



**PACER Plus**  
IMPLEMENTATION UNIT

# Scoping Report: Intra-Pacific labour mobility to address labour shortages in Niue and Cook Islands



### **Acknowledgements**

This report was developed by Dr. Alisi Kautoke Holani, Labour Mobility Specialist at the PACER Plus Implementation Unit (PPIU) and Dr. Charlotte Bedford of the Australian National University. The report and the scoping missions to Cook Islands and Niue were funded by the PACER Plus Implementation Unit.

## Executive summary

As sovereign states in free association with New Zealand, Cook Islands and Niue nationals are automatically granted New Zealand citizenship and free access to New Zealand. This inadvertently has enabled significant outflows of Niueans and Cook Islanders to New Zealand since the 1970s resulting in about 90% of the Cook Island population and 95% of the Niue population living overseas. In consequence, stringent labour shortages have arisen across all sectors in both countries impeding prospects for sustainable economic development. The governments of both countries are now increasingly looking to labour mobility to address these shortages.

As Parties to the PACER Plus Agreement, Cook Islands and Niue have requested formal recognition of their status as labour receiving countries and requested the development of a strategy to facilitate the movement of workers from Pacific labour sending countries to fill labour shortages in their countries. In response to this request, the PACER Plus Implementation Unit (PPIU) in collaboration with the Australian National University (ANU) conducted scoping visits in March and May 2023 to assess the level of labour shortages and determine the context for an intra-Pacific labour mobility strategy for Cook Islands and Niue.

### Key Findings:

The key findings from the scoping study are as follows:

- **Nature of Labour shortages:** Stakeholder consultations in Cook Islands identified that the prominent labour shortages are in the tourism, retail, agriculture, health and education sectors, tourism being the top priority. Compared to other Pacific Island Countries, Cook Islands suffered the largest economic contraction in FY2021 due to the impact of COVID-19 on the country's tourism industry. Economic recovery is now the primary priority for the country and there is an urgent need for labour across all skill levels ranging from housekeeping, food and beverage, front desk to managerial roles. For Niue, the urgent need is in the social services sector particularly for nurses. According to the Ministry of Health, 15 nurses are required for the effective operation of the Niue hospital but there are only 6 permanent clinical nursing staff employed. There is also demand for doctors, lab technicians and pharmacists.

For both countries, the demand is not for seasonal or short-term labour but for longer-term employment of 2 – 3 years. There is preference for workers from the Pacific given the similarities in culture and the priority for both countries to ensure integration and assimilation to the local society and culture.

**2. Incentives for Intra-Pacific Labour Mobility:** The primary incentive that would attract other Pacific workers to Niue and Cook Islands is the wage rate. According to INTAFF, the regulated minimum wage in the Cook Islands as of 1 July 2023, is at NZD9/hour. In Niue, there is no regulated minimum wage, but the prevailing minimum wage is at NZD7/hr. Compared to other Pacific Island Countries, the minimum wage rates in Cook Islands and Niue are much higher, at double or four-fold in some countries, therefore providing an incentive for workers.

Another incentive is skills development and opportunities for skills transfer to support local private sector development. The labour demand in Cook Islands and Niue are relatively more aligned to the priority development sectors in Pacific labour sending countries. Tourism for example is a priority sector for almost all Pacific Island Countries hence labour mobility to Cook Islands, with its relatively more developed tourism industry, can facilitate skills development of tourism and hospitality workers who can return, and transfer acquired skills for local development in their countries of origin. Such opportunities can also foster networking amongst the private sector in these countries which would not only facilitate effective management of labour mobility to deliver mutual gains but would also provide for further intra-Pacific trade and investment opportunities.

**3. Current Labour Mobility Arrangements:** The recruitment and mobilisation of migrant workers are predominantly managed by individual private sector businesses through informal processes. All

stakeholders indicated that the current processes are highly costly and inefficient and recognise that the lack of formal processes including pre-departure screening in countries of origin poses high risks including falsification of documentations and character tests. Stakeholders voiced the need for an inter-governmental labour mobility arrangement to address these risks and facilitate a more efficient recruitment and mobilisation process to meet their labour demands.

**4. Constraints to facilitating intra-Pacific labour mobility:** The following were identified as the key constraints to facilitating the movement of workers to Cook Islands and Niue:

i. **Accommodation:** There is a lack of affordable long-term accommodation to meet the level of migrant labour demand in both countries.

ii. **Regulatory framework for labour mobility:** Cook Islands has a more robust suite of regulations including its Immigration Act 2021 and Regulations 2023, and its Employment Relations Act 2012 and Welfare Act 2014. Niue, on the other hand, does not have an employment legislation and its Immigration Act requires significant improvement to facilitate labour mobility.

iii. **Governance framework for labour mobility:** A number of different stakeholders play a role in the management of labour mobility but there is no mechanism to effectively coordinate and facilitate collaboration.

iv. **Capacity of labour departments:** In addition to their policy and regulatory role, labour departments must also have a robust enforcement capacity to manage the operational side of labour mobility, respond to employer and worker welfare issues and strategically review the labour mobility schemes to ensure compliance with international standards and the needs of the labour sending countries. The Cook Islands Labour Division has confirmed that they currently lack this capacity and Niue does not have a labour department.

v. **Capacity of labour sending countries:** The additional demand from Niue and the Cook Islands would compete with demand from Australia and New Zealand for limited semi-skilled and skilled labour pools in Pacific labour sending countries. It would also impose on the limited capacities of Pacific Labour Sending Units (LSUs) to facilitate worker recruitment and mobilisation. Not all Pacific labour sending countries may have the capacity to participate in the intra-Pacific labour mobility scheme to Niue and Cook Islands thus warranting careful assessment of and consultations with prospective labour sending countries.

### **Key Recommendations:**

1. **Design of long-term intra-Pacific labour mobility schemes:** A sustainable long term intra-Pacific labour mobility scheme is necessary to address labour shortages in the Cook Islands and Niue. However, the successful introduction and implementation of such a scheme requires the resolution of constraints discussed above. It is therefore recommended that the long term intra Pacific labour mobility scheme is developed after the implementation of the recommendations below.

2. **Pilot programmes to address immediate labour shortages:** In view of the urgent labour needs in both Cook Islands and Niue, it is proposed that pilot arrangements are launched for priority sectors – tourism for Cook Islands and nursing for Niue.

3. **Assessment of regulatory and institutional frameworks:** It is recommended that an assessment of the existing regulatory and institutional frameworks is undertaken by the PPIU and the ILO to determine if further reforms are needed to support the effective facilitation of intra-Pacific labour mobility to Cook Islands and Niue.

4. **Accommodation Solutions:** The provision of worker accommodation is the responsibility of the labour receiving country. It is therefore recommended that the governments of Niue and Cook Islands consider feasible accommodation options to facilitate the proposed pilot programmes and potential longer-term schemes.

5. **Promotion of labour mobility opportunities:** Awareness of the labour mobility opportunities in the Cook Islands and Niue may be low. The Cook Islands and Niue should utilise opportunities such as the Pacific Labour Mobility Annual Meeting (PLMAM) and other regional forums to raise awareness of employment opportunities available to Pacific workers.

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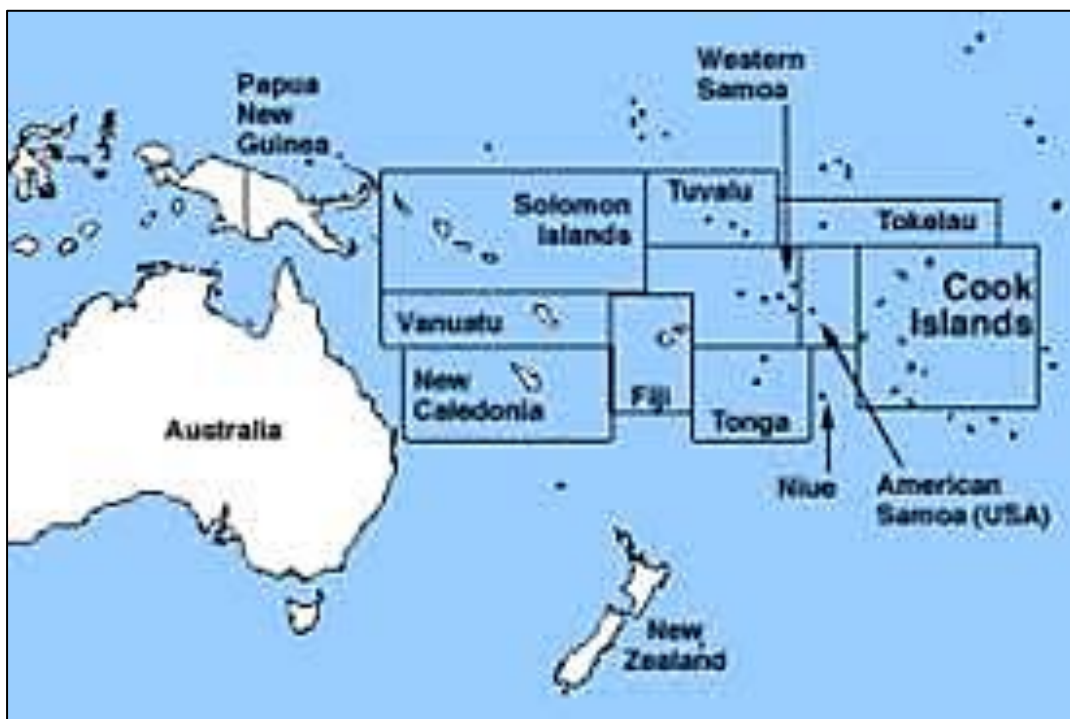
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# 1 Introduction

Niue and the Cook Islands are sovereign states in free association with New Zealand and are automatically granted New Zealand citizenship and free access to New Zealand. This constitutional status has enabled a significant outflow of Niueans and Cook Islanders to New Zealand since the 1970s resulting in about 90% of their populations living overseas. Access to the New Zealand labour market and education system continue to draw many young Niuean and Cook Island nationals out of their countries resulting in extensive labour shortages. These labour shortages have been identified as stringent constraints to sustainable development and the governments of both Cook Islands and Niue are now increasingly looking to labour mobility to address these shortages.

The PACER Plus Arrangement on Labour Mobility (ALM) provides the scope for exploration and utilisation of new labour mobility opportunities outside of existing labour mobility schemes to Australia and New Zealand. During the 2022 Pacific Labour Mobility Annual Meeting (PLMAM) in Samoa, Cook Islands and Niue requested formal recognition of their status as labour receiving countries and requested the development of a strategy to facilitate the movement of workers from Pacific labour receiving countries to fill labour shortages in their countries. In response to this request, the PACER Plus Implementation Unit (PPIU) in collaboration with the Australian National University (ANU) conducted scoping visits in March and May 2023 to assess the level of labour shortages and determine the context for an intra-Pacific labour mobility strategy for Cook Islands and Niue.

This report provides the outcomes of the scoping studies conducted. The report is divided into three sections – the first section establishes the background for the scoping and discusses the policy and labour market contexts in the Cook Islands and Niue. This is followed by a section on the key findings from the scoping visits and the final section provides the key recommendations for the way forward on developing an intra-Pacific labour mobility strategy for Cook Islands and Niue.



## 2 Policy and Labour Market Context

This section outlines the context for facilitation of intra-Pacific labour mobility to Cook Islands and Niue by assessing the current policy infrastructure and labour market in the two countries.

### Policy Context

#### i. Cook Islands

- **National strategic development plans**

The National Sustainable Development Agenda (NSDA) 2020+ provides a 100-year roadmap that outlines the country's development priorities at a generational scale. Aligned to this 100-year roadmap, are the country's 25 year medium-term and 5-year short term plans. The vision of the Cook Islands NSDA 2021-2121 is for "An empowered, innovative and environmentally conscious people who are grounded in our culture and languages, with the highest quality of wellbeing in life". This vision is to be achieved in the first 25 years through 6 "golden targets" which includes reducing food imports to 5% of 2020 rates, reducing Non-Communicable Diseases (NCDs) by 25% of 2020 levels, and reducing anthropogenic emissions into the atmosphere. In the first 5 years, 2021-2025, progress is to be measured by 12 goals, each with underlying indicators. These goals include:

- Goal 1: Wellbeing for all – which calls for increased wellbeing of the employed, youth, elderly, families, and parents and children in the Cook Islands
- Goal 2: Welfare and Equity – which prioritises the alleviation of economic hardship, improving the distribution of wealth, and promoting economic equity
- Goal 3: Economy, Employment, Trade and Enterprise – where the focus is on increasing individual incomes, improving national economic growth, increasing economic diversity, increasing tourism growth, promoting economic stability, and minimizing the barriers to doing business

Labour mobility and the issue of labour shortages are not mentioned explicitly in the NSDA 2020+ roadmap or in the subsidiary 25 and 5-year plans (although challenges of out migration are noted under Goal 14: A sustainable population)<sup>1</sup>. Consultations with key stakeholders in the Cook Islands however confirmed that labour shortage is a fundamental development constraint, and that labour mobility is critical to addressing this constraint and achieving the country's strategic development goals.

- **Labour regulations and policies**

As a member of the ILO<sup>2</sup>, the Cook Islands has benefited from support for the development of its labour regulations and institutional framework. Through the support of the ILO, the Cook Islands developed its Employment Relations Act (ERA) 2012, which replaced the Industrial and Labour Ordinance (1964). The ERA 2012 provides the regulatory framework for employment in the Cook Islands and ensures that minimum standards for decent employment are enforced. It provides for freedom of association and collective agreements, outlines standards for individual employment agreements as well as minimum terms and conditions of employment, it also provides procedures for addressing discrimination, harassment and duress in the workplace, and provisions for ensuring the health, welfare, and safety of workers.

In 2019, the Government of the Cook Islands and the ILO also signed a Memorandum of Understanding (MOU) to collaborate, promote and advance decent work in the Cook Islands. The MOU agreed on the following priorities:

- Priority 1: Advance labour law reform and improve labour administration in line with international labour standards.

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<sup>1</sup> Labour shortages are covered to a limited extent in the National Population Policy 2022-2025, in relation to the tourism sector.

<sup>2</sup> Cook Islands became the 186<sup>th</sup> member of the ILO in June 2015. Prior to accession, Cook Islands was able to request and benefit support from the Cook Islands to develop its labour regulatory and institutional frameworks.

- Priority 2: Enhance labour force development and opportunities for inclusive growth and improved employment prospects, with special attention given to youth, women, and persons with disabilities.
- Priority 3: Promote social dialogue, tripartism and strong representative employers' and workers' organizations.

Under this MOU, the ILO agreed to mobilise resources and development cooperation to support the implementation of the Decent Work Country Programme.

- **Labour institutional framework and industrial relations**

The Labour and Consumer Division of the Cook Islands Ministry of Internal Affairs (INTAFF) is responsible for the administration of the Cook Islands Employment Relations Act 2012 and enforcement of the Employment Relations Regulations 2012. There are also a number of workers' organizations in the Cook Islands, including the Public Service Association, the Cook Islands Workers Association (CIWA), the Nurses Association and the Teachers Association. The largest union is the CIWA which is affiliated to the International Trade Union Confederation and consists of 1,200 members.

- **Immigration regulations**

The Cook Islands introduced its new Immigration Act in 2021, and Regulations in April 2023. The Immigration Act manages immigration to the Cook Islands including the entry of migrant workers seeking to enter the Cook Islands employment market. Migrant workers must acquire a work visa and must therefore meet visa requirements including evidence of English language proficiency, a written offer of employment in the Cook Islands that meets the minimum terms and conditions required by the Employment Relations Act 2012. Work visas can be up to a term of 3 years.

The Immigration Act and Regulations also clarifies the role of employers. Employers are required to ensure that worker's employment contracts comply with minimum standards in the ERA 2012 and requires labour market testing before recruiting migrant workers. Evidence confirming compliance with these provisions are required before visa approval.

## ii. Niue

- **National strategic development plans**

The Niue National Strategic Plan 2016-2026 provides the high-level roadmap to guide the Niue government's development priorities and strategies in the 10-year timeframe. Its vision is "Working together to protect the people and the environment" and is supported by a mission of building "a prosperous Niue responsibly and sustainably, to meet social and economic needs and development aspirations while preserving Tāoga Niue culture and heritage values and protecting our environment"<sup>3</sup>. The delivery of these high-level goals is hinged on seven (7) pillars: Finance and Economic Development, Governance, Infrastructure, Social Services, Environment and Climate Change, Taonga Niue (Niue cultural heritage), and Private Sector.

Similar to the Cook Islands, labour mobility and the issue of labour shortages are not explicitly mentioned in the Niue National Strategic Plan. Consultations with key stakeholders nonetheless highlighted the significant labour shortages across different sectors and their impact on sustainable development in Niue. These stakeholders indicated that addressing labour shortages is an underpinning requirement for almost all the pillars in the Niue National Strategic Plan.

- **Labour regulatory and institutional frameworks**

Niue does not have a labour or employment regulation and therefore does not have a department responsible for labour and employment issues. Public service employment is covered under a public service

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<sup>3</sup> Niue Government, 2015 Niue National Strategic Plan 2016-2026 pg. 24



protocol administered by the Niue Public Service Commission. This protocol covers recruitment of expatriates to fill labour shortages in the public service. Private sector employment is not regulated.

- **Immigration regulations**

Immigration to Niue is governed under its Immigration Act 2011. A review of the legislation by the Pacific Immigration Development Community (PIDC) in 2022 revealed substantive issues and recommended the development of a new legislation. Some of the key issues identified included:

- Lack of detailed provisions for visa requirements and criteria
- Lack of an Immigration Regulations to enforce the Act
- the Act is not future-proofed and therefore would not support foreseen regional initiatives such as Advance Passenger Information (API), digital vaccination certificates, regional warning lists, and biometrics
- Lack of provisions for the refusal of permission to enter Niue, visa cancellation, removals and deportation
- Need to strengthen checks and balances including clearer articulation of that authority for exercise of powers under the Act

Consultations with the Niuean government confirmed that the development of the new Immigration Act is an urgent priority.

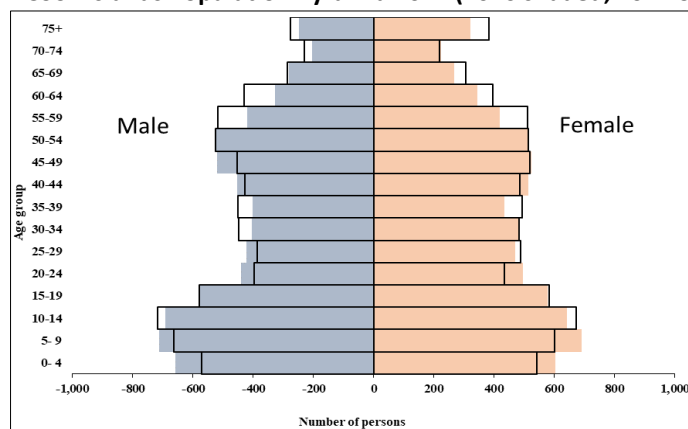
## Labour Market Context

### i. Cook Islands

#### 1. Population Profile

Until the early 1970s, the population of the Cook Islands was gradually increasing, reaching 21,322 in 1971. This trend reversed upon the opening of the Cook Islands international airport in 1974 as outbound migration to New Zealand grew resulting in negative population growth. In 2016, there was a slight increase with an annual growth rate of 2% reaching a total population of 17,434, but again dropped significantly in 2021. This substantial decline was largely due to the impacts of COVID-19 on the local tourism industry and the NZ-Cook Islands corridor being one of the few to remain open. As a result, out-migration from Cook Islands increased as locals sought employment overseas and a large percentage of migrant workers lost their jobs and were forced to return home. According to the 2021 Census, the Cook Island population dropped to 15,040, 14,987 were residents.

**Figure 1: Cook Islands Population Pyramid 2021 (2016 shaded; 2021 outlined)**



Source: Cook Island Statistics Office, 2021

Of the 14,987-resident population, 50.1% were female and over 72% resided in the main island of Rarotonga. 11,219 (74.9% of resident population) were of working age (15 years or older) including 22.5% who were 60 years or older. Cook Islands has a relatively high dependency ratio of 72% meaning that for every 100 persons of working age there are 72 dependent children and aged persons. A distinct feature of the Cook Islands population in 2021 was the decrease in the 20-29 age group compared to 2016, as shown

in Figure 1. The Cook Island Statistics Office (2021) assumes that this indent reflects the high number of young Cook Islanders migrating overseas for employment opportunities and tertiary education.

- **Labour Market**

The total Cook Islands labour force in 2021 was 7,733, 51.7% of whom were female. Of the total labour force, 68.1% were in employment, 72.2% of whom were males. The majority were paid employees (83.4%), 15.1% were self-employed or an employer, and 1.6% were employed in a family business without pay.

The public sector was the largest employer in 2021 (17.8%), followed closely by Wholesale and Retail Trade (17.5%). There were apparent declines in the agriculture, fishing and restaurant and accommodation sectors due to the impact of COVID-19. In 2016 the restaurant and accommodation sector for example, was the largest employment sector, employing 20.9% but decreased to 15% in 2021. Other sectors relating to tourism such as transport, arts and recreation were also affected.

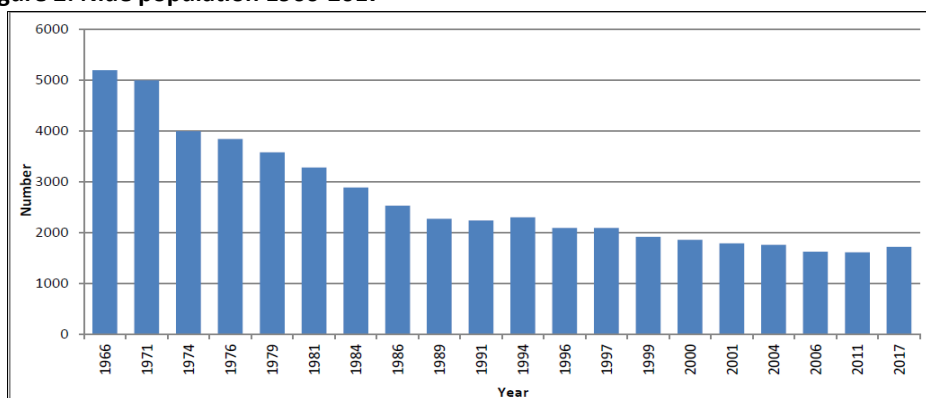
Unemployment saw a significant decrease, from 5.8% in 2016 to 1.2% in 2021. Over 50% of the unemployed population are in the 15-30 age group and are found to be engaged in home duties. Another 31.9% are retirees.

## Niue

- **Population Profile**

Similar to the Cook Islands, the population of Niue experienced a dramatic decline in the 1970s upon the opening of their international airport in 1974 prompting increased migration to New Zealand. Prior to that, as shown in Figure 2, the Niue population in the 1960s was over 5,000 but since declined to 1,719 in 2017. The population in 2017 experienced growth of 1.2%, the first increase to occur in the past 20 years.

**Figure 2: Niue population 1966-2017**



Source: Niue Ministry of Finance & National Planning, 2017

Of the 1,591-resident population in 2017, 52.1% were female. 1,144 were of working age (15 years and older), 52.4% female and 47.6% male, marking an increase from 1,074 in 2011, 50.2% male and 49.8% female. There were also increases in the 0-14 age group, from 386 in 2011 to 447 in 2017; and in the 60+ age group, from 240 in 2011 to 298 in 2017. These increases contributed to a rise in the dependency ratio from 75.1% in 2011 to 88.1% in 2017.

Similar to the Cook Islands, there was an identified prominent decrease in the 15-24 age group implying increased emigration of young Niueans for tertiary education and employment in New Zealand. This is also reflected in the median age of 33 in Niue compared to 20 of Niueans living in New Zealand.

- **Labour Market**

Niue's labour force in 2017 was a total of 785, 53.8% male and 46.2% female. Of the total labour force, 64.7% were in employment, 72.5% of whom were males. The majority were employed in the public sector (37.7%), 19% in private sector, and 8.1% were self-employed or an employer. About 3.7% of the labour force were engaged in unpaid employment mostly in voluntary or unpaid family duties.

Unemployment was at a low rate of 0.3%, which marks a decrease from 1% in 2011. Unemployment rate for women was slightly higher at 0.3% while male unemployment was at 0.2%.

## 3 Key Findings

This section outlines the key findings from the scoping visit to the Cook Islands and Niue.

### 3.1 Labour Shortages

The increased outflows, particularly of young working aged Cook Islanders and Niueans, have given rise to labour shortages. These shortages are further exacerbated by the low rate of long-term return migration by those who have emigrated. In consequence, the government and private sector in Cook Islands and Niue are resorting to migrant workers as the primary solution to addressing labour shortages.

#### i. Cook Islands

- **Skills shortages by industry:** Stakeholder consultations in Cook Islands identified that the prominent labour shortages are in the tourism, retail, agriculture, health and education sectors, tourism being the top priority. The tourism industry is the backbone of the Cook Islands economy contributing about 60% to the country's GDP. Compared to other Pacific Island Countries, Cook Islands suffered the largest economic contraction in FY2021 due to the impact of COVID-19 on the country's tourism industry. Economic recovery is now the primary priority for the country. Consultations with tourism operators revealed an urgent need for labour across all skill levels ranging from housekeeping, food and beverage, front desk to managerial roles.

Tourism development also requires growth across all sectors including the agriculture sector for the supply of food for local restaurants. Consultations with the agricultural sector also identified a need for semi-skilled and skilled labour to increase local food production for import substitution including farm management, production processes, quality assurance, technology and farm equipment/machinery, soil management and propagation.

In future, stakeholder consultations revealed that prominent skills shortages will also be in semi-skilled and skilled jobs in the aged care sector as well as in childcare and seabed mining.

- **Scale of labour demand:** Almost all stakeholders agreed that the demand is not for seasonal or short-term labour but for longer-term employment of 3-years. Private sector businesses suggested that this timeframe would enable the necessary upskilling of workers to meet their standards, and also generate a return on their investment. There was no clear indication of the approximate number of workers required but it was apparent that there is large scale demand particularly in the tourism industry to support economic recovery. The rising level of labour demand is reflected in the steady increase in the number of foreign residents in the Cook Islands, from 1,815 in 2011 to 2,138 in 2021.

- **Source countries:** The top labour source countries for the Cook Islands are the Philippines, Fiji and Indonesia. There are also smaller resident populations of Tongans, Samoans, Solomon Islanders and Ni-Vanuatu who work in the Cook Islands public and private sectors. Consultations with both government and private sector agencies indicated that while Asian workers are considered to be most hard working, the costs of recruitment from these countries are high and problems arising from language and cultural differences constrain effective assimilation into the Cook Islands society. Stakeholders indicated that recruiting from other Pacific islands would be much more cost-effective and cultural similarities would also enable easier integration.

## ii. Niue

- **Skills shortages by industry:** The Niue Chamber of Commerce indicated that the tourism industry is a leading viable development sector for Niue and there is a substantive demand for semi-skilled and skilled labour across the hospitality industry. Further consultations with the government and social services identified that there is a relatively acute shortage in healthcare workers with an urgent need for nurses. According to the Ministry of Health, 15 nurses are required for the effective operation of the Niue hospital but there are only 6 permanent clinical nursing staff employed. There is also demand for doctors, lab technicians and pharmacists.

There was also an identified demand for teachers particularly at the primary school level as the number of students from early childhood to Year 6 has gradually increased annually. The Department of Education indicated that the current priority need is for specialised teachers in specific subjects.

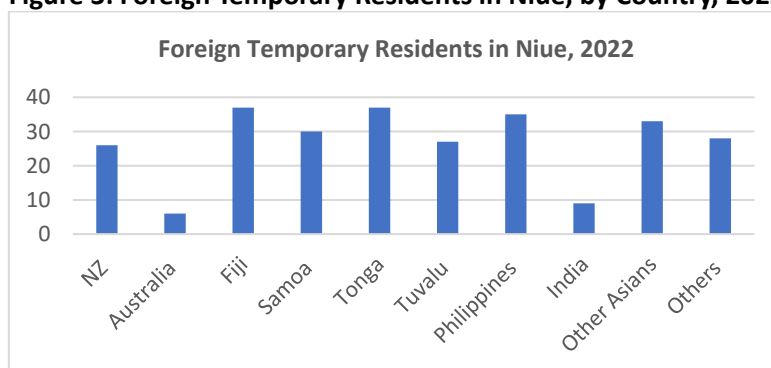
- **Scale of labour demand:** Again, as was the case for the Cook Islands, the demand for labour in Niue is longer term not seasonal. Private sector businesses indicated that given the high recruitment costs, the preferred employment term would be 2-3 years.

There was also a strong emphasis from stakeholders on the need to manage labour mobility to avoid large scale influx of foreign workers. Given the small population of Niue, almost all stakeholders indicated that labour mobility must be managed at a relatively small scale to prevent any erosion of the Niuean culture and language.

- **Source countries:** According to the Niue Immigration Department, the top labour source countries for Niue are Fiji, Tonga, Samoa and Philippines. This is reflected in the number of foreign residents in 2022 provided in Figure 3. The Pacific countries exporting labour to Niue are shown to be Fiji (13.8%), Tonga (13.8%), Samoa (11.2%) and Tuvalu (10.1%)<sup>4</sup>.

The common priority of protecting the Niuean culture and identity gives preference to Pacific workers over other ethnicities. Most stakeholders highlighted that it is a priority for the foreign workers brought in to be able to assimilate, respect and integrate well with the Niuean society and way of life.

**Figure 3: Foreign Temporary Residents in Niue, by Country, 2022**



Source: Niue Immigration Department, 2023

### 3.2 Incentives for Intra-Pacific Labour Mobility

- **Higher Minimum Wage:** The primary incentive that would attract other Pacific workers to fill the identified labour shortages in Niue and Cook Islands is the wage rate. According to INTAFF, the regulated minimum wage in the Cook Islands as of 1 July 2023, is at NZD9/hour. In Niue, there is no regulated minimum wage, but the Chamber of Commerce confirmed that the prevailing minimum wage is at NZD7/hr. Consultations with business operators in both countries indicated that most migrant workers are

<sup>4</sup> Over 100 Tuvaluans were resettled in the village of Vailea in Niue in the early 2000s, in response to climate change risks facing Tuvalu. This settlement may explain the ongoing inbound migration of Tuvaluans to Niue.

paid above the minimum wage. It is important that these wage rates are considered against the relatively high living costs in Niue and Cook Islands.

Compared to other Pacific Island Countries, the minimum wage rates in Cook Islands and Niue are much higher therefore providing an incentive for workers. Comparative minimum wage rates are provided in Figure 4 below.

**Figure 4: Comparative Minimum Wage Rates in the Pacific**

Country	Minimum Wage Rate (Year)
Cook Islands	NZD9 (2023)
Niue	NZD7 (2023)
Samoa	NZD1.78 or WST3 (2020)
Vanuatu	NZD4.20 or VT220 (2023)
Solomon Islands	NZD0.8 or SBD4 (2019)
Kiribati	NZD1.4 or AUD1.30 (2016)

*Source: Labour departments of each country*

- Skills development:** Most Pacific labour sending countries seek to leverage labour mobility for skills development and for these skills to be transferable for local development upon the return of these workers. Many of these countries have raised concerns regarding the misalignment of labour mobility demand in Australia and New Zealand with their development priorities thus limiting opportunities for skills transfers to support the development of priority sectors in the Pacific. Labour mobility demand in Australia and New Zealand is largely in the horticulture and meat processing industries yet these industries are largely non-existent in the formal economies of the Pacific.

The labour demands in Cook Islands and Niue are relatively more aligned to the priority development sectors in Pacific labour sending countries and, in this respect, incentivise participation in intra-Pacific labour mobility. Tourism for example is a priority sector for almost all Pacific Island Countries hence labour mobility to Cook Islands, with its relatively more developed tourism industry, can facilitate skills development of tourism and hospitality workers who can return, and transfer acquired skills for local development in their countries of origin. Such opportunities can also foster networking amongst the private sector in these countries which would not only facilitate effective management of labour mobility to deliver mutual gains but would also provide for further intra-Pacific trade and investment opportunities.

### 3.3 Current Labour Mobility Arrangements

It was important in the scoping to assess existing labour mobility arrangements in Cook Islands and Niue to determine if the necessary frameworks are in place to ensure that the rights and interests of both local employers and migrant workers are protected and upheld.

#### i. Cook Islands

- Recruitment Process**

The recruitment and mobilisation of migrant workers to meet labour shortages in Cook Islands are predominantly managed by individual private sector businesses. Many of these businesses use local agents and others directly recruit their own workers. When recruiting from Asia, particularly the Philippines, businesses recruit through foreign agents and in other cases they rely on recommendations from existing workers. In the Pacific, particularly in Fiji, recruitment is largely through informal channels including through recommendations from existing workers. In the case of workers recruited by the Cook Island government, a more formal process is followed including through advertisements and expressions of interest. This process is managed by the Public Service Commission.

For both public and private sector recruitments, stakeholders indicated that the current processes are highly costly and inefficient. They recognise that the lack of formal processes including pre-departure screening in countries of origin poses high risks including falsification of documentations and character tests. Because of these risks, many businesses were forced to travel and directly conduct their worker

recruitments despite the high costs. Stakeholders voiced the need for an inter-governmental labour mobility arrangement to address these risks and facilitate a more efficient recruitment and mobilisation process to meet their labour demands.

- **Institutional and Regulatory Frameworks**

The recruitment of migrant workers is managed under the Immigration Act 2022 administered by the Cook Islands Ministry of Foreign Affairs & Immigration. The employment of migrant workers in the Cook Islands is managed by INTAFF under the Employment Relations Act 2012 and the Welfare Act 2014. INTAFF also administers the Cook Island Occupational Safety & Health Policy as well as the Overarching Policy for OHS and Worker's Compensation. The enforcement of these legislations and policies is under the Labour Division of INTAFF. The Labour Division has developed tools and resources to support employees and employers in matters such as employment agreements, minimum wage, leave entitlements, employment disputes, discrimination and harassment, health safety and welfare, as well as ending employment relationships.

ii. Niue

- **Recruitment Process**

Similar to the Cook Islands, the recruitment and mobilisation of migrant workers to meet private sector labour demands are largely managed by private businesses. Due to the high costs involved, only large-scale businesses are able to afford the recruitment of migrant workers. Smaller businesses voiced their interest in a more collective approach to recruitment of workers including through the Cook Island Chamber of Commerce.

Recruitment and mobilisation of migrant workers for the public sector are managed by the individual departments subject to oversight and endorsement by the Public Service Commission. The Department of Health, for example, work directly with the health departments in other Pacific Island Countries to recruit nurses to temporarily fill labour needs at the hospital. The Public Service Commission provides oversight

- **Institutional and Regulatory Frameworks**

Niue currently lacks the institutional and regulatory frameworks to facilitate labour mobility. It does not have a labour department or an employment regulatory framework. Public sector employment is managed under a public service protocol. Private sector employment and labour management are subject to individual business arrangements and policies. provide oversight to the design of their contracts.

### 3.3 Constraints to Facilitating Intra-Pacific Labour Mobility

The following are identified constraints that must be considered in the development of intra-Pacific labour mobility schemes to Cook Islands and Niue:

- **Accommodation:** One of the key constraints raised by all stakeholders in both Cook Islands and Niue is accommodation. There is a lack of affordable long-term accommodation to meet the level of migrant labour demand in both countries. In the Cook Islands, the competing tourism industry has pushed accommodation prices up and during peak seasons landlords often choose to convert their accommodation to tourist short-term lodges. In Niue, while there are many vacant houses left by Niueans who have emigrated to New Zealand, their preference is to maintain vacancy to accommodate return migration or temporary visits by family members. The lack of accommodation is identified as a primary constraint that requires urgent attention by Niue and the Cook Islands as a pre-requisite to the introduction of any intra-pacific labour mobility scheme.

- **Regulatory framework for labour mobility:** It is critical to ensure that Cook Islands and Niue have the necessary regulatory and policy frameworks to protect and promote the interests and rights of both employers and migrant workers. Cook Islands has a more robust suite of regulations including its Immigration Act 2021 and Regulations 2023, and its Employment Relations Act 2012 and Welfare Act 2014. Niue, on the other hand, does not have an employment legislation and its Immigration Act requires significant improvement to facilitate labour mobility. For both countries, the scoping study identified a

need for a prudent assessment of their regulatory frameworks to determine any regulatory reforms necessary for the effective administration of intra-Pacific labour mobility schemes.

- **Governance framework for labour mobility:** The effective administration of an intra-Pacific labour mobility scheme to Cook Islands and Niue requires a conducive governance structure. A number of stakeholders have a role in the management of labour mobility to both countries, including government and private sector agencies. It is important for the governance structure to clarify the roles of each agency and how they can effectively coordinate and collaborate to support the management of labour mobility.

In this governance structure, it is also important to secure political will and support of the Cook Islands and Niue governments. Consultations with line Ministries confirmed endorsement by key Ministries involved in labour mobility but the overall level of political ownership is uncertain given that labour shortages and labour mobility are not priorities in both countries' strategic development plans. It is important to secure this level of political ownership and support before proceeding with the design of any labour mobility schemes.

- **Capacity of labour departments:** The role of the labour departments in Cook Islands and Niue are crucial to the success of labour mobility to these countries, as they would be the leading administrators of the schemes. In addition to their policy and regulatory role, they must also have a robust enforcement capacity to manage the operational side of labour mobility, respond to employer and worker welfare issues and strategically review the labour mobility schemes to ensure compliance with international standards and the needs of the labour sending countries. The Cook Islands Labour Division has confirmed that they currently lack this capacity and Niue does not have a labour department. This capacity constraint poses a significant risk to the successful administration of a labour mobility scheme to the Cook Islands and Niue.

- **Capacity of labour sending countries:** All Pacific labour sending countries currently participate in the New Zealand Recognised Seasonal Employer (RSE) and the Pacific Australia Labour Mobility (PALM) schemes. While this presents an opportunity to build on the labour mobility structures and mechanisms already in place, the additional demand from Niue and the Cook Islands would not only require additional labour but may also require dedicated capacity from Labour Sending Units (LSUs) to facilitate worker recruitment and mobilisation. It is therefore crucial for the Niue and Cook Island governments to undertake consultations with the governments of Pacific labour sending countries to inform the appropriate design of the intra-Pacific labour mobility scheme including mitigation of any potential risks.

## 4 Recommendations

### i. Design of long-term intra-Pacific labour mobility schemes

To effectively address labour shortages in Cook Islands and Niue in the long-term, a sustainable intra-Pacific labour mobility scheme is necessary. The scheme must be built on the existing RSE and PALM schemes and where possible utilise systems and procedures developed for these schemes. However, given the constraints discussed in the last section, the successful introduction and implementation of a long-term intra-Pacific labour mobility scheme would be best subject to the resolution of these issues. The prudent approach recommended is for the official long-term intra-Pacific labour mobility schemes to Niue and Cook Islands to be developed subsequent to the implementation of recommendations ii – iv below.

### ii. Pilot programmes to address immediate labour shortages

In view of the urgent labour needs in both Cook Islands and Niue, it is proposed that pilot arrangements are launched for priority sectors – tourism for Cook Islands and nursing for Niue. These pilot programmes would enable immediate labour flows to address short-term labour shortages in Cook Islands and Niue and at the same time allow both labour receiving and sending countries to better understand the terms and

conditions required for the successful design and implementation of a longer-term intra-Pacific labour mobility scheme.

Given the capacity constraints in both the labour receiving and sending ends, it is proposed that the pilot arrangements are small-scale, at 10-20 workers, and short-term at a maximum of 6-months. It is also recommended that 1-2 Pacific labour sending countries are selected for each pilot programme based on assessment of their available supply and capacity to participate in the pilots. The pilot programmes are recommended to be managed under an Inter-Agency Understanding (IAU) to ensure easier facilitation and targeted monitoring.

It is recommended that the PACER Plus Implementation Unit (PPIU), assist in the design of the pilot programmes, the coordination of consultations to inform the development and implementation of the pilot programmes. Given the urgency of the labour demands in Cook Islands and Niue, it is proposed that the pilots are launched in FY2023/24.

### iii. Assessment of regulatory and institutional frameworks

The regulatory and institutional constraints in Cook Islands and Niue pose significant risks to the successful implementation of an intra-Pacific labour mobility scheme to these countries. It is therefore recommended that an assessment of the existing regulatory and institutional frameworks is undertaken. It is proposed that the PPIU collaborates with the International Labour Organization (ILO) in this assessment and to conduct it parallel to the pilot programmes in FY2023/24. The findings from these assessments and the pilot programmes can then be presented in a report to the governments of Niue and Cook Islands with recommended reforms if required.

### iv. Accommodation Solutions

Adequate and affordable accommodation is fundamental to a successful intra-Pacific labour mobility scheme. The provision of worker accommodation is the responsibility of the labour receiving country. It is therefore recommended that the governments of Niue and Cook Islands consider feasible accommodation options to facilitate the proposed pilot programmes and potential longer-term schemes. This would require consultations between the government and private sector as well as development partners to determine possible solutions.

### v. Promotion of labour mobility opportunities

While Cook Islands and Niue have mobilised workers from the Pacific, these recruitments have largely been informal and limited mainly to Fiji. It was not until 2022 when Cook Islands and Niue were formally recognised as labour receiving countries. Awareness of the labour mobility opportunities in the Cook Islands and Niue may therefore be relatively low and warrants targeted promotion. It is recommended that the Cook Islands and Niue utilise opportunities such as the Pacific Labour Mobility Annual Meeting (PLMAM) and other regional forums to raise awareness of their interest to establish formal intra-Pacific labour mobility schemes and the employment opportunities available to Pacific workers. The PPIU is proposed to support Cook Islands and Niue in availing opportunities during the PLMAM and relevant regional labour mobility forums.



## 5 Annexes

### Annex 1: List of stakeholders interviewed in the Cook Islands

Stakeholders	
1	Ms. Kairangi Samuela, Principal Immigration Officer, Ministry of Foreign Affairs & Immigration
2	Ms. Repeta Puna, CEO, Business Trade & Investment Board
3	Executive management team, Statistics Department
4	Executive management team, Ministry of Internal Affairs
5	Executive management team, Chamber of Commerce
6	Board members, Cook Islands Agriculture Cooperative
7	Ms. Liana Scott, Managing Director, Muli Beah Resort
8	Ms. Gaye Whitta, Managing Director, Cook Islands Trading Corporation
9	Ms. Helena Cook, Deputy High Commissioner, New Zealand High Commission
10	Executive Management Team, Ministry of Agriculture
11	Ms. Val Richards, Director, Central Policy & Planning Office, Office of the Prime Minister
12	Community Leaders for Fijian, Filipino and Indonesian worker communities
13	Executive management team, Ministry of Education
14	Executive management team, Cook Islands Tertiary Training Institute
15	Executive management team, Cook Islands Workers Association
16	Dr Tina Newport, Researcher

### Annex 2: List of stakeholders interviewed in Niue

Stakeholders	
1	Mr. Frank Sioneholo, Head of Economics Planning, Development & Statistics, Ministry of Finance & Planning
2	Ms. Doreen Siataga, Secretary for Finance & Planning, Ministry of Finance & Planning
3	H.E Louise Ellerton, High Commissioner, Australian High Commission
4	H.E Helen Tunnah, High Commissioner, NZ High Commission
5	Ms. Margaret Siosikefu, Head, Immigration Office
6	Ms. Gaylene Tasmania, Deputy Secretary of Government and Director for Health
7	Dr. Edgar Cocker, Health Department
8	Ms. Fanuma Sioneholo, Statistics Department
9	Board members, Chamber of Commerce
10	Micah Fuhiniu-Viviani, Director, Tourism Department
11	Birtha Togahai, Ministry of Education
12	Charmaine Carroll, Manager, Scenic Mulivai Hotel
13	Mr. Poi Kapaga and John Hetutu, Vaiea Farm
14	Executive management team, Public Service Commission
15	Community leader, Filipino worker community
16	Community leader, Fijian worker community