australian resident and in Australia for a total of 104 weeks; or who have a qualifying residence exemption. They are immediately eligible if both the person and the partner were Australian residents when the partner died.

### **Health related assistance**

The 104 week waiting period also applies to the **Health Care Card, the Commonwealth Seniors Health Care Card and Mobility Allowance** which is payable to those who are medically assessed as unable to use public transport without assistance and who work at least eight hours per week.

### **Education assistance**

**Higher Education Loan Programs (HELP)** - Australian citizens and permanent residents are able to obtain interest free student loans to study at a higher education institution. The amounts can cover the full amount of tuition fees so vary depending on the course studied. Up to US\$85,000 (Aust\$100,000) can be borrowed for expensive courses such as dentistry, veterinary science and medicine.<sup>96</sup> This assistance is not available to permanent residents who have not lived in Australia for 104 weeks. It is also not available to New Zealand citizens. Such people must pay the full costs of their tuition.<sup>97</sup> This policy is an exception to the general rule that New Zealand citizens are eligible for the same social service benefits as Australians after 104 weeks.

**Austudy** - This scheme provides financial help for full time students over 25 who are doing a full time course at an approved tertiary institution or undertaking an apprenticeship. Payments vary according to circumstances and are asset and income tested. Payment for a single person is approximately US\$309 (A\$358.10) per fortnight. It is only available to migrants after 104 weeks.

## **9f Social Security Benefits Requiring Longer Residency**

**Disability Support Pension.** Non-citizens must be an Australian resident and in Australia on the day the claim is lodged, unless claiming under an international social

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<sup>96</sup> [www.ato.gov.au/individuals/content.asp?doc](http://www.ato.gov.au/individuals/content.asp?doc)

<sup>97</sup> [http://en.wikipedia.org/wiki/Higher\\_Education\\_Loan\\_Programme](http://en.wikipedia.org/wiki/Higher_Education_Loan_Programme)

security agreement. They must have been an Australian resident for a total of at least 10 years, at least five of these years in one period (residence in certain countries with which Australia has an international social security agreement may count towards Australian residence). They must have a qualifying residence exemption (arrived as refugee or under special humanitarian program) or are immediately eligible if inability to work occurred while an Australian resident or during temporary absence.

#### **10. Access to Social Services for New Zealand Citizens**

Nearly 40% of Pacific Island migrants entering Australia do so as New Zealand citizens. Therefore the protection and status offered to New Zealand citizens is important. Although New Zealand Citizens are allowed free access to live and work in Australia, the arrangements were tightened in 2001 to require that New Zealand citizens must apply for and be granted Australian permanent residence if they wish to access certain social security payments and tertiary assistance payments not covered by the bilateral agreement, or if they wish to sponsor their non-New Zealand family members for permanent residency.<sup>98</sup>

**Medicare** - New Zealand citizens living permanently in Australia are eligible for Medicare provided they can prove they have entered Australia with the aim of living there permanently and can supply 100 points of proof of their identity. This means producing such documents as a purchase or lease agreement for property, gas or electricity accounts in the same name, or an employment contract.

New Zealanders visiting Australia and not intending to stay permanently are not eligible for Medicare. They have to pay all hospital and health costs, for example doctors visits, ambulances, dental care etc. However under a reciprocal agreement with New Zealand they are entitled to receive free emergency treatment at a public hospital.<sup>99</sup> The New Zealand embassy recommends that New Zealanders not eligible for Medicare obtain medical insurance when traveling to Australia.

Apart from the exemptions already mentioned, New Zealanders are eligible for the same benefits as those for other migrants. They also have some additional benefits.<sup>100</sup>

- New Zealand can use their New Zealand drivers' license for the first 3 months after they arrive

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<sup>98</sup> [www.immi.gov.au/media/fact-sheets/17nz.htm](http://www.immi.gov.au/media/fact-sheets/17nz.htm).

<sup>99</sup> [www.nzembassy.com](http://www.nzembassy.com): New Zealanders in Australia

<sup>100</sup> [www.nzembassy.com](http://www.nzembassy.com). New Zealanders in Australia.

- New Zealanders do not need to obtain approval from the Australian Foreign Investment Review Board (FIRB) before they purchase an urban property. However they need FIRB approval to purchase commercial or rural property.

## 11. Australian Aged Pension and Superannuation

Australia has a two tier superannuation system. When all contributions are taken into account, superannuation is the largest single Australian Government expenditure.

A means and income tested Aged Pension and a second tier Contributory Compulsory Savings Scheme where benefits are directly related to the amount of money saved. The first tier Aged Pension is funded through taxes and is not portable.

The Contributory Pension is portable but because it is so new, the lump sums that have accumulated to date are not yet large enough to allow most people to live only on the interest that would be paid. Lump sums will increase in time and it is possible this may lead to more Pacific Islanders taking their accumulated savings and returning home. However, some features of the current scheme lessen the attractiveness of this option. Savings made through the second tier scheme attract substantial tax concessions and the government sees this as a significant reason not to encourage recipients to take those savings out of the country.

### 11a Aged Pension<sup>101</sup>

The first tier of the Australian pension system is available to all people meeting the following requirements. Applicants need to provide original documents that verify age and residential status. Persons are eligible for the Aged Pension if they

- are aged 65 years and over if they are a man, **or**
- are above certain qualifying ages for women. This age is being raised gradually and by 2014, the minimum qualifying age for women will be 65 years, making it the same for everyone.

**and**

- meet certain **residence requirements**, Australian citizens must reside in Australia when the application is lodged. A non-citizen must be an Australian resident and in Australia on the day the claim is lodged (unless claiming under an International Social Security Agreement); and must have been an Australian resident for a total

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<sup>101</sup> [www.seniors.gov.au](http://www.seniors.gov.au)

of at least 10 years, which can be made up of periods of residence at any time in a person's life. However at least five of these years must be in one period (residence in certain countries with which Australia has an International Social Security Agreement may count towards Australian residence). If they do not meet this requirement they must have a qualifying residence exemption (arrived as a refugee or under a special humanitarian program); must be a woman who is widowed in Australia, when both she and her late partner were Australian residents and who has 104 weeks residence immediately prior to claim or a person who was in receipt of Widow B Pension, Widow Allowance, Mature Age Allowance or Partner Allowance immediately before turning Age Pension age.

**and**

- have income and assets below a certain amount. This means actual payments vary.

The following are some of the current payment and asset levels (following the most recent adjustments in September 2007<sup>102</sup>) and the abatements that apply as income and assets rise<sup>103</sup>. A single person receiving a full payment currently receives approximately US\$461 (A\$537.10) per fortnight and a couple receives approximately US\$366 (A\$ 449.10) each. Some extra payments are available (e.g. rent subsidies and carers' payments) under certain circumstance.

- A single person receives a full payment if his/her additional income is less than US\$116 (AUS\$132.00) per fortnight. Payments reduce at a rate of US\$34 cents (A\$40 cents) for each dollar over that amount
- A couple receives a full payment if their combined income is less than US\$199 (A\$232.00) per fortnight and payments reduce by US17 cents (A20 cents) in the dollar for income above those levels.
- Asset tests vary according to whether or not the pensioner owns a home. To claim a full pension a single home owner can have assets of up to US\$454,000 (A\$529,250) and a couple up to US\$720,000 (A\$839,000). Assets above these amounts reduce the payments by A\$1.50 each fortnight for every A\$1,000 above the limits.

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<sup>102</sup> Rates and asset limits are adjusted twice a year, in March and September in line with cost of living arises.

<sup>103</sup> [www.dva.gov.au](http://www.dva.gov.au) Service and Aged Pension rates.

## **11b Portability Arrangements For The First Tier Aged Pension Scheme**

Australia has entered into 18 bilateral social security agreements covering, amongst others, reciprocal equality of treatment, maintenance of acquired rights, and exportability of benefits.<sup>104</sup> Migrants can accumulate rights only under the terms of these agreements: *"If a person resides in the agreement countries they can generally claim specified payment and accumulate residence periods. Australian residents or former Australian residents who are residing in any non-agreement country are unable to claim Australian social security payments."*<sup>105</sup> Thus, eligible Australian citizens can migrate to any of the 18 countries and receive the social security payments paid in that country. Under these conditions pensions are therefore portable.

The 18 countries are mostly in Europe and North America but include New Zealand and Chile.<sup>106</sup> The agreements cover pensions such as Age pension, Disability support pension, Carer Payment (adults), Carer Payments (child) and Parenting Payments (single). Arrangements vary amongst countries depending on the payment systems in the agreement country. All agreements contain provisions for each country to pay a part of the pension which are usually proportional to the length of the social service payments in each country. This helps to explain why all agreements are with relatively developed countries that have some degree of social security systems in place and where payments are large enough to be attractive for Australian citizens.

## **11c Portability of Aged Pension to Pacific Island Countries**

There are no reciprocal portability arrangements with any Pacific Island country other than New Zealand. Nor does Australia have any arrangement similar to the "NZ Special Portability Arrangement" that allows superannuitants to access their payments in Pacific Island countries. It is not possible for any migrant to return to a Pacific Island and access their Australian Aged Pension.

The lack of a portable pension means that Pacific Islanders in Australia face other problems returning home. Most pensions in Pacific Island countries are linked to National Provident funds, funded by contributions that make payments proportional to the amount

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<sup>104</sup> "Australia" in *ILO Migration Survey 2003: Country Summaries*, p 3-4.

<sup>105</sup> *Ibid*, p 7.

<sup>106</sup> The 18 countries are: Austria, Belgium, Canada, Chile, Croatia, Cyprus, Denmark, Germany, Ireland, Italy, Malta, The Netherlands, New Zealand, Norway, Portugal, Slovenia, Spain, and JUSA. ([www.centrelink.gov.au/internet.nsf/international/pension-agreements.htm](http://www.centrelink.gov.au/internet.nsf/international/pension-agreements.htm))

contributed. These funds cannot contribute to pensions of returning migrants so returning older migrants could be worse off than those who remained in the home country.

Given the fact that Australian aged pensions are means and asset tested, making them portable to the Pacific Island would presumably mean that Australia would have to develop appropriate ways to test eligibility for this pension in each Pacific Island country. This would be complicated.

The agreement with New Zealand does possibly provide a current way for Pacific Island migrants to return home with a portable pension. They would need to move back to New Zealand and claim New Zealand superannuation under the bilateral agreement. As this is portable to a Pacific Island they could return to their home country. However as this report has shown, the small numbers of New Zealanders currently receiving their superannuation in a Pacific Island country suggests that few if any are following this path.

#### **11d Portability of Australian Contributory Superannuation- The Second Tier**

Since 1993 Australia has had a second tier compulsory savings scheme where all employees save 9% of their salary and employers contribute another 9%. This sum earns interest and accumulates until the person retires or reaches 60. A condition of the scheme is that for Australian residents, funds are required to be locked up until the employee reaches a specific age (currently 60) or “retirement” age.

The savings attract substantial tax concessions which make the Government keen to make sure these concessions do not undermine the overall integrity of the tax system. The main concessions are that savings are tax deductible and tax of 15% (much less than is otherwise levied) is paid on the interest received. Funds are held in individual accounts and are managed by a number of registered fund managers. Employees choose their fund manager. The savings are growing rapidly and the total sum invested was estimated to be approximately US\$784 billion (A\$913 billion) at June 2006<sup>107</sup>

Most workers who leave Australia before reaching the retirement age are able to take their accumulated savings with them but they are required to pay an additional 30% withholding tax on the money they take out of the country<sup>108</sup>

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<sup>107</sup> Estimate from the Australian Investment and Financial services association. Published in Wellington Dominion Post May 26 2007.

<sup>108</sup> Information in this section drawn from the written response to this study from the Australian Treasury. June 8 2007

The only people not able to take their savings if they leave Australia before reaching 60 are New Zealand citizens. Their savings must remain in Australia and accumulate. Because New Zealanders have open entry to Australia and many come and go regularly, it is seen as too complicated if they could take their savings with them each time. This restriction is seen as a trade off for open entry. However this trade off restricts the movement of Pacific Island New Zealand citizens who otherwise may want to take their accumulated savings and return to their home island before reaching 60.

From July 1 2007, employees who reach 60 are able to withdraw all their accumulated savings and may take this sum anywhere in the world. However, because the government has provided substantial tax breaks for savers, Contributory Superannuation encourages superannuitants to remain in Australia. The Australian Treasury is worried that encouraging people to take their savings and leave could undermine the Australian tax system. Therefore the scheme has some conditions that make portability unattractive.

Firstly, the retirement benefits from this scheme are tax free but only as long as the superannuitant or the capital accumulated remains in Australia. Superannuitants moving anywhere else in the world have to pay whatever is the normal taxation rate in their new country.

Secondly, retirees who move to any other part of the world apart from those who move to the countries with whom Australia has portability agreements, miss out on access to the universal pension. This is a substantial penalty. Because contributory superannuation has only existed since 1993, current retirees are only drawing from 14 years' savings. Very few could exist only on the portable amount.

Migrants could decide to keep their accumulated capital sum in Australia where payments are tax free but return to their home country to receive their regular interest payments. The interest would still be tax free with the payments to returning migrants in affect becoming another form of remittance. Whether any Pacific Islanders are doing this is not clear and the figures are only available from the individual fund managers. Such people would have to be prepared to give up their Australian aged pension and, would not be eligible for the small forms of national provident fund payments that do exist in Pacific Island countries, because they would not have contributed to those funds in their home country<sup>109</sup>.

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<sup>109</sup> see sections 13 and 14 for a discussion of Samoan and Fijian pension fund systems.

The longer the contributory superannuation system stays in place the larger the accumulated sums will become and it may become possible for some Pacific Island migrants to return to their home countries, leaving their accumulated sums in Australia and living off the interest received. It will be some years before this becomes an attractive option.

However, as Australian superannuation policy is to keep the two tiers, having only one tier as portable to a Pacific Island is likely to remain as a disincentive for migrants to return to their home country.

### **11e Extending Portability Of Superannuation**

The report has outlined a number of barriers that make it difficult for Pacific Islanders to receive Australian pensions in their home country. However, all these barriers could be overcome if Australia developed a scheme similar to the New Zealand one that was not a reciprocal scheme but allowed Pacific Islanders eligible for Australian Aged pension to be paid the amount due in a Pacific Island. This would mean that Pacific Islanders who returned home would receive both their aged pension and their contributory superannuation entitlements

The arguments for such a scheme are the same as those that lead New Zealand to adopt it; that migrants should be able to return to their home country if they want to, and should be not lose any entitlements due to them as tax payers and that it is one way of assisting Pacific Island countries..

In 2006, the estimated size of the current contributory superannuation scheme was US\$784 billion. Given the small number of Pacific Island migrants likely to want to return, changing the criteria to make it possible for them to return to their home Pacific Country and receive both tiers of superannuation would not be a large cost to Australia. In addition, because the Aged Pension is means tested, increasing contributory lump sums in the future are likely to mean that some beneficiaries will have income that is too high to qualify for the first tier. Therefore the incentives to make the first tier portable may cost Australia less over time.

The New Zealand experience suggests that only a small proportion of those eligible are likely to take advantage of the scheme but a policy change could have significant benefits for Pacific countries. Despite the small numbers, the New Zealand scheme is currently returning about US\$5 million annually to Pacific Island countries and

because it is taxed in the home country it is adding to those countries' tax base. This figure suggests that enacting a similar scheme in Australia, would not have a large cost from an Australian point of view but could have a big impact on the smaller economies in the Pacific. The main advantage to Australia is that, like allowing increased migration such a policy could also contribute to a more secure Pacific by assisting economic growth through resource transfers.

## **12. The Australian Health Care system and Portability of Health Benefits**

Both the federal and state governments are involved in providing public health care. The federal government through the Department of Health and Aging sets national policies and subsidizes health services. It funds universal medical services and pharmaceuticals and gives financial assistance to public hospitals. The State Governments provide the public health services such as most acute hospitals and a wide range of community and public health services.

The universal system of health insurance, Medicare is partly funded through a taxation levy of 1.5% of income and mostly by general taxes.<sup>110</sup> Holding a Medicare card entitles all permanent residents to free public hospital care and the bulk of the cost of out of hospital medical services such as general practice and specialist consultations. The Medicare rebate for out of hospital services is 100% of the scheduled fees set by the Australian government, but some doctors charge more than the scheduled fees and the patient pays the difference. Despite these benefits about half of all Australians are also covered by private health insurance where benefits are related to premiums paid. Coverage varies. 43% of the population has hospital insurance and 6% of the population is also covered for ancillary non medical expenses such physiotherapy and dental treatment.<sup>111</sup>

As with the New Zealand health care system, the Australian Medicare system does not reflect payments made but provides health care on the basis of need. Medicare is available to temporary residents and new permanent residents as long as they are paying the Medicare levy. Apart from citizens of nine countries<sup>112</sup> that Australia has a reciprocal health care arrangement with, eligibility ceases when residents leave the country and cease paying the levy. Even under the reciprocal arrangements Medicare only covers

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<sup>110</sup> [www.dfat.gov.au/facts/health-care.html](http://www.dfat.gov.au/facts/health-care.html) Australia Now Health Care in Australia

<sup>111</sup> Australia now-Health Care in Australia page 3

<sup>112</sup> United Kingdom, Ireland, Finland, Malta, Netherlands, Norway, New Zealand and Sweden

necessary hospital treatment and does not provide overall health care. There are no reciprocal agreements that cover health care with any Pacific Island country.

Holders of a Medicare card (citizens and permanent residents) who go overseas retain their access to Medicare for any return visits to Australia for up to five years from when they were last residing in Australia. This means that Pacific Island migrants who hold Medicare cards can return home and still return to Australia for health care for up to five years. This may assist Pacific Island migrants who return home for extended visits, but this time limit is likely to be a significant disincentive to return home permanently.

A policy change that allowed Australian citizens and permanent residents to continue to access Medicare on any return to Australia indefinitely would be required to place Australian Pacific Islanders on the same basis as those who are New Zealand citizens.

This restriction along with the lack of any portable superannuation scheme is a significant reason why any Pacific Islanders in Australia who are thinking of returning home would be better to remain New Zealand citizens.

One problem is that because Australia does not allow its superannuitants to receive their payments in a Pacific Island country, returning migrants from Australia are unlikely to bring with them extra income that could be taxed and used to help defray the costs of providing them with health care and social services. From a Pacific Island point of view this may make attracting Australian based migrants back home much less attractive.

### **Recommendation Eight**

That in order to increase the incentives for Pacific Island migrants in Australia who have become citizens Australia consider allowing citizens and permanent residents to continue to access Medicare in Australia indefinitely in the same way that New Zealand citizens and permanent residents can continue to access state funded health care when visiting New Zealand

### **Summary of Main Points in Part Two**

- Like New Zealand, Australian immigration policy targets skilled workers. Because the Pacific does not have a large base of skilled workers the numbers of Pacific Islanders entering Australia directly as skilled migrants is both numerically small and a small percentage of the overall migration.

- Australia has a very generous humanitarian policy targeted at refugees and other victims of human rights violations, but Australia does not have any equivalent humanitarian immigration policy to the New Zealand Pacific Access Quotas. This means it is difficult for unskilled Pacific Islanders who are not New Zealand citizens to gain direct entry to Australia.
- Pacific Island migrants with New Zealand citizenship are able to migrate to Australia and this provides a very important migration path.. These migrants can then apply to bring in family members. This helps to explain the much higher population of Pacific Islanders in Australia from countries with access to New Zealand than from Pacific Island countries without this option.
- As many of these migrants will have lived for five years in New Zealand in order to gain citizenship, they may not be seen as needing as much assistance in settling in Australia as refugees and other migrants. Australian settlement assistance targets migrants seen as being in greatest need.
- The high percentage of Pacific Island migrants from New Zealand means that they have the same social protection as other New Zealand citizens rather than the protection that applies to migrants who enter directly from the Pacific Islands.
- Both Pacific Island and New Zealand migrants are able to access health benefits and a number of emergency social service benefits immediately. However many benefits such as unemployment benefits and loans for tertiary study are only available after a 104 week stand down period.
- Australia has a two tier pension system. The first tier is means and asset tested and is only available in Australia although it is available in countries that Australia has a reciprocal social service agreement with. It is not portable to any Pacific Island country. The second tier comprises a relatively new compulsory contributions system based on income. Payments are based on accumulated savings. This tier is portable but the scheme has some features designed to encourage recipients to remain in Australia. As the scheme is new, accumulated savings are not by themselves yet sufficient to persuade Superannuitants to return to a Pacific Island.
- Medicare provides access to government funded health care. It is funded through taxes and a levy on income. Like the New Zealand health care system it does not provide an entitlement benefit that is portable. Treatment is based on need, not contributions. Health systems that aim to provide health care on the basis of need

do not lend themselves easily to portability of benefits. Medicare cards remain valid for up to five years if a holder leaves Australia. Coverage is not permanently available. Losing Medicare coverage after this time is another disincentive for Pacific Islanders to return to their home country permanently.

**Part Three: Description of Social Services Available in the Home Countries for Family Members Left Behind and Returning Migrants and Positive and Negative Effects of Migration to Pacific Island Countries.**

**The importance of migration for Pacific Island economic growth**

Pacific Island migrants send remittances back to their home countries and these remittances are having a significant impact on the economies of Pacific Island countries. The Pacific Forum Secretariat estimated that in 2005 remittances for the Pacific region constituted US\$100 million, much of which was provided by migrants in New Zealand and Australia.<sup>113</sup> Other estimates suggest this is conservative. A recent International Monetary Fund survey<sup>114</sup> estimated the value in the same year at US\$425 million, a far higher figure, and said that the value of remittances continued to rise each year. The survey found that remittances had grown from US\$349.3 million in 2004 an increase of 21.9%

The remittances sent to each country largely show the results of the emigration patterns described in this report as table 8 below makes clear. In 2005, Samoa and Tonga were the two largest recipients. Whereas the Solomon Islands and Vanuatu received very few remittance flows. Vanuatu recorded a negative remittance outflow. Papua New Guinea had a comparatively large inflow but this was only 0.8% of its GDP.

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<sup>113</sup> Staid C and Appleyard R. "Migration and Development in the Pacific Islands: Lessons from the New Zealand experience. Australia Agency for International Development April 2007 page 15

<sup>114</sup> Browne Christopher and Mineshima Aiko. *Remittances in the Pacific region. IMF Working Paper 07/35 February 2007.* [www.imf.org/external/pubs/ft/wp/2007/wp0735.pdf](http://www.imf.org/external/pubs/ft/wp/2007/wp0735.pdf)

**Table 8: Remittances to Selected Pacific Island Countries, 2003-2005<sup>115</sup>**

Country	2003		2004		2005		3 year total
	US\$	GDP %	US\$	GDP %	US\$	GDP %	
Fiji	122.6	5.5	171.6	6.6	183.9	6.6	478.1
PNG	36.0	1.0	39.9	0.9	41.0	0.8	116.9
Samoa	74.1	21.3	97.7	24.5	106.2	25.5	278.0
Solomon Islands	1.1	0.5	2.2	0.8	2.7	0.9	6.0
Tonga	79.6	43.7	37.6	42.7	89.9	39.3	207.1
Vanuatu	-9.9	-3.6	-10.0	-3.2	-7.6	-2.3	

The IMF report suggests a number of possible reasons for low remittance rates to Papua New Guinea, Solomon Islands and Vanuatu. It states that “*emigration from these three countries has been very small since independence, notwithstanding relatively low growth and high unemployment rates over long periods. The reasons for this may include the very small number of skilled citizens, less pronounced links than Samoa or Tonga with New Zealand, the high percentage of the population living in rural areas where knowledge of jobs abroad is minimal, and the continued importance of the wontok system whereby a relatively high percentage of earnings would need to be widely shared with neighbors.*”<sup>116</sup>

This study has demonstrated that the main reason for low emigration, and therefore low remittances to these Melanesian countries, is the migration policies of New Zealand and Australia which do not provide opportunities for unskilled migration from these countries. Residents may have wanted to migrate but they lack opportunities. Comparisons between these three Melanesian countries and Samoa and Tonga, suggest that the lack of opportunities to migrate is one significant cause of the low growth and high unemployment that the Melanesian countries face. The experience of Samoa and Tonga suggests that Pacific Islanders will emigrate and then send remittances back home if the opportunity is there for them to do so. The spending they lead to can help reduce unemployment and assist economic growth.

<sup>115</sup> Brown and Mineshima (2007) page 12

<sup>116</sup> Browne and Mineshima. (2007) page 11.

An earlier World Bank study provides further evidence for such a policy.<sup>117</sup> It found that remittances can provide significant economic assistance for countries and that the steady and growing flow of remittances into Fiji, (nearly 7% of GDP in 2005), Samoa, (26% of GDP) and Tonga (42% of GDP), countries with migration options have contributed positive economic impacts to the home countries. The study examined household level data in Fiji and Tonga and showed that remittances have helped to reduce poverty and have played an important social protection role by providing a cushion for the poor and vulnerable populations. Remittances are also used to finance education and result as well in some increase in business activity.

A policy change by Australia that provided opportunities for emigration from these three Melanesian countries could help improve their economic growth and possibly assist their stability.

### **The value of older migrants returning home**

One of the aims of this study was to examine policies that could persuade more former migrants to return home, bringing with them acquired skills and possible earnings accumulated while abroad. New Zealand's portable superannuation policy that enables migrants to receive their entitlements in their home country seems the only current policy providing a counter to the large number of other policies that encourage migrants to remain in their host country. By itself this policy is clearly not sufficient to encourage many migrants to return. The numbers receiving their payments in a Pacific Island are very small but they are having a significant economic impact. The US\$5 million in transfers resulting from this scheme is equal to 5% of the total value of remittances estimated by the Pacific Forum Secretariat although just over 1% of the IMF estimate.

Stahl and Appleyard (2007)<sup>118</sup> observed that a recurring concern in the literature on migration is that the flow of remittances will decline as migrants become increasingly settled in their country of residence. The IMF study found that remittances were currently increasing and continuing emigration flows should keep them flowing. However, if there is any chance that remittances will decline at some stage, then promoting policies to encourage superannuitants to return home becomes even more important. A doubling of

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<sup>117</sup> *At Home and Away: Expanding Job Opportunities for Pacific Islanders through Labour Mobility*, World Bank 2006.

<sup>118</sup> Charles Staid and Roger Appleyard. "Migration and Development in the Pacific Islands: Lessons from the New Zealand experience. Australia Agency for International Development April 2007 page 17

the numbers of people receiving New Zealand superannuation would double the current US\$5 million of income transfers to Pacific Island countries and also assist their tax base. Reducing current disincentives for migrants to return home could act as an insurance policy against declining remittances. It would seem important to work on such policies now, rather than when any actual decline in remittances started to occur.

Besides increasing resource flows, one hoped for benefit of migrants returning to their home country, is that they will use their acquired skills to benefit their community. They could for instance take on leadership positions in local communities or pass on acquired skills to younger Pacific Islanders. This study was not able to identify or interview any of the 500 Superannuitants who have returned home. Such research would help clarify whether these people are making contributions to their home country beyond bringing in more resources and this study recommends that the World Bank commission a more depth research into this topic. This research could also identify the most important factors in persuading Pacific Islanders to return and could help identify policy changes that might encourage more to do so.

Presently, social and health services in home countries are not as comprehensive as in the host countries. Returning migrants face a significant loss of social protection. Given the reluctance of former migrants to return home under the current situation a more comprehensive study may be needed to try and identify what improvements in the social protection in the home countries may provide the best incentives for migrants to return. It is likely that encouraging more former migrants to return home will require more investment in social and especially health services.

The sections that follow concentrate on two of the countries, Fiji and Samoa, which have had high emigration levels and a resulting strong remittance culture. It suggests that in Samoa the effects of emigration seem to have been positive overall. In Fiji opinion is divided. The sections are intended to provide a brief overview of emigration and its effects and to provide some insights into current social protection in these countries. It is not an in-depth or totally comprehensive analysis and further study is needed of this subject.

### **Recommendation Nine**

That in order to gain a more comprehensive picture of the value of the New Zealand portable superannuation scheme to Pacific Island countries, the World Bank commissions a more in-depth study of the contributions that Superannuitants who have accessed this scheme are making to the social and economic life of their home countries and to identify the factors that led these people to return home. This research would also make recommendations about how this scheme's value to Pacific Island countries could be improved.

### **Recommendation Ten**

That given the contribution to Pacific Island economies from returning migrants who receive New Zealand Superannuation, the World Bank commissions a more in-depth study of the social protection offered in Pacific Island countries to identify what improvements could provide the best incentives and lead to more former migrants drawing their superannuation in a Pacific Island country.

## **13. Social Services in Fiji**

### **13a Effects of Emigration**

The migration statistics reproduced earlier in this report show that the largest migration of skilled Pacific Islanders to both Australia and New Zealand has been from Fiji. From 2003 when Fiji joined the New Zealand Quota scheme until December 2006 when New Zealand suspended the Fiji Quota immediately after the coup, Fiji was the main Pacific Island country where both skilled and unskilled migrants were able to gain entry to both New Zealand and Australia.

There have been high levels of migration from Fiji for many years. Migration averaged approximately 2,300 in the years 1978 to 1986 and increased after the 1987 first coup and after subsequent Coups. The Citizens Constitutional Forum, an NGO working to promote democracy and constitutional Government, estimates that “more than 87,000 people left Fiji between 1987 and 2003 at an average of over 5,100 people per year, a significant increase on pre-coup emigration. This estimate is over 10% of the population which was about 850,000 in 2005. (Population estimated as no census has been held since 1966)

Most of this emigration would have been skilled workers as New Zealand only extended its Quota system, allowing unskilled Fijians the chance to leave, in 2003. Migration figures for Australia show that many Fijians were able to enter that country as skilled migrants. Browne and Mineshima (2007) list doctors, nurses and computer specialists as some of the main groups of emigrants. The loss of such a high levels of skills over a number of years is a significant problem for Fiji and has made it more difficult for Fiji to provide the levels of social protection that would encourage migrants to return.

The large migration since 1987 has changed the ethnic base of Fiji. 87.5% (94,430) of all emigrants from 1978 to 2003 were Indo-Fijians, 6.8% (8,156) were indigenous Fijians and 5.7% (6,156) were people from other ethnic groups.<sup>119</sup> Before the 1987 Coup the Indo-Fijian population had become a majority but the population is estimated to now be 55% indigenous Fijian and 37% Indo Fijian<sup>120</sup>.

According to a recent Asian Development Bank (ADB) report, remittances increased over the 5 years from 1999-2004 from US\$34.4 (F\$50) million to US\$324 (F\$399) million in 2004 as a result of this migration and of Fijian involvement in United Nations' Peace Keeping forces and in the security industry in Iraq. The ADB said that remittances are now the largest source of foreign exchange after tourism, recently surprising sugar exports<sup>121</sup>. The IMF report put their value at only US\$171.6 million in 2004<sup>122</sup>. These different figures show the difficulties of accurately estimating remittance flows. If differences between New Zealand and Fiji are not resolved soon, Fiji's continued suspension from the New Zealand Migration Quota scheme the new Seasonal Work scheme are likely to reduce remittances over time.

Although these remittances have undoubtedly assisted the Fijian economy, some Fijian respondents consulted in the course of this study identified that the extent of this migration, and especially the fact that such a large number of migrants were skilled, has been one of the factors contributing to the instability that have led to four military coups since 1987. One highly placed government official who did not want to be named stated that such emigration has made it difficult to find enough skilled people to fill key

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<sup>119</sup> Citizens' Constitutional Forum; Letter to the Fiji Sun 16 March 2007.

<sup>120</sup> Bureau of Democracy, Human Rights and Labor. Country Report on Fiji March 2007

<sup>121</sup> ADP report Country Strategy and Programme Update 2006-2008 Fiji. Available at [www.adb.org/Documents/CSPs/FIJ/2006](http://www.adb.org/Documents/CSPs/FIJ/2006)

<sup>122</sup> Browne and Mineshima (2005) page 12

positions and this had contributed to the “Institutional Failure that lies behind the various coups”

The study has not been able to evaluate the value of remittances to the Fiji economy as opposed to the negative effects of a lack of skills. However the ADB recently concluded that “*over the past 5 years, the so-called brain drain of valuable human capital from the Fiji Islands has become a serious concern.*”<sup>123</sup> Some of the information in the section on social services below shows the effects of a shortage of skilled people able to make some of the social protection mechanisms work.

### **13b Access to Social services**

The Citizen’s Constitutional Forum letter quoted above goes on to state that there are a number of “push” factors behind this large scale migration. It cites “failing economies, high unemployment rates, human rights abuses, internal military and political conflict and the lack of adequate social services such as health and education”.

The following list of social and health services has been adapted from the Bureau of Democracy, Human Rights and Labor. Country Report on Fiji March 2007<sup>124</sup> and a recent World Health Organization report<sup>125</sup>. The list provides some examples of social services in Fiji that help to explain the reasons behind the “push” factor. It is not intended to be a comprehensive analysis of Fiji social services.

**Employment:** There is no national minimum wage nor any limitation on the number of hours worked each week. Fiji has workplace safety regulations, a workers’ compensation act and an accident compensation plan, but the enforcement of safety standards suffers from a lack of trained personnel and delays in compensation hearings and rulings.<sup>126</sup> There is no unemployment benefit.

**Child Labour:** Under Fijian law children under the age of 12 may not be employed except in a family owned business or agricultural enterprise. The Bureau report states that in practice the Ministry of Labour had few or no resources to investigate reports of child labor

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<sup>123</sup> ADB Fiji country report and programme update 2006/08

<sup>124</sup> The Bureau of Democracy, Human Rights and Labor, is part of the U.S. State Department. It leads the U.S. efforts to promote democracy, protect human rights and international religious freedom, and advance labor rights globally. [www.state.gov](http://www.state.gov)

<sup>125</sup> World Health Organisation/ Fiji report March 2007. available at [www.wpro.who.int/countries](http://www.wpro.who.int/countries)

<sup>126</sup> Bureau report (page 9)

**Workers Rights:** The Constitution and law protect the rights of workers to form and join unions and these rights are respected in practice according to the Bureau. The Bureau estimates that 36% of the work force was unionized. Strikes are legal provided employees give 28 days notice.

**Education:** Education is mandatory until the age of 15 but it is not free and the inability of some families to pay school fees limits the attendance of some children<sup>127</sup>

**Health:** The recent World Health Organisation (WHO) report on Fiji stated that health care in Fiji is financed mainly from general taxation with about 8-10% of Government expenditure being spent on health care. Overall health spending at 3% of GDP is the lowest percentage in the Pacific. Prior to the 2006 Coup the Government was aware of the limitations of the current health financing mechanism and was examining a social health insurance scheme to help supplement the existing government health budget.<sup>128</sup> Health care is provided free for children at hospitals and health centers. An immunization programs for children operates through the schools.

### **National Provident Fund**

This fund was established in 1966. All employed workers 15-55 contribute unless they are covered by an equivalent plan approved by the Fund Board. Self employed and informal sector workers can join if they wish. There are different levels of payments but the minimum is 8% of wages with employers contributing a further 8%. F\$17 is deducted annually from employers and employee accounts to help pay a death benefit.<sup>129</sup> All Fijian employees rely on the National Provident Fund for their retirement income. There is no other government funded pension.

This fund provides a number of social benefits to its members. At 55 members can receive an old age benefit. They can either withdraw a lump sum equal to accumulated contributions plus interest or access a pension. This annual pension has been 19% of the accumulated sum plus interest, but this will reduce to 15% by 2008/09 reflecting longer life spans in retirement. The same sum is paid to married survivors of members. Members also receive benefits for a permanent disability and work injury. A death benefit is paid to family members when applicable.

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<sup>127</sup> Bureau report page 6.

<sup>128</sup> World Health Organisation/ Fiji report March 2007. available at [www.wpro.who.int/countries](http://www.wpro.who.int/countries)

<sup>129</sup> Figures are 2005 figures.

The National Provident Fund and therefore the retirement plans of all Fijians face a significant problem at present because the government has been running fiscal deficits and borrowing from the National Provident Fund to cover these. The public debt stands at 52% of GDP although as a percentage of GDP, this deficit was declining before the coup. Only 9% of this is foreign debt. 92% of the debt (about US\$1billion) according to the military<sup>130</sup> is owed to the National Provident Fund.<sup>131</sup>

### **Recommendation Eleven**

That given the problems in the Fijian National Provident Fund and its importance for maintaining social protection for older citizens, the World Bank conduct further study on best practice in using National Provident Funds drawing on global lessons, to ensure that the Fijian Fund is able to meet its obligations to its citizens in the future.

### **Conclusion**

The current political and economic climate and the relative lack of social protection may not provide an attractive environment for Fijian emigrants to return to.

## **14. Social Services in Samoa**

### **14a Overview of Samoa**

In 2001 (the date of the last census) Samoa had a total population of 176,710 and a population density of 63.5 people per square kilometer.<sup>132</sup> The fertility rate was 4.3 children per female adult and as a result 71,978 people were aged under 15. Life expectancy at birth was 71.8 years for males and 73.8 for females which are both high for a developing country. Life expectancy showed a significant increase from 1971 figures of 59.6 for males and 63.4 for females. The natural rate of population increase was 2.36 percent a year but in fact the population was growing at only 1 percent a year. The low actual population growth rate was accounted for by high levels of outwards migration particularly to New Zealand and America

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<sup>130</sup> On 15 December 2006 the new military council dismissed the National Provident Fund Board and launched an investigation into the extent of borrowings from the Fund by the previous Government. The military claimed borrowings totaled US\$1 billion. Almost half of the assets of the fund.

<sup>131</sup> Asian Development Bank. Fiji Country Strategy and Program update 2006-2008. [www.adb/prg/Documents/CSPs/FIJ/2006](http://www.adb/prg/Documents/CSPs/FIJ/2006)

<sup>132</sup> Samoan Human Development Report. 2006. National University of Samoa May 2006.

The relatively high (for a Pacific Island nation) population density and the high natural birth rate shows that outward migration is necessary to relieve pressures on the land and help keep population growth to a more manageable level.

**Economy:** The Samoan economy has performed relatively well over the last few years. Over the period 1995-2001 GDP growth rates averaged 4.7% per year. There was a drop in 2002/03 but growth then rose again and averaged 6.5% from mid 2003 to the end of 2005.<sup>133</sup> These growth rates meant that GDP per capita doubled during the period to about US\$2,000 in 2005.

**The value of Remittances:** High levels of emigration and the ability of Samoans of all skill levels to emigrate have helped this growth. There have been high levels of remittances returning to Samoa. Because so many remittances are sent informally it is very difficult to develop accurate figures about their value. The Samoan Development Report (2006) estimated the contribution of remittances to Samoa as 20% of GDP, double the value of official Aid flows. It concluded that “*remittances have been the major source of external income, persistent as a relatively viable authority, behind Samoa’s steady economic growth in recent years*”<sup>134</sup>.” Browne and Mineshima in their IMF report<sup>135</sup> estimated the value of 2005 remittances to exceed US\$100million for the first time. This sum was about 25% of GDP.

Its importance can be seen in comparison to other contributors. The Samoan Development Report (2006) states that Overseas Aid has contributed 10% of GDP for the past two decades, and tourism has grown from 5% of GDP in the early 1980s to around 15% of GDP.

Remittances go directly to the extended families who can, if they wish, spend the money on social services such as school fees or doctors' visits. Remittances constitute a major social service to families left behind. They are especially important given the relative absence of Government provided social services.

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<sup>133</sup> Samoan Human Development Report. 2006. National University of Samoa May 2006 page 103

<sup>134</sup> Samoa Development Report page 107)

<sup>135</sup> Browne and Mineshima. (2007) page 12

## **14b Provision of Social Services**

### **National Provident Fund<sup>136</sup>**

Like Fiji, Samoa has a National Provident Fund through which employed persons save to fund a pension for their old age. All employed persons contribute 5% of their gross monthly earnings and employers also contribute 5% of their monthly payroll. Additional voluntary contributions are permitted. Self employed persons do not need to belong. The Government makes no additional contributions to this scheme.

Members can withdraw contributions at age 55 if they have retired from covered employment. Samoans who emigrate can withdraw their contributions at any age if immigrating permanently or after 12 consecutive months of residence overseas. This means that Samoans who emigrate to New Zealand or Australia can bring some capital with them.

At retirement, members have a range of options for receiving payments. They can take a lump sum equal to the full amount saved, including interest, they can receive a monthly pension based on total contributions or have 25% paid as a lump sum with the rest paid as a monthly pension.

### **Government Funded Senior Citizen Benefit scheme<sup>137</sup>**

National Provided Fund benefits are paid only to members so returning migrants would not receive any payments from this scheme. At 65 the government pays all senior citizens a benefit of about US\$41 (S\$110) per month. This sum would provide only a subsistence standard of living. Samoan citizens returning with New Zealand superannuation would receive this payment as well as New Zealand superannuation, but it is hardly an incentive to return by itself.

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<sup>136</sup> US Social Security administration, Office of policy. Social security Programmes Throughout the World. Western Samoa. Available at [www.ssa.gov/policy/docs/progdsc/ssptw/2006-2007/asia/westernsamoa.html](http://www.ssa.gov/policy/docs/progdsc/ssptw/2006-2007/asia/westernsamoa.html)

<sup>137</sup> US Social Security administration, Office of policy. Social security Programmes Throughout the World. Western Samoa. Available at [www.ssa.gov/policy/docs/progdsc/ssptw/2006-2007/asia/westernsamoa.html](http://www.ssa.gov/policy/docs/progdsc/ssptw/2006-2007/asia/westernsamoa.html)

## Provision of Health Services

The Development Report states that in 1999 Samoa spent 6.6% of its GDP or 17% of Government expenditure on Health services. It saw this high level of expenditure as responsible for significant gains in improving life expectancy and reducing child mortality, but stated that the challenge is to maintain and improve these gains in the future.

Miller (2005)<sup>138</sup> studied the provision of health services for Rural Women. She reported that the Department of Health provides primary, secondary and limited tertiary care through a network of facilities. All facilities are walk-in facilities open 24 hours a day and 7 days a week. All Samoans are eligible to use these facilities for a nominal fee which means that returning migrants who are Samoan citizens can also use them. In 2005 facility user fees were US\$0.19 (WSTS0.50) for adults and US\$0.11 (WSTS0.11) for children. Treatment is free for people receiving the senior citizens benefit. Millar concluded that these user payments were fairly affordable by Samoans but treatment became expensive if patients had to pay a bus fare or had to pay for prescription drugs

Prescription?? drugs are not provided or subsidized by the health system apart from some drugs for chronic illnesses. Payments for drugs ranged from US\$1.18 up to US\$9.00

The Samoan Development Report did not look at affordability but found that in 2001 89.5% of the population had access to health services (up from 80.5 in 1991). 89% had access to adequate sanitation and 91% had access to safe water. The Report identified the following as particular challenges for the future

- Increases in the urban population resulting in substandard living conditions and limited access to health services. Adaptation in urban areas of the urban life style of fast foods that do not contribute to healthy living
- The rise in non communicable diseases
- The persistence of communicable diseases
- The increasing costs to government of maintaining secondary and tertiary health care, especially the increasing costs of new technology.

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<sup>138</sup> Miller Paige L “Barriers Preventing Access to health Care Services for Women in Rural Samoa. MA Thesis University of Ohio, 2005. Available at [www.ohiolink.edu/etd/send-pdf](http://www.ohiolink.edu/etd/send-pdf).

## **Child Mortality**

In 2003, the death rate for babies born live in Samoa was 12 per thousand births. This was down from 17 per thousand births in 2001 and 25 in 1991. The Development Report lists the following as the main reasons for this rate.

- Lack of knowledge by the mother about how to care for the baby during pregnancy (e.g. working too hard)
- Insufficient advisory visits to the Doctor
- The mother having some serious disease during pregnancy (e.g. diabetes, hypertension)
- Babies being born with certain ailments that contribute to mortality (e.g. heart conditions) because they cannot be operated on in Samoa.

The Millennium Development Goals are to halve this mortality rate by 2015. Some of the measures advocated to reduce child mortality are: greater educational programs for both expectant parents, better training for midwives and a general improvements in the living conditions for all people. Achieving all these will require additional funds to be spent on health care.

## **School Education**

Government policy is that education is compulsory and free for 9 years from 5 to 14 years. The Government does not collect fees, but local communities (school committees) levy fees mainly to cover maintenance. The government funds free stationery, teacher salaries, curricula, and books.<sup>139</sup> Despite the policy of compulsory and free primary education the Samoa Development Report<sup>140</sup> states that in 2003, only 84% of primary school aged males and 83% of primary school aged females were enrolled at primary schools

Secondary education lasts for five years from 14 to 19. In 2003, according to the Samoan Development Report, 62% of girls and 46% of boys were enrolled in secondary school. The Government apparently claims a 99.9% literacy rate for 15-24 year olds, but as the Development Report points out, given the above enrolment statistics, this cannot be possible.

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<sup>139</sup> Chowdry K "Technical assistance to the Independent State of Samoa for Preparing the Education Sector Project 11. Asian Development Bank December 2003.

<sup>140</sup> Samoa Development Report page 177

An ADB report in 2003<sup>141</sup> found that graduates of secondary school had low levels of functional literacy and numeracy. The study found that more than half the secondary school students drop out. It found that one main cause of dropping out was the low level of learning outcomes as demonstrated by end of year examinations. Another cause seemed to be related to high tuition fees. It suggested that the underlying causes of dropping out should be examined. The study also found that students completing secondary school and passing examinations to enter post secondary and university courses had deficient basic numeracy and literacy skills. This study indicates that despite progress in improving education in Samoa, a lot more is needed to lift the quality and efficiency of education to required levels. Potential migrants will find a much higher quality education system available in Australia and New Zealand and this influences Samoans' desire to migrate.

### **Tertiary Education**

In 2006 the National University of Samoa amalgamated with the Polytechnic to create a mega tertiary institution. Prior to the merge the NUS had sixteen programs and a student population of about 1,400. It offered courses in Arts, Commerce, Computing, Education (teacher training) and Nursing.

The Polytechnic offered courses in business, and tourism, and a wide range of technical subjects such as automotive engineering carpentry etc, and a school of maritime training. There is a problem in funding this level of tertiary training. Seeking economies of scale by reducing duplication was one of the main reasons for this merger.

### **Poverty Index**

In Samoa the extended family has traditionally offered help to family members who needed it. The 2006 National University of Samoa Development Report<sup>142</sup> states that in the past this sharing evened out a lot of material wealth differences. The fact that a high proportion of the population lived in villages practicing subsistence agriculture and fishing, means that the traditional World Bank definition of poverty as applying to people living on less than US\$1 a day was less relevant in Samoa.

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<sup>141</sup> Chowdry K "Technical assistance to the Independent State of Samoa for Preparing the Education Sector Project 11. Asian Development Bank December 2003.

<sup>142</sup> Samoa Development Report page 58

The Development Report states that the issue of poverty is therefore quite a new public concern in Samoa. The Government has no specific policies for poverty alleviation but is trying to improve livelihoods especially through private enterprise and by increasing access to better quality infrastructure, education and health services and diversifying the village economy and strengthening rural social institutions.

Poverty seems to be reducing. The 2002 Household Income and Expenditure Survey showed that about 8% of the 23,000 households registered in the 2001 census were below the food poverty line and could not meet the costs of a basic nutritional diet compared to 48% in 1997. This suggests a significant improvement in the standard of living in Samoa.

### **Sustainable Livelihoods**

The Development Report defines these as “*ways of earning a living that are secure and do not deplete the resources they depend on*” It states, “*in a small island country like Samoa, sustainability of livelihoods is becoming increasingly difficult and complex ..... Samoa’s economy is predominantly village based agriculture subsistence, which is often supplemented largely by fishing or transfers from overseas as remittances.... But while this has a much lower environmental impact than commercial agriculture for export; it does not produce the foreign exchange necessary to support a modern society. This dilemma confronts Samoa’s leaders. Supplementing subsistence agriculture with remittances is one of the main ways that Samoa is currently resolving this dilemma*<sup>143</sup>.

### **Conclusion**

Although Samoa is a developing country with significant problems, the above summary shows that the quality of life is improving. Unlike Fiji, emigration from Samoa does not appear to have led to a significant brain drain and Samoa does have the resources to invest in tertiary training although more resources are needed in primary and secondary education.

Emigration appears to be making a significant contribution to this improvement; both by relieving pressure on limited resources, and because the high levels of remittances from emigrants supplement the income of their extended families and make a

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<sup>143</sup> Samoa Development Report pages 47-48

significant contribution to the economy. The traditional culture's reliance on extended families to share resources and provide social protection has transferred to the host societies and is continued by the remittance culture.

## **15. Improving Health Protection in the Pacific Islands: Development Assistance to Pacific Island Health Systems**

The New Zealand Ministry of Health reported that the aid budget is where New Zealand funds improvements in Pacific Island health care and that the Health budget is to provide health care in New Zealand. This report takes a brief look at how both the New Zealand and Australian aid budgets are trying to improve health care in Pacific Island countries with a focus on how the provision of health care may affect returning migrants.

### **15a New Zealand Agency for International Development Medical Treatment Scheme (MTS)**

New Zealand Development Assistance has recognized that Pacific Island health systems are not able to provide all the health care that their citizens need. NZAID provides funding through its country programs for a variety of health projects.

A 2005 study examined how both New Zealand and Australia were complementing health care funded by Pacific Island Governments through their Development funding.<sup>144</sup> The study looked in detail at the NZAID Medical Treatment Scheme which has provided specialist medical treatment in New Zealand (and in Fiji for people from Tuvalu) for people from a number of Pacific Island countries where the required treatment was not available in their own country for over 24 years. Countries participating in the MTS include Fiji, Kiribati, Samoa, Tonga, Tuvalu and Vanuatu This scheme costs about US\$1.33 million (NZ\$1.5million) a year which is a relatively small sum compared to the need. The above amount has two strands

- Paying for about 30-40 Pacific Island residents to receive treatment in a New Zealand hospital. These operations average about US\$22,000-28,000 (NZ\$30-40,000) per operation. The program covers the costs of treatment from arrival in New Zealand until departure. In some cases a contribution is made towards living expenses.

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<sup>144</sup> Clark, Kevin & Quinn, Marion (April 2005) "Report on the Implementation of the NZAID Medical Treatment Scheme Review Recommendations".

- Paying for New Zealand surgeons to visit the Pacific Islands and operate there, if the problem is a lack of specialized staff.

The patient's assessment form used to evaluate scheme eligibility<sup>145</sup> determines that:

- individuals being referred for treatment under the MTS should be citizens of the referring country and normally resident within the country. Dual citizens (i.e. those with New Zealand passports) are not eligible for treatment under the MTS. (This criteria would also exclude any Pacific Islanders with Australian citizenship even though they do not qualify for health care in Australia.)
- those being referred should lack the funds to pay for the necessary treatment. This includes (but is not necessarily limited to) personal wealth, government or private or company health insurance schemes, church or voluntary agency funds

Thus this scheme offers assistance to Pacific Islanders who are not eligible for medical treatment in New Zealand although it appears that returning migrants who are not New Zealand citizens but who have returning New Zealand visas may qualify. Despite this, the Aid scheme attempts to complement the New Zealand criteria for accessing health care in New Zealand and ensure that Pacific Island residents are not able to access both schemes. However it appears not to complement the Australian criteria for accessing Medicare.

Patients selected under the MTS must have a life threatening or seriously debilitating medical condition but with a good prognosis, and some conditions are excluded. Treatment can be accessed when the faculties and equipment are not available, the qualified staff are not available, or post operative care is not available.

Some examples of the operations made available under the above criteria are angiograms (to check the state of arteries in possible heart operation patients), heart operations (e.g. Inserting Stents, Bypasses and valve replacements) and some pediatric surgery (e.g. heart related pediatric surgery)

The review of this scheme found continuing rationale for the scheme based on humanitarian grounds, New Zealand's historical, social and cultural relationships with Pacific countries and NZAID's geographical focus on the Pacific region. The review found that the MTS responds to poverty of opportunity given that Pacific Island countries

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<sup>145</sup> Clark and Quinn. Page 72.

lack the capacity to treat many conditions and most people are unable to afford access to overseas treatment. It concluded that maintenance of a comprehensive health care system is unrealistic for most Pacific Island countries given their size, isolation, limited health budgets and lack of medical personnel and infrastructure. It found that it is unrealistic and not cost effective or clinically feasible to provide a full range of specialist medical services in Pacific Island countries and that the MTS helped to fill gaps in health care provision.

### **15b AusAID Pacific Island Project (PIP)**

Australian Aid has a similar scheme to fund specialists to visit Pacific Islands and carry out similar operations

The AUSAID PIP programs organizes around 35 in-country medical specialist team visits a year to Pacific countries with each team averaging three team members. The programs, managed by the Royal Australasian College of Surgeons (RACS) commenced in 1995 based on a needs assessment of Pacific countries. Expenditure over the 5 year programs commencing in late 2001 is estimated to be around US\$5.9 million (Aus\$6.75million). Specialties covered by the PIP include ophthalmology, cardiac surgery, neurology/neurosurgery, general medicine, radiology, paediatric surgery, urology, anaesthesia and dermatology. Countries involved in the programs are Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The programs has five components. These components (with associated objectives) are:

- clinical services – to provide tertiary health care services to selected Pacific Island countries through a planned programs of visits by qualified Australian and New Zealand medical specialists and support staff;
- Training – provision of on-the-job training to medical staff to enable them to become more self- reliant in the provision of services in selected areas of tertiary health care;
- Priority Health Needs Fund – to respond effectively to emerging priority health needs identified by RACS, agreed by AusAID and endorsed by PIC officials (the fund consists of US\$195,000 (Aus\$225,000) to be allocated for projects, workshops, etc. usually not normally exceeding US\$22,000 (Aus\$25,000) each).

- Regional training programs for diabetes and related non-communicable diseases – to increase the capacity of PICs to deal with the increasing burden of diabetes and related NCDs.
- Project management – to efficiently and effectively manage the project within the budget and timeframe agreed.

AusAID has also funded a number of large Institutional Strengthening Projects in the health sector in Pacific countries including Fiji, Samoa, Tonga and Vanuatu. While these do not focus specifically on the secondary/tertiary health sectors, they aim to build the capacity of the health system in general including, strategic planning, HRD, organizational development and information systems.

The aid schemes and the conclusions of the review combined show that health care in Pacific Island countries is not as comprehensive as in either host country. One argument against portability therefore is that migrants returning would find it difficult to receive the more expensive operations outlined above. New Zealand citizens may be better off returning to New Zealand and accessing health care there than if they lost access to New Zealand health care because of the introduction of a portable health benefit. Operations costing about US\$22,000-29,000 each (NZ\$30-40,000) are beyond the health budgets of most Pacific Island countries.

### **15c Overseas Medical Treatment Schemes Funded By Pacific Island Governments**

In addition to above schemes some Pacific Island governments have their own government funded overseas medical treatment schemes but these are limited. For instance both Samoa and Tonga fund some medical operations overseas with the majority of patients being treated in Auckland. In 2003/04, Samoa provided around US\$2,100,000 for overseas treatment and Tonga around US\$350,000. .

### **15d The need for Better Donor Coordination of Health Aid**

The MTS review highlighted another problem. Discussions with Pacific MOH officials and a number of regional organizations and donors acknowledged the lack of donor coordination in the sector and the limited impact of assistance in building country and regional capacity to address secondary and tertiary health needs. The review report recommended that NZAID consider initiating a regional meeting of key stakeholders involved in secondary and tertiary health sectors to develop a regional response and a

more coordinated approach to provision of assistance in the health sector. However, no steps have been taken to this point.

## **Conclusion**

One disadvantage of portability of health benefits is that Pacific Island countries are not able to fund a health system that offers the same standard of care as residents of New Zealand or Australia enjoy. Inadequate funding levels means there is a shortage of facilities and trained personal. Funding expensive operations, which older residents are more likely to require, is a significant problem.

Migrants over 65 who return home from New Zealand are able to return to New Zealand for health care if they have permanent residency or citizenship. This is a significant advantage of the New Zealand health system. The New Zealand Aid budget assists Pacific counties with costs of some high cost operations, but the numbers funded are small compared with the population and the need.

Australian migrants returning home lose their entitlement to Medicare after five years, and would thus have to rely totally on the home country's health care. This is a disincentive to return for Australian based Pacific Islanders. Even if health benefits were made portable those returning to a Pacific country with their portable health benefit would not receive the same standard of care as if they remained in Australia. Portability cannot buy good health care if it is simply not available.

Improving health care in Pacific Island countries so that returning migrants receive similar levels of treatment to those available in New Zealand and Australia will be a long term project.

## **Recommendation Twelve**

That in view of the important of improving health care as a possible incentive for former migrants to return home and the importance of Aid donors in achieving such improvements, the World Bank support and possible initiate a regional meeting of key stakeholders involved in secondary/tertiary health sectors to develop a regional response and a more coordinated approach to provision of assistance in the health sector.

## **Summary of Main Points in Part Three**

- A significant value of migration for Pacific Island countries is the remittances migrants send back to their home countries. Remittances by former migrants have a significant impact on the economies of Pacific Island countries with high levels

of emigration. A recent IMF study showed that remittances are still growing rapidly.

- The main reason for low emigration and therefore low remittances to the Melanesian countries of Papua New Guinea, Solomon Islands and Vanuatu are the emigration policies of New Zealand and Australia which do not provide opportunities for unskilled migration from these countries. Comparisons between these Melanesian countries and the high migration countries of Samoa and Tonga suggest that the lack of opportunities to migrate is one significant cause of their low rates of economic growth and high unemployment.
- Migrants returning home with a portable superannuation benefit provide another form of financial transfer to Pacific Island countries. Increasing the numbers receiving New Zealand superannuation in a Pacific Island country would assist local economies and because payments are taxed in the Pacific Island country, it would improve the local tax base. Tax paid should cover the costs of any demands such people make on home countries' health or social services.
- Further research is needed to identify what further policy changes would be required to increase the number of people receiving New Zealand superannuation in a Pacific Island country.
- Overall social protection in both Fiji and Samoa is very weak providing little incentives for migrants to return. Improving the social protection for returning migrants could be an important incentive. Improving the quality of health care in Pacific Island countries could be especially important
- In Fiji there seems room for improved social protection in labor markets and in the use of the National Provident Fund.
- In Samoa improvements could be made in the operation of the education system, particularly the secondary school system and in the provisions of tertiary health care.
- Improving health care systems is an important part of the aid programs of both New Zealand and Australia. Given scarce resources it is important for donor countries to work together to ensure that the total resources available are used in the most effective ways to build country and regional capacity to address secondary and tertiary health needs.

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## **Appendix Two: Methodology**

The information on which this study was based was mainly provided by Government agencies and some non governmental agencies working with migrants in both Australia and New Zealand. Information was gathered by conducting telephone interviews or by sending a written questionnaire. This methodology followed that used in an earlier World Bank Study dealing with the issue of portability regimes of pension and health care benefits.<sup>146</sup> The same questions used in this earlier study with some additional questions resulting from this study's wider brief were submitted to relevant agencies. Some of the agencies suggested that the questions did not totally reflect the situation in Australia and New Zealand where much of the social services are provided out of general taxation.

Some face to face discussions, using the same questions were held with agencies based in the Wellington region which is where the consultant is based and some informal discussions were held in Fiji during the consultant's visit as part of another project. The consultant also used the results of his earlier study dealing with the Settlement patterns followed by Pacific Island migrants. This study conducted 4 focus group discussions with the Pacific Island community in the Wellington region.<sup>147</sup>

Most agencies preferred to respond to written questions rather than answer over the telephone. Some agencies produced written responses to the questions. A more common response was to refer the consultant to relevant websites. As the list of references shows the internet has been the most important source of information. The study found that Government Agencies in both New Zealand and Australia are using the web to publicize current policy and that this is the best source for the most recent information including policy changes. .

In some cases, particularly with regard to the key issue of portability follow up discussion with relevant agencies were held to obtain more detailed information than was available on the Internet.

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<sup>146</sup> Holzmann, Koettle and Chernetsky. "Portability regimes of pension and health care benefits for international migrants: an analysis of issues and good practices. World Bank September 2006.

<sup>147</sup> Geoff Woolford. "Framework for the Development of a Wellington Regional Settlement Strategy. Report to the Wellington Regional Mayoral Forum". April 2005.

## **Appendix Three: List of Agencies Consulted**

### **New Zealand**

- Ministry of Pacific Island Affairs.
- Ministry of Ethnic Affairs
- Labour Department
- Immigration Division
- Ministry of Health
- Ministry of Social Development Work and Income
- Department of Statistics.
- Ministry of Education.
- Tertiary Education Commission.
- New Zealand Council For International Development
- Embassy of Samoa
- Agencies providing information and assistance directly to migrants
- Porirua Settlement network.
- Porirua Community Law Centre
- Wellington City Council Settlement Network

### **Australia**

- Department of Immigration.
- Centre Link.
- Australian Treasury
- Australian Taxation Office
- New Zealand Embassy

Individuals involved in working with Pacific Island migrants. (Views may not reflect the official views of their agencies)

- Katerina Taeiawa Canberra
- Karen Ruku, Sydney

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