



31 July 2009

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Dear Sir/Madam

The Australian Industry Group (Ai Group) welcomes this opportunity to provide comment on the prospective trade and economic agreement between Australia, New Zealand and Forum Island Countries (FICs), known as the Pacific Agreement on Closer Economic Relations (PACER) Plus.

We note the Forum Island Countries include: the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, the Republic of the Marshall Islands, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu (the Fiji Interim Government is currently suspended from meetings).

Ai Group supports the Federal Government's proposal to commence negotiations on PACER Plus, and its objective to include in the Agreement's framework trade capacity building and trade development assistance to strengthen Pacific island countries' ability to trade.

The proposed unique characteristics of this trade and economic agreement will underpin its distinctiveness from other free trade agreements previously concluded by Australia, as it provides a framework for greater trade and economic integration between FICs and supports their integration into the global economy.

Ai Group supports the Government's primary motivation in supporting PACER Plus to assist FICs to promote sustainable economic development. We would also welcome the resultant market access improvements, which may deliver benefits to Australian industry through enhanced opportunities for Australian exporters, investors and service providers in Pacific markets.

In developing the scope of the Agreement, Ai Group would strongly support the inclusion of a labour mobility program which would assist both Australian industry and FICs economies.

Given the continued significant shortages of labour in the horticulture industry in regional Australia, Ai Group strongly supports the examination of programs which, through their inclusion in the PACER Plus agreement, could potentially contribute to addressing these shortages.

The shortage of seasonal workers in this sector continues to be a major problem, with indications that up to 100,000 additional agricultural workers will be needed over the next five years. The high turnover rate of seasonal workers combined with many of these jobs involving a low skills set, means that employers face greater barriers in accessing the existing temporary skilled migration programs.

The high rates of unemployment for unskilled workers in many Pacific island countries would appear to indicate a complementarity in needs that could help address Australia's current shortages in these areas.

The inclusion of a labour mobility program in the PACER Plus agreement would create opportunities for Australian industry to make substantial resource investments through up-skilling of Pacific island workers, and would lead to a likely increase in remittances to workers' home countries.

Ai Group looks forward to the announcement of the first round of PACER Plus negotiations, following the conclusion of the domestic consultation periods. We encourage the Government to continue its ongoing consultation with industry throughout the negotiation process.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Innes Willox', written over a horizontal line.

**Innes Willox**  
Director – International and Government Relations