

Appendix 2



THE SENATE

STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

20 February 2014

Senator the Hon John Hogg
President of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

The Hon Bronwyn Bishop MP
Speaker of the House of Representatives
PO Box 6022
Parliament House
CANBERRA ACT 2600

(through Mr Brien Hallett, Clerk Assistant, Committees)

Dear Mr President and Madam Speaker

Parliamentary committee visit to New Zealand and the Pacific region

We write to nominate the Senate Foreign Affairs, Defence and Trade References Committee for participation in the 2014 committee exchange visit to New Zealand and the South Pacific. The committee proposes to visit New Zealand and the Republic of Vanuatu to investigate three key areas within the committee's portfolio responsibility—defence partnerships, tourism and overseas aid.

Defence partnerships

An important area of shared interest between Australia and New Zealand is strengthening military-civilian cooperation among nations and organisations with a common interest in maintaining a stable and secure Pacific. New Zealand has long ranked Australia as its key strategic partner and both countries share common interests in maintaining peace and security in the Pacific region and providing military and humanitarian assistance to Pacific neighbours.

Both Australia and New Zealand are long-standing participants in the annual US-sponsored Pacific Partnerships program which delivers humanitarian and civic assistance to partner and host nations in the Asia-Pacific region. The program was conceived in 2004 following the Indian Ocean earthquake and tsunami as a way to improve cooperation between the region's military forces, governments, and humanitarian organisations during disaster relief operations. It is widely recognised as the largest disaster-response preparedness mission in the Indo-Asia-Pacific region.



THE SENATE

STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

The 2013 program involved Australia, New Zealand, the United States, Japan, Canada, France and Malaysia. Its focus was to establish opportunities for multinational crisis response capabilities supporting humanitarian and civic actions. Specifically, the program delivered medical, dental and veterinary assistance and explosives disposal and engineering aid to Papua New Guinea, Samoa, Tonga, the Marshall Islands, Kiribati and the Solomon Islands.

The proposed visit to New Zealand would enable the committee to explore ways of strengthening Australia's military and civilian ties with New Zealand and other regional neighbours, including Vanuatu. The committee would also have an opportunity to examine how future participation in the US-sponsored Pacific Partnerships program can support the provision of development assistance in the Pacific region, lift the effectiveness of aid programs and contribute to the achievement of the Millennium Development Goals in the Pacific.

Tourism

Following the machinery of government changes in 2013, the committee is now responsible for the portfolio area of 'tourism industry'. Australians form a large part of the New Zealand tourist market (1.2 million of 2.7 million total overseas visitors in 2013). Similarly 1.2 million New Zealand visitors came to Australia in 2012 (generating \$2.3 billion in total expenditure). The Australian tourism industry has faced a number of recent challenges in relation to currency movements and promoting Australia as a tourist destination. The effect of government regulation in relation to tourism has also been highlighted in public debate, in particular working holiday visas and the appropriate level of the passenger movement charge.

The committee will have the opportunity to investigate a number of aspects of the tourism industry in New Zealand, which is recognised as a vital component of the economy. These include:

- the funding, governance and activities of Tourism New Zealand;
- the development and outcomes of the 'New Zealand Tourism Strategy 2015';
- government support for tourism operators in New Zealand;
- New Zealand's approach to international marketing (particularly to emerging Asia markets); and
- the regulatory approach to tourism in New Zealand (fees, charges and visas).

Tourism also forms a significant part of the economy of Vanuatu, with the majority of tourists coming from Australia. A component of Australian aid to Vanuatu has included



THE SENATE

STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

support which has assisted Vanuatu to lift its tourist visitor numbers from 238,000 in 2010 to 327,000 in 2012. Australia has recently announced a \$37 million roads upgrade project in Vanuatu to take advantage of the increasing number of overseas visitors.

The proposed visit to Vanuatu would enable the committee to review the Australian contribution to Vanuatu's tourism and road infrastructure. Specifically, the committee would have an opportunity to explore how the Australian aid program and expertise can further support the development of tourist markets in developing Asia Pacific nations and promote private enterprise and job creation.

Overseas aid

Australia and New Zealand have a large number of shared interests in relation to the provision of development assistance in the Pacific region. This situation is illustrated by the 'Australia-New Zealand Partnership for Development Cooperation in the Pacific' endorsed in 2009. The Partnership pledges efforts by Australia and New Zealand to integrate development assistance activities in order to lift the effectiveness of aid programs and make improved progress towards the achievement of the Millennium Development Goals (MDGs) in the Pacific.

Reforms to New Zealand's aid policy have many parallels with Australia. Previously a semi-autonomous body, the New Zealand International Aid and Development Agency was reintegrated back into the Ministry of Foreign Affairs and Trade (as the International Development Group) following a restructure in 2009. This reflects the current process of reintegration of the Australian Agency for International Development into the Department of Foreign Affairs and Trade.

Participation in the proposed visit will enable the committee to benefit from insights and lessons learned in relation to bringing a national aid agency 'in-house' to a mainstream diplomatic department. In particular, the proposed visit will allow the committee to investigate how New Zealand balances and complements its aid and development priorities with diplomatic, security and trade objectives. In this context, the committee will have an opportunity to discuss the findings and recommendations of its current inquiry into Australia's overseas aid and development program (due to report on 20 March 2014).

The proposed visit will also allow the committee to examine a range of issues of interest, including:

- parliamentary oversight of overseas aid funding in New Zealand;
- mechanisms in New Zealand to ensure and maintain the effectiveness of aid;



THE SENATE

STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

- New Zealand's development collaboration with China in the Cook Islands (the first time China has partnered with a developed country to deliver aid); and
- Australia–New Zealand aid priorities in the context of the Millennium Development Goals and the current consideration of the post-2015 development agenda at the United Nations.

Both Australia and New Zealand have provided development assistance to Vanuatu as part of their respective Pacific aid programs. Australia is the largest donor of overseas aid to Vanuatu and in 2012-13 provided \$61.4 million in official development assistance. A number of Australian charitable aid organisations, including Care Australia, also operate in Vanuatu. This aid has contributed to Vanuatu meeting a number of the MDGs early and to be 'on track' to meet others by the 2015 deadline. However, progress reports have indicated Vanuatu is still 'off track' to meet some MDG targets including in relation to employment, underweight children, access to reproductive health services and slum dwelling.

In May 2009, Australia and Vanuatu agreed on a new 'Partnership for Development' to reduce poverty and achieve the MDGs. The Partnership guides Australia's aid to Vanuatu and focuses on the priority areas of education, health, infrastructure, economic governance and law and justice. It also provides support for land management and for civil society organisations.

A visit to Vanuatu will enable the committee to examine the deployment of Australian aid and receive feedback from the people of Vanuatu and aid organisations on aid priorities, effectiveness and delivery. The committee will also have an invaluable opportunity to meet with authorities in Vanuatu to discuss Australia's aid program and the post-2015 development agenda in the Pacific region.

Summary

The proposed visit to New Zealand and Vanuatu provides an opportunity for the committee to enhance regional cooperation on military-civilian partnerships, tourism and foreign aid related issues. Furthermore, the visits will enable the committee to see Australian regional aid outcomes first-hand and to further strengthen Australian parliamentary ties with the Republic of Vanuatu.

Please do not hesitate to contact us if you require further information about this proposal. Thank you for the opportunity to nominate.



THE SENATE

STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Yours sincerely

Senator the Hon Ursula Stephens
Chair

Senator Alan Eggleston
Deputy Chair

