

Chapter 1

1.1 This report outlines the activities, observations and conclusions arising from the Australian Senate Standing Committee on Foreign Affairs, Defence and Trade References Committee exchange visit to Vanuatu and New Zealand between 30 April and 9 May 2014.

Annual Parliamentary Committee Exchange Program

1.2 The Australian and New Zealand national parliaments have for a number of years operated an annual parliamentary committee exchange program. The purpose is to enable Australian and New Zealand parliamentarians working on committees to explore issues of common interest that are the subject of consideration by their committees.

1.3 Each year one New Zealand parliamentary committee visits Australia and one Australian parliamentary committee visits New Zealand. As the Australian parliament has Senate, House of Representatives and joint committees (with joint committees comprising senators and members of the House of Representatives), the Australian parliament conducts the exchange program on a rotation basis over a three year period, with a Senate committee selected one year, a House committee the second year and a joint committee the third year.

1.4 Each visit is focused on the particular subject field of the committee selected for the visit. Meetings, roundtables and inspections are arranged that allow the committee members to exchange views and information with their parliamentary counterparts as well as public servants, senior private enterprise personnel, academics and experts working in the subject field of the committee.

1.5 For Australia, each year the Presiding Officers call for nominations from committees to participate in the program, with committees required to outline the reasons they wish to be considered in that particular year. The Presiding Officers select the committee they consider has put forward the most compelling reasons for undertaking the visit.

1.6 In 2014, the committee visit to New Zealand was adjusted to include a visit to one other Pacific region country. Another annual committee visit, the parliamentary committee visit to the Asia-Pacific, was adjusted at the same time to simply become a parliamentary committee visit to Asia.

1.7 The Senate Foreign Affairs, Defence and Trade References Committee was selected by the Presiding Officers to participate in the 2014 committee exchange program. The committee nominated Vanuatu as the Pacific country of its choice. The committee's proposal is included at Appendix 2.

The committee's work on Australia's development assistance

1.8 The committee's visit to Vanuatu and New Zealand was timely in light of the its inquiry into Australia's overseas development assistance (ODA) program, which was tabled in March 2014. The inquiry's terms of reference focused on the broad policy settings for the delivery of Australia's overseas aid including its international development priorities, and the integration of AusAID into the Department of Foreign Affairs and Trade (DFAT), including the freeze in international development assistance funding.

1.9 A number of aspects of the inquiry report are relevant to the committee's visit to Vanuatu and New Zealand. The report noted that:

- more than 80 per cent of Australia's ODA is directed to its nearest neighbours in the Asia Pacific region (Indonesia and Papua New Guinea are the two largest beneficiaries of Australian support);
- the allocation of development priorities in the Australian aid program for 2013-14 was education (22 per cent); economic development (20 per cent); health (19 per cent); humanitarian (16 per cent); governance (16 per cent); and general development support (7 per cent);
- Australian aid should be allocated to the most effective mechanism for delivery, including non-government organisations, private sector contractors, bilateral agreements, and multilateral organisations; and
- while integrating AusAid into DFAT has created opportunities to improve Australia's aid program, there are also risks associated with the merger including that DFAT may lose key skills, procedures and specialist staff needed to effectively administer Australia's aid program.

Aims and objectives of the visit

1.10 The main objective of the visit was for the committee to investigate three key issues within the committee's portfolio responsibility: defence partnerships, tourism and overseas aid. The committee was particularly interested in exploring:

- the priorities, effectiveness and delivery of Australian aid to Vanuatu;
- Australia's contribution to Vanuatu's tourism sector and infrastructure projects;
- reforms to New Zealand's aid program that parallel recent developments in Australia, including the reintegration of aid into the Ministry of Foreign Affairs and Trade in 2009;
- New Zealand's tourism sector and its contribution to the national economy, focusing on Queenstown as a national and international tourism hotspot;
- the reconstruction of Christchurch following the devastating 2010 and 2011 earthquakes including the city's economic and tourism prospects; and

-
- Australia's defence and security cooperation with Vanuatu and New Zealand, and the current and emerging security environment in the Asia Pacific region.

Acknowledgments

1.11 Many people assisted the committee's visit to Vanuatu and New Zealand. The committee expresses its appreciation to all those involved in making the visit a success. In particular, the committee would like to thank:

- the International and Community Relations Office (ICRO) which facilitated the committee's travel arrangements and development of the official visit programs;
- officers from the Department of Foreign Affairs and Trade and the Department of Defence who briefed the committee before and after the official visit;
- officers who met with the committee from the Australian High Commission in Vanuatu and New Zealand, and particularly Ms Tanya Parkin, Deputy High Commissioner and staff (Australian High Commission, Vanuatu) and Mr Remo Moretta, Deputy High Commissioner (Australian High Commission, New Zealand); and
- Ms Liz Kitto, Department of Internal Affairs (New Zealand), and Mr Darryl Stevens, Office of the Clerk of the House of Representatives (New Zealand) for facilitating all aspects of the New Zealand program.

1.12 The committee also records its appreciation to all of the people who took the time to discuss their work and for their hospitality and courtesy extended to the committee during its visit to Vanuatu and New Zealand. In particular, the committee would like to thank the Hon Philip Boedoro, Speaker of Parliament, Parliament of Vanuatu; the Hon Moana Carcasses Katokai Kalosil, former Prime Minister of Vanuatu and Leader of Opposition; and the Hon David Carter, Speaker of the House of Representatives, Parliament of New Zealand.

Structure of the report

1.13 This report consists of two main chapters. Chapter 2 provides a brief introduction to Vanuatu followed by an outline of key issues canvassed by the committee during its two-day program.

1.14 Chapter 3 provides a brief introduction to New Zealand followed by an outline of key issues canvassed by the committee during its five-day program.

1.15 The committee's official program for Vanuatu and New Zealand and the successful delegation proposal are included in the appendices.

