

Introduction

Conduct of the inquiry

- 1.1 On 19 August 2015, the Minister for Foreign Affairs, the Hon Julie Bishop MP, asked the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT) to inquire into the role of development partnerships in agriculture and agribusiness in promoting prosperity, reducing poverty and enhancing stability in the Indo-Pacific region. The inquiry's terms of reference were adopted and the inquiry referred to the Foreign Affairs and Aid Sub-Committee (the Sub-Committee) to undertake.
- 1.2 The Sub-Committee subsequently received over fifty written submissions and heard evidence from a range of witnesses during public hearings held in February and March 2016. Unanticipated scheduling changes to the Parliamentary sitting calendar in the first half of 2016, and members' limited availability during this period, restricted the Sub-Committee's ability to proceed with further public hearings.
- 1.3 In view of these constraints, the Sub-Committee decided to prepare a First Report focusing on a specific topic referred to in the terms of reference: nutrition and related health issues in the Indo-Pacific region, particularly with regard to Pacific countries (given the leadership role Australian maintains in that region through its aid program to the Pacific).¹
- 1.4 The Sub-Committee decided that the remaining terms of reference could be addressed in a subsequent report, subject to the duration of the Parliament or the recommencement of the inquiry in the next Parliament.

¹ Commonwealth of Australia, *Foreign Affairs and Trade Portfolio Budget Statements 2015-16, Budget Related Paper No. 1.9*, Canberra, May 2015, p. 18.

- 1.5 With regard to the broader terms of reference, the Sub-Committee points out that its previous report *Partnering for Greater Good* (June 2015), made thirty-three recommendations which addressed the role of private sector partnerships, with other stakeholders, to achieve regional development goals. In the course of that analysis, there was detailed discussion of the importance of inclusive business models and of women's empowerment, including in the agriculture sector, to the promotion of economic growth and the reduction of poverty in the region.²
- 1.6 Further work regarding women's economic development in agriculture was addressed in the JSCFADT Sub-Committee on Human Rights report *Empowering Women and Girls* (December 2015) which recommended, among other things, that the Australian Government should promote 'gender centric approaches to women's economic empowerment in key sectors, for example, the agriculture sector'.³

Focus of the first report

- 1.7 Early in the inquiry, it became clear to the Sub-Committee that nutrition issues, particularly as they arise in Australia's Indo-Pacific neighbours, warranted special focus. A number of the inquiry's witnesses highlighted the importance of tackling a range of key nutrition and related health problems in the region, many of which either show no signs of improvement or are worsening. Their evidence suggested that these issues collectively reflect a significant threat not only to the region's agricultural productivity and food security, but indeed to its long-term human and economic development.
- 1.8 The inquiry found that this situation is especially worrying in the Pacific region. Despite steady reductions in the prevalence of undernutrition in most of Asia over the past two decades, there have been almost no improvements in the Pacific region since 1990.⁴ For example, rates of stunted growth in children among some of our Pacific neighbours remain

2 Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT), *Partnering for the Greater Good: the Role of the Private Sector in Promoting Economic Growth and Reducing Poverty in the Indo-Pacific Region*, Canberra, June 2015.

3 Recommendation 26, in JSCFADT, *Empowering Women and Girls: the Human Rights Issues Confronting Women and Girls in the Indo-Pacific Region*, Canberra, December 2015, p. 278.

4 M Toole, 'Stunted Growth and Obesity: the Double Burden of Poor Nutrition on Our Doorstep', *The Conversation*, 24 March 2016, <theconversation.com/stunted-growth-and-obesity-the-double-burden-of-poor-nutrition-on-our-doorstep-50385> viewed 4 April 2016.

very high, including Timor-Leste (60 per cent),⁵ Papua New Guinea (44 per cent), Kiribati (33 per cent) and Vanuatu (26 per cent).⁶

- 1.9 At the same time, significant undernutrition co-exists with serious overnutrition across the region.⁷ Globally, of the top ten countries with the highest rates of overweight and obese adults, nine are Pacific island nations.⁸ This is widely referred to as the ‘double-burden’ of malnutrition. In the Solomon Islands, for example, 33 per cent of children are stunted, while 39 per cent of women are obese. There are also clear longer term linkages between undernutrition and overnutrition: undernourished children are vulnerable to obesity and related non-communicable diseases (NCDs), such as diabetes and cardiovascular disease, later in life.⁹
- 1.10 For a number of Australia’s Pacific neighbours, the health and economic consequences of malnutrition – encompassing both undernutrition and overnutrition – are seriously detrimental for individuals, households, and societies. The societal costs of malnutrition and related NCDs include high costs to the health system, loss of productivity, and a reduced gross domestic product (GDP) due to absenteeism, chronic illness, disability, and premature death.¹⁰
- 1.11 The causes of malnutrition in the region vary widely. The prevalence of undernutrition in some countries is linked to immediate causes such as inadequate food intake and infectious diseases, as well as underlying causes such as lack of access to safe water, sanitation and basic hygiene practices, low food availability and limited dietary diversity, low agricultural productivity and low status of women who are also the main workers in agriculture.¹¹ The rising prevalence of overnutrition has been associated with increased access to cheap, low-quality food imports and the ‘westernisation’ of food consumption patterns.¹² Access to remittance payments relieves some of the need to grow their own food. More broadly, nutrition security in the Pacific region is being challenged by rapid population growth and urbanisation, increased advertising of high

5 *Exhibit 10: R Alders, ‘Feeding the world: addressing gender divides could help reduce malnutrition,’ The Conversation, September 25, 2013.*

6 Department of Foreign Affairs and Trade (DFAT), *Submission 12*, p. 34.

7 DFAT, *Submission 12*, p. 33.

8 M Toole, ‘Stunted Growth and Obesity’, *The Conversation*, 24 March 2016, viewed 4 April 2016.

9 DFAT, *Submission 12*, p. 33.

10 DFAT, *Submission 12*, p. 33.

11 M Toole, ‘Stunted Growth and Obesity’, *The Conversation*, 24 March 2016, viewed 4 April 2016.

12 Food and Agriculture Organization (FAO), *The State of Food Insecurity in the World: Meeting the 2015 International Hunger Targets: Taking Stock of Uneven Progress*, Rome, 2015, p. 25.

salt-high fat-low cost food, shortages of arable land and dwindling coastal fisheries resources.¹³

- 1.12 International studies suggest that malnutrition poses a major constraint to economic growth and hinders progress in alleviating poverty.¹⁴ For instance, the Food and Agriculture Organisation has estimated that the economic costs associated with malnutrition account for as much as 5 per cent of global GDP.¹⁵ Given the limited availability of reliable health and nutrition data in the region, it is difficult to estimate the economic costs of malnutrition for the Pacific Island countries. However, the cost of undernutrition alone in Africa and Asia has been estimated to be 11 per cent of GDP per year.¹⁶ It is therefore reasonable to assume there are similar costs for countries in the Pacific region, not to mention the substantial additional costs associated with overnutrition.
- 1.13 The Sub-Committee's view is that Australian action, particularly through the work of our aid program, is vital to addressing this looming crisis. Aid investments that tackle nutrition issues promote Australia's long-term national interests by contributing directly to sustainable economic growth and poverty reduction among our closest regional neighbours. Moreover, nutrition-related aid investments are considered to be among the most cost-effective interventions in the field of development.¹⁷
- 1.14 This first report will therefore focus on the ongoing nutrition and health challenge in the Indo-Pacific region, the extent to which Australia's existing aid investments are supporting Pacific Island countries' efforts to combat this challenge, and how to best prioritise and deliver future aid resources in this critical area.

Inquiry evidence and stakeholder engagement

- 1.15 On 30 September 2015, the Sub-Committee invited relevant stakeholders – groups and individuals – to make submissions to the inquiry. The Committee received over 50 submissions and 30 exhibits from governments of other countries, government departments, businesses, academics, business councils and representative bodies, non-government organisations, and individuals within Australia and globally. Submissions

13 DFAT, *Submission 12*, pp. 33–35.

14 FAO, *The State of Food Insecurity in the World: Meeting the 2015 International Hunger Targets: Taking Stock of Uneven Progress*, Rome, 2015, p. 27.

15 FAO, *The State of Food and Agriculture 2013: Food Systems for Better Nutrition*, Rome, 2013, p. ix.

16 International Food Policy Research Institute (IFPRI), *Global Nutrition Report 2014*, 2014, p. 8.

17 IFPRI, *2013 Global Food Policy Report*, 2014, p. 81.

are listed in Appendix A and documents received as exhibits during the inquiry are listed at Appendix B.

- 1.16 During February and March 2016, the Committee took evidence from 16 diverse organisations and individuals at six public hearings held in Canberra and Sydney. Details of witnesses who gave evidence can be found at Appendix C. Answers provided by witnesses to questions on notice are listed at Appendix D.
- 1.17 Copies of submissions and transcripts of public hearings are available on the inquiry's page on the JSCFADT's website.¹⁸
- 1.18 Given that many of the submissions and other primary evidence gathered during the course of the inquiry address the inquiry's full terms of reference, and therefore do not cover nutrition issues in detail, it was not possible for the Sub-Committee to draw almost exclusively on this material in preparing this first report. Consequently, where necessary, other secondary sources of evidence were used, including research from internationally recognised experts in relevant fields such as nutrition, health, agricultural productivity and food security, and gender equality and women's economic empowerment. In an effort to shine a spotlight on the Pacific experience of malnutrition, media reports which provided local perspectives were also drawn upon. While more time would have afforded a more in depth investigation of these issues, the Sub-Committee took the view that the urgency and magnitude of problems in the Pacific justified a first report within the life of the current parliament.
- 1.19 The Sub-Committee wishes to thank all those who provided written submissions and gave evidence to the Sub-Committee, as well as to extend a special thanks to governments from other countries and international organisations for making submissions to the inquiry, including:
- Canada (Global Affairs Canada – *Submission 38*);
 - New Zealand (Ministry of Foreign Affairs and Trade – *Submission 29*);
 - The Netherlands (Ministry of Foreign Affairs – *Submission 30*); and
 - World Bank Group (*Submission 20*).

18 Available at <www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/Development-Agriculture> viewed 5 April 2015.

Structure of the first report

- 1.20 The main purpose of this first report is to highlight the double burden of malnutrition that is being experienced by our Pacific neighbours.
- 1.21 The report provides an overview of the broader global nutrition context, including current international efforts to address nutrition issues, global nutrition targets, and Australia's own aid policy settings and investments in this area.
- 1.22 The report also examines the nexus between agriculture, women's status and good nutrition. Specifically, it assesses how both agricultural development and gender interventions, by themselves, and in combination can contribute to improved nutrition outcomes.
- 1.23 Based on the evidence, the report considers possible future directions for the Australian aid program's work on nutrition, including where Australia (together with its development partners) is best placed to assist. This includes an examination of how the use of innovation can potentially play a key role in supporting enhanced nutrition outcomes in the region.
- 1.24 The report comprises five chapters. The remaining chapters include:
- Chapter 2 – background on the broader global nutrition context and Australia's nutrition aid policy settings and investments;
 - Chapter 3 – the status and causes of malnutrition in the Indo-Pacific region;
 - Chapter 4 – the nexus between agriculture, women and nutrition; and
 - Chapter 5 – future directions for regional nutrition security.