

Realising the Pacific's Vision for Stability, Security and Prosperity

Keynote speech by Ewen McDonald, Head of the Office of the Pacific, Department of Foreign Affairs and Trade Australian National University, 7 June 2019

Let me begin by acknowledging the traditional custodians of the land on which we meet today—the Ngunnawal people, and by paying my respects to their elders past, present and emerging, and extend that respect to other Aboriginal and Torres Strait Islander people here this morning.

It is a great pleasure to present to the Australian National University and its College of Asia and the Pacific.

The College plays an important role in steeping our next generation of foreign policy practitioners in the rich history, challenges and opportunities that face our region.

My thanks to College Dean Michael Wesley for convening this week's Workshop.

I also want to particularly thank my former colleague James Batley—who I worked very closely with over a long period, and it was one of the most enjoyable parts of my career. Not only because of James' great sense of humour, but also his expertise and knowledge in the Pacific, and excellent judgment on key issues.

It's a great pleasure to come along on his invitation—James actually invited me before I started this role. This was my first commitment, and I was keen to honour the invitation.

Our close engagement with the Pacific of course stretches back many decades.

I've just returned from a terrific visit to Solomon Islands and Fiji.

I accompanied the Prime Minister and the Minister for International Development and the Pacific—Alex Hawke—during their fruitful discussions with Prime Minister Sogavare and other Ministers, and then the Foreign Minister in her meetings in Fiji with Prime Minister Bainimarama and other Ministers including the Attorney-General.

Of particular significance, these international visits—the first by both the Prime Minister and the Foreign Minister in this new term, and less than a week after the Cabinet was sworn in—demonstrate the government's and our Prime Minister's commitment to the Pacific.

As our Prime Minister would say, if you're going to step-up, you show up.

As I'm sure you are aware, the Prime Minister will attend the PIF in a few months in Tuvalu.

I'm sure that the ANU and those here today share a similar commitment to our region.

With that commitment comes a substantial breadth of knowledge, so I won't cover what has already been discussed on the region's opportunities and challenges.

I do however want to emphasise that what is happening today—the step-up—builds on a strong history of genuine partnership.

A History of Genuine Partnership

Through decades of sustained engagement, Australia and the Pacific have forged a special and close relationship.

Whether it's the Regional Assistance Mission to Solomon Islands; our enduring support for Pacific nations to host free and fair elections; responding to the devastation of cyclones or developing disaster resilience capabilities—Australia has been there.

We are a founding member and active participant in a range of key regional organisations, including the Pacific Community, established in 1947 as the South Pacific Commission; the Pacific Islands Forum, established in 1971 where we are a major funder; and its Forum Fisheries Agency, established in 1979.

We've been at the heart of the region's trade and economic architecture, setting up regional Agreements like SPARTECA in 1980—the South Pacific Regional Trade and Economic Co-operation Agreement—providing duty free access to Australia and New Zealand for regional products, and PACER in 2002—the Pacific Agreement on Closer Economic Relations.

This represents a fairly solid foundation.

Building on Australia's consistent track record as the region's largest development partner, Australia's Pacific Step-Up was announced by then Prime Minister Turnbull in 2016.

Our 2017 Foreign Policy White Paper then pledged that Australia would engage in the region with even more intensity and ambition.

And in November last year, Prime Minister Morrison committed to further step-up our engagement in the Pacific.

This was reinforced by the 2019-20 Federal Budget, which will deliver \$1.4 billion in development assistance to the Pacific over the next financial year.

This is a record spend in the region.

The Next Chapter of Australia's Engagement

The Pacific Step-Up is a commitment to ensure our region is front and centre in our outlook.

To achieve this, **how** we as a government work can be as important as **what** we do. And an important element of the Office that I head is just that—**how** we work with the Pacific.

At the Prime Minister's direction, we have set up a new Office of the Pacific within DFAT to drive implementation of our regional activities, consistent with regional and country priorities.

The Office now includes staff from the Department of Foreign Affairs and Trade, alongside secondees and transfers from the Departments of Defence, Home Affairs, Environment, Finance, Treasury, AFP, Agriculture & Water Resources, Attorney-General's and Health, as well as from the Infrastructure and Project Finance Agency and the Australian Maritime Safety Authority—with more to join.

This is because the Prime Minister is convinced—and I agree with him—that to truly step-up in the region, we must speak with a common, respectful and coordinated voice across government.

Building those relationships and strengthening coordination across government is at least half of my job.

The other half is about listening to, engaging with and involving Pacific countries in the design, implementation and monitoring of our new programs.

In my role as the Head of the Office of the Pacific, I'll be spending as much time in the Pacific as in Canberra—listening, collaborating, and making sure that our collective effort is hitting the mark.

I've already travelled to the region with our Prime Minister, Foreign Minister, former Assistant Minister for International Development and the Pacific and current Minister for International Development and the Pacific—and that's just in the first half of this year.

I also travelled with New Zealand Deputy Prime Minister Winston Peters to Fiji, Tuvalu and Kiribati. In fact, at a quick count in the last months I have visited Vanuatu three times, Tuvalu three times, and Fiji four times!

And I have to say, the response from counterparts of mine in the Pacific to our increased Step Up has been very positive and enthusiastic.

My role of course also includes consulting widely with experts such as yourselves, both in Australia and across the Pacific—we recognise that we do not have all the answers, and value the opportunity to learn from your collective expertise, creativity and knowledge.

The Step Up is an ambitious task—as well as the headline initiatives announced last year, it encompasses a new way of working across the breadth of our bilateral and development programs.

This is driven by a recognition that we need to do more to help our Pacific partners develop and thrive, and to ensure our region is stable, secure and prosperous.

I won't be able to outline all the aspects of our work across the Pacific, so let me just touch on some of the ways we are working to deliver on Pacific priorities.

Late last year Australia joined our Pacific partners in signing the Boe Declaration on Regional Security.

Through an expanded concept of security—encompassing elements of both environmental and human security—the Boe Declaration clearly articulates many of the challenges facing our region, from climate change to cyber security.

The government is committed to working in partnership with our region to address them.

Of course a stable and resilient security environment provides a platform to achieve the region's sustainable development aspirations.

These aspirations—and challenges—are of course not uniform across the Pacific.

Each Pacific Island country is unique, and the region's diversity is one of its great strengths.

This is why we work both bilaterally and regionally to address the specific needs and priorities of each Pacific nation.

Let me turn now to some specific examples.

The Boe Declaration recognised climate change as the single greatest threat to the livelihoods, security and wellbeing of Pacific peoples.

Australia will continue to act as a steadfast partner in improving environmental security across the region.

In careful consultation with our Pacific partners, we will deliver on our \$300 million four-year regional assistance package to build climate and disaster resilience.

We are rolling out a new \$16 million package to address marine litter in our vast Pacific Ocean.

We also recognise the integrity and importance of Pacific Island leadership, which has been instrumental in increased global ambition to address climate change.

We will work with our regional partners on Pacific-led climate initiatives, including through the Pacific Resilience Partnership—a regional coordination mechanism for resilient development.

Australia supports the Partnership both financially and as an active member.

Australia will also continue to mainstream climate and disaster resilience in our regional aid investments, including through our new Australian Infrastructure Financing Facility for the Pacific (AIFFP).

With an estimated US\$40 billion in infrastructure investment needed over the next decade, debt financing has an important role to play in unlocking infrastructure support for the region's environmental and economic aspirations.

Australia is committed to sustainable, principles-based infrastructure investment that upholds robust standards, avoids unsustainable debt burdens and targets the needs of nations of the region—as identified by them—and unlocks the potential of private sector investment in the region.

The Facility will apply a careful balance of grant and loan funding, and look to promote climate resilient, sustainable, inclusive and private sector-led economic development.

We are looking forward to the Facility commencing next month.

We are also supporting our Pacific family to prepare for and respond to whatever natural disasters might come their way.

For example, when Cyclone Gita hit Tonga in February 2018, Australia responded immediately.

We deployed 135 tonnes of prepositioned humanitarian supplies.

We worked to get Tonga's electricity network online within six weeks.

Yet Australia doesn't just respond to natural disasters as they happen—we have also worked with the region for many years now to help them prepare for natural disasters.

Developing these capabilities in advance of Cyclone Gita allowed us to work with Tonga to enable Tongan people and their economy to get back on its feet as quickly and effectively as possible.

Looking beyond disaster preparedness and management—most of you will probably know that tomorrow is World Oceans Day.

Pacific Island nations manage 20 per cent of the world's oceans.

In my travels I regularly hear of the critical role ocean security plays in regional prosperity and development.

Through our Pacific Maritime Boundaries Project, we have long worked to assist Pacific nations secure their maritime boundaries by securing their rightful Exclusive Economic Zones.

And implementing additional programs to help our regional partners tackle illegal, unreported and unregulated (IUU) fishing in these zones, including coordinated engagement under Australia's \$2 billion Pacific Maritime Security Program.

Access fees paid by foreign fishing vessels to Pacific Island countries amount to around US\$350 million each year, but could be as much as 40 per cent higher if IUU fishing were eliminated, according to one estimate.

Our community-based Fisheries Management program is working with regional organisations, national fisheries agencies and communities in Kiribati, Solomon Islands and Vanuatu to develop capacity to manage coastal fisheries sustainably and share learnings across the region.

We are also developing ways of supporting the region to undertake the kind of security analysis critical to realising the Boe Declaration.

For example, in close consultation with the region, we are establishing the Pacific Fusion Centre.

The Pacific Fusion Centre will work with Pacific Island countries and regional organisations to aggregate and analyse security information, and inform responses to security challenges across the region.

The Centre will also include analysts from the region—and be a great way for these analysts to gain increased experience.

I said at the beginning that I would not rehearse familiar territory around the region's challenges—but there is one challenge that I really do want to emphasise, and that is the issue of regional gender inequality.

The 2017 Foreign Policy White Paper recognised that severe gender inequality is a persistent challenge in the Pacific, and undermines security.

Our Foreign Minister will now also act as Australia's Minister for Women.

When travelling with Minister Payne in Fiji earlier this week, we visited the House of Sarah.

Funded through our flagship 'Pacific Women Shaping Pacific Development' program, the House of Sarah offers counselling support to survivors of violence and promotes greater awareness of gender inequality.

This and other initiatives such as Fiji's Women's Crisis Centre demonstrate a true commitment to addressing gender equality issues.

It is no surprise that Fiji has become one of the highest-performing Pacific Island countries in terms of women's political representation.

Let me now turn to economic prosperity.

At a time when uncertainty permeates the global economy, we are also committed to better integrating Australian and Pacific Island economies.

This will improve regional prosperity.

The Pacific Agreement on Closer Economic Relations Plus—or PACER Plus trade and development agreement—will be the first reciprocal regional trade agreement in the Pacific, and is expected to enter into force in late 2019.

The agreement will open up new markets and opportunities for Australian and Pacific businesses.

Another strong new initiative is additional funding for EFIC—Australia's export financing agency.

Efic have an extra \$1 billion in callable capital, as well as a more flexible infrastructure financing power.

Alongside the Australian Infrastructure Financing Facility for the Pacific, this will also encourage Australian businesses to engage and invest in the region.

We have also expanded our Pacific Labour Scheme to all key Pacific Island nations, and I know from my extensive travel in the region this year there is huge interest in this initiative.

The Scheme started in November 2018—already thirty-eight Australian employers have signed on, with numbers growing fast.

The scheme gives Pacific populations the opportunity to work in Australia for up to three years, in a range of low or semi-skilled professions.

This builds on the success of our Seasonal Worker Program, which generated over \$144 million in net income gains to Pacific Island countries between 2012 and 2017.

During a recent visit to Tuvalu, I gained a direct appreciation for the value of experience that Australia's fishing industry provides for the fisheries sector in Tuvalu.

Let me turn to the work we are doing to strengthen people-to-people links.

We are also committed to building closer people-to-people ties between Australia and the Pacific, including through our education partnerships.

For example, earlier this year I had the chance to visit Taaken Bairiki primary school in South Tarawa, Kiribati.

Australian funding has helped to ensure that the school has been finished to a high standard.

During recent talks with the Kiribati Government, a senior official told us what a difference in morale and ambition the school brought to the community.

Beyond this initiative, Australia will continue to deepen our educational partnerships across the Pacific through enhanced school linkages programs and expanded secondary and vocational scholarship opportunities.

As you will know, sport is also a major connection between Australia and the Pacific—we are friends on and off the field.

In Fiji this week I was very much reminded about the victory—the country was certainly on a high after that.

We are working to deepen this common passion, and support sport in the Pacific at both the grassroots and elite levels.

Just last week in Solomon Islands, Prime Minister Morrison announced further funding for the 'Get into Rugby' Plus Program, which will facilitate better grassroots access for women and young girls and boys.

Prime Minister Morrison also committed to provide Australian training opportunities for a number of Solomon Islands athletes to prepare for the 2023 Solomon Islands-hosted Pacific Games.

Foreign Minister Payne also announced in Fiji this week that Australia would establish an elite sports training initiative to assist Fiji athletes prepare for major international events.

We would love to see Fiji's Rugby Sevens' success repeated across sports and across communities.

The Pacific Has Become More Crowded

These are a small number of examples of our efforts to achieve the Pacific's vision for a region of peace, harmony, security, social inclusion and prosperity.

But to achieve this vision, we must overcome the Pacific's wide-ranging and steep development challenges.

No one country can meet these challenges alone.

This is why we are committed to promoting Pacific regionalism and working with outside partners to support the region's interests.

It is therefore good news that Australia is not the only country stepping up in the Pacific.

It makes sense for Pacific countries to cooperate with a range of development partners.

New Zealand has launched their own 'Pacific Reset'—which I know very well from my former role.

As members of the Pacific family, Australia and New Zealand share a vision for a stable, secure and prosperous region, and we are pleased to coordinate with them.

New Zealand Deputy Prime Minister Winston Peters invited me to join him on their cross-party visits to Polynesia and Melanesia this year as a demonstration of our close cooperation.

Beyond New Zealand, the US and Japan, as well as France, the UK, China and Indonesia are all active partners in the region.

Our work in Papua New Guinea is an illustration of how we engage with these partners to address Pacific priorities.

You will recall the partnership between Australia, the United States, Japan, New Zealand and of course Papua New Guinea to connect 70 per cent of Papua New Guinea to electricity by 2030.

Only about 13 per cent of the country's population has reliable access to electricity.

We are also working with China to tackle malaria in Papua New Guinea.

This complements our broader efforts to improve health security, including by reducing tuberculosis outbreaks in the country's Western Province.

Changing Geopolitics of the Pacific Islands

In concluding, let me return now to the theme for this workshop, 'the changing geopolitics of the Pacific Islands'.

Australia remains focused on stepping-up our efforts to deliver on our Pacific region's genuine needs.

Our efforts are driven by the very real and unique needs facing our region.

As I travel around the region, I hear an overwhelming message of pride from Pacific countries in their sovereignty and a determination to set their own priorities and realise their own ambitions.

Having the UN Secretary General visit the region was a fantastic thing—because until you actually see the Pacific it is hard to get a feel for some of the region's challenges.

The UN Secretary General went to Tuvalu, Vanuatu and Fiji, and of course spent time in a Pacific Islands Forum meeting.

As I said—there is a real determination in Pacific Island countries to set their own priorities and realise their own ambitions.

This sentiment is captured in the Boe Declaration—which respects and asserts the right of every Pacific Islands Forum member to conduct its national affairs free of external interference and coercion.

This is why our Step-Up is taking place in consultation with our Pacific partners, in response to Pacific priorities and with the long-term interests of our Pacific family as our guiding principles.

We will continue to provide sovereign Pacific nations with genuine choices in achieving their priorities, from security—in all its many forms—to development, economic prosperity and of course strong people-to-people ties.

We always have engaged—and always will engage—in the Pacific because we are part of the Pacific, and with the best interests of our region at heart.

Thank you very much.