

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

Strengthening Australia's relationships in the Pacific

Joint Standing Committee on Foreign Affairs, Defence and Trade

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CANBERRA

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Chair's Foreword

Australia's relationships with the nations of the Pacific are of enduring importance. They are underpinned by a long shared history, common values, strong ties between peoples, and a natural empathy.

At a time of intensifying geopolitical competition and growing global challenges, especially that of climate change, fostering and strengthening these relationships has assumed a new importance and urgency.

The Pacific Step-up, a whole-of-government effort to deepen and better coordinate Australia's engagement with the nations of the Pacific, recognised this urgency. It has addressed a deficit in creative policy-making, and delivered tangible results in terms of the quality and impact of Australia's Pacific relationships.

This Report seeks to build upon the success of the Step-up to date, learn pertinent lessons, and identify further prospective areas for deepening and strengthening Australia's engagement in the Pacific.

The COVID-19 pandemic was a significant shock to the Pacific, and tested the resilience of public health systems and economies. Just as Australia helped the Pacific in managing the COVID pandemic, the Report notes the importance of Australia continuing to support post-COVID recovery efforts in the region, building on the Partnerships for Recovery package.

Recognising the growing importance of labour mobility schemes in our Pacific relationships, the Report recommends that such schemes be built upon to support career development, build relationships, and provide pathways to permanent residency. The Committee was also attracted to the proposal of a dedicated Pacific component within Australia's permanent migration intake.

Climate change and its impacts remains one of the most pressing concerns of Pacific nations. The Report recommends that climate change mitigation, adaptation and resilience be a high priority for Australia's assistance to the region.

Soft power is growing in importance as a tool of diplomacy and statecraft in the Pacific. Whilst Australia's soft power assets in the region remain substantial, the Report recommends that Australia look to expand our media and broadcasting footprint in the region, such that we retain our role as a trusted and accessible source of information for these countries.

The Committee heard several bold and ambitious proposals for strengthening Australia's relationships with the Pacific, including for 'deep integration' and 'compact of association' arrangements. Some of these ideas may prove to be non-starters, for a range of reasons. Nonetheless the Report recommends that these ideas be further scoped and evaluated, and openly discussed, with a view to informing the long-term future of Australia's relationships with the region.

Mr Dave Sharma MP

Chair

Foreign Affairs and Aid Sub-Committee

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Ms Julia Morris, Committee Secretary

Ms Sharon Bryant, Inquiry Secretary

Mrs Dorota Cooley, Office Manager

Mr Francis Corcoran, Research Officer (from Dec 2020)

Ms Alex Grimes, Administrative Support Officer (to Sep 2021)

Terms of Reference

The Committee shall examine the conditions necessary to strengthen Australia's relationships with the countries of the Pacific region to meet current and emerging opportunities and risks facing the region.

The Committee shall have particular regard to:

- The implementation of Australia's Pacific Step-up as a whole-of-government effort to deepen and coordinate Australia's Pacific initiatives;
- Exploring prospects to strengthen and broaden Australian engagement in the Pacific Step-up, through non-government and community-based linkages, and leveraging interest groups such as the Pacific diaspora;
- Measures to ensure Step-up initiatives reflect the priority needs of the governments and people of Pacific island countries.

Abbreviations

AAPMI	Australia Asia Pacific Media Initiative
ABC	Australian Broadcasting Corporation
ACFID	Australian Council for International Development
ACTU	Australian Council of Trade Unions
ADF	Australian Defence Force
AIFFP	Australian Infrastructure Financing Facility for the Pacific
AM	Member of the Order of Australia
ANU	Australian National University
AO	Officer of the Order of Australia
APTC	Australia Pacific Training Coalition
ASPI	Australian Strategic Policy Institute
BRIDGE	Building Relationships through Intercultural Dialogue and Growing Engagement
CBM	Christian Blind Mission (Australia)
COVAX	COVID-19 Vaccines Global Access

COVID-19	Coronavirus Disease, 2019
CSEP	Comprehensive Strategic and Economic Partnership
DFAT	Department of Foreign Affairs and Trade
EFA	Export Finance Australia
EFIC	Export Finance and Insurance Corporation
FSANZ	Food Standards Australia New Zealand
GDP	Gross Domestic Product
HDR	Higher Degree Research
HIV	Human Immunodeficiency Virus
IWDA	International Women’s Development Agency
JSCFADT	Joint Standing Committee on Foreign Affairs, Defence and Trade
KEIP	Kiribati Education Improvement Program
LNG	Liquefied Natural Gas
NDC	Nationally Determined Contribution
NSW	New South Wales
NZ	New Zealand
OAM	Medal of the Order of Australia
ODA	Official Development Assistance
OTP	Office of the Pacific
PACER	Pacific Agreement on Closer Economic Relations
PALM	Pacific Australia Labour Mobility (Scheme)
PCPP	Pacific Church Partnerships Program

PLS	Pacific Labour Scheme
PNG	Papua New Guinea
RAMSI	Regional Assistance Mission to Solomon Islands
SBS	Special Broadcasting Service
SWP	Seasonal Worker Programme
TAFE	Technical and Further Education
TB	Tuberculosis
UK	United Kingdom
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UNSW	University of New South Wales
US	United States (of America)
USA	United States of America
WASH	Water, Sanitation and Hygiene
WHO	World Health Organisation
YWAM	Youth With A Mission

List of Recommendations

Recommendation 1

2.46 The Committee recommends that Australia builds on the Partnerships for Recovery to lead a large-scale, multi-year post-COVID-19 aid and recovery package within the Pacific islands region, focussing on transformative public investment through grants and concessional lending.

Recommendation 2

3.91 The Committee notes the growing importance of the Pacific Australia Labour Mobility scheme for skills transfer and training and as a source of remittance income, and the support for such programs amongst the Pacific. The Committee recommends the Australian Government:

- pursue steps to scale-up the program, better support career development, and provide pathways for permanent residency, akin to those being developed for the Agriculture Visa Scheme; and
- explicitly recognise the relationship building and cultural exchange elements of the Pacific Australia Labour Mobility Scheme in its design and promotion.

Recommendation 3

4.35 The Committee acknowledges that the direct and indirect impacts of climate change remain one of the gravest concerns of Pacific nations. The Committee recommends that support for climate change mitigation and adaptation continue to be a high priority in Australia's immediate regional assistance program.

Recommendation 4

4.73 The Committee recommends that to enable program certainty, and retain and attract expertise, that the Australian Government consider providing a dedicated budgeted line item to the Federal Court of Australia to directly deliver the successful judicial capacity programs in the Pacific islands region.

Recommendation 5

4.105 The Committee recommends the Australian Government considers creating a dedicated Pacific component within Australia's permanent migration intake, similar to the New Zealand model.

Recommendation 6

4.114 The Committee recommends the Australian Government:

- start dialogue with Pacific island countries about compacts of association considerations; and
- evaluate bold ideas for longer term Pacific region 'deep integration' including the creation of a significant compact of free association with countries in the Pacific island region—in particular microstates most vulnerable to climate change instability.

Recommendation 7

5.88 The Committee notes the media environment within the Pacific is becoming more contested, and recognises Australia has a national interest in maintaining a visible and active media and broadcasting presence there. The Committee recommends the Australian Government considers steps necessary to expand Australia's media footprint in the Pacific, including through:

- expanding the provision of Australian public and commercial television and digital content across the Pacific, noting existing efforts by the PacificAus TV initiative and Pacific Australia;
- reinvigorating Radio Australia, which is well regarded in the region, to boost its digital appeal; and
- consider governance arrangements for an Australian International Media Corporation to formulate and oversee the strategic direction of Australia's international media presence in the Pacific.

1. Introduction

- 1.1 Australia has established an enduring relationship with its Pacific near neighbours over many generations. The people of Australia and those of the Pacific island region have a long shared history, ‘common interests and values’,¹ and have generally enjoyed peaceful and productive engagement and mutual assistance.
- 1.2 Pacific island countries place differing weight on aspects of their relationship with Australia. However, during this inquiry the Committee heard that there is a universally positive association with Australia’s status as a reliable first responder after Pacific natural disasters and other difficulties; and there is a recognition that Australia takes a principal role in development partnerships.²
- 1.3 Some submissions to the inquiry referred to heartbreaking and challenging aspects of a diverse history. A part of the mixed history was noted in the Whitlam Institute research project conducted by Peacifica, *Pacific perspectives on the world*, February 2020³ which reported a sample of Pacific island views on various unprompted topics.
- 1.4 The exploitive and harsh trade in the human capital of mostly young South Sea Pacific Islanders to labour in Eastern Australia from the late 1840s to

¹ Department of Foreign Affairs and Trade (DFAT), *Submission 52*, p. 3.

² Peacifica, *Pacific perspectives on the world: Listening to Australia’s island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 24.

³ Peacifica, *Pacific perspectives on the world: Listening to Australia’s island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, pp. 32-33.

Federation, has left deep wounds. Mr Nic Maclellan⁴ refers to the mass deportation of workers under the *Pacific Island Labourers Act 1901*, whilst Peacifica⁵ also raises the negative legacy of minerals extraction and off-shore processing of Australian asylum seekers in the region.

Similar, but not all the same

- 1.5 Commonalities exist in countries of the region, however there is remarkable diversity between Pacific island nations: they are not a homogenous group. These countries share common ocean identities and the challenges of living in this environment and region.⁶ While there is unity in the Pacific voices on some matters—for example being perceptive of their greater influence⁷ in the world—they differ on others.
- 1.6 Australia has observed, and Pacific islander people have acknowledged, and some have acted on, the parallel rising influence of other nation states in the region in recent years.⁸ As detailed in the report of the inquiry into Australia's Defence relationships in the region, the Pacific island region is a contested space.⁹ Three countries are in the unenviable position of being some of the poorest in the world, yet the Pacific Ocean holds some of the world's largest maritime exclusive economic zones.¹⁰
- 1.7 Expanding foreign power influence poses potential security and economic threats to the region, as outlined in the Australian Government's 2017

⁴ Mr Nic Maclellan, *Submission 42*, p. 8.

⁵ Peacifica, *Submission 45*, p. 2.

⁶ Including scale, geographic remoteness from major markets, narrow economic bases, high costs, dispersed populations and rapidly growing young populations, see DFAT, *Submission 52*, p. 4.

⁷ Peacifica, *Pacific perspectives on the world*, February 2020, p. 33.

⁸ Pacific island nations, most of whom have extremely low national incomes, have been receptive to entering into significant long-term arrangements with other foreign nationals, particularly Chinese entities, to secure infrastructure or employment opportunities. For example, a Memorandum of Understanding was signed by the Papua New Guinea (PNG) Government in November 2020 to enable a Chinese business to establish a '\$200 million comprehensive multi-functional fishery industrial park' on Daru Island, Western Province, PNG; Jeffrey Wall, 'China to build \$200 million fishery project on Australia's doorstep', *Australian Strategic Policy Institute (ASPI) Strategist*, 8 December 2020. <<https://www.aspistrategist.org.au/china-to-build-200-million-fishery-project-on-australias-doorstep/>> viewed 25 January 2021.

⁹ Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT), *Inquiry into Australia's defence relationships with Pacific island nations*, April 2021, p. 4.

¹⁰ Development Policy Centre, Australian National University (ANU), *Submission 60*, p. 2.

Foreign Policy White Paper, which sets out a framework for Australia's international engagement.¹¹ The white paper identifies as being of fundamental importance to Australia's identity and prosperity: 'an open, inclusive, and prosperous Indo-Pacific region in which the rights of all states are respected, ...and to step up support for a more resilient Pacific and Timor Leste'.¹²

- 1.8 The overarching cohesion in the Australia-Pacific region relationship hails from 'decades of sustained engagement and our collective interests in a stable, resilient and prosperous Pacific'.¹³ These are the tenets of the shared 'Blue Pacific continent' concept.¹⁴
- 1.9 Pacific islanders have identified as important elements of foreign relationships: 'appreciation of culture and diversity, mutual respect, reciprocity and trust'.¹⁵ These were reflected in the words of Mr Curtis Tuihalangie, Deputy Head of Mission, Kingdom of Tonga at the Committee's diplomatic roundtable hearing held in Canberra in September 2020, describing the relationship between Australia and Pacific island countries:

The Tongan proverb 'pikipiki hama kae vaevae manava' underpins the methods of methodology of our friendship, centring values of relationality, connection and reciprocity. 'Pikipiki hama' means to bind together to the outrigger of a seafaring vessel; 'vaevae' means to share; and 'manava' means breath. It represents working together for a shared purpose and good consequences. Let us be 'pikipiki hama kae vaevae manava' for the benefit of Australia and the Pacific islands—our people and our future.¹⁶

¹¹ Australian Government, *2017 Foreign Policy White Paper*, November 2017, p. iii-vi.

¹² Australian Government, *2017 Foreign Policy White Paper*, November 2017, p. 3.

¹³ Department of Foreign Affairs and Trade (DFAT), *Submission 52*, p. 3.

¹⁴ The Blue Pacific concept is intended to encourage Pacific Island states to act as a 'Blue Continent' based on their 'shared stewardship of the Pacific Ocean'. See Associate Professor Joanne Wallis, *Submission 9*, p. 8.

¹⁵ Whitlam Institute within Western Sydney University, *Submission 2*, p. 1.

¹⁶ Mr Curtis Leonard Tuihalangie, Deputy Head of Mission, Kingdom of Tonga, *Committee Hansard*, 4 September 2020, p. 4.

Stepping-up engagement in the Pacific island region

- 1.10 Australia officially strengthened its commitment to the region in November 2018 when the Government's 'Step-up' was released, outlining 'a new package of security, economic, diplomatic and people to people initiatives' to 'build on our strong partnerships in the Pacific'.¹⁷ The package amounted to \$1.4 billion development assistance to the Pacific in 2019-20.¹⁸
- 1.11 The approach is designed to recognise 'that closer cooperation among Pacific countries is essential to the region's long-term economic and security prospects';¹⁹ with the bolstered engagement objectives reflecting the 'Blue Pacific' aspiration:
- We want to work with our Pacific islands partners to build a Pacific region that is secure strategically, stable economically and sovereign politically.²⁰
- 1.12 The formative initiatives of 'the Step-up' included a suite of programs:
- Education and employment opportunities;²¹
 - Defence and border security measures;²²

¹⁷ Prime Minister of Australia, Minister for Foreign Affairs and Minister for Defence, 'Strengthening Australia's Commitment to the Pacific', *Media Release*, 8 November 2018. <<https://www.pm.gov.au/media/strengthening-australias-commitment-pacific>> viewed 25 January 2021.

¹⁸ DFAT, *2019-20 Australia Aid Budget Summary: Pacific*. <<https://www.dfat.gov.au/sites/default/files/2019-20-australian-aid-budget-summary-pacific.pdf>> viewed 18 February 2022.

¹⁹ DFAT, *Strengthening our Pacific Partnerships*. <<https://www.dfat.gov.au/geo/pacific/engagement/strengthening-our-pacific-partnerships>> viewed 18 February 2022.

²⁰ Prime Minister of Australia, Minister for Foreign Affairs and Minister for Defence, 'Strengthening Australia's Commitment to the Pacific', *Media Release*, 8 November 2018. <<https://www.pm.gov.au/media/strengthening-australias-commitment-pacific>> viewed 25 January 2021.

²¹ Including 1 474 Australia Award Scholarships; 2 430 students studying in the region under the New Colombo Plan since 2014. Given the success of the Seasonal Worker programme in boosting remittances to the region (recorded as \$144 million during 2012-2017) expanded labour mobility opportunities are now available for low to semi-skilled workers in the new Pacific Labour Scheme. DFAT, *Strengthening our Pacific Partnerships*. <<https://www.dfat.gov.au/geo/pacific/engagement/Pages/strengthening-our-pacific-partnerships>> viewed 25 January 2021.

²² Including 19 new patrol boats with an aerial surveillance program and 11 bilateral police and Defence Partnerships. DFAT, *Strengthening our Pacific Partnerships*.

- Disaster assistance and impact mitigation;²³ and
- Infrastructure and technology.²⁴

1.13 The Department of Foreign Affairs and Trade (DFAT) reported qualitative progress on the ‘Step-up’ in the Pacific in its 2020-21 Annual Report:

The Pacific Step-up remained one of our highest foreign policy priorities, building on strong foundations to support our partners to manage the health and economic impacts of COVID-19. The department’s Office of the Pacific coordinated whole-of-government efforts to strengthen regional engagement, support economic resilience, advance our shared security interests, and deepen community connections. We stood by our Pacific family and strengthened our shared interests in the sovereignty, security and resilience of our region. Our new posts in French Polynesia, Marshall Islands and Niue expanded our diplomatic network to every Pacific Islands Forum country.

The successful restart of Pacific labour programs in September 2020 enabled more than 7 000 Pacific and Timorese workers to arrive in Australia (as at June 2021), bringing the total number of Pacific and Timorese workers in Australia to over 12 000, the largest number of Pacific workers in Australia since the Pacific labour mobility initiatives began.²⁵

<<https://www.dfat.gov.au/geo/pacific/engagement/Pages/strengthening-our-pacific-partnerships>> viewed 25 January 2021.

²³ \$300 million for climate and disaster resilience over 4 years from 2016. DFAT, *Strengthening our Pacific Partnerships*, <<https://www.dfat.gov.au/geo/pacific/engagement/Pages/strengthening-our-pacific-partnerships>> viewed 25 January 2021.

²⁴ \$2 billion allocated for an Australian Infrastructure Financing Facility (AIFFP) for the Pacific and \$1.3 billion in high speed internet for PNG and the Solomon Islands. DFAT, *Strengthening our Pacific Partnerships*. <<https://www.dfat.gov.au/geo/pacific/engagement/Pages/strengthening-our-pacific-partnerships>> viewed 25 January 2021.

²⁵ DFAT, *Department of Foreign Affairs and Trade Annual Report 2020-21*, September 2021, p. 3.

COVID-19 impacts

- 1.14 The Committee took significant evidence about the impacts of the COVID-19 pandemic on the Pacific islands.²⁶ As the Lowy Institute reported in December 2020, this region, despite having a record low number of infections reported in the first twelve months of the pandemic²⁷ has been economically hard hit by the crisis owing to 'its heavy reliance on a few key income sources'.²⁸ This impact has been explored in detail in the report of Trade Sub-Committee on activating greater trade and investment in the Pacific region; with the same data and evidence received and noted from the ANU Development Policy Centre²⁹ and others.
- 1.15 The implications of the COVID-19 pandemic are serious; it has exacerbated existing challenges³⁰ and highlighted the importance of flexible responses to the impacts of change. It has highlighted the importance of the Step-up initiatives to achieve greater economic sustainability in the region.
- 1.16 Some countries have been impacted more than others – those heavily dependent on tourism have lost the most – for example, Fiji and Vanuatu.³¹ However, all have been impacted by border closures and impediments to overseas work opportunities; a significant source of Pacific island remittances.³²
- 1.17 As at February 2022 parts of the Pacific island region remain heavily affected by COVID-19 movement restrictions as the virus spread into parts of the region in 2021, with countries being health affected to various degrees.

²⁶ Forty-three submissions discussed the impacts of the COVID-19 pandemic in the Pacific island region and it was discussed by all hearing participants. Impacts summarised by DFAT, *Submission 52*, pp. 5-8.

²⁷ DFAT, *Submission 52*, p. 5; with 27 cases reported at 23 June 2020.

²⁸ Roland Rajah and Alexandre Dayant, *Avoiding a Pacific Lost Decade: Financing the Pacific's COVID-19 Recovery*, Policy Brief, Lowy Institute, December 2020, p. 2.

²⁹ Development Policy Centre, ANU, *Submission 60*, received 27 July 2020, following 7 months of pandemic-related economic impacts.

³⁰ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 6.

³¹ Lowy Institute, *Submission 69*, p. 3; Development Policy Centre, Australian National University (ANU), *Submission 60*, p. 2.

³² With Tonga recorded as receiving the highest per capita remittances of any country in the world (2018). Development Policy Centre, ANU, *Submission 60*, p. 8.

Papua New Guinea is experiencing its fourth wave with 37 270 cases recorded, with rapid transmission.³³ Fiji opened its border on 1 December 2021 and has documented 62 855 cases of transmission since.³⁴ Kirabati's first passenger plane in many months landed 14 January 2022, bringing its first transmission, and by 31 January it had recorded 460 cases across the sprawling, but tiny archipelago.³⁵ The Solomon Islands has experienced 1 486 cases to date.³⁶

- 1.18 Tonga, recently affected by the tsunami caused by the eruption of the Hunga Tonga-Hunga Ha'apai undersea volcano, has kept COVID-19 infections at near zero levels and Vanuatu has retained similar success.³⁷ TIME reported that it was an amazing feat that after almost two years of the pandemic, parts of the Pacific islands remained virtually untouched by the virus itself:

Border controls across the Pacific islands have been effective so far. A handful of these nations have been some of the only places on Earth that went almost untouched by the coronavirus. Tuvalu and Nauru still haven't recorded a single case of COVID.³⁸

- 1.19 On 29 May 2020 the Australian Government released its \$4 billion *Partnerships for Recovery* package which spans two years starting in 2020-21.³⁹ The package focuses on three key areas: health; stability and economic recovery.

³³ Johns Hopkins University and Medicine, Coronavirus Resource Centre, COVID-19 Dashboard, Papua New Guinea, 2 February 2022. <<https://coronavirus.jhu.edu/map.html>> viewed 2 February 2022.

³⁴ Johns Hopkins University and Medicine, Coronavirus Resource Centre, COVID-19 Dashboard, Fiji, 2 February 2022. <<https://coronavirus.jhu.edu/map.html>> viewed 2 February 2022.

³⁵ Amy Gunia, *A Covid-Free Pacific nation opened its border a crack. The virus came rushing in*, TIME, 31 January 2022.

³⁶ Johns Hopkins University and Medicine, Coronavirus Resource Centre, COVID-19 Dashboard, Solomon Islands, 2 February 2022. <<https://coronavirus.jhu.edu/map.html>> viewed 2 February 2022.

³⁷ Amy Gunia, *A Covid-Free Pacific nation opened its border a crack. The virus came rushing in*, TIME, 31 January 2022.

³⁸ Amy Gunia, *A Covid-Free Pacific nation opened its border a crack. The virus came rushing in*, TIME, 31 January 2022.

³⁹ DFAT, *Partnerships for Recovery: Australia's COVID-19 Development Response*. <<https://www.dfat.gov.au/publications/aid/partnerships-recovery-australias-covid-19-development-response>> viewed 21 February 2021.

- 1.20 The Lowy Institute has suggested that to avoid 'a lost decade of development' in the Pacific 'every bit of support from Australia and others, including China' will be necessary.⁴⁰ The Lowy Institute has recommended that Australia lead a post-COVID recovery mechanism involving the \$2 billion Australian Infrastructure Financing Facility for the Pacific (AIFFP)⁴¹ as part of Australia's revised Step-up.⁴²

Overview of the inquiry

- 1.21 On 11 February 2020 the Minister for Foreign Affairs, Senator the Hon. Marise Payne, referred terms for the Committee to inquire into and report on the conditions necessary to strengthen relationships with the countries of the Pacific region to meet current and emerging opportunities and risks facing the region. The Committee then referred the inquiry to the Foreign Affairs and Aid Sub-Committee to undertake.
- 1.22 The terms of reference asked the Committee to give particular regard to Australia's Step-up program, which is essentially its development assistance and security support measures in the Pacific islands region.
- 1.23 The Chair of the Foreign Affairs and Aid Sub-Committee, Mr Dave Sharma MP, announced the Committee's inquiry in a media alert on 18 February 2020, which highlighted the Committee's intended approach:
- The Committee will be seeking ideas on how Australia can build on the momentum of the Pacific Step-up to increase engagement and linkages with Pacific Island neighbours, in support of our collective interests.⁴³
- 1.24 The last inquiry undertaken by the Committee into Australia's development assistance was during the 45th Parliament, the inquiry into *Australia's aid program in the Indo-Pacific*, report tabled in April 2019 (four months after the

⁴⁰ Lowy Institute, *Submission 69*, p. 5.

⁴¹ DFAT, *Strengthening our Pacific Partnerships*.
<<https://www.dfat.gov.au/geo/pacific/engagement/Pages/strengthening-our-pacific-partnerships>> viewed 25 January 2021.

⁴² Lowy Institute, *Submission 69*, p. 5.

⁴³ JSCFADT, Foreign Affairs and Aid Sub-Committee, Inquiry *Media Release*, 18 February 2020.
<https://www.aph.gov.au/About_Parliament/House_of_Representatives/About_the_House_News/Media_Releases/Strengthening_Australias_relationships_with_the_Pacific_Islands> viewed 25 January 2021.

announcement of the 'Step-up'⁴⁴ which was therefore not considered in detail).⁴⁵ The Committee reported with an overview of the Australian aid program in the Pacific, outlined the performance framework and effectiveness of the program and examined the role of the private sector in the aid program in relation to trade (the aid-trade nexus), private sector partnerships and local procurement. An overview of Australia's base development assistance program, policy and delivery—and the transition of focus to the Indo-Pacific region—is summarised in chapter 2 of the *First report: Inquiry into Australia's aid program in the Indo-Pacific* (45th Parliament).⁴⁶

- 1.25 The Committee recognises the importance of the Step-up in addressing a diversity of Pacific challenges, however, evidence to the inquiry indicates that outcomes are currently difficult to quantify, largely as a result of the pandemic and the shifting health and economic environment.⁴⁷
- 1.26 The Committee has decided to focus on maximising those opportunities which can be practically and feasibly implemented, and those which broaden or deepen existing initiatives; rather than detailing impressions of past initiative components. The Committee recognises the importance of the heightened engagement in the region and that the broad suite of measures within the Step-up highlights differing challenges and opportunities across the region, and the need for the Government's holistic approach.⁴⁸
- 1.27 The Committee has identified opportunities discussed in evidence under key sectors and has expanded on those which it believes can be practically implemented to have tangible outcomes.

⁴⁴ Prime Minister of Australia, Minister for Foreign Affairs and Minister for Defence, 'Strengthening Australia's Commitment to the Pacific', *Media Release*, 8 November 2018. <<https://www.pm.gov.au/media/strengthening-australias-commitment-pacific>> viewed 25 January 2021.

⁴⁵ JSCFADT, *First Report: Inquiry into Australia's Aid program in the Indo-Pacific*, April 2019.

⁴⁶ JSCFADT, *First Report: Inquiry into Australia's Aid program in the Indo-Pacific*, April 2019, pp. 5-22.

⁴⁷ DFAT, *Submission 52*, pp. 7-10, provides a synopsis of (mostly qualitative) outcomes of the implementation.

⁴⁸ Noting that the Office of the Pacific, established within DFAT in 2019 has 13 Australian Government agency secondees. This reflects the move in development activity being coordinated and delivered from within the foreign affairs space to other government department areas with more direct delivery. See DFAT, *Submission 52*, p. 7.

Concurrent inquiries with a Pacific focus

- 1.28 Other JSCFADT inquiries regarding Australia's links to the Pacific region—through the more specific lenses of Defence and Trade—were undertaken in tandem. The inquiry into activating greater trade and investment with Pacific island countries was overseen by the Trade Sub-Committee while the inquiry into strengthening Australia's defence relationships with Pacific island nations was overseen by the Defence Sub-Committee. The Committee also sought submissions for an inquiry into the human rights of women and girls in the Pacific during this time.
- 1.29 The suite of four inquiries, with a focus on Australia-Pacific island relationships, and links, enabled holistic aspects of evidence gathering; noting that this inevitably led to some overlapping evidence. However, the common inquiry ground provided opportunities to efficiently engage with mutually interested parties on more than one inquiry. These efficiencies proved a boon for participants during the COVID-19 pandemic, which resulted in state and territory movement restrictions and myriad other Committee activity impediments.

Conduct of the inquiry

- 1.30 The inquiry was advertised on 18 February 2020 and the Sub-Committee invited written submissions addressing the terms of reference to be received by 3 April 2020 (and 17 April for international submissions).
- 1.31 The World Health Organisation (WHO) announced the spread of the COVID-19 coronavirus infection as a global pandemic on 11 March 2020. As a consequence, and owing to the impact of infections, the economic consequences of community movement restrictions and international border closures, the official submission closing date was extended to the end of June. The extension was designed to allow submitters, in particular those in, or working with Pacific island communities, more time to respond to the developing demands of the pandemic. The Sub-Committee later determined that first time submitters could submit on the basis of request until December 2020.
- 1.32 The Committee received and published 73 submissions and 7 supplementary submissions, as listed in Appendix A. The Committee also received 7 exhibits which are listed in Appendix B.

Accommodating inquiry work in the global pandemic

- 1.33 The Foreign Affairs and Aid Sub-Committee undertook inquiry oversight, comprising Members and Senators from five states and the Northern Territory. Members' movements were variously restricted by COVID-related rules and border closures during the inquiry. As restrictions similarly impacted witness participants, necessary adjustments were made to the inquiry conduct, giving rise to a matrix of remotely facilitated and remotely attended hearings.
- 1.34 The first of the nine hearings in Canberra commenced in June 2020, a slightly delayed program due to impacts of lockdowns of all but essential services and activity, which commenced in the last week of March, until May 2020.⁴⁹ Other lengthy lockdowns occurred in various jurisdictions in 2021, and Australian Parliament House closed to the public at the start of August 2021 (sittings) and a lockdown followed in the Australian Capital Territory until mid-October 2021.
- 1.35 Minimal in-person attendance occurred over the course of public hearings, with remote linkages to witnesses or members employed. Three roundtables were convened with partial in-person attendance (of both witnesses and members) with strict social distancing.
- 1.36 Two roundtables opened the hearings in June 2020 (one largely with remote witness attendance and the other with remote member attendance). Roundtables are beneficial in enabling participants to reflect on the comments of other witnesses and contribute views contemporaneously; however these benefits were found to be overshadowed when there were numerous remote participants. As such, the Sub-Committee held separate appearance public hearings for the remainder of the schedule.
- 1.37 Three of the Sub-Committees focussing on the Pacific—Defence, Foreign Affairs and Aid, and the Trade Sub-Committees—also convened a joint roundtable for High Commissioners and Heads of Mission of the Pacific island region diplomatic community (including the New Zealand High Commissioner—and also representatives of the Kiribati Government by teleconference), on 4 September 2020.
- 1.38 The roundtable proved a valuable and unique feedback opportunity for the participants and Committee members. Witnesses who gave evidence at this and other hearing forums are listed in Appendix C.

⁴⁹ Various dates, jurisdiction dependant.

Outline of the report

- 1.39 Chapter 2 records the key themes and framework and outlines opportunities for strengthening relationships in the Pacific region based on aspirations of a successful 'Blue Pacific continent', categorised under the broad Step-up objectives of economic prosperity, shared security and stability and improved and deepened people-to-people links. This framework is considered in the context of a busy and contested, non-homogenous space.
- 1.40 Chapter 3 considers the key objective of promoting economic stability and sustainable prosperity in the Pacific islands. This covers trade, education and employment aspects, including reliance on remittances from Australia—and infrastructure, investment and resources.
- 1.41 Chapter 4 explores the aspiration of shared regional security and stability, considering climate and disaster resilience, resources and food security, governance and health. In terms of regional shared security a regional 'future-proofing' proposal is explored.
- 1.42 Chapter 5 concludes with the Step-up objective of strengthening people-to-people links between Australia and Pacific island countries.
- 1.43 Finally, chapter 6 considers the current framework for quantifiable measurement and evaluation of Australia's Pacific Step-up.
- 1.44 Given that the factors affecting opportunities in different Pacific island countries in the region are relatively unique, the report considers those options which are practical to implement and likely to provide the most successful outcomes across the board in the current challenging environment.

2. Key themes and framework

- 2.1 This chapter recognises input from inquiry participants on areas of opportunity to strengthen relationships given pre-pandemic, current, and envisaged future challenges post-pandemic.
- 2.2 The key themes which appeared in evidence are outlined:
 - Pacific island countries share similarities but there is considerable diversity between them, and relationships in the region are complex;
 - The region is a contested space with various foreign interests;
 - Australia is a key and trusted partner in development assistance and humanitarian support; and
 - A recognition of shared challenges and security needs in the region—including mitigating climate and natural disaster impacts and navigating COVID-19 ramifications on health and economies—and the way forward.

Diversity and range of development partnerships

- 2.3 Existing links and partnerships within the region are as complex and diverse as could be expected with the shared experiences of history and the geostrategic challenges across the vast region.
- 2.4 The Australian Government's development assistance, disaster responsiveness and coordination efforts in the Pacific region are primarily delivered through the 'Pacific Step-up' framework, which was announced in November 2018 to bolster Australia's engagement in the region.¹

¹ Prime Minister of Australia, Minister for Foreign Affairs and Minister for Defence, 'Strengthening Australia's Commitment to the Pacific', *Media Release*, 8 November 2018.

2.5 Australia's Step-up is just one of many international strategies employed by foreign governments in the Pacific region—it is a 'rediscovered' and contested space.² However, compared to other foreign states (excepting New Zealand), Australia is a geographic near neighbour and the region's prime development assistance partner:

...we have committed a record \$1.44 billion in development assistance to the Pacific in 2020-21, to help our partner nations address their greatest concerns and embrace their greatest opportunities.³

2.6 Australian non-government activity in the region has also intensified ties in recent years and broadened the reach of engagement across the Pacific public services, businesses, churches, academia and the community generally.⁴ Through the Pacific diaspora—particularly via faith-based partnerships, sporting links and pastoral care for Pacific island labour mobility initiatives in Australia—personal connections and economic linkages have been reinforced.

2.7 The reciprocated assistance by Pacific island communities via donations and with direct help during Australia's catastrophic 2019-20 fire season have deepened ties and 'an increasing sense of partnership and reciprocity'⁵ as reflected by Colonel Goina, Defence Attaché to Papua New Guinea (PNG):

The high commissioner mentioned the support PNG provided to Australia during the bushfires. I must say that it was an honour and a privilege for the PNG [Defence Force] Kumul Force to come down here. ... This was the first time in our history that the PNG [Defence Force] sent a command force to come and assist the people of Australia. It has always been the other way

<<https://www.pm.gov.au/media/strengthening-australias-commitment-pacific>> viewed 15 February 2022.

² Peacifica, *Pacific perspectives on the world: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 5.

³ Department of Foreign Affairs and Trade (DFAT), *Stepping up Australia's Pacific engagement* <<https://www.dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement>>

⁴ Encouraged by the revised Australian aid program since 2014 which increased focus on the role that the Australian private sector can play in aid development. See Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT), *Inquiry into Australia's aid program in the Indo-Pacific—First Report*, April 2019, pp. 69-76.

⁵ DFAT, *Submission 52*, p. 14.

around, with Australia coming and helping us with disasters in PNG. That contribution was very much valued—and we were honoured.⁶

- 2.8 In turn, in addition to the region facing the pandemic threat and its economic fallout, Australia’s humanitarian response following Cyclone Harold and later Cyclone Yasa has further cemented the partnership to face shared challenges:

When crises strike, we have responded to requests for help with substantial humanitarian assistance for response and recovery—most recently for COVID-19—and assistance to Fiji, Solomon Islands, Tonga and Vanuatu after Tropical Cyclone Harold in April 2020.⁷

- 2.9 Following the inquiry’s last hearing in October 2021, the Australian Government provided support, on request from the Solomon Island’s Government, during civil unrest when a series of peaceful demonstrations turned violent⁸ from 24 November 2021. The Australian Federal Police and Defence Force were deployed to assist under the Australia-Solomon Islands Bilateral Security Treaty 2018⁹ which replaced the Regional Assistance Mission to Solomon Islands (RAMSI). RAMSI commenced in 2003 and ceased in 2017 when Australian personnel were no longer permanently stationed in the Solomon Islands.¹⁰
- 2.10 In February 2022, Australia provided prominent assistance in the relief effort in Tonga following the tsunami devastation caused by the nearby undersea volcanic eruption of Hunga Tonga-Hunga Ha’apai on 15 January 2022.¹¹

⁶ Colonel Mark Goina, Defence Attaché, Papua New Guinea, *Committee Hansard*, 4 September 2020, pp. 10-11.

⁷ DFAT, *Submission 52*, p. 12.

⁸ Dominique Fraser, *ASPI Note: Understanding the Protests in the Solomon Islands*, Asia Society Policy Institute, 10 December 2021. <<https://asiasociety.org/policy-institute/aspi-note-understanding-protests-solomon-islands>> viewed 18 February 2022.

⁹ Prime Minister of Australia, *Press Conference – Canberra, ACT: Transcript*, 25 November 2021. <<https://www.pm.gov.au/media/press-conference-canberra-act-30>> viewed 18 February 2022.

¹⁰ The RAMSI is an example of ongoing direct support provided by the Australian Government to maintain security and stability in the Pacific island region. The Mission was primarily funded and led by Australia. <<https://www.ramsi.org/about/>> viewed 15 February 2022.

¹¹ Minister for Defence, Minister for Foreign Affairs, and Minister for International Development and the Pacific, ‘Australia to provide assistance to Tonga following volcanic eruption and tsunami’, *Media Release*, 16 January 2022 <<https://www.minister.defence.gov.au/minister/peter-dutton/media-releases/australia-provide-assistance-tonga-following-volcanic-eruption>> viewed 15 February 2022.

- 2.11 Mr Curtis Tuihalangie, Deputy Head of Mission, Kingdom of Tonga expressed his appreciation for Australia leading disaster relief efforts:

We also have to recognise Australia's efforts to assist us with natural disaster and humanitarian assistance. Australia and New Zealand are always the first ones to be there. We recognise that, and I'm sure Their Excellencies and my fellow diplomatic colleagues here would support me in recognising that there's no doubt, there's no question, around the current effort and way Australia is helping us. When there is a natural disaster, Australia, followed by New Zealand, is always there. We appreciate that and we think that it is important for us to share that.¹²

- 2.12 The sentiment of closer ties fostered through mutual adverse events was reinforced at the inquiry's September 2020 roundtable hearing with Pacific island heads of mission:

COVID-19 is like a black cloud ...And like every black cloud, it has a silver lining. For us it has brought Solomon Islands closer than ever to our development partners ...Logs, our main export, and the revenue generated from them were already declining, even before COVID-19 was declared a pandemic. But with COVID-19 the economic contraction on businesses and households just went from bad to worse. It would be difficult for the [Solomon Islands] government to do all of the heavy lifting here, and I'm glad Australia has also committed A\$5 million to support the government's economic stimulus package.¹³

- 2.13 The Committee's roundtable hearing enabled the various Pacific island countries to learn each other's views on current matters. The approach followed from the Whitlam Institute's submission which focussed on the report *Pacific perspectives on the world* which stressed the important elements of foreign relationships with Pacific island people:¹⁴

Appreciation of culture and diversity, mutual respect, reciprocity and trust are the things that Pacific islanders value most in relationships.¹⁵

¹² Mr Curtis Tuihalangie, Deputy Head of Mission, Kingdom of Tonga, *Committee Hansard*, 4 September 2020, p. 19.

¹³ His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 8.

¹⁴ From research conducted in Fiji, Solomon Islands and Vanuatu which the authors assert can be extrapolated across the Pacific. Peacifica, *Pacific perspectives on the world: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, pp. 6-7.

¹⁵ Whitlam Institute within Western Sydney University, *Submission 2*, p. 1.

- 2.14 DFAT also stated that Australia’s role in the Pacific Islands Forum reflects its commitment to addressing shared priorities and challenges in the region— including climate change;¹⁶ adaptability responses and disaster resilience, and the health and sustainability of the Pacific Ocean.¹⁷
- 2.15 In November 2021 the Australian Government announced that it doubled its climate finance commitment to \$2 billion for developing countries over 2020-25. The new commitment increases the allocation for the Pacific from \$500 million to \$700 million to be spent on:
- Climate adaption and resilience;
 - Disaster preparedness; and
 - Renewable energy projects.¹⁸
- 2.16 Australian COVID-19 recovery assistance for the Pacific islands also recognises these shared priorities and commitments, including, for example:
- The \$140 million Asia-Pacific Climate Finance Fund will leverage private sector investment in low emissions, climate resilient solutions for the Pacific and South-East Asia.¹⁹

COVID-19 repercussions

- 2.17 Less than 18 months after the Step-up announcement the World Health Organisation declared the COVID-19 global pandemic.²⁰ While Pacific island countries exhibit great diversity, most have narrow, and as such, precarious economies:
- Pacific island countries face a range of development challenges including small domestic markets and narrow production bases, weak regulatory and private sector capacity, low savings and investment rates, as well as high trade

¹⁶ The Kainaki II Declaration for *Urgent Climate Action Now*, signed by Australia at the 2019 Pacific Islands Forum in Tuvalu ‘called on all countries to take action to address the challenges of climate change’. It followed the Boe Declaration on Regional Security which considered climate change as the ‘single greatest threat to the livelihoods, security and wellbeing of Pacific peoples’. DFAT, *Submission 52*, p. 12.

¹⁷ This includes thwarting unregulated fishing. See DFAT, *Submission 52*, pp. 12-13.

¹⁸ Prime Minister of Australia, ‘Increasing Support for Region’s Climate Action and Economic Growth’, *Media Release*, 1 November 2021. <<https://www.pm.gov.au/media/increasing-support-regions-climate-action-and-economic-growth>> viewed 15 February 2022.

¹⁹ DFAT, *Submission 52*, p. 12.

²⁰ Much of Australia’s development assistance in the Pacific had been targeted at objectives outlined in the *2017 Foreign Policy White Paper*, with which Step-up objectives align.

and business costs. They also have young, fast growing populations that need opportunities and jobs.²¹

2.18 Pacific island countries with these features and 'micro-state' countries have particularly suffered in this period, as summarised by the Lowy Institute:

No amount of luck or foresight could help the Pacific avoid the economic devastation trailing in the disease's wake. Pacific economies are dependent on the outside world—be it through tourism, commodities, trade, migration or aid. COVID-19 has disrupted all these economic ties and brought ruin to Pacific economies.²²

2.19 The ramifications of the virus (despite very low cases in most South Pacific island countries until late 2021)²³ were summarised in the *After COVID-19 (Volume 1)* report by the Australian Strategic Policy Institute:

Estimates of job losses are devastating for Vanuatu (40 per cent) and Fiji (25 per cent) and significant for Palau and Samoa (Hartcher 2020). Even if the [Pacific Island Countries and Territories] tourism-based economies hadn't closed their borders, the flow of tourists into the region has been cut off at source. Airlines aren't flying and cruise ships aren't sailing. Similarly, travel and quarantine restrictions by destination countries have affected remittances and trade income. The pandemic-induced economic malaise has affected demand for the region's exports. Reduced trade is threatening food security, as many islands depend on imports for food.²⁴

2.20 The pandemic has served to exacerbate the existing weaknesses in Pacific island environments, and highlight the economic and export diversity between them. For example, DFAT observes:

²¹ DFAT, *PACER Plus at a glance*, 14 January 2021. <<https://www.dfat.gov.au/trade/agreements/in-force/pacer/fact-sheets/pacer-plus-at-a-glance>> viewed 15 February 2022.

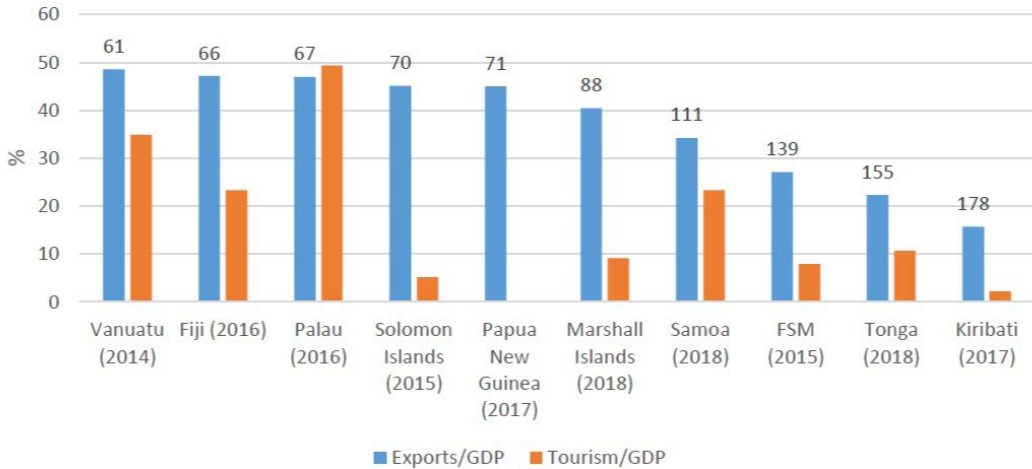
²² Lowy Institute, *Submission 69*, p. 3.

²³ Including, until February 2021, Papua New Guinea (PNG)—which experienced a tripling of the infection rate between mid February to mid March 2021 with 294 cases reported in a 24 hour period on 23 March 2021. <<https://www.abc.net.au/news/2021-03-22/png-more-covid-deaths-warning-port-moresby/100020876>> viewed 23 March 2021. Infections a year later, as at 2 February 2022 reached 37 270 in the fourth wave of the virus in PNG. Refer John Hopkins University and Medicine, Coronavirus Resource Centre, Covid-19 Dashboard, Papua New Guinea, 2 February 2022. <<https://coronavirus.jhu.edu/map.html>>

²⁴ Richard Herr and Anthony Bergin, 'The Pacific Islands' in *After COVID-19: Australia and the World Rebuild*, Australian Strategic Policy Institute (ASPI), May 2020, p. 89.

...the pandemic will likely have a severe economic impact in our region, in particular for those countries that rely heavily on tourism and commodity exports.²⁵

Figure 2.1 Exports (goods & services) and tourism as a proportion of GDP



Source: Development Policy Centre, Australian National University (ANU), *Submission 60*, p. 7. Data: World Bank exports/GDP and international tourism receipts/GDP. Year most recent data available across all indicators.

Australia's COVID-19 recovery response

2.21 The essence of the recovery response is to focus on those most pressing matters from an array of priorities. As highlighted in the *Partnerships for recovery COVID-19 development response*, the prosperous world economies had initially been hardest hit in 2020,²⁶ but the World Bank forecast in June 2020 that the developing countries, including those in the Pacific

²⁵ DFAT, *Submission 52*, p. 5. The most tourism dependant countries are Fiji and Vanuatu with, respectively, 66 per cent and 61 per cent tourism reliance as a proportion of GDP, as described in the Development Policy Centre, Australian National University (ANU), *Submission 60*, p. 7. (See Figure 2.1.)

²⁶ Primarily from a health perspective (then impacts of a global recession with an expected economic activity downturn of seven per cent amongst advanced economies), see World Bank, 'COVID-19 to plunge global economy into worst recession since World War II', *Press Release No: 2020/209/EFI*, 8 June 2020. Since this statement was released, further waves and more deadly strains of COVID-19 have hit prosperous nations including the USA, UK, France and Canada which, as at 5 February 2021 had a combined death toll of 641 700 attributed to coronavirus. British Broadcasting Corporation News, *Covid map: Coronavirus cases, deaths, vaccinations by country*, 5 February 2020. <www.bbc.com/news/world-51235105> viewed 6 February 2021.

region, would feel the effects intensely.²⁷ In January 2021 the World Bank's assessment of the health of the global economy was that vaccine deployment and investment was the key to sustaining recovery, with 'incomes likely to stay low for an extended period'.²⁸ In relation to developing countries, and relevant to the Pacific island region, the World Bank stated:

Although the global economy is growing again after a 4.3 per cent contraction in 2020, the pandemic has caused a heavy toll of deaths and illness, plunged millions into poverty, and may depress economic activity and incomes for a prolonged period.²⁹

2.22 The World Bank identified as particularly important policy actions in developing countries:

In the longer run ... policies to improve health and education services, digital infrastructure, climate resilience, and business and governance practices will help mitigate the economic damage caused by the pandemic, reduce poverty and advance shared prosperity. In the context of weak fiscal positions and elevated debt, institutional reforms to spur organic growth are particularly important.³⁰

2.23 Australia's 'recovery' statement acknowledged an Oceanic partnership effort in tackling the current and expected lingering impacts of the pandemic in the broader region.³¹ Similarly, while the Committee was grateful for the dedicated inquiry participation and the submissions received during what was, at the very least, a troubling year, it has agreed to currently focus on pragmatic and deliverable areas of improvement.

²⁷ World Bank, 'COVID-19 to plunge global economy into worst recession since World War II', *Press Release No: 2020/209/EFI*, 8 June 2020.

²⁸ World Bank, 'Global economy to expand by 4% in 2021; Vaccine Deployment and investment key to sustaining the recovery', *Press Release No: 2021/080/EFI*, 5 January 2021.

²⁹ World Bank, 'Global economy to expand by 4% in 2021; Vaccine Deployment and investment key to sustaining the recovery', *Press Release No: 2021/080/EFI*, 5 January 2021.

³⁰ World Bank, 'Global economy to expand by 4% in 2021; Vaccine Deployment and investment key to sustaining the recovery', *Press Release No: 2021/080/EFI*, 5 January 2021; World Bank, *Global Economic Prospects*, January 2021, p. xvi, noted that 'As countries formulate policies for recovery, they have a chance to embark on a greener, smarter, and more equitable development path. Investing in green infrastructure projects, phasing out fossil fuel subsidies, and offering incentives for environmentally sustainable technologies can buttress long-term growth, lower carbon output, create jobs, and help adapt to the effects of climate change'.

³¹ DFAT, *Partnerships for Recovery: Australia's COVID-19 Development Response*, May 2020, p. 8.

- 2.24 The Committee chose to focus on building on gains and maximising the success of initiatives that are practical to implement and can be feasibly implemented during the post-COVID recovery phase. These opportunities focus on priority needs as raised in evidence and which were included under the key Step-up categories.³² The topics were relevant pre-pandemic, but have been significantly amplified twelve months on.³³
- 2.25 The Committee saw merit in some proposals in evidence to expand areas with a high probability of success or ability to mitigate risks. Not all of these were considered for action in the current climate but some are included here as an acknowledgement of a worthy proposal for the medium term.
- 2.26 Initiatives raised in evidence, and discussed in this chapter, were suggested to bolster good governance, technology, communications, health, and migration pathways—these areas may also intersect.³⁴
- 2.27 The Committee has also reflected on the evidence received from a holistic viewpoint, noting that the key thematic³⁵ recommendations which emerged in the evidence included labour mobility, attitudes to climate change, market access issues (as reported in the Committee’s ‘activating trade and investment inquiry’), and a particular emphasis on the incorporation of local Pacific islander participation in development initiatives. The inclusion of locally-led planning and delivery in development opportunities is discussed in chapter 5.

³² Education and employment pathways; key infrastructure and its maintenance; energy security; climate change adaptation and disaster resilience; capacity building in governance and health.

³³ As at 8 February 2021 there were 1 024 confirmed COVID-19 cases in the Pacific island region (excluding the US and French territories)—945 of these were in Papua New Guinea. The PNG infection rate fell by 46.5 per cent in the 42 days to 8 February but then tripled in the following five weeks. Data source: Pacific Community, *COVID-19 Pacific Community Updates*, 8 February 2021 <<https://www.spc.int/updates/blog/2021/02/covid-19-pacific-community-updates>>. As at 31 January 2022, there were 66 473 confirmed cases of COVID-19 in the region (excluding the US and French territories)—37 145 were in Papua New Guinea. Data source: <<https://www.spc.int/updates/blog/2022/02/covid-19-pacific-community-updates#CurrentStatus>>. Given the current pandemic circumstances, where the Australian Government is focussed on the domestic and international response to COVID-19 Australia has paused work on a new international development policy.

³⁴ This approach aligned with the focus of the Step-up at the beginning of the inquiry, pre-pandemic—to maximise effectiveness of new initiatives and build on gains made by ongoing development partnerships.

³⁵ In terms of those topics which appeared most frequently—not those most viable, nor those with tangible, practical application.

Impact and timing of vaccine program in recovery efforts

- 2.28 Whilst high-priority roll-outs of COVID-19 vaccinations had commenced in many Northern Hemisphere countries by January 2021,³⁶ the road ahead to secure both the health of people and sustainable economies in the Pacific is expected to be long and costly.³⁷
- 2.29 The Australian vaccination schedule was due to commence in late February 2021 and the Pacific island schedule (as supported by the World Health Organisation's COVAX initiative and Australian and New Zealand support) followed.³⁸ The package also included holistic support, including training and mobilisation of health workers, transport of the vaccine to remote areas, health information systems, community education campaigns and providing technical expertise.³⁹ Australia's COVID-19 vaccine doses shared from Australia's supply and procured by Australia for partner countries through a partnership with UNICEF had totalled 2 003 070 in Pacific island countries by 1 February 2022.⁴⁰
- 2.30 Dr Stuart Minchin, the Director-General of the Pacific Community, reported to SBS Australia that vaccinating the region is 'critical' to getting back on track and that:

³⁶ Australia's vaccination programme (Pfizer, AstraZeneca and Moderna COVID-19 vaccines) commenced in late February 2021; Australian Government, *Australia.gov.au*, February 2021, <<https://www.australia.gov.au/news-and-updates/february-2021-news-archive>>. Viewed 15 February 2022.

³⁷ Lowy Institute, *Submission 69*, p. 4; The economic impacts on the region have been some of the most severe in the world. The Lowy Institute estimates that the required quantum of recovery funding for all of Australia's Pacific official development partners is at least A\$5 billion, Roland Rajah and Alexandre Dayant, *Avoiding a Pacific Lost Decade: Financing the Pacific's COVID-19 Recovery*, Policy Brief, Lowy Institute, December 2020, pp. 2-3.

³⁸ The Australian Government allocated \$200 million for COVID-19 vaccinations in Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu between 2020 and 2023—as well as contributing \$80 million to the COVAX initiative. The vaccination roll-out commenced in some Pacific nations in early 2021—US territories of Guam (second highest regional COVID cases: 7 699 at 8 February 2021) and American Samoa, and the freely associated states of Micronesia and Palau, through the US Government's Operation Warp Speed. The French Government commenced its vaccine roll-out in French Polynesia (highest regional COVID cases: 18 293) and New Caledonia.

³⁹ DFAT, Indo-Pacific Centre for Health Security, *Pacific Region Vaccine Access*. <<https://indopacifichealthsecurity.dfat.gov.au/fiji-vaccine-support>> viewed 2 February 2022.

⁴⁰ DFAT, Indo-Pacific Centre for Health Security, *Vaccine Access*. <<https://indopacifichealthsecurity.dfat.gov.au/vaccine-access>> viewed 2 February 2022.

This region has felt the impact of COVID-19, perhaps not as acutely as a health crisis, but very acutely in terms of the impact on their economies. ... Anything that the population can do to facilitate the opening up of travel and opportunities to rebuild economies is going to be welcomed both by the governments and by the people themselves.⁴¹

- 2.31 As such, even though there are current impediments to the implementation of most initiatives,⁴² getting the most feasible and practical measures in train as soon as possible, and within specified timeframes, is important.
- 2.32 The ills of the pandemic have also provided an opportunity for some mutual insights and understanding and potential growth opportunities, as discussed by the High Commissioner of Samoa:

This pandemic has certainly played havoc with every economy on the globe. The fact that 10 countries out of the 12 that are COVID-free, like Samoa, doesn't make it any easier, but the fact is that we are a price-taker. There are also the constraints at the moment in terms of movement of people, with regard to the impact on tourism, and, as well as that, our exports. It brings to mind how we could go forward in terms of the new norm that we are facing in activating trade and investment.⁴³

'Pacific bubble' proposal

- 2.33 The concept of a 'Pacific bubble' was first proposed in early 2020. Countries within this geographic region had very low COVID-19 community transmission and a 'bubble' would allow international borders between Australia and the Pacific island countries to remain open. This was seen as a means of supporting the most tourist reliant Pacific economies in a relatively low-risk way, to allow Pacific islander access to education and employment

⁴¹ Amelia Dunn, *How Australia will help its neighbours vaccinate against the coronavirus*, SBS Australia, 16 February 2021. <<https://www.sbs.com.au/news/how-australia-will-help-its-neighbours-to-vaccinate-people-against-coronavirus>> viewed 15 February 2022.

⁴² For example, given the low numbers of active coronavirus cases which were in the Pacific islands in 2020 and 2021 before Fiji opened its international border (excluding PNG and the US and French territories), a 'South Pacific travel bubble' had been much anticipated, but has not yet eventuated. Tom Rabe and Matt Wade, *NSW pushes for South Pacific travel bubble, but federal government says there is 'no timeframe'*, Sydney Morning Herald, 21 January 2021. <<https://www.smh.com.au/national/nsw/nsw-pushes-for-south-pacific-travel-bubble-but-federal-government-says-there-is-no-timeframe-20210121-p56vxs.html>> viewed 15 February 2022.

⁴³ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 6.

pathways in Australia (and New Zealand) and to better enable remittances to flow to those heavily reliant on this income source.⁴⁴

2.34 Hesitation was voiced about health system limitations in a 'Pacific bubble':

It is unclear when tourism will be able to resume, however any discussion around a 'travel bubble' that includes Australia and Pacific countries must have the health of Pacific communities as the highest priority – there are concerns that overstretched and underfunded healthcare systems of Pacific countries will be unable to cope with outbreaks of the pandemic.⁴⁵

2.35 The Committee was reminded of the catastrophic impacts on the region were the virus to take hold⁴⁶ while the Lowy Institute emphasised the grave consequences of Pacific region borders remaining shut:

Every bit of support from Australia and others, including China, will be necessary to stop a lost decade of development in the Pacific. While that support may help stem the bleeding, the only thing that will be able to stop it will be for borders to reopen between these COVID-free countries and Australia and New Zealand.⁴⁷

⁴⁴ The 'Pacific Bubble' concept was supported by inquiry contributors including the Development Policy Centre, ANU, *Submission 60*, p. 1; University of New South Wales Law Society, *Submission 70*, p. 10; and the Pacific Conference of Churches (Micah Australia, *Submission 48*, p. [3]). At the time of writing the expanded Pacific Bubble had not eventuated—considered high risk given existing strained Pacific island health systems and the COVID-19 Omicron variant wave in the summer of 2021-2022. See 'the uneven distribution, and often inadequate quality, of medical services and facilities across the region are serious health vulnerabilities'—from Richard Herr and Anthony Bergin, 'The Pacific Islands' in *After COVID-19: Australia and the World Rebuild*, ASPI, May 2020, p. 88.

⁴⁵ Australian Council of Trade Unions, *Submission 46*, p. 2.

⁴⁶ Save the Children Australia, *Submission 59*, p. 7, noted that 'without adopting or maintaining serious suppression measures' along the lines modelled by a research team at the Imperial College London, that the Pacific island region could suffer up to 31 293 virus-related deaths. As at February 2022, deaths due to COVID-19 in the Pacific island region were recorded at 2 649, including the French and US territories. Pacific Community, *COVID-19: Pacific Community Updates*, February 2022. <<https://www.spc.int/updates/blog/2022/02/covid-19-pacific-community-updates#CurrentStatus>> viewed 2 February 2022.

⁴⁷ Lowy Institute, *Submission 69*, p. 5.

Adapting and supplementing Pacific support

2.36 The Department of Foreign Affairs and Trade (DFAT) notes that the ‘new depth of Pacific partnerships delivered through the Pacific Step-up has positioned Australia well to support regional responses to the COVID-19 pandemic’.⁴⁸

2.37 It has also resulted in the Australian Government refocussing its Pacific development efforts. Firstly, the review into the new international development policy, initiated in 2019, of which DFAT received 53 submissions, had been temporarily halted:

In the current circumstances, where the Australian Government is focussed on the domestic and international response to COVID-19, we have paused work on a new international development policy. Our immediate development focus is on working with our region to respond to the crisis.⁴⁹

2.38 However, the submissions to the Government’s review were used to inform the formulation of a COVID recovery response development strategy for the Indo-Pacific:⁵⁰

Australia has pivoted its development program to support a regional response to the COVID-19 pandemic. The strategy underpins our vision of a stable, prosperous and resilient Indo-Pacific in the wake of COVID-19.⁵¹

⁴⁸ DFAT, *Submission 52*, p. 5.

⁴⁹ Internet Archive, *Archive of ‘DFAT, New International Development Policy’ webpage*, 24 January 2021. Policy <<https://web.archive.org/web/20210124123212/https://www.dfat.gov.au/aid/new-international-development-policy>> viewed 15 February 2022.

⁵⁰ Submissions to the formulation of the policy were previously published on the DFAT website: Internet Archive, *Archive of ‘DFAT, Submissions on a new international development policy’ webpage*, 18 May 2021. <<https://web.archive.org/web/20210518142947/https://www.dfat.gov.au/aid/new-international-development-policy/Pages/submissions>> viewed 15 February 2022. Many submitters also contributed to this inquiry.

⁵¹ DFAT, *Australian Development Budget Summary 2020-21*, May 2020, p. 1. <<https://www.dfat.gov.au/sites/default/files/pbs-2020-21-dfat-aid-budget-summary.pdf>> viewed 15 February 2022.

Partnerships for recovery

2.39 The new *Partnerships for recovery* strategy was released in late May 2020, after half of the submissions to the Committee's inquiry had been received. As such, while the original Step-up program somewhat morphed during the inquiry, the Committee received limited feedback on the \$1.44 billion Pacific COVID-19 support measures which are 'building on our Pacific Step-up...helping to support economies, build resilience and enhance regional stability'.⁵² Save the Children Australia commented in support of the speedy two year support horizon, but with reservations for the future:

In this context, the Australian Government's new Partnerships for Recovery strategy rightly focuses on an urgent time horizon of the next two years, prioritising local partnerships and multilateral cooperation to enable a rapid, health-focused response. This is correct for the short term. Yet, it leaves critical questions unanswered for the medium-to-longer-term, including how to respond to geopolitical and economic circumstances that will push large numbers of people into poverty, potentially for many years, as the strategy itself correctly recognises.⁵³

2.40 The repositioned program retains the same broad outcomes as the Step-up, with priority action areas: health security, stability and economic recovery, and protecting the most vulnerable, including women and girls.⁵⁴ The primary submission from DFAT was received at the end of June 2020, referring to the Official Development Assistance (ODA) change as:

We are redirecting our development assistance program and Pacific Step-up initiatives, bringing forward funding for critical health services and working

⁵² DFAT, *Australian Development Budget Summary 2020-21*, May 2020, p. 2. <<https://www.dfat.gov.au/sites/default/files/pbs-2020-21-dfat-aid-budget-summary.pdf>> viewed 15 February 2022.

⁵³ Save the Children Australia, *Submission 59*, p. 5.

⁵⁴ The Committee's inquiry into the human rights of women and girls in the Pacific explores issues of violence against women and gender inequality issues which the pandemic has exacerbated. <https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/womenandgirlsPacific/Submissions> viewed 25 January 2021. This is a key priority action area of Australia's COVID-19 Development Response Plan; DFAT, *Partnerships for Recovery: Australia's COVID-19 Development Response*, May 2020, p. 7.

with our partners to help mitigate the economic impacts. We are also helping to plan for recovery.⁵⁵

2.41 The Lowy Institute's submission stressed the dire economic situation these countries face in the wake of closed borders:

The grim reality is that most Pacific nations will not be able to bounce back from the economic and social devastation and without ambitious and urgent outside assistance will be set on a permanently lower economic and development trajectory.⁵⁶

2.42 The Lowy Institute's submission also suggested Australia spearhead a significant scale public investment recovery package over the medium term, financed 'through a mixture of grants and concessional lending through the [Australian Infrastructure Financing Facility for the Pacific]'.⁵⁷

2.43 Professor Richard Herr suggested a recovery option in the region which focussed on infrastructure investment utilising local input:

Make close consultation on localising plans and using local labour an essential focus of development plans.⁵⁸

2.44 The COVID-19 ODA response has led to a redirection of \$205 million from existing development funding to Pacific and Timor-Leste to tackle the pressing needs of the 'COVID recovery'. However, it has also meant that:

Some of Australia's Step-up initiatives and other programs have had to be reoriented and adapted to address the priority needs of Pacific communities in this changing environment.⁵⁹

⁵⁵ DFAT, *Submission 52*, p. 5; DFAT, *Submission 52*, pp. 6-7, further notes examples of initiatives which have been changed, for example the Pacific Fusion Centre, build to inform security policy, has been delivering Pacific focussed COVID-19 information.

⁵⁶ Lowy Institute, *Submission 69*, p. 4

⁵⁷ Lowy Institute, *Submission 69*, p. 5. The Australian Infrastructure Financing Facility for the Pacific (AIFFP) is discussed in more detail in chapter 3.

⁵⁸ Prof Richard Herr OAM PhD, *Submission 61*, p. [4].

⁵⁹ DFAT, *Submission 52*, p. 6.

Committee comment

- 2.45 The Committee notes the significant impact COVID-19 is having on the health and economies of the Pacific islands region and recommends that COVID-19 response and recovery for the Pacific islands remains a key commitment in Australia's development assistance program.

Recommendation 1

- 2.46 The Committee recommends that Australia builds on the Partnerships for Recovery to lead a large-scale, multi-year post-COVID-19 aid and recovery package within the Pacific islands region, focussing on transformative public investment through grants and concessional lending.**

Framework for strengthening relationships

- 2.47 The Committee received an assortment of views on the Government's development assistance approach in the Pacific islands, with some input on more specific aspects of development partnerships.
- 2.48 The Whitlam Institute's *Pacific Perspectives* report highlighted the key messages which emerged from its research about building good relationships with the Pacific island region. The report distilled key Pacific islander views⁶⁰ about fostering relationships with the region:
- That quality relationships matter more than quantities;
 - That values, norms and ways of doing things matter; and
 - Australia is one of many potential relationships for Pacific islanders.⁶¹
- 2.49 Point three above highlights the rising recognition in the Pacific island region of its own geostrategic significance which is 'giving them more urgency and more confidence in working with international partners, chiefly other Pacific states, Australia, New Zealand and China'.⁶² The *Pacific perspectives* research was 'motivated by a sense that, despite Australia's Pacific Step-up, Australian engagement and investment across the region

⁶⁰ From fieldwork in Fiji, the Solomon Islands and Vanuatu.

⁶¹ Whitlam Institute within Western Sydney University, *Submission 2*, p. 2.

⁶² Peacifica, *Pacific perspectives on the world: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 6.

was not hitting the mark, particularly in the context of the rise in global interest in the region'.⁶³

- 2.50 At the Committee's Pacific diplomatic roundtable the New Zealand (NZ) High Commissioner to Australia, Her Excellency Dame Annette King, explained NZ's version of Step-up—'Reset'—which similarly recognises the contested space in the region, and the need for a new mode of engaging:

To reinforce this, the Reset is underpinned by some key principles of engagement in the Pacific—understanding, friendship, mutual benefit, collective ambition and sustainability. We think it's important with this new approach because it also responds to the increased geostrategic competition in the Pacific.⁶⁴

- 2.51 Mr Pryke from the Lowy Institute emphasised how supporting the development of many Pacific island countries does not mean adhering to conventional channels of development:

...many of these Pacific countries are not going to follow a traditional economic development pathway. There are severe structural limitations around size and remoteness such that they can't go from an agrarian society to an industrial, export-driven, service-model economy. It's not going to happen.⁶⁵

- 2.52 Professor Howes made a similar comment regarding the Pacific islands' development being unique:

I think budget support in general does make sense for the Pacific, because at least parts of the Pacific are always going to be dependent on aid. This is not like an Asian story where you can see that countries are going to graduate as Malaysia and Thailand have, and no doubt Indonesia and Vietnam will one day.⁶⁶

- 2.53 Mr Pryke explained that different countries have different priorities and as a result of this diversity some expenditure choices may not always seem 'the most economically viable investment' but that this approach is:

⁶³ Whitlam Institute within Western Sydney University, *Submission 2*, p. 1.

⁶⁴ Her Excellency Hon. Dame Annette King, High Commissioner, New Zealand to Australia, *Committee Hansard*, 4 September 2020, p. 4.

⁶⁵ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 13.

⁶⁶ Professor Stephen Howes, Director, Development Policy Centre, ANU, *Committee Hansard*, 19 June 2020, p. 9.

I think, the only approach to work in genuine partnership with these countries, through trust funds and through budget support.⁶⁷

2.54 Mr Pryke elaborated to say that, as a result, some risk is inherent in the lending approach that is required on Australia's behalf where lending forms part of development assistance:

The reality is that, in those countries, aid is a structural component of economies and government revenue. That's the right approach.⁶⁸

2.55 Opportunities to strengthen relationships, given through this feedback, have been noted by the Committee and the key areas are identified in this chapter. These have been collated under the three 'Blue Pacific' aspirations which the Step-up objectives mirror (also aligned to the *Partnerships for Recovery* policy objectives):

- Prosperity and sustainable economic development—(including trade, education, employment, infrastructure and investment);
- Shared security and stability—(including climate and disaster resilience food, resources and energy security, governance and capacity building); and
- Deepening people to people connections and inclusiveness—(including through churches, sporting linkages, civil society, the Pacific diaspora in Australia, depth and breadth of media presence in the Pacific and reciprocal cultural understanding).

2.56 The Committee has considered aspects of these three key areas in more detail in Chapters 3, 4 and 5, sequentially mirroring the Step-up objectives. Areas of focus considered by the Committee were those considered particularly pressing and which could be practically and feasibly implemented within foreseeable timelines.

⁶⁷ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 10.

⁶⁸ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 10.

3. Prosperity, sustainability and economic development

3.1 Enabling prosperity and sustainable economic development is the first pillar of the Australian Step-up agenda in the Pacific region. This includes consideration of:

- Trade;
- Education;
- Employment; and
- Infrastructure, investment and resources.

3.2 Before considering the above sectors it should be noted that much of the evidence to the inquiry which considered COVID-19 impacts was directly concerned with impacts on economic development. It was noted that many of the gains in this area made prior to 2020 have been seriously compromised by COVID-19 impacts.¹ The Australian Government's *Partnerships for recovery* policy document states that the stakes are high to prevent detrimental economic development impacts:

The COVID-19 pandemic represents one of the most profound challenges to economic development and human wellbeing. The initial effects have been felt most heavily in wealthier countries. But the eventual impacts are likely to be most acute across the developing world, including in Australia's near region.²

¹ Roland Rajah and Alexandre Dayant, *Avoiding a Pacific Lost Decade: Financing the Pacific's COVID-19 Recovery*, Policy Brief, Lowy Institute, December 2020, p. 4.

² DFAT, *Partnerships for Recovery: Australia's COVID-19 Development Response*, May 2020, p. 2. <<https://www.dfat.gov.au/sites/default/files/partnerships-for-recovery-australias-covid-19-development-response.pdf>> viewed 25 January 2021.

- 3.3 The situation threatens to jeopardise progress towards the *2030 Agenda for Sustainable Development Goals*.³ The pandemic has stretched the capacity of wealthier nations to buffer the economic shocks within their own countries, those once best able to support the most vulnerable developing economies.⁴

Trade—PACER Plus

- 3.4 The Committee heard from Pacific diplomats, Pacific islanders, and those working in diaspora and labour mobility communities about boosting economic growth through streamlining regulatory and administrative processes (e.g. biosecurity approval) for Pacific island trade with Australia.⁵
- 3.5 Feedback was positive about the Pacific Agreement on Closer Economic Relations (PACER) Plus⁶ from Pacific diplomats at the joint Sub-Committee roundtable;⁷ however, the Committee received unfavourable comment from

³ In 2015, Australia was one of 193 United Nations (UN) member states that committed to the *2030 Agenda for Sustainable Development* (the 2030 Agenda). It has 17 sustainable development goals (SDGs) which form a roadmap for global development efforts to beyond 2030 plus the Addis Ababa Action Agenda which is a global plan for achieving the financing necessary to meet the SDGs.

⁴ Richard Herr and Anthony Bergin, 'The Pacific Islands' in *After COVID-19: Australia and the World Rebuild*, Australian Strategic Policy Institute (ASPI), May 2020, p. 90.

⁵ Similar commentary at: Whitlam Institute within Western Sydney University, *Submission 2*, p. 4; His Excellency Mr John Ma'o Kali, High Commissioner, Papua New Guinea, *Committee Hansard*, 4 September 2020, p. 17; His Excellency Mr Samson Vilvil Fare, High Commissioner, Republic of Vanuatu, *Committee Hansard*, 4 September 2020, p. 15; His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 8; Griffith Asia Institute, *Submission 32*, p. 4; Mr Nic Maclellan, *Submission 42*, p. 9; and Northern Territory Government, *Submission 62*, p. 5.

⁶ The Pacific Agreement on Closer Economic Relations (PACER) Plus is a regional development-centred trade agreement designed to support Pacific island countries to become more active partners in, and benefit from, regional and global trade, as well as to provide commercial benefit to Australian businesses. It entered into force 13 December 2020 with eight countries to the agreement: Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands and Tonga. It covers trade in goods, trade in services, investment, temporary movement of natural persons, development and economic cooperation, institutional arrangements, transparency and consultation and dispute settlement. DFAT, *PACER Plus at a glance*. <<https://www.dfat.gov.au/trade/agreements/in-force/pacer/fact-sheets/pacer-plus-at-a-glance>>, viewed 16 February 2022.

⁷ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 6; His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 8; His Excellency Mr Samson Vilvil Fare, High Commissioner, Republic of Vanuatu, *Committee Hansard*, 4 September 2020, p. 14.

some contributors, including the Australian National University (ANU) Development Policy Centre:

...lack of interest in the treaty from the Pacific, which in turn is due to the fact that the Pacific has long had duty-free access to Australia and New Zealand. It is also the case that a traditional trade treaty such as PACER Plus is of little relevance to the Pacific, given its exceptional characteristics as outlined in this submission. One cannot expect Australia to drop PACER Plus, given how much the country has invested in it, but expectations that it will have a meaningful impact should be avoided.⁸

3.6 The Australian Council of Trade Unions (ACTU) similarly suggested that:

Australia should withdraw from the unbalanced PACER Plus trade agreement. Trade relationships with Pacific countries should be fair and mutually beneficial, and benefit workers in all countries.⁹

3.7 The ANU Development Policy Centre suggested an alternative proposal:

The PACER Plus approach is shallow and broad. An alternative approach to the broader goal of Pacific integration would be deep and narrow. This would involve Australia reaching a bilateral agreement with one or more Pacific island countries. The bilateral agreements would offer Pacific economies greater access to the Australian labour market, and perhaps other benefits (such as participation in various government services, such as meteorological or drug registration). In return, the Pacific economy would have to make various commitments.¹⁰

3.8 Deeper consideration of trade matters, in particular in relation to PACER Plus, were canvassed in the inquiry into activating greater trade and investment with Pacific island countries; as such these discussions will not be duplicated,¹¹ however labour mobility provisions arise in discussions relevant to employment later in this chapter.

⁸ Development Policy Centre, Australian National University (ANU), *Submission 60*, p. 17.

⁹ Australian Council of Trade Unions, *Submission 46*, p. 3. Also noted by ActionAid Australia, *Submission 53*, p. 3; and Development Policy Centre, ANU, *Submission 60*, p. 1.

¹⁰ Development Policy Centre, ANU, *Submission 60*, p. 18.

¹¹ Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT), *One region, one family, one future: Deepening relations with the Pacific nations through trade*, September 2021.

Trade liberalisation

- 3.9 The bulk of discussions about market access, trade growth and Australia's receptiveness to new markets has been extensively considered in the Committee's activating greater trade and investment inquiry.¹² These comments were also made in the submissions to this inquiry.
- 3.10 Mr Curtis Tuihalangie, the Deputy Head of Mission from the Kingdom of Tonga, emphasised the cultural importance of kava to many Pacific islanders and that breaking down trade barriers among other potential stigmas concerning the crop would be much appreciated in the region.¹³
- 3.11 Her Excellency Ms Hinauri Petana, the High Commissioner of Samoa, similarly raised the issue of trade for the Pacific islanders and how greater efforts to ensure better market access for many of their goods and services would be highly desirable, especially in a post-pandemic economic recovery environment:

Our submission before you sets out some of these challenges, from a huge trade imbalance, our geographic isolation from our main trading partners and the high costs involved, to competition with mass produced goods from other exporting countries in South East Asia and South America, for the same goods that we are able to produce, but in small volumes by comparison.¹⁴

- 3.12 Dr Yves Lafoy, the Counsellor and Official Representative of New Caledonia to Australia, also raised greater market access as a potential opportunity for further partnership and collaboration between Australia and the Pacific:

With regard to the second pillar of the Pacific step-up, last year the balance of goods remained largely in Australia's favour. Trade with Australia remains limited due to difficulties in adapting to the Australian market and its non-tariff barriers. It is therefore essential for New Caledonian companies to capture niche markets, particularly in services that require tropical expertise.¹⁵

¹² JSCFADT, *One region, one family, one future: Deeping relations with the Pacific nations through trade*, September 2021.

¹³ Mr Curtis Leonard Tuihalangie, Deputy Head of Mission, Kingdom of Tonga, *Committee Hansard*, 4 September 2020, p. 3.

¹⁴ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 5.

¹⁵ Dr Yves Lafoy, Counsellor and Official Representative of New Caledonia to Australia, *Committee Hansard*, 4 September 2020, p. 7.

3.13 His Excellency Mr Robert Sisilo, Solomon Islands High Commissioner also sought greater market access, emphasising the broad consensus for such initiatives to take place.¹⁶

3.14 His Excellency Mr John Ma’o Kali, the Papua New Guinean High Commissioner again raised greater market access as a key economic goal:

We also have some of the best coffee in the world but we can’t find the market in Australia. We find our niche markets in Europe, but it’s difficult to bring it into the Australian market. They tell us that there are biosecurity issues. It’s important that we work together with the institutions here to address those barriers because it’s a wonderful opportunity.¹⁷

Kava importation

3.15 The Committee received limited input on the use and trade in kava between the Pacific islands and Australia, with the main discussion arising during the Pacific diplomatic roundtable in Canberra on 4 September 2020.¹⁸ The unified focus of these contributions was a call for greater flexibility in Australian import rules, in particular the restricted import volume for personal use, impacting mostly people of Pacific islander background and the inability to commercially import kava.

3.16 The first phase of the Australian Kava Pilot Program commenced in 2019 with the increase in personal use importation from 2 kg to 4 kg.¹⁹ The second phase of the pilot introduced a commercial importation trial which commenced 1 December 2021 and spans up to two years.²⁰ There is no limit

¹⁶ His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 8.

¹⁷ His Excellency Mr John Ma’o Kali, High Commissioner, Papua New Guinea, *Committee Hansard*, 4 September 2020, p. 17.

¹⁸ *Committee Hansard*, 4 September 2020.

¹⁹ DFAT, *Australia’s Kava Pilot*. <<https://www.dfat.gov.au/geo/pacific/economic-prosperity-in-the-pacific/australia-kava-pilot>> viewed 31 January 2022.

²⁰ Department of Foreign Affairs and Trade (DFAT), *Submission 14*, Inquiry into Australia activating greater trade and investment with Pacific island countries, JSCFADT, p. 36. <https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/TradewithPacific/Submissions> viewed 16 February 2022.

on the amount of kava powder and kava beverages (using cold water only) which may be imported under Phase 2 of the pilot program.²¹

- 3.17 Mr Curtis Tuihalangie, Deputy Head of Mission, Kingdom of Tonga, explained the personal use trial had been impacted by pandemic border closures:

The current policy or regulation towards kava only permits an individual coming on a plane to hand carry or check-in four kilos of kava. However, there's no-one travelling now. ...what we can do to loosen the restriction, at least to allow the posting of just one kilo or two kilos of kava for the time being until normal travel is permitted and we can go back.²²

- 3.18 As at 1 February 2022, most Pacific island borders remain closed to foreign travel. For example, the Tongan international border remains closed to all but returning Tongan residents and citizens due to COVID-19 restrictions.²³

- 3.19 His Excellency, Mr Robert Sisilo, High Commissioner for Solomon Islands, noted more intensive kava cropping was being undertaken in the Solomon Islands to create future economic diversity. Mr Sisilo explained:

Solomon Islands, thanks to COVID-19, has now gone into kava planting big time, especially in the rural areas, where they own about 80 per cent of the land. ...That's why we are very much interested in the outcome of the pilot project on kava.²⁴

- 3.20 The Griffith Asia Institute supported future commercial kava importation but the submission was critical of the duration of the pilot's second phase, which at the time was set at 12 months:

This is not of sufficient length for producers to establish a viable consumer market. This is particularly the case for producers from Vanuatu, who do not

²¹ DFAT, *Monitoring and evaluation: Australia's commercial kava pilot*.

<<https://www.dfat.gov.au/sites/default/files/australia-commercial-kava-pilot-monitoring-evaluation.pdf>> viewed 31 January 2022.

²² Mr Curtis Leonard Tuihalangie, Deputy Head of Mission, Kingdom of Tonga, *Committee Hansard*, 4 September 2020, p. 14.

²³ The 15 January 2022 tsunami disaster in Tonga has also led to the cancellation of international flights to Tonga. DFAT, *Tonga*, Smart Traveller.

<<https://www.smarttraveller.gov.au/destinations/pacific/tonga>> viewed 2 February 2022.

²⁴ His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 16.

have a ready market in the form of a large diaspora in Australia (as is the case for Fijian, Samoan, and Tongan farmers).²⁵

Committee comment

- 3.21 The Committee acknowledges evidence to the inquiry requesting general trade liberalisation to enable better market access for many Pacific goods and services. It also recognises the traditional role kava beverage plays, including religious, ceremonial, medicinal and social, in the culture of many Pacific island countries, and the impediments to access in Australia.
- 3.22 The Committee notes that kava has, up until the last decade, been largely only produced in Pacific home gardens for domestic cultural use. However it also recognises that kava exports are a burgeoning infant industry in some Pacific islands, and could provide an economic alternative in tourism dependant Pacific island countries—an industry, the Committee heard, which was decimated by pandemic border closures.
- 3.23 This topic was explored to its greatest extent during the Pacific diplomatic Heads of Mission roundtable, jointly convened by three of the Sub-Committees undertaking Pacific Step-up focussed inquiries.²⁶ The Trade Sub-Committee conducted the Committee’s inquiry into activating greater trade and investment with Pacific island countries and considered the relaxation of Australian kava import restrictions in the Committee’s report, *One region, one family, one future*, tabled in September 2021.²⁷ The report noted the potential benefits of promoting kava imports, including relationship building, and the Committee recommended that the Australian Government assist:

...interested governments in the Pacific island countries to join Australia’s kava commercial importation pilot and for the pilot to consider the feasibility of classifying kava as a food under a joint food standard of Food Standards Australia New Zealand (FSANZ).²⁸

²⁵ Griffith Asia Institute, *Submission 32*, p. 18. The Griffith Asia Institute suggested a two-year trial period—of which the duration of phase two of the pilot was later extended to.

²⁶ *Committee Hansard*, 4 September 2020.

²⁷ JSCFADT, *One region, one family, one future: Deepening relations with the Pacific nations through trade*, September 2021.

²⁸ JSCFADT, *One region, one family, one future: Deepening relations with the Pacific nations through trade*, September 2021, p. 335.

- 3.24 Concerns have been aired regarding potential externalities associated with promoting the cultivation of the kava crop in Pacific islands and potential negative social and health impacts when consumed outside of traditional settings. The Committee notes the pandemic has hindered evaluation of the personal use trial, but considers, on balance, the monitoring and evaluation of the commercial pilot program – which will assess the health, social, cultural and economic effects – will help clarify benefits and downsides of relaxing import restrictions.

Education pathways

- 3.25 The Australian Government regards improved education and training in the Pacific as conducive to economic growth and the greater interchange of skills and qualifications in the region.²⁹
- 3.26 Alphacrucis College stressed the importance of basic literacy and skills fit for (local) purpose:

Aware of the educational challenges facing the Pacific, DFAT acknowledges that many Pacific students leave school without adequate basic literacy, numeracy and life skills. With the region struggling to improve economic growth in line with population growth, there is an imperative for Pacific Island countries to provide quality education and skills training suited to labour market demands.³⁰

- 3.27 Deficits in school attendance rates have also been reported in the region. This is reflected, for example, in statistics reported by the Department of Foreign Affairs and Trade (DFAT) under the *Kiribati Education Improvement Program (KEIP)*, which provided \$35 million in official development funding between 2011-2019:

Large proportions of children of relevant school age groups are missing at every level of basic education. Issues include under-enrolment at initial intake into Year 1, an enrolment fluctuation over the primary school years that may indicate a pattern of drop out and return; and low retention up to the end of Junior Secondary School ... On average over the past five years, only 78 per

²⁹ Department of Foreign Affairs and Trade (DFAT), *Development assistance in the Pacific: Pacific regional – education*. <<https://www.dfat.gov.au/geo/pacific/development-assistance/education>> viewed 16 February 2022.

³⁰ Alphacrucis College, *Submission 57*, p. [13].

cent of the primary age group are enrolled, and only 79 per cent of the primary enrolment survives from Year 1 into [Junior Secondary School].³¹

- 3.28 The KEIP program also readies school environments for better climate change adaptability and disaster reliance (for example by raising floors and protective seawalls to reduce coastal flooding); building school facilities using sustainable materials, and that children have access to secure freshwater supplies.³²
- 3.29 Alphacrucis College also noted that ‘quality education and training are fundamental to boosting the potential of Pacific islander people to contribute to the knowledge and technology driven societies of the future’.³³ School educational outcomes were identified as being linked to quality teaching, with Alphacrucis College recommending:

For teachers to give of their best in the classroom and communities, their teaching conditions would need to be re-evaluated. The Puamau report also identified the need ‘to have newly trained, inexperienced teachers undergo an extensive programme when they join their first school’, and the need for such teachers to receive ongoing professional development to upgrade their knowledge and skills for the rest of their teaching careers. The report recognised the potential for such initiatives to enhance both teaching quality and student learning in Pacific nations.³⁴

³¹ Kiribati Education Improvement Program, *Phase III Investment Design Document*, DFAT, January 2016. <<https://www.dfat.gov.au/sites/default/files/kiribati-education-improvement-program-phase3-design-doc.pdf>> viewed 16 February 2022.

³² Kiribati Education Improvement Program, *Phase III Investment Design Document*, DFAT, January 2016. <<https://www.dfat.gov.au/sites/default/files/kiribati-education-improvement-program-phase3-design-doc.pdf>> viewed 16 February 2022.

³³ Alphacrucis College, *Submission 57*, p. [11].

³⁴ Alphacrucis College, *Submission 57*, p. [12].

- 3.30 The Australia-Pacific BRIDGE School Partnerships Programme,³⁵ which will expand teacher training, was supported: 'it will endeavour to support increased use of digital technology to link classrooms with resources and information from around the world'.³⁶
- 3.31 ChildFund Australia attributed much of the recent improvement in early grade literacy outcomes in Papua New Guinea (PNG) to the work of civil society due to the Australian Government switching its funding from 'top heavy technical advisers in the National Department of Education' to non-government consortia:
- The continuing challenge for NGOs will be to demonstrate that bottom-up reforms can be sustained beyond the period of direct Australian Aid program implementation. There is certainly a present need for [Australian NGOs] to continue to partner with the [National Department of Education], local schools and communities to bring this about. This may, in turn, lead towards strengthening PNG civil society organisations to take a permanent role in supporting and monitoring education service delivery.³⁷
- 3.32 Inquiry submitters acknowledged programs in the Step-up designed to enhance educational opportunities for Pacific islander students, including the Pacific Secondary Scholarships³⁸ (inaugural year 2020, commencement paused due to pandemic). The Australia Awards³⁹ (a continuing scholarship

³⁵ The BRIDGE program is an international partnerships program, which, under the Step-up, was introduced in the Pacific in 2018-2020 with a successful pilot in PNG, Solomon Islands and Samoa. It links Australian and Pacific high school classrooms and resources, with teacher field visits, and will now include Fiji, Nauru, Tonga and Vanuatu. DFAT, *New initiatives in Australia's education partnerships in the Pacific*. <<https://www.dfat.gov.au/geo/pacific/people-connections/Pages/education-partnerships-in-the-pacific>> viewed 5 February 2021.

³⁶ Alphacrucis College, *Submission 57*, p. [15].

³⁷ ChildFund Australia, *Submission 22*, p. 5.

³⁸ The new Pacific Secondary School Scholarships Program is an Australian Government financial award which provides an opportunity for high performing Pacific island students to attend an Australian secondary school for 2.5 years from July of Year 10 studies. DFAT, *Pacific Secondary School Scholarships Program*. <<https://www.pacificsecondaryscholarships.com.au/scholarship-overview/>> viewed 5 February 2021.

³⁹ The Australia Awards provide opportunities for people from developing countries, particularly in the Indo-Pacific region, to undertake full time undergraduate or postgraduate study at participating Australian universities and Technical and Further Education (TAFE) institutions. Scholars are required to leave Australia for a minimum of two years after completing their scholarship. DFAT, *Australia Award Scholarships*. <<https://www.dfat.gov.au/people-to-people/australia-awards/Pages/australia-awards-scholarships>> viewed 5 February 2021.

program, established in 2007) was also listed as a mechanism to improve science and innovation capability in the region:

Australia is also continuing to support Pacific partners in order to build science and innovation capability and use new technology as drivers of future economic growth and social impact. These initiatives are aimed at complementing Australia's existing support through the Australia Awards Scholarships, designed to help build national capacity and form an integral part of Australia's people-to-people links with the South Pacific.⁴⁰

3.33 The ANU Pacific Institute recommended that tertiary scholarship programs and linkages be supported:

We propose that the Australian Government's higher education policy in relation to the Pacific should have the following aims:

- To deepen our academic relationships with the Pacific through supporting our universities to serve as trusted partners and essential resources for all who work with the Pacific, and especially our partners from the Pacific.
- To support and extend the current work of our world-leading universities for Pacific research, education, Higher Degree Research (HDR) training, policy and other public engagement.
- To grow the number of researchers interested in the Pacific in Australian universities.
- To raise the profile of Pacific scholarships in Australia by ensuring that the Australian public deepens their understanding of the Pacific and Australia's place in the region.⁴¹

3.34 The New Colombo Plan was also acknowledged as a means of connecting Pacific communities with Australian students through tertiary institutions in 12 Pacific region locations.⁴² In a similar vein, the Whitlam Institute recommended that the Australian Government should invest in better Pacific literacy for Australians, and working with diaspora knowledge to inform those working in the region:

Pacific islanders know more about Australia than we do about them. We are in effect stepping up without knowing where we are going. This can be addressed by:

⁴⁰ Alphacrucis College, *Submission 57*, p. [10].

⁴¹ ANU Pacific Institute, *Submission 50*, p. 2.

⁴² In 2018, a total of 13 654 mobility grants were awarded—up from 7 441 in 2017—and 120 scholarships—up from 105 in 2017. DFAT, *Department of Foreign Affairs and Trade Annual Report 2017-2018*, September 2018, p. 74.

- Promoting knowledge of the Pacific, including its languages, in Australian schools and universities and through mainstream media.
- Developing a 'Pacific Capable' strategy to prepare Australia and Australians to live, work, and socialise with Pacific island people in their own country and in the countries of the region.
- Working with Pacific diaspora communities to build the capacity of government departments and agencies, contractors and INGOs that work in the region.⁴³

3.35 The Australia Pacific Training Coalition (APTC) is Australia's Technical and Vocational Education and Training investment in the Pacific region, an initiative announced at the Pacific Islands Forum in 2006 and funded by DFAT and delivered by Queensland TAFE.⁴⁴ APTC operates in nine Pacific Island countries: Fiji, Samoa, Vanuatu, Papua New Guinea, Solomon Islands, Nauru, Tuvalu, Tonga and Kiribati, offering Australian qualifications from Certificate II to Diploma level in various vocational areas.

3.36 The APTC program was described by Mr Chris Gardiner, among others, as more than just education—Mr Gardiner proposed the APTC be used as a potential 'access pathway for work, residency and citizenship in Australia' as this would allow:

...students in the Pacific to obtain the new visa upon graduation from an APTC linked training course, whilst continuously aligning APTC course offerings with evolving labour market priorities in Australia.⁴⁵

3.37 Similarly, the Development Policy Centre, ANU recommended a strengthened focus on 'promoting migration opportunities to improve employment outcomes for APTC graduates',⁴⁶ stating:

Recent analysis shows that APTC graduates are increasingly struggling to find employment. Among the roughly half of APTC graduates who do not have a pre-existing employment arrangement to return to, more than one-third are out of work at the time of follow-up tracer surveys, compared to less than

⁴³ Whitlam Institute within Western Sydney University, *Submission 2*, p. 3.

⁴⁴ Australia Pacific Training Coalition, *About us*. <<https://aptc.edu.au/about/us>> viewed 5 February 2021.

⁴⁵ Mr Chris Gardiner, *Submission 10*, p. 3.

⁴⁶ Development Policy Centre, ANU, *Submission 60*, p. 19.

10 per cent at the start of the last decade. The APTC needs to train fewer graduates for domestic markets and more for overseas markets.⁴⁷

3.38 His Excellency Mr John Ma’o Kali, the Papua New Guinean High Commissioner believed opportunities for Australians to teach in PNG will improve education outcomes in PNG and deepen people-to-people links:

...we also ask if there could be Australians coming into Papua New Guinea to, for example, teach English, maths and science—core subjects—and students, under the New Colombo Plan, to come and study in our institutions—to share and study our cultures—not necessarily only in Port Moresby, but also have the same number in the districts, where they can work and live with the people and be part of the community. Those types of exchanges into the future will be good, but COVID of course is a serious challenge.⁴⁸

Employment

3.39 Improved employment pathways were mentioned in evidence as pivotal to achieve sustainable economic development in Pacific island countries (PICs). The diversity and complexities within the region require consideration to tailor education and skills pathways for available employment. Key issues explored in this section include:

- The reliance of Pacific island economies on remittance activity;
- The role of labour mobility programs; and
- Visa arrangements to access Australia.

Pacific local employment

3.40 Most feedback from inquiry participants about employment related to either highly skilled employment pathways (via tertiary education) or the operation of the lower-skilled Pacific labour mobility programs for employment in Australia.

3.41 The Lowy Institute focussed on the significant loss of Pacific island service sector jobs from pre-COVID local employment bases over the last year, which it warned may not return after the pandemic. The submission stated:

While traditional welfare systems are providing some reprieve, it’s a romantic and misplaced notion to think Pacific Islanders can just return to the village

⁴⁷ Development Policy Centre, ANU, *Submission 60*, p. 19.

⁴⁸ His Excellency Mr John Ma’o Kali, High Commissioner, Papua New Guinea, *Committee Hansard*, 4 September 2020, p. 27.

and the farm to ride out the storm and just return to their jobs when borders re-open. The reality is that many of the jobs will not be there when borders open if more action is not taken now.⁴⁹

- 3.42 Further, the Lowy Institute suggested the Australian Government invest in infrastructure to drive economic growth and jobs creation out of the pandemic:

Australia should take the lead in spearheading a large-scale, multi-year 'recovery package' focused on public investment – a combination of budget support where appropriate or major works/infrastructure programs elsewhere –financed through concessional lending.⁵⁰

- 3.43 Proposals to invest in high priority Pacific island infrastructure – particularly in green technology and to enable climate adaptation and disaster resilience – demand local skills to be developed for oversight and maintenance.⁵¹

- 3.44 The WASH Reference Group stressed that lack of basic sanitation across the Pacific islands hinders everyday health, hygiene and progress. Investment in these projects would create local jobs and improve community health and wellbeing:

Currently, two-thirds of the region's population rely on unprotected sources of water and unsanitary means of excreta disposal which pose serious risks to health. Preventable water-borne illnesses and mortality from WASH conditions are higher in Pacific Islands than in neighbouring Asia, particularly among vulnerable population groups, including infants and the elderly.⁵²

- 3.45 Another suggestion by an inquiry participant – either as a stand-alone initiative, or associated with a more holistic proposal for the region – is the creation of an Australian Defence Force (ADF) Pacific Islands Regiment:

I endorse the proposal by Anthony Bergin, supported by the Fijian Defence Minister, to establish a Pacific Islands Regiment in the ADF. The creation of such a regiment would, to a significant degree, be part of geo-political efforts

⁴⁹ Lowy Institute, *Submission 69*, p. 4.

⁵⁰ Lowy Institute, *Submission 69*, p. 4.

⁵¹ CBM Australia, *Submission 15*, p. 9; Numerous contributors supported infrastructure investment including: Lowy Institute, *Submission 69*, pp. 4-5; Moerk Water Solutions Asia-Pacific Pty Ltd, *Submission 56*, p. 2; Mr Benjamin Cronshaw, *Submission 1*, p. 3.

⁵² WASH Reference Group, *Submission 6*, p. 5.

to build stronger relations between the islands communities from which members of the regiment would be drawn, and Australia.⁵³

- 3.46 World Citizens Association (Australia) likewise advocated for a specific Pacific islands military force to be formed, although they envisioned a localised force unrelated to the ADF:

A land-based security force, perhaps a Pacific Islands Regiment, to carry out peacekeeping duties both within and outside the region, and if necessary to intervene in ‘extra-constitutional crises’ in the region. Interventions by such a force would carry much greater legitimacy than a similar intervention by (say) Australian or New Zealand forces, which are always subject to charges of paternalism or neo-colonialism. It could also provide a significant source of employment for some of the smaller islands.⁵⁴

- 3.47 The idea appeared to be supported in Vanuatu where survey participants of fieldwork research nominated the desire to see an ‘increased focus on people-to-people links (via ministerial visits, scholarships, military links and sports).⁵⁵
- 3.48 The above military employment suggestion is mentioned again in chapter 4 regarding Professor John Blaxland’s concept of forming a regional ‘compact of association’ between Australia and four of the more climate and economically vulnerable Pacific island countries.⁵⁶

Reliance of economies on remittances

- 3.49 One of the most canvassed topics in inquiry evidence—and which dominated feedback at the diplomatic missions roundtable—related to the Pacific labour mobility scheme. As part of PACER Plus this initiative has also been considered in the Committee’s parallel trade and investment inquiry. However, as part of the aid-trade nexus in development assistance, the programs in the scheme are mentioned in this report in relation to the significant contribution to Pacific island remittances.
- 3.50 An option for Pacific islanders with restricted workplace skill-sets and limited available Pacific local jobs is entry to an Australian (or New Zealand)

⁵³ Mr Chris Gardiner, *Submission 10*, p. 8.

⁵⁴ World Citizens Association (Australia), *Submission 7*, p. 8.

⁵⁵ Peacific, *Pacific perspectives on the world: Listening to Australia’s island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 27.

⁵⁶ Professor John Blaxland, *Submission 71*, pp. 2-3.

labour mobility scheme.⁵⁷ There are two programs: the Pacific Labour Scheme (PLS) and the Seasonal Worker Programme (SWP).⁵⁸ These are demand driven schemes where 'approved employers' may recruit workers into the schemes from nine participating Pacific island countries, and Timor-Leste.⁵⁹

3.51 The schemes are promoted in island communities in various ways, for example The Whitlam Institute *Pacific perspectives* research project reported on views in Vanuatu:

Australia's Pacific Labour Scheme (PLS) was presented in the Vanuatu Daily Post as an important opportunity for ni-Vanuatu. A new intake was encouraged to act as ambassadors for their country... and to abstain from alcohol and kava (28 September).⁶⁰

3.52 Remittances have provided some safety-net for Pacific island communities during the pandemic; and the labour programs encourage deeper connections with, and an understanding of, the Australian community.⁶¹

⁵⁷ The Pacific Labour Scheme (PLS) commenced on 1 July 2018, following a pilot scheme in northern Australia. It supplemented the Seasonal Worker Programme which was designed for shorter peak harvest season periods of employment whereas the PLS enabled longer term employment (3 years). The schemes provide an aid-trade nexus to jointly fill business demand across all Australian sectors (primarily horticultural) and to enable an employment and remittance pathway for Pacific islanders. DFAT, *Pacific Labour Mobility*. <<https://www.dfat.gov.au/geo/pacific/engagement/pacific-labour-mobility>> viewed 17 February 2022.

⁵⁸ The Seasonal Worker Programme (SWP) pre-dates the Pacific Labour Scheme. The SWP offers employers in the agriculture sector and employers in selected locations in the accommodation sector access to a returning workforce when there is not enough local Australian labour to meet seasonal demand. DFAT, *Pacific Labour Mobility*. <<https://www.dfat.gov.au/geo/pacific/engagement/pacific-labour-mobility>> viewed 17 February 2022.

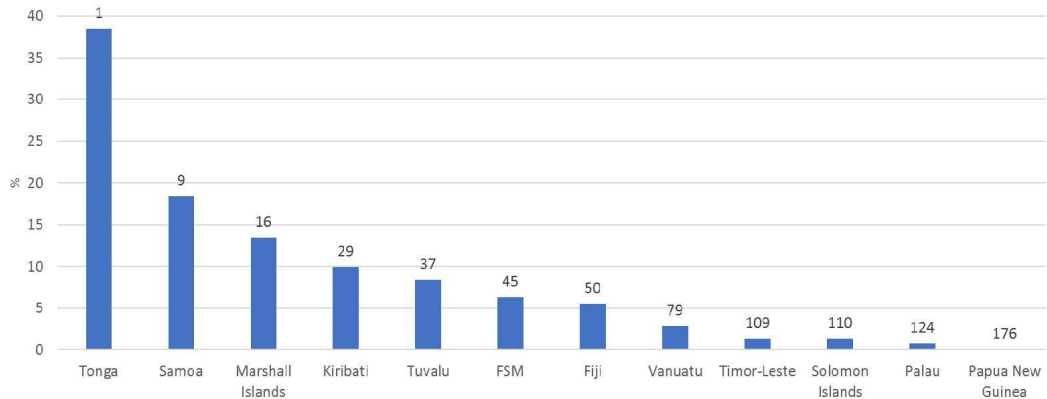
⁵⁹ Australian businesses are currently employing workers from Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu in low and semi-skilled roles. DFAT, *Pacific Labour Mobility*. <<https://www.dfat.gov.au/geo/pacific/engagement/pacific-labour-mobility>> viewed 17 February 2022.

⁶⁰ Peacifica, *Pacific perspectives on the world: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 15.

⁶¹ JSCFADT, *One region, one family, one future: Deepening relations with the Pacific nations through trade*, September 2021, p. 81.

3.53 The earnings from these employment opportunities in Australia have represented a significant source of remittances to Pacific island countries; with some countries extremely dependent on remittances, which they were well before the pandemic. This is depicted in Figure 3.1 where Tonga appears as the most remittance-dependant nation in the world.⁶²

Figure 3.1 Remittances as a proportion of GDP



Source: Development Policy Centre, ANU, *Submission 60*, p. 8. Data: World Bank, 2018. Data labels=remittance importance ranks based on remittances/GDP (1=most dependent, 178=least dependent).

3.54 Save the Children Australia's submission reflected this reliance:

In addition to the value of tourism, ...remittances are a critical source of financial flows into the Pacific, improving the prosperity of the communities they support.⁶³

3.55 The value of remittances during the pandemic and their anticipated ongoing importance in a post-pandemic or 'new normal' environment is significant. This was recognised in modelling of poverty levels in Pacific island countries (PICs) in the absence of transfers:

Indeed, as Australian National University academic Mr Chris Hoy has recently modelled, the number of people living in poverty in the PICs could increase by 1.2 million or more than 40 per cent 'in the absence of government or community transfers'.⁶⁴

⁶² Development Policy Centre, ANU, *Submission 60*, p. 8.

⁶³ Save the Children Australia, *Submission 59*, p. 14.

⁶⁴ Save the Children Australia, *Submission 59*, p. 5.

3.56 The World Bank estimates 'that due to COVID-19, global remittances are projected to decline by approximately 20 per cent, making this economic shock the largest decline in remittances in recorded history'.⁶⁵ This is particularly concerning in countries like Tonga, and to a lesser extent, Samoa.⁶⁶

Perceptions of the Pacific labour mobility programs

3.57 Pacific Australia labour mobility programs were viewed in a generally positive light by the majority of inquiry participants who commented on them, with some suggestions made about improving the schemes to support the welfare of workers and employment benefits and long-term pathways.⁶⁷

3.58 Associate Professor Joanne Wallis wrote: 'Australia's efforts to increase labour mobility have been widely welcomed as having potential developmental benefits'.⁶⁸ The Australian Fresh Produce Alliance agreed with this.⁶⁹

3.59 Mr Curtis Tuihalangie, the Deputy Head of Mission from the Kingdom of Tonga detailed how the labour mobility arrangements in place are mutually beneficial for both countries:

I think the [SWP] is a good program for labour mobility. It is the same thing with New Zealand – and we acknowledge that. Looking at the benefits, it is a win-win benefit. It is good for Tonga and good for Australia.⁷⁰

3.60 Her Excellency Hon. Dame Annette King, New Zealand's High Commissioner to Australia, similarly raised how labour mobility initiatives result in benefits for all parties concerned:

The truth is that it's of value to our countries as well, because both Australia and New Zealand find it very difficult to recruit people to work, particularly

⁶⁵ Save the Children Australia, *Submission 59*, pp. 14-15.

⁶⁶ Development Policy Centre, ANU, *Submission 60*, p. 8.

⁶⁷ Twelve submissions focussed on the ease of access to the schemes, visa arrangements and extending the schemes to allow other employment pathways (to greater skills acquisition).

⁶⁸ Associate Professor Joanne Wallis, *Submission 9*, p. 3.

⁶⁹ Australian Fresh Produce Alliance, *Submission 55*, p. 3.

⁷⁰ Mr Curtis Leonard Tuihalangie, Deputy Head of Mission, Kingdom of Tonga, *Committee Hansard*, p. 19.

in New Zealand, in our horticulture industries, where New Zealanders just won't do it. I think there is a similar problem here in Australia.⁷¹

- 3.61 The Solomon Islands High Commissioner, His Excellency Mr Robert Sisilo was not only an advocate of the PACER Plus agreement but also detailed the potential alluded to by Mr Chris Gardiner:

PACER Plus is also about labour mobility. Between 2012—that's when we first started to participate in the [SWP]—and 2018 more than 500 men and women from our country have migrated to Australia to work. Under the Pacific Labour Scheme, launched in 2018, we now have about 80 workers here, including four women who have worked in aged-care homes for three years. They are our first women to be engaged in aged-care facilities in Australia.⁷²

- 3.62 His Excellency, Mr Robert Sisilo explained the plan in the Solomon Islands to greatly increase the number of workers participating in the Seasonal Worker Programme (SWP) and Pacific Labour Scheme (PLS) by 2023:

Our Labour Mobility Strategy 2019-2023 has identified Australia as the market with the highest potential for growth, and by 2023 we plan to have almost 50 per cent of Solomon Islands labour mobility workers in the [SWP] and the [PLS], and the total number of migrant workers to migrate to Australia for work under either the SWP or PLS is projected to grow to 2,600 in 2023. Increasing employment opportunities present enormous opportunities for both countries; addressing labour and skills shortage in Australia while also increasing economic security in households in Solomon Islands.⁷³

- 3.63 The High Commissioner of Samoa, Her Excellency Ms Hinauri Petana, observed that the SWP, which has been in operation since 2012, and the PLS, since 2018,⁷⁴ have provided temporary labour opportunities since their implementation:

...we have seen a steady increase in numbers and acknowledge the benefits of these schemes in supporting families and communities back in Samoa, not to

⁷¹ Her Excellency Hon. Dame Annette Faye King, High Commissioner, New Zealand, *Committee Hansard*, 4 September 2020, p. 22.

⁷² His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 8.

⁷³ His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 8.

⁷⁴ DFAT, *Pacific Labour Mobility*. <<https://www.dfat.gov.au/geo/pacific/engagement/pacific-labour-mobility>> viewed 17 February 2022.

mention the positive impact on our foreign exchange, balance of payments and overall liquidity.⁷⁵

Opportunities for improvement

3.64 Her Excellency Ms Hinauri Petana, High Commissioner of Samoa, was quietly optimistic about the Pacific labour mobility programs going forward, despite some reservations:

I do have a lot of good feelings that we are probably going down the right track, in working with your respective departments in charge of the PLS as well as the SWP, to iron out, as it were, some of these issues that have been there for a while.⁷⁶

3.65 Her Excellency Ms Hinauri Petana and His Excellency Mr Samson Vilvil Fare also highlighted calls for broad improvements in aspects of labour mobility programs, key of which include:

- Better health services provision for Pacific island employees while in Australia including quality private health cover or access to the Commonwealth of Australia's Medicare system.⁷⁷
- Ability to contribute to superannuation and to access contributions via a pension mechanism.⁷⁸
- Collaborative approach to development and implementation of development policies in the region.⁷⁹
- Enabling immediate family members to join participants in the workers' program.⁸⁰

⁷⁵ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 6.

⁷⁶ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 19.

⁷⁷ His Excellency Mr Samson Vilvil Fare, High Commissioner, Republic of Vanuatu, *Committee Hansard*, 4 September 2020, p. 20.

⁷⁸ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 6; His Excellency Mr Samson Vilvil Fare, High Commissioner, Republic of Vanuatu, *Committee Hansard*, 4 September 2020, p. 21.

⁷⁹ His Excellency Mr Samson Vilvil Fare, High Commissioner, Republic of Vanuatu, *Committee Hansard*, 4 September 2020, p. 21.

⁸⁰ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 18.

3.66 The High Commissioner of Samoa also explained:

There are still some areas which require further review to ensure worker welfare is consistently addressed under both schemes. They range from accommodation to contractual issues, insurance and access to superannuation. Some of these are under review and there is ongoing discussion with the departments and services responsible...and we look forward to their resolution.⁸¹

Health cover and access to Medicare

3.67 His Excellency Mr Samson Vilvil Fare, the High Commissioner for the Republic of Vanuatu, noted several other areas which might be improved including Pacific islander workers accessing healthcare while here:

Health insurance is a big issue that our workers face in this country. This is mainly because each labour hire company or employer has a different plan for them and sometimes, when you look at the plans they offer, they are the cheapest plans out there that they offer them. ...our workers come to Australia and they work here, but they also pay GST and taxes here in Australia. How about giving them access to Medicare as well so that they can be fully insured?⁸²

Superannuation contributions and access

3.68 His Excellency Mr Samson Vilvil Fare, the High Commissioner for the Republic of Vanuatu, also discussed contribution arrangements for superannuation:

Our workers are still having difficulties in having access to their super. This is something that Vanuatu was looking at very closely before COVID. ... We explored the opportunities of probably having our pension fund established in Australia as a super, where our workers can pay their contributions directly into that super. We've gone as far as engaging with DFAT; at their end, they were supposed to engage with the tax office and then everything stopped. So we would really like to restart discussions around super, and find out more on how we can address those issues.⁸³

⁸¹ Her Excellency Ms Hinauri Petana, High Commissioner, Independent State of Samoa, *Committee Hansard*, 4 September 2020, p. 6.

⁸² His Excellency Mr Samson Vilvil Fare, High Commissioner, Republic of Vanuatu, *Committee Hansard*, 4 September 2020, p. 20.

⁸³ His Excellency Mr Samson Vilvil Fare, High Commissioner, Republic of Vanuatu, *Committee Hansard*, 4 September 2020, p. 21.

- 3.69 His Excellency Mr John Ma'o Kali, the Papua New Guinean High Commissioner to Australia, suggested that these labour mobility relations are not truly bilateral:

Any arrangement between our countries has to be a two-way thing. ... At the moment, Pacific labour mobility, ...seems to be in one direction, where we are supplying to the Australian labour market. But the reverse should also happen, where Australia should supply some expertise into our country to develop the capacity in our countries in order to generate the skills that are needed.⁸⁴

- 3.70 Similarly, His Excellency Mr Vilvil Fare, High Commissioner of the Republic of Vanuatu suggested greater Pacific involvement when designing potential policies to be implemented in or for the region:

In Vanuatu, we have the feeling that sometimes these policies are done without consultation with us, and then the policies are offered to us on a silver plate for us to digest. ... I would really strongly recommend that we look into those policies and try and have this collaboration on how to work and to ensure that the policies around SWP are well understood by both parties so that we don't infringe on your rights, and you do not infringe on our rights and we don't step on each other's toes.⁸⁵

- 3.71 His Excellency Mr Robert Sisilo, Solomon Islands High Commissioner, also stated, regarding the Pacific labour mobility schemes, that 'various barriers on both the supply side and the demand side which hinder the participation of potential migrants, especially women and residents of more remote provinces of the Solomon Islands'.⁸⁶

Family accompaniment

- 3.72 Professor Jane McAdam from the Kaldor Centre for International Refugee Law raised a family-centric concern:

...we should also allow workers to bring their families with them, especially under the Pacific Labour Scheme, which is a longer temporary scheme. This

⁸⁴ His Excellency Mr John Ma'o Kali, High Commissioner, Papua New Guinea, *Committee Hansard*, 4 September 2020, p. 27.

⁸⁵ His Excellency Mr Samson Vilvil Fare, High Commissioner, Republic of Vanuatu, *Committee Hansard*, 4 September 2020, p. 21.

⁸⁶ His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 8.

would match other temporary work visas that allow people to bring their families. We also need to create opportunities for permanent settlement.⁸⁷

3.73 However, some contributors to the inquiry noted social disruption in home countries as a result of the programs:

The current high rates of working age adults spending extended periods away from their partners and children is causing significant social dysfunction in Pacific communities. Increased remittance income is being offset by marriage breakdown, juvenile delinquency and addiction issues.⁸⁸

3.74 Dr Goringe, National Director, UnitingWorld, reiterated this concern as a result of parents working away from their families in these labour mobility programs:

...children who have addiction issues with gambling and porn and alcohol and drugs. When we did the root cause analysis it came up that the fundamental driver of this was this absent group of adults to mentor these children.⁸⁹

3.75 Professor Stephen Howes, from the Development Policy Centre at ANU noted the changing policy status of Pacific labour mobility schemes, and was a supporter:

The Australian Government's gone from a position of opposing the provision of targeted labour mobility opportunities to a position of actually promoting them, over the last 15 years. I think that has really transformed things. Aid is not the answer for the Pacific, so we shouldn't be stepping up so much in terms of aid. But, in terms of other instruments, labour mobility is the one that really makes sense for the Pacific.⁹⁰

New Agriculture Visa Scheme

3.76 The Agriculture Visa Program is a new stream of the Temporary Work (International Relations) subclass 403 visa and targets applicants from a small number of South East Asian countries to fill workforces shortages after a market test of Australian resident applicants is conducted.

⁸⁷ Professor Jane McAdam, Kaldor Centre for International Refugee Law, University of New South Wales (UNSW) Sydney, *Committee Hansard*, 3 December 2020, p. 12.

⁸⁸ UnitingWorld, *Submission 11*, p. 4.

⁸⁹ Dr Sureka Goringe, National Director, UnitingWorld, *Committee Hansard*, 18 June 2020, p. 12.

⁹⁰ Professor Stephen Howes, Director, Development Policy Centre, ANU, *Committee Hansard*, 19 June 2020, p. 2.

- 3.77 The Committee took evidence from the Department of Foreign Affairs and Trade, the Department of Home Affairs, the Department of Education, Skills and Employment, and the Department of Agriculture, Water and the Environment on the new employment mobility visa on 21 October 2021. An updated factsheet on the program containing details about the process and support systems was released by DFAT on 1 February 2022.⁹¹ Information on the intended permanent residency pathways noted in the factsheet will be released in April 2022.
- 3.78 The Agriculture Visa Scheme is an employer sponsored program administered by DFAT which engages employees from select countries in South East Asia (including Indonesia) and provides for two streams of employment:
- A shorter term engagement, up to nine months, is the more seasonal employment stream which requires return to country of origin at the conclusion of nine months; but a visa may remain valid for up to four years, and
 - A longer term employment engagement for up to four years, only available for full-time work.⁹²
- 3.79 At the Committee's final hearing on 21 October 2021, Ms Danielle Heinecke, First Assistant Secretary, Labour and Connectivity Division, Office of the Pacific, DFAT explained:

We're building on the lessons of our Pacific programs, and we note the importance of Pacific primacy in accessing labour mobility opportunities as a central principle which is informing the design of the new agriculture visa. This includes minimum requirements for employers and protection for workers.

The agriculture visa will support a long-term structural shift in our agriculture workforce away from a reliance on working holidaymakers to a dedicated and more reliable workforce. It will provide a basis for the ongoing growth of our

⁹¹ DFAT, *Factsheet: Australian Agriculture Visa Program*, 1 February 2022.

<<https://www.dfat.gov.au/sites/default/files/australian-agriculture-visa-fact-sheet.pdf>> viewed 17 February 2022.

⁹² DFAT, *Factsheet: Australian Agriculture Visa Program*, 1 February 2022.

<<https://www.dfat.gov.au/sites/default/files/australian-agriculture-visa-fact-sheet.pdf>> viewed 17 February 2022.

primary industries as they strive to reach \$100 million by 2030. It will also supplement the success of the Pacific labour mobility initiative.⁹³

Streamlining through the Pacific Australia Labour Mobility Program

3.80 The Pacific Australia Labour Mobility Scheme (PALM) comprises two streams – a shorter term seasonal option in the Seasonal Worker Programme (SWP); or a longer term stream currently between one to three years, the Pacific Labour Scheme (PLS).⁹⁴

3.81 The PALM scheme allows eligible Australian businesses to hire workers from nine Pacific islands (and Timor-Leste) when there are not enough local workers available to meet demand. The Committee examined the operation of PALM at the 21 October 2021 hearing.

3.82 Through the PALM scheme, eligible businesses can recruit workers for seasonal jobs for up to nine months or for longer-term roles for between one and three years, in unskilled, low-skilled and semi-skilled positions. The scheme helps to fill labour shortages in rural and regional Australia, administered by the Department of Foreign Affairs and Trade (DFAT). The scheme offers:

...employers access to a pool of reliable, productive workers. It also allows Pacific and Timorese workers to take up jobs in Australia, develop their skills and send income home to support their families and communities. From April 2022, the Seasonal Worker Programme and Pacific Labour Scheme will be consolidated, reformed and replaced by a more flexible and efficient single program.⁹⁵

3.83 Ms Danielle Heinecke, First Assistant Secretary, DFAT, explained that the Agriculture Visa Scheme was being designed to maintain the Pacific Labour Scheme as the principal pool of mobile temporary labour in Australia. Ms

⁹³ Ms Danielle Heinecke, First Assistant Secretary, Labour and Connectivity Division, Office of the Pacific, DFAT, *Committee Hansard*, 21 October 2021, pp. 1-2.

⁹⁴ DFAT, *Pacific Australia Labour Mobility Scheme*. <<https://www.palmscheme.gov.au/>> viewed 2 February 2022; Australian Government, *Factsheet: Pacific Australia Labour Mobility Scheme*. <<https://www.foreignminister.gov.au/sites/default/files/2021-11/streamlining-and-strengthening-pacific-labour-new-era-palm-scheme-fact-sheet.pdf>> viewed 2 February 2022.

⁹⁵ DFAT, *Pacific Australia Labour Mobility Scheme*. <<https://www.palmscheme.gov.au/>> viewed 2 February 2022.

Heinecke also detailed the Australian Government's commitment in August 2021 to double the intake of Pacific labour opportunities:

A number of press releases have come out from the government, and all of them refer to Pacific labour remaining the primary scheme. To start with, the numbers at the moment of Pacific workers are around 16,500. We expect, with the government's commitment, an additional 12,500, noting that 3,200 have already come in, and there will be around 24,000 or 25,000 Pacific workers in Australia by March to June next year.

We expect that the numbers from the Pacific will remain significantly higher. The design is underway at the moment, and there are still a number of settings to agree. But the principle of Pacific primacy is being built into the design.⁹⁶

3.84 From April 2022 the PALM scheme will be streamlined into one program managed by DFAT and will provide greater flexibility, including:

- Extended visa validity of up to 4 years, with provision for multiple entry to Australia, providing employers with greater workforce stability and giving workers more time to develop skills, complete qualifications and earn income to send home to their families; [and]
- More flexibility for workers to move between employers in response to workforce demands, improving productivity and workers' earning capacity.⁹⁷

3.85 The program has been redesigned to strengthen the welfare of employee participants, including, amongst other supports:

- Improved worker support arrangements, supported by welfare reporting requirements;
- Continuing to help workers to better connect with their local communities, including through the Community Connections measure, which is delivered by The Salvation Army;
- A 24/7 worker welfare helpline; [and]
- Support for the Fair Work Ombudsman to proactively educate and support workers and employers on their rights and obligations under Australian workplace law and investigate when needed.⁹⁸

⁹⁶ Ms Danielle Heinecke, First Assistant Secretary, Labour and Connectivity Division, Office of the Pacific, DFAT, *Committee Hansard*, 21 October 2021, pp. 2.

⁹⁷ Australian Government, *Factsheet: Pacific Australia Labour Mobility Scheme*, p. 1. <https://www.foreignminister.gov.au/sites/default/files/2021-11/streamlining-and-strengthening-pacific-labour-new-era-palm-scheme-fact-sheet.pdf> viewed 2 February 2022.

3.86 Mr Bill Costello, Assistant Secretary, DFAT, explained that Pacific diplomatic heads of missions had been consulted about the streamlined PALM program and design of the new Agriculture Visa Scheme. Mr Costello noted:

I think they are very encouraged by the growth and the reform that are happening on the Pacific Labour Scheme at the moment.⁹⁹

Committee comment

3.87 The Committee recognises that the basic parameters of the Australian Agriculture Visa Scheme appear similar in function to the revised Pacific Australia Labour Mobility Scheme (PALM). Welfare improvements and administration appear similar, as is flexibility for workers to move between employers in response to workforce demands. Plans for pathways to migration will be included in the Agriculture Visa Scheme with detail released in April 2022—the revised PALM Scheme is silent in that regard.

3.88 The Pacific labour mobility schemes are designed to be more meaningful than merely filling workplace gaps in low or semi-skilled jobs. It was specifically designed as a Pacific island initiative under the Step-up approach. The Agriculture Visa scheme is intended to supplement the PALM when demand for local labour outstrips supply. The opportunity for Pacific islanders from nine countries to live and work in the Australian community provides key opportunities for skills transfer, cultural exchange benefits and forging friendships, over and above any direct financial benefits.

3.89 The Committee notes that a number of operational details of the proposed Australian Agriculture Visa Scheme—including protections for workers, bilateral agreements between the Australian Government and South-East Asian countries and Deeds of Agreement between the Australian Government and participating employers—have not yet been finalised. The Committee further notes that there are concerns among some stakeholders that the Agriculture Visa may reduce the attractiveness of the existing Pacific labour mobility programs for Australian employers. Given the importance of the Pacific labour mobility for Australia’s Pacific relationships and for the

⁹⁸ Australian Government, *Factsheet: Pacific Australia Labour Mobility Scheme*, p. 2.

<<https://www.foreignminister.gov.au/sites/default/files/2021-11/streamlining-and-strengthening-pacific-labour-new-era-palm-scheme-fact-sheet.pdf>> viewed 2 February 2022.

⁹⁹ Mr William Costello, Assistant Secretary, Pacific Labour Branch, Labour and Connectivity Division, Office of the Pacific, DFAT, *Committee Hansard*, 21 October 2021, p. 2.

economic development of Pacific countries, the Committee considers interaction of the two schemes should be monitored to ensure that there are no negative impacts or unintended consequences for the Pacific labour mobility programs.

- 3.90 The Committee notes the testing of the Australian labour market to meet labour demands is specified in DFAT public information on both programs. However, despite assurances at the October 2021 hearing, the primacy of the PALM scheme over the Agriculture Visa Scheme is not apparent in public information. The Committee stresses the importance of transparency to maintain good faith with Pacific island countries.

Recommendation 2

3.91 The Committee notes the growing importance of the Pacific Australia Labour Mobility scheme for skills transfer and training and as a source of remittance income, and the support for such programs amongst the Pacific. The Committee recommends the Australian Government:

- **pursue steps to scale-up the program, better support career development, and provide pathways for permanent residency, akin to those being developed for the Agriculture Visa Scheme; and**
- **explicitly recognise the relationship building and cultural exchange elements of the Pacific Australia Labour Mobility Scheme in its design and promotion.**

Visa arrangements

- 3.92 Pacific islanders can apply for temporary access visas to work in Australia under the Pacific labour mobility schemes (these were temporarily suspended in 2020).¹⁰⁰

¹⁰⁰ Minister for Foreign Affairs, 'Seasonal and Pacific workers to help fill labour gaps', *Media release*, 21 August 2020. <<https://www.foreignminister.gov.au/minister/marise-payne/media-release/seasonal-and-pacific-workers-help-fill-labour-gaps>> viewed 17 February 2022. Noting, that '... the closure of Australia's international border to most non-residents since March 2020 meant that new workers from the Pacific were unable to travel to the country to take up positions under the schemes'. The Economist, *Australia to allow Pacific labour mobility schemes to resume*, Tonga, 28 August 2020 <<https://country.eiu.com/article.aspx?articleid=1670079550>> viewed 17 February 2022.

3.93 DFAT and the Department of Home Affairs outlined how, in response to the coronavirus pandemic, they worked together to issue new visas (subclass 408 and subclass 403)¹⁰¹ to allow workers under Pacific labour mobility schemes (given they are employed in a ‘critical sector’) to remain in Australia for up to a further to 12 months:¹⁰²

This is supporting critical livelihoods and remittances for thousands of Pacific Islanders at a time of economic crisis. This is in a context in which remittance flows are starting to exceed development funding in some countries. This initiative is also helping businesses in regional and rural Australia to maintain services and production in industries such as agriculture, forestry, fisheries and health care.¹⁰³

3.94 Save the Children Australia applauded the Australian Government’s decision to allow Pacific islanders on labour mobility schemes to stay in Australia, working during the pandemic, recommending that ‘this form of trade continue, and we argue that it should further extend this capacity during the crisis’.¹⁰⁴ Their submission claims these extensions ‘ensure a well-regulated labour supply for key industries such as horticulture’¹⁰⁵ and ‘give Pacific islanders a chance to send money back to their families, supporting children to stay in school and continuing their access to healthcare’.¹⁰⁶

3.95 Dr Tess Newton Cain stressed that Pacific island countries would welcome a reduction in the bureaucratic red tape involved with visas when attempting to work in Australia:

My sense in talking to Pacific people about this is that they will say, and I think they increasingly say, ‘You can come to our country without a visa. We want to come to your country without a visa.’ I think they could accept that there still has to be a visa process. What they can’t accept is the cost, but, more importantly, the administrative burden that is involved: the amount of

¹⁰¹ Department of Home Affairs, *Agriculture*, 4 November 2020.

<<https://covid19.homeaffairs.gov.au/agriculture>> viewed 18 February 2022.

¹⁰² DFAT, *Partnerships for Recovery: Australia’s COVID-19 Development Response*, May 2020, p. 15.

<<https://www.dfat.gov.au/sites/default/files/partnerships-for-recovery-australias-covid-19-development-response.pdf>> viewed 17 February 2022.

¹⁰³ DFAT, *Partnerships for Recovery: Australia’s COVID-19 Development Response*, May 2020, p. 15.

<<https://www.dfat.gov.au/sites/default/files/partnerships-for-recovery-australias-covid-19-development-response.pdf>> viewed 17 February 2022.

¹⁰⁴ Save the Children Australia, *Submission 59*, pp. 14-15.

¹⁰⁵ Save the Children Australia, *Submission 59*, pp. 14-15.

¹⁰⁶ Save the Children Australia, *Submission 59*, pp. 14-15.

information they're expected to provide, the length of time that it takes and the way they just feel that they're being messed about.¹⁰⁷

3.96 Mr Chris Gardiner's submission provides support for the ideas of Professor Stephen Howes, Development Policy Centre at ANU to introduce a 'Pacific Integration visa'¹⁰⁸ which incorporates education, training, employment and locality settlement conditions. He identifies that the greatest economic benefit Australia could provide to the peoples of the Pacific is access to its labour market and suggests allocating visa places within the existing migration cap on the basis of the 'Pacific family'.¹⁰⁹ Mr Gardiner extends on this proposal by further suggesting:

- An 'access pathway option would be via the [Australia Pacific Training Coalition] allowing graduates to obtain a working visa; while aligning course offerings with evolving labour market priorities in Australia';
- Subject the 'integration visa' to a 'set of employment skills criteria, and accepting Professor Howes' suggestion to absorb numbers within overall migration intake caps, there should be no cap on intake from the Pacific, providing a massive boost for Pacific communities'; and
- Endorsing 'the proposal by Dr Anthony Bergin¹¹⁰ which was supported by the Fiji Defence Minister to establish a Pacific Islands Regiment in the Australian Defence Forces (ADF). Access to the Pacific integration visa could be part of that initiative for those who serve in the regiment, and their families'.¹¹¹

3.97 Possible future visa arrangements could include consideration of temporary relocation visas for Pacific islanders following natural disasters and permanent migration as a result of climate change impacts. This is discussed in chapter 4, *Shared security and stability*. Mr Jonathan Pryke of the Lowy Institute mentioned climate change threats triggering permanent migration:

¹⁰⁷ Dr Tess Newton Cain, Adjunct Associate Professor, Griffith Asia Institute, *Committee Hansard*, 19 June 2020, p. 8.

¹⁰⁸ Professor Stephen Howes, Development Policy Centre, ANU, *Time for a permanent Australian step-up in Pacific labour mobility*, 12 December 2019. <<https://devpolicy.org/time-for-a-permanent-australian-step-up-in-pacific-labour-mobility-20191212>> viewed 18 February 2022.

¹⁰⁹ Mr Chris Gardiner, *Submission 10*, p. 3.

¹¹⁰ Anthony Bergin, *Pacific Islanders' boots would help defence step up*, Australian Strategic Policy Institute (ASPI), 3 September 2019. <<https://www.aspi.org.au/opinion/pacific-islanders-boots-would-help-defence-step>> viewed 18 February 2022.

¹¹¹ Detailed in Mr Chris Gardiner, *Submission 10*, pp. 3-4.

Much has been written about the benefits of seasonal labour for Australian employers and Pacific communities, including in a recent Kaldor Centre Policy Brief co-authored by myself and Jane McAdam. In the brief we argue that, in addition to the profound economic benefits, permanent migration pathways can act as a critical climate change adaptation policy for the Pacific.¹¹²

3.98 A discussion regarding climate change triggered migration appears in the last section of chapter 4 (*Shared security and stability*).

Infrastructure, investment and resources

3.99 As mentioned in chapter 1, the Pacific islands region holds economic potential of varying degrees. Those countries with the most lucrative resource opportunities, particularly those in Melanesia, are expected to face the greatest contestation of resource access¹¹³ and the strategic nurturing of relationships by external parties.

3.100 The most significant natural resources within the Pacific region include:

- Minerals, for example, copper and gold in Papua New Guinea (PNG), nickel in New Caledonia;
- Oil and gas reserves (primarily PNG, also Solomon Islands);
- Logging (PNG and Solomon Islands);
- Fisheries (vast maritime exclusive economic zones across the region).¹¹⁴

3.101 Pacific island countries face considerable impediments to expanding development, in particular in establishing suitable and adequate energy production facilities and energy distribution infrastructure. This is often a factor of remoteness, topographic hurdles, small scale and the difficulty raising the required capital input. As such, most Pacific island countries require foreign investment to enable significant infrastructure projects to be undertaken.

¹¹² Lowy Institute, *Submission 69*, p. 9.

¹¹³ Mr Graeme Dobell, *Submission 21*, p. 16.

¹¹⁴ The National Geographic, *Australia and Oceania: Resources*.

<<https://www.nationalgeographic.org/encyclopedia/oceania-resources>> viewed 18 February 2022.

Unintended consequences of foreign direct investment

3.102 Submitters noted the potentially subversive nature of some sources of foreign direct investment and how it may be harmful to not only the Pacific islands' development but also Australia's regional interests, for example Professor Richard Herr and Dr Anthony Bergin wrote:

One area that China may seek to exploit in the region after Covid-19 involves requests for debt forgiveness or restructuring from some debt-ridden island states.¹¹⁵

3.103 Dr Shumi Akhtar, Sydney University reinforced this view:

For example, China's attempt to build military bases around the Pacific Region and also the provision of debt funding to fund major infrastructure projects under their 'Belt and Road Initiative' ... has surely raised the alarm bells in Canberra. The vast amounts of debt at stake potentially leaves smaller nations vulnerable to China's demands in the event of a default; which would give China more power and control - this would be a real security threat to Australia and the rest of the Pacific region.¹¹⁶

3.104 The Lowy Institute, however, points out that:

Many developing countries urgently require infrastructure investment but struggle to find financing providers, apart from China. Elites can often also use infrastructure projects to cultivate political support, feed patronage networks and obtain 'kickbacks'. As a consequence, [Belt and Road Initiative] projects' economic viability is often dubious, and their political, social and environmental implications are negative.¹¹⁷

Diverse investment mechanisms

3.105 The Australian Government and other foreign governments with interests in the Pacific region support investment in the region through various facilities, agreements and initiatives.

3.106 The Australian Government's primary contribution to investment in the region is via two investment initiatives to support economic integration, strengthen economic resilience and unlock new sources of growth:

¹¹⁵ Richard Herr and Anthony Bergin, 'The Pacific Islands' in *After COVID-19: Australia and the World Rebuild*, ASPI, May 2020, p. 90.

¹¹⁶ Dr Shumi Akhtar, *Submission 67*, p. 4.

¹¹⁷ Shahar Hameiri, *Debunking the myth of China's debt trap diplomacy*, The Interpreter, Lowy Institute, 9 September 2020.

- The Australian Infrastructure Financing Facility for the Pacific (AIFFP),¹¹⁸ a Pacific-only Step-up initiative which commenced in July 2019; and
- The Australian Government’s export credit agency, Export Finance Australia (EFA),¹¹⁹ which supports worldwide Australian export trade by providing finance to support viable exporters, companies seeking to invest overseas and overseas infrastructure development.

3.107 The Australian Government aims to also facilitate private sector investment mechanisms in the Pacific islands as the region moves out of the pandemic:

Helping the private sector to access capital, and re-establish markets and global value chains, will be vital for our region’s economic recovery, as it will be for Australian businesses who rely on regional supply chains.¹²⁰

3.108 Mr Chris Gardiner stated that while other foreign influences could out-deliver on development assistance and infrastructure provision to Pacific island countries, he noted that Australia needs to reinforce the premier role that ‘brand Australia’ plays in the Pacific:

Australia is the largest provider of development assistance to the region – greater than the US or China – and has now in place significant export and infrastructure financing facilities ... to supplement that development assistance.¹²¹

¹¹⁸ The AIFFP had approved eight projects by June 2020, primarily in the telecommunications and energy sectors (DFAT, *Submission 52*, p. 8) – ten projects by the end of 2020. The AIFFP partly uses grant funding (\$500 million) and loans (\$1.5 billion) to support transformative economic infrastructure in Pacific island countries. This was developed following the completion of the independent Coral Sea Cable System and Solomon Islands Domestic Network which are now providing infrastructure and servicing customers in PNG and the Solomon Islands since February 2020 (DFAT, *Submission 52*, p. 8).

¹¹⁹ Export Finance Australia (EFA) was formerly named Export Finance and Insurance Corporation (EFIC) – From 1 July 2019, EFIC’s trading name changed to Export Finance Australia.

¹²⁰ DFAT, *Partnerships for Recovery: Australia’s COVID-19 Development Response*, May 2020, p. 12. <<https://www.dfat.gov.au/sites/default/files/partnerships-for-recovery-australias-covid-19-development-response.pdf>> viewed 21 February 2021.

¹²¹ Mr Chris Gardiner, *Submission 10*, p. 3.

Australian Infrastructure Financing Facility for the Pacific (AIFFP)

3.109 A funding model like the Australian Infrastructure Financing Facility for the Pacific (AIFFP) was initially used as the vehicle to fund communications infrastructure upgrades in the Pacific like the Coral Sea Cable System:

...the AIFFP was developed off the back of the successful completion of the Coral Sea Cable System and the Solomon Islands Domestic Network, examples of Australia stepping up in the Pacific. These systems are providing high-quality infrastructure, with both systems available for customer use in PNG and Solomon Islands since early February 2020.¹²²

3.110 The AIFFP was supported by the Lowy Institute, stating it provides 'credible alternative debt financing options'¹²³ for eligible high-cost infrastructure development projects in key areas of energy security, transport, telecommunications and water.

3.111 In June 2020, following the first few months of the COVID-19 pandemic, the AIFFP project was refocussed to specifically consider climate change priorities:

...as we move towards a post-COVID-19 recovery, AIFFP will focus on high-quality, climate resilient infrastructure that maximises local content and promotes local job creation, building local capacity and increasing employment opportunities – it will be an asset for economic recovery in the Pacific and Timor-Leste.¹²⁴

3.112 The Department of Foreign Affairs and Trade (DFAT) illustrated some examples of technical expertise in climate resilient infrastructure which Australia has already been providing to the Pacific islands via the AIFFP:

...endorsed ten projects to date in the energy, water (flood alleviation), telecommunications and transport sectors...[including] the Tina River Hydropower Transmission System in the Solomon Islands and the Markham Valley Solar Project in Papua New Guinea.¹²⁵

3.113 The focus of the AIFFP on high-value infrastructure with narrow eligibility criteria was commented on given other existing infrastructure challenges in

¹²² DFAT, *Submission 52*, p. 8.

¹²³ Shahar Hameiri, *Debunking the myth of China's debt trap diplomacy*, The Interpreter, Lowy Institute, 9 September 2020.

¹²⁴ DFAT, *Submission 52*, p. 8.

¹²⁵ DFAT, *Submission 52: 1*, p. [9].

the region. For example, Mr Tom Muller from WaterAid raised a concern that access to water, sanitation and hygiene may be detrimentally impacted by the large-scale infrastructure developments envisioned by the AIFFP and its renewed post-pandemic efforts:

While the Pacific Step-up, and particularly the Australian Infrastructure Financing Facility for the Pacific will direct new investment into large-scale infrastructure, there are significant risks that it will be at the detriment of increasing access to basic levels of water, sanitation and hygiene.¹²⁶

3.114 The WASH Reference Group's submission lists sanitation concerns to support investment in sanitation assets and structures, listing as concerns:

- Large populations in Papua New Guinea, Solomon Islands and Vanuatu still rely on surface water for drinking; and
- Access to improved sanitation also varies in the Pacific, with Kiribati, Marshall Islands, Papua New Guinea, Solomon Islands and Vanuatu all reporting high levels of open defecation and unimproved sanitation.¹²⁷

3.115 Mr Tom Muller from WaterAid also feared that the Step-up risks overlooking the importance of access to water, sanitation and hygiene:

We would really argue strongly that, as the Australian government thinks about the Pacific Step-up in the longer term, it needs to complement the focus of large scale infrastructure with a more strategic focus on basic-level access to water, sanitation and hygiene. We would also argue that, with regard to the Pacific Step-up and taking a whole-of-government initiative, there is a critical need to focus on government capacity and initiatives.¹²⁸

Financing and grant mix in development support

3.116 Submissions received illustrate how Australia's provisions of loans should be reconsidered in light of the coronavirus pandemic and its detrimental impact on Pacific island economies and their subsequent ability to repay debts. The International Women's Development Agency (IWDA), for instance, makes reference to the AIFFP:

The AIFFP was intended as a blended finance initiative, combining grants and loans with varying concessionality. However, as the impacts of COVID-19

¹²⁶ Mr Tom Muller, Director of Policy and Programs, WaterAid Australia, *Committee Hansard*, 18 June 2020, p. 4.

¹²⁷ WASH Reference Group, *Submission 6*, p. 5.

¹²⁸ Mr Tom Muller, Director of Policy and Programs, WaterAid Australia, *Committee Hansard*, 18 June 2020, p. 4.

begin to be felt by Pacific nations, the Government should re-consider its decision to offer debt-based financing. ...Historically, the pressure to service debt repayments has led countries to cut or privatise essential services. ...In this context, IWDA recommends the Government prioritise grant based financing for infrastructure.¹²⁹

3.117 The Australian Council for International Development (ACFID) similarly expressed how:

Considering the severe economic impacts of the COVID-19 crisis in the Pacific, ACFID has also called upon the Government to enhance the concessionality of AIFFP loans. The repurposing of the \$1.5 billion non-concessional loan component of the AIFFP, into either more concessional loans or grants, would help free-up additional resources to fund social infrastructure such as health facilities and support pro-poor economic recovery, without adding substantially to Pacific debt burdens.¹³⁰

3.118 The Australian Council for Trade Unions (ACTU) reaffirmed this sentiment:

The Australian Government should wherever possible provide support to Pacific countries in the form of grants, not loans. Where loans are entered into, these must not be on terms which could compromise the economic and/or political sovereignty of the Pacific neighbour.¹³¹

3.119 Caritas Tonga and Caritas Australia in their joint submission echoed the ACTU's recommendation of grants, not loans, for the Pacific to develop climate resilient infrastructure given their contribution to the impacts have been very minimal:

...the Australian Government has so far provided climate finance to the Pacific as grants, not loans. We commend and encourage the government to continue this approach with any new mechanisms such as the Australian Infrastructure Financing Facility for the Independent evaluation Pacific, as this approach recognises the principle of climate justice – that our Pacific island neighbours have done very little to contribute to climate change yet are amongst the world's most affected and vulnerable communities, and should be assisted with grants not loans to adapt to its impacts.¹³²

¹²⁹ International Women's Development Agency (IWDA), *Submission 19*, p. 5.

¹³⁰ Australian Council for International Development (ACFID), *Submission 51*, p. 13.

¹³¹ ACTU, *Submission 46*, p. 11. The submission further recommended that 'the Australian Government must use its influence in global forums to push for the permanent cancellation of all debt due in 2020 to Pacific countries.'

¹³² Caritas Tonga and Caritas Australia, *Submission 63*, pp. 10-11.

3.120 RESULTS International (Australia) stated that development assistance is welcome providing that for those countries already heavily debt burden that the take-up does not add to the debt.¹³³ ActionAid reiterated this view:

In light of the increasing risk of debt distress amongst Pacific Island nations resulting from the coronavirus pandemic and the accompanying global economic recession, the Government should reconsider the use of loans (commercial or concessional) through the Australian Infrastructure Financing Facility for the Pacific, which has the potential to compound economic insecurity in the region.¹³⁴

3.121 Similarly stated by Professor Stephen Howes, Development Policy Centre:

With the debt standstill, or debt forgiveness, countries aren't going to be allowed to access non-concessional debt, which is mainly what AIFFP is, so I think it needs to be rethought.¹³⁵

3.122 Professor Howes suggested that the focus on non-concessional debt (of which the AIFFP comprises \$1.5 billion) was inappropriate at this time.¹³⁶

Although our lending is non-concessional, it's not that expensive because of current interest rates. So it wouldn't cost the government that much to actually make it a concessional program.¹³⁷

3.123 The Lowy Institute also suggested changing the current framework of the AIFFP to deal with the severe economic consequences the pandemic has inflicted on Pacific countries, focussing '...on public investment in the Pacific through a mixture of grants and concessional lending through the AIFFP'.¹³⁸

3.124 Another proposal made by Mr Jonathan Pryke, Lowy Institute was for Australia to assist Pacific countries by utilising Australia's access to low-cost financing to reduce their debt burdens from other countries, for example:

¹³³ RESULTS International (Australia), *Submission 31*, p. 3.

¹³⁴ ActionAid Australia, *Submission 53*, p. 2.

¹³⁵ Professor Stephen Howes, Director, Development Policy Centre, ANU, *Committee Hansard*, 19 June 2020, p. 2.

¹³⁶ Professor Stephen Howes, Director, Development Policy Centre, ANU, *Committee Hansard*, 19 June 2020, p. 20.

¹³⁷ Professor Stephen Howes, *Committee Hansard*, 19 June 2020, p. 20.

¹³⁸ Lowy Institute, *Submission 69*, p. 5. Also 'Recommendation 2: Australia should provide concessional financing to Fiji to assist in financing its budget deficit and restructuring its debts to reduce its debt servicing burdens'.

Australia should also take advantage of our credit rating and incredibly cheap rates of borrowing to help restructure the debts of more solvent nations like Fiji to reduce their debt servicing burdens at near-zero cost to the Australian taxpayer.¹³⁹

Resources

3.125 Natural resource endowments differ greatly across Pacific island countries, with the most universal being fisheries resources. For example PNG has rich gold and copper resources, and nickel extraction in New Caledonia¹⁴⁰ accounts for 25 per cent of the world's production; yet mineral resources are scant in other Pacific island countries.

3.126 Mr Pryke praised the natural resource exploitation efforts by some of the Pacific islands but emphasised that these methods were not universally sustainable:

Oil and gas—natural resources are very important for the Solomon Islands and Papua New Guinea. ... There are three prospective gas projects in PNG at the moment—P'nyang, Papua LNG and the PNG LNG expansion—which could all have a transformative impact if done correctly. I'm not railing against Exxon here, but I don't think natural resource exploitation is going to be a panacea for economic development in the Pacific.¹⁴¹

3.127 ActionAid detailed the precarious role natural resources play in the economies of Pacific islands:

The extraction of non-renewable resources provides these countries an important but finite source of economic development and government revenues to fund essential public services, such as schools, hospitals and clean water, which are vital to protect against COVID-19 and essential for poverty reduction. In the case of some fossil fuel projects, these governments will be faced with stranded assets in the coming years, so ensuring that benefits flow to those most in need is paramount.¹⁴²

¹³⁹ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 8.

¹⁴⁰ Dr Yves Lafoy, Counsellor and Official Representative of New Caledonia to Australia, *Committee Hansard*, 4 September 2020, p. 7. (Seabed extraction of minerals, where deep sea mining occurs, could change this scenario in the future.)

¹⁴¹ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 13.

¹⁴² ActionAid Australia, *Submission 53*, p. 11.

3.128 Mr Pryke did however, note that Pacific island countries are not completely dependent on external assistance nor non-renewable resources—as he highlighted sustainable fisheries success:

In a short period of time, they have increased the revenues that they collect from their fisheries from something like US\$60 million to US\$600 million in just over a decade. We often think of the Pacific as being helpless and that we need to help them. This is something that they've done themselves and they should be really applauded for it. Fisheries governance in the Pacific is quite good.¹⁴³

3.129 Mr Pryke elaborated on the value in the vast maritime exclusive economic zones around these countries (of which Australia has supported the economic security through a variety of Step-up measures):

The Forum Fisheries Agency, with the parties, through a Nauru agreement, have done an incredible job in developing a governance structure that generates one of the most sustainable fisheries left on the planet. Something like 60 per cent of tuna is caught in their [exclusive economic zones], so it's a very valuable resource.¹⁴⁴

3.130 The Whitlam Institute research project conducted by Peacifica detailed how there is a strong sense of anxiety in the Fijian community about their reliance on natural resources which they considered to be broadly threatened:

...broader concern about the vulnerability of Fiji's natural resources, including land, water and products of potential commercial value, that might be under threat from climate change, overdevelopment and foreign ownership.¹⁴⁵

Committee comment

3.131 The Committee acknowledged the challenges of financing large scale, transformative infrastructure in a developing and remote context, within environments often subject to widespread impacts of natural disasters.

3.132 The funding for major projects of this kind have been recently supported through the AIFFP, a Step-up initiative. However, the Committee recognises

¹⁴³ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 13.

¹⁴⁴ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 13.

¹⁴⁵ Peacifica, *Pacific perspectives on the world: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 17.

that in the COVID-19 recovery phase the Australian Government may need to offer more assistance to Pacific island countries in the form of a greater proportion of grants and loans of a concessional nature for such projects to be feasible.

- 3.133 The Committee recognises that there are significant differences between the Pacific island countries in the economic development opportunities available from natural resource endowments—lucrative development opportunities are disproportionately located in a few countries and some may not be sustainable in the long term.
- 3.134 The natural resource all Pacific island countries have in common is access to vast maritime exclusive economic zones. The Committee believes development support in Step-up initiatives which protect fisheries resources is an important factor in the future viability of this sector, protection of the Blue Pacific continent and improved economic stability in the region.

4. Shared security and stability

Peace and security in the Blue Pacific

4.1 The Committee heard that *shared security and stability* in the Pacific region are fundamentally important regional requirements, which are key Step-up objectives. The Australian Government's 2017 *Foreign Policy White Paper* framed the Pacific region as being of strategic and economic importance:

...In this dynamic environment, competition is intensifying, over both power and the principles and values on which the regional order should be based.¹

4.2 At the 50th Pacific Islands Forum in Tuvalu in 2019, Forum leaders agreed to develop a '2050 Strategy for the Blue Pacific Continent'.² The Pacific Islands Forum 2050 Vision is:

- In 2050, the Blue Pacific Continent is a region of peace; harmony; security, social inclusion; and increased prosperity so that all Pacific people are leading free, healthy and productive lives.
- Our Blue Pacific identity reinforces the potential of our shared stewardship of the Pacific Ocean and reaffirms the connections of Pacific peoples with their natural resources, environment, cultures and livelihoods.

¹ Australian Government, *2017 Foreign Policy White Paper*, November 2017, pp. 25-26.

² The 2050 Strategy will 'capture the region's shared priorities and set out a plan for achieving them, drawing on perspectives and experiences from across the region'; Department of Foreign Affairs and Trade (DFAT), *Consultations on Pacific Islands Forum 2050 Strategy*, 28 October 2020. <<https://www.dfat.gov.au/news/consultations-pacific-islands-forum-2050-strategy>> viewed 21 February 2022.

- We understand that this vision can only be achieved through regional collective action.³

4.3 The current significant relationship established between Australia and the countries of the Pacific island region to date was highlighted in evidence by Mr Nic Maclellan:

Australia by far remains the leading actor in aid, trade and military co-operation in the region.⁴

4.4 However, Mr Maclellan also stresses that Australia is not the only relationship being fostered for security and stability:

But increasing South–South diplomacy from India, Korea, Indonesia, China and other partners runs counter to the notion that Canberra alone has the answers to governance, security, stability and prosperity in the Pacific. As one small example, Cuba has actively engaged with Pacific countries as a fellow member of the Alliance of Small Island States ... working together on issues such as the effects of climate change, the training of medical officers, decolonisation and collaboration over sugar policy in global trade forums. This was unthinkable years ago, when Cuba was seen as a Soviet proxy.⁵

4.5 While the Committee received evidence related to defence security, most contemporary facets of defence security in the region have been explored in the Committee's defence relationships inquiry, which was conducted parallel to this inquiry.⁶ As such, this inquiry has primarily focussed on the soft power aspects of regional security and stability and indirect strategic influence.

4.6 The following areas which influence broader and foundational regional stability were raised by contributors and discussed in this chapter:

- Climate change and frequency of natural disaster impacts;
- Security of natural resources;
- Robust governance frameworks; and
- Pacific health and health services.

³ DFAT, *Consultations on Pacific Islands Forum 2050 Strategy*, 28 October 2020. <<https://www.dfat.gov.au/news/consultations-pacific-islands-forum-2050-strategy>> viewed 21 February 2022.

⁴ Mr Nic Maclellan, *Submission 42*, p. 7.

⁵ Mr Nic Maclellan, *Submission 42*, p. 7.

⁶ Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT), *Inquiry into Australia's defence relationships with Pacific island nations*, April 2021.

Climate and disaster resilience

- 4.7 Climate change was repeatedly quoted in inquiry evidence as posing the biggest threat to the Pacific island region. His Excellency Mr Robert Sisilo, Solomon Islands High Commissioner, stated at the Committee's roundtable hearing with Pacific island diplomats and heads of mission:

Lest we forget climate change, not COVID-19, not even China, is the biggest threat to our security.⁷

- 4.8 A large percentage of submissions identified a variety of threats stemming from rising sea-levels and increased frequency of severe weather events, for example:

...the Pacific Region is facing higher frequency, severity and unpredictability of storms, increasing salination of the groundwater, rising temperatures and severe air pollution, as a result of changes in the climate for which it is minimally responsible.⁸

- 4.9 Mr Graeme Dobell placed the threat of natural disasters to Pacific island countries in context:

Islanders are among the most vulnerable in the world to natural disasters. The 2019 World Risk Index lists five Pacific island countries among the top 10 most at-risk countries, with Vanuatu ranked first, Tonga third, Solomon Islands fourth, and Papua New Guinea sixth. In the top 20 of the index, Fiji is at 12, Timor-Leste is 15, and Kiribati is 19.⁹

- 4.10 This was also detailed by the Kaldor Centre for International Refugee Law, UNSW Sydney:

Climate change also exacerbates the frequency and/or severity of certain sudden-onset disasters, such as cyclones, and contributes to slower-onset processes, such as drought and sea-level rise. Sudden and slow processes also interact: for instance, the impacts of drought may be felt through more immediate triggers, such as food insecurity becoming a famine.¹⁰

⁷ His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, p. 8.

⁸ International Women's Development Agency, *Submission 19*, p. 5.

⁹ Mr Graeme Dobell, *Submission 21*, p. 16.

¹⁰ Kaldor Centre for International Refugee Law, *Submission 40*, p. 2.

- 4.11 In 2020 alone some Pacific island countries were impacted by several natural disasters as well as COVID-19 suppression measures and the resulting economic impacts. For example, Ms Elizabeth Naru Pecham, a Vanuatu hotelier, wrote of her experience in an article published by the Development Policy Centre news blog in early February 2021:

I have been impressed with the Vanuatu Government's response to and preparedness for the pandemic, which has been enacted while simultaneously tackling two natural disasters, a severe tropical cyclone and a volcanic ashfall. I discovered technical groups doing incredible work on formulating a national response to the pandemic, on top of their normal work and with the added burden of limited available capacity.¹¹

- 4.12 The Pacific Islands Forum's 2019 declaration on the threat to the survival of the Blue Pacific notes that:

Right now, climate change and disasters are impacting all our countries. Our seas are rising, oceans are warming, and extreme events such as cyclones and typhoons, flooding, drought and king tides are frequently more intense, inflicting damage and destruction to our communities and ecosystems and putting the health of our peoples at risk.¹²

- 4.13 The Australian Government updated and formally submitted its climate pledge to the United Nations in late December 2020. The document states that Australia is committed to reducing greenhouse gas emissions by 26 to 28 per cent below 2005 levels by 2030.¹³ The pledge states that:

The Australian Government is investing in climate adaptation to build resilience and adapt to the challenges of a changing climate, both domestically and in our region.¹⁴

¹¹ Elizabeth Naru Pecham, *Trust is at the heart of Vanuatu's economic recovery*, Development Policy Centre, Australian National University (ANU), 9 February 2021. <<https://devpolicy.org/trust-is-at-the-heart-of-vanuatus-economic-recovery-20210209>> viewed 21 February 2022.

¹² Mr Graeme Dobell, *Submission 21*, p. 17.

¹³ Australian Government, *Australia's Nationally Determined Contribution: Communication 2020*, UNFCCC NDC Registry, 31 December 2021, p. 1. <<https://www4.unfccc.int/sites/ndcstaging/Pages/Party.aspx?party=AUS&prototype=1>> viewed 21 February 2022.

¹⁴ Australian Government, *Australia's Nationally Determined Contribution: Communication 2020*, UNFCCC NDC Registry, 31 December 2021, p. 4. <<https://www4.unfccc.int/sites/ndcstaging/Pages/Party.aspx?party=AUS&prototype=1>> viewed 21 February 2022.

- 4.14 The Australian Council of Trade Unions (ACTU) submission further recommended:

The Australian Government needs to set stronger emissions-reductions targets to achieve net-zero emissions no later than 2050, and shorter-term targets consistent with that trajectory, to make a greater contribution to global efforts under the Paris Agreement.¹⁵

- 4.15 DFAT's *Climate Change Action Strategy* commits to integrating climate change action and disaster resilience across Australia's development assistance program in a whole-of-government manner.¹⁶ This includes in the infrastructure, renewable energy, agriculture, health and education sectors.

- 4.16 In relation to the *Climate Change Action Strategy* the International Women's Development Agency (IWDA) submission recommended that the Australian Government:

Elevate the aim of DFAT's Climate Change Strategy 'Australian development assistance supports the goals of the Paris Agreement to address climate change and strengthens socially inclusive, gender-responsive sustainable development in our region' to be a standalone priority of the Pacific Step-up, and embed gender analysis of all climate investments across design, implementation monitoring and evaluation.¹⁷

- 4.17 In January 2021 the World Bank stated that:

As countries formulate policies for recovery, they have a chance to embark on a greener, smarter, and more equitable development path. Investing in green infrastructure projects, phasing out fossil fuel subsidies, and offering incentives for environmentally sustainable technologies can buttress long-term growth, lower carbon output, create jobs, and help adapt to the effects of climate change.¹⁸

- 4.18 In keeping with the World Bank's commentary above, Australia's *Partnerships for Recovery* (May 2020) plan focuses on helping Pacific island countries build stronger post-pandemic economies which have greater climate and disaster resilience. The Australian Government has pledged to

¹⁵ Australian Council of Trade Unions (ACTU), *Submission 46*, p. 3.

¹⁶ DFAT, *Climate change action strategy 2020-2025*, November 2019, pp. 2-3.

<<https://www.dfat.gov.au/about-us/publications/climate-change-action-strategy>> viewed 21 February 2022.

¹⁷ International Women's Development Agency (IWDA), *Submission 19*, p. 5.

¹⁸ World Bank, *Global Economic Prospects*, January 2021, p. xvi.

'assist countries build back better, including in climate resilient ways', primarily to be delivered via 'transformational and climate resilient infrastructure'.¹⁹

Sustainable energy sources and climate resilient infrastructure

4.19 Submissions received emphasised the need to reduce the economic vulnerability of Pacific island states on traditional energy sources and to strengthen their renewable energy sector.²⁰

4.20 The University of Sydney suggested that the Pacific islands' reliance on traditional sources of energy can be adjusted:

...in small island developing states there is scope for policymaking to at the same time: reduce economic vulnerability due to dependence on imported fossil fuels; reduce environmental impact; and progress sustainable development. Such progress can be implemented through peer-to-peer learning programs facilitated by targeted international cooperation and partnerships.²¹

4.21 The Australian Academy of Science raised the potential broader geo-political benefits of assisting the Pacific islands with their climate resilient infrastructure, stating that:

Science diplomacy has great potential to enhance the impact and realisation of the Pacific Step-up priorities and Australia's soft power diplomacy in general.²²

4.22 Professor John Blaxland detailed how, as the Pacific islands continue to develop, so too does their reliance on more sophisticated means of energy and technology, currently complicating responses following natural disasters:

...there is a real sense that the pace of these cyclones, the storms, the sea level surges is uncomfortably frequent. The awareness of the stakes is greater now because of us being so connected and so dependent on electricity. Many of these societies lived for generations without electricity. They've now come to

¹⁹ DFAT, *Australian Development Budget Summary 2020-21*, May 2020, pp. 1-2.

<<https://www.dfat.gov.au/sites/default/files/pbs-2020-21-dfat-aid-budget-summary.pdf>> viewed 21 February 2022.

²⁰ For example, Caritas Tonga and Caritas Australia, *Submission 63*, p. 4.

²¹ University of Sydney, *Submission 23*, p. [5].

²² Australian Academy of Science, *Submission 30*, p. 1.

be dependent on electricity and aware of their environment and developments in their neighbourhood...²³

- 4.23 Other inquiry contributors emphasised that when catastrophes now strike the Pacific its communities are less equipped and less able to use traditional responses of resilience:

COVID-19 has also highlighted the importance of engaging indigenous leaders and using indigenous local knowledge and skills to increase local community resilience, especially in the areas of livelihoods and food security. In some cases, the crisis has forced communities to go back to some of the 'old ways' where survival knowledge and skills are learned from the elder members of the community.²⁴

- 4.24 Moerk Water Solutions Asia-Pacific noted that desalination will increasingly be needed in emergency situations as 'climate-related disasters increase in severity due to climate change effects'.²⁵ In relation to climate impacts more broadly they also recommended the following water initiatives:

...install solar powered reverse osmosis desalination plants in rural and coastal areas and thus providing a sustainable, reliable and constant source of safe water all year round. Additionally, the water produced by the desalination plant, can be supplemented with rainwater collected through improved systems, including UV-filters, sanitary and closed piping and storage. This will foster and improve the communities' independence, health and economic strength.²⁶

- 4.25 Similarly, Mr Tom Muller, WaterAid Australia, emphasised climate change initiated water security issues:

While the immediate focus is on COVID-19 and there's a significant response in looking at COVID-19, the longer term threats to the Pacific really do relate to climate change, and water security issues would be prioritised in how Australia thinks about the long-term Pacific step-up.²⁷

- 4.26 The University of Sydney stated that greater continuity and sustainability may need to be implemented in these sort of projects to ensure their long

²³ Professor John Blaxland, *Submission 71*, p. 5.

²⁴ Caritas Australia, *Submission 35*, p. 6.

²⁵ Moerk Water Solutions Asia-Pacific Pty Ltd, *Submission 56*, p. 4.

²⁶ Moerk Water Solutions Asia-Pacific Pty Ltd, *Submission 56*, p. 4.

²⁷ Mr Tom Muller, Director of Policy and Programs, WaterAid Australia, *Committee Hansard*, 18 June 2020, pp. 4-5.

term success, saying that there is a 'history of technology implementations on small islands that have failed':²⁸

...because of a lack of continuing skills and financial resources needed for ongoing operation and maintenance.²⁹

Climate adaptive planning in development partnerships

4.27 Save the Children Australia suggested a 'regional climate adaptive plan' to:

Collaborate with partners and multilateral donors to scale up the construction of a climate-adaptive social protection system that is organised regionally, leveraging the architecture of Pacific regionalism to cover all the Pacific Island Countries, thereby resolving problems and disincentives created by small economies located far apart from each other.³⁰

4.28 The proposed 'regional climate adaptive plan' includes:

...cash transfers for short-term disaster relief, income support and job protection payments for the medium to long term, investments in new jobs in green and adaptive industries, and strong health and education systems. It should include a suite of payments created specifically for supporting children.³¹

4.29 A variety of support mechanisms have been included in Step-up initiatives to help with impacts of climate change and natural disasters. For example the *Pacific Church Partnerships Program*³² is designed to build leadership capabilities in Pacific churches with a focus on crisis management. It is intended to boost capabilities to contribute to development outcomes and to help respond to impacts of natural disasters like Tropical Cyclone Harold³³

²⁸ University of Sydney, *Submission 23*, p. 5.

²⁹ University of Sydney, *Submission 23*, p. 5.

³⁰ Save the Children Australia, *Submission 59*, p. 4.

³¹ Save the Children Australia, *Submission 59*, p. 4.

³² DFAT, *Submission 52*, p. 9.

³³ Between 2-8 April 2020 Tropical Cyclone Harold first hit the Solomon Islands (category 1); Vanuatu (category 5); Fiji (category 4) and Tonga (category 5), lives lost, widespread damage to homes, infrastructure, power, telecommunications and agriculture. See DFAT Crisis Hub for statistics on the humanitarian response efforts: DFAT, *Crisis Hub: Tropical Cyclone Harold*.
<<https://www.dfat.gov.au/crisis-hub/Pages/tropical-cyclone-harold>> viewed 21 February 2022.

(April 2020) and Cyclone Yasa³⁴ (Fiji in December 2020) and health outbreaks like COVID-19.

- 4.30 Mr Nic Maclellan highlighted the importance of embedding climate change impacts into regional stability plans, with a focus on climate displacement issues:

Relevant government agencies and departments should better integrate political ecology and climate risk analysis into their response to regional instability and conflict. Departments should enhance planning, implementation and evaluation processes to monitor climate fragility in our region. There needs to be a particular focus on how climate displacement will affect security in our region.³⁵

Committee comment

- 4.31 The Committee heard evidence from a range of contributors, such as WaterAid Australia, WASH Reference Group, the Lowy Institute, Save the Children, the ACTU and the ANU Development Policy Centre, stressing that there are critical infrastructure needs in the Pacific, especially in providing access to clean water, basic sanitation and sustainable energy.
- 4.32 Any infrastructure built to meet these requirements, and energy distribution modes, must consider the vulnerability of services when natural disasters strike and to mitigate these—and climate impacts—in the design and development phases.
- 4.33 The Committee recognises this considerably adds to the up-front cost of these projects but would be expected to improve reliability, reduce longer-term maintenance and at worst avoid complete rebuilds. This should be factored into the assessment of infrastructure proposals, especially those in the Australian Infrastructure Financing Facility for the Pacific (AIFFP).
- 4.34 The Committee notes the Government commitment to ‘assist countries build back better, including in climate resilient ways’ primarily to be delivered via ‘transformational and climate resilient infrastructure’.

³⁴ Tropical Cyclone Yasa (17 December 2020, Fiji) lives lost, extensive damage. See DFAT, *Crisis Hub: Tropical Cyclone Yasa*. <<https://www.dfat.gov.au/crisis-hub/tropical-cyclone-yasa>> viewed 21 February 2022.

³⁵ Mr Nic Maclellan, *Submission 42*, p. 9.

Recommendation 3

- 4.35 The Committee acknowledges that the direct and indirect impacts of climate change remain one of the gravest concerns of Pacific nations. The Committee recommends that support for climate change mitigation and adaptation continue to be a high priority in Australia's immediate regional assistance program.**

Relocation assistance following displacement

- 4.36 Evidence to the Committee was that Pacific islanders, in particular those domiciled on low-lying island countries and archipelagos—now face a higher frequency of natural disaster impacts due to global climatic change. As a result, some people will choose to permanently relocate from these more vulnerable locations; while those who stay will face increasing long-term climatic impacts and severe weather events.
- 4.37 The Kaldor Centre for International Refugee Law highlighted the threat of climate change disruption and displacement in the Pacific:

The adverse impacts of disasters and climate change are prompting millions of people around the world to move. Some people are evacuated or displaced; others migrate in search of better conditions; while others are relocated permanently to safer areas. Without international land borders, Australia does not directly bear witness to the displacement impacts of disasters in our own region. But king tides, cyclones, drought and flooding continue to displace our Pacific neighbours, and the capacity of certain countries to sustain themselves over the longer-term raises existential questions for states like Kiribati and Tuvalu.³⁶

- 4.38 The majority of Pacific islanders wish to stay in their homelands, albeit accepting that this may not be possible forever:

Most Pacific Islanders want to remain in their homes for as long as possible. At the same time, there is widespread recognition that planning for mobility is necessary and that '[f]ailing to do so will be like burying our heads in the sand'. Even so, Pacific perspectives on the role of migration in responding to the impacts of climate change vary, depending in part on the underlying development, economic and environmental challenges facing each country and existing options for movement.³⁷

³⁶ Kaldor Centre for International Refugee Law, *Submission 40*, p. 2.

³⁷ Kaldor Centre for International Refugee Law, *Submission 40*, p. 2.

4.39 Climate change factors exacerbate other development concerns, played out after the two tropical cyclones of 2020:

Climate change is a ‘threat multiplier’ that compounds existing stressors (such as poverty, resource scarcity, poor-quality land and existing displacement). The recent intersection in the Pacific of Cyclone Harold—a high-intensity extreme weather event, consistent with climate change—with the COVID-19 global pandemic was an example of the perfect storm. However resilient people may be, there is a tipping point when their capacity becomes overwhelmed.³⁸

4.40 The Kaldor Centre also suggested, however, that with careful forward planning very costly displacement issues could be largely avoided:

The UN Office for Disaster Risk Reduction has estimated that there could be a 60-fold return for each dollar spent on preparing for disasters.³⁹

4.41 The Kaldor Centre explored the idea of temporary disaster displacement visa options especially due to severe natural disaster impacts and loss of dwellings and key facilities.

Finally, Australian law should provide expressly for the temporary entry and non-expulsion of non-citizens affected by a disaster, where it is unsafe or unreasonable for them to remain at/return home. At present, this is a matter of executive discretion and thus provides no security for those affected. Policymakers should also consider ways to regularise status so that people admitted on a temporary basis can remain here if return proves to be unreasonable or impossible.⁴⁰

4.42 There is significant disturbance to the normal environment after tropical cyclones, including, importantly, people’s housing. There may be many thousands of displaced persons after these events—for example, in Fiji, following Cyclone Harold, ‘Prime Minister Bainimarama reported more than 180 000 Fijians had their homes and livelihoods affected’.⁴¹

4.43 Compounding the impacts of climate change is the fact the Pacific islands sit within the Pacific ‘ring of fire’. For example, the undersea volcanic eruption located 65km away from Tonga which occurred 15 January 2022 resulted in

³⁸ Kaldor Centre for International Refugee Law, *Submission 40*, p. 2.

³⁹ Kaldor Centre for International Refugee Law, *Submission 40*, p. 2.

⁴⁰ Kaldor Centre for International Refugee Law, *Submission 40*, pp. 5-6.

⁴¹ DFAT, *Crisis Hub: Tropical Cyclone Harold*. <<https://www.dfat.gov.au/crisis-hub/Pages/tropical-cyclone-harold>> viewed 21 February 2022.

a tsunami which extensively destroyed buildings and infrastructure in Tonga, estimated to have affected 85 per cent of the population.⁴²

Committee comment

- 4.44 The Committee saw merit in elements of introducing a temporary displacement visa as suggested by some contributors to the inquiry. However, while the Committee recognised these are well intended proposals they have limited practical application during the pandemic given international borders remain closed and COVID-19 health concerns persist.

Access to natural resources and food security

- 4.45 Access to sustainable natural resources impacts both economic prosperity (as discussed in chapter 3), and, particularly in the case of the small Pacific island countries, also impacts food security, which primarily rests within the maritime exclusive economic zones (EEZs).
- 4.46 A significant aspect of climate change impact is the potential for food grown or accessed in the Pacific to be increasingly vulnerable to environmental changes (rising sea levels), sudden shocks (from natural disasters, impacting with greater regularity) and depletion. Other aspects of food security were raised in evidence, in particular sustainable management of coastal water fish that are 'critical to the food and nutritional security of rural Pacific islanders'.⁴³
- 4.47 Mr Graeme Dobell wrote that there are lessons from the way the Pacific has responded to protect its various resources, with differing levels of success:

Individual nations have done poorly on logging, compared to the collective action of the Pacific Islands Forum Fisheries Agency, which works to manage, monitor and control the distant-water fleets from China, Japan, South Korea and Taiwan.⁴⁴

⁴² UNICEF Australia, *In photos: volcanic eruption and tsunami in Tonga*, 25 January 2022. <<https://www.unicef.org.au/blog/unicef-in-action/tonga-eruption-in-photos>> viewed 2 February 2022.

⁴³ DFAT, *Australia and the Pacific: partnering to support sustainable oceans and livelihoods*. <<https://www.dfat.gov.au/geo/pacific/engagement/supporting-sustainable-oceans-and-livelihoods>> viewed 21 February 2022.

⁴⁴ Mr Graeme Dobell, *Submission 21*, p. 16.

4.48 Mr Dobell indicated a unified approach is worth pursuing going forward when ‘the islands consider future prospects for exploiting seabed resources’.⁴⁵

4.49 The region is a lucrative fishing location and the Pacific islands have improved sustainability and thus productivity over the last decade:

Professor Wallis, in her submission to the Defence Sub-Committee references Forum Fishing Agency figures suggesting that the value of tuna caught in the western and central Pacific rose from US\$3.04 billion in 1997 to US\$5.78 billion in 2014. Chinese fishing fleets pose a significant threat in this regard.⁴⁶

4.50 Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, said ‘fisheries is a remarkable story of a Pacific-driven governance model that has generated profound benefit to the region’.⁴⁷ Mr Pryke highlighted:

The Forum Fisheries Agency, with the parties, through a Nauru agreement, have done an incredible job in developing a governance structure that generates one of the most sustainable fisheries left on the planet. Something like 60 per cent of tuna is caught in their EEZs, so it’s a very valuable resource. But the challenges are getting greater because we have the huge Blue Ocean Chinese fishing fleet. There are something like 16 000 Blue Ocean fishing vessels now. But it’s not just the Chinese; it’s Japan and Spain. Everyone wants what the Pacific has, so the pressure is greater.⁴⁸

4.51 Mr Chris Gardiner suggested Australian Defence Force personnel could enforce island countries’ maritime EEZs to protect economic interests and food security which would provide much greater economic self-reliance.⁴⁹ He outlined the threat of foreign fishing interests in the maritime waters of Pacific island countries:

China’s is the world’s largest distant-water fishing fleet, and as an example of its activities in the Pacific, its tuna-fishing fleet in the western-central Pacific grew from 244 vessels in 2014 to 418 in 2016. The threat Chinese fishing fleets pose is compounded by the incorporation of maritime militias into the fleets.

⁴⁵ Mr Graeme Dobell, *Submission 21*, p. 16.

⁴⁶ Mr Chris Gardiner, *Submission 9*, Inquiry into Australia’s defence relationships in the Pacific, JSCFADT, pp. 3-4.

⁴⁷ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 13.

⁴⁸ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 13.

⁴⁹ Mr Chris Gardiner, *Submission 10*, p. 7.

Increased deterrence and enforcement of EEZs by ADF must be seen as a priority for both island state security and economic development.⁵⁰

4.52 Mr John Mote, Officer Commanding Police Maritime, Kiribati Police Service stated at the Pacific diplomats' roundtable that Kiribati would value assistance to obtain additional maritime enforcement capability, noting that one patrol boat currently covers a vast area.⁵¹

4.53 In relation to agriculture, the Australian Government, in Vanuatu, worked with agricultural policymakers to support a trial of resilient crops and other infrastructure resilience actions.⁵²

Climate change is causing more extreme rainfall events, severe flooding, and storm surge, accelerating coastal erosion. These events take a toll on essential infrastructure, like roads, which can result in communities being cut off. Australia is helping Vanuatu to ensure its rural road network is resilient to the impacts of extreme weather events.⁵³

Governance and capacity building

4.54 The Committee received evidence about frameworks of governance in Pacific island countries (PICs) as an important consideration in the region especially given high degrees of remoteness and small populations in most island countries which 'compounds economic disadvantage':

Eight PICs are ranked in the lower half of the world's countries for government effectiveness, using the World Bank ranking. Eight (almost, but

⁵⁰ Mr Chris Gardiner, *Submission 10*, p. 7.

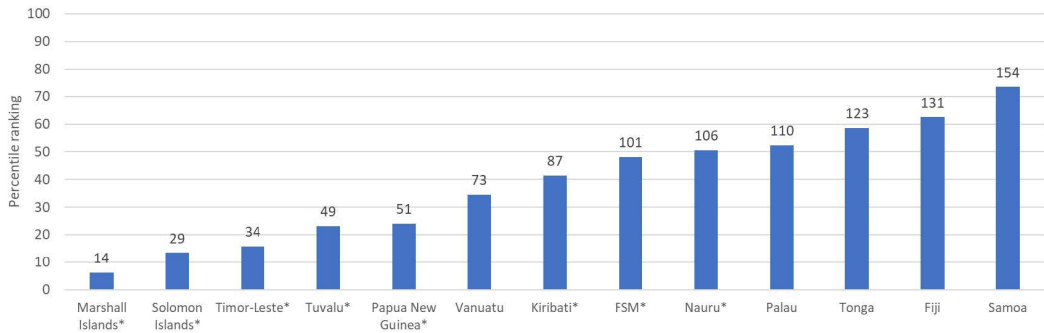
⁵¹ Mr John Mote, Officer Commanding Police Maritime, Kiribati Police Service, *Committee Hansard*, 4 September 2020, pp. 11-12. (The Step-up committed to 21 new Guardian-Class patrol boats in the Pacific island and Timor Leste region from 2017–2047 under the *Pacific Maritime Security Program*. Six of these boats have already been delivered 'with aerial surveillance operations undertaken to support the Forum Fisheries Agency to monitor fishing activity in our region'; DFAT, *Submission 52*, p. 9).

⁵² DFAT, *Vanuatu – Australia's commitment to strengthening climate and disaster resilience in the Pacific*. <<https://www.dfat.gov.au/about-us/publications/Pages/vanuatu-australias-commitment-to-strengthening-climate-and-disaster-resilience-in-the-pacific>> viewed 21 February 2022.

⁵³ DFAT, *Vanuatu – Australia's commitment to strengthening climate and disaster resilience in the Pacific*. <<https://www.dfat.gov.au/sites/default/files/vanuatu-australias-commitment-to-strengthening-climate-and-disaster-resilience-in-the-pacific.pdf>> viewed 21 February 2022.

not exactly the same eight) are also classified by the World Bank and the Asian Development Bank as ‘fragile states’.⁵⁴

Figure 4.1 Government effectiveness



*Source: Development Policy Centre, ANU, Submission 60, p. 5. Data: World Bank 2018. *countries classified by World Bank/ADB as fragile states. Data labels=ranking in terms of government effectiveness as measured by the World Bank (1=least effective, 209=most effective)*

4.55 Professor Stephen Howes argued, however, that the relatively less effective aid program outcomes in the Pacific region are not so much to do with governance issues but other intrinsic aspects:

The main findings are that it's not really due to governance; it's due to intrinsic features of the Pacific that make government operations difficult and so make aid difficult. We talk about isolation, remoteness and smallness in size.⁵⁵

4.56 Mr Graeme Dobell noted the positive governance attributes of these countries, despite constraints:

South Pacific states have been able to transplant and grow Western democratic forms—a better collective record than anywhere else in the developing world. Fiji proves the power of the Pacific's democratic norm by clawing its way back to elections from its military coups.⁵⁶

⁵⁴ Development Policy Centre, ANU, *Submission 60*, p. 5.

⁵⁵ Professor Stephen Howes, Director, Development Policy Centre, *Committee Hansard*, 19 June 2020, p. 2.

⁵⁶ Mr Graeme Dobell, *Submission 21*, p. 19.

Pacific democracy is beset by 'big man' politics and corruption, but democracy reigns across the region—often rough, yet admirably robust. The next challenge is for Pacific women to get their share of political power.⁵⁷

4.57 Good governance is central to stable and secure environments in developing communities; and with civil stability, greater development can follow.⁵⁸

4.58 The Committee also acknowledges evidence which highlights the value of civil society checks on employment and workplace practices. For example, the Australian Council of Trade Unions (ACTU) noted that 'unions, as democratic, mass workers' organisations, are important actors in development that can help to end poverty and inequality, and build democracy and participation'.⁵⁹ The ACTU suggested that:

...the Australian Government should allocate ongoing funding for building the capacity of the trade union movement in Pacific countries, 'recognising the role of the union movement as a key contributor to social and economic development and a leading component of civil society'.⁶⁰

4.59 Noting also the facilitation role played by these civil society groups:

Trade unions in the Pacific are an important network for the Australian Government to engage, as they are organisations that cut across gender, ethnic and religious lines and provide a vehicle for vulnerable workers to advocate on their own behalf. Trade unions in the Pacific have national, regional and international structures that should be engaged, and the Australian trade union movement can assist with building these connections.⁶¹

4.60 The role of churches in strengthening governance was raised in evidence. The Committee heard about the *Pacific Church Partnerships Program*,

⁵⁷ Mr Graeme Dobell, *Submission 21*, p. 19.

⁵⁸ United Nations Office on Drugs and Crime, *What is good governance?*, <<https://www.unodc.org/e4j/en/anti-corruption/module-2/key-issues/what-is-good-governance.html>> suggests the following definition of 'good governance as "legitimate, accountable, and effective ways of obtaining and using public power and resources in the pursuit of widely accepted social goals". This definition links good governance with the rule of law, transparency and accountability, and embodies partnerships between state and society, and among citizens.'

⁵⁹ Australian Council of Trade Unions (ACTU), *Submission 46*, pp. 7-8.

⁶⁰ ACTU, *Submission 46*, p. 12. Issues surrounding modern slavery concerns are also relevant here and raised in submissions: End Modern Slavery, *Submission 44* and Walk Free, *Submission 72*.

⁶¹ ACTU, *Submission 46*, p. 8.

established in PNG in 2004 and in Vanuatu in 2009 which works together with leading churches and their Australian Partners:

...to utilise church relationships to achieve outcomes in areas of improved service delivery, institutional strengthening and improving governance.⁶²

Judicial strengthening

4.61 The Committee heard from Ms Helen Burrows, Director, International Programs, Federal Court of Australia that Australia, through a variety of Australian court jurisdictions, has been involved in providing support to build capacity in legal governance systems in the Pacific island region for decades.⁶³ The Federal Court of Australia stated:

A significant number of Australian courts have enduring relationships with courts across the Pacific region based on trust and respect. ...These are not so much educational challenges as professional challenges and engagements. These partnerships enable the Australian judiciary to provide a broad range of ongoing advice, guidance, support and resources that have measurably benefitted our partner courts and the people they serve.⁶⁴

4.62 Ms Burrows told the Committee that 'the Federal Court's approach has always been, firstly, to build institutional relationships based on individual relationships, and, then, to provide ongoing, mainly remote, support'.⁶⁵ The emphasis of the judicial building program has also been to foster local capacity within the Pacific islands, for example:

One of the other benefits has been an ability to train a lot of people to become trainers locally, so there's less reliance on external people, including people from the Federal Court and its partners, coming in to provide training. ...This has largely reduced reliance on external actors and increased capacity to do that themselves.⁶⁶

⁶² Alphacrucis College, *Submission 57*, p. [22].

⁶³ Ms Helen Burrows, Director, International Programs, Federal Court of Australia, *Committee Hansard*, 3 December 2020, p. 1.

⁶⁴ Federal Court of Australia, *Submission 29*, p. 1.

⁶⁵ Ms Helen Burrows, Director, International Programs, Federal Court of Australia, *Committee Hansard*, 3 December 2020, p. 2.

⁶⁶ Ms Helen Burrows, Director, International Programs, Federal Court of Australia, *Committee Hansard*, 3 December 2020, p. 2.

4.63 The program has also led to local performance evaluation and improvement, noting the courts have:

...demonstrably higher levels of capacity to plan and to execute plans related to court developments and various priorities and also to respond and react to deficiencies in their own performance that have been evidenced by exercises that they've gone through to review their own performances.⁶⁷

4.64 Ms Burrows elaborated on improvements to the governance and transparency of Pacific island judicial and court systems:

In addition to governance related changes and some of the attitudes I mentioned earlier related to rights-based approaches to the interpretation and application of the law, we've seen much greater efficiencies in courts. ...We've seen significant levels of automation of judicial and court administration. We have seen really, really encouraging levels of transparency ...about multiple facets of the courts' performance.⁶⁸

4.65 Additionally, the Federal Court of Australia highlighted that over time improving the judicial and legal systems has been shown to have a trickle-down effect on social norms and community standards.⁶⁹ The Federal Court of Australia stated these judicial efforts can have broader impacts amongst the Pacific island communities regarding greater adherence to legal systems and rules:

Investment in rule of law and justice sectors abroad represents a tremendous opportunity for Australia, both directly and indirectly, to impact positively on peace, security, prosperity, and development both regionally and internationally.⁷⁰

4.66 The Federal Court of Australia's submission highlights a wide range of positive externalities which accrue when communities adhere to the rule of law:

Justice is indivisible from those priorities as it is fundamental to regional and local security, social stability, economic development and individual wellbeing. There is a well-recognised link between adherence to the rule of

⁶⁷ Ms Helen Burrows, Director, International Programs, Federal Court of Australia, *Committee Hansard*, 3 December 2020, p. 2.

⁶⁸ Ms Helen Burrows, Director, International Programs, Federal Court of Australia, *Committee Hansard*, 3 December 2020, p. 2.

⁶⁹ Federal Court of Australia, *Submission 29*, p. 2.

⁷⁰ Federal Court of Australia, *Submission 29*, p. 5.

law and respect for human rights, economic development and social well-being. Thus, for the first time, justice and governance are included in the global development agenda through Goal 16 of the United Nations Sustainable Development Goals – “Peace, Justice and Strong Institutions”.⁷¹

4.67 This capacity building program, administered by the Federal Court of Australia and long delivered by Australian experts, is ironically funded by the New Zealand Government.⁷² Ms Burrows said that:

...we would all feel great comfort if it were possible for the Australian government to partner with us and/or the New Zealand government to enable the continuation of regionally focused work, given it has quite different benefits, or additional benefits, to bilateral engagements.⁷³

4.68 Ms Burrows explained:

With the types of funding arrangements that we've been able to access to date, it makes it incredibly difficult for us to achieve any meaningful, lasting outcomes among our counterparts. A committed line of funding for a decade or more, as we put in the proposal, would enable us to plan properly and work properly with each of the courts, and project the possibilities of really strong transformational change at that level.⁷⁴

Committee comment

4.69 The Committee believes the judicial capacity building undertaken by the Federal Court of Australia is a pivotal element of strengthening broader community stability and legal systems in the Pacific. It also assists in building regional relationships and exchanging valuable lessons over time between Australia and our Pacific island neighbours.

⁷¹ Federal Court of Australia, *Submission 29*, p. 2.

⁷² Ms Helen Burrows, Director, International Programs, Federal Court of Australia, *Committee Hansard*, 3 December 2020, p. 3; The New Zealand Government undertakes judicial capacity building in Pacific Island countries beyond its realm (for example, in the Solomon Islands). Pacific island countries which are a part of the New Zealand realm include the Cook Islands, Tokelau and Niue; The Governor-General of New Zealand, *New Zealand's Constitution*. <<https://gg.govt.nz/office-governor-general/roles-and-functions-governor-general/constitutional-role/constitution/constitution>> viewed 21 February 2022.

⁷³ Ms Helen Burrows, Director, International Programs, Federal Court of Australia, *Committee Hansard*, 3 December 2020, p. 3.

⁷⁴ Ms Helen Burrows, Director, International Programs, Federal Court of Australia, *Committee Hansard*, 3 December 2020, p. 5.

- 4.70 The delivery of these judicial programs by Australians and the retention of the relevant skill sets developed over time should not be contingent on foreign administration and financing. This hinders continuity, long-term planning and ability to consult effectively over time.
- 4.71 These programs are valued in the Pacific and have resulted in peer to peer exchange and sustained and constructive judicial and social developments. Such activities should have ongoing support. However, while these programs are currently valued, and employees of the Federal Court of Australia have delivered them and witnessed the results which can only accrue incrementally over many years; the ongoing delivery of the program is not guaranteed, and the visibility of Australian expertise is shrouded, as it is delivered through a New Zealand initiative.
- 4.72 The Committee considers the judicial system in the Pacific island region as a primary and critical platform of governance and to consider ongoing opportunities to supplement local capacity in this sector.

Recommendation 4

- 4.73 The Committee recommends that to enable program certainty, and retain and attract expertise, that the Australian Government consider providing a dedicated budgeted line item to the Federal Court of Australia to directly deliver the successful judicial capacity programs in the Pacific islands region.**

Pacific health and health services capacity

- 4.74 Submissions emphasised that the Pacific island region grapples with poor health in communities and under-resourced health facilities.⁷⁵ Concerningly, one of the critical areas of public health provision which is lacking in the Pacific is access to clean, safe, drinking and ablution water; and modern sanitation facilities.⁷⁶
- 4.75 Mr Graeme Dobell explained pre-existing health issues have not disappeared from the Pacific region during the COVID-19 pandemic:

⁷⁵ ActionAid Australia, *Submission 53*, p. 6.

⁷⁶ WASH Reference Group, *Submission 6*, p. 5 states: 'Currently, two-thirds of the region's population rely on unprotected sources of water and unsanitary means of excreta disposal which pose serious risks to health'.

Non-communicable diseases such as diabetes and heart disease cause three out of four deaths in the Pacific. These conditions are fuelled by a pipeline of risk factors such as high levels of smoking, unhealthy diets and reduced levels of physical activity. These conditions cause considerable personal costs such as blindness and kidney and heart failure.⁷⁷

4.76 RESULTS International points out the prevalent diseases in the Pacific islands—which vary—noting the high rate of tuberculosis (TB) in PNG:⁷⁸

...the health needs of Pacific countries vary. For some countries, a key problem is the impact of infectious diseases, such as HIV, TB or Malaria, while for others non-communicable diseases such as diabetes can be a significant issue.

Australia has provided significant assistance to countries in the region to address infectious diseases, having provided more than \$60 million in bilateral assistance to PNG to prevent and treat TB, ...and committing in 2019 to providing \$19 million to address key health issues in the Pacific, including \$13 million to address TB.⁷⁹

4.77 RESULTS also emphasised the critical response still needed, irrespective of COVID-19, saying:

The *Stop TB Partnerships* modelling analysis of the potential impact of COVID-19 on TB services in the high burden countries shows that unless we act now, 5-7 years of progress in the global fight against TB will be lost. PNG is one of the 30 highest TB burden countries in the world with a high TB infection rate 432 per 100 000 population. ...RESULTS recommends that more investment is made for TB and health system strengthening in the Pacific to not only reverse the damage done by COVID-19 but to help our Pacific neighbours prepare for existing and future pandemics.⁸⁰

⁷⁷ Mr Graeme Dobell, *Submission 21*, p. 18.

⁷⁸ RESULTS International (Australia), *Submission 31*, p. 4; RESULTS further states that Papua New Guinea and Kiribati have more than 400 people with TB per 100 000 population.

⁷⁹ RESULTS International (Australia), *Submission 31*, p. 4.

⁸⁰ RESULTS International (Australia), *Submission 31*, p. 5. ChildFund Australia, *Submission 22*, pp. 3-4, echoed this, saying funding for tuberculosis control was critical to reduce the drop-out of patients—essential to stop rising levels of drug resistant TB.

4.78 RESULTS recommended:

- 'That Australia build on the bilateral support it has provided to combat tuberculosis (TB) in Papua New Guinea and funding for TB research and services in the region announced in 2019'.⁸¹
- That the Australian Government improve access to vaccinations for children in the Pacific region 'especially in countries which have experienced recent outbreaks of vaccine-preventable diseases'.⁸²

4.79 Health security is a category targeted by the *Partnerships for recovery* plan, with the Australian Government stating in the *Australian Development Budget Summary 2020-21* that apart from COVID-19 specific measures the aim of funding is to 'manage future disease outbreaks' and 'broader health system strengthening'.⁸³

4.80 Caritas Australia recommended, as a priority:

- Scale up Australia's assistance to Pacific nations to strengthen the resilience of their economies and healthcare systems to respond to the primary and secondary impacts of COVID-19 on incomes, livelihoods and health. This will hinge on new and additional funding for COVID-19 initiatives to ensure that existing development programs that are critical to building community stability and resilience are not diminished.
- Leverage and support established local networks, including church networks, to quickly activate and scale up timely local responses to COVID-19.⁸⁴

4.81 Her Excellency Hon. Dame Annette King, New Zealand High Commissioner, pointed out the difficulty in dealing with not only the COVID-19 vaccine, but other vaccines requiring very cold storage: 'many of these new vaccines need cold storage and cold storage is not easy in the Pacific'.⁸⁵

⁸¹ RESULTS International (Australia), *Submission 31*, p. 5.

⁸² RESULTS International (Australia), *Submission 31*, p. 5.

⁸³ DFAT, *Australian Development Budget Summary 2020-21*, May 2020, p. 1.

<<https://www.dfat.gov.au/sites/default/files/pbs-2020-21-dfat-aid-budget-summary.pdf>> viewed 21 February 2022.

⁸⁴ Caritas Australia, *Submission 35*, p. 6.

⁸⁵ Her Excellency Hon. Dame Annette King, High Commissioner, New Zealand, *Committee Hansard*, 4 September 2020, p. 22.

4.82 Finally, at a hearing in Canberra, Mr Jonathan Pryke considered Australia's potential ability to benevolently use its buying power (due to scale) to assist Pacific island countries with high value purchases like pharmaceuticals:

The other area that I know the government is working on but could probably work harder on is: how do we use our scale and our buying power to help the Pacific with, for example, drug procurement and educational supplies procurement? We do a lot in the meteorological space in the Pacific, but we could be doing more with these niche services and in bulk-buying areas where we can leverage our size and our capabilities to support the Pacific.⁸⁶

4.83 Mr Chris Gardiner proposed in his submission that two significant health and humanitarian initiatives should be established:

- The 'Australian Virtual Hospitals Program'; and
- A 'Humanitarian and Disaster Response Command/Centre' —equipped with a multi-role vessel serving as a supply and medical hospital ship.⁸⁷

4.84 Mr Gardiner said 'it is unrealistic to expect that many Pacific States will be able to build or, if built, sustain, modern tertiary hospitals to service their populations'.⁸⁸ This appeared to be echoed in a suggestion made by Mr Sakias Tameo, Deputy High Commissioner, Papua New Guinea (PNG), who, at the Pacific roundtable when asked by the Chair of the full Committee about the potential use of a large multi-function vessel, requested access to a 'hospital ship':

With respect to the vessel that you talked about, I'm aware that [Youth with a Mission (YWAM)] does a good job in PNG. It goes to the western and gulf provinces. They really provide a lot of valuable services, because obviously our people need help out there in terms of health. Many of the PNG provinces have coastal areas and highlands. That would really help a lot because we need a lot of health facilities and health workers out there. I'm sure that would also be beneficial in other Pacific island countries. Imagine bringing a hospital next to a community that would never have an opportunity to access facilities and doctors. That's a very good initiative...⁸⁹

⁸⁶ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 11.

⁸⁷ Mr Chris Gardiner, *Submission 10*, p. 8. Mr Gardiner supported freeing up defence assets from humanitarian and disaster relief activities both within the Pacific islands region and Australia (e.g. 2019-20 Royal Australian Navy bushfire evacuations).

⁸⁸ Mr Chris Gardiner, *Submission 10*, p. 8.

⁸⁹ Mr Sakias Tameo, Deputy High Commissioner, Papua New Guinea (PNG), *Committee Hansard*, 4 September 2020, p. 24.

4.85 Mr Gardiner contends that:

Australia has unequalled medical expertise and infrastructure that can be connected into medical facilities in the Pacific via cable, satellite, digital platforms, virtual theatres and robotics. This is a clear example where smart aid expenditure would benefit partner states and involve further strengthening of Australian expertise, infrastructure and comparative advantage.⁹⁰

By funding the establishment and operation of a virtual hospitals or virtual theatres program, Australia would be offering the people of the Pacific, and the medical teams serving them locally, access to its world-class specialists and medical capabilities. There are Australian service providers (eg, Aspen) who could establish such a health connection and the necessary training programs, in partnership with Australia's leading hospitals.⁹¹

Regional 'deep integration' and compact proposals

4.86 Migration pathways to Australia from the Pacific islands was not a topic of discussion at the Committee's roundtable with Pacific diplomatic heads of mission and officials in September 2020; nor was the subject canvassed in the Whitlam Institute's report which included in-situ Pacific island interview research undertaken by Peacifica in late 2019.⁹² However, the topic was repeatedly raised by Australian based academics, support organisations and peak think-tanks.

4.87 Professor Stephen Howes, ANU Development Policy Centre, expressed the view that longer-term migration pathways were needed:

So far, we've opened these temporary migration windows. But we really need to be looking at the New Zealand practice of having a Pacific window in the permanent migration policy area.⁹³

⁹⁰ Mr Chris Gardiner, *Submission 10*, p. 8.

⁹¹ Mr Chris Gardiner, *Submission 10*, p. 8.

⁹² Peacifica, *Pacific perspectives on the world: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 5, 18, 28, 31. The report states on p. 5 states 'the team did not ask about climate change, labour migration or aid—all issues came from the participants themselves'.

⁹³ Professor Stephen Howes, ANU Development Policy Centre, *Committee Hansard*, 19 June 2020, p. 2.

4.88 Professor Howes stated that there are three aspects of regional ‘economic integration’:

One is free trade, and the Pacific's had duty-free access to Australia for decades. ...The second one is biosecurity—to get ginger or kava from Fiji. It is not just biosecurity but related to health issues. ...The one you could really change is labour mobility. That is the practical way to promote economic integration ...so it needs to go to permanent migration. As I said, there are two ways to do it. One is through the compact approach...—it’s like a security treaty. The other is a more unilateral offer. Maybe it's not unlimited access but more of a Pacific access category. But it's an offer on the table. There's no formal requirement in return; it’s an informal way to deepen the relationship.⁹⁴

4.89 Mr Nic Maclellan outlined the key objective of a ‘compact of free association’ proposal (or similar):

In response, a number of Australian politicians and security analysts have proposed that Australia should offer a Compact of Free Association to smaller South Pacific countries such as Kiribati, Tuvalu, Nauru and Tonga, allowing for shared governance. The key objective of such proposals is to maintain Australia’s long-standing policy of strategic denial in the Pacific islands, directed especially at China.⁹⁵

4.90 The integration model proposed by Professor John Blaxland for a ‘grand compact of free association’ between environmentally vulnerable Pacific island countries and Australia, created the most comment.⁹⁶

4.91 Professor Blaxland clarified the shared value of a ‘grand compact’:

We need to be thinking intergenerational. We need to be thinking about what the effect will be in 20, in 40 and in 50 years. When you do the sums on that, you see that this is potentially of enormous benefit to all of us—a shared benefit.⁹⁷

4.92 At a hearing in Canberra, Professor Blaxland explained the responsibilities which would come with forming such a compact of association:

There would be a considerable impost on Australia in buying in on this space and in assisting in governance in their exclusive economic zone with fisheries,

⁹⁴ Professor Stephen Howes, ANU Development Policy Centre, *Committee Hansard*, 19 June 2020, p. 19.

⁹⁵ Mr Nic Maclellan, *Submission 42*, p. 7.

⁹⁶ Professor John Blaxland, *Submission 71*.

⁹⁷ Professor John Blaxland, International Security and Intelligence Studies, Strategic and Defence Studies Centre, ANU, *Committee Hansard*, 12 November 2020, p. 5.

with policing and with defence issues—akin to the arrangement that the United States has with the northern Pacific islands as well. This is part of the point. When I talk about great power contestation, we're talking about asserting Australia's interests in this space and ensuring that the peace, security and prosperity of this space is one that is well disposed to Australia and one that is consistent with Australia's interests ...and yet we have to be acutely attuned to the sensitivities and the felt needs of the Pacific Islanders.⁹⁸

- 4.93 A suggested inclusion in Professor Blaxland's 'grand compact' is that a component of an offer of permanent migration to Pacific islanders could include a requirement to undertake a form of public service:

...we could have, for example, a national scheme for national and community service where you do your two years and you get automatic citizenship. I know that there are many in the Pacific who are very interested in doing this. ...But we're not thinking the Army; we've got enormous needs outside of the Army—the [State Emergency Service], the Rural Fire Service, the paramedics, the National Parks and Wildlife services. These are bodies that are screaming out for help, that need additional resources, and there are people who'd happily do it.⁹⁹

- 4.94 Professor Blaxland's submission recognised that:

In order for the grand compact to become a reality will require deft diplomacy. It will require a doubling down on relationship-building and on working collaboratively with the powers that be in these nations to explore a workable proposition that is tailored to their individual felt and perceived needs. This can't be dictated. This has to be something that the Pacific Island states buy in on, and it has to be sufficiently compelling. It has to be attractive.¹⁰⁰

- 4.95 Mr Jonathan Pryke, Lowy Institute discussed Professor Blaxland's proposal with the Committee, he commented:

We need to have these conversations because we do need to think about what is the long-term trajectory for our relationship in these countries, but it's not the way to have constructive dialogue with them. We need to actually go and start with a blank piece of paper: 'What do you want?' We're not going to get an answer straightaway ...We could start through our missions. It could be

⁹⁸ Professor John Blaxland, International Security and Intelligence Studies, Strategic and Defence Studies Centre, ANU, *Committee Hansard*, 12 November 2020, p. 5.

⁹⁹ Professor John Blaxland, International Security and Intelligence Studies, Strategic and Defence Studies Centre, ANU, *Committee Hansard*, 12 November 2020, p. 4.

¹⁰⁰ Professor John Blaxland, *Submission 71*, p. 5.

done independently. It could be commissioned in the space to learn from the examples of the North Pacific and the realm states.¹⁰¹

4.96 However, Mr Pryke also noted that components of these concepts could be pursued now:

Permanent migration, these small niche services and bulk purchasing are all areas we could pursue right now without needing to go into a large, broad compact of association or where they would need to give up their security. 'We control your security and police your EEZs, and you can get free access to Australia', is very far down the road.¹⁰²

4.97 Due to the diversity and historic relationships within the region, the Lowy Institute stated the key to the development of an integrated model lies in tailored and patient consultation with each country:

These consultations would be iterative, protracted, and would need to go beyond just the political elite of each country. It would require bipartisan support in Australia, and a genuine commitment to developing integration solutions in partnership with each Pacific nation. Only through such a consultative process would Australia get buy-in from Pacific governments and peoples to avoid the sovereignty pitfalls that so often derail conversations around enhanced integration. Only through a long, broad and consultative process will Australia be able to overcome the scepticism entrenched in many parts of the Pacific that 'integration' is just a modern word for 'colonialism'.¹⁰³

4.98 Lowy Institute further suggested that:

Australia should commission studies into the positive and negative experiences of other compact arrangements in the North Pacific and Realm states to inform these consultations.¹⁰⁴

4.99 The Lowy Institute commented that the Seasonal Worker Programme and the Pacific Labour Scheme 'should be a central feature of economic

¹⁰¹ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, pp. 9-10.

¹⁰² Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 11. (Niche services suggested related to using scale for pharmaceutical procurement and educational supplies at discount)

¹⁰³ Lowy Institute, *Submission 69*, pp. 6-7.

¹⁰⁴ Lowy Institute, *Submission 69*, p. 7.

integration between Australia and the Pacific',¹⁰⁵ and Mr Pryke further stated:

Much has been written about the benefits of seasonal labour for Australian employers and Pacific communities, including in a recent Kaldor Centre Policy Brief co-authored by myself and Jane McAdam. In the brief we argue that, in addition to the profound economic benefits, permanent migration pathways can act as a critical climate change adaptation policy for the Pacific.¹⁰⁶

4.100 Similarly, Mr Graeme Dobell said Australia should seek to better integrate Pacific island countries into the Australian economy:

The basis of the step-up is the reality that integrating Pacific countries into the Australian and New Zealand economies and our security institutions is important—essential, I'd argue—to the long-term stability and economic prospects of the Pacific.¹⁰⁷

The New Zealand model—a special category visa pathway

4.101 The Committee is aware of views regarding alternatives to a compact, including establishing a separate visa category, which may assist with labour mobility issues. Inquiry participants suggested that such a visa might provide a less formal means of mobility, with fewer limitations than might be needed for a formal agreement, for example around security issues.

4.102 The Griffith Asia Institute stated that 'Australian policy makers should look to build on the successes of labour mobility by providing new pathways for temporary mobility, and permanent migration, for Pacific Island workers'.¹⁰⁸ The ANU Development Policy Centre referred to a need for Australia to move beyond a focus on temporary migration for Pacific Islanders to build better pathways to permanent residency, recommending 'a permanent lottery scheme, as per the New Zealand model. The [Pacific Labour Scheme] could also be reformed to include a permanent pathway.'¹⁰⁹

4.103 According to the New Zealand Immigration website, residents of Kiribati, Tuvalu, Tonga and Fiji aged between 18 and 45 can register for a ballot.

¹⁰⁵ Lowy Institute, *Submission 69*, p. 6.

¹⁰⁶ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 6.

¹⁰⁷ Mr Graeme Dobell, *Submission 21*, p. 8.

¹⁰⁸ Griffith Asia Institute, *Submission 32*, p. 19.

¹⁰⁹ Development Policy Centre, ANU, *Submission 52*, p. 17.

Should they be selected, they are invited to apply a Pacific Access Category Resident Visa. The visa permits the winner to work, live and study in New Zealand indefinitely. According to the website, these visas will be available to 75 Kiribati citizens, 75 Tuvaluan citizens, 250 Tongan citizens and 250 Fijian citizens.¹¹⁰

4.104 The Committee notes Professor Stephen Howes' description of the ballot as being 'like the green card' lottery in the United States:¹¹¹

...the demand is about six times the amount of supply. So people put in their bid. The lucky ones are chosen and then they've got six months to get a job. I think a strong aspect of the scheme is that you can't just rock up and get the unemployment benefits; you've got six months to get a job. So they use the diaspora, and the New Zealand government also has a small team that kind of helps you find a job.

...The Pacific Access Category is like a permanent residency. You don't get that unless you have a job.¹¹²

Recommendation 5

4.105 The Committee recommends the Australian Government considers creating a dedicated Pacific component within Australia's permanent migration intake, similar to the New Zealand model.

Sovereignty

4.106 Dr Tess Newton Cain from Griffith Asia Institute explained how Pacific island states value their sovereignty as independent countries, despite still desiring a deep level of integration with Australia and New Zealand regarding labour mobility:

I think one of the things that came out of our research very strongly was that Pacific island people felt that their agency, whether as political leaders or in communities, was not sufficiently acknowledged, embraced and welcomed. I

¹¹⁰ New Zealand Immigration, *Information about: Pacific Access Category Resident Visa*.

<<https://www.immigration.govt.nz/new-zealand-visas/apply-for-a-visa/about-visa/pacific-access-category-resident-visa>> viewed 23 February 2022.

¹¹¹ Professor Stephen Howes, Director, Development Policy Centre, ANU, *Committee Hansard, Inquiry into Australia activating greater trade and investment with Pacific island countries*, 19 June 2020, pp. 4-5.

¹¹² Professor Stephen Howes, Director, Development Policy Centre, ANU, *Committee Hansard, Inquiry into Australia activating greater trade and investment with Pacific island countries*, 19 June 2020, p. 5.

suggest to you that closing the borders and not allowing people to enter your country so that they can't bring in a deadly disease that will overwhelm your health system is about as good an indication of agency and sovereignty as needed to make it very clear that these countries do take these issues of sovereignty and agency extremely seriously.¹¹³

- 4.107 Mr Jonathan Pryke, Lowy Institute, reiterated the importance of sovereignty in the Pacific islands: 'For Tuvalu and Kiribati, it's their largest bargaining chip on the international stage'.¹¹⁴

Committee comment

- 4.108 The Committee acknowledges the sensitivities around proposals of regional integration, in particular compacts of free association which may impact (usually hard won) state sovereignty, resource ownership and intangible values including identity and culture.
- 4.109 However, the imminent increasing climate change impacts and disaster threats may alone necessitate some Pacific populations to consider migrating, perhaps firstly within the island region to less vulnerable environments.
- 4.110 A 'compact of free association' or similar deep integration proposal between Australia and Pacific island areas would require ownership by Pacific island nations and be based on considerable research, logistical and legal analysis. Sensitive and careful consultation between Pacific islanders and Australian communities would be essential before any roadmap could be developed for more concrete consideration.
- 4.111 There is considerable groundwork required in researching the costs and benefits of such models and in carefully considering the needs of each country in the region. The Committee sees value in the Australian Government and Pacific governments undertaking studies into the experiences of other countries, like those in the North Pacific compact and the realms of New Zealand, to learn from those experiences.
- 4.112 The Committee believes such a compact or compacts would offer significant benefits to both non-associated Pacific island countries, particularly those most vulnerable to population displacement risks, and Australia.

¹¹³ Dr Tess Newton Cain, Adjunct Associate Professor, Griffith Asia Institute, *Committee Hansard*, 19 June 2020, p. 3.

¹¹⁴ Mr Jonathan Pryke, Director, Pacific Islands Program, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 9.

4.113 Deeper integration models in the Pacific region should be explored with more rigour as this may be a necessary consideration to future-proofing the lives of those most vulnerable within the Blue Pacific.

Recommendation 6

4.114 The Committee recommends the Australian Government:

- **start dialogue with Pacific island countries about compacts of association considerations; and**
- **evaluate bold ideas for longer term Pacific region ‘deep integration’ including the creation of a significant compact of free association with countries in the Pacific island region—in particular microstates most vulnerable to climate change instability.**

5. People to people links

Connectedness and inclusion

5.1 The Committee observed the various ways that social links can be deepened between Australia and the Pacific islands and in promoting better inclusiveness. Key areas identified included through diaspora, faith-based links, sports affiliations, educational pathways, shared history, interests and values.

5.2 Associate Professor Joanne Wallis asserted:

People-to-people connections are vital for Australian diplomacy and for improving Australia's policy with respect to the Pacific Islands. They can help to combat the ignorance of Australians about the region and assist Australia to project its soft power in the region.¹

5.3 Associate Professor Wallis's submission elaborated:

There are numerous opportunities to strengthen people-to-people links, including through sending Australian volunteers into the region via the Australian Volunteers for International Development program.

Building on the model of the military education and exchanges conducted under the [Australia's Defence Cooperation Program], Australia could also expand opportunities for Australian public servants to interact with their Pacific Islander counterparts and develop personal links, such as the programs already run for Pacific Islander electoral officers by the Australian Electoral Commission.²

¹ Associate Professor Joanne Wallis, *Submission 9*, p. 6.

² Associate Professor Joanne Wallis, *Submission 9*, p. 6.

Locally led and inclusive partnerships

5.4 Contributors to the inquiry representing Pacific and diaspora voices appeared to agree that particular elements of interaction are fundamental for constructive engagement with Pacific island peoples. Peacifica wrote that taking account of the 'Pacific Mode'³ in initiatives was important,⁴ while Caritas Australia supported a 'locally led' approach in development planning. Caritas Australia elaborated:

Decisions should be made by the people closest and most affected by the issues and concerns of the community. Programmatically it is expressed through 'localisation', where local communities and organisations are supported and empowered, as partners in a reciprocal relationship, to lead their own development.⁵

5.5 In a similar vein, the University of New South Wales (UNSW) Law Society recommended:

...that, to successfully identify and address the priority needs of the government and peoples of Pacific Island countries, Pacific voices must be centred in each phase of Step-up initiatives.⁶

5.6 As did the Kaldor Centre for International Refugee Law:

To create truly responsive and effective policies, Australia must engage with and listen to the views of our Pacific neighbours.⁷

5.7 Other views expressed embedding grass-roots development participation in local Pacific communities through civil society, including, for example, building the capacity of trade union movements.⁸

5.8 Part of the Step-up includes local capacity building within Pacific churches. Dr Sureka Goringe, National Director, Uniting World, noted that churches are strong and influential organisations in the Pacific, and that:

³ Peacifica, *Pacific perspectives on the world: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 6.

⁴ Peacifica, *Submission 45*, p. 2.

⁵ Caritas Australia, *Submission 35*, p. 2.

⁶ University of New South Wales Law Society, *Submission 70*, p. 11.

⁷ Kaldor Centre for International Refugee Law, *Submission 40*, p. 4.

⁸ Australia Council of Trade Unions, *Submission 46*, p. 4.

...our relationships with the Pacific really need to engage with churches in the Pacific, churches being probably the strongest and most influential civil society organisations in the Pacific. Engaging with them has a whole range of reasons around it, which include the fact that they are deeply embedded in community and are very influential in the public. You can build on a very long relationship between Australian churches and Pacific churches, a history of collaboration and mutual respect.⁹

- 5.9 The Department of Foreign Affairs and Trade's (DFAT) submission outlined the capacity building work channelled through Pacific church leaders to drive development outcomes:

The Pacific Church Partnerships Program works to build the leadership capabilities of Pacific island church leaders to contribute to development outcomes. It has been reoriented to meet Pacific community needs, including assisting the priorities of the Pacific Conference of Churches (PCC), in response to Cyclone Harold and COVID-19.¹⁰

- 5.10 It is widely acknowledged that to better development initiative outcomes that existing local capacity should be identified and utilised. The Whitlam Institute recommended that the Australian Government should:

Improve government, private sector and [non-government organisations (NGOs)] partnerships by encouraging Australian government agencies, businesses and [international] NGOs to better recognise existing local capacity and support the development of new capacity where requested.¹¹

- 5.11 The Whitlam Institute also suggested using a mix of capacity building sectors in the Pacific islands to deliver development initiatives and also to expand relationships beyond the capital cities:

...recommend that the Australian government ...deepen relationships beyond the capitals, both in the Pacific states and in Australia. A multiplicity of civil society, sporting, commercial, religious and cultural links are ready to be developed, in some cases building on existing initiatives.¹²

⁹ Dr Sureka Goringe, National Director, Uniting World, *Committee Hansard*, 18 June 2020, p. 6.

¹⁰ Department of Foreign Affairs and Trade (DFAT), *Submission 52*, p. 9.

¹¹ Whitlam Institute within Western Sydney University, *Submission 2*, p. 3.

¹² Whitlam Institute within Western Sydney University, *Submission 2*, p. 3.

Australian knowledge of the Pacific islands region

- 5.12 Mr Nic Maclellan said the Step-up program could be enriched if the Australian based Pacific diaspora are asked about best practice engagement strategies:

Islanders living and working in Australia can enrich the current discussion about regional relationships. But it's a largely untapped resource and we are all the poorer for the reluctance to engage with a highly mobile cohort...¹³

- 5.13 However, Professor Joanne Wallis noted:

While I do agree that having a Pacific diaspora in Australia is important, I think the obligation is equally on us, as thinkers and as leaders, to be telling that story about why the Pacific is important and why the government should be devoting resources to it and paying attention to it.¹⁴

- 5.14 Equally, Dr Tess Newton Cain, Griffith Asia Institute highlighted the serious lack of knowledge in the Australian public about the Pacific island region and what their taxes (development assistance) are spent on:

The amount of resources—policy resources and financial resources, and this goes way beyond aid—that are deployed in the region on behalf of the Australian public, and the fact that the Australian public doesn't know what's being deployed on its behalf, doesn't know how its officials are behaving, and doesn't know how its sense of itself is being projected in the region, is baffling and it should be a matter of great concern.¹⁵

Reciprocal knowledge

- 5.15 Better knowledge of the Pacific by Australians may contribute to Pacific islanders feeling more respected and included, given Pacific island people generally have considerable knowledge of Australia and Australians. Parallel to that, Pacific islanders have commented on what they perceive to be a lack of visibility of Australian Indigenous people.¹⁶

¹³ Mr Nic Maclellan, *Submission 42*, p. 9.

¹⁴ Professor Joanne Wallis, Strategic and Defence Studies Centre, Australian National University (ANU), *Committee Hansard*, 19 June 2020, p. 7.

¹⁵ Dr Tess Newton Cain, Adjunct Associate Professor, Griffith Asia Institute, *Committee Hansard*, 19 June 2020, p. 8.

¹⁶ Whitlam Institute within Western Sydney University, *Submission 2*, p. 3

5.16 DFAT advised the Committee about promoting deeper connections between Indigenous Australians and Pacific island people:

DFAT recognises that Aboriginal and Torres Strait Islander cultures are the foundations of Australia's national identity. DFAT, in particular the Office of the Pacific (OTP), has a unique opportunity to showcase Indigenous stories and cultures. This includes by supporting deeper connections between Indigenous Australians and Pacific people and increasing Indigenous expertise in support of our development, trade and foreign policy efforts.¹⁷

5.17 DFAT's Indigenous Australian outreach was described:

The [Office of the Pacific] is now in the process of developing an Indigenous Engagement Plan for launch in late 2020. We are very committed to championing Indigenous Australian cultures and businesses in the Pacific, including by increasing Indigenous expertise in the implementation of the Pacific Step-up. Our work is complementing the implementation of DFAT's Indigenous Diplomacy Agenda, Stretch Reconciliation Action Plan and the Aboriginal and Torres Strait Islander program. ...[the Office of the Pacific's] Indigenous Engagement Plan has two main objectives:

- 1 Embedding Indigenous Australian peoples and perspectives in the delivery of Pacific Step Up; and
- 2 Enhancing the cultural competence and confidence of [Office of the Pacific] staff so that they can better engage on Indigenous issues in Australia and internationally.¹⁸

5.18 DFAT informed the Committee that it had taken a whole-of-Government approach to preparing the plan, consulting with other Government departments including Defence, Home Affairs and the Australian Federal Police.¹⁹

Acknowledging shared history

5.19 The inquiry received evidence regarding the ongoing impact on Australian-Pacific islander relationships as a result of the crimes of 'blackbirding' which occurred in Australia during the 19th and early 20th centuries, after British law abolished slavery. South Sea Pacific islanders were transported from their island homes to enslaved labour conditions on the Australian East

¹⁷ DFAT, *Submission 52: 1*, p. [6].

¹⁸ DFAT, *Submission 52: 1*, p. [6].

¹⁹ DFAT, *Submission 52: 1*, p. [6].

Coast during this period. The practice was prevalent in the Queensland colony from 1863 to 1904 although 'blackbirding' was first documented in NSW in the 1840s.²⁰

- 5.20 Approximately 62 000 South Sea islanders are estimated to have worked mainly on cotton and sugar cane plantations over this period, some in other industries.²¹ Primarily male youth of Melanesian origin were contracted into indentured labour, potentially through consensual but unethical agreement, or forced onto blackbirding vessels bound for Australia.²²
- 5.21 When the 'White Australia Policy'²³ was introduced in 1901, following Australian Federation, blackbirding exploitation ceased because the policy excluded Pacific islanders from settling in Australia if they had arrived after 1 September 1879.²⁴ This event was commented on in inquiry evidence, for example, a Pacific participant in the Whitlam Institute research project, *Pacific perspectives on the world*, drew a connection between the forced removal of indentured workers and diminished prosperity of Pacific islander descendants although they contributed to the growth of Australian colonies:

If you look at places in New South Wales and Queensland where there was indentured slavery, we South Sea Islanders did not prosper as the Indian slaves did elsewhere. We got thrown out. We can claim ownership to the

²⁰ NSW Government, Multicultural NSW, Demographic Resources, *Ancestry: Pacific Islander*. <<https://multiculturalnsw.id.com.au/multiculturalnsw/ancestry-introduction?COIID=120>> viewed 1 February 2022.

²¹ NSW Government, Multicultural NSW, Demographic Resources, *Ancestry: Pacific Islander*. <<https://multiculturalnsw.id.com.au/multiculturalnsw/ancestry-introduction?COIID=120>> viewed 1 February 2022.

²² The mortality rate during indenture has been estimated at 30 per cent; Alex McKinnon, *Blackbirds: Australia had a slave trade?*, *The Monthly*, 1 July 2019. <<https://www.pressreader.com/australia/the-monthly-australia/20190701/282475710382839>> viewed 23 February 2022.

²³ Through the *Immigration Restriction Act 1901* (Cth) and other associated regulatory changes.

²⁴ Multicultural NSW states 'the *Immigration Restriction Act 1901* and the *Pacific Island Labourers Act 1901* ordered the mass deportation of Pacific Island labourers'; NSW Government, Multicultural NSW, Demographic Resources, *Ancestry: Pacific Islander*. <<https://multiculturalnsw.id.com.au/multiculturalnsw/ancestry-introduction?COIID=120>> viewed 1 February 2022.

building and growing of some of these regions of Australia—North Queensland, some of New South Wales.²⁵

5.22 The Committee heard that acknowledging these events as part of shared history is important; for example, Ms Leanne Smith from Whitlam Institute called for:

...Australia to recognise that, when it talks about there not having been slavery in this country, the practice of blackbirding has reignited as something that Pacific islanders want to see some acknowledgment of and resolution or acceptance of.²⁶

5.23 The New South Wales (NSW) Government's 'Multicultural NSW' website states that the mass deportations between 1906-1908 following the suite of White Australia laws left only an estimated 1 600 Pacific islanders resident in Australia, noting that: 'many ran away and hid in southern Queensland and northern New South Wales'.²⁷

5.24 At a hearing in Canberra, Reverend James Bhagwan, General Secretary of the Pacific Conference of Churches highlighted that the blackbirding era serves as a reminder for policy makers today to ensure the holistic welfare of workers in contemporary Pacific labour schemes:

As someone whose ancestors who were brought here as indentured labourers, this continues to be an issue for us. The minute we heard Seasonal Worker Programme and Pacific Labour Scheme, our minds went back to the issue around blackbirding...

It's more than the issue around an apology; the issue is really around taking those legacies and transforming the way in which we are engaging or the way in which the Pacific labour mobility scheme and the seasonal worker scheme are being run. We've had some discussions around developing a practical and pastoral pathway to support workers and their families, so looking at it

²⁵ Peacifica, *Pacific perspectives on the world: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 26.

²⁶ Ms Leanne Smith, The Whitlam Institute within Western Sydney University, *Committee Hansard*, 19 June 2020, p. 18.

²⁷ NSW Government, Multicultural NSW, Demographic Resources, *Ancestry: Pacific Islander*. <<https://multiculturalnsw.id.com.au/multiculturalnsw/ancestry-introduction?COIID=120>> viewed 1 February 2022.

holistically from before they travel, to how they are cared for while they are in Australia.²⁸

- 5.25 Peacifica also noted in its submission that the blackbirding story and associated events are still discussed by Pacific islanders, and that they: 'See them, they remember them, and talk about them.'²⁹ Peacifica's submission also highlighted consistent gaps in Australian's awareness of these events, for example:

...the research found that Pacific islanders from diverse backgrounds have a consistent experience of Australia and Australians as having limited 'Pacific literacy'.³⁰

- 5.26 Similarly, Mr Nic Maclellan's submission stresses the importance of lessons from historic events and how these influence current relationships, diplomacy, and policy now and into the future:

Without appropriate protection of seasonal and migrant workers, there is a danger that hundreds of Pacific workers will return home to spread tales of Australia's greedy, racist labour trade—the new blackbirding.³¹

Committee comment

- 5.27 The Committee recognises that in the mid-1800s through until shortly after Federation, South Pacific islanders were lured away from, or forced from their Pacific island homes onto Australian-bound ships as cheap human capital, exploited in contracted servitude. The Committee acknowledges the shameful practice was widespread and supported by legislation in the colony of Queensland in the mid to late 1800s. Moreover, the practice only became outlawed indirectly: following the introduction of the White Australia policy on Federation. Blackbirding, and later the policy to deport these Pacific islanders—many of whom had endured abusive conditions and some resident for decades—not only wounded them directly, but also left grieving relatives in the islands and scarred the descendants of all.
- 5.28 The Committee acknowledges this dark chapter of our shared history, which it heard is under-recognised by most Australians. It is a testament to the

²⁸ Reverend James Bhagwan, General Secretary, Pacific Conference of Churches, *Committee Hansard*, 17 September 2020, p. 11.

²⁹ Peacifica, *Submission 45*, p. 2.

³⁰ Peacifica, *Submission 45*, p. 2.

³¹ Mr Nic Maclellan, *Submission 42*, p. 5

resilience, diplomacy and culture of the Pacific islander people that despite these events, Australians and South Pacific islanders enjoy a relationship built over the last century on shared mutual respect.

- 5.29 Our trade routes and allied defence has created a shared story and connections. This respectful relationship has been fostered through reciprocated support in difficult times, generations of Australians of Pacific islander descent, the more recent Pacific diaspora and shared religious and sporting links. The Committee notes, however, that mutual respect is only maintained through trust, with honest disclosure at its core. Honest recognition of our history informs our regional friendship.
- 5.30 Mutual respect was evident during the Pacific diplomatic (Heads of Mission) roundtable convened by the Committee on 4 September 2020. The Committee and participants considered the roundtable a successful mechanism to share ideas and air concerns in the region and importantly to maintain strong relationships between the Committee and Pacific Heads of Mission, acting as a conduit for Pacific locals. This was particularly beneficial in 2020 after the first nine months of the pandemic when international borders were closed.
- 5.31 As such, the Committee strongly encourages the Committee of future Parliaments to convene an annual roundtable with available diplomatic representatives from Pacific island countries and New Zealand. It also encourages the Department of Foreign Affairs and Trade to identify opportunities like this to maintain regular dialogue between the Pacific diplomatic community.

Role of Pacific churches

- 5.32 The *Pacific Church Partnerships Program*³² (PCPP) was announced in November 2018 which recognised that religion played a pivotal role in Pacific island life and that churches and faith-based groups have active connections between the Pacific and Australian communities, in particular through diaspora.

³² DFAT, *Church partnerships in the Pacific*. <<https://www.dfat.gov.au/geo/pacific/people-connections/church-partnerships-in-the-pacific>> viewed 23 February 2022.

5.33 The Committee received input from Christian churches and other faith based organisations, all of whom had a similar message:

Engage with and through Christian churches in Pacific countries:

- Christianity is the dominant paradigm in the Pacific, it is the language of life and culture.
- Churches are the most influential non-government community network in the Pacific.
- Existing church-led Australian engagement can be leveraged for growth and impact.
- Pacific diaspora embedded in Australian churches can be leveraged.³³

5.34 The following two sections highlight the links demonstrated in evidence between sport and Christian churches and other faith-based organisations—as well as strong links between the Australian Pacific diaspora and Christian churches and other faith-based organisations in the Pacific.

Sports linkages

5.35 The Department of Foreign Affairs and Trade (DFAT) explained the soft-power value of using sport to foster connections with the Pacific islands:

Australia has a remarkable international sporting pedigree and is internationally recognised as a consistent, high-performing sporting nation. Australia has potential to capitalise on its sporting credentials by engaging with neighbouring countries and achieving public diplomacy outcomes in the Indo-Pacific region and beyond.

Sport provides opportunities to develop people-to-people connections that promote partnerships of value between Australia and the region. This includes opportunities to inform, engage and influence key demographics, particularly youth, emerging leaders and women and girls.³⁴

³³ UnitingWorld, *Submission 11*, p. 3. Similarly, Caritas Australia, *Submission 35*; National Council of Churches in Australia, *Submission 41*; Micah Australia, *Submission 48*; and Caritas Tonga and Caritas Australia, *Submission 63*.

³⁴ DFAT, *Connecting people through sport*. <<https://www.dfat.gov.au/people-to-people/sport/connecting-people-through-sport/Pages/connecting-people-through-sport>> viewed 5 February 2021.

- 5.36 The role of sport in deepening social ties has been reflected in the Step-up program, for example through Pacific AusSports which supported 27 sports matches in 2019³⁵ (but was suspended during the pandemic). This was also highlighted by the demand in the Pacific islands for access to free-to-air coverage of Australian premium sports program broadcasts.
- 5.37 An example of this is the Sports Diplomacy 2030 strategy which was launched on 1 February 2019 to forge ‘closer collaboration between the Australian sports codes, industry and government to leverage the nation's sporting excellence in ways that enhance Australia's influence and reputation and advance our national interests’.³⁶
- 5.38 Sport is an important feature in Pacific island communities and acts as the impetus for other governance and development efforts by non-government organisations and faith-based groups.³⁷ This provides a point of connection with Australia.
- 5.39 The \$39 million Pacific Sports Partnerships program was described by DFAT as Australia's flagship sport for development program in the Pacific.³⁸ The Australian Sports Partnerships Program built on the Pacific Sports Partnership Program.³⁹ ChildFund Australia reiterated the value of sporting connections to work in with development priorities:

ChildFund is working closely with World Rugby, Oceania Rugby, Rugby Australia, Fiji Rugby Union, the International Cricket Council, Cricket PNG, Netball Australia and Netball Tonga. These partnerships highlight the value of bringing together development and sports stakeholders to share development priorities. They also support the approach of the Australian Sports Partnerships Program which “recognises that stronger outcomes can be

³⁵ DFAT, *Submission 52*, p. 9.

³⁶ DFAT, *Sports Diplomacy*. <<https://www.dfat.gov.au/people-to-people/sports-diplomacy>> viewed 24 February 2022.

³⁷ DFAT, *Sport for Development*. <<https://www.dfat.gov.au/people-to-people/sport/sport-for-development/Pages/sport-for-development>> viewed 5 February 2021. ‘Australia has successfully delivered sport for development programs since 2009. Sport is a globally recognised-and increasingly utilised-vehicle to achieve development outcomes in areas such as health, social cohesion, gender equality and disability inclusion.’

³⁸ DFAT, *Pacific Sports Partnership Program*: <<https://www.dfat.gov.au/people-to-people/sport/sport-for-development/pacific/Pages/sport-for-development-pacific>> viewed 5 February 2021.

³⁹ Australian Government, *Sports Diplomacy 2030*, February 2019, p. 18.

achieved by mobilising the best assets of both development and sports actors to deliver on shared priorities".⁴⁰

5.40 ChildFund detailed the children's sporting programs they support (particularly in PNG) and how these link to learning about crucial life skills:

Since 2012 ChildFund has worked with sports bodies on Sport for Development programs covering key life skills around leadership, gender, future planning, sexual and reproductive health, and preventing violence.

...Data shows participants not only learning but applying critical social and emotional competencies to make informed decisions, solve problems, communicate effectively, build healthy relationships, and manage challenges in their lives.⁴¹

5.41 Alphacrucis College explained the links between Pacific faith-based organisations and sporting programs, and in their case, faith-based educational links, as a means of strengthening Australia's Pacific island relationships:

There are also developing opportunities around expanding pathways around entrepreneurial sport leadership into faith-based educational institutions. The fabric of relationship between Pacific Island nations and Australia/NZ would be immensely strengthened by training and education that (1) ensures stronger domestic sport governance and financial sustainability, (2) enables role models to develop as leaders from Pacific island nations who in time take senior roles in Australian sport, and (3) designs and accredits localised education pathways in business, leadership, management, community service and teaching.⁴²

5.42 Alphacrucis College also noted links between faith-based groups and sport to for general youth training and development opportunities:

There are a number of parachurch organisations which are utilising sporting links for training and development. One example is Youth with a Mission (YWAM) who run a Rugby Plus program as part of their 'Island Breeze'.⁴³

⁴⁰ ChildFund Australia, *Submission 22*, p. 8.

⁴¹ ChildFund Australia, *Submission 22*, p. 8

⁴² Alphacrucis College, *Submission 57*, p. [4].

⁴³ Alphacrucis College, *Submission 57*, p. [24].

Diaspora linkages

- 5.43 The Step-up recognises that the approximately 200 000 Pacific diaspora population living in Australia function as ‘living bridges’ to develop and deepen economic and social ties between countries.⁴⁴
- 5.44 The Committee heard how diaspora communities, in particular in the North of Australia, have forged valuable connections to increasing trade and overcoming barriers to investment in the Pacific. DFAT particularly highlighted the engaged diaspora in Cairns:
- In Cairns, the largest [Papua New Guinea] diaspora population has facilitated strong trade and investment links with Papua New Guinea, including in education, property and tourism.⁴⁵
- 5.45 The more formal diaspora linkages are dominated by faith assemblies with active relationships back to Pacific island churches and communities.
- 5.46 Mr Chris Gardiner highlighted in his submission made to DFAT’s development assistance policy review that many of these diaspora traits are in Australia’s favour. One of these is the fact that Pacific island communities share cultural traits with many Australian communities, including regularly participating church members.⁴⁶
- 5.47 Participation in a Church congregation or associated community activities is widespread in the Pacific island region. For example, the Whitlam Institute research project, *Pacific perspectives*, noted that ‘the church is almost universally the primary channel for engagement with people from other countries for Solomon Islanders as they grow up’.⁴⁷
- 5.48 DFAT’s submission states that ‘people and communities are at the heart of Australia’s unique connections to the Pacific’ and that ‘Australia’s Pacific labour mobility schemes provide further opportunities to engage diaspora, community groups and churches to support workers’.⁴⁸ It explains support

⁴⁴ DFAT, *Submission 52*, p. 10.

⁴⁵ DFAT, *Submission 52*, p. 10.

⁴⁶ Mr Chris Gardiner, *Submission 10*, p. 3.

⁴⁷ Peacific, *Pacific perspectives on the world: Listening to Australia’s island neighbours in order to build strong, respectful and sustainable relationships*, Whitlam Institute within Western Sydney University, February 2020, p. 20.

⁴⁸ DFAT, *Submission 52*, p. 10.

mechanisms for Pacific workers in Australia under the Seasonal Worker Programme and the Pacific Labour Scheme:

In combination with our comprehensive safeguards for employers and workers, [the Office of the Pacific] has piloted community engagement events with churches and Pacific diaspora groups to provide pastoral care and to help workers integrate with the local community and maximise their experience of living and working in Australia.⁴⁹

- 5.49 Another avenue which not only provides education and skills pathways, but also importantly strengthens social ties into the region, is through youth education links within Australia. The *Pacific Secondary Schools Scholarship*⁵⁰ program is another initiative which brings Pacific students to Australia (but has only conducted one round of applications and the first student intake, initially planned for July 2020, was delayed due to pandemic complications).
- 5.50 The New Colombo Plan, as noted in chapter 3, also enables diaspora-linked students to return to, or engage with, the Pacific islands region.

Cultural inclusiveness

- 5.51 DFAT noted ways in which its Office of the Pacific is supporting reciprocal cultural inclusiveness between Australians and Pacific islanders, including:
- Building opportunities for Indigenous Australians to be contributing partners in the Step-up (including through new sports and church partnerships);
 - Reflecting on the unique history of Australian South Sea Islanders to reach out and build cultural connections;
 - Establishing a joint DFAT, ANU and Lowy Institute 'Pacific Research Program' to facilitate a strong research network and increase Pacific literacy and understanding within the broader Australian community.⁵¹
- 5.52 The PacificAus TV initiative, discussed later in this chapter, is also designed to 'deepen Australian connections with Pacific audiences'.⁵²
- 5.53 The Pacific islands' traditional connection to the islander ceremonial drink kava was a topic of much conversation at the roundtable hearing convened by the Committee with invited Pacific region diplomats.

⁴⁹ DFAT, *Submission 52*, p. 11.

⁵⁰ DFAT, *Submission 52*, pp. 9-10.

⁵¹ DFAT, *Submission 52*, p. 11.

⁵² DFAT, *Submission 52*, p. 11.

5.54 It was suggested by inquiry participants that regulations surrounding the limited importation of kava into Australia be relaxed to enable the diaspora, and potentially a wider market, to more readily consume the Pacific's traditional beverage. And, as such, create a more viable commercial market. For example, the Griffith Asia Institute recommended that:

Australia should continue the announced trial of commercial imports of kava from Pacific Island countries. The initial trial period (of 12 months) should be extended (to at least 24 months) to allow would-be exporters to develop a viable market.⁵³

5.55 The importation of kava from a commercial standpoint was considered in chapter 2.

Media outreach

5.56 Inquiry submissions received described the important role of Australian media in the Pacific island region.⁵⁴ Australian media penetration was noted to not only provide public information and be of educational value but also to foster an understanding of Australia-Pacific shared values.⁵⁵

5.57 The Australia Asia Pacific Media Initiative (AAPMI) also emphasised the desire of Pacific islanders, Australian South Sea Islanders and the Pacific island diaspora to forge 'stronger links with Australia's Indigenous communities including through media and stories told by media'.⁵⁶ This was echoed by the Whitlam Institute.⁵⁷

5.58 DFAT also detailed their efforts in promoting greater Indigenous Australian participation in professional roles:

⁵³ Griffith Asia Institute, *Submission 32*, p. 4.

⁵⁴ Including from Free TV Australia, *Submission 65*; Australian Broadcasting Corporation (ABC), *Submission 17*; Australia Asia Pacific Media Initiative (AAPMI), *Submission 16*; and Heriot Media and Governance, *Submission 66*.

⁵⁵ Australian media presence and penetration was also discussed in evidence from a geo-strategic perspective.

⁵⁶ Australia Asia Pacific Media Initiative (AAPMI), *Submission 16*, p. 4.

⁵⁷ Whitlam Institute within Western Sydney University, *Submission 2*, p. 3.

...we have a pretty strong Indigenous graduate program. Across government we tend to have one of the highest levels of career advancement as well. So it is pretty active.⁵⁸

5.59 Televised Australian content programs have been enjoyed by Pacific islanders for over 25 years.⁵⁹ As described by Heriot Media and Governance, international broadcasting provides a valuable opportunity to build people to people links, develop trust and embed cultural mores and understanding:

The core purpose of international broadcasting and associated activities is to reach and establish a trusted form of engagement with target audiences. In doing so, it models certain values and norms, and establishes a discursive platform on which to represent core strategic narratives. In Australia's engagement with the Pacific, these narratives may be said to include—

- Democracy, freedom of speech, and the rule of law;
- Respectful engagement with the 'Pacific family' and our common security;
- Shared challenges requiring transnational cooperation; and
- Australia's identity as a close US ally but with independent interests.⁶⁰

5.60 Heriot Media and Governance's submission asserts that the purpose of media in the Pacific should be to:

- *Support peaceful region building*—that media outreach will 'complement the aid program' and 'the government's public diplomacy while remaining distinct from them'. The Submission asserts that: 'A substantial body of research internationally supports the view that audiences are likely to invest greater trust in an international media service if they perceive it to be independent of political and other vested interests.'
- *Respond to contingent events and crises*—Shortwave [radio] had been the only medium of long-distance communication in the Pacific able to offer an almost uninterrupted signal when local media had been disabled by natural events or political actions.

⁵⁸ Ms Danielle Heinecke, First Assistant Secretary, Pacific Operations and Development, Department of Foreign Affairs and Trade, *Committee Hansard*, 3 September 2020, p. 14.

⁵⁹ ABC television first had a presence in 1993, via Australia Television International. ABC radio first had a presence in the Pacific islands in 1939; Dr Rhonda Jolly, *The ABC: an overview*, Parliamentary Library, 11 August 2014.
<https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1415/ABCoverview> viewed 25 February 2022.

⁶⁰ Heriot Media and Governance, *Submission 66*, p. 2.

- *Challenge foreign cartels of information*—this could be ‘a combination of political groups acting in common; where local media organisations have distinct political orientations or allegiances and/or where state media dominate’.
- *Counter disinformation and inaccurate perceptions*—social media offers enormous potential as a force multiplier for those actors seeking to disseminate purposeful disinformation or unintentional misinformation.⁶¹

5.61 Mr Shane McLeod from the Lowy Institute outlined how media services and outreach had considerably expanded in the Pacific islands over the past couple of decades; he particularly addresses the PNG situation with the growth in mobile networks:

PNG has pretty diverse media and it's been growing over recent years. I think there are now three national TV news services. But broadcast has been fairly static in terms of use, and it is switching to digital. So the availability of mobile networks in Papua New Guinea over the last 15 years has been dramatic—remarkable. I think people still turn to traditional media for a source of verifiable information. But that's obviously then buttressed by a massive growth in social media and sharing. That sort of oral tradition of sharing news has sort of migrated to social media and you see really high usage of social media platforms, in particular Facebook, but also some of the messaging platforms like WhatsApp.⁶²

5.62 Mr David Hua promoted the Australian Broadcasting Corporation's (ABC) role in broadcasting to the Pacific islands and how this outreach not only provides media services to the region but also acts as a constructive method of engagement between Australia and the Pacific islands:

The ABC's international activities make an important contribution to strengthening Australia's relationships with its Pacific neighbours. They promote an understanding between our nations; they encourage receptiveness to Australian ideas and ways of thinking; and they help to foster trust. Not only does the ABC engage in relationship-building with Pacific audiences and organisations, but its international media services lay foundations that can help in relationship-building between Australia and its neighbours, such as through trade, tourism, and cultural exchanges.⁶³

⁶¹ Heriot Media and Governance, *Submission 66*, pp. 3-4.

⁶² Mr Shane McLeod, Research Fellow, Australia-Papua New Guinea Network, Lowy Institute, *Committee Hansard*, 12 November 2020, p. 14.

⁶³ Mr David Hua, Head, International Strategy, ABC, *Committee Hansard*, 10 September 2020, p. 1.

5.63 Mr Hua emphasised the extent of the ABC's Pacific island outreach by detailing just how many people are viewing this programming:

Each month, the ABC reaches a unique overseas audience of about 11 million on our own platforms—that's television, radio and digital services—and in the Pacific we reach about 830 000 each month. This equates to about seven per cent of the total population in the Pacific. On Radio Australia, there are over 400 000 listeners each month in the Pacific and Timor Leste, and there are over 360 000 viewers of the television service. In 2019, we had 275 000 downloads from the Pacific of ABC podcasts. That's all on platform. Off platform, in 2019 there were 1.6 million views of ABC content on YouTube, and that's a figure that's grown by 177 per cent so far this year.⁶⁴

5.64 Ms Annmaree O'Keeffe AM from AAPMI stated that being a largely untapped media environment, the Pacific islands represent a unique challenge when attempting to reach its dispersed peoples:

It's got dispersed populations, making the ratings very difficult to determine, because they're so remote and so difficult to actually access, except via radio. But the urban governing elite does have access to domestic and international media and they are very much influenced by various interests.⁶⁵

Media influence and saturation

5.65 The Australian Government aims to promote Australia and Australian values in the Pacific through an expanded media presence to 'help balance an increasing regional media presence of other nations in our region' including through:⁶⁶

- In 2019 the Australian Government funded the PacificAus TV initiative, delivered by Free TV Australia. It allows Pacific broadcasters the rights to use at least 1000 hours per annum of a selection of commercial Australian content programs to include in their schedules at no cost. It is funded under 'Amplifying Australia's voice in the Pacific', covering three years of program rights, technical delivery and administrative costs of \$17.1 million.⁶⁷

⁶⁴ Mr David Hua, Head, International Strategy, ABC, *Committee Hansard*, 10 September 2020, p. 1.

⁶⁵ Ms Annmaree O'Keeffe AM, Steering Committee Member, Australia Asia Pacific Media Initiative, *Committee Hansard*, 10 September 2020, p. 11.

⁶⁶ Free TV Australia, *Submission 65*, p. 5.

⁶⁷ Free TV Australia, *Submission 65*, p. 5, 10.

- In 2020 the initiative was rolled out to audiences in Fiji, the Solomon Islands, Papua New Guinea (PNG), Vanuatu, Kiribati, Tuvalu and Nauru with 'enthusiastic feedback' from participants.⁶⁸ Various genres are covered including children's programs, drama, news, reality and sports.

5.66 A key theme to emerge from the inquiry evidence is that Australia's media presence in the Pacific islands must be enhanced in order to ameliorate foreign saturation of the broadcast space and the affiliated risk of misinformation and interference. For example, the ABC noted:

...at the May 2018 Pacific Media Summit in Tonga, [China Central Television] representatives were actively pursuing memoranda of understanding with Pacific media bodies to secure carriage of Chinese content and offering media training to strengthen the influence of the [People's Republic of China].⁶⁹

5.67 Ms Jemima Garrett from the Australia Asia Pacific Media Initiative (AAPMI) stated how despite ardent efforts by the ABC and others, Australia's media presence has weakened in recent decades and that as a result of this diminished Australian presence, the Pacific islands have become a contested media environment:

The bottom line in the Pacific is that China's media push is significant, and Australia's media voice and its development programs are not keeping up. China has comprehensive radio, TV and online services, and it has correspondents in places like Fiji, where the Australian media does not. China's media services in the region are reaching out for partnerships ...It's not only having an impact on the way governments approach media in terms of media freedom and restrictions on media but it also has the potential to make local media financially dependent on help from different parties or editorially compromised.⁷⁰

5.68 Mr Sean Dorney AO reiterated the notion of Australia's dwindling Pacific island media presence being seized by external influences:

But the vacant space that was left there when Australia Network disappeared, as people have said, has really been taken over by China. Throughout my time

⁶⁸ Free TV Australia, *Submission 65*, p. 3, 5. DFAT and the Department of Communications asked Free TV to conduct scoping for expansion to Tonga and Samoa; Free TV Australia, *Submission 65*, p. 10.

⁶⁹ Australian Broadcasting Corporation (ABC), *Submission 17*, p. 5.

⁷⁰ Ms Jemima Garrett, Co-convenor, Australia Asia Pacific Media Initiative, *Committee Hansard*, 10 September 2020, p. 9.

as the Pacific correspondent for the ABC, I saw this Chinese influence growing everywhere. I'll just end off by saying that, if we did boost broadcasting again, it does require greater collaboration. There are excellent journalists out there in the Pacific that we could work with to create content for both of us. It's our region, and I think we should embrace it.⁷¹

- 5.69 The AAPMI explained that if the status quo continues and no effort is made to re-establish Australia's information presence in the Pacific islands, this risks failing to curb the interests of external parties which are likely not amenable to Australia's interests, nor those of the Pacific islands:⁷²

Aside from the need to counter the expanding Chinese influence, which you've all heard about, the whole region is very undisturbed by mainstream media, which risks leaving the provision of services to other countries, whose interests are not necessarily those of Australia.⁷³

International broadcasting strategy

- 5.70 Ms Annmaree O'Keeffe also from the AAPMI, emphasised how the ABC's international role has been neglected for some time:

There is no guidance to Australia's international broadcaster on how it should be supporting Australia's national interests. There are simply a couple of sentences in the ABC's charter, which of course we all know about. Thirdly, there has been no assessment of Australia's international broadcasting for its fitness to adapt to the changing international context, nor its potential to advance Australia's strategic interests. That is well overdue.

And, finally, the budget, or the dwindling budget, has been the key decider in what Australia's international broadcaster does and can focus on, rather than considering the strategic importance to Australia in terms of the Pacific, and how this all relates to the Pacific.⁷⁴

- 5.71 Ms O'Keeffe felt that there is a lack of a clear strategy or cohesion regarding Australia's Pacific island media presence from a bureaucratic perspective, and is something that can be affordably rectified for great benefit:

⁷¹ Mr Sean Dorney, Private capacity, *Committee Hansard*, 10 September 2020, p. 11.

⁷² Ms Annmaree O'Keeffe AM, Steering Committee Member, AAPMI, *Committee Hansard*, 10 September 2020, pp. 10-11.

⁷³ Ms Annmaree O'Keeffe AM, Steering Committee Member, AAPMI, *Committee Hansard*, 10 September 2020, pp. 10-11.

⁷⁴ Ms Annmaree O'Keeffe AM, Steering Committee Member, AAPMI, *Committee Hansard*, 10 September 2020, pp. 10-11.

The problem is that DFAT hasn't had a voice in putting together some sort of broadcasting strategy, whether it's for the ABC or whether it's for a broader group or institution. Funding for ABC's international work is part and parcel of the budget, or the funding it gets from the Department of Communications. It's rather difficult when you look at the different ABC reports and the department of communications reports do actually have to say which bit of the budget should be going to international broadcasting. ... the agency or the department that should have visibility and close linkages with the ABC to actually develop some sort of strategic approach is not part of the institutional framework.⁷⁵

5.72 One area in which this strategy could be best implemented is with Australian assistance in the establishment and maintenance of communications infrastructure in the Pacific islands. This was highlighted by Free TV Australia,⁷⁶ which detailed its delivery of the PacificAus TV initiative:

...we have a satellite, a space on IS-19, through which we play out programs every day ...But the primary delivery method is an internet portal that we've established, through which the broadcasters in each of the markets that have sufficient internet capacity can download programs. That's been aided by the fact that the Australian government and other governments have put in the Coral Sea cable, which goes to PNG and the Solomon Islands, and there's the existing Southern Cross cable that goes across to Fiji and then down to Vanuatu.⁷⁷

5.73 Mr Graeme Dobell proposed a distinctly separate international ABC as a means of restoring Australia's Pacific island media presence:

...I think we need an Australian International Media Corporation, not an Australian International Broadcasting Corporation. That moves it even further away from the ABC. But I think ...it would be set up as a separate corporation under the ABC—the ABC Act entitles the ABC to create separate corporations—and you'd be looking at an Australian international media corporation that obviously had the ABC, had Radio Australia and had some international television.

⁷⁵ Ms Annmaree O'Keeffe AM, Steering Committee Member, AAPMI, *Committee Hansard*, 10 September 2020, p. 13.

⁷⁶ Free TV Australia, *Submission 65*, p. 3.

⁷⁷ Mr Shane Wood, PacificAus TV Project Manager, Free TV Australia, *Committee Hansard*, 3 December 2020, p. 11.

...On the board, you'd want SBS. You'd want National Indigenous Television; You'd be looking at getting the commercials involved. ...a seat on the board to the vice-chancellors of Australia's universities. ...a seat, maybe, for Austrade. And that's the sort of new, platform-neutral, international media effort you'd be seeking to fund.⁷⁸

- 5.74 Mr Graeme Dobell proposed having a reenergised 'Radio Australia' as an affordable and potent solution to restore an Australian presence and influence in the Pacific islands:

...Radio Australia—despite all of the damage that it's had; despite the incredible running down that it's had—just goes to prove that journalism is one of your cheapest power weapons because Radio Australia is still highly regarded in the region. You'd want Radio Australia to be part of that sort of reenergised, rebuilt digital audio, feeding into apps, feeding into FaceTime, feeding into Facebook—in a sense, a platform-neutral media operation focused on the South Pacific...⁷⁹

- 5.75 Ms Jemima Garrett of AAPMI was optimistic that Australia's media presence in the Pacific islands can be prioritised:

We think it's a constructive and timely new engagement. We believe that the media has a lot to offer as a policy tool to strengthen and expand the work of the Step-up.⁸⁰

- 5.76 Mr Graeme Dobell and AAPMI's submissions commented on a minimum budget allocation for international broadcasting expenditure in 2020, to provide for an Australian publicly funded international broadcasting platform which has an influential voice in the Asia Pacific region.⁸¹ AAPMI wrote that there should be:

The allocation of a total of \$55-\$75 million per year to ensure Australia has a fit-for-purpose, multi-platform media voice in the Asia Pacific region.⁸²

- 5.77 Similarly, Mr Dobell's submission estimated an increase in the annual budget 'from \$16.7 million annually, towards \$75 million'.⁸³

⁷⁸ Mr Graeme Dobell, Private capacity, *Committee Hansard*, 10 September 2020, p. 19.

⁷⁹ Mr Graeme Dobell, Private capacity, *Committee Hansard*, 10 September 2020, p. 20.

⁸⁰ Ms Jemima Garrett, Co-convenor, AAPMI, *Committee Hansard*, 10 September 2020, p. 9.

⁸¹ AAPMI, *Submission 16*, p. 7; Mr Graeme Dobell, *Submission 21*, p. 2.

⁸² AAPMI, *Submission 16*, p. 2.

⁸³ Mr Graeme Dobell, *Submission 21*, p. 2.

5.78 Evidence taken at two public hearings and in nine submissions stated that the provision of media and information services in the Pacific is a relatively affordable but powerful and underrated tool for public diplomacy in Australia's Step-up efforts. Ms Annmaree O'Keeffe, AAPMI, stated:

...international broadcasting and its potency is not recognised at government level as a public diplomacy tool.⁸⁴

Free-to-air broadcasting of Australian content in the Pacific

5.79 The Committee heard from Free TV Australia that working with Pacific island broadcasting partners is crucial to develop a variety of suitable free-to-air broadcasting programming options for the PacificAus TV initiative:⁸⁵

Key to the success of the PacificAus TV initiative has been Free TV's ability to work with our Pacific broadcast partners to ensure that the programming made available meets the needs of the Pacific communities.⁸⁶

5.80 Free TV Australia described how enabling free-to-air broadcasters greater capabilities could be an additional opportunity to play a greater media role in the region:

Most of the major Australian sports already have pay TV distribution arrangements in place in the Pacific and the Australian Government may want to consider introducing a scheme that gives free-to-air broadcasters a chance to show major events in the Pacific region.⁸⁷

5.81 Mr Shane Wood, Free TV Australia, detailed the potential success that a greater focus on Australia's media presence in the Pacific islands may net, as Australia's broadcasted content has already proven to be more popular than other foreign programming:

Essentially, we've only been going for six months, but the amount of Australian programming on each of the broadcasters is increasing—in many cases, markedly—and it's substituting for other programming that may be

⁸⁴ Ms Annmaree O'Keeffe AM, Steering Committee Member, AAPMI, *Committee Hansard*, 10 September 2020, p. 10.

⁸⁵ The PacificAus TV initiative offers, and subsequently provides, up to 1 300 hours of programming annually, upon consultation with Pacific broadcasters and community members; Ms Bridget Fair, Chief Executive Officer, Free TV Australia, *Committee Hansard*, 3 December 2020, p. 10.

⁸⁶ Free TV Australia, *Submission 65*, p. 5.

⁸⁷ Free TV Australia, *Submission 65*, p. 3.

delivered by some of those other services. That's not necessarily China; it's also Pasifika, the New Zealand service equivalent to ABC Australia.⁸⁸

Committee comment

- 5.82 The Committee recommends that Australia's media presence in the Pacific islands and its digital footprint in the region is not only expansive, but also one which informs, educates and entertains to a high standard. A holistic international media strategy, with a tailored approach and a budget relevant to the needs of the Pacific region, should play a significant role in Australia's Pacific soft diplomacy.
- 5.83 The nature of the platform should be informed by the services on which the region's people actually depend, including ensuring that upgrades of technology are appropriate for the location, climate and topography, especially regarding emergency alert systems. Australia can enjoy a positive and enabling influence in the region by ensuring Pacific communities are more informed and connected by offering a broad menu to meet the needs of different demographics and digital acumen.
- 5.84 To ensure Australia's broadcasting fulfils part of the above, its content should continue to be provided in consultation with Pacific island peoples.
- 5.85 Both the private and publicly operated Australian media sectors support the delivery of Australian content to the Pacific islands—which Pacific broadcasters may choose to schedule. This content delivery could be expanded to a suite of tailored options including, for example, news, social media, emergency-broadcasting and topical events coverage. If quality, relevant content is offered, it will be scheduled.
- 5.86 The abovementioned actions would ensure Australia's media communication presence in the Pacific islands provides an informative service which responds directly to the needs and desires of the region.
- 5.87 To inform and oversee a platform-neutral international media strategy in the Pacific the Committee recommends the creation of an Australian International Media Corporation (AIMC) which is a separate corporation with a board, including the ABC and DFAT, representing aspects of various Australian sectors. The AIMC would provide the direction for the services provided in the Pacific from broadcasting, content, radio and other digital platforms.

⁸⁸ Mr Shane Wood, PacificAus TV Project Manager, Free TV Australia, *Committee Hansard*, 3 December 2020, p. 10.

Recommendation 7

5.88 The Committee notes the media environment within the Pacific is becoming more contested, and recognises Australia has a national interest in maintaining a visible and active media and broadcasting presence there. The Committee recommends the Australian Government considers steps necessary to expand Australia's media footprint in the Pacific, including through:

- expanding the provision of Australian public and commercial television and digital content across the Pacific, noting existing efforts by the PacificAus TV initiative and Pacific Australia;
- reinvigorating Radio Australia, which is well regarded in the region, to boost its digital appeal; and
- consider governance arrangements for an Australian International Media Corporation to formulate and oversee the strategic direction of Australia's international media presence in the Pacific.

6. Measurement and evaluation

6.1 The Committee observed feedback from various inquiry participants related to the perceived success of development assistance initiatives in the Step-up measures. Most commentary was of a qualitative nature, or merely acknowledged the delivery of a project but did not quantify the benefits.

6.2 The Department of Foreign Affairs and Trade (DFAT) submission reflected this in its primary submission:

The success of the Step-up will be measured over the long term; the messages we receive from Pacific partners, together with our performance processes, will help us evaluate our success. These exchanges will be central to assessing our initiatives, and, where necessary, adapting them further, including in the face of COVID-19.¹

6.3 The Step-up initiatives are designed to bolster sustainable economic development in the region, provide shared security and stability and a sense of interconnectedness. Successful outcomes from projects would be expected to deliver a benefit in at least one of these areas.

Challenges to quantifying success of Step-up

6.4 The key to building on project successes is being able to identify and quantify metrics of success. DFAT advised of those activities in Step-up delivered to date, and mentioned some as being successful deliveries, but mostly in a qualitative sense, for example, projects were reported as making 'good' progress.²

¹ Department of Foreign Affairs and Trade (DFAT), *Submission 52*, p. 14.

² DFAT, *Submission 52*, pp. 7-10.

- 6.5 The Committee noted that a number of projects were in their formative or inaugural years, including, for example, the Australia Pacific Security College which was launched in November 2019.³ This made quantitative analysis less meaningful given the objective will be realised over the longer-term. Other initiatives have experienced obvious delays or pauses due to the pandemic, for example, the first year of studies for the Pacific Australian Secondary Schools Scholarships could not commence as planned in July 2020, as was anticipated in 2019.⁴ Quantitative evaluation analysis is therefore not expected until projects complete at least an annual cycle.
- 6.6 In 2019 DFAT commenced a review for a new international development policy. The review received 53 submissions, the feedback of which fed into the development of the *Partnerships for Recovery: Australian Official Development Assistance package*, to address pressing COVID-19 related concerns and the way forward—as discussed in Chapter 2.⁵ The review received feedback on potential measurement and evaluation inclusions in the new model of official development partnerships.⁶
- 6.7 As previously mentioned the review was paused to deal with the pressing demands of the pandemic and a revised ‘Step-up suite’ was announced.⁷ As such, the last evaluation cycle of the original format Step-up program was the 2019-20 year, with six months affected by COVID-19 impediments.⁸
- 6.8 Clearly, the most pronounced quantifiable measure of success in the Pacific island region, especially given remoteness in the vast Pacific Basin, are low

³ DFAT, *Submission 52*, p. 9.

⁴ DFAT, *Submission 52*, pp. 9-10.

⁵ Internet Archive, *Archive of ‘DFAT, Submissions on a new international development policy’ webpage*, 18 May 2021. <<https://web.archive.org/web/20210518142947/https://www.dfat.gov.au/aid/new-international-development-policy/Pages/submissions>> viewed 24 February 2022.

⁶ For example, Australian Council for International Development’s submission to the review: <<https://www.dfat.gov.au/sites/default/files/australian-council-for-international-development-performance-framework.pdf>> viewed 24 February 2022.

⁷ The revised Step-up comprised supplementary measures (*Partnerships for recovery*) and redirected assistance measures (including changes to the original intent of Step-up initiatives); DFAT, *Australian Development Budget Summary 2020-21*, May 2020, p. 1. <<https://www.dfat.gov.au/sites/default/files/pbs-2020-21-dfat-aid-budget-summary.pdf>> viewed 15 February 2022.

⁸ DFAT, *Department of Foreign Affairs and Trade Annual Report 2019-2020*, September 2020, pp. 28-31.

recorded COVID-19 cases and deaths, as at 31 January 2022.⁹ Adjusting for big increases in cases and deaths suffered by Papua New Guinea and Fiji (and excluding the territories and compacts of association of the United States of America, New Zealand and France), there were 3 618 COVID-19 cases and 12 deaths across the independent Pacific islands.¹⁰ This is despite having some of the poorest countries in the world, with under-resourced health systems.¹¹

- 6.9 This success was highlighted by diplomats at the September 2020 Canberra roundtable, including the observation by Dr Lafoy, the Official Representative of New Caledonia to Australia:

Regarding health security, the Pacific has been acknowledged ... on the international stage for its successful management of the health impact of the COVID-19 pandemic. New Caledonia is currently COVID-free, with no deaths and only 23 cases registered previously.¹²

Timeliness of delivery

- 6.10 Submitters commented on the delivery timeframe of some projects, noting some particular successes in 2020 given the impediments created by COVID.

⁹ The total cases recorded at 31 January 2022 is 103 618 and 1 410 deaths (excludes the data for the US territories and those in its compact of free association, those under the New Zealand realm and the French territories). Papua New Guinea (PNG), which had a low reported infection rate to official population until February 2021, accounts for 37 145 of these cases and 597 deaths. Fiji (where cases escalated after opening the international border in December 2021) accounts for 62 855 cases and 801 deaths. The Pacific Community, *Covid-19: Pacific Community Updates*, 31 January 2022. <<https://www.spc.int/updates/blog/2022/02/covid-19-pacific-community-updates>> viewed 2 February 2022.

¹⁰ The Pacific Community, *Covid-19: Pacific Community Updates*, 31 January 2022. <<https://www.spc.int/updates/blog/2022/02/covid-19-pacific-community-updates>> viewed 2 February 2022.

¹¹ Development Policy Centre, ANU, *Submission 60*, p. 2, 'three Pacific countries are among the 30 poorest countries in the world: Kiribati (19th), Solomon Islands (21st), and Vanuatu (28th).'

¹² Dr Yves Lafoy, Counsellor and Official Representative of New Caledonia to Australia, *Committee Hansard*, 4 September 2020, p. 7. In context, Dr Lafoy also noted that New Caledonia holds 25 per cent of the world's nickel resources and benefits from financial transfers from France. It has levels of development and infrastructure of a developed country. (At 31 January 2022 New Caledonia had recorded 20 622 COVID-19 cases and 283 deaths; Pacific Data Hub, *COVID-19 cases in Pacific Island Countries and Territories*, PDH.stat, <<https://stats.pacificdata.org>> viewed 2 February 2022)

6.11 For example, the Australian Government's PacificAus TV¹³ initiative, delivered by Free TV Australia, provided, on schedule, the agreed suite of at least 1000 hours per year of free-to-air Australian content programs to broadcasters in seven Pacific island countries¹⁴ during 2020.¹⁵ The program delivered a satellite dish to Nauru and Tuvalu to enable transmissions; each installed by locals guided remotely by the PacificAus team who were unable to be on site. Free TV emphasised that the project was delivered within agreed project parameters:

Despite the significant impacts of COVID-19, PacificAus TV launched on 25 May 2020, on time and under budget and has been enthusiastically received by partner Pacific broadcasters. Its success is evidenced by the scheduling of the programs supplied and the fact that within two months of launch, the Australian Government was looking to expand the PacificAus TV initiative to Tonga and Samoa.¹⁶

6.12 The pandemic has necessarily interrupted the timelines of delivery of other initiatives to preserve the health of island communities and Australian development partners and participants. Any arrangement which involved crossing international borders, with the exception of labour mobility scheme exemptions, were put on hold.¹⁷

Program resilience

6.13 The COVID-19 pandemic has been an extreme test of the resilience of the Step-up program and outcomes of development efforts in the recent past.¹⁸

6.14 The Department of Foreign Affairs and Trade (DFAT) reported on the overall outcomes delivered in the 2019-20 annual report that:

Through our Pacific Step-up we strengthened the longstanding people-to-people, cultural, economic and security links between Australia and our

¹³ For more details on the rollout see: PacificAus TV, *What is PacificAus TV?*.

<www.pacificaus.tv/whatispacificaus> viewed 24 February 2022.

¹⁴ Papua New Guinea, Fiji, Vanuatu, Solomon Islands, Kiribati, Tuvalu and Nauru; Free TV Australia, *Submission 65*, p. 5.

¹⁵ 2020 was the first year of the three year contract; Free TV Australia, *Submission 65*, p. 3.

¹⁶ Free TV Australia, *Submission 65*, p. 3.

¹⁷ This applied to the Pacific Secondary Schools Scholarships Program, with the inaugural intake due in July 2020 delayed; DFAT, *Submission 52*, pp. 9-10.

¹⁸ Further complicating outcomes of Step-up initiatives in 2020 were the impacts of two significant tropical cyclones in the region.

Pacific family. We established new missions in Palau and the Cook Islands and signed a new partnership with Fiji based on family (*vuvale* in Fijian) principles of trust, respect and mutual support. We worked quickly to support our Pacific neighbours to prepare and respond to the pandemic. We established a humanitarian corridor to move essential supplies and personnel through the region, and reprioritised development assistance to address urgent health, economic and social needs in both the Pacific and Timor-Leste as part of our broader COVID-19 immediate response package.¹⁹

- 6.15 In DFAT's 2020-21 Annual Report, expenditure on budgeted development assistance in the Pacific was summarised and appeared to be tracking well, despite the impediments of the cycle:

In 2020–21 the department's Office of the Pacific managed whole-of-government coordination of Australia's estimated \$1.44 billion in development assistance to the Pacific, of which the department delivered an estimated \$1.3 billion. In addition, we delivered an estimated \$293.8 million in temporary, targeted and supplementary measures to respond to the impacts of COVID-19 across the Pacific and Timor-Leste. This included an estimated \$200 million delivered under the Pacific COVID-19 Response Package (approximately \$194 million in economic support and \$6 million in aviation support) and \$93.8 million in additional vaccine support, including technical advice and delivery support.²⁰

- 6.16 DFAT's Annual Report commented on the significant impediments to delivery of programs in the year to June 2021:

COVID-19 brought unprecedented implementation challenges. Health risks, border restrictions and reduced air traffic limited the movement of people and goods across the Pacific region. Our overseas posts and many implementing partners moved to partial remote work. In-country capacity was limited.

We pivoted our existing development programs to respond to COVID-19 while maintaining critical long-term investments that helped Pacific island countries to tackle their most significant development challenges. We designed new programs (such as those associated with vaccine delivery) and instituted more regular reporting on risks and safeguards to account for the challenges of remote delivery.²¹

¹⁹ DFAT, *Department of Foreign Affairs and Trade Annual Report 2019-2020*, September 2020, p. 14.

²⁰ DFAT, *Department of Foreign Affairs and Trade Annual Report 2020-2021*, September 2021, p. 61.

²¹ DFAT, *Department of Foreign Affairs and Trade Annual Report 2020-2021*, September 2021, p. 61.

6.17 Some Step-up initiatives and facilities, perhaps due to their infant status, were agile enough to switch from their primary purpose to quickly delivering crisis-focussed support. For example, the planned Pacific Fusion Centre²² has been set up in Canberra with an interim purpose of improving regional information sharing and advising key decision-makers about the potential regional security impacts of COVID-19.²³

6.18 Already noted, the inaugural year of the PacificAus TV program was delivered within agreed terms and timeframes during the pandemic, including the delivery and installation of infrastructure which had been planned to be done with a project team on site:²⁴

Despite the coronavirus pandemic significantly affecting Free TV's ability to access and deliver the necessary equipment to Partner Pacific broadcasters, finalise licence agreements and to access sports programming, the PacificAus TV service was successfully launched on 25 May 2020.²⁵

6.19 DFAT provided an overall qualitative assessment of Step-up in 2019-20:

Most Step-up initiatives remain on track, while a number have been paused due to travel restrictions and border closures. We are adapting our major initiatives, like the Pacific labour mobility scheme and the Australian Infrastructure Financing Facility for the Pacific (AIFFP), to respond to new circumstances. We have assessed our overall performance on our Step-up objectives as 'partially on track'.²⁶

6.20 The Department also noted that engagement work undertaken in the months prior to the pandemic assisted virtual communications in 2020:

Between July and March we supported 33 Australian ministerial-level visits to the Pacific and two visit to Australia by Pacific island Prime Ministers. This high level of engagement enabled discussions with Pacific counterparts to continue virtually as COVID-19 unfolded.²⁷

²² Established to build technical analytical capacity to help inform the region's responses to major security challenges; DFAT, *Submission 52*, p. 6.

²³ DFAT, *Submission 52*, p. 9.

²⁴ Free TV Australia, *Submission 65*, p. 7.

²⁵ Free TV Australia, *Submission 65*, p. 7.

²⁶ DFAT, *Department of Foreign Affairs and Trade Annual Report 2019-2020*, September 2020, p. 29.

²⁷ DFAT, *Department of Foreign Affairs and Trade Annual Report 2019-2020*, September 2020, p. 29.

- 6.21 The Department reported that its performance analysis in 2020-21 was hampered by the pandemic yet reported that it was 'on track':

In 2020–21, COVID-19 affected the ability of our staff and implementing partners to collect and assess monitoring and evaluation data. While we made greater use of remote approaches, limited data availability in some cases impacted performance assessments.²⁸

Stakeholder feedback

- 6.22 The Committee received feedback on the value of the Step-up program from the people of the Pacific islands and from those engaging with the region. Pacific island diplomats gave general feedback on the Step-up initiatives at a Parliament House roundtable held on 4 September 2020, which addressed the JSCFADT's Pacific related inquiries which were concurrently undertaken. For example Dr Yves Lafoy, Counsellor and Official Representative of New Caledonia to Australia outlined the benefits of Step-up initiatives:

With regard to the fourth pillar of the Pacific step-up, Australians and New Caledonians have longstanding people-to-people links across business, education, police cooperation, health care and defence, the latter being a power still exercised by the French state. We are grateful to the Australian government for enabling New Caledonia to be eligible for the New Colombo Plan since 2017 and providing scholarships to New Caledonian students. In terms of regional security, the third pillar of the Pacific step-up, New Caledonia, since its admission as a full member of the Pacific Islands Forum in 2016, and in the spirit of the Boe Declaration, contributed to the launching of the Pacific Fusion Centre last year in Canberra. New Caledonia has seconded a number of environmental scientists for a period of three months.²⁹

- 6.23 The High Commissioner for Solomon Islands, His Excellency Mr Robert Sisilo, welcomed international support for health and COVID-19 measures:

Australia, New Zealand, the People's Republic of China and Indonesia have committed more than 100 million Solomon Island dollars to fund our fight against COVID-19. On top of that, Australia committed A\$8 million to support

²⁸ DFAT, *Department of Foreign Affairs and Trade Annual Report 2020-2021*, September 2021, p. 69.

²⁹ Dr Yves Lafoy, Counsellor and Official Representative of New Caledonia to Australia, *Committee Hansard*, 4 September 2020, p. 7.

the health sector. It also provided an additional 25,000 items of personal protection equipment and 1,000 RNA extraction kits.³⁰

6.24 His Excellency Mr John Ma'o Kali, High Commissioner for Papua New Guinea said:

Some might want to say that we are joined at the hip by geographic proximity. We have common strategic interests. We have deep people-to-people links. We have mutual respect and cooperation across all spheres. I believe that [Comprehensive Strategic and Economic Partnership (CSEP)], which will be detailed later on, is really crucial to developing and enhancing the connections which have been shared over decades between Australia and Papua New Guinea. CSEP intends to deepen bilateral cooperation across security, trade and investment, governance, development cooperation, health, education, gender equity and equality, climate change, and people-to-people and institutional links.³¹

6.25 Mr Teata Terubea, Director, Asia Pacific Division, Ministry of Foreign Affairs and Immigration, Kiribati, opined:

Kiribati takes this opportunity also to acknowledge with sincere gratitude and appreciation for the various development assistance and support that the government of Australia has provided to the Pacific Island countries and to commend the advancement of the government of Australia's Pacific Step-up initiatives to strengthen economic resilience, enhance our security cooperation and deepen personal and community connections across the Pacific region.³²

³⁰ His Excellency Mr Robert Sisilo, High Commissioner, Solomon Islands, *Committee Hansard*, 4 September 2020, pp. 7-8.

³¹ His Excellency Mr John Ma'o Kali, High Commissioner, Papua New Guinea, *Committee Hansard*, 4 September 2020, p. 9. The Papua New Guinea Australia Comprehensive Strategic and Economic Partnership (CSEP) was entered into in August 2020. For details see Prime Minister of Australia, Papua New Guinea-Australia Comprehensive Strategic and Economic Partnership, *Media Statement*, 5 August 2020. <<https://www.pm.gov.au/media/papua-new-guinea-australia-comprehensive-strategic-and-economic-partnership>> viewed 27 February 2020.

³² Mr Teata Terubea, Director, Asia Pacific Division, Ministry of Foreign Affairs and Immigration, Kiribati, *Committee Hansard*, 4 September 2020, p. 9.

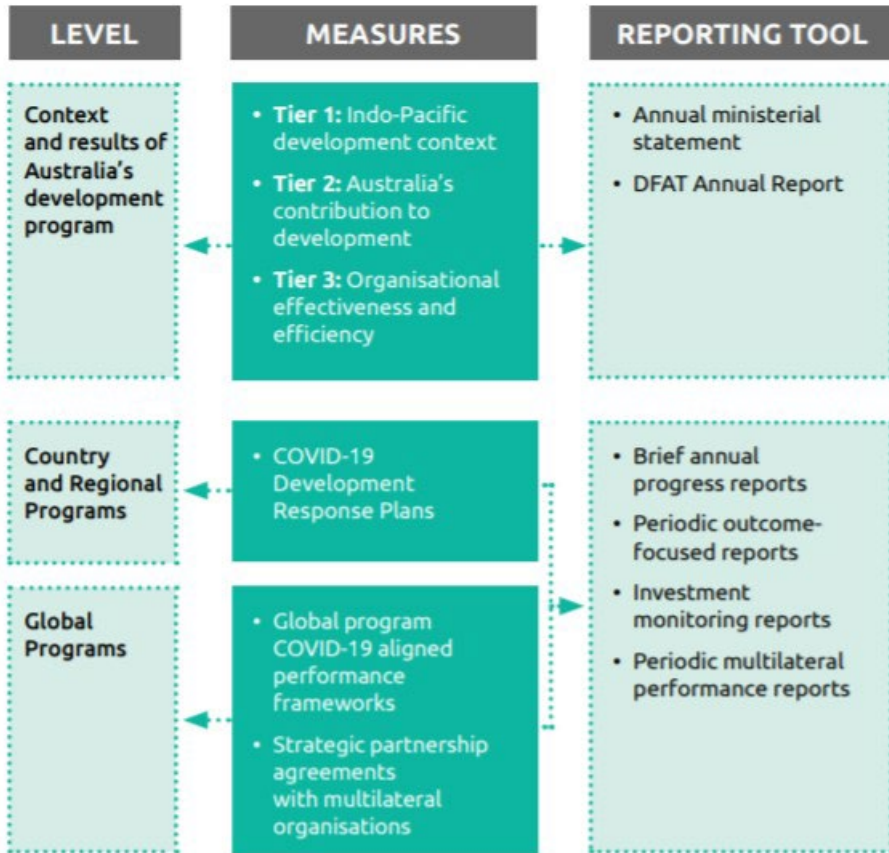
Australia's development program performance assessment

6.26 The 'revised' Step-up development program (which currently includes Pacific Partnerships for recovery) has been established with three key evaluation elements:

- A three-tier framework for reporting on the overall context, annual results and effectiveness of Australia's COVID-19 development response efforts.
- Whole of Government COVID-19 Development Response country and regional plans setting out expected outcomes, key results and supporting investments.
- Performance indicators for global programs and strategic partnership agreements with multilateral organisations.³³

³³ DFAT, *Partnerships for Recovery: Australia's COVID-19 Development Response*, May 2020, p. 26.

Figure 6.1 Australia's Development Program—Performance System



Source: DFAT, *Partnerships for Recovery: Australia's COVID-19 Development Response*, May 2020, p. 27. <<https://www.dfat.gov.au/sites/default/files/partnerships-for-recovery-australias-covid-19-development-response.pdf>> viewed 24 February 2022.

Committee comment

- 6.27 The Committee notes the difficulty in observing quantifiable successes in the Step-up program to date from inquiry evidence received.
- 6.28 However, given the start-up of longer-term initiatives in 2019 and 2020, coupled with the unprecedented (and ongoing) pandemic interference which led to the pivoting of some existing initiatives—and in May 2020 a supplementary post-COVID recovery package—this is not unexpected.
- 6.29 Furthermore, the Government’s review for the new international development policy went into hibernation in 2020 to free resources to focus on COVID-19 priorities. The Committee expects the development of the new policy and its appropriate evaluation criteria to follow the finalisation of the review. However, the Committee acknowledges that performance assessment elements have been released for the ‘Step-up plus’ COVID recovery development framework (the original program with tweaks, plus *Partnerships for recovery*), which is designed to lead health security, stability and economic recovery out of the pandemic.
- 6.30 The evaluation elements of the current two year development program should include quantifiable evaluation criteria, the results of which can be compared over budget years.
- 6.31 In the absence of robust, quantitative and comparable measures of success (or otherwise), the Committee has acknowledged that qualitative comments about the perceived value of Australia’s current engagement in the Pacific island region is largely positive.
- 6.32 The Committee recognises that programs should be developed not only taking account of the voices of the various communities involved but involving them directly (as in disaster preparedness and climate adaptability measures). As such, it will be necessary to also maintain qualitative evaluation criteria to assess not only the data, and whether deliverables have been met, but how the Pacific island people—and by extension, the diaspora—feel about the strength of the relationship through the development partnership activity. That is, the relationship should be strengthened through strong, respectful and sustainable engagement and not merely project deliverables.

Senator the Hon David Fawcett

Chair

Joint Standing Committee on Foreign Affairs, Defence and Trade

15 March 2022

Mr Dave Sharma MP

Chair

Foreign Affairs and Aid Sub-Committee

15 March 2022

A. List of Submissions

- 1 Mr Benjamin Cronshaw
- 2 Whitlam Institute within Western Sydney University
 - Attachment 1
- 3 Mr Robert Heron
 - 3.1 Supplementary to submission 3
- 4 Bar Association of Queensland
- 5 Dr Neil Baird
- 6 WASH Reference Group
- 7 World Citizens Association (Australia)
- 8 Dr Anthony Bergin, Dr David Brewster
- 9 Associate Professor Joanne Wallis
- 10 Mr Chris Gardiner
- 11 UnitingWorld
- 12 Standards Australia
- 13 The Australian Institute of Marine Science (AIMS)
- 14 *Name Withheld*
- 15 CBM Australia
- 16 Australia Asia Pacific Media Initiative (AAPMI)
- 17 Australian Broadcasting Corporation
- 18 United Nations Pacific Regional Anti-Corruption (UN-PRAC) Project

- 19 International Women's Development Agency (IWDA)
- 20 Union Aid Abroad - APHEDA
- 21 Mr Graeme Dobell
- 22 ChildFund Australia
- 23 The University of Sydney
 - 23.1 Supplementary to submission 23
- 24 Public Services International
- 25 Oaktree
- 26 Dr Florence Boulard
- 27 Veterans Care Association Incorporated
- 28 (GOPAC) Global Organisation of Parliamentarians Against Corruption
- 29 Federal Court of Australia
- 30 Australian Academy of Science
- 31 RESULTS International Australia
- 32 Griffith Asia Institute
- 33 *Confidential*
 - 33.1 Confidential
- 34 Mr David Hale
- 35 Caritas Australia
- 36 Pacific and Regional Archive for Digital Sources in Endangered Cultures (PARADISEC)
- 37 Mr Steven Caruana
- 38 Prof Matthew Clarke
- 39 Refugee Council of Australia
- 40 Kaldor Centre for International Refugee Law
 - 40.1 Supplementary to submission 40
- 41 National Council of Churches in Australia
 - 41.1 Supplementary to submission 41
- 42 Mr Nic Maclellan

-
- 43 Ms Angela Turner
 - 44 End Modern Slavery
 - 45 Peacifica
 - 46 Australian Council of Trade Unions
 - 47 Institute for Economics and Peace
 - 48 Micah Australia
 - 49 Pacific Manuscripts Bureau
 - 50 ANU Pacific Institute
 - 51 Australian Council for International Development (ACFID)
 - 52 Department of Foreign Affairs and Trade
 - 52.1 Supplementary to submission 52
 - 53 ActionAid Australia
 - 54 Uniting Church in Australia, Synod of Victoria and Tasmania
 - 54.1 Supplementary to submission 54
 - 55 Australian Fresh Produce Alliance
 - 56 Moerk Water Solutions Asia-Pacific Pty Ltd
 - 57 Alphacrucis College
 - 58 Aspen Medical Pty Ltd
 - 59 Save the Children Australia
 - 60 Development Policy Centre, ANU
 - 61 Professor Richard Herr OAM PhD
 - Attachment 1
 - 62 Northern Territory Government
 - 63 Caritas Tonga and Caritas Australia
 - 64 Australian Human Rights Commission
 - 65 Free TV Australia
 - 66 Heriot Media & Governance
 - 67 Dr Shumi Akhtar
 - 68 University of Queensland

- 69 Lowy Institute
- 70 University of New South Wales Law Society
- 71 Professor John Blaxland
- 72 Walk Free
- 73 Department of Home Affairs

B. List of Exhibits

- 1 *Advisory Note: COVID-19 and Corruption in the Pacific*, UN Pacific Regional Anti-Corruption Project, April 2020
- 2 *Australia's Medicine Supply*, Institute for Integrated Economic Research – Australia, February 2020
- 3 *Solar Powered Desalination Plant in Uripiv, Malekula Province, Vanuatu*, Moerk Water, July 2020
- 4 *After Covid-19: Australia and the world rebuild (Volume 1)*, Australian Strategic Policy Institute, May 2020
- 5 *Developing a Grand Compact for the Pacific*, John Blaxland, June 2020
- 6 *Chinese influence in the Pacific Islands*, Australian Strategic Policy Institute, April 2019
- 7 *Pacific Australia Labour Mobility – Fact Sheet and Australian Agriculture Visa – Fact Sheet*, Department of Foreign Affairs and Trade, October 2021

C. Details of Public Hearings

Thursday, 18 June 2020 - Canberra

WASH Reference Group

- Mr Tom Muller, Director Policy and Programs, WaterAid Australia
- Ms Naomi Francis, Research Fellow, Monash Sustainable Development Institute

UnitingWorld

- Dr Sureka Goringe, National Director

United Nations Office on Drugs and Crime

- Ms Sarah Power, Anticorruption Officer
- Ms Annika Wythes, Regional Anticorruption Adviser, Pacific

RESULTS International Australia

- Mr Mark Rice, Director Policy and Advocacy

Caritas Australia

- Ms Stephanie Lalor, First Australians Program and Pacific Group Manager

Friday, 19 June 2020 - Canberra

Department of Pacific Affairs, Australian National University

- Mr James Batley, Distinguished Policy Fellow

Development Policy Centre, Australian National University

- Professor Stephen Howes, Director

Whitlam Institute within Western Sydney University

- Ms Leanne Smith, Director
- Dr Tess Newton Cain, Adjunct Associate Professor, Griffith Asia Institute

Strategic and Defence Studies Centre, Australian National University

- Professor Joanne Wallis

Institute for Regional Security

- Mr Chris Gardiner, Chief Executive Officer

Private capacity

- Professor Matthew Clarke

Thursday, 3 September 2020 - Canberra*Department of Foreign Affairs and Trade*

- Ms Danielle Heinecke, First Assistant Secretary, Pacific Operations and Development
- Mr Gerald Thomson, First Assistant Secretary, Pacific Bilateral
- Mr John Williams, Acting First Assistant Secretary, Pacific Strategy Division

Department of Defence

- Mr Hugh Jeffrey, First Assistant Secretary, International Policy

Friday, 4 September 2020 - Canberra*Diplomatic representatives of Pacific Island countries:**Independent State of Samoa*

- Her Excellency Ms Hinauri Petana, High Commissioner
- Ms Rona Meleisea-Chewlit, Deputy High Commissioner
- Mr Henry Tunupopo, Vice Consul, Trade

Solomon Islands

- His Excellency Mr Robert Sisilo, High Commissioner
- Mr Walter Diamana, Deputy High Commissioner

Kingdom of Tonga

- Mr Curtis Leonard Tuihalangie, Deputy Head of Mission
- Mr Tasimani Duifken Telefoni, Third Secretary, High Commission

New Caledonia

- Dr Yves Lafoy, Counsellor and Official Representative of New Caledonia to Australia

New Zealand

- Her Excellency Hon. Dame Annette Faye King, High Commissioner
- Ms Abigail Poole, Second Secretary, Political
- Captain Shaun Fogarty, New Zealand Defence Adviser

Republic of Vanuatu

- His Excellency Mr Samson Vilvil Fare, High Commissioner
- Mr Evaristo Chalet, Second Secretary

Kiribati

- Mr Teata Terubea, Director, Asia Pacific Division, Ministry of Foreign Affairs and Immigration
- Mr Reetaake Takabwere, Deputy Commissioner of Police, Kiribati Police Service
- Mr John Mote, Officer Commanding Police Maritime, Kiribati Police Service
- Mr Ierevita Biriti, Acting Director for Business Promotion Centre, Ministry of Commerce, Industry and Cooperatives
- Mrs Donna Tekanene Reiher, Senior Trade Officer, Ministry of Commerce, Industry and Cooperatives
- Ms Angoango Fakaua, Trade Officer, Ministry of Commerce, Industry and Cooperatives
- Ms Nanoua Tiroi, Desk Officer, Asia Pacific Division, Ministry of Foreign Affairs and Immigration

Papua New Guinea

- His Excellency Mr John Ma'o Kali, High Commissioner
- Mr Sakias Tameo, Deputy High Commissioner
- Colonel Mark Goina, Defence Attache

Thursday, 10 September 2020 - Canberra

Australian Broadcasting Corporation

- Ms Jo Elsom, Lead, International Development
- Mr David Hua, Head, International Strategy

Australia Asia Pacific Media Initiative (AAPMI)

- Ms Jemima Garrett, Co-convenor
- Ms Annmaree O'Keeffe, AM, Steering Committee Member

Private Capacity

- Mr Graeme Dobell
- Mr Sean Dorney, AO

Thursday, 17 September 2020 - Canberra

Micah Australia

- Mr Matthew Darvas, Campaign Director

National Council of Churches in Australia

- Bishop Philip Huggins, President
- Ms Elizabeth Stone, General Secretary
- Mr Geoff Robinson, Pacific Program Coordinator, Disaster Risk Reduction and Resilience, Act for Peace
- Mr James Thomson, Senior Policy and Protection Adviser, Act for Peace

Alphacrucis College

- Professor Mark Hutchinson, Dean of Education
- Mr Nick Jensen, Political Liaison

Pacific Conference of Churches

- Reverend James Bhagwan, General Secretary

Thursday, 12 November 2020 - Canberra

Strategic and Defence Studies Centre, Australian National University

- Professor John Blaxland, International Security and Intelligence Studies

Lowy Institute

- Mr Jonathan Pryke, Director, Pacific Islands Program
- Mr Shane McLeod, Research Fellow, Australia-Papua New Guinea Network

Thursday, 3 December 2020 - Canberra*Federal Court of Australia*

- Ms Helen Burrows, Director, International Programs

Free TV Australia

- Bridget Fair, Chief Executive Officer
- Mr Shane Wood, PacificAus TV Project Manager

Kaldor Centre for International Refugee Law University of New South Wales

- Professor Jane McAdam, Kaldor Centre for International Refugee Law

Thursday, 21 October 2021 – Canberra*Department of Foreign Affairs and Trade*

- Mr William Costello, Assistant Secretary, Pacific Labour Branch, Labour and Connectivity Division, Office of the Pacific
- Ms Danielle Heinecke, First Assistant Secretary, Labour and Connectivity Division, Office of the Pacific
- Ms Carly Partridge, Assistant Secretary, Agriculture Visa Branch, Labour and Connectivity Division, Office of the Pacific
- Ms Rachel Jolly, Director, Agriculture Visa Branch, Labour and Connectivity Division, Office of the Pacific

Department of Home Affairs

- Mr Dwayne Freeman, Deputy Commissioner, Maritime and Detention, Australian Border Force
- Ms Cheryl-anne Moy, Deputy Secretary, Immigration and Settlement Services Group
- Mr Michael Willard, First Assistant Secretary, Immigration Programs Division, Immigration and Settlement Services Group

Department of Education, Skills and Employment

- Ms Margaret Kidd, First Assistant Secretary, Delivery and Employee Engagement Division
- Ms Helen McCormack, Assistant Secretary, Seasonal Work Programs Branch
- Ms Jessica Winnall, Acting Assistant Secretary, Access Branch
- Ms Eve Wisowaty, Acting Assistant Secretary, Seasonal Work Policy Branch
- Dr Carrie Kilpin, Director, Multilateral Policy

Department of Agriculture, Water and the Environment

- Ms Rosemary Deininger, Deputy Secretary
- Ms Joanna Stanion, First Assistant Secretary
- Mr Paul McNamara, Assistant Secretary