

Chapter 6

Australia's assistance—sustainable development

6.1 In the previous chapters, the committee considered the many challenges facing Pacific island countries in their endeavours to achieve economic development and to lift the living standards of their people. It recognised that there is potential to improve economic performance in all key sectors of the economy—agriculture, fisheries, forestry and mining. In this regard, a number of themes emerged centred on food security, the sustainable development of natural resources, and physical and human capacity constraints. In this chapter, the committee looks at the assistance Australia provides to the region in the area of food security and sustainable development.¹

6.2 Pacific Island Forum Leaders place a high priority on achieving food security for the region and have called on all countries, where possible, 'to increase the production and supply of healthy food'.² At the recent Pacific Islands Forum Economic Ministers' meeting, ministers called on development partners to assist by 'providing resources to overcome the structural and systemic problems of food security'. They noted that donors could assist in a number of ways, including 'technical and financial assistance to countries committed to raising agricultural productivity and domestic food and fisheries production'.³

6.3 The committee notes that based on 2007–08 figures only a small proportion of Australia's total ODA to the region goes to environment and natural resource management (almost 1.6 per cent) and to rural development (2.7 per cent). For 2008–09, these figures rose to 2.15 per cent and 5.3 per cent respectively. Currently, the largest proportion of ODA goes to governance and other sectors such as education and infrastructure. Australia's assistance to these sectors is considered in later chapters. For the moment, the committee concentrates on natural resource development and management.

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- 1 ANZ made the general observation that Australian expertise in resource management would be 'invaluable in assisting PNG (and other resource rich Pacific island states) move to more sustainable, transparent resource management practices'. *Submission 51*, pp. 6–7.
 - 2 Pacific Islands Forum Secretariat, *Forum Communiqué*, Thirty-ninth Pacific Islands Forum, Niue, 19–20 August 2008, Annex A, *The Pacific Plan*, p. 10.
 - 3 Pacific Islands Forum Secretariat, Forum Economic Ministers' Meeting, Port Vila, Republic of Vanuatu, 27–29 October 2008, paragraph 8. Sustainable development is also one of the four main pillars of the Pacific Plan with a number of objectives including reducing poverty and improved natural resource and environmental management. Pacific Islands Forum Secretariat, *The Pacific Plan*, revised version 2007.

Food security

6.4 The Australian Government recognises the growing challenge to ensure that the world's population is adequately fed. In his 2009 Budget Statement, the Australian Minister for Foreign Affairs made a renewed commitment to food security and rural development. He stated that Australia could lead the work in increasing agricultural productivity through agencies such as the Australian Centre for International Agricultural Research (ACIAR).⁴

6.5 Although AusAID is the agency largely responsible for Australia's ODA budget, much of the funding directed to resource management and rural development is allocated to smaller agencies or sections within relevant departments. ACIAR is active in the region and assists developing countries in the area of sustainable development by funding research designed to solve agricultural problems and helping to build research capacity.⁵ It commissions research groups and institutions—including universities, the CSIRO and state departments, private consultants and non-government organisations—to carry out agricultural research projects in partnership with their counterparts in developing countries.⁶ In its proposed 2009–10 Annual Operation Plan, ACIAR intends to place more emphasis on improving food and nutritional security in Pacific island countries.⁷ It will allocate 22 per cent of its research expenditure in 2009–10 to PNG and the Pacific.

6.6 In PNG, ACIAR's programs are directed toward sustainable and secure improvements in food supply and rural incomes for smallholders, increased productivity and enhanced access to markets.⁸ According to ACIAR, it also concentrates on Fiji, Solomon Islands, Samoa, Tonga and Vanuatu where it is concerned with:

...adaptation to changes in microclimate, identification and management of constraints to productivity in both staple and high-value crops, and identification and development of new high-value horticultural crops (fruits, vegetables and ornamentals) for domestic, regional and international markets.⁹

6.7 ACIAR has an officer based in PNG and another in Suva with the SPC. Their work is supplemented by regular visits by research scientists and other managers in ACIAR to ensure that the interaction with the people with whom they work is

4 The Hon Stephen Smith MP, Minister for Foreign Affairs, and the Hon Bob McMullan MP, Parliamentary Secretary for International Development Assistance, *Budget Statement 2009-10: Australia's International Development Assistance Program*, 12 May 2009, p. 6.

5 *Submission 67*, p. 3.

6 *Submission 67*, p. 3.

7 *Submission 67*, p. 24.

8 *Submission 67*, p. 7.

9 *Submission 67*, pp. 8–9.

continuous allowing people to get involved.¹⁰ It made clear that it works in partnership with Pacific island countries to address their priorities and does not try to superimpose on those countries what it thinks they should be researching.¹¹



An ACIAR expert discussing improved planting material with a Fijian nursery officer (image courtesy of ACIAR).

6.8 Part of ACIAR's research is directed towards improving nutrition as well as food security. In the view of Mr Hearn, ACIAR, 'nutritional security is an equally important point'. He explained that some of the staple crops produced in the region may not be very high in nutritional value and that ACIAR could improve that by better crop breeding to get, for example, a higher concentration of vitamin A into sweet potato. In his view, ACIAR's work is partly scientific and partly educational.¹² He added that ACIAR also looks at the biosecurity aspects, 'because pest and disease management, soil management and crop nutrition management are a very important part of enhancing the productivity of the countries we are dealing with'.¹³

10 *Committee Hansard*, 20 November 2008, p. 40.

11 *Committee Hansard*, 20 November 2008, p. 39.

12 *Committee Hansard*, 20 November 2008, p. 41.

13 *Committee Hansard*, 20 November 2008, p. 39.

Agriculture—research, development and capacity building

6.9 ACIAR is aware of the importance of working with small landholders through involving local people in practical hands-on experience as a way of building capacity which, according to ACIAR, is much appreciated by the participants.¹⁴ It stated that it is 'crucial during design and implementation of projects to involve farmers and extension workers, and to include training and packaging of research results in a form useful to farmers, members of industry and policymakers'.¹⁵ It believed that the government could assist by providing 'a greater incentive for improved extension and the funding of extension to get the information out there'.¹⁶ ACIAR is also attempting to enhance broader adoption of the results of research not just through government extension services but also through NGOs.

6.10 The benefits from ACIAR's engagement in the region are not limited to research and development but also involve capacity building through education and training. ACIAR informed the committee that it has 'significantly' increased the number of postgraduate awards (John Allwright Fellowships) and provides 'a limited number of in-country postgraduate diploma and Masters degree awards' that are linked to ACIAR projects:

This has resulted in a larger body of trained agricultural, forestry and fisheries researchers becoming available to these countries in an environment where taking a larger cohort of researchers out of the system for several years would potentially damage capacity within small national agricultural research systems.¹⁷

6.11 According to ACIAR, the scheme 'builds linkages between government and universities in the region and helps develop the research capacity of the universities'.¹⁸ It submitted that 'discipline-specific and some broader training opportunities is one of ACIAR's key priorities'.¹⁹ By way of example, ACIAR invests \$1–1.5 million annually on training in PNG.²⁰

CSIRO

6.12 CSIRO is Australia's peak scientific research organisation and is also engaged in the Asia–Pacific region. For more than 30 years, it has been involved in research to

14 *Committee Hansard*, 20 November 2008, pp. 39 and 41.

15 Australian Centre for International Agricultural Research, *ACIAR Country Profiles 2008–09, Papua New Guinea*, p. 9.

16 *Committee Hansard*, 20 November 2008, p. 44.

17 *Submission 67*, p. 4.

18 *Submission 67*, p. 4.

19 *Submission 67*, p. 4.

20 ACIAR, *Submission 67*, p. 7.

improve scientific knowledge about the region. According to CSIRO, it has extensive capability in agriculture and integrated water management and:

...could make a significant contribution to enhancing food security in the region through research and development to enhance agricultural productivity, address market failures inhibiting rural livelihoods, and address social safety nets to reduce social vulnerability. This capability can be harnessed along with environmental and climate change capability to research integrated and systems based solutions for the region.²¹

6.13 It informed the committee that it is starting projects in PNG in collaboration with AusAID. One such project is 'exploring incentive mechanisms that can be used to protect natural assets', particularly ones that 'can link environmental stewardship with poverty alleviation'.²²

6.14 The committee notes that the Minister for Foreign Affairs in his Budget Statement indicated that in 2009–10, programs promoting food security through rural development would be expanded including in the Pacific.²³ ACIAR has received additional funding to expand its collaborative research partnerships between Australian researchers and their counterparts in developing countries. It will also enhance its partnership with CSIRO and other centres of Australian expertise.²⁴ This increased funding would build on successful projects such as 'assisting local farmers in the Solomon Islands to identify better performing varieties of subsistence root crops'.²⁵ The committee welcomes this additional funding but as noted before, emphasises the importance of ensuring that both subsistence and small commercial producers benefit from the results.

Recommendation 1

6.15 The committee recommends that the Australian Government continue to fund research and development on sustainable development in Pacific island countries. The committee recommends further that the government through AusAID ensure that individual research projects working to improve agriculture and land use practices are part of a wider strategy that enables the results of

21 *Submission 50*, p. 5.

22 *Submission 50*, p. 6.

23 The Hon Stephen Smith MP, Minister for Foreign Affairs, and the Hon Bob McMullan MP, Parliamentary Secretary for International Development Assistance, *Budget Statement 2009-10: Australia's International Development Assistance Program*, 12 May 2009, p. 20.

24 The Hon Stephen Smith MP, Minister for Foreign Affairs, and the Hon Bob McMullan MP, Parliamentary Secretary for International Development Assistance, *Budget Statement 2009-10: Australia's International Development Assistance Program*, 12 May 2009, p. 20.

25 The Hon Stephen Smith MP, Minister for Foreign Affairs, and the Hon Bob McMullan MP, Parliamentary Secretary for International Development Assistance, *Budget Statement 2009-10: Australia's International Development Assistance Program*, 12 May 2009, pp. 20–21.

research to reach a broader range of producers, including those in more remote areas.

Fisheries—research, development and capacity building

6.16 Pacific Islanders rely on coastal fishing and, as with agriculture, this resource also needs prudent management based on solid research. ACIAR stated that it had been 'heavily involved in developing some of the mariculture related technologies that would be suitable for village-level application particularly in the countries that have little in the way of land resources to apply to productive use'. Over the last decade, it has become increasingly involved in 'freshwater aquaculture as a means of supplementing animal protein inputs', particularly in upland areas in Papua New Guinea, and in Solomon Islands, Vanuatu and Fiji.²⁶ ACIAR has also undertaken research in other areas including the seaweed industry in the Pacific region and sea cucumber fisheries management.²⁷

6.17 The committee has noted concerns about the overfishing of key tuna stocks, largely from DWFNs and unauthorised fishing.²⁸ In 2007, Pacific Islands Forum Leaders adopted the Vava'u Declaration on Pacific Fisheries Resources. In doing so, they made a commitment *inter alia* to promote domestic fisheries; develop and manage coastal/inshore fisheries; and maintain regional solidarity in managing the region's tuna.²⁹

6.18 As mentioned earlier, there are two main fisheries organisations through which Pacific island countries pursue their individual and joint interests—the FFA and the WCPFC. Both organisations are active, and have to a limited degree been successful in their efforts to conserve fish stocks and prevent illegal fishing. They conduct research into fish stocks, their conservation and management. According to ACIAR, 'the knowledge base that is driving the management decision making is quite sound in this part of the world'.³⁰

6.19 One of the main problems for the sustainable development of the fishing industry stems from the number of countries engaged in fishing in the region and their different priorities. In this regard, the regional organisations have a critical role in

26 *Committee Hansard*, 20 November 2008, p. 51.

27 See for example, ACIAR, Dennis J. McHugh, *The seaweed industry in the Pacific islands*, A joint study undertaken by ACIAR and the Secretariat of the Pacific Community, Canberra 2006; ACIAR, *Final Report, A sea cucumber fisheries management project in PNG: a project feasibility review* the ACIAR, project number FIS/2002/110, August 2008; ACIAR, project number FIS/2001/075, *Sustainable aquaculture development in Pacific Islands region and northern Australia*.

28 *Committee Hansard*, 20 November 2008, p. 48.

29 The Vava'u Declaration on Pacific Fisheries Resources, 'Our fish, our future', Annex B to *Forum Communiqué*, Thirty-eighth Pacific Islands Forum, 16–17 October 2007.

30 *Committee Hansard*, 20 November 2008, p. 50.

achieving a united commitment to sustainable development and devoting resources to the effective management of fish stocks in the region.

6.20 DFAT informed the committee that Australia is a strong supporter of, and a major donor to, these organisations and also to the Secretariat of the Pacific Community (SPC). According to DFAT, Australia is working within these agencies 'to advance practical action to implement the Vava'u Declaration on Fisheries Management'.³¹ Mr Kalish informed the committee that DAFF had decided 'to engage more closely through the Forum Fisheries Agency and engage directly with the principal proponents of fisheries management in those Pacific island countries'. He stated further that, at that time, the department had not identified any specific follow-up action that it would take, although it had 'identified follow-up actions that could be taken'.³²

6.21 For 2008–09, Australia provided \$2.3 million to the FFA.³³ In its 2009 budget, the Australia Government provided additional funding for 2009–10 for both the FFA and SPC around strengthening fisheries management, including in the area of surveillance.³⁴ AusAID and DAFF have also funded research projects on various aspects of fisheries in the Pacific region, leading to the publication of a number of reports.³⁵

6.22 The committee noted the limited resources of Pacific island countries to participate effectively in the activities of these regional organisations and the heavy burden they bear in meeting their obligations as members, especially of the WCPFC. Australian assistance could help Pacific island countries, especially the smaller islands, to ease the strain of membership. One particular area that the committee believes should be addressed is the unfair burden that Pacific island countries bear in the management and conservation of fish stocks in the region. The committee notes that while DWFNs 'reap the lion's share of the benefits', Pacific island countries are largely responsible for the management costs.³⁶

31 *Submission 68*, p. 28.

32 *Committee Hansard*, 20 November 2008, p. 57.

33 *Submission 65*, Annex 1.

34 Dr Jane Lake, *Committee Hansard*, 19 June 2009, p. 60.

35 For example, Kate Barclay with Ian Cartright, *Capturing Wealth from Tuna: case studies from the Pacific*, ANU, (Kate Barclay was an AusAID Postdoctoral Fellow with additional funds for research provided by AusAID and DAFF). In 2007 AusAID published *Valuing Pacific fish, A framework for Fisheries-related Development Assistance in the Pacific*, November 2007. AusAID also helped to fund the commissioning of *Closing the Gaps: Building Capacity in Pacific Fisheries Governance and Institutions*, Australian National Centre for Ocean Resources and Security, April 2008.

36 See paragraphs 4.35–4.36.

Recommendation 2

6.23 The committee recommends that the Australian Government take an active advocacy role in the Western and Central Pacific Fisheries Commission urging Distant Water Fishing Nations to make a greater contribution, commensurate with their fishing operations in the southwest Pacific, to the costs of managing fish stocks in the region.

Managing resources

6.24 The committee has also highlighted the limited capacity of Pacific island countries to undertake the many responsibilities associated with managing, administering and promoting both their individual and the region's fishing interests. It noted the prevalence of illegal fishing in the region and the challenge faced by Pacific island countries of monitoring their large EEZs.

Pacific Boat Patrol Project

6.25 Australia's 21-year-old Pacific Boat Patrol Project forms an important part of Australia's endeavours to help Pacific island countries deter illegal, unregulated and unreported fishing. The boats are also used in quarantine enforcement, search and rescue, disaster relief, medical evacuation and general police work. DFAT described the program as 'the centrepiece of Australia's Defence engagement with the Pacific'.³⁷ Under this program, Australia has donated 22 Pacific class patrol boats to 12 Pacific island countries to assist them police their EEZs. Defence has an Australian Navy maritime surveillance adviser and one or two technical advisers in each country supported by the program.³⁸ Australia also pays for the life extension programs for every boat, for logistic support, spare parts and expertise to repair the vessels and provides for the training for all patrol boat crews.³⁹ According to Brigadier Andrew Nikolić, the Pacific patrol boats are halfway through their life extension refits, with the first of the 22 boats not due to reach the end of its extended design life until 2017–18. Despite the assistance provided by Australia, he advised the committee that:

Crewing, operating and maintaining the boats is a recipient nation responsibility that is difficult for most Pacific Island states to achieve, predominantly due to funding constraints. The rising cost of fuel, for example, varies greatly between the countries, and this has increased dependence on Australia for financial supplementation.⁴⁰

6.26 Indeed, Air Commodore Anthony Jones noted that one of the factors undermining the effectiveness of the program is the cost of fuel and the ability of recipient governments to support the program. He informed the committee that the

37 *Submission 68*, p. 27.

38 *Committee Hansard*, 19 June 2009, p. 22.

39 *Committee Hansard*, 19 June 2009, p. 23.

40 *Committee Hansard*, 21 November 2008, p. 87.

boats average around 36 days a year on patrol out of an average of 55 days a year at sea. According to the Air Commodore, Defence would be looking for 'at least 100 days a year to effectively patrol the EEZs of these countries'.⁴¹ Even so, he indicated one or two patrol boats 'is not really the most effective way of guarding against illegal fishing or illegal activities'.⁴²

6.27 Brigadier Nikolić informed the committee that Defence was considering options for a follow-on capability in consultation with other agencies but that it remained committed to the existing program.⁴³ The *Defence White Paper 2009* also referred to the Pacific Patrol Boat Program. It indicated that the government had directed Defence, DFAT and other government agencies 'to develop an approach to regional maritime security that reflects Australia's commitment to assisting our neighbours in these areas in future'. Further, it suggested that the government would seek measures 'to enhance the capacity of regional countries to enforce their sovereignty, protect their resources and counter transnational crime'.⁴⁴ In June 2009, Defence informed the committee that the program was now fully funded and had been allocated \$427 million to see it through to 2028 when the last boat would reach the end of its life.⁴⁵

6.28 The table below summarises sea days for 2008 and the first half of 2009 (to mid-June 2009). It shows clearly that in many cases the number of days spent on patrol falls far short of expectations.⁴⁶

41 *Committee Hansard*, 19 June 2009, p. 22.

42 *Committee Hansard*, 19 June 2009, p. 22.

43 *Committee Hansard*, 21 November 2008, p. 87.

44 Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030*, Defence White Paper 2009, p. 99.

45 *Committee Hansard*, 19 June 2009, p. 20.

46 No data available for Fiji following the suspension of the program.

Table 6.1: PPB sea days for 2008 and first half of 2009

Boat Name	Country	Patrol		SAR/Medivac		Gov/VIP		Other		Total	
		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
TE KUKUPA	Cook Islands	29	59	0	0	0	10	9	4	38	73
TEANOAI*	Kiribati	33	22	0	0	0	3	10	7	43	32
LOMOR*	Marshall Islands	23	21	0	13	7	22	0	0	30	56
REMELIHK*	Palau	8	45	0	0	0	3	2	1	10	49
NAFANUA*	Samoa	9	30	5	1	0	8	4	4	18	43
TE MATAILI	Tuvalu	31	28	1	4.5	11	5.5	0	0.5	43	38.5
TUKURO*	Vanuatu	8	31	0	3	24	19	2	0	34	53
AUKI	Solomon Islands	12	42	0	6	1	0	17	4	30	52
LATA	Solomon Islands	10	65	3	0	14	5	4	9	31	79
Solomon Islands Total		22	107	3	0	15	5	21	13	61	131
INDEPENDENCE	FSM	38	79	3	2	0	1	19	5	60	87
MICRONESIA	FSM	0	28	0	0	6	4	16	6	22	38
PALIKIR*	FSM	28	73	0	4	0	30	0	3	28	110
FSM Total		64	180	3	6	6	35	35	14	108	235
NEIAFU	Tonga	0	0	0	0	7	0	12	0	19	0
PANGAI	Tonga	0	34	0	0	0	20	0	1	0	55
SAVEA	Tonga	3	18	2	1	0	20	2	18	7	57
Tonga Total		3	52	2	1	7	40	14	19	26	112
MORESBY	PNG	23	16	0	3	0	0	9	28	32	47
DREGER	PNG	38	13	0	0	4	3	18	10	60	26
SEADLER	PNG	0	24	0	2	0	0	6	23	6	49
RABAU	PNG	0	0	0	0	0	0	6	1	6	1
PNG Total		61	53	0	5	4	3	39	62	104	123

***Notes:**

- Kiribati – RKS TEANOI underwent a LEP in mid 2008, reducing the number of sea days.
- Samoa – MV NAFANUA underwent biennial slipping in late 2008, reducing the number of sea days.
- Vanuatu – the Police Commissioner used RVS TUKURO for non patrol duties and did not replace the fuel used, resulting in DCP stopping provision of fuel for 6 months and affecting patrol days.
- RMI – LOMOR underwent a LEP in late 2008, and was unserviceable for two months in early 2009.
- FSM – MICRONESIA has been undergoing LEP since April 2009, and has not conducted patrols.
- Cook Islands – TE KUKUPA underwent biennial slipping in 2008, reducing the number of sea days.
- Tuvalu – HMTSS TE MATAILI underwent biennial slipping in late 2008, reducing its time at sea.
- Palau – Critical defect in REMELIHK has precluded normal operations since mid-Mar 09.

6.29 These statistics raise important questions about the program's effectiveness in achieving the stated objective of providing 'a credible maritime surveillance capability, which enhances the capacity of the participating countries to protect their maritime resources'. In Volume II of this report, focusing on the security challenges facing PNG and the island states of the southwest Pacific, the committee examines the Patrol Boat Program in more detail and investigates its capacity to contribute to the region's maritime surveillance capability.

6.30 The Pacific Boat Patrol Project also signals broader concerns about ODA, including funding recurrent spending, creating aid dependency and building local capacity that will last. These matters are considered in the third part of this report.

Forestry

6.31 In 2006, member states of the Pacific Islands Forum recognised the scarcity and vulnerability of forestry resources in many Pacific island countries. They undertook to enhance the sustainable management of these resources in the region through existing and new forms of cooperation. In 2007, Forum Leaders requested the SPC to take a leading role in developing forestry initiatives and national sustainable development strategies. SPC understands that assisting Pacific island countries with the management of their forests is one of its important roles. The committee has noted that Australia is a strong supporter of regional organisations such as the SPC. In 2008–09, the Australian government provided \$9.7 million to the Secretariat.

6.32 DAFF is actively engaged in capacity building in the management of forests in the region and often assists with funding for workshops organised by the SPC.⁴⁷ Under its Asia Pacific Forestry Skills and Capacity Building Program, the department also works with other organisations in the Pacific to improve capacity for sustainable forest management.⁴⁸ The following table gives an indication of the projects currently under way to help build professional capacity in technical management and certification of forests and to encourage best practice in degraded forest rehabilitation and management.⁴⁹

47 For example, it provided some funding for the short course on strengthening national Forestry policy held 26–30 November in Pohnpei and for a regional workshop on capacity building for the restoration, management and rehabilitation of degraded forests and deforested land in the Pacific, 28–31 October 2008 in Nadi, Fiji.

48 *Committee Hansard*, 20 November 2008, pp. 67 and 70.

49 *Committee Hansard*, 20 November 2008, p. 67.

Table 6.2: Asia–Pacific Forestry Skills and Capacity Building Program—Phase 1 of successful projects with contractual arrangements in place⁵⁰

Description	Project country	Grantee(s)	Amount of funding
Skills training and capacity building in forest certification and sustainable forest management	Solomon Islands, Papua New Guinea and Indonesia	ForestWorks	\$400,000
Workshop to build capacity to restore and manage over logged secondary forests	Fiji	Secretariat of the Pacific Community- Forest and Trees Programme	\$74,000
Workshop to strengthen codes of practice for forest harvesting	Primarily Papua New Guinea but will also include Cambodia, China, Lao PDR and Vietnam	Secretariat of the Pacific Community—Forest and Trees Programme and the United Nations Food and Agriculture Organisation (FAO) Regional Office for Asia and the Pacific	\$90,000
Development of generic chain of custody procedures to demonstrate legality of forest products	Papua New Guinea	Papua New Guinea Forest Industries Association	\$106,600
Development of guidelines and the delivery of training packages for the verification of legality of tropical timber imports to Australia	Indonesia and Papua New Guinea	URS Forestry	\$175,000
Delivery of a short course on forest policy development for representatives from the Pacific Islands	Fiji	Southern Cross University	\$9,000
Salary contribution to support the United Nations Food and Agriculture Organisation’s Global Forest Resource Assessment Process	Global	United Nations Food and Agriculture Organisation	\$55,000
Support for the Australian-Swiss led Initiative on regional implementation on the global input in support of the United Nations Forum on Forests program (UNFF) and provide regional input back to UNFF	Switzerland	Swiss Foundation for Development and International Cooperation	\$80,000

50 DAFF, http://www.daff.gov.au/data/assets/word_doc/0004/777964/table-of-projects.doc (accessed 13 January 2009).

6.33 The Australian government is also developing an illegal logging policy that would require legal certification of imported timber and wood products through accredited certification schemes.⁵¹ DAFF informed the committee that the policy is being developed as the department goes through a consultation phase with both industry and NGOs and then through a regulatory impact stage.⁵²

6.34 ACIAR is also engaged in collaborative work in the region to improve management of Pacific forests. For example, one of its subprograms for PNG involves maximising social and environmental returns from planted and native forests, particularly landowner land use options and product diversification. Reafforestation strategies for rehabilitating degraded areas are also part of this subprogram. More broadly in the region, ACIAR's forestry program looks to develop emerging plantation opportunities 'through improved silviculture management, enhanced genetic resources and development of disease and pest detection and control methods'. As noted in the section on agriculture, ACIAR supports research capacity building and the adoption of the results from previous research.⁵³

Minimising the effects of natural disasters and climate change

6.35 The effects from natural disasters has been a regular item on the agenda of the Pacific Islands Forum since the first meeting in 1971 when it was agreed in principle to establish a Regional Disaster Fund. In 2005, Pacific Islands Forum Leaders endorsed the Pacific Regional Framework for Action for Building the Resilience of Nations and Communities to Disasters. The development and implementation of policies and plans for the mitigation and management of natural disasters is also a priority identified in the Pacific Plan for immediate implementation.⁵⁴

6.36 The committee noted earlier that Pacific island countries have limited funds to invest in measures to combat the effects of natural disasters. Australia has a long and consistent record of coming readily to the aid of its Pacific neighbours when disaster strikes. For example, in early December 2008 the government announced it would allocate up to \$1 million to assist Papua New Guineans adversely affected by severe sea swells.⁵⁵ A month later, Australia contributed \$3 million in response to the floods in Fiji, which included \$1 million for emergency flood assistance and \$2 million for

51 *Submission 42*, p. 14.

52 *Committee Hansard*, 20 November 2008, p. 70.

53 ACIAR, *Annual Operational Plan 2008–09, Research that Works*, 2008, pp. 16–28, http://www.aciar.gov.au/publication/AOP_current (accessed 10 February 2009).

54 Pacific Islands Forum Secretariat, *The Pacific Plan for strengthening regional cooperation and integration*, revised version 2007.

55 The Hon Stephen Smith, MP, Australian Minister for Foreign Affairs and The Hon Joel Fitzgibbon, MP, Minister for Defence, 'Australian Relief Supplies for PNG Floods', Media release, AA0874, 12 December 2008, http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=1893_7468_30_0_6445 (accessed 28 January 2009).

longer term recovery and reconstruction.⁵⁶ The committee acknowledges Australia's contribution to emergency relief in the region.

6.37 Furthermore, the Prime Minister announced in February 2009 that the government had agreed 'to develop a policy framework to enable rapid deployment of civilian experts to assist in international disaster relief, stabilisation and post conflict reconstruction efforts.'⁵⁷ AusAID is leading the whole-of-government taskforce that will develop this deployable civilian capacity (DCC). It will be responsible for pre-identifying, training, deploying rapidly and sustaining civilian technical expertise in a range of situations and environments. Civilians will be selected for their expertise and drawn from within Commonwealth, State and local governments and from the non-government and private sector. According to AusAID, Australia will join 'Canada, the United Kingdom, the United Nations and the United States of America in developing civilian deployable capacities'.⁵⁸

6.38 In this regard, it should be noted that a World Bank policy paper identified a tendency to react after an event rather than plan ahead. It suggested that many Pacific island countries make a rational decision 'not to reduce risks (to natural disasters) as long as donors respond generously to disasters, whether or not preventative efforts have been taken'. It also suggested that 'donors face strong public pressure to respond rapidly to disasters and often mobilize funds outside their normal budgets for this, whereas funding for preventative action is often constrained'.⁵⁹ These findings highlight the importance of both aid recipients and donors placing a high priority on the prevention and containment of damage caused by natural disasters when formulating programs dealing with the environment.

6.39 Some work by Australian agencies is clearly intended to minimise the adverse effects of natural disasters. Over many years, Australia has given assistance to help Pacific island countries improve the robustness of their environment. This strengthening helps to provide a necessary buffer against the effects of natural disasters and to improve their overall resilience to the effects of natural disasters. ACIAR, in particular, is supporting research to address increased productivity and diversification through new crops, products and value-adding and the development of

56 The Hon Stephen Smith, MP, Australian Minister for Foreign Affairs, 'Further Australian Assistance for Fiji Floods', Media release, 16 January 2009, http://www.foreignminister.gov.au/releases/2009/fa-s185_09.html (accessed 28 January 2009).

57 Australian Government, *Responding to the Australia 2020 Summit*, 2009, p. 243, http://www.australia2020.gov.au/docs/government_response/2020_summit_response_10_world.pdf (accessed 4 April 2009).

58 AusAID website, http://www.aisaid.gov.au/hottopics/topic.cfm?ID=4340_2958_671_9343_142

59 World Bank, *Not if but When Adapting to natural hazards in the Pacific Islands Region*, A policy note, 2006, p. viii.

sustainable forestry and fisheries and management systems.⁶⁰ The committee strongly supports the work of this organisation.

Regional response to climate change

6.40 In 2005, the Pacific Islands Forum Leaders also endorsed the Pacific Islands Framework for Action on Climate Change as a regional platform for 'deepening and broadening regional cooperation on addressing climate change'.⁶¹ The stated goal was to ensure Pacific island people build their capacity to be resilient to the risks and impacts of climate change.

6.41 The decision to nominate climate change as the designated theme of the 2008 Pacific Island Forum clearly signalled the growing significance that Pacific island countries attach to this matter. At this meeting, Leaders adopted the Niue Declaration on Climate Change in which they affirmed their commitment to the ongoing development and implementation of Pacific-tailored approaches to combating climate change.⁶² They encouraged the Pacific's development partners 'to increase their technical and financial support for climate change action on adaptation, mitigation and, if necessary, relocation'. They also suggested that these partners ensure 'their assistance aligns with regional and national priorities and supports existing regional and national delivery mechanisms'. With regard to the consumption of energy, they encouraged development partners:

...to increase investment in and support for Pacific Island Countries' efforts to move towards alternative and renewable energy sources, which reduce the emissions of our region and improve energy efficiency, as well as help to address the growing unaffordability of fuel.⁶³

6.42 The recent 2009 Forum Leaders' meeting again underlined the importance of climate change to the region. Noting the threat posed to the very viability of some of their communities, Leaders adopted a 'call to action on climate change'. They acknowledged that 'some habitats and island states face obliteration' and they need to adapt to the changes in climate that are 'already inevitable'. While stating that they stand ready to lead their people in this adaptation process, they accepted that they

60 ACIAR, *Annual Operational Plan 2008–09: Research that works*, pp. 19–20.

61 Pacific Islands Forum Statement on Climate Change delivered on behalf of Pacific Forum by His Excellency Mr Ludwig Scotty, MP, President of the Republic of Nauru, at Post Forum Dialogue, 18 October 2007.

62 Pacific Islands Forum Secretariat, 'Forum Leaders Endorse the Niue Declaration on Climate Change', Press statement (92/08), 26th August 2008, <http://www.forumsec.org.fj/pages.cfm/newsroom/press-statements/2008/forum-leaders-endorse-niue-declaration-on-climate-change.html> (accessed 12 January 2009).

63 Pacific Islands Forum Secretariat, 'Forum Leaders endorse the Niue Declaration on Climate Change', Press statement (92/08), 26 August 2008, <http://www.forumsec.org.fj/pages.cfm/newsroom/press-statements/2008/forum-leaders-endorse-niue-declaration-on-climate-change.html> (accessed 12 January 2009).

could not do this alone and asked for 'increased support, prioritised to those developing countries most vulnerable and least able to respond'.⁶⁴ The Garnaut Report noted that climate change had risen to the top of the political agenda in the Pacific and would require an Australian response.⁶⁵

Australia's response to climate change in the region

6.43 According to the Department of Climate Change, Pacific island countries make a minimal contribution to green house gas emissions which in 2005 accounted for only 0.04 per cent of total world emissions. As a consequence, Australia's climate change support for these countries, outside of PNG, focuses more on adaptation than on mitigation.⁶⁶ The department also noted that the capacity of Pacific island countries to adapt to climate change is low while 'the cost of adaptation is high'.⁶⁷ It stated further:

Australia has comparative strengths in climate change science and adaptation which are relevant to, and can assist with, the region's needs. Assisting Pacific Island countries to prepare for and respond to the impacts of climate change is therefore a central element of the Government's climate change support in the Pacific region.⁶⁸

6.44 In this regard, Australia has committed \$150 million over three years, with \$35 million in 2008–09, to meet climate adaptation needs in vulnerable countries in the Pacific region.⁶⁹ A team in the Department of Climate Change, together with AusAID, administer this International Climate Change Adaptation Initiative (ICCAI). According to the Department, the main objectives are to:

- establish a sound policy, scientific and analytical basis for long-term Australian action to help developing partner countries adapt to the impacts of climate change;
- increase understanding in partner countries of the impacts of climate change on their natural and socioeconomic systems;
- enhance partner country capacity to assess key climate vulnerabilities and risks, formulate appropriate adaptation strategies and plans, and mainstream adaptation into decision making; and

64 *Forum Communiqué*, Pacific Islands Forum Secretariat, Fortieth Pacific Islands Forum, Cairns, Australia, 5–6 August 2009, Annex A, 'Pacific Leaders' Call to Action on Climate Change'.

65 Ross Garnaut, *The Garnaut Climate Change Review*, Final report, Cambridge University Press, 2008, pp. 149–151.

66 *Submission 71*, p. 4.

67 *Submission 71*, p. 5.

68 *Submission 71*, p. 5.

69 The Hon Stephen Smith MP, Minister for Foreign Affairs, and the Hon Bob McMullan MP, Parliamentary Secretary for International Development Assistance, *Budget Statement 2009–10: Australia's International Development Assistance Program*, 12 May 2009, p. 40.

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- identify and help finance priority adaptation measures to increase the resilience of partner countries to the impacts of climate change.⁷⁰

6.45 Some of the more hands-on activities undertaken by AusAID to provide support for climate change adaptation involve improved water resource management in the Pacific and include:

- the construction of about 300 large rainwater tanks in Funafuti, the capital of Tuvalu, and making available a highly qualified water engineer, who will help Tuvalu maximise the contribution of both Australian and other donors to its Water and Sanitation Strategy; and
- small grant schemes in Fiji, Vanuatu, Samoa, Tonga and Solomon Islands, which provide funds for projects such as the construction of rainwater tanks to increase water storage capacity and small solar desalination stills capable of producing enough fresh water for drinking.⁷¹

6.46 Also, through the Pacific Islands Climate Prediction Project, the Australian Bureau of Meteorology is working with climate dependent industries and government agencies in ten Pacific countries on tailored long-range (3 to 6 months) climate predictions. This support will assist water resource managers to plan for expected rainfall shortages by increasing storage capacity.⁷² CSIRO and the Department of Meteorology are currently working together on enhanced climate modelling to support 'downscaling climate change projections from the global to regional scales suitable for application to the complex terrain' of Pacific island countries.⁷³ CSIRO suggested, however, that a 'systematic study of the wider and more integrated implications of climate change and possible proactive adaptation responses for the region is urgently needed'. It also noted that there was a similar need to support modelling possible climate change impacts to inform policy and investment decisions.⁷⁴

70 *Submission 71*, pp. 5–6.

71 AusAID website, <http://www.ausaid.gov.au/keyaid/adaptation.cfm> (accessed 28 January 2009).

72 AusAID website, <http://www.ausaid.gov.au/keyaid/adaptation.cfm> (accessed 28 January 2009).

73 *Submission 50*, p. 7.

74 *Submission 50*, p. 7.



Managing fresh water supplies is challenging in many Pacific island countries. AusAID has funded and provided water tanks for example in Kiribati (image courtesy of AusAID).

6.47 As noted earlier, Australia has signed Pacific Partnerships for Development with PNG, Samoa, Solomon Islands, Kiribati, Vanuatu, Nauru, Tonga and Tuvalu.⁷⁵ DFAT mentioned that this initiative commits Australia and its Pacific partners to work together to meet common challenges relating to climate change, which are considered in the development of each partnership. The detailed media release accompanying the signing of these partnerships does not refer to climate change adaptation measures specifically though in general terms they refer to focusing on 'more sustainable economic growth and reform and improved economic livelihoods'.⁷⁶ Furthermore, the partnerships themselves show no evidence that environmental concerns have been integrated into the nominated priorities. Only the agreement with Samoa nominated climate change as an immediate partnership priority outcome (partnership priority outcome 5).

6.48 The committee also draws attention to the findings of the OECD Development Assistance Committee (DAC) review that commented on Australia's renewed emphasis on environment and the development of a new environment and development assistance policy. It suggested that AusAID should build on Australia's

75 See paragraph 1.12 and *Submission 71*, p. 3.

76 Prime Minister of Australia, Media Releases, 'Port Moresby Declaration', 6 March 2008; 'Prime Minister Signs Partnership for Development with PNG and Samoa', 20 August 2008; 'Pacific Partnerships for Development with Solomon Islands and Kiribati', 27 January 2009.

recent initiatives to consider more systematically 'environmental threats and opportunities throughout the aid program'.⁷⁷ It saw scope for Australia to integrate environmental concerns more effectively throughout its aid program.⁷⁸

6.49 In addition, the review noted Australia's commitment to having 'a leadership role in humanitarian preparedness and response in its highly disaster-prone region'. It observed further that Australia is 're-orienting its structures within AusAID and the wider government to reflect international good practice in this area'. In its view, the planned review of the Humanitarian Action Policy (2005) is timely, and would 'be critical to incorporate emerging themes, including the impacts of climate change'. The review recommended, however, that to reap the benefits of the policy, Australia should, 'alongside the review, set out a clear plan of action for how it will continue to put the policy into practice'.⁷⁹

6.50 AusAID informed the committee that the review of its Humanitarian Action Policy was only in phase one of a two-phase process. It was currently undertaking 'a rapid assessment of Australian humanitarian and emergency assistance and an analysis of current international humanitarian architecture'.⁸⁰

Committee view

6.51 The committee notes that the CSIRO was of the view, inter alia, that a 'systematic study of the wider and more integrated implications of climate change and possible proactive adaptation responses for the region is urgently needed'.⁸¹ It also takes account of the OECD review that there is scope for Australia to integrate environmental concerns more effectively throughout its aid program.

6.52 This matter relates to how well Australia's ODA program comes together as a cohesive and strategic whole and is discussed in Part III of this report on the effectiveness of Australia's contribution to economic growth and development in the region.

Mitigation

6.53 Although the Australian Government focuses on adaptation, it is also working with Pacific island countries on mitigation, mainly in PNG. On 6 March 2008, Australia and PNG signed the Australia–PNG Forest Carbon Partnership which recognises that sustainable forest management is an integral part of climate change management. According to AusAID:

77 OECD Development Assistance Committee, *2008 Peer Review of Australia*, p. 12.

78 OECD Development Assistance Committee, *2008 Peer Review of Australia*, p. 13.

79 OECD Development Assistance Committee, *2008 Peer Review of Australia*, p. 95.

80 AusAID, answer to written question on notice following public hearing on 19 June 2009.

81 See paragraph 6.46.

Australia's International Forest Carbon Initiative (IFCI) aims to demonstrate that reducing emissions from deforestation can be part of an effective international response to climate change. Total funding allocated for the initiative to date is \$200 million over five years, focused on Indonesia and Papua New Guinea.⁸²

6.54 Through this partnership, Australia intends to assist PNG develop its 'avoided deforestation policies, forest carbon measurement system and demonstration activities'. This process would enable PNG to participate in future international forest carbon markets. According to AusAID, 'credible accounting of changes in forested areas is also essential for such participation'. Thus as a preliminary measure, Australia is to support PNG 'in the development of a rigorous forest carbon measurement and accounting system'.⁸³

Resettlement

6.55 The relocation of communities whose environment has become uninhabitable because of the effects of climate change is another major consideration facing Australian authorities. The committee has noted concerns about a situation developing where communities in the region may be forced to abandon their land because of rising sea levels. For example, the AFP noted in its submission the possibility of a future need to relocate whole communities because of the effects of global warming.⁸⁴ The Garnaut Report recognised that Kiribati, the Marshall Islands, Tokelau and Tuvalu were vulnerable to rising sea levels, and even with moderate climate change, human habitation may not be possible on the islands. It suggested that:

Their small populations make them relatively easy to absorb into larger countries, and the international community and the islanders themselves would expect Australia and New Zealand to be the main countries of resettlement.⁸⁵

6.56 Some commentators support the view that Australia has an important role assisting these communities. Taking up this point, the Lowy Institute informed the committee:

82 AusAID website, <http://www.ausaid.gov.au/keyaid/mitigation.cfm> (accessed 28 January 2009).

83 AusAID website, <http://www.ausaid.gov.au/keyaid/mitigation.cfm> (accessed 28 January 2009).

84 *Submission 62*, paragraphs 3.3 and 3.4. According to the Asian Development Bank and CIA World Factbook, the Government of Tuvalu appealed to Australia and New Zealand in 2000 'to take in Tuvaluans if rising sea levels should make evacuation of the country necessary'. Asian Development Bank, Tuvalu, Country Information, <http://www.adb.org/Tuvalu/country-info.asp> (accessed 26 September 2008) and CIA, *World Factbook*, Tuvalu, <http://www.cs.usyd.edu.au/~dasymond/mirror/factbook/print/tv.html> (accessed 8 December 2008).

85 Ross Garnaut, *The Garnaut Climate Change Review, Final Report*, Cambridge University Press, 2008, pp. 149–151. The report noted that 'The numbers of people exposed to small increases in sea level are much larger in Papua New Guinea, in coastal and low-lying river areas of West Papua, and in other island areas of eastern Indonesia'.

Australia has to acknowledge that the only viable future for the people of low-lying atoll states like Kiribati and Tuvalu lies in migration. Given that Australia will be at the centre of future plans to address the forced relocation of the populations of the atoll states, it would be in Australia's interest to develop a plan now to manage their migration.⁸⁶

6.57 In agreeing with this view, Professor McAdam argued that the issue of relocation is simply not one to be considered when the land goes under. She noted that already people were moving from outer-lying islands towards the capitals and that there was little scope for people in Kiribati and Tuvalu to move to higher ground. The difficulty was knowing when rising sea levels and the knock-on effects would reach a tipping point forcing people to move. According to Professor McAdam, the issue was how best to address the problem in terms of law and policy. She said:

What is needed is a number of mobility or migration pathways, if you like. Perhaps initially—and Australia has started to do this—there needs to be a temporary or circular migration scheme whereby people have the opportunity to come and work in Australia or New Zealand, for example, but can also return.⁸⁷

6.58 But longer term, she suggested that people may wish to migrate permanently and some thought should be given to 'structuring programs whereby people can plan their own and their family's movement'. To her mind, this raised a number of questions such as: can you relocate a whole country together and what does that mean, then, in terms of the actual status of the state? At what point does a state cease to exist and the people become stateless? Are there international law obligations that then kick in? Professor McAdam argued that 'we want to get to a point where we do not need to start considering those kinds of issues, and we have this opportunity to plan'.⁸⁸ She stated further:

Many people are not going to qualify under Australia's migration program, nor under New Zealand's. I think it is very important to start thinking about humanitarian resettlement options. Currently, these people do not fit the definition of a refugee under the 1951 refugee convention—it would take some quite creative jurisprudence to enable that to be the case—but certainly they do have protection needs. Whether it is creative thinking, humanitarian thinking or a combination of both that leads to some migration or protection outcomes for these people, the point is to start thinking about planning that now before we actually do get people setting off in boats, coming to the Australian mainland and saying, 'I'm here. Now you have to help.' That is the risk, ultimately, if we do not do anything.⁸⁹

86 *Submission 14*, pp. 4–5.

87 *Committee Hansard*, 24 March 2009, p. 39.

88 *Committee Hansard*, 24 March 2009, pp. 38–39.

89 *Committee Hansard*, 24 March 2009, p. 39.

6.59 Aside from legal considerations, there are also practical measures that could be taken to address the possibility that communities from the low lying areas may have to resettle. Acknowledging the possibility that the 100,000 people in Kiribati may have to move one day, their president suggested that his country has no choice but to formulate a 'long-term merit-based relocation strategy'. Part of this strategy involves the upskilling of people 'to make them competitive and marketable at international labour markets'.⁹⁰

6.60 When asked about the possibility of forced re-location from Pacific island countries such as Kiribati and Tuvalu, DFAT informed the committee that it was not aware of any government consideration of this matter. Invited to comment again on whether these two islands were under consideration, DFAT replied no.⁹¹

Committee view

6.61 The committee is concerned about the lack of government attention to formulating policy around the possibility that some Pacific island communities may have to re-locate because of rising sea levels or related environmental changes. The committee believes that the Australian Government should allow ample time to consider closely and carefully the legal and policy framework that may be required should such an eventuality arise. The committee believes that Australia could also make a valuable and significant contribution in practical ways to prepare those most at risk of having to resettle. It notes that the Government of Kiribati wants their people to be competitive and marketable. Australia could be a vital partner with countries such as Kiribati by helping with research, training, education and labour mobility arrangements to equip people, should they have to move, to take up productive positions in their new location. It believes that should migration be necessary from these Pacific Island countries, the basic principle underpinning the formulation of Australia's policy should be their 'migration with merit and dignity'.⁹²

Recommendation 3

6.62 The committee recommends that the Australian Government consider whether it may be necessary to review the legal and policy framework required in the event that regional communities may be forced to resettle as a consequence of changes in climate.

90 Statement by His Excellency Anote Tong, President of the Republic of Kiribati, General Debate of the 63rd session of the UN General Assembly, 25 September 2008. UN News Centre, 'Small island nations' survival threatened by climate change, UN hears'. 25 September 2008, <http://www.un.org/apps/news/story.asp?NewsID=28265> (accessed 29 April 2009).

91 *Committee Hansard*, 21 November 2008, p. 28.

92 UN News Centre, 'Small island nations' survival threatened by climate change, UN hears'. 25 September 2008, <http://www.un.org/apps/news/story.asp?NewsID=28265> (accessed 29 April 2009).

6.63 The committee also notes that currently AusAID is reviewing its Humanitarian Action Policy. The committee recommends that AusAID take this opportunity to consider whether it is necessary to incorporate in its Humanitarian Action Policy emerging legal and humanitarian matters associated with climate change.

6.64 The committee recommends further that the Australian Government review the need for an education and training program designed specifically to assist those communities in the region most at risk from the damaging effects of changes in climate. The intention would be to determine how best to assist people to remain productive members of their community in a changing environment.

6.65 Finally, the committee recommends that the Australian Government ensure that environmental matters including climate change be integrated more effectively throughout its aid programs to the region. This means that prevention and adaptation measures addressing the adverse effects of natural disasters and climate change would be considered when formulating policy and designing ODA projects, for example in the resource development, infrastructure, education, health and governance sectors.

6.66 The need for people to leave their communities or homeland because of the effects of climate change also poses a security challenge in the region and will be discussed in the second volume of this report. At this stage, the committee notes that on 3 June 2009, the United Nations General Assembly passed a resolution expressing its deep concern 'that the adverse impacts of climate change, including sea-level rise, could have possible security implications.' It invited relevant UN organs 'to intensify their efforts in considering and addressing climate change, including its possible security implications'.⁹³ This resolution followed appeals from the small island developing nations urging the United Nations to consider the security implications of climate change. They were concerned that their tireless appeals 'had failed to produce practical solutions for people living in low-lying states'.⁹⁴

Conclusion

6.67 The committee commends the work being done by Australia to help Pacific island countries with the sustainable development of their resources. The activities of agencies such as ACIAR, CSIRO and the relevant departments appear to be well targeted in research and development, awareness raising and capacity building. The committee takes this opportunity, however, to highlight a number of matters that remain of concern to the committee. The most important of these include: the apparent under-use of the boats in the Patrol Boat Program, the need to mainstream environmental issues into Australia's assistance program and the importance of planning ahead for changes in climate, especially the possibility of communities

93 UN General Assembly, A/RES/63/281.

94 Statement by His Excellence Anote Tong, President of the Republic of Kiribati, General Debate of the 63rd Session of the UN General Assembly, 25 September 2008.

having to re-locate. The proposed deployable civilian capacity also requires further examination and is discussed in chapter 20.