

Submission to Senate Inquiry 2017

**Senate Foreign Affairs, Defence and Trade References Committee**

**Inquiry into the implications of climate change  
for Australia's national security.**

Dear Sir/Madam,

Please find attached my submission to the Senate Foreign Affairs Defence and Trade References Committee Inquiry into the implications of climate change for Australia's national security.

As background to my submission, I have worked in the Pacific islands for nearly 40 years as a development worker, a journalist and a policy researcher. This includes nine years as a field officer and manager with the Australian Volunteers Abroad program, four years with the Pacific Concerns Resource Centre in Fiji as well as a stint as a Senior Policy Adviser for Oxfam International. In 2015, I was awarded the “Outstanding Contribution to the Sector” Award by the Australian Council for International Development (ACFID).

I have conducted research projects on climate change, climate finance, labour mobility and regional conflict for a range of organisations, including the World Bank, the Lowy Institute for International Policy, UNICEF Pacific, Oxfam International and other research centres.

Other submissions will address the need for more extensive and urgent emissions reductions and mitigation programs. My submission will focus on two of the terms of reference for the inquiry:

- the capacity and preparedness of Australia’s relevant national security agencies to respond to climate change risks in our region; and
- the role of Australia’s overseas development assistance in climate change mitigation and adaptation more broadly.

I would be happy to participate in committee hearings as appropriate, and thank you for the opportunity to contribute to the Committee’s deliberations.

Yours sincerely

Nic Maclellan

## **Senate Foreign Affairs, Defence and Trade References Committee Inquiry into the implications of climate change for Australia's national security.**

### **Submission by Nic Maclellan**

*“We do not carelessly call climate change a security threat. When we are told by scientists to prepare for humanitarian crisis, including exodus, in our lifetimes, how can it be different from preparing for a threat like war?”<sup>1</sup>*

Representative for the Republic of Palau, UN General Assembly debate on the implications of climate change on security, 2009.

Australia's national security – and broader human security – are integrally connected to our relationship with island nations to the north and east of the continent. The 2016 Defence White Paper affirms:

“Australia cannot be secure if our immediate neighbourhood, including Papua New Guinea, Timor-Leste and Pacific Island Countries, becomes a source of threat to Australia.”<sup>2</sup>

This submission will argue that current Australian policies on climate change, climate finance and official development assistance (ODA) are damaging our relationship with Pacific island governments and communities and adversely affecting regional security.

There is a growing body of studies which stress the interplay of social, economic and environmental factors as a driver of conflict, arguing “conditions of instability or root causes do not stand alone but can interact with each other.”<sup>3</sup> Moreover, a growing range of international researchers argue that if we ignore the reliance of developing economies on natural resources (such as land, food, water and energy), we underestimate their exposure to systemic risks. Conflict over natural resources can occur over the fair distribution of an abundant high value resource, or limited access to a scarce resource.<sup>4</sup>

The Australian Defence Force (ADF), Australian Federal Police (AFP), Department of Foreign Affairs and Trade (DFAT), Office of National Assessments (ONA) and other agencies need to better integrate political ecology and climate risk analysis into their response to regional instability and conflict.

Australian strategic planners should devote more resources to risk management systems that assess the impact of climate change on mobility and displacement, as well as disputes over resources like water, food and energy.

Australia's national security agencies need to better respond to climate change risks in our immediate region, given current climate policies are alienating key regional partners. Beyond this, current budget projections for Official Development Assistance (ODA) and climate finance show that Australia will not meet its fair share of global pledges for climate mitigation and adaptation by 2020. In response, a Coalition or ALP government might look to new and innovative sources of climate funding outside the ODA budget.

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<sup>1</sup> UN General Assembly debate on Climate Change and Security, 2009.

<sup>2</sup> *Defence White Paper 2016* - <http://www.defence.gov.au/whitepaper/>

<sup>3</sup> Florence Glaub: *Lessons learnt – understanding instability – lessons from the Arab Spring*, research report for the History of British Intelligence research program, December 2012.

<sup>4</sup> See for example “Climate change, resource scarcity & conflict”, Anglia Ruskin University, Cambridge, September 2014.

***Term of reference: “the capacity and preparedness of Australia’s relevant national security agencies to respond to climate change risks in our region.”***

## **1.1) Failures of policy-making on climate and security**

*“Australia’s regional leadership and presence — important matters for the Australian Defence Force (ADF) — have been overtaken by the highly proactive New Zealand Defence Force and the US Pacific Command in Hawai’i, who have been ordered directly by the American government to establish clear leadership in the region on climate change matters.”*

*Former Chief of the Australian Defence Force Admiral Chris Barrie*

In his 2015 Climate Council report, Admiral Chris Barrie (Rtd) argued that:

“Australia’s defence force is lagging significantly behind its US and UK counterparts in preparing to deal with the challenges created by a changing climate.”<sup>5</sup>

Despite recent initiatives within the ADF and Department of Defence to address these issues, Barrie’s concern is well placed. The Defence White Paper 2016 fails to seriously engage with the many ways that climate change is transforming geopolitics in our region.<sup>6</sup> There are some anodyne statements on climate, noting ADF’s role in responding to natural disasters or how sea level rise will affect coastal RAN bases. But you get no real sense of the way environmental factors interact with broader economic and security challenges.

The White Paper also underplays the ways that climate change will significantly transform practice and priorities for the ADF and other security agencies. There’s no analysis in the White Paper, for example, of climate displacement in the Asia-Pacific region and how that might impact Operation Resolute and the deployment of RAN, RAAF and Border Force assets to the north of Australia.

Similarly, the White Paper makes no attempt to look at ways that climate change affects current ADF deployments in Iraq and Syria. Australian politicians rarely if ever discuss the role of drought, water scarcity and resultant damage to livelihoods as drivers of conflict in Syria and Iraq, which have led to many Sunni villagers joining ISIS.<sup>7</sup> It is easier to paint a black and white picture of Daesh as “pure evil”, rather than look at more complex economic and environmental drivers of conflict.<sup>8</sup>

## **1.2) Integrating climate into Pacific conflict analysis**

Climate change is not the sole determinant of instability and conflict, but can be a multiplying factor where other vulnerabilities to conflict are present. This suggests that government policy makers need to systematically integrate political ecology into analysis of security and conflict, given that current explanation is often focussed on governance or ethnicity (“failed states”, “ethnic tensions” etc). There is a need for more analysis based on the contribution of socio-economic and environmental factors, especially the link between climate change, social insecurity and armed conflict.

As one example from history, international researchers have documented the major drought in 1877-78 caused by the El Niño phenomenon, with damaging effects on irrigation and cultivation across the globe. At

<sup>5</sup> Admiral Chris Barrie and Will Steffen. 2015. *Be Prepared: Climate Change, Security and Australia’s Defence Force*. Climate Council. 22 September 2015. <https://www.climatecouncil.org.au/securityreport2015>

<sup>6</sup> *Defence White Paper 2016* - <http://www.defence.gov.au/whitepaper/>

<sup>7</sup> For an example of this research, see Peter H. Gleick: “Water, Drought, Climate Change, and Conflict in Syria”, *Weather, Climate, and Society*, July 2014. <http://journals.ametsoc.org/doi/abs/10.1175/WCAS-D-13-00059.1>

<sup>8</sup> The religious language comes from former Prime Minister Tony Abbott - “Tony Abbott says extreme force needed to counter Isis ‘death cult’”, *The Guardian*, 2 September 2014.

the time, these conditions contributed to 20 million deaths around the world, from the Great Famine in India to agricultural crises in Latin America.<sup>9</sup> In our immediate region, this drought had adverse impacts across the Australian colonies and Melanesia during 1877-8.<sup>10</sup>

In the Melanesian islands of New Caledonia, one of Australia's closet neighbours, the 1878 Kanak revolt against French settlers is often presented as a racial conflict. But this revolt was driven by the adverse impact on livelihoods at a time of growing water scarcity and threats to food crops. Indigenous Kanak clans were pushed onto reserves in the narrow valleys of the central mountains, where yam and taro gardens were harder to maintain. Some clans had sporadically resisted the theft of their land in earlier years, but the 1877 drought contributed to the wider Kanak uprising in 1878, with more than 1,400 deaths.

In modern times, the Regional Assistance Mission to Solomon Islands (RAMSI) provides another example. RAMSI involved a regional intervention by military, police and civilian institutions between 2003 and 2017, which cost Australian taxpayers more than \$2.6 billion.<sup>11</sup> But the literature on RAMSI – from academics, think tanks and government departments – rarely mentions climate change, drought or debates over resource allocation as drivers of conflict, highlighting instead “ethnic tensions” and the failure of governance in Honiara.<sup>12</sup>

There is a need for greater research to analyse the tipping points that transform long-standing social grievances into armed conflict, and how climate change might exacerbate them.

In the case of Solomon Islands, long-standing social tensions between Guadalcanal and Malaitan villagers and squatters spilled over into armed violence in 1998. But policy documents on the crisis fail to discuss factors such as the 1998 El Nino drought, soon after the 1997-8 Asian economic crisis. What impact did the drought have on decisions made by Guadalcanal landowners to seize land used by Malaitan squatters? The Asian Development Bank (ADB) has estimated that the 1997-98 Asian economic crisis led to a 10 per cent drop in Solomon Islands GDP in one year, with Solomon Islands log exports plummeting in 1998.<sup>13</sup> What impact did the loss of logging revenues have in triggering the crisis, as Asian corporations reduced investment in Solomon's forestry to weather their domestic fiscal crisis?

This sort of analysis is rarely conducted by policy think tanks funded by the Defence Department, such as the Australian Strategic Policy Institute (ASPI), despite their occasional papers on climate change.<sup>14</sup>

In their public statements, Australian government ministers rarely discuss historic and contemporary conflicts in our region through the frame of political ecology. This has serious effects when deciding where to allocate the balance of funding between policing, state building or social, environmental and development programs. For example, 83 per cent of the \$2.6 billion spent on RAMSI was allocated for law and justice activities, whereas many Solomon Islanders were calling for greater resources to be allocated to community development initiatives in agriculture, community employment, women's empowerment etc.<sup>15</sup>

Projections by the Intergovernmental Panel on Climate Change (IPCC) and the Australian-funded Pacific Climate Change Science Program (PCCSP) state that there will be growing and adverse effects of climate

<sup>9</sup> For a global overview, see Mike Davis: *Late Victorian Holocausts - El Niño Famines and the Making of the Third World* (Verso, 2000). On Latin America, Aceituno Gutiérrez, Patricio at al; “The 1877–1878 El Niño episode: associated impacts in South America”, *Climatic Change*, no.92, 2009, pp389–416.

<sup>10</sup> For El Nino and the 1878 Kanak revolt, see Mike Davis, op.cit., pp97-99.

<sup>11</sup> Jenny Hayward Jones: *Australia's costly investment in Solomon Islands: the lessons of RAMSI*, Lowy Institute Analysis Paper, 8 May 2014.

<sup>12</sup> For example, “Our Failing Neighbour: Australia and the Future of Solomon Islands” - the influential 2003 report by the Australian Strategic Policy Institute (ASPI) – makes no mention of climate change, water supply, agriculture or livelihoods.

<sup>13</sup> “Asian Development Bank reports Solomon Islands crisis hit hard by Asian financial crisis”, Pacnews, 5 May 1999.

<sup>14</sup> “The thin green line - Climate change and Australian policing”, Australian Strategic Policy Institute, 2008; “Heavy weather - Climate and the Australian Defence Force”, Australian Strategic Policy Institute, Issue 49, March 2013.

<sup>15</sup> Data on law and justice spending from Hayward Jones, op.cit., p4. For community perspectives on “security”, see *Bridging the gap between state and society – new directions for the Solomon Islands* (Oxfam, Auckland and Melbourne, July 2006).

change on environment and livelihoods in coming years. For this reason, Australian security and intelligence forces need to better understand the role that climate change plays in exacerbating existing social, political and economic fault lines.

**RECOMMENDATION: The ADF, AFP, DFAT, ONA and other relevant 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.**

### 1.3) Impact of regional disasters on strategic preparedness

*“Our strategic weight, proximity and resources place high expectations on us to respond to instability or natural disasters, and climate change means we will be called on to do so more often.”*

*Australian Defence White Paper 2016.*<sup>16</sup>

In recent years, Australian military assets have been deployed to assist regional neighbours to respond to cyclones, floods and other extreme weather events like Typhoon Haiyan (Philippines), Cyclone Pam (Vanuatu) and Cyclone Winston (Fiji).

Just one cyclone hitting landfall has massive humanitarian impacts, which in turn can exacerbate social and political tensions. The Fiji government’s official post-disaster needs assessment on Cyclone Winston highlights these impacts: nearly 40,000 people required immediate assistance following the cyclone, with 30,369 houses, 495 schools and 88 health clinics and medical facilities damaged or destroyed. In addition, the cyclone destroyed crops on a large scale and compromised the livelihoods of nearly 540,400 people in Fiji (62 percent of the population), causing nearly F\$2 billion in damage.<sup>17</sup>

The same weather systems that have affected Australia over the last decade – like rainfall that caused flooding across Queensland in 2009 and 2011 – also affect our island neighbours, who have less financial and human resources to respond and rebuild.<sup>18</sup> In the summer of 2008-2009, torrential storms hit Fiji, Papua New Guinea, Solomon Islands, Marshall Islands and the Federated States of Micronesia. In Fiji, 77 per cent of flood-affected sugarcane families fell below the national poverty line, with IUCN projecting that “about 42 per cent of flood-affected farms are expected to struggle to provide even their families basic food needs.”<sup>19</sup>

In the 2011 floods, no large RAN vessels were available to support relief efforts in Queensland after Cyclone Yasi hit the state. At the time, the amphibious warfare vessel *HMAS Manoora* had been formally decommissioned, while sister ship *HMAS Kanimbla* and the heavy landing ship *HMAS Tobruk* were both in dock for maintenance and repair. The Australian government had to spend \$100 million to purchase a former Royal Fleet Auxiliary ship from the United Kingdom, *RFA Largs Bay*, to provide deployment capacity until two Canberra-class LHD ships *HMAS Adelaide* and *HMAS Canberra* entered service after 2014.<sup>20</sup>

The deployment of *HMAS Canberra* and other ADF assets to assist with Cyclone Winston in 2016, under Operation Fiji Assist, highlights the way that the ADF will be called on to address an increasing tempo of

<sup>16</sup> *Defence White Paper 2016* - <http://www.defence.gov.au/whitepaper/docs/2016-defence-white-paper.pdf>

<sup>17</sup> Government of Fiji: *Cyclone Winston Post Disaster Needs Assessment*, May 2016.

<sup>18</sup> For the regional context, see “Climate emergency in the Pacific”, *Crikey*, 20 February 2009 and Nic Maclellan: “The cost of Fiji’s floods”, *The Interpreter*, 19 October 2009.

<sup>19</sup> Padma Narsey Lal, Rashmi Rita and Neehal Khatri: *Economic Costs of the 2009 Floods in the Fiji Sugar Belt and Policy Implications* (IUCN, 2009).

<sup>20</sup> For discussion, see “Naval workhorses head for the barn”, *Islands Business* (Fiji), August 2011.

humanitarian operations in the Pacific. IPCC projections forecast more intense cyclones in coming decades. Given the ADF will be required to deploy more often in coming years for disaster response in the islands, its budget, equipment and personnel will be further stressed and diverted from other strategic priorities.

This year, both LHD vessels *HMAS Canberra* and *HMAS Adelaide* have faced major problems with their propulsion systems, reducing their capacity to fully participate in joint military exercises with the United States, let alone be ready for deployment for disasters like Cyclone Winston. RAN Chief of Navy Vice Admiral Tim Barrett acknowledged to the Senate estimates committee in May: “They will have been alongside for more time than they will have been at sea this year.”<sup>21</sup>

Even though the LHD vessels are well suited to transport helicopters and supplies for disaster response, that is not their primary function, as Vice Admiral Barrett stressed:

“The ship was not bought principally to do humanitarian assistance and disaster relief; it was bought to be able to provide an amphibious [warfare] capability to the Australian Defence Force.”<sup>22</sup>

With both multi-million dollar LHD vessels under repair, the ageing *HMAS Choules* was the only operational vessel capable of supporting disaster relief operations in the Pacific in early 2017. These capacity problems will only worsen, given IPCC projections of the increasing intensity of cyclones and extreme weather events that will affect Australia and neighbouring island states in coming years.

Pacific governments need aid and development programs to promote community resilience and disaster preparedness, but successive Australian governments are slashing the overseas aid budget. If we don’t respond to assist our neighbours, will other “non-traditional” players in the region fill that gap?

**RECOMMENDATION: the Australian Defence Force and strategic planners should devote more resources to risk management systems that can assess the impact of climate change on deployments for regional conflict. There is a need to improve preparedness, mission and operational resilience for the spectrum of contingencies that are posed by changing climactic patterns.**

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*Term of reference: “the role of Australia’s overseas development assistance in climate change mitigation and adaptation more broadly”*

## 2.1) Climate finance and Official Development Assistance (ODA)

Climate finance is one of the central pillars of the Paris Agreement on Climate Change and other multilateral treaties. Given that Australia is surrounded by developing nations – including a number of Least Developed Countries (LDCs) and Small Island Developing States (SIDS) – climate finance and official development assistance (ODA) are a crucial part of our engagement with the region.

A range of studies have shown how early allocation of resources to promote mitigation and adaptation initiatives in developing countries can reduce pressure for climate displacement or even conflict over scarce resources in small island states.<sup>23</sup>

The Australian government’s climate funding – averaging A\$200 million a year since 2010 – is taken entirely from the country’s overseas aid budget. But with Australia’s aid spending at its lowest level in

<sup>21</sup> Senate Estimates, Foreign Affairs Defence and Trade legislation committee, Monday, 29 May 2017, p21.

<sup>22</sup> Testimony to Senate Estimates, Foreign Affairs Defence and Trade legislation committee, Monday, 29 May 2017, p124.

<sup>23</sup> See for example Professor Jon Barnett: “The dilemmas of normalising losses from climate change: Towards hope for Pacific atoll countries”, *Asia Pacific Viewpoint*, no.58, 2017, pp3–13. doi: 10.1111/apv.12153.

decades, there's little prospect of increased climate financing in the next few years. In the May budget, Treasurer Scott Morrison announced that ODA will be cut again over the next four years (A further \$303.3 million will be lost over forward estimates, with the cuts biting after 2018). This comes on top of major reductions in aid in 2015-16, when the ODA budget was slashed by a billion dollars (an unprecedented 20 per cent cut in one year).

Australia's ODA is currently 0.22 per cent of Gross National Income (GNI) and both the ALP and Coalition have abandoned any timetable for increasing this to 0.5 per cent – the bipartisan commitment before 2013. According to the 2017-18 budget papers, this ratio will continue to fall in coming years, from 0.22 (2018-19), to 0.21 (2019-20) and 0.20 (2020-21). Deputy Director of the Department of Foreign Affairs and Trade (DFAT) Ewen Macdonald has acknowledged:

“In terms of volume of money it is not the lowest, but in terms of GNI it is the lowest since records were kept in 1974.”<sup>24</sup>

All of Australia's public funding for climate adaptation and mitigation comes from the ODA budget. With the government announcing reductions in ODA out to 2020, it's now clearly on the record that Australia will not contribute its fair share of the global target of US\$100 billion a year for public and private climate funding by that date.

This is a major problem for the Pacific, as adaptation funding will largely come from public funds, while private venture capitalists look instead for investment returns in large Asian nations like Indonesia, India and China.

One of the worrying features of unpredictable cuts to international aid is that they damage the sustainability of successful, innovative adaptation programs. As one example, I would cite an Australian-funded disaster preparedness program in Vanuatu, named *Yumi Stap Redi long Klaemet Jenis*.<sup>25</sup> In co-operation with the Vanuatu government, a consortium of local and international NGOs assisted villagers on outer islands to prepare for natural disasters. The project, across four provinces, involved practical, locally-run measures such as community vulnerability assessments, the establishment of village disaster committees, improving water supply and trialling cyclone foods to provide nutrition immediately after cyclones had destroyed food gardens.

This initiative, funded by AusAID with \$2 million, was both inspiring and cost-effective. In 2014, I personally witnessed this enthusiasm generated by this project, when I travelled to Futuna – a small island in the south-east of the country – to report on the work. I walked for four days around Futuna to meet with isolated village communities and hear their stories about how the project was building resilience to cope with natural disasters.<sup>26</sup>

However this support ended following the 2013 Australian elections and the merger of AusAID and DFAT - changes in government climate policy meant that Australia did not extend the project funding for a second phase. Ironically, a month after the project wrapped up and local staff were let go in early 2015, Cyclone Pam struck Vanuatu, and Canberra spent millions of dollars to respond to the damage!

**RECOMMENDATION: All political parties must re-commit to a target of 0.5 per cent of GNI for Australia's ODA program, setting out a clear timetable to meet our international development obligations. A greater proportion of ODA should be allocated to climate adaptation programming at community level, on agriculture, water supply, livelihoods and disaster preparedness, especially through NGO and community funding windows.**

<sup>24</sup> Testimony to Senate Estimates, Foreign Affairs Defence and Trade legislation committee, Wednesday, 31 May 2017.

<sup>25</sup> *Yumi Stap Redi long Klaemet Jenis – Lessons from the Vanuatu Climate Change Adaptation Program* (Oxfam, 2015) - <https://www.oxfam.org.au/lessonsfromvanuatu>

<sup>26</sup> Nic Maclellan: “Preparing for cyclones Reuben, Solo, Tuni, Ula... and beyond”, *Inside Story*, 19 March 2015.

## 2.2) Developing new sources of climate finance

*“It is reasonable to estimate that the majority of financing for adaptation in the most vulnerable countries is public. The potential incremental cost linked to improving the resilience of a project is difficult to integrate into a profit-based business model, given that it rarely generates additional revenues.”*

*Canfin-Grandjean commission on mobilising climate finance.<sup>27</sup>*

Under the Paris Agreement on Climate Change, Australia must make a contribution to the global pledge of US \$100 billion per annum by 2020, from both public and private sources, for climate mitigation and adaptation in developing nations.

The development agency Oxfam has argued that, based on relative economic strength and contribution to greenhouse gas emissions, Australia's total contribution from public and private sources should reach at least A\$3.2 billion per year by 2020, with at least half being public funding for adaptation.<sup>28</sup> Even more conservative 'effort sharing' methodologies have estimated that Australia's responsibility and capability requires a massive increase from current commitments. ANU researchers have proposed that “a fair share for Australia may be around 2.4 per cent or USD \$2.4 billion a year.”<sup>29</sup>

However Australia is currently failing to contribute its fair share of this global objective, allocating a sum well below the funding required each year. This comes at a time that the Trump administration in the United States has announced that it will reduce its international climate finance.

Beyond this, all major political parties in Australia have allowed Australia's international climate funding to be drawn solely from the ODA budget. This is despite long-standing calls from developing countries that climate finance should be “new and additional”, beyond existing development commitments around health, education, agriculture and governance.<sup>30</sup>

There is an extensive range of potential sources of climate funding outside the ODA budget, including: financial transaction taxes (also called a Robin Hood tax or Tobin tax); levies on emissions from maritime bunker and aviation fuel (being discussed under the International Maritime Organisation and International Civil Aviation Authority respectively); use of revenues from carbon taxes and carbon market auctions; crackdowns on corporate tax avoidance and tax havens; re-direction of fossil fuel subsidies; and revenue from Reduced Emissions from Deforestation and Forest Degradation (REDD+) funding.

Unlike Australia, other OECD governments like France and New Zealand have begun to investigate the costs and benefits of these new and innovative sources of climate funding. For example the conservative French government under President Nicolas Sarkozy began investigating innovative sources of finance and the subsequent Canfin-Grandjean Commission issued a significant report on various modalities in 2015.<sup>31</sup>

The commission's report also notes a bias towards private-sector investment in larger developing nations instead of Least Developed Countries (LDCs) and Small Island Developing States (SIDS) - the majority of

<sup>27</sup> *Mobilizing Climate Finance – a roadmap to finance a low-carbon economy*, Report of the Canfin-Grandjean commission, Government of France, 2015.

<sup>28</sup> For discussion of the importance of public funding for adaptation work, see Nic Maclellan and Sarah Meads: *After Paris: Climate finance in the Pacific islands -Strengthening collaboration, accelerating access and prioritising adaptation for vulnerable communities*, Oxfam research report, September 2016.

<sup>29</sup> Frank Jotzo, Jonathan Pickering, Peter J. Wood: 'Fulfilling Australia's International Climate Finance Commitments: Which Sources of Financing are Promising and How Much Could They Raise?', CCEP working paper 1115, Centre for Climate Economics and Policy, Crawford School of Economics and Government, ANU, October, 2011. See also the Climate Equity Reference Project. <https://climateequityreference.org/>

<sup>30</sup> For discussion of the debate over "new and additional" funding, see my research report for the Lowy Institute: *Improving access to climate financing for the Pacific Islands*, Analysis paper, Lowy Institute for International Policy, July 2011, pp8-10.

<sup>31</sup> *Mobilizing Climate Finance – a roadmap to finance a low-carbon economy*, Report of the Canfin-Grandjean commission, Government of France, 2015.



current private-sector climate finance for developing countries is currently flowing to just three countries: Brazil, India and China. This reinforces the need for public (not private) adaptation funding for vulnerable states, especially our Pacific island neighbours.

**RECOMMENDATION: The Australian government should appoint a commission to study new and innovative sources of climate funding outside the Official Development Assistance (ODA) budget, in order to guarantee ongoing public financing for climate adaptation in Least Developed Countries and Small Island Developing States.**

**RECOMMENDATION: The Australian government should increase its annual contribution to the Green Climate Fund, beyond the current four year commitment of A\$200 million.**

### **2.3) Australia's climate and ODA policies are damaging regional relations**

*"Probably one of the most frustrating events of the past year for Pacific islanders is Australia's strange behaviour when it comes to climate change. It just does not make sense, it goes against the grain of the world...Not only is Australia our big brother down south, Australia is a member of the Pacific Islands Forum and Australia is a Pacific island, a big island, but a Pacific island. It must recognise that it has a responsibility. The problems that have befallen the smaller countries are also Australia's problems."*

*Marshall Islands Ambassador Tony de Brum, 2014.<sup>32</sup>*

Beyond their campaigns to reduce greenhouse gas emissions, Pacific governments continue to lobby for improved access to the financial resources required to transition to low carbon energy systems and adapt to the adverse effects of climate change. In recent research I've conducted on climate finance in the Pacific islands after the signing of the Paris Agreement, island leaders have stressed the need for predictability, coordination, access and adequacy of funding.<sup>33</sup>

As she came to office, Foreign Minister Julie Bishop raised this very issue as she criticised the Gillard and Rudd governments for budgetary cuts to ODA in 2012-13:

*"What certainty, what predictability did that give to recipient countries and our partners? It created the impression that Australia was an unreliable aid partner. So we intend to be reliable, consistent and far more strategic."*<sup>34</sup>

In recent years, however, Coalition government policy on overseas aid and climate finance has been marked by ever greater unpredictability. Aid has dropped to the lowest recorded levels since 1974 and the government has even floated proposals to use already limited climate finance to fund coal plants in Asia!<sup>35</sup> Since 2013, the Coalition government has announced withdrawal and then reinstatement of financial commitments to the Green Climate Fund (even though Australia has served as co-chair of this important global funding mechanism).

This uncertainty comes at a time when Pacific regionalism is being transformed and Australia's long-held influence in the Pacific Islands Forum is being eroded. Pacific governments are diversifying their political and economic links beyond the Western allies that dominated islands politics throughout the Cold War years. Today, Forum island countries are showing growing interest in South-South cooperation and

<sup>32</sup> Nick O'Malley: 'Australia is a Pacific island - it has a responsibility', *Sydney Morning Herald*, 21 September 2014.

<sup>33</sup> Nic Maclellan and Sarah Meads: *After Paris: Climate Finance in the Pacific Islands* (Oxfam New Zealand, Auckland, September 2016).

<sup>34</sup> Foreign Minister Julie Bishop MP: Opening address, 2014 Australasian Aid and International Development Policy workshop, 14 February 2014

<sup>35</sup> The 2015 Climate Finance report from the Organisation of Economic Co-operation and Development (OECD) states that Australia hopes to count funds for "clean coal" projects as part of its international climate funding obligation: "Japan and Australia consider that financing for high efficiency coal plants should also be considered as a form of climate finance." OECD-CPI: *Climate Finance in 2013-14 and the USD\$100 billion goal* (OECD, 2015).

engagement with new partners, including countries as diverse as the United Arab Emirates (UAE), Korea, Indonesia, and the People's Republic of China.<sup>36</sup>

Island nations have developed more independent directions in foreign policy, symbolised by Fiji's current Presidency of the UN General Assembly, a tangible outcome of the 2011 decision to merge the Pacific Small Island Developing States (PSIDS) caucus with the Asia bloc in the United States.

The uncertainty over Australia's commitment to ODA and climate finance is compounded by damage to Australian institutions – media, development and scientific – that are crucial to our engagement with regional neighbours.

There are many recent examples, including the loss of staff at Radio Australia, the recent closure of ABC shortwave radio broadcasts that are vital for disaster preparedness in Melanesia, cuts to volunteer development worker programs, or funding cuts to the CSIRO and Australian Bureau of Meteorology that reduce the sustainability of their engagement with Pacific island counterparts.<sup>37</sup> The failure of the Australian media to hold government to account over these issues is symbolised by the recent decision of the Walkley Foundation to abolish its annual award for international reporting!

Despite the importance of the islands region for long-term Australian security, these actions and omissions are damaging our relations with the region. While there are ongoing ties through regional institutions like the Pacific Islands Forum, island leaders are publicly criticising Australia's climate policies. In the lead up to the 2014 SIDS conference in Samoa, Prime Minister Tuilaepa Sailele Malielegaoi said:

“We do hope Australia's current leadership could look at the Pacific islands as a special case in terms of climate change. In saying that, I am aware of the extreme preoccupation of the present leadership with budget savings. Australia and New Zealand are members of the Pacific Islands Forum and the membership there was especially important, because being the biggest member countries in the only consolidated grouping of islands in the Pacific, they should do more.”

There are many topics where Fiji's Prime Minister disagrees with his Samoan counterpart, but the failings of Australian climate policy are not one of them. In May 2015, Prime Minister Voreqe Bainimarama saw climate policy as the heart of tensions between Australia and island neighbors:

“As we see it, Australia and New Zealand have been put to the test on climate change and been found wanting. It should be no surprise that we have formed the view that the very least, their position as full members of our island nation Forum needs to be questioned, re-examined and redefined. They simply do not represent our interests as we face this critical matter of survival.”<sup>38</sup>

Again this year, Marshall Islands President Hilda Heine presented a speech in Canberra, saying that Australia is risking its reputation as the world looks to reduce carbon emissions:

"Now is not the time to be debating the science, trashing solar power, or building new coal mines. I can assure you it does influence the way Australia is viewed in the Pacific....Imagine how you'd feel if your big brother or big sister was not only openly mocking the science, but even occasionally mocking your very own plight [Thank you, Peter Dutton<sup>39</sup>]. This not only does your country disservice, it openly weakens your ability to be a force for good on the world stage."<sup>40</sup>

<sup>36</sup> *Transforming the Regional Architecture: New Players and Challenges for the Pacific Islands*, Asia-Pacific Issues, no. 118, East-West Center, Honolulu, August 2015.

<sup>37</sup> For one example, see "The Gutting of Radio Australia", *Inside Story*, June 2014

<sup>38</sup> Prime Minister Voreqe Bainimarama: *Building an inclusive and independent institution for Pacific islanders*, Speech at Meeting on Agreement to Institutionalize PIDF, Suva, 6 May 2015.

<sup>39</sup> In 2015, Immigration Minister Peter Dutton apologised for a joke about climate change, which angered Pacific leaders. He was captured by microphones joking with then Prime Minister Abbott about 'Pacific time', suggesting: 'Time doesn't mean anything

If even our closest allies are attacking us for “debating the science, trashing solar power and building new coal mines”, we need to transform our current policies.

**RECOMMENDATION: The Australian government’s forthcoming foreign policy paper should include a strategy to re-build and re-fund key institutions that promote engagement with the Pacific islands region, as a key contribution to meeting the strategic objective of creating a stable and secure region.**

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when you're about to have water lapping at your door’ – “Immigration Minister Peter Dutton apologises for 'vulgar' climate change joke”, *ABC News*, 13 September 2015.

40 President of the Marshall Islands Dr Hilda C. Heine: "Climate Change Crisis", S.T. Lee Lecture, Australian National University, Canberra, 16 May 2017.