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Joint Standing Committee on Foreign Affairs, Defence and Trade  
Parliament House  
Canberra ACT 2600

## **INQUIRY INTO AUSTRALIA'S RESPONSE TO THE PRIORITIES OF PACIFIC ISLAND COUNTRIES AND THE PACIFIC REGION**

### **SUBMISSION FROM STANDARDS AUSTRALIA**

Standards Australia welcomes the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into the priorities of the Pacific Island Countries and the Pacific Region, and the opportunity to make this submission.

By way of background, **Standards Australia** is Australia's foremost standards-setting organisation. We are a not-for-profit and non-government organisation, operating under a Memorandum of Understanding with the Australian Government. As part of this mandate, we represent Australia in the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).

Standards Australia has taken an active role in supporting the Australian Government's agenda to build a stronger and more resilient Pacific over the last 20 years. We have delivered and are delivering Pacific-driven standards capacity building projects in the region on both a regional and bilateral basis. In addition, we maintain strong relationships with our Pacific counterparts and provide technical support as needed.

Standards Australia acknowledges the importance of setting a long-term direction for Australia's engagement with the Pacific to ensure that Australia effectively works in partnership with our neighbours to achieve a peaceful, stable and prosperous region. Australia's future is intertwined with that of the Pacific region, a region that is grappling with the triple challenges of climate change, challenging global and local economic conditions and a complex security and geopolitical climate.

Standards Australia recognises the Australian Government's efforts in supporting the Pacific in areas such as trade, investment, infrastructure development, security and capacity building. However, this is not to say there is no room for improvement in enhancing our support for the economic, environmental, and social development aspirations of Pacific Island nations or in building Australia's position as a partner of choice for the Pacific family.

Our recommendations for the Committee's consideration are as follows.

#### **(1) Recognition of the importance of internationally aligned standards to Pacific security, resilience and economic growth**

As Australia's National Standards Body, we suggest that the Australian Government should not overlook the importance of strengthening National Quality Infrastructure (QI) capacity, of which standards setting is a key component, and supporting harmonised standards in the Pacific to strengthen security, economic integration and resilience in the region.

Standardisation is an enabler for economic, social and environmental progress, if done well. Industry-driven international standards present globally recognised specifications that promote resilience in infrastructure and the environment, improve health and safety, protect natural resources and support the development and uptake of emerging technology. They also underpin and facilitate regional trade

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and investment. According to the Organisation for Economic Cooperation and Development, up to 80% of global trade is directly impacted by standards and related technical regulations.

However, with increasing geopolitical interests in the Pacific and in the development and setting of standards, there is a growing threat that standards are being used to leverage power and influence across the region. Nations with ambitious trade or strategic agendas are working with regional partners of ours and essentially gifting QI infrastructure which complicates Australia's relationships in the region. While '*standards diplomacy*', where standards are embedded alongside foreign aid and investments, is increasingly being used to seek to support state-centric interests including by creating ongoing economic, skills and systems dependencies.

At the same time, the proliferation of divergent national standards across the region, often caused by adoption of standards based on historic colonial ties or current political associations, is fragmenting regional markets and creating security risks. Divergent standards create incompatibilities which become barriers to cross-border trade and constrain regional value chains. While the broad spectrum of malicious cyber activity by state and non-state actors continues to present a persistent threat to enterprises and consumers alike, this vulnerability is exacerbated when best practice international cyber security standards are not implemented and adhered to in the region.

Accordingly, QI capacity building and standards implementation support is essential to Pacific security, resilience and economic growth. While there is a lack of emphasis on standards and standardisation in the *2050 Strategy for the Blue Pacific Continent*, we would encourage targeted focus by the Australian Government on the significant role of QI when considering the Pacific development agenda and their role in supporting the Pacific Island Forum '*Transformative Resilient Pasifiki: Build Better Now*' agenda.

## **(2) Deeper regional and international economic integration through standards development, implementation and harmonisation**

Related to the above point, Australia must play a proactive role in undertaking capacity building to support standards development, implementation and harmonisation in the Pacific to support both regional integration and growth opportunities in international markets.

There is clear evidence<sup>1</sup> that standards in importing markets, where these are not harmonised, can result in cost increases and barriers for traders. These effects may be particularly significant for Pacific Island country exporters that are typically micro-, small and medium-sized enterprises. Conversely, where standards are harmonised with internationally agreed standards, such as under the umbrella of the ISO or IEC, this can facilitate trade through lower compliance costs for exporters. It also supports a reduction in non-tariff barriers to trade (NTBs), as regulations, policies or conformance requirements that are based on harmonised, internationally aligned standards are more likely to be consistent and compatible.

It is well reported that many Pacific Island countries lack standards infrastructure. Without the infrastructure to develop internationally aligned standards, the region and its businesses are disadvantaged by standards becoming barriers to market access in export markets and through high compliance cost effects.<sup>2</sup> Businesses are further disadvantaged by reduced competitiveness, where products that do not meet internationally recognised standards may be perceived as lower quality and unsafe, and processes and systems may be less effective. While Pacific Island consumers are also negatively impacted by availability of products and services that may not meet quality and safety expectations on the domestic market (for example, the Tonga Standardisation Roadmap<sup>3</sup> finds evidence of 'dumping' of low-quality imported products across many sectors).

Disharmonised standards have a significant impact of Pacific regionalism by creating barriers to integration among Pacific Island countries. Inconsistent standards across the region can hinder the

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<sup>1</sup> ISO [research and Innovation paper 2020](#): "International standards and trade: What does the research say?"

<sup>2</sup> Pacific Islands Forum [Pacific Quality Infrastructure Initiative](#): "Pacific Quality Infrastructure"

<sup>3</sup> Standards Australia: [The Tonga Standardisation Roadmap](#)

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development of common markets and regulatory frameworks. This lack of alignment can undermine the potential benefits of Free Trade Agreements, such as PACER Plus and can damage the potential benefits of regional cooperation and integration.

Standards Australia has supported a regional approach to capacity building, leveraging Pacific regional infrastructure to build a foundation of cooperation on matters of standards and conformance. Where appropriate, and where support is specifically requested, we have also provided bilateral capacity building programs designed to target the specific local context and build readiness for engagement at the regional and international level.

Additional work is still needed. Addressing these issues requires significant capacity building efforts and more backing by the Australian Government for collaborative, international work on standardisation capabilities and standards implementation and harmonisation issues.

### **(3) Cooperation on international standards development, adoption and implementation in support of climate change mitigation and adaptation responses in the Pacific**

Increasing prevalence of natural disasters including damaging tropical cyclones, floods and storm surges showcase the critical importance of preparing for and adapting to the impacts of climate change in the Pacific. Standards can play an important role in responding to the increasing risks by enabling the establishment of domestic frameworks for resilience in the built and natural environment, and by supporting the establishment of best practice disaster response and management.

Standards can provide guidelines for building infrastructure and structures that are more resilient to natural disasters such as earthquakes, tropical cyclones and floods. By adopting standards such as wind load standards that establish wind load requirements for buildings and other critical infrastructure, Pacific Island countries can help meet community needs and save lives. While the adoption of standards for environmental management and sustainable development in communities can be used to support policies and business practices that seek to reduce climate change impact and vulnerabilities.

Standards can also play an important role in supporting disaster response in the Pacific by enabling the establishment of best practice emergency response procedures and ensuring that appropriate emergency management procedures are put in place. As an important example, the establishment and implementation of standards that provide principles and guidelines on managing risks related to extreme weather events can help meet the immediate needs of affected populations and support recovery efforts.

Standards Australia sees considerable merit in cooperating with the Pacific Island countries to support the adoption and implementation of standards that support climate change mitigation and adaptation responses. This could include efforts to support Pacific Island countries to develop and adopt appropriate standards, as well as activities that support the implementation of standards that are relevant to sustainability, disaster response and resilience.

### **(4) The role of standards in supporting robustness, transparency and accountability in Australia's Pacific development program**

We note the Committee is focused to a substantial degree on how the Australian Government delivers the development program in the Pacific. Standards Australia suggests that there is an opportunity to include additional robustness, transparency and accountability in the performance of Australia's development programs through inclusion of relevant international standards or Australian Standards in procurement and delivery requirements. Standards, when conformed to, ensure that products, services and systems are safe, consistent, and reliable. Including them as delivery requirements for capacity building projects, such as those related to construction, energy and water utilities, will promote good practice in project outcomes.

We recommend that, where appropriate, adherence to relevant standards should be included as a requirement across the lifecycle of infrastructure development projects in the Pacific. This will not only support the delivery of quality infrastructure in the Pacific but will also support the delivery of sustainable

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infrastructure through embedding good practice in the operations and ongoing maintenance of the delivered infrastructure.

Standards Australia is ready to assist in providing guidance and advice that may be needed to support this recommendation.

**(5) The effectiveness of Australia's aid programs and partnerships in promoting genuine community development, good governance, and capacity building for partners in the region**

Standards Australia supports the view that Australia's aid programs and partnerships in the Pacific will be most impactful if it is informed by our neighbours and delivered through building genuine partnerships founded on mutual trust, respect and reliability. We suggest that any new agenda should take into consideration the potential to leverage the relationships of Australian institutions with their regional partners to inform and enhance its effectiveness. Being more aligned in our agendas can only lead to better outcomes.

Standards Australia recommends that Australia's Pacific development agenda should draw on the principles of consistency and sustainability in its efforts. Programmes of work should be designed with a long-term view to ensure perceptions of Australian investment are those of genuine partnerships. Efforts to address development challenges should be supported by governance frameworks ensuring transparency and coordination, to avoid duplication of effort or siloed approaches from the Australian agencies and development partners. Where possible, efforts should be made to draw upon existing partnerships and institutions to sustain engagement across stakeholder groups.

In many areas of National Quality Infrastructure capacity building, Australia has a strong presence, and efforts should be made to stocktake and build upon existing initiatives. Standards Australia would also recommend that efforts be taken to build a strong community of practice amongst delivery partners, in order to align efforts and share mutual lessons.


**(6) Refinements to Pacific development consultation processes**

Finally, we wish to recommend an enhancement to processes for engaging stakeholders on Australia's Pacific development agenda. As noted above, we recommend that efforts be taken to build a strong community of practice amongst Pacific development delivery partners. One suggested action is for the scheduling of regular stakeholder consultations on Australia's Pacific development agenda.

Standards Australia recognises and commends the considerable efforts made by the Department of Foreign Affairs and Trade (DFAT) to consult and engage stakeholders on trade matters through the establishment of an issues-based peak bodies consultation mechanism. We suggest that a similar mechanism that brings stakeholders and delivery partners together to discuss Pacific development priorities and implementation would serve to support building transparency and coordination in Australia's Pacific development engagements.

Standards Australia would welcome greater opportunity to engage with the Australian Government and delivery partners in a more direct and structured way on targeted issues that are relevant to Australia's Pacific development agenda. Standards Australia, for example, would engage closely in programmes related to climate change mitigation and adaptation, when this opportunity was presented to us.

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Once again, we welcome the opportunity to contribute ideas to this Inquiry. We would be delighted to engage further with the Committee on these matters. Ms Karen Batt, Head of International, can be contacted by the Committee Secretariat to assist in coordinating further engagement if required, and can be reached 

Yours sincerely,



Kareen Riley-Takos  
Chief Operating Officer  
**Standards Australia Limited**