

CHAPTER NINE

New Zealand's relations with Australia and the region

9.1 The Inquiry's terms of reference called for reference to (a) "the current state of political relations between regional states and Australia and New Zealand." While the Inquiry did not receive a submission from the New Zealand Government, New Zealand's role as Australia's principal strategic partner in the region—and the nature of its engagement, particularly in the area of development assistance—has received specific attention throughout a range of submissions and public hearings.

9.2 This chapter will outline New Zealand's historical and existing political and development assistance relationship with Pacific Island states and describe how these have informed current policy towards the region. Contemporary developments within New Zealand's relations with Pacific Island states include:

- the significance of New Zealand's emergent "Pacific identity" as a political force
- key strategic reviews undertaken by the current New Zealand Labour Government, and
- efforts to ensure the coordination of Australian–New Zealand interests within the region.

9.3 During 2002, there emerged a renewed and animated debate over New Zealand's role and identity in the Pacific region. It recalled much of the sentiment of 1971, New Zealand's 'Year of the South Pacific'. In that year, commenting on New Zealand's responsibility towards the Pacific, a New Zealand Foreign Affairs Review declared:

Nowhere else in the world does New Zealand's voice carry so much weight. We owe a special responsibility to the Pacific because these countries have chosen to place special value on their relationship with New Zealand and have thereby created a climate in which it is easiest for us, of all the developed countries, to help them effectively...¹

9.4 With respect to New Zealand's and Australia's development assistance role at the time, the 1971 Review stated:

New Zealand and Australia would do the people of the South Pacific a great disservice if the effect of their help to the region were simply to maintain its peoples in their present dependent state... [T]he ultimate aim of any kind of aid program must be to render itself redundant ... [W]ith this in mind, New Zealand should seek to involve the local people fully...²

1 "New Zealand in the South Pacific", *New Zealand Foreign Affairs Review*, vol. 21, 1971, p. 4.

2 "New Zealand in the South Pacific", *New Zealand Foreign Affairs Review*, vol. 21, 1971, p. 7.

9.5 These implied questions—both of identity and of the manner of development assistance—remain pertinent to New Zealand and Australia at the beginning of the 21st century. In a 2002 address to the New Zealand Institute of International Affairs (NZIIA), titled *New Zealand's Place in the World: Some Reflections*, a former Secretary of New Zealand's Ministry of Foreign Affairs and Trade, Mr Neil Walter, stated

I'll start with the Pacific, because it's our neighbourhood, because for a mix of reasons we're very much part of it and because increasingly it's part of us: some 6 per cent of our population is now of Pacific Island descent. The region doesn't have the same profile it did in the days of the Cold War—you no longer hear it referred to as the gateway to the Antarctic or back door to the Indian Ocean—but it does have 14 votes in the United Nations, it has strategic importance as a source of protein and minerals and a range of New Zealand interests and responsibilities are at play here...³

9.6 Walter's speech further reinforced the underlying theme within the contemporary debate that New Zealand's commitment to the Pacific region requires re-appraisal:

My message here is that as a Ministry and as a country we are still not putting as much time and thought into the Pacific as we should be... Sure, the Pacific has lost some of its innocence and glamour in recent years: Island states are facing a number of challenges at the national level—challenges to do with governance systems, economic vulnerability, environmental degradation, population pressures, land tenure, and ethnic and tribal nationalism. But although it doesn't contain huge markets or produce sparkling economic growth figures, the Pacific is an export market worth well over \$800 million per annum to New Zealand. So we owe it to ourselves as well as to Pacific Island countries themselves to do what we can to help overcome those problems. And the overall situation... is not nearly as bad as it sounds—indeed there's a lot that's going very well in the Pacific...⁴

9.7 Executive Director of the New Zealand Agency for International Development (NZAID)⁵, Dr Peter Adams, summed up the paradox that characterises many Australians' perceptions of, and engagement with, the Pacific:

3 Mr Neil Walter, (then) Secretary of New Zealand's Ministry of Foreign Affairs and Trade, *New Zealand's Place in the World: Some Reflections*, Address to the Wellington Branch of the New Zealand Institute of International Affairs, 22 May 2002.

4 Mr Neil Walter, (then) Secretary of New Zealand's Ministry of Foreign Affairs and Trade, *New Zealand's Place in the World: Some Reflections*, Address to the Wellington Branch of the New Zealand Institute of International Affairs, 22 May 2002.

5 Formerly the New Zealand Overseas Development Agency (NZODA) within the Ministry of Foreign Affairs and Trade, NZAID was renamed in 2001 and established as a semi-autonomous body after the *NZODA Review: Towards Excellence in Aid Delivery, A Review of New Zealand's Official Development Assistance Programme*, Report of the Ministerial Review Team, March 2001.

The seduction of stepping into Pacific waters is that you come to expect the same temperature next time...⁶

New Zealand's colonial history in the Pacific

9.8 Like Australia, current relations between New Zealand and the Pacific region are framed by its former colonial engagement. The colonial arrangements included:

- the trustee-ship administration of Samoa by New Zealand from 1947–1962 and the current Treaty of Friendship between the two nations;
- current arrangements of free association with the Cook Islands since 1964;
- Niue's⁷ self-government in association with New Zealand since 1974; and
- Tokelau,⁸ a self-administering territory moving towards an arrangement of free association with New Zealand.

9.9 The Director of the New Zealand Serious Fraud Office, Mr David Bradshaw, stated that there was a “seamless border” between New Zealand and Pacific nations, with transnational issues of health, crime and justice requiring appropriate inter-jurisdictional responses. Mr Bradshaw stated:

In terms of dealing with our Pacific neighbours who don't have the same expertise as we have but face the same problems, we share our expertise in order to deal with the problems where they are and stop them spreading...⁹

9.10 In 2002, New Zealand's colonial past was given prominence with the decision by Prime Minister Helen Clark and the Labour Government to formally apologise to Samoa for two tragic events which occurred during New Zealand's colonial administration of the island. On Samoa's 40th independence anniversary, June 3 2002, Prime Minister Clark formally apologised to Samoa for two major wrongs inflicted on the Samoan people.

9.11 The first occurred in 1918, when Spanish influenza arrived in Apia, Samoa, aboard the “Talune”. Because of inept New Zealand administration, the ship was not quarantined and medical assistance, offered by American Samoa, was declined. It resulted in the deaths of approximately 8,500 Samoans, or 22 per cent of the

6 Speech by Dr Peter Adams, Executive Director, New Zealand Agency for International Development, *The Pacific: Diplomacy, Defence and Development*, Wellington, New Zealand Institute for International Affairs, 19 July 2002.

7 There has been considerable debate in Niue's Parliament regarding the future of Niue's population, the majority of which reside in New Zealand, and, as a consequence, the future of Niue.

8 The objectives of the Modern House of Tokelau Project, the New Zealand supported development of an indigenous government, are to ‘support the development of a governance structure that fits Tokelau's cultural context.’

9 PINA Nius, January 2003.

population. A 1948 United Nations study described the pandemic as “one of the most disastrous epidemics recorded anywhere in the world during the present century.”

9.12 Later, in 1929, members of the passive resistance, self-government movement, the Mau, marched in protest against the New Zealand Administration. The supporters were fired upon by the New Zealand Police, with approximately eight killed, including high chief Tupua Tamasese Lealofi III. One New Zealand policeman was killed. It became known as Black Saturday, December 29, 1929.

9.13 Prime Minister Clark stated in New Zealand's apology:

Before coming here today I have... been troubled by some unfinished business. There are events in our past which have been little known in New Zealand, although they are well-known in Samoa. These events relate to the inept and incompetent early administration by Samoa... my government believes that reconciliation is important in building strong relationships. It is important to us to acknowledge tragic events which caused great pain and sorrow in Samoa... On behalf of the New Zealand Government, I wish to offer today a formal apology to the people of Samoa for the injustices arising from New Zealand's administration of Samoa in its earlier years, and to express sorrow and regret for those injustices... We are truly sorry. It is our hope that this apology, will enable us to build an even stronger relationship and friendship for the future on the basis of a firmer foundation.

9.14 New Zealand's apology to Samoa has resonated amongst those engaged with the region.¹⁰ However, the apology is not without its critics. It was subsequently clouded by questions regarding the rights of Samoans to New Zealand citizenship.

New Zealand's Emergent Tangata Pasifika identity

9.15 In 2000, the Ministry of Justice and the Ministry of Pacific Island Affairs jointly published the *Pacific People's Constitution Report*. The Report was to “provide an analysis of the obligations and responsibilities of the New Zealand Government towards Pacific Island communities in New Zealand against the background of (a) New Zealand's international obligations under the relevant international treaties, and the provisions of Section 20 of the New Zealand *Bill of Rights Act* 1990; and (b) the unique interdependence between the wellbeing of Pacific Island communities in New Zealand and that of the home states with which New Zealand has historic and sometimes constitutional protective relationships.”

9.16 According to the 2001 census, New Zealand's Pacific population comprises 6.5 per cent, or 247,000 of New Zealand's overall population. Statistics New Zealand/Te Tari Tatau, has projected that New Zealand's Pacific population will increase to 307,000 in 2011 to 410,000 in 2026, and 599,000 in 2051 (13 per cent of the total New Zealand population).

10 *Committee Hansard*, 18 October 2002, pp. 70–71 (Wendt)

9.17 This represents an increase of 386,000 or 181 per cent during a 55-year period. Although a net migration gain of 1,000 Pacific peoples per year is estimated, the annual growth rate of the population is projected to decrease, from 3.2 per cent in 1997 to 1.4 per cent in 2051.

9.18 Statistics New Zealand estimates that the Pacific population will grow at a faster pace than the total New Zealand population.¹¹ New Zealand is also conscious of the Tuvalu Government's concerns about rising sea levels to its population.

9.19 The changing demographics of New Zealand's population has influenced the growing sense of *tangata pasifika*, of New Zealand's identity as a Pacific nation at all levels of social, cultural, and political engagement. Around fifty per cent of the Pacific peoples living in New Zealand are Samoans, with 22.5 per cent Cook Islanders, 16 per cent Tongans, 8.5 per cent Niueans, two per cent Fijians, and one per cent Tokelauans. An additional 1 per cent is made up of Solomon Islanders, Tuvaluans, and I-Kiribati.

9.20 In a speech in April 2003 by the Minister of Foreign Affairs and Trade, the Hon Phil Goff, at the University of the South Pacific in Suva, the placing of New Zealand's identity within the Pacific was affirmed in the following terms:

New Zealand is a Pacific nation. Maori came to New Zealand from Avaikii across the Pacific. Our ties to the region are deep and long-standing. We have links in many spheres—historical, educational, cultural, trade, economic, political, development and sporting connections, and many personal links through inter-marriage and through New Zealanders living and working all over the Pacific. Today 6.5 per cent of New Zealand's population comes from the Pacific. Six out of every ten New Zealanders of Pacific ethnicity were born in New Zealand.¹²

9.21 New Zealand is increasingly regarded—and views itself—as a Pacific nation:

New Zealand is very much more a Pacific island society and linked to developments in the Pacific because of its large Maori population and because of the large numbers of Pacific islanders living in New Zealand...¹³

9.22 What is commonly termed 'the Pacific vote' is an increasingly influential factor in domestic politics with the number of Pacific Island members of parliament having grown from none to two since the adoption of the Mixed Member Proportional (MMP) electoral system in 1996.

11 Statistics New Zealand/Te Tari Tatau, *Future Pacific Population*, www.stats.govt.nz, accessed 02/04/03.

12 *New Zealand and the Pacific Region: Challenges and Opportunities*, Hon Phil Goff, New Zealand Minister of Foreign Affairs and Trade, speech to the University of the South Pacific, Suva, Fiji, 22 April 2003.

13 *Committee Hansard*, 25 October 2002, p. 134 (MacLellan)

9.23 Pacific communities in New Zealand face considerable challenges in the areas of employment, education and health. The 1998 Ministry of Pacific Island Affairs report *Pacific Progress: A Report on the Economic Status of Pacific Peoples in New Zealand* states that in comparison with the total New Zealand population (including Maori), Pacific Islanders have the highest unemployment rates, low income levels, and very low health status.¹⁴

New Zealand Government policy towards the Pacific

9.24 Since 2000, the New Zealand Government has initiated a number of reviews and reports within the Ministry of Foreign Affairs and Trade, Ministry of Pacific Islands Affairs and Ministry of Defence.

9.25 In 2001 and 2002, the Ministry of Foreign Affairs and Trade and the semi-autonomous New Zealand Agency for International Development (NZAID) undertook reviews of foreign affairs and development policy in the Pacific.

9.26 Regional politics had been shaken by Fiji's third coup in May 2000, and by the ongoing Solomon Islands civil war (1998–2000). The re-assessment of New Zealand's Pacific policy throughout the foreign affairs, defence, and development portfolios reflected both the instability in the Pacific and the sense within government that new approaches were required.

9.27 The review produced a statement of New Zealand's position on its relations with the Pacific:

The overarching objectives of New Zealand's engagement with the Pacific Islands region should be to promote and protect New Zealand's national interests, and to work for a better quality of life for all the peoples of the region. Achieving this outcome requires working in partnership with the countries of the region, with others, such as Australia, who are similarly disposed to play a constructive role, and through regional organisations addressing cross-border issues...¹⁵

9.28 The review stated that the key elements of New Zealand's strategic framework to pursue New Zealand's interests in the region included:

- A recognition that problems in the Pacific region are deep-seated and are not amenable to quick resolution, thus requiring New Zealand to adopt consistent approaches based on long-term partnership which recognises fundamental principles in support of equality of all peoples and sustainable development under the rule of law.

14 New Zealand Ministry of Pacific Island Affairs, *Pacific Progress: A Report on the Economic Status of Pacific Peoples in New Zealand*, Wellington, 1998.

15 New Zealand Ministry of Foreign Affairs and Trade, *Review of Pacific Policy*, 2001, p. 3.

- An Official Development Assistance (ODA) program to broaden NZ's foreign policy interests through focusing strongly (but not exclusively) on activities that help alleviate poverty, through the development of human capital and civil society, and through the promotion of good governance and human rights.
- Maintaining appropriate NZDF capability to respond to emergency situations in the region, including peacekeeping/conflict resolution, disaster relief, search and rescue, maritime surveillance for resource protection, and protecting New Zealanders at risk.
- Expanding NZ's trade and economic linkages with the Pacific through the development of rules-bound regional trading arrangements capable of extracting benefits for the Pacific Islands Countries (PICs) from greater global integration.

9.29 Recognising the “cumulative stresses arising from population growth, ethnic tensions, widening socio-economic disparities, governance failures and the impact of global trends”, the government declared that:

There is no “quick fix” for any of the challenges faced by Pacific states. Our strategy has to be framed around long term engagement with practical responses in the shorter-term to managing instability or threats arising from particular events (eg. peace monitoring in the Solomons)...¹⁶

...New Zealand is likely to be increasingly asked for help. We need to “pace” our responses so as not to become overcommitted in one place. While this is the part of the world where what New Zealand does can have considerable impact, the scale of Pacific problems is far beyond our capacity to tackle on our own. Island governments must themselves make the major effort. Our contribution can be enhanced in effectiveness if we work in tandem with major donors (eg. Australia, EU, ADB) and regional organizations like the Forum Secretariat and Fisheries Agency (Forum Fisheries Agency).

9.30 The Review went on to highlight the emergence of non-traditional¹⁷ development assistance partners within the region, predominantly from North East Asia.¹⁸ Zealand's historical relationship and increasingly Pacific demographic is not a guarantee for continued influence:

Pacific states' confidence in New Zealand as a reliable friend to whom they can look for information, guidance and leadership depends on a perception that New Zealand “understands” the region in a way that others do not. Pacific states are looking increasingly north to Asia for friends and support. Our Pacific Island people connections give us a unique advantage but that broader understanding of the region cannot be taken for granted. Pacific expertise and knowledge in our society need continually to be renewed.

16 MFAT, *Review of Pacific Policy*, Wellington, 2001, p. 3.

17 “Non-traditional” refers to those countries not regarded as the traditional colonial metropolises, Great Britain, Australia, France and New Zealand.

18 “Non-traditional” development donors from North-East Asia are the People's Republic of China, Japan, South Korea, and the Republic of China.

...New Zealand is only one player among many in the Pacific region. In terms of the financial commitment we make to the region, we rank behind Australia, the EU, Japan and France. We have a capacity to exert some influence, but this is at least as much by virtue of long-standing relationships and the trust that has developed over the years as it is by the direct support we give the PICs.¹⁹

9.31 The Review's key conclusion states the Cabinet's agreement that:

...trends in the Pacific region and the impact of New Zealand activities should be monitored and evaluated on a regular basis through the ERD [External Relations and Defence Committee] Officials' Committee process in order to bring on Ministers' attention possible changes in priorities which may be desirable.²⁰

New Zealand Agency for International Development/Nga Hoe Tuputupu-mai-tawhiti

9.32 The Pacific is the principal recipient of New Zealand development assistance, receiving approximately NZ\$94 million of the NZ\$230 million development assistance budget. In the last 10 years, New Zealand's visibility and reputation as a reliable and innovative development partner has risen considerably.²¹

9.33 One witness before the Committee characterised New Zealand's current standing in the following terms:

New Zealanders are seen as being more responsive, closer to the ground, less arrogant, less driven by multinational or national economic objectives and the like.²²

9.34 The New Zealand Agency for International Development (formerly the New Zealand Overseas Development Agency (NZODA))²³ underwent a review of its Pacific Strategy following the recommendations of the March 2001 report *Towards Excellence in Aid Delivery*—the first review of New Zealand's development assistance program in over a decade.

9.35 The NZODA Review called for the development of New Zealand's Pacific Regional Strategy to be focused principally on poverty elimination and the sustainability of aid. The Review stated:

19 New Zealand Ministry of Foreign Affairs, Executive Summary, *Review of Pacific Policy*, September 2001, Wellington, p. 4.

20 New Zealand Ministry of Foreign Affairs, Executive Summary, *Review of Pacific Policy*, September 2001, Wellington, p. 5.

21 *Submission 66*, p. 10 (Dr Jo Herlihy)

22 *Committee Hansard*, 18 October 2002, p. 18 (George)

23 NZODA became a semi-autonomous body in July 2001.

...ODA should be carefully targeted in the Pacific to ensure it addresses the root causes of poverty, ensures the use of Pacific-centred approaches to development, meets International Development Indicators, is based on poverty assessments for each country, addresses issues of graduation, and provides opportunity to increase self-reliance for aid-dependent countries. The Pacific Regional Strategy for NZAID [NZODA] should articulate a vision for a poverty-free Pacific that is still rich with its cultural heritage and natural environment, and it should describe NZAID's role in helping to achieve that.²⁴

9.36 The NZODA Review called for solutions and methodologies to be 'Pacific-centred', and informed 'by the daily living circumstances of Pacific people both in the village and in urban areas'. Importantly, aid policy :

needs to understand the cultural setting, the motivated imperatives of individuals, and the role of governments, churches, NGOs, and village leaders. It needs to understand colonial history, patterns of resource use, and where development aid has succeeded or failed in the past.²⁵

9.37 Elsewhere in this Report, the Committee has discussed the extent of 'donor harmonisation'. Cooperation between NZAID and AusAID is leading the way in promoting such harmonisation following a joint study undertaken by the Australian and NZ governments in 2000–01.²⁶ New Zealand, of course, sustains an independent aid policy, but shares much in common with Australia in terms of its general aid principles.

9.38 The Committee has discussed elsewhere several of the major collaborations between Australia and New Zealand in responding to the challenges of the Pacific region. These include:

- The Pacific Agreement on Closer Economic Relations (PACER), to be developed and coordinated through the Forum Secretariat, and to which New Zealand has allocated NZ\$250,000.
- The responses of both countries to disaster management, especially in the light of Cyclone Zoe. (The FRANZ Joint Statement on Disaster Relief Cooperation in the South Pacific²⁷ was signed in 1992 between France, Australia and New Zealand to expedite and coordinate emergency relief responses to natural disasters.)

9.39 As also mentioned earlier, New Zealand is a key contributor to the Regional Assistance Mission to the Solomon Islands. This is representative of New Zealand's evolving policies in the Pacific.

24 NZODA Review (2001), p. 102.

25 NZODA Review (2001), p. 21.

26 *Committee Hansard*, 25 October 2002, pp. 114–115 (AusAID)

27 *Submission 34*, p. 178 (Attorney-General's Department)

