

ENVIRONMENTAL SCAN

2016



**Australian
Aid** 

APTC 
AUSTRALIA-PACIFIC
TECHNICAL COLLEGE
CREATING SKILLS FOR LIFE

APTC

**ENVIRONMENTAL
SCAN 2016**

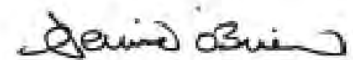
KEY MESSAGE

It is with great pleasure that I present the Australia-Pacific Technical College (APTC) Environmental Scan (e-Scan) 2016. The APTC e-Scan captures relevant global, regional and industry intelligence about existing and emerging trends that influence Technical, Vocational Education and Training (TVET) in the Pacific region. Operating in a developing region dominated by complexities and challenges, APTC provides leadership in the Pacific TVET sector through continued flexibility and responsiveness to the changing needs for skills development. Key objectives of this fourth APTC e-Scan are to create a resource that captures factors shaping our future and signals lead indicators about the new, the unexpected, the major and the minor issues that impact on the business of APTC in its delivery of high quality TVET programs and services.

A skilled, qualified and flexible workforce is critical to the Pacific Islands becoming more self-reliant, and to increasing and strengthening productivity and economic growth. APTC continues to drive workforce development in the region through the delivery of Australian standard qualifications. I am proud to announce that since 2007, APTC has graduated over 9,500 students in 33 qualifications, across the 14 Pacific Forum Island Countries (FICs).

Achieving an Australian vocational qualification not only creates skills for life, it also opens up the potential for Pacific Island men and women to work internationally. These opportunities may greatly increase the benefits to workers, their households and communities.

The work of APTC in the Pacific region is made possible by aid from the Australian government and collaboration with Pacific Island governments, employers, industry bodies and our educational partners in the Pacific region.



Denise O'Brien
Chief Executive Officer
Australia-Pacific Technical College

APTC e-SCAN 2016

The APTC e-Scan 2016 explores available information that has been systematically collected and analysed to inform strategic decision-making on training for skills development in the Pacific region.

This is the fourth APTC e-Scan undertaken to provide Pacific region intelligence. The ongoing success of APTC in the Pacific relies on the capacity for flexibility and responsiveness to changing realities in the Pacific region. It is critical that APTC has up-to-date global, regional and industry intelligence to assist in analysing the Pacific's workforce development needs. The APTC e-Scan in combination with the APTC Country Profiles and Skills Development Plans provides the evidence base for the development of the demand-driven APTC Training Profile.

APTC is a centre of training excellence, assisting the people of the Pacific Islands to gain Australian-standard skills and qualifications for a wide range of vocational skills in careers where skilled employees are in high demand. In addition, APTC works collaboratively with Pacific Island governments, employers, industry bodies and TVET partners in the Pacific region.

APTC e-SCAN 2016 METHODOLOGY

The APTC e-Scan 2015 formed the basis for 2016 APTC e-Scan with content being reviewed for its currency and relevance. As part of this process websites, in particular Australian government and key global and regional websites, were scanned for updated information and for emerging issues relevant to APTC's activities in the Pacific region. The following were key sources accessed for this report:

- The Australian Department of Foreign Affairs and Trade (DFAT);
- The Australian Bureau of Statistics;
- Reserve Bank of Australia (RBA);
- Pacific Islands Forum Secretariat (PIFS);
- The United Nations (UN);
- DevPolicy - The Development Policy Centre;
- Lowy Institute for International Policy;
- Asian Development Bank (ADB); and
- World Bank Group (WBG).

Regional outlooks and updates, media reports and credible websites were also accessed for relevant information to inform the 2016 APTC e-Scan.

APTC STRATEGIC DIRECTIONS

The 2016 APTC e-Scan has captured external and internal trends that impact and shape the Pacific region. Input from our key stakeholders and regional influencers is critical to the planning, forecasting and development of APTC's business strategy and training plans for workforce skills development across the Pacific region.

APTC's business strategy, monitoring and evaluation and action plans together with key stakeholders and partnerships form the APTC Environment Framework to deliver the APTC end-of-program outcomes:

Relevance	APTC provides skills relevant to labour market requirements in targeted sectors;
Quality	APTC has a good reputation in the Pacific as a high quality provider of VET;
Sustainability	APTC supports TVET partners to improve and sustain systems and training delivery;
Employment	APTC graduates achieve improved employment and contribute to workplace productivity; and
Migration	Qualified Pacific Islanders realise opportunities in developed countries. Program is not accountable for this outcome.



Figure 1 - APTC Environment Framework

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GLOSSARY

ACFID	Australian Council for International Development	e-SCAN	Environmental Scan
ACP	African, Caribbean and Pacific Group of States (EU)	ESSP	Education Sector Support Program
ADB	Asian Development Bank	EU	European Union
ADRAS	Australian Development Research Awards Scheme	FFA	Forum Fisheries Agency
AIT	Aid for Trade	FIC*	Forum Island Country
ANCP	Australian NGO Co-operation Program	FLNKS	Front de Libération Nationale Kanak et Socialiste
ANZSCO	Australian and New Zealand Standard Classification of Occupations	FOC	Forum Officials' Committee
APEC	Asia-Pacific Economic Co-operation	FSM	Federated States of Micronesia
APTC	Australia-Pacific Technical College	FY	Financial Year (for example FY2016 is the financial year 2015-2016)
AQEP	Access to Quality Education Program	GCF	Green Climate Fund
ASEAN	Association of Southeast Asian Nations	GDP	Gross Domestic Product
COFA	Compact of Free Association	GFE	Global Environment Facility
CROP	Council of Regional Organisations in the Pacific	GNI	Gross National Income
CSS	Corporate and Student Services	GoF	Government of Fiji
DAC	Development Assistance Committee	GPE	Global Partnership for Education
DAP	Direct Aid Program	GPFD	Government Partnerships for Development
DFAT	Department of Foreign Affairs and Trade (Australia)	GPOBA	Global Partnership on Output-Based Aid
DFID	Department for International Development (United Kingdom)	IDA	International Disability Alliance
DPOs	Disabled People's Organisations	IFC	International Finance Corporation
EC	European Commission	IFFIm	International Finance Facility for Immunisation mechanism
EDF	European Development Fund	ILO	International Labour Organisation
EEZ	Exclusive Economic Zone	ITC	International Trade Centre
EIB	European Investment Bank	JICA	Japanese International Co-operation Agency
		LNG	Liquefied Natural Gas
		MDG	Millennium Development Goals
		MOU	Memorandum of Understanding

MP	Member of Parliament	PRIF	Pacific Regional Infrastructure Facility	UN	United Nations
MSG	Melanesian Spearhead Group	PRIP	Pacific Regional (Pacific RIP) Indicative Program	UNCDF	United Nations Capital Development Fund
MSGTA	MSG Trade Agreement	PRQS	Pacific Register for Qualifications and Standards	UNDP	United Nations Development Program
NCC	Non-Campus Country	PSDI	Private Sector Development Initiative	UNICEF	United Nations Children's Fund
NCD	Non-Communicable Disease	PT&I	Pacific Islands Trade and Invest	UNPRPD	United Nations Partnership to Promote the Rights of Persons with Disabilities
NGO	Non-Government Organisation	PTVETF	Pacific Framework for TVET (Technical and Vocational Education and Training)	USAID	United States Aid
OBA	Output-Based aid	RAMSI	Regional Assistance Mission to Solomon Islands	USP	University of the South Pacific
ODA	Official Development Assistance	RBA	Reserve Bank of Australia	VET	Vocational Education and Training
OECD	Organisation for Economic Co-operation and Development	REAP2	Rights, Education and Protection (2nd phase)	WASH	Water, Sanitation, and Hygiene
OFDA	Office of United States Foreign Disaster Assistance	RMI	Republic of the Marshall Islands	WBG	World Bank Group
OGDs	Other Government Departments	RPC	Regional Processing Centre	WIPO	World Intellectual Property Organisation
PACER	Pacific Agreement on Closer Economic Relations	RSE	Recognised Seasonal Employer (New Zealand)	WTO	World Trade Organisation
Pacific Women	Pacific Women Shaping Pacific Development	SAMOA Pathway	SIDS Accelerated Modalities of Action		
PALM7	7th meeting with Pacific Islands Leaders	SDG	Sustainable Development Goal		
PDF	Pacific Disability Forum	SIDS	Small Island Developing States		
PFIP	Pacific Financial Inclusion Program	SOL	Skilled Occupations List		
PHAMA	Pacific Horticulture and Agricultural Market Access program	SPC	The Pacific Community		
PIC**	Pacific Island Country	SPREP	Secretariat of the Pacific Regional Environment Program		
PICTA	Pacific Island Countries Trade Agreement	SWP	Seasonal Worker Program (Australia)		
PIDF	Pacific Islands Development Forum	TB	Tuberculosis		
PIDP	Pacific Islands Development Program	TC	Tropical Cyclone		
PIFS	Pacific Island Forum Secretariat	TVET	Technical and Vocational Education and Training		
PIPSO	Pacific Islands Private Sector Organisation	TWGN	Technical Working Group Negotiations (Melanesian Spearhead Group)		
PNG	Papua New Guinea				

Note:

*Forum Island Countries (FICs) includes Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.¹

**Pacific Island Countries (PICs) comprise 25 nations and territories and have been traditionally grouped along racial and cultural lines as Melanesia, Micronesia and Polynesia. The Melanesian Islands include Papua New Guinea, New Caledonia, Torres Strait Islands, Vanuatu, Fiji and Solomon Islands. The Micronesian Islands include the Marianas, Guam, Wake Island, Palau, the Marshall Islands, Kiribati, Nauru and the Federated States of Micronesia. The Polynesian Islands include New Zealand, Hawaiian Islands, Rotuma, Midway Islands, Samoa, American Samoa, Tonga, Tuvalu, the Cook Islands, French Polynesia and Easter Island.²

1 <http://www.iccnw.org/?mod=pacificislandforum>

2 <http://www.unisa.edu.au/Documents/EASS/HRI/gender-budgets/pic.pdf>

GLOBAL AID CONTEXT

SECTION 1

Aid in the form of resources (capital, goods) or services (technical advice, training) has traditionally been provided by donor countries and international aid organisations to improve the infrastructure, health, education, wellbeing and self-reliance of the recipient country and/or its population.³ The most common form of aid has been official development assistance (ODA) such as bilateral grants or loans to promote development and to combat poverty.

THE CHANGING DEVELOPMENT LANDSCAPE

The world has changed and traditional approaches to aid are no longer effective as aid alone is not a panacea for poverty. Aid programs are transforming as the most effective and proven way to reduce poverty is to promote sustainable economic growth.⁴ To be effective in this new context, aid must be more innovative and catalytic, leveraging other drivers for development such as private sector investment and domestic finance. Aid partners are recasting their aid programs in light of this new development paradigm.⁵

The aid landscape is also witnessing the impact of philanthrocapitalism⁶ and social investment, where

philanthropists are “strategic change makers” for social purpose rather than simply “resource providers” for good causes.⁷ The Bill and Melinda Gates Foundation, Robin Hood Foundation and the Children’s Investment Fund Foundation are increasingly harnessing the power of the market to make philanthropy more efficient and achieve better results.⁸

ECONOMIC SHIFTS

Research shows that the global poverty ‘problem’ is changing with 72% of the world’s poor now living in middle-income countries. This is a dramatic change from just over two decades ago, when 93% of poor people lived in low-income countries.⁹ Two-thirds of Australia’s development partners in the Indo-Pacific region have achieved middle-income status. Rapid economic expansion has lifted national incomes in emerging economies, however not all citizens have shared in the growth.

Globally, the economic transformations underway are having far-reaching implications. Aid flows into many developing countries are now dwarfed by foreign direct investment, equity flows and remittances. Middle-income countries have significant and growing domestic resources

to finance their own development.¹⁰ As a result, donors need to adapt to changing contexts and rethink their aid objectives, allocations and instruments to meet the new geography of global poverty.¹¹

Countries that were once themselves recipients of aid, for example Japan and China, are now major aid players in the Pacific region. Japan is now the second largest aid donor in the world and over the past 30 years, it has provided over US\$200 billion to development as part of its official assistance program.¹² China's aid program is also growing. In 2013 the Chinese government provided an annual figure of RMB 40 billion or US\$6.4 billion for its global aid budget.¹³

POVERTY AND THE PACIFIC REGION

Despite the region's many successes, the Asia-Pacific region remains home to approximately two-thirds of the world's poor.¹⁴ In the Pacific region, approximately 2.7 million people, or one-third of the Pacific population, do not have the income or subsistence production to meet their basic human needs. Poor child and maternal health care, contaminated water, poor sanitation and a lack of education about nutrition are significant issues.¹⁵

Previously, poverty in Oceania was mitigated by social safety nets within rural villages however traditional systems are breaking down. High rates of migration, as people migrate to other countries or to major towns within their own country, are leading to increased poverty among the less productive (older and younger) populations left behind in rural areas and outer islands.¹⁶

The Millennium Development Goals (MDGs) were a powerful tool for rallying global support around common objectives including poverty reduction.¹⁷ Section 1 of the APTC e-Scan 2016 examines aid in this changing global and regional context by reviewing the MDGs and their replacement in 2015, with the Sustainable Development Goals (SDGs).¹⁸

- 3 Encyclopedia Britannica International Aid <http://www.britannica.com/EBchecked/topic/213344/foreign-aid>; <http://dfat.gov.au/aid/Pages/australias-aid-program.asp>
- 4 http://foreignminister.gov.au/releases/Pages/2014/jb_mr_140618.aspx
- 5 <http://dfat.gov.au/aid/Pages/australias-aid-program.asp>
- 6 Philanthrocapitalism: Venture philanthropy, concepts and techniques from venture capital finance and business management applied to achieving philanthropic goals with "investors" requiring "social returns"
- 7 <http://www.smartcompany.com.au/growth/innovation/38421-philanthrocapitalism-the-new-face-of-giving.html>
- 8 <http://www.hinnovic.org/philanthrocapitalism-gates-foundation-global-health-with-linsey-mcgoey/>
- 9 <http://www.ids.ac.uk/project/the-new-bottom-billion>
- 10 The changing development landscape (pdf) Chapter 2 on <http://www.aph.gov.au> website. http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/Indo-Pacific_Economic_Growth/Report
- 11 <http://www.cgdev.org/publication/where-will-worlds-poor-live-update-global-poverty-and-new-bottom-billion-working-paper>
- 12 http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EAS_TASIPACIFICEXT/JAPANEXTN/0,,contentMDK:20647244~menuPK:1685924~pagePK:1497618~piPK:217854~theSitePK:273812,00.html
- 13 <http://www.lowyinstitute.org/issues/chinese-foreign-aid>
- 14 <http://www.adb.org/sites/default/files/publication/30414/asia-pacific-regional-mdgs-report.pdf>
- 15 <https://www.oxfam.org/nz/what-we-do/issues/millennium-development-goals/killer-facts-pacific-poverty>
- 16 <http://www.ruralpovertyportal.org/region/home/tags/oceania>
- 17 <http://www.adb.org/features/redefining-poverty-asia-and-pacific-adbs-take>
- 18 <http://www.ids.ac.uk/idsresearch/sustainable-development-goals>

MILLENNIUM DEVELOPMENT GOALS



The MDGs were eight international development goals, established in 2000 after the adoption of the UN Millennium Declaration and concluded in 2015. The MDGs have been declared the most successful global anti-poverty push in history.¹⁹

Results include:

- Since 1990, the number of people living in extreme poverty has declined by more than half. That is, the number of people living on less than US\$1.25 a day has been reduced from 1.9 billion in 1990 to 836 million in 2015;²⁰
- The proportion of undernourished people in the developing regions has fallen by almost half;



Figure 2 – MDGs outcomes for FICs²²

- The primary school enrolment rate in developing regions has reached 91% and many more girls are now in school compared to 15 years ago;
- Gains have been made in the fight against HIV/AIDS, malaria and tuberculosis (TB);
- The under five years mortality rate has declined by more than half and maternal mortality is down 45% worldwide; and
- The target of halving the proportion of people who lack access to improved sources of water was also met.

However, the Pacific Island Countries (PICs) recorded mixed outcomes with only two countries achieving all the MDGs (Cook Islands and Niue), three countries achieving at least half of the MDGs (Fiji, Palau and Tonga), while the remaining countries achieved less than half of their goals, and three countries did not fully achieve any of the MDGs (Kiribati, Papua New Guinea (PNG) and Solomon Islands).²¹

Overall, the MDGs have been successful in focusing attention and mobilising resources to address the major gaps in human development.²³ Yet the job is unfinished in bringing an end to hunger, achieving full gender equality, improving health services and getting every child into school.²⁴



19 <http://www.un.org/millenniumgoals/mdgmomentum.shtml>
 20 <http://www.theguardian.com/global-development/datablog/2015/jul/06/what-millennium-development-goals-achieved-mdgs>
 21 <http://www.forumsec.org/resources/uploads/embeds/file/2015%20Pacific%20Regional%20MDGs%20Tracking%20Report.pdf>
 22 <http://www.forumsec.org/resources/uploads/embeds/file/2015%20Pacific%20Regional%20MDGs%20Tracking%20Report.pdf>
 23 <https://sustainabledevelopment.un.org/index.php?page=view&type=400&nr=775&menu=1515>
 24 http://www.undp.org/content/undp/en/home/sdgoverview/mdg_goals.html

SUSTAINABLE DEVELOPMENT GOALS

TRANSFORMING OUR WORLD: THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

“All countries and all stakeholders, acting in collaborative partnership, will implement this plan. We are resolved to free the human race from the tyranny of poverty and want and to heal and secure our planet. We are determined to take the bold and transformative steps which are urgently needed to shift the world onto a sustainable and resilient path. As we embark on this collective journey, we pledge that no one will be left behind.”²⁵

The SDGs seek to build on the success of the MDGs and complete what they did not achieve. The SDGs seek to realise the human rights of all and to achieve gender equality and the empowerment of all women and girls. The SDGs are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental.

At the UN Sustainable Development Summit on 25 September 2015, world leaders adopted the 2030 Agenda for Sustainable Development and the set of 17 SDGs.

The new SDGs (known as the *Global Goals for Sustainable Development*) and the broader sustainability agenda, go much further than the MDGs by addressing root causes of poverty and the universal need for development that works for all people.²⁶

Consultation is continuing on the SDG indicators and a monitoring framework. In November 2015, there were 224 proposed indicators; 159 were classified as 'green' meaning there was general agreement among members to these indicators, with the remaining 65 classified as 'grey' indicators, not yet agreed to.²⁷

Effective SDGs, targets and their indicators will serve as a management tool to help countries develop implementation strategies and allocate resources accordingly. They will also serve as a report card to measure progress towards sustainable development and help to ensure the accountability of all stakeholders for achieving the SDGs. The indicators will be the backbone of monitoring progress towards the SDGs at local, national, regional and global levels.²⁸

25 <https://sustainabledevelopment.un.org/post2015/transformingourworld>

26 Ibid

27 <http://devpolicy.org/does-our-corruption-look-big-in-this-sdg-16-and-the-problem-of-measurement-20151119/>

28 <http://unsdsn.org/wp-content/uploads/2015/03/150320-SDSN-Indicator-Report.pdf>

29 Ibid

SUSTAINABLE DEVELOPMENT GOALS

- Goal 1. End poverty in all its forms everywhere;
- Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- Goal 3. Ensure healthy lives and promote well-being for all at all ages;
- Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;
- Goal 5. Achieve gender equality and empower all women and girls;
- Goal 6. Ensure availability and sustainable management of water and sanitation for all;
- Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all;
- Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation;
- Goal 10. Reduce inequality within and among countries;
- Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable;
- Goal 12. Ensure sustainable consumption and production patterns;
- Goal 13. Take urgent action to combat climate change and its impacts;
- Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development;
- Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss;
- Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; and
- Goal 17. Strengthen the means of implementation and revitalise the global partnership for sustainable development.²⁹

AID DONOR COUNTRIES AND ORGANISATIONS

SECTION 2

Development aid supports governments, community projects, local and regional organisations such as The Pacific Community (SPC)³⁰ and the PIF which is an inter-governmental organisation that aims to enhance co-operation between the independent countries of the Pacific region.³¹

In the ten years leading up to 2011, aid flows to the Pacific increased so rapidly that they were at their highest levels in history.³² Aid to the Pacific, as recorded by the Organisation for Economic Co-operation and Development (OECD), increased by 60% whereas global aid increased by 46%.

Major donors to the Pacific region include Australia, United States, Japan, New Zealand, France, the European Union (EU), and with a growing presence, China. The WBG reports ODA to the Pacific Island small states³³ in 2013 amounted to US\$452 per capita.³⁴

Australia is the largest donor to the Pacific, as indicated by Figure 3. The next biggest OECD donor to the Pacific region is the United States of America, however their aid con-

tribution is mainly restricted to the Compact of Free Association (COFA) states which include the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and Palau. Under the terms of COFA (renegotiated for the 20 year period 2004 to 2023), the United States of America agreed to provide FSM almost US\$100 million a year until 2023. Much of the RMI gross development product is derived from payments made by the United States of America. Direct United States aid (USAID) accounted for 62.2% of RMI's US\$132.2 million budget for the fiscal year (FY) 2011.³⁵

China's foreign aid program in the Pacific has been growing over several years and is predicted to overtake Japan as the third largest donor to the PICs. Data published by the Lowy Institute indicates since 2006 China has provided US\$1.4 billion in foreign aid to eight PICs (Cook Islands, FSM, Fiji, Niue, PNG, Samoa, Tonga and Vanuatu).³⁶

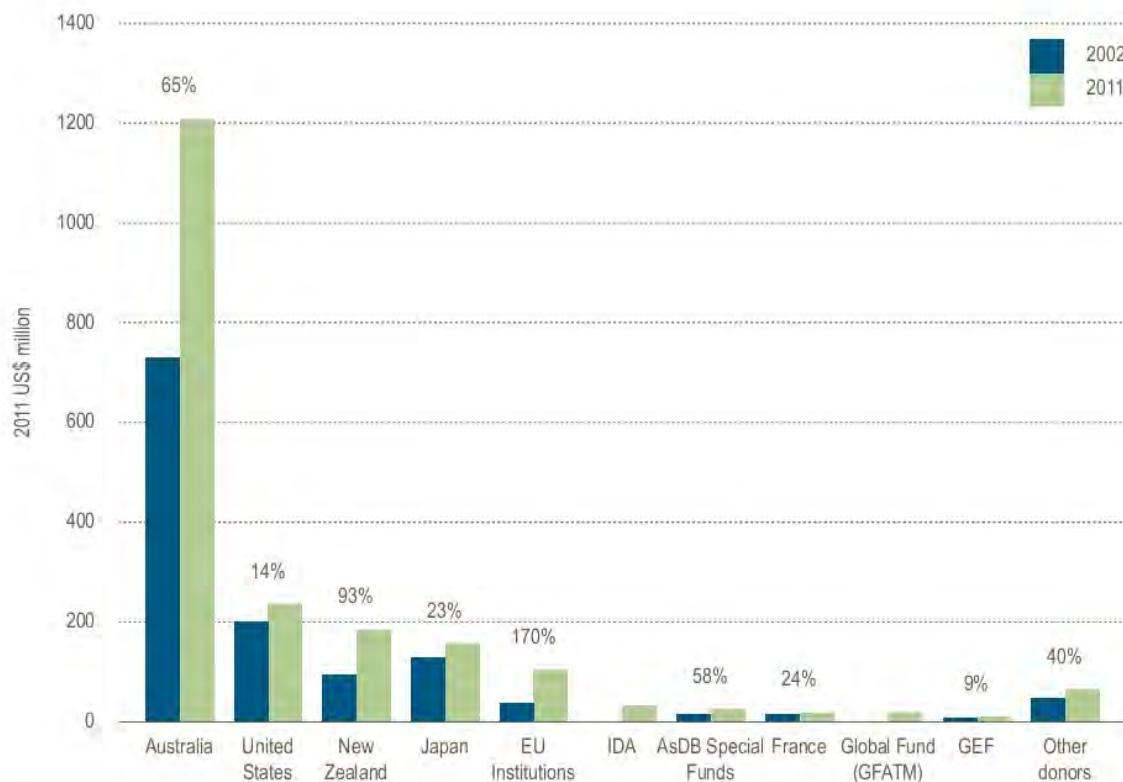


Figure 3 - Top 10 Pacific donors. Percent figures reflect the increase in aid volume between 2002 and 2011³⁷

INDIVIDUAL PICs AID

Aid to individual PICs has been volatile, with some PICs receiving considerable increases in aid. Solomon Islands' aid tripled over the decade to 2011 due to the Regional Assistance Mission to Solomon Islands (RAMSI). Australia provides Solomon Islands with substantial support through bilateral development co-operation and RAMSI.³⁸ Most PICs with a close relationship with Australia or New Zealand have received increases in aid contributions: Cook Islands, Nauru, Niue, Samoa, Tonga, Tuvalu and Vanuatu have all seen aid flows increase at rates that are higher than the overall increase of 60%. Fiji has seen an increase of 48%.³⁹

In 2013, the Development Policy Centre highlighted that aid to the Pacific had boomed over the previous decade and was then at record levels as most PICs experience significant rises in aid per capita. However RMI, Palau and FSM experienced declines in aid in this period.⁴⁰

While China is increasing its aid to the Pacific region, Australia, United States of America, Japan and New Zealand still outspend China in the region. PNG, Fiji, Samoa and Vanuatu were among the largest beneficiaries of Chinese aid between 2006 and 2013, which was spent on 167 projects across the Pacific region.⁴¹

30 Formerly the Secretariat of the Pacific Community

31 <http://www.ipsnews.net/2014/01/pacific-nations-need-help-away-aid/>

32 <http://devpolicy.org/the-pacifics-aid-boom-02092013/>

33 <http://data.worldbank.org/country/S2>

34 <http://data.worldbank.org/topic/aid-effectiveness>

35 <http://www.lowyinstitute.org/publications/bilateral-donors-pacific-it-more-development>

36 <http://www.dw.de/china-has-become-a-major-donor-in-the-pacific-islands-region/a-18290737>

37 <http://devpolicy.org/the-pacifics-aid-boom-02092013/>

38 <http://dfat.gov.au/geo/solomon-islands/development-assistance/Pages/development-assistance-in-solomon-islands.aspx>

39 <http://devpolicy.org/the-pacifics-aid-boom-02092013/>

40 <http://devpolicy.org/rising-aid-dependency-in-the-pacific-20130917/>

41 <http://www.theguardian.com/world/2015/mar/02/china-increases-aid-contribution-pacific>

AUSTRALIA

Australia's approach to ODA focuses on ways to drive economic growth in developing nations and to create pathways out of poverty. Australia's development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability* and the new performance framework *Making Performance Count: enhancing the accountability and effectiveness of Australian aid* introduced key shifts for the Australian aid program.^{42,43} The framework as shown in Figure 4 ensures that funding is linked to performance at all levels of the aid program so as to achieve the greatest possible development impact.⁴⁴ This approach enables a strong culture of accountability and performance to ensure Australia's aid is responsible, affordable and sustainable, as well as reliable, consistent and far more strategic.

Australia's aid program focuses on its immediate neighbourhood so as to support peace and prosperity in the Pacific region. This is where Australian aid can make the most difference and also promote Australia's national interests through contributing to sustainable economic growth and poverty reduction. This is pursued through an emphasis on two development outcomes:

1. Supporting private sector development; and
2. Strengthening human development.

Australia delivers aid through:

- Greater innovation;
- Strengthening private sector focus;
- Enhancing Aid for Trade (AfT);
- Disability-inclusive development;

- Economic diplomacy;
- Working with the most effective partners;
- Consolidating the aid program;
- Responsibly engaging with risk and applying safeguards;
- Actively managing fraud and anti-corruption;
- Following value for money principles; and
- Greater transparency.

Australia's ODA provides only a relatively small share of total finance for development as the Australian government seeks to create economically sustainable communities and economies. This is key to alleviating poverty and increasing living standards.

The Australian government has committed to working with new and emerging donors, especially in the private sector.

Four tests guide strategic decisions across the Australian aid program, translating the strategic framework into practice. These are:

1. Pursues national interest and extends Australia's influence;
2. Impacts on promoting growth and reducing poverty;
3. Reflects Australia's value-add and leverage; and
4. Makes performance count.⁴⁶

42 <http://dfat.gov.au/aid/Pages/australias-aid-program.aspx>

43 http://foreignminister.gov.au/releases/Pages/2014/jb_mr_140618.aspx

44 <http://dfat.gov.au/aid/Pages/australias-aid-program.aspx>

45 Ibid

46 <http://dfat.gov.au/aid/Pages/australias-aid-program.aspx>

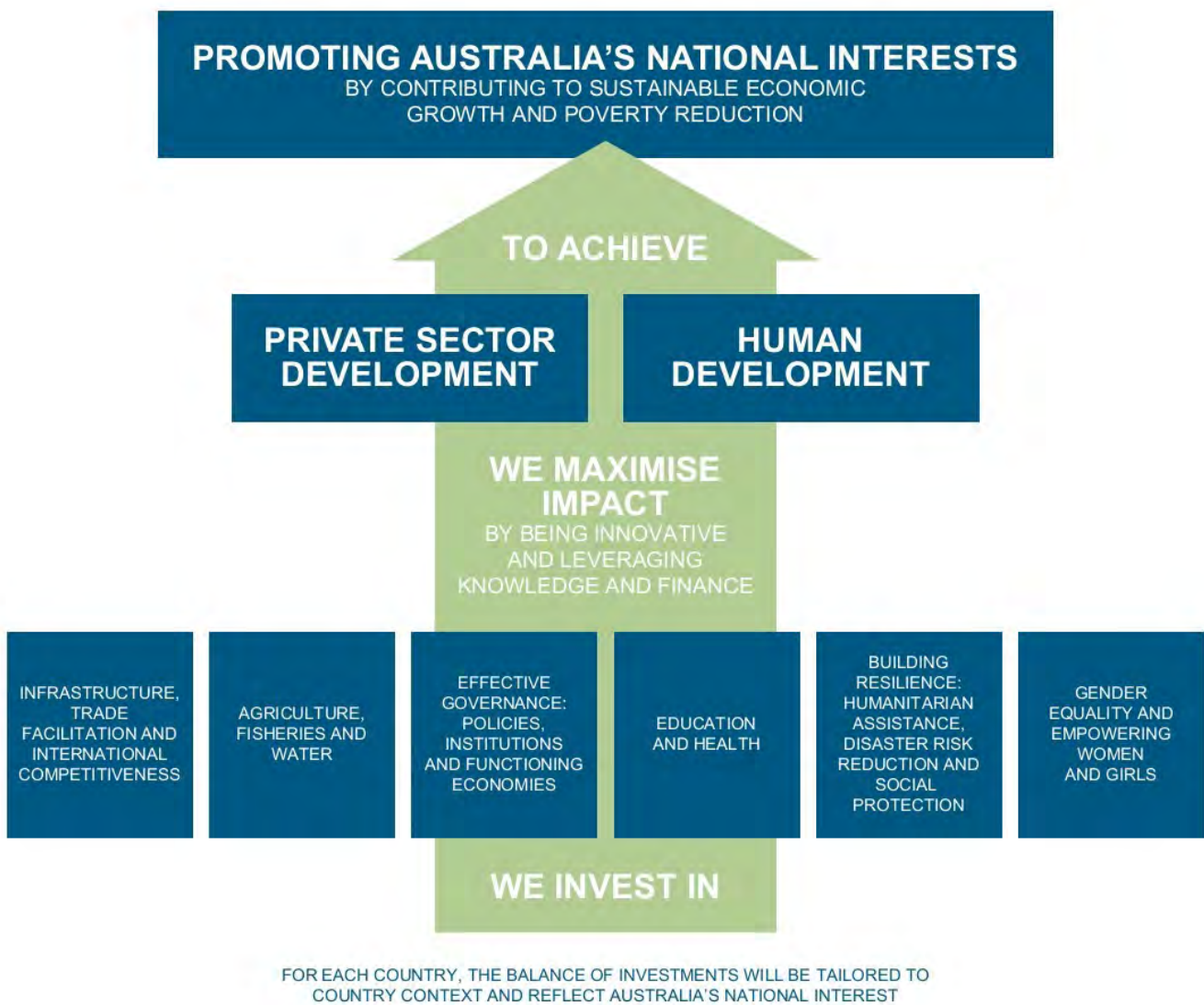


Figure 4 - Australia's strategic framework for its aid program⁴⁵

AUSTRALIA'S ECONOMIC DIPLOMACY PARADIGM

Traditional diplomacy aims to achieve peace, whereas economic diplomacy aims to achieve prosperity. Australia's economic diplomacy investments will serve to:

- Deliver better quality education enabling young people to receive an education and contribute to their economy;
- Empower women to actively participate in the economy and in formal labour markets; and
- Support women to start businesses, build their skills and step up to leadership roles.

Australia's aid program invests heavily in education and health, as well as disaster risk reduction and humanitarian crises. Improving education and health outcomes is essential to laying a foundation for economic development. The Australian government has committed to allocating A\$30 million each year towards researching ways to ensure spending on health is more effective and to promoting medical breakthroughs.⁴⁷

Australian aid is moving away from direct service delivery such as providing textbooks to classrooms, or drugs for health centres, as this is the responsibility of the sovereign government.⁴⁸

THE PRIVATE SECTOR

The Australian government is working with the private sector and seeking innovative models for private sector partnerships for development.⁴⁹ Australian companies are encouraged to take up opportunities to design and build bridges, railways, ports and schools and are strongly encouraged to partner with local companies. Infrastructure spending in the Asia-Pacific Economic Co-operation (APEC) region is expected to be significant over the next 10 years.

DFAT is working to support the private sector as the engine of economic growth.⁵⁰ A recent Australian parliamentary inquiry found that in developing countries the private sector generates 90% of the jobs, funds 60% of all investments and provides more than 80% of government revenues.

Research shows people who are employed and have stable incomes have the ability to purchase more and this creates demand, which in turn creates more jobs. Growth in real jobs and the formal economy in developing countries adds to economic self-reliance and further expands trade opportunities for Australia.⁵²

"Ending poverty and boosting prosperity cannot be achieved without tapping the capital and creativity of the private sector to create jobs and generate economic growth. Private enterprises create nine out of every 10 jobs in developing countries. They spur innovation, produce the goods and services people need to improve their lives, and generate most of the tax revenue that governments need to provide essential services for their citizens."⁵¹

WBG,
Partnering for the Greater Good

INNOVATION FOCUS

In March 2015 the Australian government launched the new development hub, *innovationXchange* to 'revolutionise the delivery and effectiveness of Australia's aid program', with particular attention given to leveraging new sources of financing and new approaches to development. The new hub is a key initiative in the Australian government's strategy to deliver a 'new aid paradigm' and aims to mainstream innovation across the Australian aid program.

Various investments and projects were announced at the launch of *innovationXchange* including:

- A\$20 million partnership with Bloomberg Philanthropies to build the capacity of governments in developing countries to gather health data that can be used to better design health programs and interventions; and
- A\$30 million contribution to the newly created Global Innovation Fund to invest in social innovations aiming to improve the lives and opportunities for people in developing countries.⁵⁴

Australia recognises all sectors have a role to play in creating opportunities for people in the Pacific region, including the private sector, working in partnership with governments, social purpose organisations and communities.⁵⁵

AUSTRALIA'S ASSISTANCE FOR DISABILITY-INCLUSIVE DEVELOPMENT

People with disabilities make up approximately 15% of the global population and have poorer health outcomes, lower educational achievements, lower economic participation and higher rates of poverty than people without a disability. Australia is committed to playing a leadership role internationally in disability-inclusive development to enable people with disabilities in developing countries to find pathways out of poverty and realise their full potential. Australia's development policy, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, recognises that everyone is affected if the most disadvantaged people are left behind, and acknowledges that people with disabilities make up the largest and most disadvantaged minority in the world, and comprise 1 in 7 of the global population.

Australia's new strategy, *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia's aid program* (see Figure 5) builds on the successes of the previous strategy, *Development for All: Towards a disability-inclusive Australian aid program 2009-2014*.⁵⁶ The program responds to the agenda set out in DFAT's development policy and aims to promote improved quality of life for people with disabilities in developing countries.

Australia's international advocacy, diplomatic efforts and aid program investments continue to make a major contribution to improving the quality of life for people with disabilities in developing countries with the objective that development efforts leave no one behind.

47 http://foreignminister.gov.au/releases/Pages/2014/jb_mr_140618.aspx

48 http://foreignminister.gov.au/speeches/Pages/2014/jb_sp_140213.aspx?ministerid=4

49 DFAT uses the term 'private sector' to refer to all privately owned commercial enterprises, including 'individual farmers and street traders, large locally-owned firms and multinational corporations', whether they be owned locally, by Australians or other overseas interests.

50 <http://dfat.gov.au/aid/topics/development-issues/private-sector-development/Pages/private-sector-development.aspx>

51 WBG, Submission 75, pp. 5-6

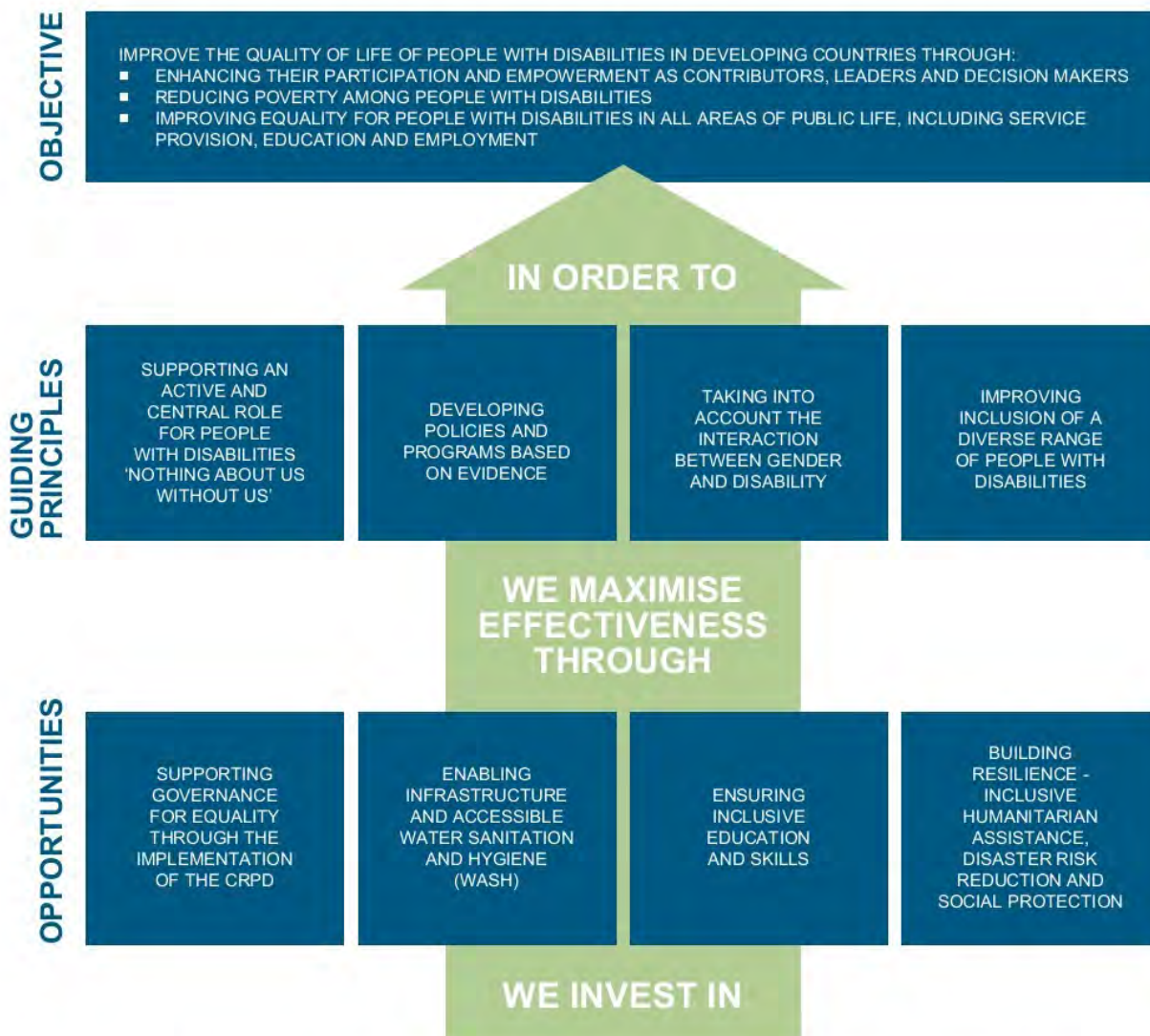
52 http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/Indo-Pacific_Economic_Growth/Report

53 <http://devpolicy.org/innovation-in-the-australian-aid-program-part-two-possibilities-and-dilemmas-20140806/>

54 <http://impactinvestingaustralia.com/innovation/australian-government-launches-new-development-innovation-hub/>

55 Ibid

56 <http://dfat.gov.au/aid/topics/development-issues/disability-inclusive-development/Pages/disability-inclusive-development.aspx>



We will take a twin-track approach (implementing disability-inclusive development through mainstreamed and targeted efforts). We will promote 'reasonable accommodation' - encouraging support for people with disabilities (as required and based on what is reasonable in the given circumstances) to enable them to participate in, and benefit from, our development efforts.

Figure 5 - Development for All 2015-20: Strategy for strengthening disability-inclusive development in Australia's aid program ⁵⁷

WHERE AUSTRALIA GIVES AID

The Australian aid program focuses predominately on the Indo-Pacific region. Figure 6 provides an overall perspective of the reach of Australia's aid programs.

TROPICAL CYCLONE WINSTON

In February 2016, Tropical Cyclone (TC) Winston caused severe damage in the Pacific killing a reported 44 Fijian people, flattening entire vil-lages and bringing torrential rain and

wind gusts of up to 325 km/h.⁵⁸ It was the strongest TC ever recorded to make landfall in Fiji. TC Winston also caused damage to areas of Tonga as it yo-yoed over the warmest waters in the Pacific Ocean.⁵⁹

“I’ve never experienced anything like this. The noise was frightening as roofs were blown off homes and trees were ripped out by their roots.”⁶⁰

Australia responded to the Fijian government’s (GoF) request for assistance and is working closely with the governments of Fiji and Tonga and its regional partners to assess the humanitarian impact of the cyclone and provide assistance. The Australian government has made an initial commitment of A\$15 million in humanitarian assistance to help provide life-saving supplies to communities affected by TC Winston including shelter kits, food, clean water and hygiene. An Australian Medical Assistance Team is working with the GoF and local Fijian health teams to respond to urgent health needs.⁶¹

Australia is working closely with Fiji authorities to make urgent repairs to schools, medical clinics and basic infrastructure. The GoF reported that 260 out of 901 schools in Fiji have been damaged or destroyed.

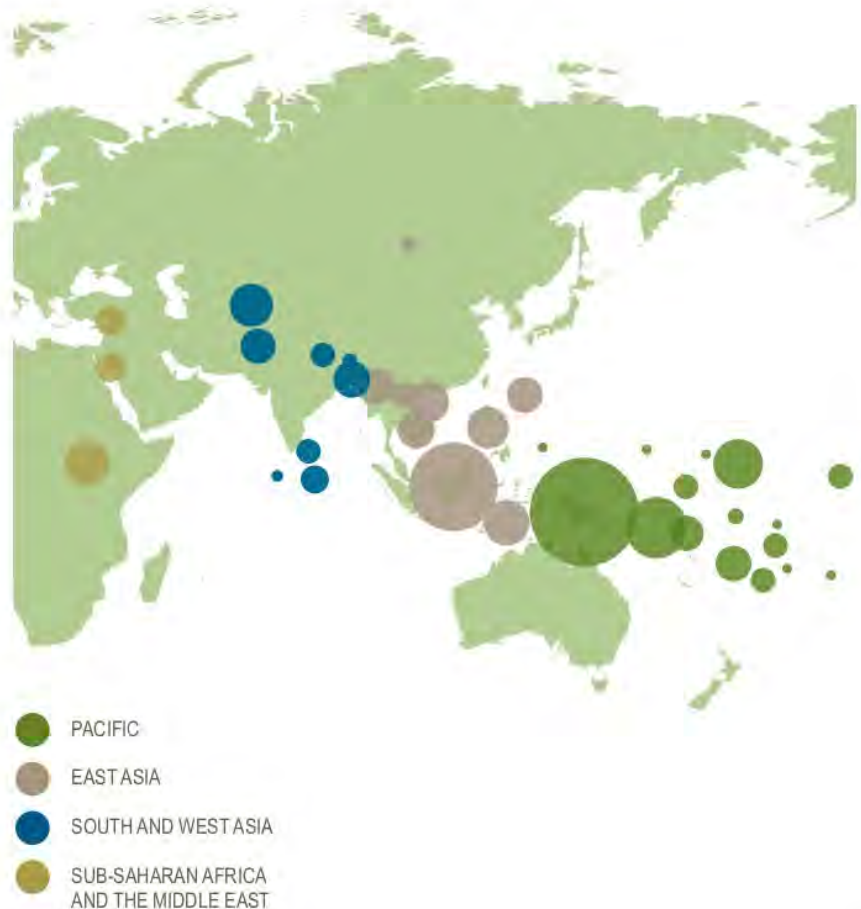
Australia’s assistance will help restore health and education services and infrastructure, and to support livelihoods for those affected by the TC.

In Tonga the Tonga Red Cross has distributed Australian funded supplies, such as tarpaulins, hygiene kits, buckets and mosquito nets. The mosquito nets are also being distributed to groups vulnerable to Zika virus, particularly pregnant women.

Two Australian Civilian Corps disaster management experts are working closely with the Tongan National Emergency Management Office.⁶²

- 57 <http://dfat.gov.au/about-us/publications/Pages/development-for-all-2015-2020.aspx>
- 58 <http://www.smh.com.au/world/tropical-cyclone-winston-scale-of-devastation-in-fiji-unknown-20160221-gmzl2m.html>
- 59 <http://www.forbes.com/sites/dennismersereau/2016/02/17/tropical-cyclone-winston-does-a-double-take-might-hit-tonga-twice-in-one-week/#41fdeef545f4>
- 60 Save the Children Fiji CEO Iris Low-McKenzie <https://www.savethechildren.org.au/donate/cyclone-winston?gclid=COzSutGGsssCFUoJvAodZAEMnA>
- 61 <http://www.abc.net.au/news/2016-03-12/cyclone-winston-julie-bishop-heads-to-storm-ravaged-fiji/7242416>
- 62 <http://dfat.gov.au/news/news/Pages/tropical-cyclone-winston.aspx>
- 63 <http://dfat.gov.au/aid/where-we-give-aid/Pages/where-we-give-aid.aspx>; Map of World - Single Color by FreeVectorMaps.com

Figure 6 - Australia’s Aid Program⁶³



UNITED STATES OF AMERICA

The United States of America is the second highest contributor to the Pacific region and its aid assistance covers 12 PICs: FSM, Fiji, Kiribati, Nauru, Palau, PNG, RMI, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.⁶⁴

USAID partners to end extreme poverty and to promote resilient and democratic societies while advancing the United States of America's security and prosperity. It advances broad-scale human progress by fostering sustained and inclusive economic growth and strengthening democratic governance.

The United States of America is implementing a new model of development that is aimed at changing the way development works with new partnerships, a greater emphasis on innovation, integration with local leadership, and a relentless focus on measuring and delivering results.⁶⁵

USAID assistance to the PICs focuses on climate change adaptation, health and democracy initiatives. USAID works with PIC governments, bilateral and multilateral donors, the private sector, and civil society organisations to ensure that its programs have the greatest possible impact.

Examples of USAID in the Pacific region include:

- The Women's Peacebuilding Initiative. USAID is working to enable women's organisations to offer trauma counselling services, including prevention initiatives, for survivors of domestic and sexual violence; assist women's organisations to enhance and enforce implementation of the National Action Plan on Women, Peace and Security; and advocate for pro-women policy and increased awareness of gender-based violence and women's rights, with corresponding services provided by women's organisations.⁶⁶
- Trauma counselling for more than 1,700 individuals in the Autonomous Region of Bougainville in PNG, nearly one-third of whom were victims of family and sexual violence.
- Assistance to 137 communities across nine PICs to become more resilient in the face of climate change.
- Support for the opening of new HIV prevention, care, support and treatment sites serving nearly 4,000 people in PNG's capital.⁶⁷
- Assistance to Fiji, Kiribati, Solomon Islands and Tonga to identify areas vulnerable to food insecurity and is assisting communities in identifying appropriate adaptation measures.⁶⁸

- Jointly funded with New Zealand, USAID is working in partnership with government agencies and communities in Kiribati to improve the government's ability to manage collection, recycling and solid waste disposal programs.
- Jointly funded with Germany, implementing climate change adaptation measures in eight communities of the Choiseul province, Solomon Islands. The experiences gained in co-ordinating climate change implementation amongst agencies and development partners will be replicated in other regions of the Pacific.
- Rehabilitate degraded mangrove areas and improving management of forest ecosystems in PNG, Vanuatu, and Solomon Islands. Training communities in forest management and assisting local universities and institutions to conduct carbon monitoring and reporting.
- Improve the resilience of water resources by increasing island communities' ability to harvest and store rainwater and improve ground wells.⁶⁹

2016 BUDGET HIGHLIGHTS

USAID implements funding from 12 foreign operations accounts. The overall FY2016 President's Request for these accounts is US\$22.3 billion of which US\$10.7 billion is in core USAID accounts: Development Assistance, Global Health Programs, International Disaster Assistance, Food for Peace Title II, Transition Initiatives, Complex Crises Fund, and USAID Administrative Expenses.⁷⁰

The budget request will enable USAID to, among other projects, continue to *Rebalance to the Asia-Pacific Region*: US\$687.5 million to support the expansion of efforts to strengthen governance and democratic processes, foster engagement with civil society, and promote rule of law and respect of human rights in the Asia-Pacific region. Other activities will concentrate on economic growth by improving the conditions for competition in the private sector while continuing to support critical trade efforts.⁷¹

USAID'S RESPONSE TO TC WINSTON

USAID's Office of United States Foreign Disaster Assistance (OFDA) provided an initial US\$100,000 to support the International Federation of Red Cross and Red Crescent Societies, and its local partner, the Fiji Red Cross Society, to distribute emergency relief items and provide water, sanitation, and hygiene (WASH) support to storm affected populations. USAID/OFDA also deployed a regional advisor to assess storm damage and co-ordinate the United States of America response with the GoF and humanitarian partners. USAID/OFDA subsequently provided US\$300,000 to United Nations Children's Fund (UNICEF) to provide WASH assistance to children affected by the storm and US\$200,000 to the International Organisation for Migration to assist displaced populations with vital shelter management and protection activities in co-ordination with the GoF.⁷²

64 <http://www.theguardian.com/world/2015/mar/02/china-increases-aid-contribution-pacific>

65 <https://www.usaid.gov/results-and-data/budgets-pending>

66 <https://www.usaid.gov/pacific-islands/democracy-human-rights-and-governance>

67 https://scms.usaid.gov/sites/default/files/documents/1861/PacificIslands_Regional_Profile.pdf

68 Ibid

69 <http://www.usaid.gov/pacific-islands/environment-and-global-climate-change>

70 <https://www.usaid.gov/results-and-data/budgets-pending>

71 Ibid

72 <https://www.usaid.gov/crisis/fiji>

JAPAN

Japan is the third largest contributor to the Pacific region and has long been an important partner for the PICs.⁷³ Positioning itself as the 'partner of choice' on issues of key concern to PICs such as climate change and disaster management, Japan is focusing on issues where Japanese assistance can make the most difference.⁷⁴

Japan held its 7th meeting with Pacific Islands Leaders (PALM7)⁷⁵ on 22-23 May 2015 where it announced a fresh aid package worth more than ¥55 billion (approximately US\$450 million) to the region over the three year period, 2015-17. In his keynote address, Japan's Prime Minister said that aid support was to help 'foster resilient capabilities that will not be defeated by climate change or disasters'. Japan's assistance to PICs continues to include support for infrastructure development, such as constructing new port facilities in Port Vila, Vanuatu, and assistance for improving radio broadcasting services in Fiji.

On top of the financial aid, the Prime Minister announced boosting people-to-people exchanges between Japan and the region to the scale of roughly 4,000 people.

"We will also push forward in two-way exchanges and training of human resources to serve as assistance in cultivating both expertise and technical skills."⁷⁶

Japan's US\$1.5 billion contribution to the international Green Climate Fund (GCF) in 2015 was an important source of additional funding for Pacific Islands seeking assistance for adaptation projects.

Japan is a source of tourists for some PICs. It is also a major client for PNG's Liquefied Natural Gas (LNG) and Japanese companies are continuing to invest in PNG. In 2015 the Japanese Prime Minister visited PNG with a large business delegation in support of trade and investment in the region.⁷⁷

THE JAPANESE INTERNATIONAL CO-OPERATION AGENCY (JICA)

A governmental agency which co-ordinates ODA for the Japanese government, JICA provides assistance to the following PICs:

- Fiji, PNG, Solomon Islands, Vanuatu in the Melanesian region;
- Samoa, Tonga, Tuvalu, the Cook Islands, Niue in the Polynesian region; and

- Kiribati, RMI, Micronesia, Palau, and Nauru in the Micronesian region.⁷⁸

JICA provides co-operation to these PICs to address common issues such as environmental pollution, global warming, and inadequate transportation infrastructure while it pays due regard to the uniqueness of each country.

JICA provides co-operation that applies Japanese knowledge and experience, for example:

- **Environmental Management:** Since 2011, JICA in co-operation with the Secretariat of the Pacific Regional Environment Program (SPREP), has provided assistance for developing sustainable waste management systems and human resources to 11 countries in the region. For example, the implementation of the Pacific Regional Solid Waste Management Strategy between 2010 and 2015.
- **Disaster Management and Climate Change:** JICA has provided Technical Co-operation, Grant Aid and other co-operation to reinforce disaster prevention measures at the regional level. One key area of co-operation involves enhancing weather observation and forecast and warning capabilities. Overall, JICA supplies a broad range of co-operation for disaster prevention in the region.
- **Transportation and Infrastructure:** JICA has provided Grant Aid for rehabilitation of harbours and provision of passenger and cargo vessels in Micronesia, Marshall Islands, Samoa, Tuvalu, Tonga and other countries in this region.⁷⁹

- **Stable Supply of Energy:** JICA assists in the stabilisation of electric power systems and efficient usage of the existing electric sources such as diesel power generation while conducting studies on the power mix to optimise the effects of introducing renewable energy. JICA supports installation of solar power systems as well as the introduction of micro-grid control equipment and power system stabilisation equipment.
- **Social Services:** JICA has supported the dissemination of technology and human resource development in the Pacific related to the management of immunisation projects and vaccines. In response to the increasing disorders and deaths caused by non-communicable diseases (NCDs), such as diabetes and cardiovascular diseases, in 2015 JICA commenced technical co-operation to establish measures against NCDs.⁸⁰

Limited access to education is a serious issue for remote areas and islands in the Pacific. JICA is providing co-operation to increase opportunities for and the quality of education through the use of television, radio and satellite communication networks, and other methods.⁸¹

Based on its collaboration with Miyakojima City in Okinawa, JICA provided co-operation to Samoa regarding water system operations.⁸²

73 <http://www.theguardian.com/world/2015/mar/02/china-increases-aid-contribution-pacific>

74 <http://www.lowyinterpreter.org/post/2015/05/26/Japans-Pacific-Islands-strategy-counters-a-rising-China.aspx>

75 Japan has hosted the summit with the Pacific island nations once every three years since 1997.

76 <http://www.japantimes.co.jp/news/2015/05/23/national/politics-diplomacy/abe-announces-fresh-%C2%A555-billion-aid-package-for-pacific-island-nations/#.Vpr-cXlf2cw>

77 <http://www.lowyinterpreter.org/post/2015/05/26/Japans-Pacific-Islands-strategy-counters-a-rising-China.aspx>

78 http://www.jica.go.jp/english/publications/reports/annual/2015/c8h0vm00009q82bm-att/2015_09.pdf

79 http://www.jica.go.jp/english/publications/reports/annual/2015/c8h0vm00009q82bm-att/2015_09.pdf

80 http://www.jica.go.jp/english/publications/reports/annual/2015/c8h0vm00009q82bm-att/2015_09.pdf

81 http://www.jica.go.jp/english/publications/reports/annual/2013/c8h0vm00008m8edo-att/07_02.pdf; http://www.jica.go.jp/english/publications/reports/annual/2015/c8h0vm00009q82bm-att/2015_09.pdf

82 http://www.jica.go.jp/english/publications/reports/annual/2013/c8h0vm00008m8edo-att/07_02.pdf

NEW ZEALAND

The Pacific is New Zealand's own neighbourhood and it has the cultural, economic and social links that can influence positive change in the region.⁸³ As the fourth largest donor to the region,⁸⁴ over half of New Zealand's total aid is spent in the Pacific.⁸⁵

The mission of the New Zealand Aid Program is to support sustainable development in developing countries to reduce poverty and to contribute to a more secure, equitable, and prosperous world. New Zealand aid aims to make a positive difference in people's lives, demonstrated through tangible, measurable results. The principle of 'Pacific focus, global reach' continues to guide the geographic focus of New Zealand's bilateral and regional aid programs.

The New Zealand Aid Program provides humanitarian support in response to crises around the world. Its development and humanitarian investment:

- Reflects New Zealand's responsibility as a Pacific neighbour and global citizen;
- Mirrors New Zealanders' values;
- Supports shared regional and global prosperity and stability;
- Reinforces New Zealand's international reputation; and
- Strengthens New Zealand's international connections.

INCREASED AID BUDGET

New Zealand's aid budget will increase over the funding period 2015-16 to 2017-18. New Zealand will align its budgeted investments to its aid strategy in the Pacific by:

- Focusing on the Pacific: NZ\$1 billion, or close to 60% of the aid is forecast to be invested in the Pacific;
- Emphasising sustainable economic development: Approximately NZ\$600 million, or 45% of investment by sector is forecast to be in economic development, focusing on agriculture, renewable energy, and information and communications technology connectivity;
- Increasing aid to Melanesia, including scaling up significantly in PNG and Fiji;
- Targeting resources to support resilience to climate change and other risks; and
- Enhancing the ability to respond to humanitarian crises.⁸⁶

The New Zealand aid program is built on 12 investment priorities, as indicated in **Appendix A**.

83 <http://www.lowyinstitute.org/publications/bilateral-donors-pacific-it-more-development>

84 <http://www.theguardian.com/world/2015/mar/02/china-increases-aid-contribution-pacific>

85 <http://www.aid.govt.nz/about-aid-programme/aid-statistics/aid-allocations-201213-201415>

86 https://www.mfat.govt.nz/assets/_securedfiles/Aid-Programme-New-Zealand-Aid-Programme-Strategic-Plan-2015-19.pdf

BILATERAL PROGRAMS	2012/13 – 2014/15	2015/16 – 2014/18	\$ CHANGE
INDICATIVE PROGRAM ALLOCATIONS	NZ\$000	NZ\$000	NZ\$000
COOK ISLANDS	42,000	42,000	0
FIJI	12,000	33,000	21,000
KIRIBATI	37,000	38,000	1,000
NAURU	6,000	7,000	1,000
NIUE	40,500	39,500	-1,000
PAPUA NEW GUINEA	54,000	70,000	16,000
SAMOA	38,000	38,000	0
SOLOMON ISLANDS	70,000	55,000	-15,000
TIMOR LESTE	22,000	NOT STATED	NOT STATED
TOKELAU	54,600	40,000	-14,600
TONGA	36,000	38,000	2,000
TUVALU	11,000	11,300	300
VANUATU	38,000	50,000	12,000
PACIFIC ECONOMIC DEVELOPMENT		67,500	
PACIFIC HUMAN DEVELOPMENT		52,000	
PACIFIC REGIONAL AGENCIES		65,000	
PACIFIC HIGH COMMISSION FUND		4,500	
PACIFIC TRANSFORMATIONAL PROJECTS	100,000	146,900	46,900

Figure 7 – New Zealand's indicative program allocations ⁸⁷

87 https://www.mfat.govt.nz/assets/_securedfiles/Aid-Prog-docs/New-Zealand-Aid-Programme-Strategic-Plan-2015-19.pdf

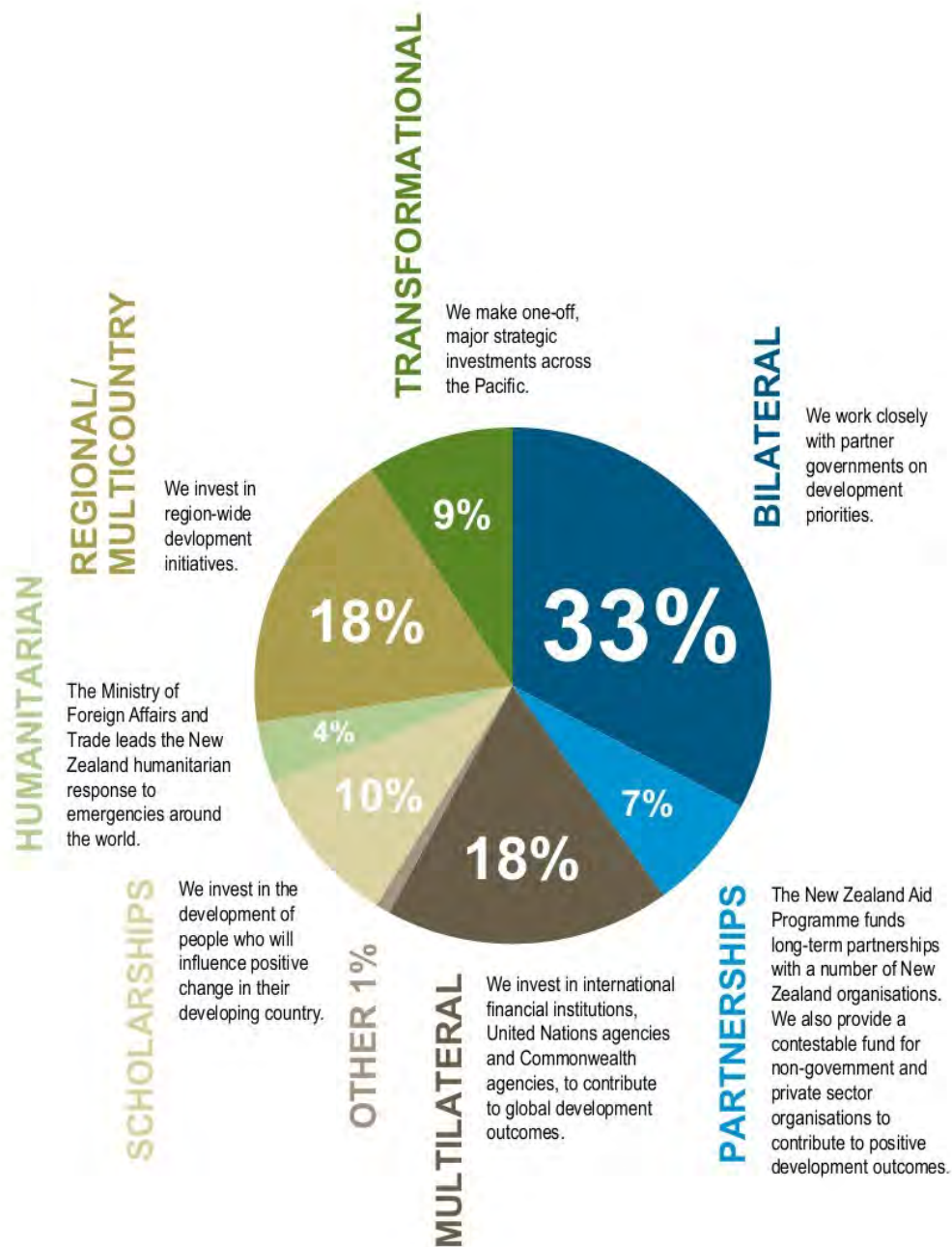


Figure 8 - Proportion of funding by program type 2015-16 to 2017-18 ⁸⁸

88 Ibid

NEW ZEALAND'S RECOGNISED SEASONAL EMPLOYER (RSE) SCHEME

This program allows for a set number of overseas workers, currently up to 9,000 to work for RSEs in New Zealand in the horticulture and viticulture industries in the following types of jobs:

- Planting;
- Maintaining;
- Harvesting; and
- Packing.

Only recognised New Zealand horticulture and viticulture businesses are eligible to recruit under the RSE scheme. Employers must meet specific requirements regarding employment agreements, minimum remuneration, airfares and pastoral care. The scheme's aim is to encourage economic development in the Pacific, and therefore it supports preferential access to workers who are citizens of eligible Pacific countries.⁸⁹

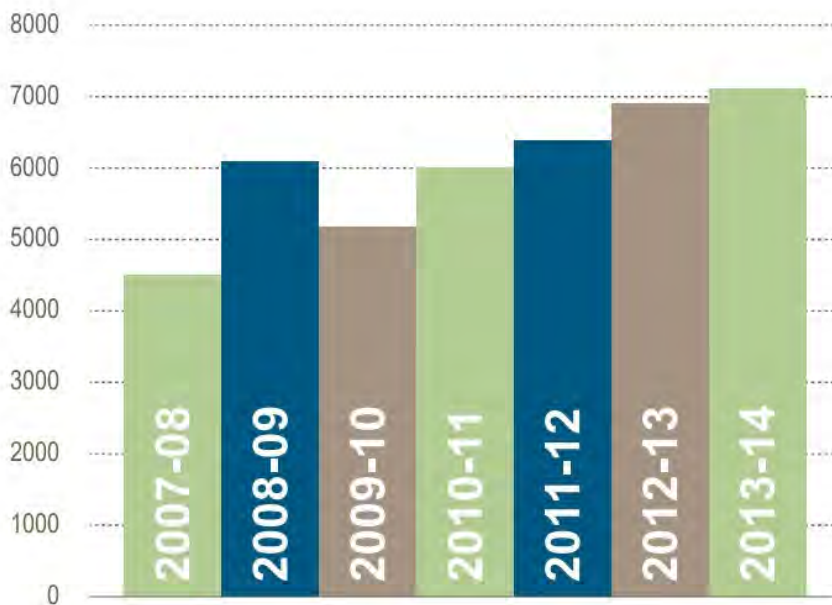


Figure 9 - New Zealand RSE figures across all eligible countries⁹⁰

89 <http://www.immigration.govt.nz/NR/rdonlyres/6196F26E-BCAB-464C-B734-E5A4125FC000/0/INZ1144.pdf>

90 http://www.econ.fbe.usp.ac.fj/fileadmin/files/schools/ssed/economics/events/Pacific_Update_2015/Labour_mobility_in_the_Pacific.pdf

CHINA

It is difficult to obtain accurate data regarding China's aid to the Pacific, either at a country or project level.⁹¹ Chinese aid to the Pacific is reported to have exceeded US\$1.479 billion in the decade to 2013. This aid was mostly extended in the form of concessional loans and disaster relief and projects.⁹² Most Chinese aid is negotiated and disbursed bilaterally. Chinese trade, investments and aid coupled with an intensifying diplomacy will continue to be a major future influencing factor in the region.⁹³

Although Australia remains the region's largest provider of development money to the region, contributing roughly six times more than China, Chinese aid to Fiji in the seven years to 2013 exceeded Australia's contribution by more than A\$100 million. The Cook Islands also received A\$28 million more from China than Australia over the same period.

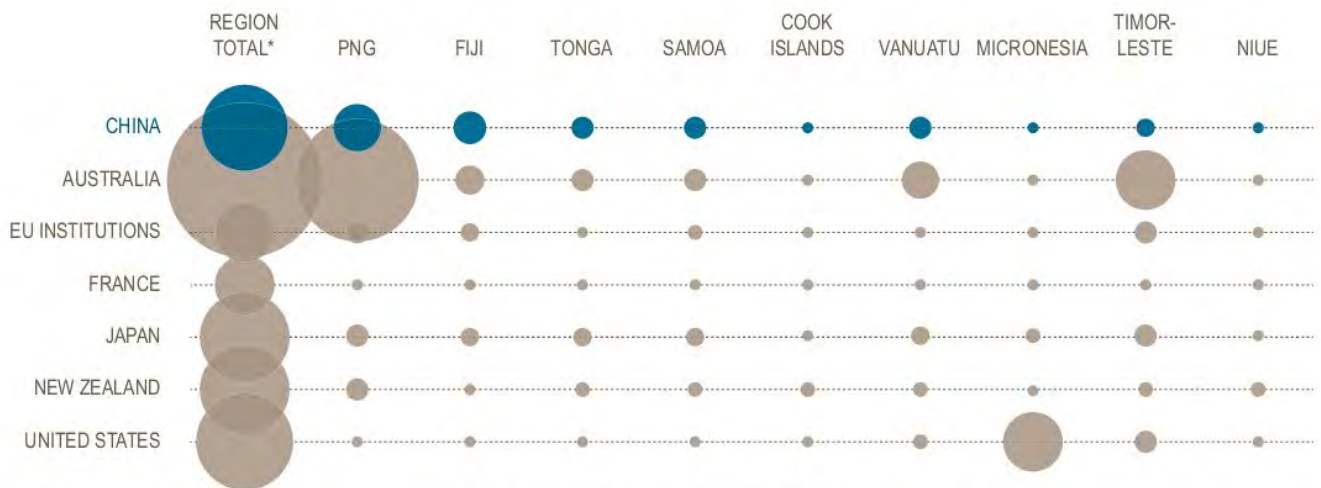
The Lowy Institute for International Policy has undertaken an in-depth analysis of China's aid in the Pacific and in the context of the above caveat regarding access to data, the Lowy Institute's visualisation of Chinese aid in the Pacific region is shown in Figure 10.

91 <http://www.lowyinstitute.org/chinese-aid-map/>

92 <http://www.theguardian.com/world/2015/mar/02/china-increases-aid-contribution-pacific>

93 http://www.forumsec.org/resources/uploads/attachments/documents/2011%20Pacific%20Regional%20MDGs%20Tracking%20Report_FINAL.pdf

94 <http://www.lowyinstitute.org/chinese-aid-map/> (Feb 2015)



*Not all donors give aid to the same countries in the region. Therefore REGION TOTAL also includes countries not listed in this table. Data for donors other than China covers 2006-2013; 2014 data is not yet available.

Figure 10 - Chinese aid in the Pacific ⁹⁴

In July 2014, the Chinese government released a second White Paper on Foreign Aid. The paper overviews Chinese foreign assistance over the period 2010-12 and states China provided US\$14.41 billion in aid in the three forms as shown in Figure 11.

One of China's important objectives as stated in the White Paper is to support developing countries to reduce poverty and improve the livelihood of their peoples. China's focus is on agricultural development, improving the level of education, improvement of medical and health services, building public welfare facilities, and humanitarian aid.⁹⁶

A lower-level priority is promoting economic and social development. The White Paper emphasises improving infrastructure, strengthening capacity building, promoting trade development, and strengthening environmental protection. An example is promoting exports to China through offering zero tariff treatment to least-developed countries.^{97,98}

China provides approximately US\$850,000 per year to the PIFS to support trade, development and investment initiatives, including the Pacific Islands Trade and Invest (PT&I) office in Beijing.⁹⁹ In addition to its bilateral aid program and support for regional organisations, China also provides scholarships for Pacific Island students and significant human resource training for government officials.

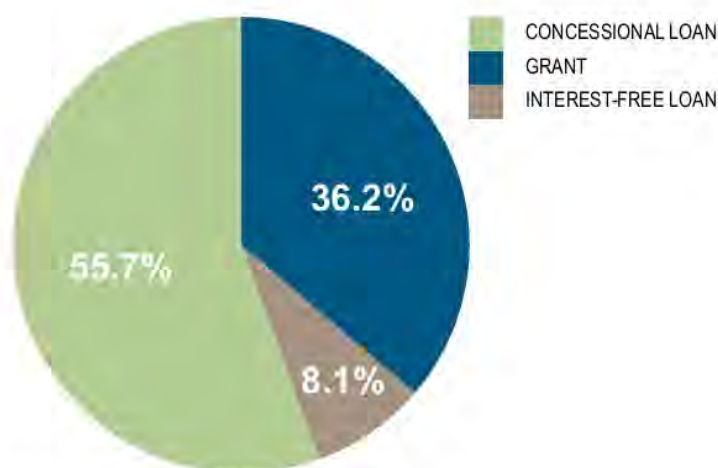


Figure 11 - Forms of China's foreign assistance⁹⁵

In 2013 Australia and China signed a Development Co-operation Partnership MOU that enables selected technical collaboration in the Asia-Pacific region. The partnership commits Australia and China to work together to deliver foreign aid through sharing experiences and more effectively targeting aid to poor communities across the region. The first initiative under the partnership is a pilot investigation into drug resistant malaria in PNG and new ways of responding to the problem. Under the MOU, joint aid initiatives will be agreed on a case-by-case basis.¹⁰⁰

The Asia-Pacific region now produces one third of the world's Gross Domestic Product (GDP),¹⁰¹ much of it driven by China's economic dominance. In step with this increased economic engagement is a rise in China's influence across the region which is making itself evident on a number of fronts, in particular through its donor activities.¹⁰²

95 <http://www.lowyinterpreter.org/post/2014/07/10/China-Foreign-Aid-White-Paper-overview.aspx>

96 http://usa.chinadaily.com.cn/epaper/2014-07/11/content_17729005.htm

97 http://news.xinhuanet.com/english/china/2014-07/10/c_133474011_2.htm

98 <http://www.lowyinterpreter.org/post/2014/07/10/China-Foreign-Aid-White-Paper-overview.aspx>

99 http://apo.org.au/files/related-content-files/chinese_aid_in_the_pacific_regional_snapshot_0.pdf (Feb 2015)

100 http://foreignminister.gov.au/releases/2013/bc_mr_130410.html

101 <http://www.lowyinstitute.org/publications/bilateral-donors-pacific-it-more-development>

102 <http://www.worldbank.org/en/region/eap/publication/east-asia-pacific-economic-update>

EUROPEAN UNION

The EU is a unified monetary body that aims to balance the needs of its 28 member countries, all of whom are independent fiscal and political entities. The EU eliminates all border controls between members.¹⁰³

The EU has become an economic and trading power and a world leader in fields such as environmental protection and development aid.¹⁰⁴ Its annual budget of €129 billion a year is mostly funded by contributions from member states (€103.2 billion in 2011).¹⁰⁵

The Pacific and the EU have had a longstanding relationship based on the legacy of a shared history, common values, economic and trade co-operation. Co-operation between the Pacific and the EU has also intensified in various other sectors, such as environment, good governance, energy, climate change, fisheries and human rights.¹⁰⁶

In 2006 a *Strategy for a Strengthened Partnership* was adopted to develop EU relations with PICs from a donor-recipient level to a more political relationship. In 2012 this approach was complemented by the communication *Towards a renewed EU-Pacific Development Partnership* which reflects the growing environmental, political and economic importance of the Pacific region with a focus on governance, regionalism and sustainable management of natural resources.

On 16 June 2015, the PIFS and the EU signed the European Development Fund (EDF) 11th Regional Indicative Program. With an allocation of €166 million, the Regional Indicative Program promotes:

- Regional Economic Integration;
- Sustainable Management of Natural Resources and the Environment and the Management of Waste; and
- Inclusive and Accountable Governance and the respect of Human Rights.

The SPC is EU's largest implementing partner in the Pacific.¹⁰⁷

103 http://useconomy.about.com/od/worldconomy/p/european_union.htm

104 EU and Solomon Islands Partnership - 2012 http://eeas.europa.eu/delegations/solomon/eu_partnership_booklet_final.pdf

105 <http://www.theguardian.com/news/datablog/2012/nov/22/eu-budget-spending-contributions-european-union>

106 http://eeas.europa.eu/pacific/index_en.htm

107 Ibid

HUMANITARIAN ASSISTANCE

The EU provides humanitarian assistance to the Pacific region both in terms of disaster preparedness and emergency relief when major disasters strike. The European Commission's Humanitarian Aid and Civil Protection department responds to small or localised disasters in the Pacific region through its Small Scale Response mechanism.

- In response to TC Winston (Feb 2016), the EU provided an initial FJ\$10 million through the SPC to complement the GoF's efforts in relief, recovery and rehabilitation.¹⁰⁸
- In 2015 the EU provided €1 million emergency assistance for TC Pam.
- In 2014-15 emergency assistance of €1.5 million was provided to PNG to deal with sexual and gender-based violence and €238,000 to Solomon Islands in response to floods.¹⁰⁹

SUGAR INDUSTRY, FIJI

The EU and GoF have signed a FJ\$65 million partnership for development agreement. The GoF has identified the agriculture, sugar and justice sectors as being the primary focal areas for support under the 11th EDF, from 2015 - 2020. Under the support to the agriculture and sugar sector, for which an indicative amount of FJ\$46 million is earmarked, specific attention will be invested in strengthening the sustainability and competitiveness of the sugar cane industry with a particular focus on vulnerable sugarcane farming communities.¹¹⁰

Following TC Winston in February 2016, the EU held discussions with the Fijian Sugar Ministry to establish areas in which assistance could be provided to farmers, some of the hardest hit by the severe TC. The sugarcane industry is a priority area because of the large number of people who depended on it for their livelihoods.

An initial assessment of the sugarcane industry carried out by the Fiji Sugar Corporation and Sugar Cane Growers Council has estimated damage to the industry from TC Winston at FJ\$83million (US\$39 million).¹¹¹

108 <http://www.spc.int/en/media-releases/2379-eu-will-provide-fj10-million-through-spc-towards-recovery-and-rehabilitation-after-cyclone-winston.html>

109 http://ec.europa.eu/echo/files/aid/countries/factsheets/pacific_en.pdf

110 http://eeas.europa.eu/delegations/fiji/press_corner/all_news/news/2015/20150616_01_en.htm

111 <http://pidp.eastwestcenter.org/pireport/2016/February/02-25-11.htm>

WORLD BANK GROUP

The WBG has been scaling up its assistance in the Pacific and is moving from a regional approach to individual country strategies to better acknowledge country-specific challenges and priorities. The WBG's engagement with PICs reflects the influence of the region's economic geography and the unique challenges arising from remoteness in relation to their economic development.

In the health sector, WBG is supporting PICs to reduce the rate of NCDs such as cancer, diabetes and cardiovascular disease. The regional *Non-Communicable Disease Roadmap* has been developed in partnership with governments and key stakeholders in the region.

With most PICs comprising of low lying islands, they are among the most vulnerable to the effects of climate change and sea level rise. Efforts to help PICs promote adaptation to climate change is essential to ensuring long-term resilience and security. The *Pacific Catastrophe Risk Insurance Pilot* uses risk pooling to help lower the cost of participating countries' insurance. The *Pacific Resilience Program* and other projects in the region support natural disaster preparedness and mitigation.

Transport, whether via road, air or water, is vital to PICs as it connects people to markets, schools, hospitals and family, often over vast distances. In Tonga, the WBG is working with the government through the *Tonga Transport Sector Consolidation Project* to improve the reliability and safety of Tonga's transport network. Through the *Pacific Aviation Investment Program*, Kiribati, Tonga, Tuvalu and Samoa will be supported to make air travel safer and more efficient.

High population growth and high unemployment has become a serious problem in Honiara, Solomon Islands. The WBG is helping the government to assist the most vulnerable of Honiara's population, particularly youth and women, by providing short-term employment and training through the *Rapid Employment Project*.

In the energy sector, the WBG is working with Vanuatu's government to increase the number of households with access to electricity for things such as lighting and phone charging. In the FSM the *Energy Sector Development Project* will support the government to increase the availability and efficiency of the energy supply for the country.

In the mining sector, the WBG is providing technical assistance to Solomon Islands' government to review existing policies and regulations. This work includes raising awareness of the importance of women's role in the negotiation and management of mining royalties, and supporting Solomon Islands to sign up to the *Extractives Industry Transparency Initiative*.

The WBG is supporting initiatives to improve access to telecommunications and other information communication technologies in countries across the region. The *Pacific Regional Connectivity Program* is working with the governments of Tonga, FSM and most recently, Samoa to provide improved communications technology access; connecting people and businesses to services, markets and information, regionally and beyond.

PICs derive significant economic and social benefits from their marine resources. This is a major opportunity for the region: twenty million square kilometres of the South Pacific are home to the largest tuna fishery in the world. The *Pacific Regional Oceanscape Program* is helping PICs including the FSM, the RMI, Solomon Islands and Tuvalu to capture a greater share of the benefits from their fisheries, while supporting conservation.¹¹²

WORLD BANK PACIFIC FACILITY TRUST FUND IV

The Pacific Facility Trust Fund is a multi-donor trust fund managed by the WBG on behalf of Australia and New Zealand. It has supported the expansion of the WBG's presence in the Pacific region. Australia supports greater engagement by the WBG in the region because of its strong technical development expertise and leadership on development economics.

The objective of the Pacific Facility Trust Fund is to accelerate economic growth and poverty reduction in the Pacific, including through opening up trade, encouraging private sector investment and creating jobs. The Facility supports the drivers of growth, including infrastructure, access to finance, participation by women, health and education, and encourages global best practices in the Pacific region.

ASIAN DEVELOPMENT BANK

The primary mission of the ADB is to foster growth and co-operation among countries in the Asia-Pacific Region. The ADB helps developing member countries tackle poverty by providing loans, technical assistance and grants for a broad range of development activities. Guiding ADB's work is its long-term strategic framework, *Strategy 2020*, which focuses on five core areas:

1. Infrastructure;
2. The environment, including climate change;
3. Regional co-operation and integration;
4. Finance sector development; and
5. Education.

The shareholders of the ADB consist of 48 developing and developed members within Asia and the Pacific region and 19 members from outside the region.¹¹³ The ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

112 <http://www.worldbank.org/en/country/pacificislands/overview#2>

113 <http://aid.dfat.gov.au/Publications/Pages/ausaid-adb-partnership-framework-2009-16.aspx>

EUROPEAN DEVELOPMENT FUND

Co-operation between the EU and the Pacific members of the African, Caribbean and Pacific Group of States (ACP) began in 1975 with the signing of the Georgetown Agreement. The Pacific ACP States have benefited from a number of financial programs provided through the European Commission (EC), including the Pacific Regional Indicative Program (PRIP) which encompasses all Pacific regional projects funded through the EDF.

EUROPEAN INVESTMENT BANK (EIB)

EIB, the bank of the EU, has been supporting EU development policies in ACP regions since 1963. In its 50-year history it has lent nearly €16 billion for around 1,300 projects providing sustainable economic, social and environmental benefits. The EIB carries out its lending in these areas under regional EU co-operation agreements.

INTERNATIONAL LABOUR ORGANISATION

The International Labour Organisation (ILO) is a UN agency dealing with labour issues, particularly international labour standards and decent work for all people. One hundred and eighty-five of the 193 UN members are part of the ILO. (FSM, Nauru, Tonga, Cook Islands and Niue are not members of the UN).

The Decent Work for All is the major aim of the ILO, and is captured in four strategic objectives:

1. Fundamental principles and rights at work and international labour standards;
2. Employment, sustainable enterprises and income opportunities;
3. Social protection; and
4. Social dialogue and tripartite consultations.

Gender equality and non-discrimination in employment are overarching mandates for the achievement of these objectives across all activities in both formal and informal economies. The ILO works closely with both international and regional organisations to promote an integrated and coherent approach to decent work and fair globalisation. In addition, the ILO contributes to the G8 and G20 meetings.

ILO directs voluntary contributions to the global 19 Decent Work Outcomes and the corresponding country-level results captured in Decent Work Country Programs driven by ILO's constituents. At country level ILO outcomes are an integral part of wider UN frameworks. Where possible, donors are encouraged to provide flexible, un-earmarked and predictable funding, including through inclusive multi-annual partnership agreements. In return the ILO has strengthened its capacity to manage for development results, including through enhanced quality control.

AUSTRALIAN AID BUDGET

SECTION 3

Section 3 of the APTC e-Scan 2016 explores the Australian Aid Budget for the Pacific region. Australia is one of the wealthiest nations in the Asia-Pacific region, a region that is home to two-thirds of those living in extreme poverty across the world.¹¹⁴

2015-16 AUSTRALIAN AID BUDGET SNAPSHOT

2014-15 Pacific Regional Program Outcome	A\$199.5 million
2015-16 Pacific Regional Program Budget Estimate	A\$166.4 million
2015-16 Total Australian ODA Estimate	A\$120.0 million¹¹⁵

The 2015-16 Australian Budget, handed down on 12 May 2015, confirmed the aid cuts announced in December, 2014.¹¹⁶ The focus of the budget on the Indo-Pacific region, saw the Sub-Saharan Africa aid budget being cut by 70%, and aid to the Middle East, including the Palestinian Territories, declined by 43%. DFAT country allocations remain constant in nominal terms for all PICs. Aid to PNG declined, but only marginally, by 5%.

The 2015-16 Australian Federal Budget provided an estimated A\$4,052 million in OAD¹¹⁷, denoting an approximate 20% decrease in aid from the previous budget. However Australian aid in 2015-16 equated to 0.25% of Gross National Income (GNI) and 0.9% of the federal government spending.¹¹⁸

114 <http://www.smh.com.au/comment/we-need-to-talk-about-australian-aid-20150413-1mjjiq.html>

115 <http://dfat.gov.au/geo/pacific/development-assistance/Pages/development-assistance-in-the-pacific.aspx>

116 http://devpolicy.org/australian-aid-the-way-we-were/?utm_source=Devpolicy&utm_campaign=af7c334b86-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_082b498f84af7c334b86-312058809

117 Ibid

118 <http://devpolicy.org/aidtracker/#menu>

119 <http://devpolicy.org/aidtracker/destinations/>

120 <http://devpolicy.org/the-same-the-bad-and-the-ugly-country-allocations-in-the-2015-16-budget/>; <http://devpolicy.org/aidtracker/destinations/>



Figure 12 – Australia’s bilateral aid to the Asia-Pacific: 2001-02 to 2015-16¹¹⁹

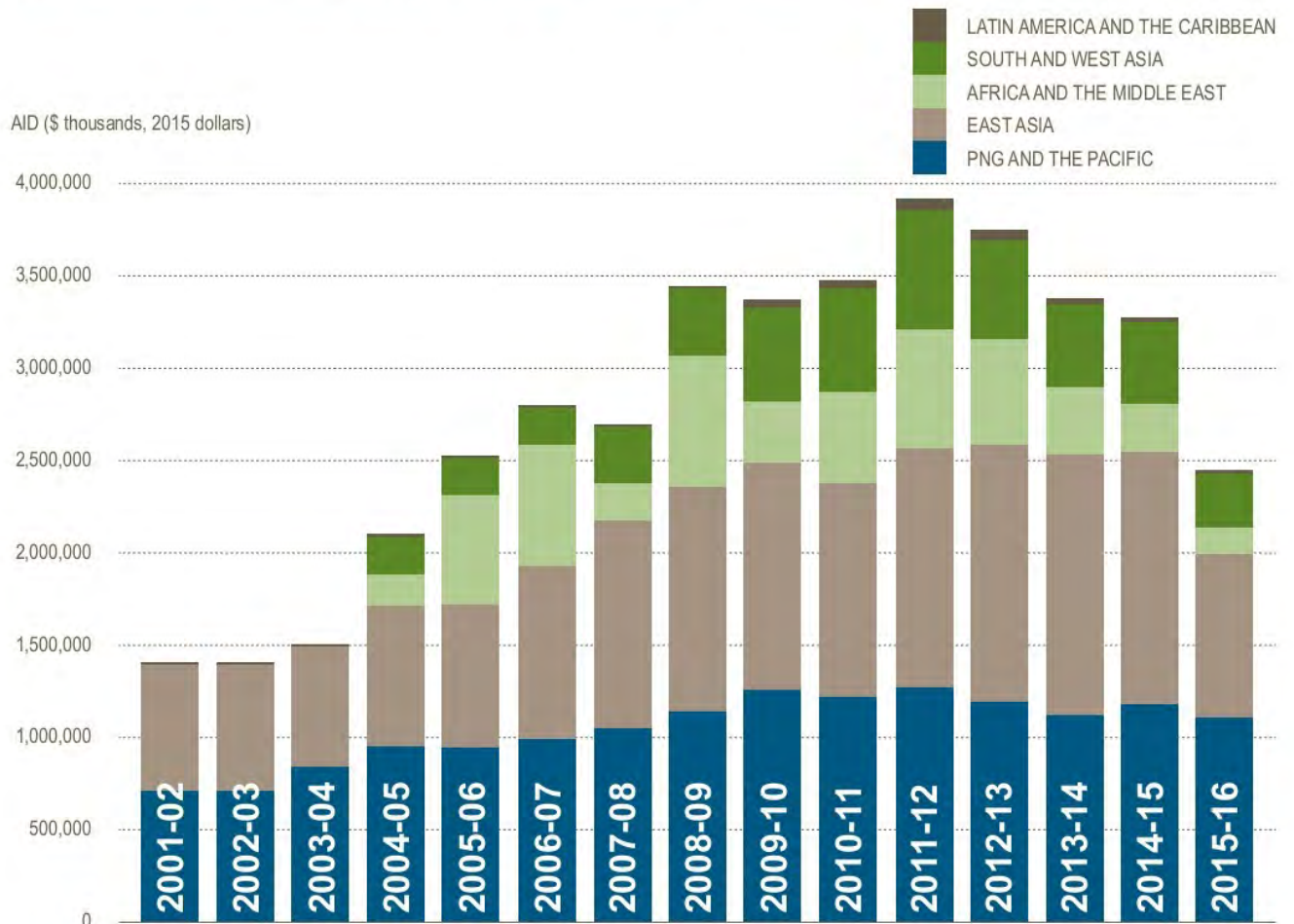


Figure 13 – Australian Aid by region – A\$¹²⁰

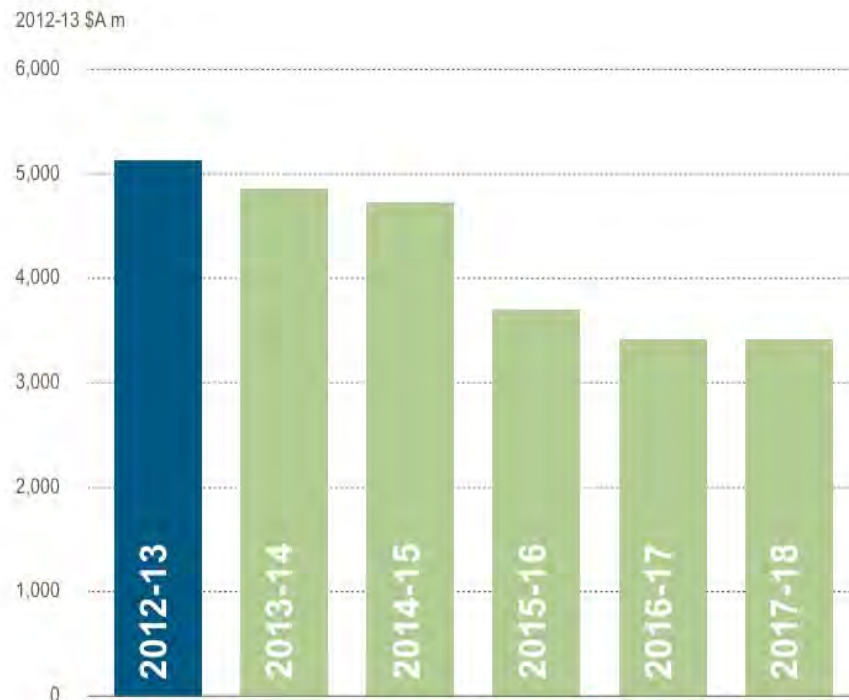


Figure 14 –Australian aid from 2012-13 to 2017-18 (adjusting for Consumer Price Index)¹²¹

The Australian government’s forward estimates indicate that from 2017-18 aid will increase in line with inflation.¹²²

At country, regional and partner program level, performance benchmarks have been introduced to measure the effectiveness of the investments. At project level, robust quality systems are in place to ensure funding is directed to investments making the most difference. Priority areas for assistance are to be agreed with each government under a *Partnership for Development*.¹²³

The majority of Australia’s assistance is delivered through bilateral programs and delivered by NGOs, Australian volunteers, businesses and government agencies working together with developing countries and international organisations.¹²⁴ Figure 15 indicates ODA by investment priority.

CLIMATE CHANGE

Australia is making a significant long-term investment to help PICs adapt to climate change. Australia is investing A\$104 million over the three years, 2013-16 to help protect water supplies, climate-proof essential infrastructure, boost food security and enhance disaster preparedness.

121 <http://devpolicy.org/biggest-aid-cuts-ever-produce-our-least-generous-aid-budget-ever-20141215-2/>

122 http://devpolicy.org/australian-aid-the-way-we-were/?utm_source=Devpolicy&utm_campaign=af7c334b86-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_082b498f84-af7c334b86-312058809

123 <http://aid.dfat.gov.au/countries/Pacific/partnership/Pages/default.aspx>

124 <http://aid.dfat.gov.au/countries/pacific/Pages/home.aspx>

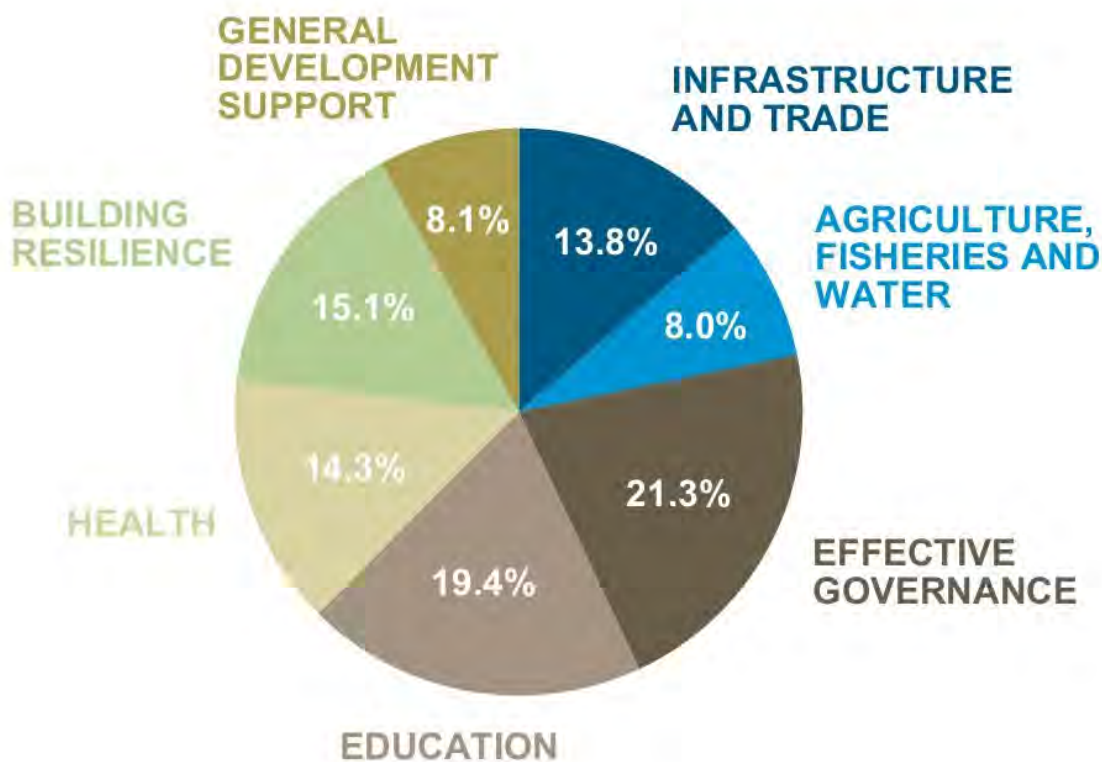


Figure 15 - ODA by investment priority¹²⁵

EDUCATION

The Australian government is investing A\$85 million over the four years 2013-17 to strengthen tertiary and technical education across the Pacific to ensure that more young people have internationally recognised qualifications. Australia's Overseas Development policy supports investments in education focused on systemic change and obtaining quality education. The 2014-15 aid budget estimate for education programs was A\$795.8 million, and A\$1,105.8 million for education as a whole, including the Australia Awards.¹²⁶

The priorities for this funding is to support early childhood development, to provide a special focus on

education for girls, disadvantaged children and those with a disability, to prioritise skills for growth by aligning training to the needs of the local private sector, to work with the private sector and civil society to resolve persistent education challenges, and to continue to provide scholarship programs and people-to-people links for tertiary education to partner countries, for example the Australia Awards.¹²⁷

On 10 December 2015, the Minister for International Development and the Pacific announced the extension of Australian government's support for APTC until June 2018. This extension will enable a further 3,000 Pacific Islanders to obtain Australian TVET qualifications.

125 <http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2015-16-development-assistance-budget-summary.pdf>

126 https://www.dfat.gov.au/dept/budget/2014_2015_highlights/#allocations

127 <http://aid.dfat.gov.au/aidpolicy/developmentpolicy/Pages/education.aspx>

BUDGET FOCUS AREAS

The table below highlights focus areas for the 2015-16 aid budget.

COUNTRY/ REGIONAL PROGRAMS	TOTAL ODA ESTIMATE (A\$M) 2015-16	SOURCE: AUSTRALIAN GOVERNMENT, DFAT ^{128,129}
PAPUA NEW GUINEA	554.5	<ul style="list-style-type: none"> ▪ Promoting effective governance. ▪ Enabling economic growth. ▪ Enhancing human development (including PNG Education Program – up to A\$249.93 million, 2011-16): <ul style="list-style-type: none"> – In basic education, the focus is on capacity building at the national level, primary school infrastructure (classrooms, teacher houses and ablution blocks), supporting teachers in the classroom, and better understanding what works in the sector. – In the higher education and vocational sector, the focus is on working in partnership with the Office of Higher Education, universities, TVET institutions and colleges to improve access and quality. In particular, the program responds to the demand for a qualified PNG labour force, and works closely with industry to ensure graduates and the skills sector are meeting industry needs. Australia's support to the TVET sector is complemented with an APTC campus in Port Moresby. APTC meets a key gap in the PNG TVET sector, providing internationally-recognised trade qualifications to Papua New Guineans in key areas of demand.
SOLOMON ISLANDS	175.9	<ul style="list-style-type: none"> ▪ Supporting stability. ▪ Enabling economic growth. ▪ Enhancing human development (including the Education Support Program – up to A\$71 million, 2015 – 2019): <ul style="list-style-type: none"> – foundation skills in basic education—improving learning outcomes, especially early literacy and numeracy for all students; – skills for economic growth—increasing the number of Solomon Islanders with technical and vocational skills in areas of demand; and – Australia Awards—enabling students to undertake tertiary study in Australia and the region, enhancing cross-cultural understanding through people-to-people links and building the capacity of people to contribute to economic and social development.
VANUATU	60.5 (+ TC Pam Response Estimate A\$50 million over three years)	<ul style="list-style-type: none"> ▪ Building resilient infrastructure and an environment for economic opportunity ▪ Improving early education and essential health services (including Vanuatu Education Support Program - up to A\$39.5 million, 2012-17) <ul style="list-style-type: none"> – increase the number of children (girls and boys) in schooling years 1-3 who achieve the national literacy and numeracy standard; – increase the number of children (girls and boys) including those with special needs in schooling years' kindergarten and 1-3 who have access to education; and – improve education service delivery for Years K-3 at central, provincial and school levels. ▪ Improving community safety and resilience. ▪ Supporting TC recovery and reconstruction.

128 <http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2015-16-development-assistance-budget-summary.pdf>

129 <http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Pages/budget-highlights-2015-16.aspx>

SAMOA	36.8	<ul style="list-style-type: none"> ▪ Enable economic growth. ▪ To strengthen governance. ▪ Advance Samoa's health and education outcomes (including Education Sector Support Program up to A\$12.5 million, 2015 – 2018; TVET Roadmap I & II up to A\$2.5 million, 2014-16; and Australia Awards approximately A\$5 million annually): <ul style="list-style-type: none"> – In 2015, Australia provides Australia Awards scholarships for 50 Samoan citizens to study at tertiary-level institutions in Australia and the Pacific region. These include 40 long term awards (Australia Awards Scholarships and Australia Awards Pacific Scholarships); and 10 short term awards (Australia Awards Fellowships); and – The APTC is a flagship program of the Australian government, funded through Australia's Pacific Regional Program. Through the bilateral program to Samoa, Australia provides funding for approximately 150 Samoan students each year to complete international-standard trade, hospitality and community service courses.
FIJI	57.8	<ul style="list-style-type: none"> ▪ Increased private sector development. ▪ Improved human development (including Access to Quality Education Program (AQEP), up to A\$50 million, 2011 – 2016): <ul style="list-style-type: none"> – AQEP is designed to help improve access to quality basic education for the poorest and most disadvantaged communities in Fiji. The AQEP focuses on 139 primary schools in the poorest or most disadvantaged parts of Fiji, as mapped by the WBG, and has three main components: <ol style="list-style-type: none"> 1. AQEP provides support through school based management grants, teaching resources and technical assistance aimed at increasing enrolment and attendance of disadvantaged children and improved learning outcomes. 2. AQEP invests in school infrastructure such as classrooms and library buildings, providing students with a better place to study. 3. AQEP provides support for Fiji's Ministry of Education through short-term technical assistance and research to inform program planning and evaluation. AQEP supported the Fiji Education Management Information System, resulting in the entry of all student records. The AQEP also provided financial management training to head teachers, principals, managers and treasurers in 898 schools.
TONGA	30.2	<ul style="list-style-type: none"> ▪ Governance, economic and private sector development. ▪ More effective, efficient and equitable health system. ▪ Skills development in support of economic opportunities for Tongan workers (including the Tonga Education Support Program Phase 2, A\$6.5 million, 2013-16; and the Interim Skills Development Facility, A\$2.6 million, 2014-16): <ul style="list-style-type: none"> – The Tonga Education Support initiative supports improvements in the quality of primary schools and early childhood education. It helps the Tongan Ministry of Education and Training improve teacher registration and knowledge development and dissemination, as well as provide updated regulations and policies. Key achievements include: 150 teachers gaining professional certification; revision of curriculum materials for classes 1 to 8 to improve teaching strategies and learning outcomes; the update and operationalisation of key elements of Tonga's National Early Childhood Education policy; development of Early Childhood Education Resources (in the Tongan language); revision of the Early Childhood Education Curriculum; and development of an Early Childhood Education teaching qualification; and – Established in May 2014, the Interim Skills Development Facility addresses the immediate skills demand identified in the Tonga Labour Market Study 2013. The Facility aims to contribute to an appropriately skilled workforce to meet the available employment opportunities in Tonga and overseas.
NAURU	25.2	<ul style="list-style-type: none"> ▪ Promoting more effective public sector management. ▪ Investing in nation building infrastructure. ▪ Supporting human development (including the Nauru Improved Education up to A\$4.7 million, 2014 – 2015). It focuses on: improving quality and increasing the numbers of teaching staff; improving access to quality primary and secondary school education, ensuring higher student retention rates and education attainment levels; and improving access to relevant high quality tertiary, technical and vocational education services.

KIRIBATI	27.9	<ul style="list-style-type: none"> ▪ Implementing Economic Reforms. ▪ Building a better educated and healthier population (including Kiribati Education Improvement Program, up to A\$43 million (Phase I and II), 2011-15). Working with the Kiribati government to improve: <ul style="list-style-type: none"> – Knowledge, skills and opportunities of young i-Kiribati, enabling them to contribute to a productive and resilient Kiribati community, and to pursue employment in areas of domestic and international demand; and – Primary level health care through a more capable health workforce and better health information, and reduce the incidence of diarrhoeal and other diseases through better sanitation and the management of potable water supplies.
TUVALU	10.2	<ul style="list-style-type: none"> ▪ Good governance, economic growth and stability. ▪ Education and human resources (including Achieving Education for All in Tuvalu Program, up to A\$3.6 million, 2011-16; and the Funafuti Classroom Building Project, up to A\$4.1 million, 2015-17): <ul style="list-style-type: none"> – The program focuses on improving school management, training teachers, building student literacy levels and carrying out education research and planning; – The program will benefit 18 early childhood centres, 10 primary schools and two secondary schools. The program is supporting Tuvalu's government priorities in the education sector: improved curricula and assessments, increased student achievements, better school management, and more opportunities for human resource development; and – Australia is providing a grant to the Tuvalu government to fund the construction of 12 new classrooms and two toilet blocks at the main government primary school in the capital, Funafuti. The project will provide school facilities conducive to student learning and will take into account potential climate change impacts. ▪ Environment and climate change.
COOK ISLANDS	4.0	<ul style="list-style-type: none"> ▪ Water and sanitation. ▪ Education. ▪ Gender. ▪ Disability-inclusive development.
NIUE	4.1	<ul style="list-style-type: none"> ▪ Waste Management. ▪ Education.

AID FOR TRADE BUDGET

The Australian government has set an AfT target that represents 20% of the total aid budget by 2020, which is consistent with the level of investment by other key donors and the increasing demand from developing countries, especially in the Pacific.

In 2014-15, Australia's AfT represented about A\$823 million or 16.4% of total ODA. In 2015-16, AfT expenditure is expected to reach approx. A\$698 million or 17.2% of Australia's total ODA (Figure 16).

ODA DELIVERED BY OTHER GOVERNMENT DEPARTMENTS

Australia applies a whole-of-government approach to aid delivery, utilising the skills, strengths and expertise of 'other government departments' (OGDs) - including Commonwealth, State and Territory government departments and agencies to deliver effective aid. Figure 17 indicates estimated 2015-16 ODA-eligible expenditure.

130 <http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2015-16-development-assistance-budget-summary.pdf>

131 Ibid

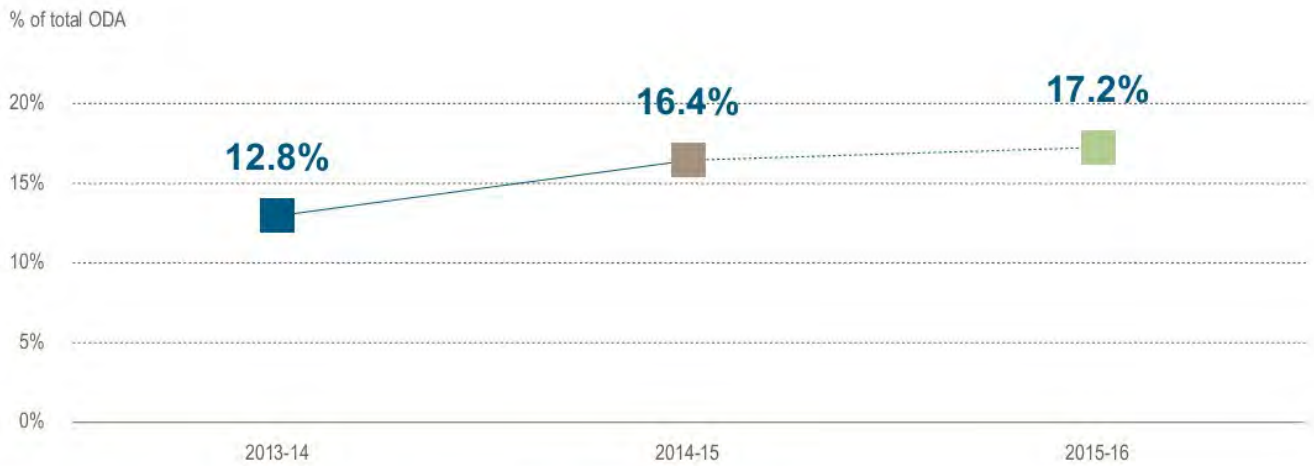


Figure 16 - Australia's trajectory towards meeting 20% AfT target by 2020 ¹³⁰

Department/Agency ¹³¹	2014-2015 budget estimate (A\$m)	2015-2016 budget estimate (A\$m)
Australian Competition and Consumer Commission	0.1	0.0
Australian Centre for International Agricultural Research	96.1	91.3
Agriculture	4.0	3.8
Attorney Generals	5.4	4.9
Immigration and Border Protection	63.3	7.5
Australian Federal Police	104.5	126.3
Australian Taxation Office	0.2	0.0
Australian Institute of Marine Science	0.2	0.0
Australian Prudential Regulation Authority	0.2	0.0
Communications	1.5	1.1
Commonwealth Scientific and Industrial Research Organisation	0.6	0.0
Education	27.7	27.7
Employment	7.5	7.5
Environment	0.6	0.5
Finance	3.3	0.5
Health	9.5	7.2
Infrastructure	1.0	0.7
Treasury	63.7	56.2
States and Territories	2.2	0.4
Total	392.0	335.6

Figure 17 - estimated ODA-eligible expenditure by OGDs in 2015-16

AUSTRALIAN AID: PARTNERSHIPS, PROGRAMS AND INITIATIVES

SECTION 4

Development objectives cannot be achieved by working in isolation. Australia pursues strong and effective partnerships that reflect a focus on collaboration and co-operation for making a difference to the lives of the people living in the Pacific region. Bilateral donors contribute US\$1355 billion in development assistance annually and it is therefore in Australia's interest to work with other donors to maximise development effectiveness.¹³²

Investing in effective partnerships with other bilateral donors:

- Maximises the impact, geographic reach and influence of its development activities;
- Facilitates leverage of each other's experience and innovation to ensure best practice and optimum results in program delivery;
- Prevents policy fragmentation and duplication of effort; and
- Ensures the needs of the Indo-Pacific are effectively represented internationally.

Australia's investment in development partnerships is guided by four key principles:

1. Pragmatism
2. Multilateral engagement
3. Global engagement
4. National interest

Section 4 of the APTC e-Scan examines Australian aid partnerships, programs and initiatives that support and promote development of its neighbours in the Pacific.

¹³² <http://dfat.gov.au/aid/who-we-work-with/bilateral-partnerships/pages/bilateral-partnerships.aspx>

PARTNERSHIPS

Australia works through a range of partnership, including whole of government, private sector, bilateral partners, multilateral and non-government organisations.

- **Whole of government:** DFAT is one of many Australian government departments and agencies involved in delivering ODA and providing a wide range of expertise to address the development, economic, security and political aspects of partner countries.
- **Private sector partnerships:** Partnerships with the private sector are important for DFAT to achieve its private sector development objectives and maximise the overall development impact of its investments.
- **Bilateral partnerships:** In engaging with bilateral donors, the Australian government chooses the type of co-operation that is most effective and fit-for-purpose to ensure that these partnerships deliver maximum results.
- **Multilateral organisations:** Multilateral organisations like the UN or WBG extend the reach of Australia's aid program as their size enables them to undertake projects on a scale that would not be possible for donors such as Australia.

- **Non-government organisations:** NGOs like World Vision are an essential part of Australia's aid program as they maximise the impact and reach of Australian aid.¹³³ For 40 years the Australian government has provided funding through the Australian NGO Co-operation Program (ANCP) to deliver cost effective, practical and direct poverty reduction programs. The ANCP directly supports community-level economic development, facilitating access to markets, improving livelihoods for women, and working to strengthen links between communities, government and the private sector. There are over 50 NGOs accredited to receive funding under the ANCP. The 2015-16 budget estimate for ANCP is A\$127.3 million.¹³⁴

These relationships are managed through government-level agreements or agency level MOUs which encompass joint and delegated aid projects, and increasingly include policy collaboration to drive results in international fora, such as through the G20, multilateral agencies and the OECD Development Assistance Committee (DAC).¹³⁵

133 <http://dfat.gov.au/aid/who-we-work-with/Pages/who-we-work-with.aspx>

134 <http://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Pages/australian-ngo-cooperation-program.aspx>

135 <http://dfat.gov.au/aid/who-we-work-with/bilateral-partnerships/pages/bilateral-partnerships.aspx>

PARTNERSHIPS WITH BILATERAL DONORS

Australia has formal agreements with the following bilateral donors:

- **Canada:** In April 2015, DFAT entered into a Partnership Arrangement on International Development with the Canadian Department of Foreign Affairs, Trade and Development. Australia and Canada have a mature and highly productive bilateral relationship which extends across a diverse policy agenda, including foreign affairs, security, trade and investment, and international development.¹³⁶
- **China:** The Australian and Chinese governments signed an MOU for a Development Co-operation Partnership in Beijing on 9 April 2013. The MOU enables Australia and China to:
 - Find practical means to strengthen co-operation and collaboration;
 - Work together to achieve shared objectives on issues of global or regional importance; and
 - Work together to reduce global poverty and promote achievement of the MDGs and the SDG 2030 Agenda.
- **European Union:** The Australia-EU Delegated Co-operation for Development, signed 15 April, 2014 recognises the enduring partnership between Australia and the EU. It acknowledges the importance of co-ordinated approaches to development policy and programs and it recognises each other's specialised devel-

opment expertise. The MOU focuses on achieving effective, efficient and sustainable development outcomes.¹³⁷ Australia and the EU are currently working together on civil society support (Samoa), vocational training (Fiji) and WASH (Solomon Islands).¹³⁸ Development co-operation between Australia and the EU is currently enabled under the Australia-EU Partnership Framework of 2008, which is due to be replaced by a treaty-level Framework Agreement. Formal negotiations on the Framework Agreement are continuing.¹³⁹

- **France:** Australia and France are both committed to democratic values and human rights and share a common aspiration for a fairer, safer and more socially responsible world. Australia and France signed a Joint Statement of Strategic Partnership in January 2012 which includes a commitment to strengthen international development co-operation, particularly in the Pacific. France, Australia and New Zealand signed the FRANZ Agreement, a trilateral disaster relief arrangement,¹⁴⁰ in December 1992 to ensure the best use of defence assets and other resources for relief operations after natural disasters in the South Pacific.¹⁴¹ This agreement promotes long-term strategic co-operation in the Pacific region.¹⁴²
- **Germany:** The development partnership with Germany is one of Australia's strongest and is underpinned by an aid MOU signed

in 2007 which outlines a shared interest in a prosperous and stable Asia-Pacific region, and is supported by a work plan. A Strategic Partnership arrangement, signed in January 2013, builds on the MOU. Separately, Australia and Germany signed a Declaration of Intent to co-operate in the extractive industries sector (May 2013) as well as an MOU on Implementation Arrangements (13 Sept 2013) which outlines common procedures for joint development co-operation.

136 <http://dfat.gov.au/aid/who-we-work-with/bilateral-partnerships/Pages/australias-development-partnerships-with-other-bilateral-donors.aspx>

137 <http://dfat.gov.au/about-us/publications/Documents/aus-eu-delegated-cooperation-for-development.pdf>

138 <http://www.eabc.com.au/australia-the-eu/eu-overview/>

139 <http://dfat.gov.au/aid/who-we-work-with/bilateral-partnerships/Pages/australias-development-partnerships-with-other-bilateral-donors.aspx>

140 <http://www.radioaustralia.net.au/international/radio/onairhighlights/is-the-franz-agreement-working>

141 <http://dfat.gov.au/aid/who-we-work-with/bilateral-partnerships/Pages/australias-development-partnerships-with-other-bilateral-donors.aspx>

142 <http://dfat.gov.au/geo/france/pages/joint-statement-of-strategic-partnership-between-australia-and-france.aspx>

- **Japan:** Australia and Japan signed an MOU on International Development Co-operation in Tokyo in December 2011 which commits the two governments to work more closely together to increase development effectiveness and help developing countries lift their people out of poverty and share the benefits of economic growth. Through the partnership, DFAT and the JICA agreed to increase the exchange of information, and to enhance co-operation in sectors such as education, health, food security and infrastructure.
- **New Zealand:** Australia shares a close and wide-ranging relationship on development co-operation with New Zealand. On 20 August 2009, the Australia-New Zealand Partnership for Development Co-operation in the Pacific was signed which reaffirms a commitment to build a more secure, equitable and prosperous Pacific region and is matched by strong in-country working-level relationships, high-level consultations, and a close consultative relationship on development related policy issues.
- **Republic of Korea:** The MOU on Development Co-operation between Australia and the Republic of Korea was signed in Seoul on 16 December 2009 to provide a framework for greater co-operation on development assistance. The MOU recognises the Republic of Korea as an important emerging donor and development partner in Asia. Both countries are work-

ing together to explore ways to develop practical collaboration, with a focus on the Asia-Pacific.

- **Singapore:** The Partnership Arrangement on International Development between Australia and Singapore was signed in June 2015. The Partnership Arrangement outlines key understandings and shared objectives and principles on international development between Australia and Singapore, and is focused on the Asia-Pacific region. Australia and Singapore have committed to convene an annual development official level dialogue to broaden understanding and explore potential areas for collaboration. The Annex to the Partnership Arrangement outlines an annual work program. For 2015-16 the focus areas are trade, investment, economic development and sustainable development.
- **United Kingdom:** Australia and the United Kingdom, through their Department for International Development (DFID), work together closely on a range of shared development priorities as outlined in the DFAT-DFID Partnership Arrangement,¹⁴³ signed on 10 March 2014. The top priorities for collaboration with the DFID under the Partnership Arrangement are:
 - Economic growth and development, including AFT and leveraging the private sector;
 - Gender equality and women's empowerment;
 - Humanitarian and conflict approaches; and

- Global development policy agendas, including the G20 development agenda, post-2015 development framework and development finance.

Central to the Australia-United Kingdom donor partnership is a shared commitment to increasing the effectiveness, transparency and accountability of the respective aid programs.

- **United States of America:** On 10 June 2010, Australia and the United States of America entered into an MOU on International Development Co-operation. The MOU provides a framework for development co-operation activities that assist developing countries to escape conflict and instability and move toward sustainable private sector-led growth. It aims to draw on the shared development objectives and approaches of both countries to enhance program delivery and to support better program outcomes.¹⁴⁴

¹⁴³ https://dfat.gov.au/about-us/publications/Documents/partnership_agreement_ausaid-dfid.pdf

¹⁴⁴ <http://dfat.gov.au/aid/who-we-work-with/bilateral-partnerships/Pages/australias-development-partnerships-with-other-bilateral-donors.aspx>

PARTNERSHIPS WITH MULTILATERAL DONORS

- **United Nations:** Working with the UN and its humanitarian agencies, Australia ensures carefully targeted programs are put in place for emergency assistance and long-term development. In 2014-15 Australia provided A\$157.1 million, including A\$21.2 million in core funding to the United Nations Development Program (UNDP), and A\$75.6 million including A\$34.4 million in core funding to UNICEF. These contributions made up around 38% of Australia's overall contribution to the UN in 2014-15, which totalled A\$616.9 million.
- **Gavi, the Vaccine Alliance:** Gavi is an example of a successful public/private partnership that works to reduce childhood deaths through helping low-income countries procure new and underused vaccines at globally low prices. These vaccines combat the most common causes of childhood illness and death, including pneumonia, diarrhoea and measles. Gavi's work aligns with the goals of Australia's aid program to contribute to sustainable economic growth and poverty reduction through better health. Gavi also uses innovative approaches to generating funding for development, including the International Finance Facility for Immunisation mechanism (IFFIm) which generates funds for Gavi programs through issuing bonds on capital markets. For 2016-20 Australia has pledged A\$250 million to Gavi and has

also committed A\$250 million to IFFIm over 20 years, 2010-2030. From 2006 to 2015 Australia provided A\$284 million in funding to Gavi.

- **The Global Fund to fight AIDS, TB and malaria** is a partnership between governments, civil society, private sector and people affected by the diseases, to accelerate the end of AIDS, TB and malaria as epidemics. The Global Fund mobilises and invests nearly US\$4 billion a year to support programs run by local experts in countries and communities most in need. Since 2004 Australia has contributed A\$515 million to the Global Fund including a pledge of A\$200 million for the 2014-16 allocation period. Australia's contributions to the Global Fund deliver value for money; for every US\$ Australia committed over 2014-2016, the Global Fund gave US\$15 to eligible countries in Asia and the Pacific, totaling US\$2.9 billion. This represents an increase of about 7% in funding to the Asia-Pacific when compared to previous Global Fund allocations.
- **Global Partnership for Education (GPE):** GPE is a multi-stakeholder partnership of bilateral and multilateral donors, developing countries, and key stakeholders from civil society and the private sector with the goal of providing quality basic education to all children. GPE and its forerunner, the Fast Track Initiative, has mobilised US\$4.3 billion in support of education

since 2002 enabling 22.5 million additional children to enter school in 60 developing countries around the world. Australia contributed A\$340.8 million to GPE between 2007 and 2014. In June 2014, Australia pledged A\$140 million for GPE's 2015-18 replenishment. It is estimated that, for every US\$1 Australia is investing over the 2015-18 replenishment, GPE is forecast to spend US\$4 in the Asia-Pacific region. Australia's support to GPE complements its bilateral education programs and extends its leadership in the education sector to a global scale.

- **Global Environment Facility (GFE):** GFE is an international partnership of 183 countries, international institutions, civil society and the private sector to address global environmental issues. GFE works with partners to improve agricultural productivity, sustainable fisheries and water resource management for poor communities. It also engages in environmental activities including biodiversity, land regeneration, protection of international waters, climate change mitigation and adaptation, and management of persistent organic pollutants and the ozone layer. Australia committed A\$93 million (2014-18) to the GEF to provide a range of grants to the Indo-Pacific region.
- **Global Partnership on Output-Based Aid (GPOBA):** The GPOBA funds, designs, demonstrates and documents output-based aid (OBA) approaches. OBA is a results-based and innovative financing instrument designed to improve delivery of basic infrastructure and social services for the poor (e.g. water, telecommunications, micro-finance). OBA projects are commonly delivered by private firms, with donors providing performance-linked subsidies. Working with GPOBA enhances Australia's expertise in the selection, design and implementation of OBA activities, to look at ways in which innovative financing of projects can deliver stronger and more predictable results.¹⁴⁵
- **Green Climate Fund:** Australia has pledged A\$200 million over four years to the GCF to support developing countries to grow their economies in a sustainable way and help them adapt to climate change. The GCF leverages private sector investment and supports a range of emission reduction and adaptation projects with broader economic and environmental benefits. Australia is an active member of the GCF Board and uses its seat to advocate the interests of its region, and to promote effective governance.

145 <http://dfat.gov.au/aid/who-we-work-with/multilateral-organisations/Pages/health-education-and-environment-funds.aspx>

PROGRAMS AND INITIATIVES

ASSISTING THROUGH TRADE

Australia's development policy places greater emphasis on aid as a catalyst for sustainable economic growth and poverty reduction in developing countries in the Indo-Pacific region. Trade is known to boost employment, incomes and government revenue.^{146,147}

AID FOR TRADE INITIATIVE

AfT helps developing countries address their internal constraints to trade, such as cumbersome regulations, poor infrastructure and lack of workforce skills. It supports developing countries to better integrate into and benefit from the global rules-based trading system and implement domestic reform that have a real economic impact. AfT includes training of customs officials to facilitate trade, investing in ports and storage facilities, connecting farmers to overseas buyers and helping women entrepreneurs to export.

The Strategy for Australia's AfT Investments, launched on 1 July 2015, established a framework for future Australian AfT investments to ensure they are well-planned and effective, meet the needs of the developing country partners and are aligned with Australian interests. Australia's priority areas for AfT investments include:

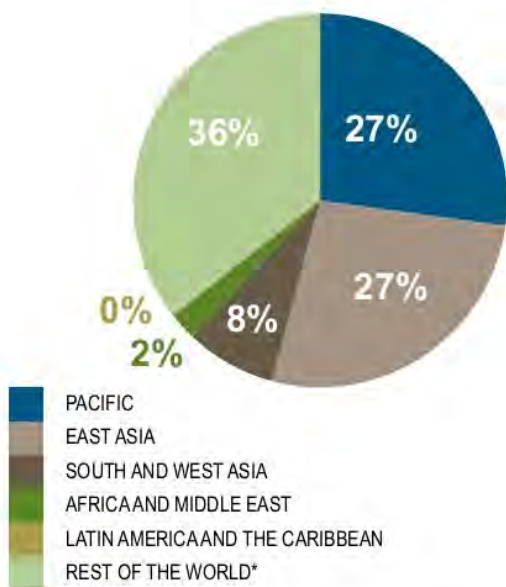
- Trade and investment policy and trade facilitation;
- Global value chains;
- Infrastructure;
- Private sector development;
- Economic empowerment of women;
- Knowledge and skills development;
- Agriculture; and
- Services.

In 2014-15 the majority of AfT investment was for building productive capacity including in agriculture (51%), economic infrastructure including transport and storage (43%) and trade policy and regulation (6%). AfT was undertaken in East Asia (38%), global or multi-country initiatives (29%), Pacific (21%), South and West Asia (8%), and Sub-Saharan Africa and Middle East (4%).¹⁴⁸

146 <http://aci.gov.au/content/fiji-papaya-gets-boost>

147 <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>

148 <http://dfat.gov.au/aid/topics/development-issues/aid-for-trade/Pages/aid-for-trade.aspx>



* Includes ODA not attributed to particular countries or regions.

Figure 18 - AfT estimated expenditure by region 2015 -16 ¹⁴⁹

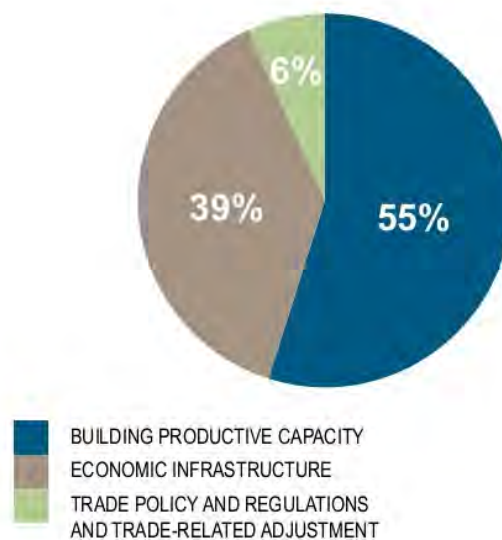


Figure 19 - AfT estimates for expenditure, by investment area 2015 -16 ¹⁵⁰

Australia's AfT Program highlights include:

- WTO Agreement on Trade Facilitation:** Australia assists developing and least developed countries to implement the Agreement, for example, through improving their customs procedures. Australia is working with 159 members to ensure goods and services can be imported and exported free from unnecessary restrictions or discrimination. Australia views liberalisation through the WTO as the clearest path to comprehensive economic reform, improved efficiency of markets and substantial and sustainable economic growth in all nations.

- Fostering the Services Sector:** Australia is helping developing countries undertake domestic reforms that improve the services sector's contribution to their economies, and build their capacity for services trade negotiations.¹⁵¹
- Health Research:** Australia and the World Intellectual Property Organisation (WIPO) are working together to place scientists from developing countries in the world's leading research organisations to help develop better treatment options for neglected tropical diseases, malaria and tuberculosis.
- Bringing Books to the Visually Impaired:** Australia and WIPO are working together to help the visually impaired access educational materials.

- Economic Empowerment of Women in the Pacific:** With the International Trade Centre (ITC), Australia is assisting women entrepreneurs. For example, in PNG craftswomen using billum are being assisted to form co-operatives and market their products internationally. In Samoa, business-women are being supported to better access government procurement processes.

¹⁴⁹ <http://dfat.gov.au/about-us/publications/Documents/aid-fact-sheet-aid-for-trade.pdf>

¹⁵⁰ <http://dfat.gov.au/about-us/publications/Documents/aid-fact-sheet-aid-for-trade.pdf>

¹⁵¹ <http://geneva.mission.gov.au/gene/reasons.html>

OTHER PROGRAMS

▪ **Direct Aid Program, Pacific:** The Direct Aid Program (DAP) is a small grants program funded from Australia's aid budget. It has the flexibility to work with local communities in developing countries on projects that reduce poverty and achieve sustainable development consistent with Australia's national interest. It sits alongside Australia's longer-term country and multilateral development strategies and with its wide geographical reach, plays an important role in supporting local community efforts towards

poverty reduction. In 2015-16 the total DAP budget is \$22 million. DAP is administered through Australia's overseas diplomatic posts on a financial year basis.¹⁵²

▪ **Government Partnerships for Development (GPDF):** GPDF is a competitive funding program supporting eligible Australian public sector organisations to partner with public sector organisations in developing countries. GPDF supports economic growth and poverty alleviation in developing countries in the Indian Ocean, Asia and Pacific regions. Australian public sector organisa-

tions work with implementation partners such as NGOs, government business enterprises, private sector entities including training institutions and public-private partnerships. The following table outlines a number of GPDF projects.¹⁵³

152 <http://dfat.gov.au/aid/topics/development-issues/direct-aid-program/Pages/direct-aid-program.aspx>

153 <http://dfat.gov.au/about-us/publications/Pages/approved-gpdf-activities.aspx>

154 <http://dfat.gov.au/about-us/publications/Pages/approved-gpdf-activities.aspx>

Title	Summary	Region/ Country of focus	Lead Public Sector Organisation	Duration	Total funds A\$ m
Economic Development and Food Security through Addressing Illegal Fishing	Improving the capacity of Pacific nations and PNG to combat illegal unregulated and unreported fishing activities in their territorial waters	Pacific, PNG	Department of Agriculture	Nov 2014 - June 2017	2.446
Improving Statistical Capability in Fiji	Building the capacity of the Fiji Bureau of Statistics to provide accurate and timely statistics on economy and society	Fiji	Australian Bureau of Statistics	Nov 2014 - June 2017	0.846
Improving Biosecurity Systems for Cargo Treatment	Building the capacity of counterpart biosecurity agencies to manage multi-country cargo treatment and inspection	APEC/ASEAN	Department of Agriculture	Nov 2014 - June 2017	1.222
Strengthening Prudential Risk Management Capacity in the Pacific	Building capacity of Pacific financial regulators through on-site training and internships	Pacific, PNG, Timor Leste	Australian Prudential Regulation Authority	Nov 2014 - June 2017	1.098
Supporting and strengthening Ombudsman and allied institutions to combat corruption in the Pacific	Supporting the development of integrity institutions (Ombudsmen's offices and Auditor General's offices) in the Pacific to allow them to respond to increasingly sophisticated criminal and corruption activities	Pacific regional and PNG	Office of the Commonwealth Ombudsman	Nov 2014 - June 2017	1.099

Figure 20 - Approved GPDF activities (2014)¹⁵⁴

THE NEW COLOMBO PLAN

This Australian government initiative aims to lift the level of knowledge of the Indo-Pacific region across Australia by supporting Australian undergraduates to study and undertake internships in the region. It involves a prestigious scholarship program for study of up to one Academic Year and Internships and/or Mentorships of up to six months; and a flexible Mobility Grant Program for both short and longer-term study, internships, mentorships, practicums and research. The program is open to Australian undergraduates aged 18-28 currently studying at Australian universities.¹⁵⁵

In 2017 the New Colombo Plan Scholarship Program objectives are:

- Provide around 100 prestigious and highly-competitive Scholarships;
- Support more study experiences in as many Indo-Pacific locations as possible;
- Encourage New Colombo Plan students to undertake longer-term study, language study and an internship and/or mentorship;
- Engage New Colombo Plan students, universities and other stakeholders in public diplomacy and outreach; and
- Continue to develop an active alumni community for participants to share their experiences, promote the New Colombo Plan and continue to develop knowledge of and professional links with the Indo-Pacific region.¹⁵⁶

The New Colombo Plan is intended to be transformational, deepening Australia's relationships in the region both at the individual level and through expanding university, business and other stakeholder links.¹⁵⁷ With an initial commitment of A\$100 million, the funding for the program is now ongoing.

THE PACIFIC FINANCIAL INCLUSION PROGRAM (PFIP)

In 2014 Australia launched A\$14.15 million (FJD\$24 million) three-year partnership, aimed at increasing financial services for disadvantaged households across the Pacific. Implemented by the UNDP and the United Nations Capital Development Fund (UNCDF), PFIP aims to add one million Pacific Islanders to the formal financial sector by 2019 through facilitating access to appropriate financial services, creating national-level financial education initiatives and spearheading catalytic policy initiatives. The Australian government's partnership with PFIP commenced in 2009, and its latest contribution amounts to 50% of multi-donor support. Donors include Australia, New Zealand, the EU, the UNDP and UNCDF.¹⁵⁸

155 <http://dfat.gov.au/people-to-people/new-colombo-plan/Pages/new-colombo-plan.aspx>

156 <http://dfat.gov.au/people-to-people/new-colombo-plan/scholarship-program/Pages/scholarship-program-guidelines-2017.aspx>

157 <http://dfat.gov.au/people-to-people/new-colombo-plan/scholarship-program/pages/scholarship-program.aspx>

158 <http://www.pfip.org/media-centre/press-releases/2014/australia-supports-financial-inclusion-in-pacific.html>

THE PACIFIC HORTICULTURAL AND AGRICULTURAL MARKET ACCESS PROGRAM (PHAMA)

PHAMA is funded by the Australian and New Zealand aid programs and is helping primary producers meet international export requirements.¹⁵⁹ Established in 2011 and funded through to 2017, PHAMA's mission is to strive for equitable and sustainable agricultural industries and value-added ventures across the Pacific region.¹⁶⁰

PHAMA has assisted Samoa, Tonga, Solomon Islands, Vanuatu and Fiji increase their agriculture and horticulture exports, by addressing the quarantine, sanitary, phyto-sanitary and other market access requirements of their trading partners. The work of PHAMA focuses on maintaining and improving existing market access by developing the capacity of the public and private sectors in PHAMA countries to meet the requirements, and to gain access for novel agricultural-based products into new markets.¹⁶¹

Recognising the potential for PNG to benefit from PHAMA support to connect the local agriculture sector to global markets, in 2015 the Australian government committed A\$5 million (10 million Kina) for PHAMA implementation over the following two years. Agriculture plays a vital role in PNG's prosperity as over 70% of the country's population relies on the land through subsistence farming and as an income source.¹⁶²

PACIFIC WOMEN SHAPING PACIFIC DEVELOPMENT (PACIFIC WOMEN)

Pacific Women is an ambitious 10 year A\$320 million program supported by the Australian government to improve the political, economic and social opportunities of Pacific women in 14 PICs. Gender inequality remains a significant development challenge for many countries and as a consequence, these nations are unable to reach their full potential when half of their citizens are excluded from important leadership and economic opportunities.¹⁶³

Pacific Women supports Pacific countries to meet the 2012 PIF Leaders' Gender Equality Declaration commitments and it works with Pacific governments, civil society organisations, the private sector, and multi-lateral, regional and UN agencies to:

1. Increase the effective representation of women, and women's interests, through leadership at all levels of decision-making;
2. Expand women's economic opportunities to earn an income and accumulate economic assets; and
3. Reduce violence against women and increase access to support services and to justice for survivors of violence.

Work in these areas is underpinned by a focus on supporting positive changes in social norms and attitudes towards women in the Pacific. This will enable women to have a stronger sense of empowerment and belief in their own self-worth and abilities, and to have more opportunities to participate fully, freely and safely in political, economic and social life.¹⁶⁴

Australia's support is primarily delivered at the country level. Individual country plans have been developed in close consultation with the women and men of the Pacific, their organisations and governments to guide implementation of activities. Country plan development has included consultation with women living with disabilities and disabled peoples' organisations.¹⁶⁵

Through *Pacific Women*, the Australian government has committed to spend approximately A\$58 million over 10 years on initiatives supporting women's empowerment in PNG.¹⁶⁶

159 <http://dfat.gov.au/geo/pacific/development-assistance/pages/development-assistance-in-the-pacific.aspx>

160 <http://www.phama.com.au/>

161 http://www.phama.com.au/Portals/0/FS_Phama_Final_ContactUs.pdf

162 <http://png.embassy.gov.au/pmsb/571.html>

163 <http://www.pacificwomen.org/about/about-pwspd/>

164 <http://dfat.gov.au/geo/pacific/development-assistance/Pages/gender-equality-pacific-regional.aspx#pacificwomen>

165 Ibid

166 <https://dfat.gov.au/about-us/publications/Documents/pwspd-papua-new-guinea.pdf>

PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS (PACER) PLUS

PIF Leaders launched negotiations on PACER Plus at their fortieth meeting in August 2009 to help FICs benefit from enhanced regional trade and economic integration.¹⁶⁷

Australia's primary objective is to promote economic development through greater regional trade and economic integration. Australia's support includes high-quality technical advice, substantial funds to commission independent research on PACER Plus and funds for training of FIC trade officials to strengthen their capacity in respect of the PACER Plus negotiations.¹⁶⁸

On 29 October 2015, the PIF Trade Ministers met in Rarotonga, Cook Islands to make a number of decisions relating to the PACER Plus negotiations. Ministers considered key regional trade and investment initiatives and related issues, in line with the 2015 theme of "Supporting Private Sector for Increased Trade, Investment and Development".¹⁶⁹ Ministers noted the direction provided by the PIF Leaders and the substantive progress made in the PACER Plus negotiations. Ministers instructed trade negotiators to redouble their efforts and conclude a high quality trade and investment agreement that would enhance the participation of the FIC in international trade at the latest by June 2016.¹⁷⁰

PACIFIC ISLANDS FORUM FISHERIES AGENCY (FFA)

The FFA is an intergovernmental agency established in 1979 to facilitate regional co-operation and co-ordination on fisheries policies between its member states in order to achieve conservation and optimum utilisation of living marine resources, in particular highly migratory fish stocks, for the benefit of the peoples of the region, in particular the developing countries.¹⁷¹

Australia continues its major partnership with the FFA.¹⁷² One of Australia's economic growth targets from the Performance Benchmarks 2015-16, in line with *Making Performance Count: Enhancing the Accountability and Effectiveness of Australian Aid*, is a 5% annual increase in revenue flowing to FFA Pacific island member governments from offshore tuna fisheries (from 2013-14 baseline).¹⁷³

PACIFIC BUSINESS INVESTMENT FACILITY

Co-financed by Australia and the ADB, PBIF provides technical assistance to help Pacific businesses access commercial finance for growth, diversification or consolidation. PBIF operates in the 13 Pacific member countries of the ADB and works with eligible businesses to provide a range of financial and commercial services.

A focus of PBIF is to increase access to finance for women-led businesses, identified as a particular challenge in the Pacific. PBIF aims to ensure at least 20% of all businesses they assist are led by women.¹⁷⁴

In December 2013 the Australian government announced a contribution of A\$15 million over five years to the PBIF to:

- Provide business advisory services to over 250 companies in the Pacific; and
- Improve economic opportunities for women through additional support to the Private Sector Development Initiative (PSDI).¹⁷⁵ See Section 6 for further information on PSDI.

167 <http://dfat.gov.au/trade/agreements/pacer/pages/pacific-agreement-on-closer-economic-relations-pacer-plus.aspx>

168 <http://thejetnewspaper.com/2014/12/09/pacer-plus-meetings-to-progress-negotiations/>

169 http://www.forumsec.org/resources/uploads/embeds/file/2015_FTMM_Outcomes.pdf

170 <http://dfat.gov.au/trade/agreements/pacer/pages/pacific-agreement-on-closer-economic-relations-pacer-plus.aspx>

171 https://en.wikipedia.org/wiki/Pacific_Islands_Forum_Fisheries_Agency

172 <http://dfat.gov.au/geo/pacific/development-assistance/pages/development-assistance-in-the-pacific.aspx>

173 <http://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-pacific-regional-2015-16-to-2018-19.aspx>

174 <http://dfat.gov.au/geo/pacific/development-assistance/Pages/economic-growth-and-private-sector-development-pacific-regional.aspx>

175 <http://www.lowyinterpreter.org/post/2013/12/20/Julie-Bishops-Pacific-Islands-trip-A-good-precedent.aspx>

STRATEGY TO STRENGTHEN DISABILITY-INCLUSIVE DEVELOPMENT

Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia's aid program (May 2015) guides Australia's aid program in supporting people with disabilities in developing countries. The strategy identifies key opportunities where disability-inclusive development can be strengthened based on investment priorities and where Australia can make the most difference, based on key disability-inclusive development challenges, achievements to date and Australia's recognised expertise. Through the strategy, DFAT continues to promote disability-inclusive education, help remove physical barriers through Australia's infrastructure investments, and work with partner governments to enhance access to vital services to support disabled people's organisations in developing countries which play a vital role in giving voice to people with disabilities.¹⁷⁶ Key initiatives include:

- **United Nations Partnership to Promote the Rights of Persons with Disabilities (UNPRPD):** A\$5.75 million, 2012-16. The goal of Australia's partnership with the UNPRPD is to develop the capacity of national stakeholders, particularly governments and disabled people's organisations, to effectively implement the UN Convention on the Rights of Persons with Disabilities. The technical secretariat for UNPRPD is hosted by the UNDP.¹⁷⁷
- **UNICEF Partnership on Disability:** A\$4.5 million, 2015-19. Australia is partnering with UNICEF to support the second phase of the Rights, Education and Protection (REAP 2) project. This partnership builds on the successes of the first phase of the REAP project, which piloted education and child protection activities in Vietnam and Bhutan. The second phase will include a focus on countries in the Indo-Pacific.
- **UNICEF Partnership on Disability-Inclusive Data Collection:** US\$1.2 million, 2014-16. Australia is supporting UNICEF to partner with the UN Washington Group on Disability Statistics to complete a set of survey questions which countries can insert into their existing national data collection processes (such as censuses) to provide internationally comparable data on children with disabilities. This funding will also support the development of a second set of survey questions to understand the barriers and facilitators to children with disabilities accessing quality education. The survey is intended to be used on both children with disabilities who are in school and those who are out of school. Once completed, these survey questions will be used to improve data collection on children with disabilities in UNICEF's Multiple Indicator Cluster Survey, one of the largest global sources of internationally comparable, statistically rigorous data on the situation of children and women.
- **Supporting the institutional capacity of the Washington Group on Disability Statistics:** A\$2.8 million, 2015-18. Australia is supporting the Washington Group to disseminate existing tools to collect disability data, provide technical assistance to support their uptake and consistent use and engage in new work on measures of participation and functional limitations related to mental health. Funding will provide institutional support through University College London for the Washington Group on disability statistics in the form of staffing and resources to facilitate information transfer through regional workshops, travel support and the provision of technical assistance.
- **Strengthening disability statistics for the SDGs agenda:** A\$4 million, 2015-18. In partnership with the UN Statistical Division, Australia is supporting a project to strengthen disability statistics for the SDGs. This project will enhance the capacity of national statistical offices in developing countries to produce and disseminate good quality and fit-for-purpose statistics on disability for evidence-based policy making and monitoring. The project will achieve:
 - Formulation of international guidelines for measurement of disability taking into account existing measurement instruments, good national practices and country experiences; and

- Enhanced capacity of national statistical systems to collect and generate relevant and quality disability statistics based on international guidelines.

- **Disability Rights Advocacy Fund:** A\$4.8 million, 2014-17. Australia is continuing to support the Disability Rights Advocacy Fund; collaboration between donors and the disability community to provide grants to country-level disabled people's organisations (DPOs). The grants support DPOs to participate in ratification, implementation, and monitoring of the UN Convention on the Rights of Persons with Disabilities and promote a rights-based approach to disability equality at community and government levels.
- **International Disability Alliance Partnership:** A\$2.47 million, 2015-2019. Australia partners with the International Disability Alliance (IDA) whose mission is "to advance the human rights of persons with disabilities, as a united voice of organisations of persons with disabilities, utilising the Convention on the Rights of Persons with Disabilities and other human rights instruments." IDA is a network representing members that are global and regional DPOs. Its unique composition as a network of international DPOs allows it to act as an authoritative and representative voice of persons with disabilities in the UN. Australian support enables IDA to use its global reach to undertake capacity building activities with

national and local DPOs in the Indo-Pacific region. Australia supports IDA to achieve key objectives and goals.

- **Partnership to support Disabled People's Organisations in the Pacific:** A\$4.5 million, 2009-2016. Australia partners with the Pacific Disability Forum (PDF), an umbrella organisation of Pacific DPOs, to support their members to advocate for and advance their rights. PDF works with governments, civil society and development partners to develop policies and actions that include people with disabilities in all aspects of public life on an equal basis with others. As a result, people with disabilities have been able to participate equally in developing and reviewing national disability policies in Kiribati, RMI, Nauru, Niue, PNG, Solomon Islands and Tuvalu. PDF also works with the PIFS, UN agencies, development partners, churches, regional civil society organisations and service providers to ensure that people with disabilities are included in national and regional plans and policies.
- **DFAT-CBM¹⁷⁸ Australia Partnership:** A\$1.7 million, 2015-2017. Improving the quality of life for people with disabilities through building understanding and technical capacity for disability-inclusive development. The DFAT-CBM Australia Partnership supports the provision of both short and long term demand driven technical support and broader capacity development to increase the capacity of DFAT's

policy and program officials and its systems in disability-inclusive development. The Partnership will assist DFAT staff to be well-informed and increasingly skilled to deliver disability inclusive aid programs, particularly in the Indo-Pacific region. The long term global impacts of the Partnership are more disability inclusive societies; greater participation of all people with disability; and reduced poverty.

- **Australian Development Research Awards Scheme (ADRAS):** A\$5.62 million, 2013-16. ADRAS supports nine competitive research proposals under the 2012 round (active from 2013-16) that aim to improve the quality and accessibility of education, sexual and reproductive health, disaster management responses, employment, social and economic services and community based rehabilitation for people with disability in specific contexts, primarily in the Indo-Pacific region. Research outcomes will be shared broadly with all stakeholders as the programs conclude.¹⁷⁹

176 <http://dfat.gov.au/aid/topics/development-issues/disability-inclusive-development/Pages/disability-inclusive-development.aspx>

177 <http://dfat.gov.au/aid/topics/development-issues/disability-inclusive-development/Pages/disability-initiatives.aspx>

178 Previously Christian Blind Mission, now simply known as CBM. CBM is devoted to improving the lives of people with disabilities in the poorest places in the world.

179 <http://dfat.gov.au/aid/topics/development-issues/disability-inclusive-development/Pages/disability-initiatives.aspx>

ECONOMIC OUTLOOK

SECTION 5

Section 5 of the APTC e-Scan 2016 explores the world economy in the context of developing countries, the Australian and the Pacific Islands economies, and the impact of the Australian migration policy and programs on PICs.

“The really notable thing [about the global economy] is ... the growth that has happened in recent decades - growth so high that we’ve had the largest reduction in poverty in the history of our species as a result.”¹⁸⁰

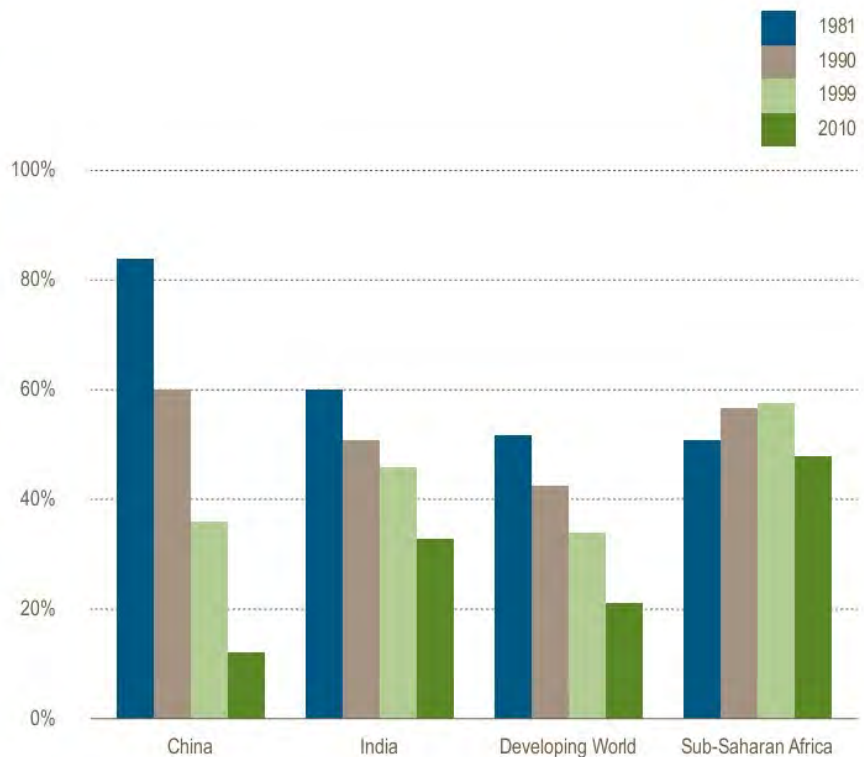


Figure 21 - Rates of extreme poverty. WBG estimates¹⁸¹
PICs are represented in the Developing World category

Extreme poverty across the world has decreased considerably in the past three decades, as shown in Figure 21. In 2015, the number of people living in extreme poverty is expected to have fallen to under 10%¹⁸² of the global population, according to WBG projections released on 4 October 2015, giving fresh evidence that a quarter-century-long sustained reduction in poverty is moving the world closer to the historic goal of ending poverty by 2030. The WBG uses the updated international poverty line of US\$1.90 a day, which incorporates new information on differences in the cost of living across countries (Purchasing Power Parity exchange rates).

Reductions in poverty are a result of strong growth rates in developing countries in recent years, investments in people's education, health, and social safety nets that helped keep people from falling back into poverty. However, the WBG cautioned that with slowing global economic growth, with many of the world's remaining poor people living in fragile and conflict-affected states, and the considerable depth and breadth of remaining poverty, the goal to end extreme poverty remained a highly ambitious target.

Evidence-based approaches to further reducing poverty rates are needed, including:

- broad-based growth that generates sufficient income-earning opportunities;
- investing in people's development prospects through improving the coverage and quality of education, health, sanitation; and
- protecting the poor and vulnerable against sudden risks of unemployment, hunger, illness, drought and other calamities.

These measures will greatly boost shared prosperity and improve the welfare of the least well-off in every country.¹⁸³

“With these strategies in place, the world stands a vastly better chance of ending extreme poverty by 2030 and raising the life prospects of low-income families.”¹⁸⁴

WBG President

180 <http://www.forbes.com/sites/timworstall/2013/04/20/the-most-notable-thing-about-the-global-economy-is-how-well-its-doing/>

181 <http://blogs.wsj.com/economics/2013/04/17/where-the-worlds-poorest-people-live/>

182 From 902 million people or 12.8% of the global population in 2012 to 702 million people, or 9.6% of the global population in 2015

183 <http://www.worldbank.org/en/news/press-release/2015/10/04/world-bank-forecasts-global-poverty-to-fall-below-10-for-first-time-major-hurdles-remain-in-goal-to-end-poverty-by-2030>

184 <http://www.worldbank.org/en/news/press-release/2015/10/04/world-bank-forecasts-global-poverty-to-fall-below-10-for-first-time-major-hurdles-remain-in-goal-to-end-poverty-by-2030>

THE WORLD ECONOMY

GLOBAL ECONOMY

Global demand and activity remain subdued, as three key transitions continue to influence the global outlook (see transitions below).



Figure 22 - Future growth rates (International Monetary Fund)¹⁸⁵

In January 2016, the International Monetary Fund commenced its World Economic Outlook Update with four words – “*subdued demand, diminished prospects.*” Global economic activity remained subdued in 2015. Growth in emerging markets and developing economies, while still accounting for over 70% of global growth, declined for the fifth consecutive year, while a modest recovery continued in advanced economies.¹⁸⁶

Three key transitions continue to influence the global outlook:

1. The gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services;
2. Lower prices for energy and other commodities; and
3. A gradual tightening in monetary policy in the United States in the context of a resilient United States recovery, as several other major advanced economy central banks continue to ease monetary policy.¹⁸⁷

Overall growth in China is evolving broadly as predicted, but with a faster-than-expected slowdown in imports and exports, in part reflecting weaker investment and manufacturing activity. This, together with market concerns about the future performance of the Chinese economy, are spilling over to other economies through trade channels and weaker commodity prices, as well as through diminishing confidence and increasing volatility in financial markets.

Manufacturing activity and trade remain weak globally, reflecting not only developments in China, but also subdued global demand and investment more broadly—notably a decline in investment in extractive industries.

185 Ibid

186 <https://www.imf.org/external/pubs/ft/weo/2016/update/01/>

187 Ibid

In addition, the dramatic decline in imports in a number of emerging market and developing economies in economic distress is also weighing heavily on global trade. Oil prices have declined markedly since September 2015, reflecting expectations of sustained increases in production by the Organisation of the Petroleum Exporting Countries members amid continued global oil production in excess of oil consumption.

FORECAST

Futures markets are currently suggesting only modest increases in prices in 2016 and 2017. Prices of other commodities, especially metals, have fallen as well. Overall, forecasts for global growth have been revised downward by 0.2 percentage point for both 2016 and 2017. These revisions reflect to a substantial degree, a weaker pickup in emerging economies than was forecast in October 2015.

Overall activity remains resilient in the United States of America, supported by still-easy financial conditions and strengthening housing and labour markets, but the dollar's strength is weighing on manufacturing activity and lower oil prices are curtailing investment in mining structures and equipment.

In the Euro area, stronger private consumption supported by lower oil prices and easy financial conditions is outweighing a weakening in net exports. Growth in Japan is also expected to firm in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions and rising incomes.

RISKS TO THE FORECAST

Risks which impact emerging market and developing economies include a larger-than-expected slowdown in Chinese demand, a tightening of global financial conditions, falling commodity prices, weaker than expected growth and the ongoing tension in a number of regions which is affecting confidence and disrupting global trade, finance and tourism flows.¹⁸⁸

188 <https://www.imf.org/external/pubs/ft/weo/2016/update/01/>

189 https://www.imf.org/external/pubs/ft/weo/2016/update/01/images/weoinfo_0116.pdf

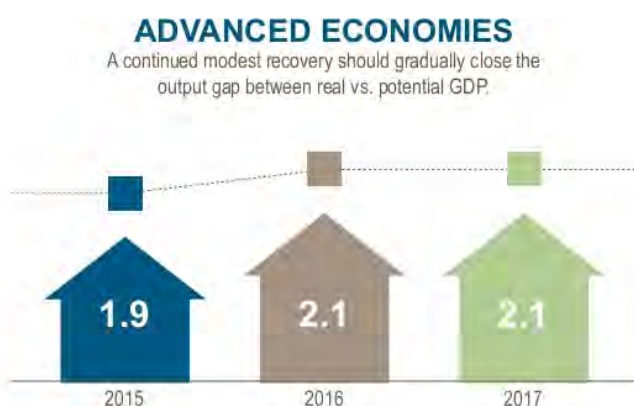


Figure 23 - Forecast advanced economies¹⁸⁹

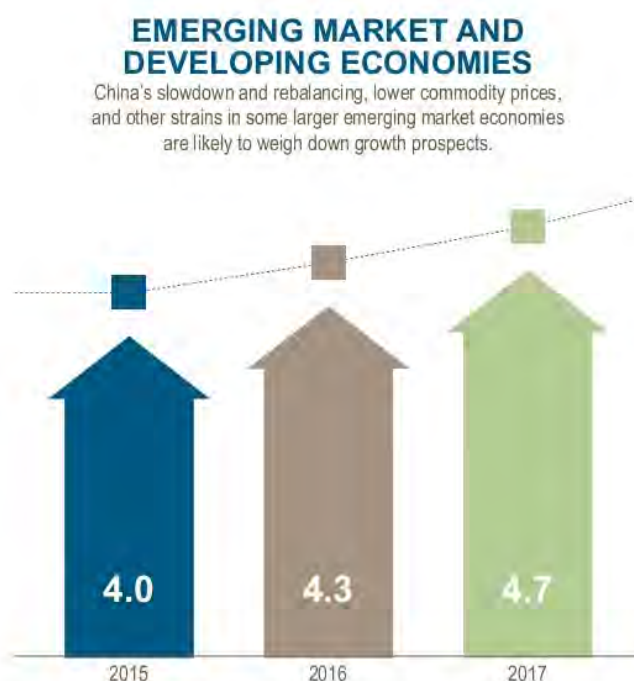


Figure 24 - Forecasts emerging markets and developing economies

AUSTRALIA'S ECONOMY



Figure 25 - Australian Economy Snapshot - 6 January 2016.¹⁹⁰

OVERVIEW

In December 2015, the RBA stated the global economy is expanding at a moderate pace, with some softening in conditions in the Asian region, continuing United States growth and a recovery in Europe. Key commodity prices (notably those for iron ore and base metals) are much lower than a year ago, reflecting increased supply, including from Australia, as well as weaker demand.¹⁹¹

Available information suggests that moderate expansion in the economy continues despite a large decline in capital spending in the mining sector. While GDP growth has been somewhat below longer-term averages, business surveys suggest a gradual improvement in conditions in

non-mining sectors over the past year, accompanied by stronger growth in employment and a steady rate of unemployment. Inflation is low and is expected to remain so, with the economy likely to have a degree of spare capacity for some time yet.

BUDGET DEFICIT

The mid-year budget update in December 2015 indicated the Australian budget deficit will blow out by another A\$26.1 billion over four years. Over the next decade to 2025-26, net debt is projected to reach A\$263 billion, rather than the A\$201 billion previously predicted. Net debt as a proportion of economic output is expected to peak in 2017-18 at 18.5% before slowly declining.¹⁹²

GROWTH FORECASTS

The growth forecast has been revised down from 2.75% to 2.5% in 2015-16, and from 3.25% to 2.75% in 2016-17. Growth projections in 2017-18 and 2018-19 have also been revised down, from 3.5% to 3%.¹⁹³

EMPLOYMENT

In January 2016, the Australian Bureau of Statistics reported the strong trend growth in employment has continued. In December 2015, employment increased to 11.9 million people and participation rate increased less than 0.1 point to 65.2%.¹⁹⁴ Over the previous 12 months, trend employment increased by 312,200 (or 2.7%) above the average year-on-year growth over the last 20 years of 1.8%. Full-time employment growth was stronger than part-time over the year, increasing by 186,600 people.¹⁹⁵

UNEMPLOYMENT

In January 2016, Australia's seasonally adjusted unemployment rate remained unchanged from a month earlier at 5.8% and slightly below market consensus. The economy lost 1,000 jobs, the smallest decline since May 2010, and the number of unemployed declined by 10,900. The unemployment rate in Australia averaged 6.95% from 1978 until 2015, reaching an all-time high of 11.10% in October of 1992 and a record low of 4% in February of 2008.

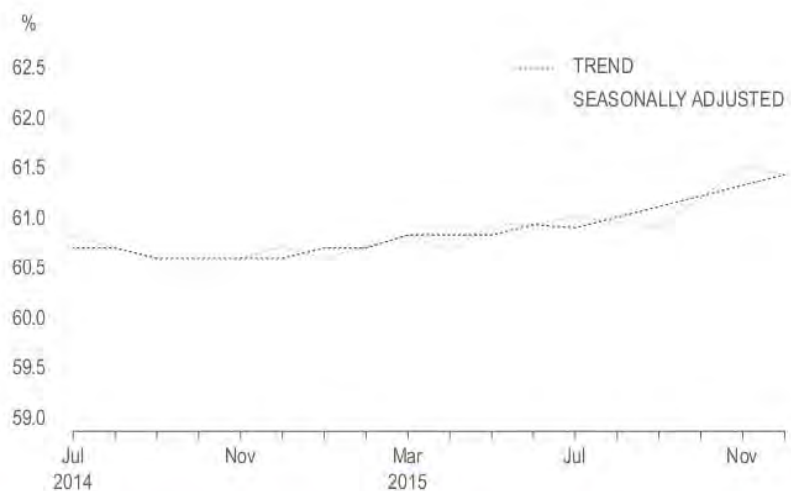


Figure 26 - Employment to population ratio, July 2014 to December 2015¹⁹⁶



Figure 27 - Australia Unemployment Rate¹⁹⁷

190 <http://www.rba.gov.au/snapshots/economy-snapshot/pdf/australian-economy-snapshot.pdf?v=2016-01-25-18-38-6>

191 <http://www.rba.gov.au/monetary-policy/rba-board-minutes/2015/2015-12-01.html>

192 <http://www.smh.com.au/federal-politics/political-news/myefo-budget-update-budget-deficit-projected-to-reach-374-billion-in-201516-20151214-gl14k.html>

193 <http://www.smh.com.au/federal-politics/political-news/myefo-budget-update-budget-deficit-projected-to-reach-374-billion-in-201516-20151214-gl14k.html>

194 <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0>

195 [http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6202.0Media%20Release1Dec%202015?opendocument&tabname=Summary&prodno=6202.0&issue=Dec%202015&num=&view="](http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6202.0Media%20Release1Dec%202015?opendocument&tabname=Summary&prodno=6202.0&issue=Dec%202015&num=&view=)

196 Ibid

197 <http://www.tradingeconomics.com/australia/unemployment-rate/forecast>

AUSTRALIA UNEMPLOYMENT RATE FORECAST 2016-20

The unemployment rate in Australia is expected to be 6% by the end of the first quarter in 2016, according to Trading Economics' global macro models and analysts expectations. Looking forward, it is estimated the unemployment rate in Australia to stand at 5.9% in 12 months time. In the long-term, the Australia unemployment rate is projected to trend around 6.2% in 2020, according to econometric models.

BALANCE OF TRADE

Australia experienced a trade gap of A\$2.90 billion in November 2015, a decrease of 11% from a downwardly revised A\$3.25 billion deficit a month earlier. This was below market expectations, as exports rose while imports fell. Balance of Trade averaged A\$-544.59 million from 1971 until 2015, reaching an all-time high of A\$2,229 million in February, 2009 and a record low of A\$-3912 million in April, 2015.

Australia's two-way trade in goods and services was worth A\$660 bil-

lion in 2014-15, a vital component of Australia's economic prosperity. China is Australia's largest trading partner, with investments in Australian mining companies to help meet the needs of its growing economy.¹⁹⁸

198 https://en.wikipedia.org/wiki/Australia%E2%80%93China_relations

199 <http://www.tradingeconomics.com/australia/unemployment-rate/forecast>

200 <http://dfat.gov.au/trade/resources/trade-statistics/Pages/australias-trade-balance.aspx>

201 <http://dfat.gov.au/about-us/publications/trade-investment/australias-trade-in-goods-and-services/Documents/fy2014-15-goods-services-top-15-partners.pdf>

Australia Labour	Last	Q2/16	Q3/16	Q4/16	Q1/17	2020
Unemployment Rate	5.8	6.2	6	5.9	5.9	6.2
Employed Persons	11884	11932	11950	11964	11976	12024
Unemployed Persons	733	728	724	721	719	716
Part Time Employment	-15600	7017	6684	6740	6744	6743
Full Time Employment	15900	7038	8297	6898	6769	6925
Employment Change	300	11289	12215	12668	12945	13147
Labor Force Participation Rate	64.9	64.95	64.98	64.94	64.95	64.95
Youth Unemployment Rate	12.65	12.68	12.7	12.71	12.76	13.04
Labour Costs	101	101	100	100	100	99.24
Productivity	102	104	105	105	105	105
Job Vacancies	173	177	178	178	178	178
Job Advertisements	155108	154847	154654	154523	154434	154254
Wages	1146	1179	1195	1166	1171	1230
Wage Growth	2.2	2.36	2.48	2.6	2.71	3.29
Wages In Manufacturing	1267	1277	1286	1295	1303	1328
Minimum Wages	657	670	670	670	670	760
Population	23.8	23.99	24.07	24.15	24.24	25.51
Retirement Age Women	64.5	64.5	64.67	64.73	64.73	64.84
Retirement Age Men	65	65	65	65	65	65
Wages High Skilled	5000	5000	5000	5000	5000	5000
Employment Rate	60.48	60.97	61.04	61.15	61.16	61.13

Figure 28 - Australia Unemployment Rate Forecast 2016-20, dated April 7, 2016¹⁹⁹

TRADE BALANCE

Seasonally-adjusted and trend, \$ million

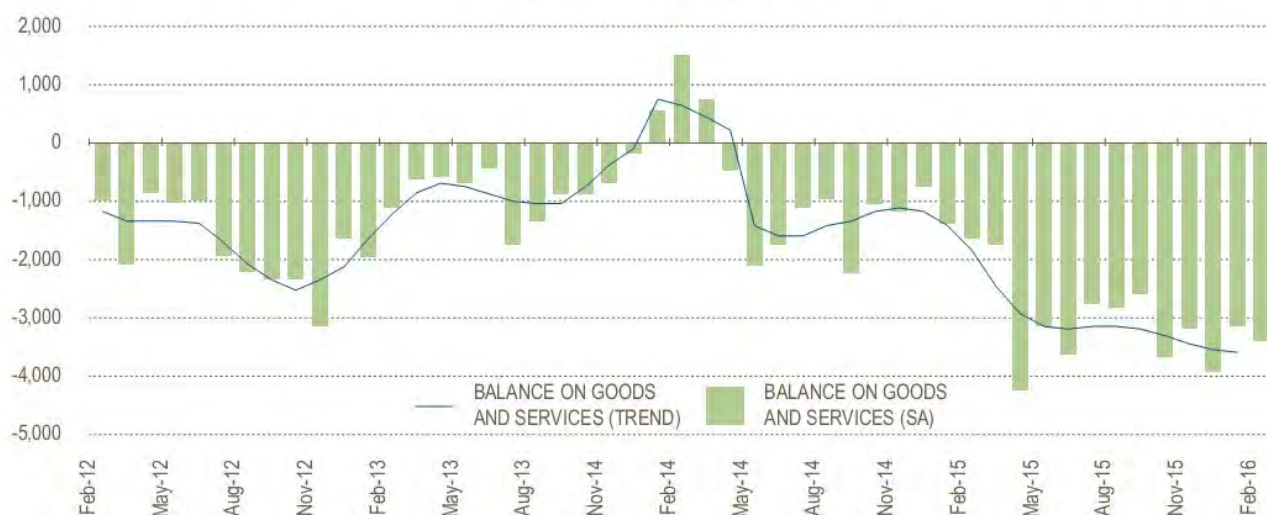


Figure 29 - Australia's trade balance, seasonally-adjusted and trends, A\$ million²⁰⁰

AUSTRALIA'S TOP TWO-WAY TRADING PARTNERS

Rank		2012-13	2013-14	2014-15	% share of total	% Growth	
						2013-2014 to 2014-15	5 year trend
1	China	131,089	159,786	149,793	22.7	-6.3	10.8
2	Japan	69,399	72,193	67,689	10.3	-6.2	2.2
3	United States	54,859	58,433	64,576	9.8	10.5	5.4
4	Republic of Korea	30,587	34,878	34,755	5.3	-0.4	4.9
5	Singapore	29,051	29,473	28,406	4.3	-3.6	5.7
6	New Zealand	21,021	22,750	23,654	3.6	4.0	2.3
7	United Kingdom	21,830	20,317	21,142	3.2	4.1	-1.2
8	Thailand	19,410	18,804	19,926	3.0	6.0	-0.1
9	Malaysia	17,051	19,888	19,577	3.0	-1.6	6.8
10	India	17,006	14,788	17,968	2.7	21.5	-6.2
11	Germany	15,627	17,032	16,771	2.5	-1.5	3.1
12	Indonesia	14,376	15,988	14,789	2.2	-7.5	4.4
13	Taiwan	12,421	12,588	12,845	1.9	2.0	1.4
14	Vietnam	7,132	9,253	10,201	1.5	10.2	12.0
15	United Arab Emirates	8,536	8,707	9,297	1.4	6.8	5.9
Total all countries		623,308	670,303	660,041	100.0	-1.5	4.8
of which: APEC		438,883	486,846	478,665	72.5	-1.7	5.8
ASEAN		92,242	98,930	98,580	14.9	-0.4	5.0
European Union (c)(d)		81,324	83,596	83,089	12.6	-0.6	1.2
OECD		276,403	290,928	292,573	44.3	0.6	3.0

Figure 30 - Australia's top two-way trading partners²⁰¹

AUSTRALIA'S IMMIGRATION PROGRAM

The focus of Australia's immigration program is aligned to the economic and political priorities of the day, from programs aimed at bringing in workers to build up Australia's manufacturing industries in the 1950s and 1960s, to the broader focus of the last twenty years encompassing social (family reunification), humanitarian (including refugee) as well as economic (skilled) migration objectives.²⁰²

Australia's Minister for Immigration and Border Protection announced in May 2015 that up to 190,000 permanent migration places are to be available in 2015-16. This includes up to:

- 128,550 places for skilled migrants, including employer sponsored, general skilled and business categories;
- 57,400 places for family migrants sponsored by immediate family members; and

- 565 places for special eligibility migrants, who include former permanent residents who have maintained close business, cultural or personal ties with Australia.

Additionally, at least 3,485 Permanent Child visa places will be available outside the managed Migration Program.

Whilst the overall size and composition of the program remains the same as the previous year there are changes in how the program will be managed affecting the Child category visa and Orphan relative visas. Child category visas (excluding Orphan Relative) will no longer be counted under the managed Migration Program. This is in response to the government's commitment to reform and improve the processes relating to inter-country adoption. The Child category will continue to be carefully monitored while it transitions to a fully demand-driven model by 2019-20.²⁰³

2015-16 Migration Program	Planning level
Employer Sponsored	48,250
Skilled Independent	43,990
State/Territory & Regional Nominated	28,850
Business Innovation & Investment Programme	7,260
Distinguished Talent	200
Total Skill Stream	128,550
Partner	47,825
Parent	8,675
Other Family	900
Orphan Relative	-400
Total Family Stream	57,400
Special Eligibility Stream	565
Total managed Migration Program	186,515
Child (outside the managed Migration Programme)	3,485
Total permanent migration places	190,000

Figure 31 - 2015-16 Australian planned migration²⁰⁴

2015-16 SKILLED OCCUPATIONS LIST

This list identifies occupations that will benefit from independent skilled migration to meet the medium to long term skill needs of the Australian economy, where these needs may not be met by sponsored migration programs or up-skilling Australians.²⁰⁵ For the 2015-16 list, refer to **Appendix B**.

There are a number of occupations which are 'flagged' for possible removal in the future, as there is suggested emerging evidence of excess supply in the labour market. For the 2015-16 List of Flagged Occupations, refer to **Appendix C**.

SKILLED IMMIGRATION

The skilled migration and temporary activity visa program supports Australia's long term prosperity by identifying, attracting and retaining overseas skilled workers who help to shape and support Australia's economic future.²⁰⁶

The top five countries from which Australia's skilled permanent migrants originate are listed below. These countries accounted for almost 60% of Australia's skilled permanent migrant intake in 2011-12.

1. India (19%)
2. United Kingdom (15%)
3. China (13%)
4. Philippines (7%)
5. South Africa (5%)

The source countries for Australia's top five temporary skilled migrants in 2011-12 were:

1. United Kingdom (23%)
2. India (18%)
3. Ireland (8%)
4. Philippines (7%)
5. USA (7%)²⁰⁷

Review of Skilled Migration and Temporary Activity Visa programs:

The Department of Immigration and Border Protection is reviewing the skilled migration and temporary activity visa programs with the aim of designing a simplified visa framework for the following activities:

- Short-term Mobility;
- Temporary and Permanent Skilled;
- Provisional and Permanent Business and Investment;
- Permanent Independent Points Tested;
- Community and Events;
- Training and Specialist Research; and
- International Relations.

The new framework will be flexible and adaptable to Australia's changing skill needs. However, in the current climate of globalisation, people are on the move, which presents a number of challenges to the current program:

- Australia is no longer considered the sole desirable destination country for skilled migrants and faces significant competition from a growing number of developed and developing countries. Therefore it must reshape its skilled migration program to restore its attractiveness; and
- The shift to transnationalism has resulted in a growing preference for temporary mobility over permanent mobility. The proposed changes to the visa framework need to focus equally on permanent migration as well as temporary mobility.

202 Parliamentary Library 2006 as referenced by <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/3416.0Main+Features32009>

203 <http://migrationblog.border.gov.au/2015/07/09/australias-2015-16-migration-programme/>

204 Ibid

205 <http://www.border.gov.au/Trav/Work/Work/Skills-assessment-and-assessing-authorities/skilled-occupations-lists/SOL>

206 Simplification of the skilled migration and temporary activity visa programmes - Australian Government, Department of Immigration and Border Protection, December 2014.

207 http://www.trade.nsw.gov.au/_data/assets/pdf_file/0007/57976/CIE_the_economic_impacts_of_migration.pdf The economic impacts of migration: An analysis of NSW

The proposed visa framework will divide the current visa subclasses into three categories as shown in Figure 32.

SKILLED MIGRATION AND PACIFIC ISLANDERS

In the face of small formal sector employment, labour market volatility, 'youth bulge' and the effects of climate change, emigration for skilled Pacific Islanders is an important option for their future.

Migration in the Pacific has been fuelled by labour-market supply and demand. Pacific Island citizens, with limited manufacturing and service sectors at home, seek work elsewhere. The developed, industrialised and urbanised Pacific Rim countries, with rapidly ageing populations, have filled the gap with workers from less developed neighbouring countries. The wages for menial jobs in New Zealand and Australia are much higher than those paid for high-status skilled jobs in the Pacific countries.

Often there is not enough regular, paid employment opportunities at home and this is expected to become more of a problem as the unskilled workforce expands over the coming years. Of lesser significance is the demand for skilled workers as many of them leave their home countries to seek better opportunities abroad. As a result, many Pacific countries now have skills shortages in areas such as health, education and the trades.²⁰⁹ This means that national education and training provision has to cater for increasing levels of skilled out-mi-

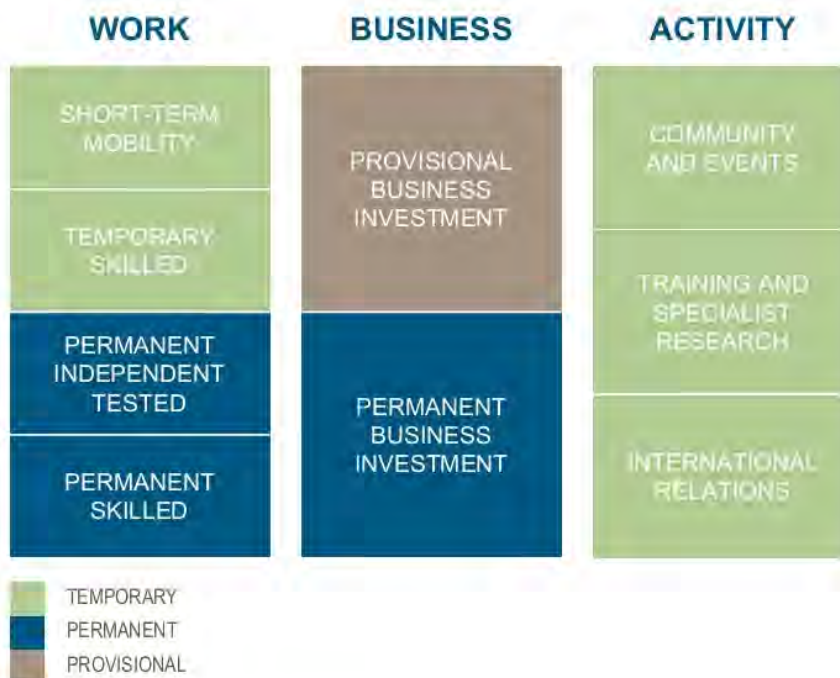


Figure 32 - Proposed visa framework²⁰⁸

gration as well as meeting skill needs in the Pacific.²¹⁰

The number of skilled Pacific Island born migrants to Australia for the five years to 2014 totalled 3,215 people. For Pacific Island migrants living in Australia, the major occupations are: registered nurses, accountants, secondary school teachers, computer professionals. The largest flow of Pacific Island migrants originate from Fiji (332 skilled migrants). Fijian employer-sponsored work visas totalled 41%.²¹¹

Australia has a small population of Pacific Island-born people relative to its overall population size. According to the 2011 Census, Pacific Island-born people in Australia comprise only 1.9% (125,506 people) of the total foreign born population (6,489,874 people), which is about

0.6% of Australia's total population (21,507,717 people).

The proportion of Pacific Island-born people in Australia is significantly less when compared to New Zealand (151,530 people), of which about 3.6% of New Zealand's total population (4,242,051 people) comprises of Pacific Island-born people, as recorded in their 2013 Census.

The people who were born in Fiji and Polynesia form the majority of the Pacific Island-born populations in Australia and New Zealand. A number of countries in Melanesia and Micronesia, particularly those vulnerable to the effects of climate change, are identified as being disadvantaged by the lack of permanent migration options.

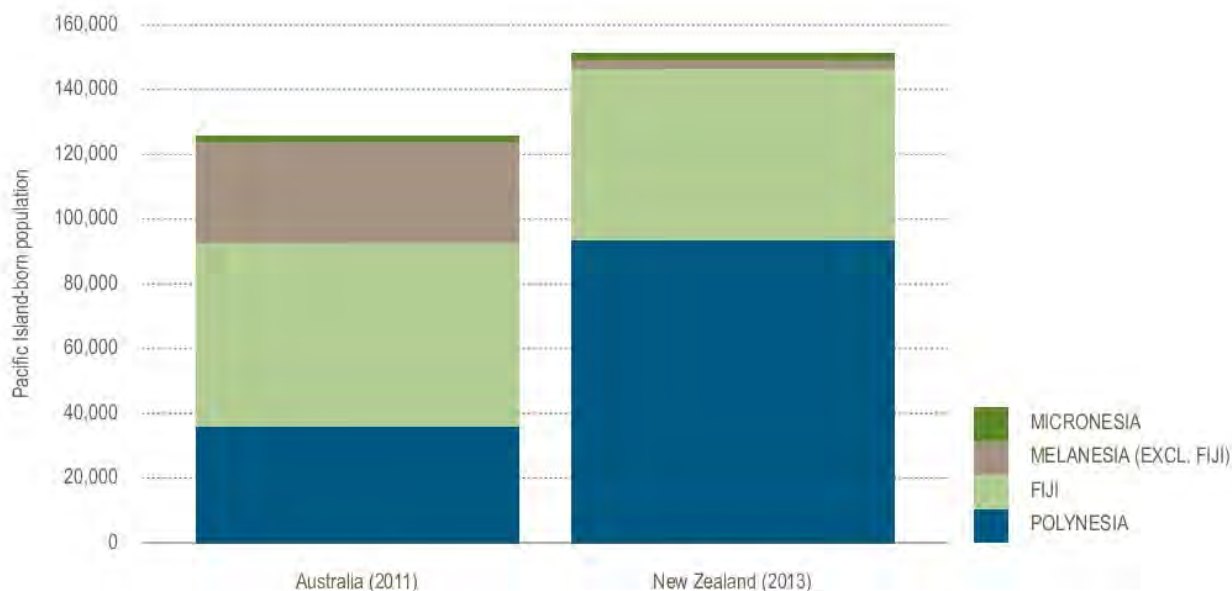


Figure 33 - Population of Pacific Island-born people in Australia and New Zealand by sub-region²¹²

SEASONAL WORKERS PROGRAM (SWP)

SWP is managed by the Department of Employment with support from DFAT. The program helps contribute to the economic development of participating countries, while also offering Australian employers in the horticulture, and to a lesser level in the accommodation industry, the ability to employ workers from Fiji, Kiribati, Nauru, PNG, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu when they cannot find enough local labour to satisfy seasonal demand.²¹³ For Australian employers in the agriculture and accommodation industries unable to find enough local labour, SWP offers access to a reliable, returning workforce that is able to return season after season.

In addition to the on-the-job learning seasonal workers undertake as part of SWP, they have the opportunity to participate in valuable basic training (add-on skills training) opportunities funded by the Australian government.

In June 2015 the Australian government announced an expansion of the program. SWP is now uncapped, with the Australian government removing the annual limit on how many seasonal workers can participate in the program. Program take-up will be determined by employers' unmet demand for labour. Previously restricted to horticulture, aquaculture and cane farms, guest workers will now be allowed to work on cattle, sheep, grain and mixed farming enterprises.²¹⁴

208 <https://migration-agent.com/migration-to-australia-changes-in-skilled-visas-program-2015/>

209 <http://www.border.gov.au/ReportsandPublications/Documents/research/pacific-population-report.pdf>

210 <http://www.immi.gov.au/skills/skillsselect>

211 Curtin, R, *Skilling Youth in the Pacific: Identifying the Skill Needs of Eight Pacific Countries together with Australia and New Zealand*, 2014

212 <http://devpolicy.org/should-australia-fear-pacific-migrants-analysing-the-real-impact-of-pacific-migration-on-australia-20140630/>

213 <https://employment.gov.au/seasonal-worker-program>

214 <http://www.abc.net.au/news/2016-02-08/govt-expands-seasonal-worker-program-cracks-down-on-exploitation/7147796>

SWP also expanded to the accommodation industries in specified locations, and the Australian government will be trialling arrangements with other tourism industry sectors and occupations in Northern Australia.

Seasonal workers can undertake a range of work in the accommodation sector, including:

- Bar attendants;
- Baristas;
- Food and beverage attendants/waiters;
- Café workers;
- Garden labourers;
- Housekeepers;
- Kitchen hands; and
- Public area cleaners.

Most seasonal workers can be employed for up to six months, however seasonal workers recruited from Kiribati, Nauru or Tuvalu can be employed for up to nine months. The requirement for employers to guarantee a minimum of fourteen weeks has been removed, however, the employer must demonstrate to the Australian government that seasonal workers will benefit financially from their participation. For all periods of employment, approved employers must guarantee a minimum average of 30 hours work per week to seasonal workers.

The Australian government will undertake a review of add-on skills training arrangements during the FY2017.²¹⁵

In addition the Australian government has made a second commitment to pilot a two-year visa for up to 250 citizens of the Pacific micro-states (Nauru, Tuvalu and Kiribati) for work in the north. This pilot will target non-seasonal industries and occupations that are unable to access Australian workers.

While the SWP provides opportunities for APTC graduates, their skill level would be higher than generally required for the program. There is a possibility that participants in the SWP could use the experience gained in being involved in the program as evidence of their industry experience in support of their application to study at APTC.



Figure 34 - Yearly SWP numbers across all eligible countries (see Figure 35 for countries)²¹⁶

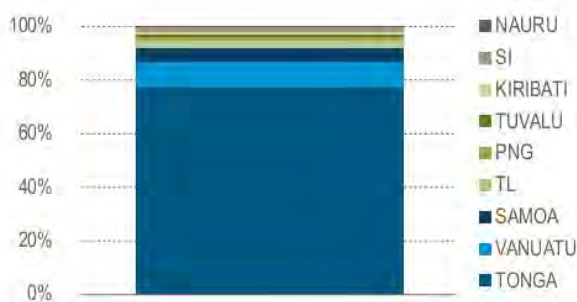


Figure 35 - Composition of the SWP, 2012-13 and 2013-14²¹⁷

215 <https://docs.employment.gov.au/node/34939>

216 http://www.econ.fbe.usp.ac.fj/fileadmin/files/schools/ssed/economics/events/Pacific_Update_2015/Labour_mobility_in_the_Pacific.pdf

217 http://www.econ.fbe.usp.ac.fj/fileadmin/files/schools/ssed/economics/events/Pacific_Update_2015/Labour_mobility_in_the_Pacific.pdf

PACIFIC ISLANDS ECONOMY

As small as the Pacific Island nations are, reliable figures are surprisingly hard to come by, nearly impossible for some.²¹⁸

The population in the Pacific region is spread across hundreds of islands, and scattered over an area equivalent to 15% of the globe's surface. This is a unique and diverse region. Kiribati is one of the most remote and geographically-dispersed countries in the world, consisting of 33 coral atolls spread over 3.5 million square kilometres of ocean – an area larger than India. Solomon Islands is geographically splintered with 1,000 small islands and atolls. It has a low population density with over 600,000 people dispersed across 90 inhabited islands, 78% of whom reside in rural areas. Solomon Islands is the poorest country in the Pacific when measured in terms of GNI per capita. Refer to Appendix D.

Most PICs share similar challenges such as: being small in size, with limited natural resources, narrowly-based economies, poor and expensive transport, large distances to major markets and a lack of business culture.²¹⁹ Faced with natural hazards such as TCs, droughts and earthquakes along with their geographical remoteness and isolation, PICs, which make up over a third of small island developing states (SIDS), are some of the most vulnerable nations in the world and climate change is increasing these vulnerabilities. TCs, for instance, are expected to increase in intensity over the coming decades. Extreme events such as floods and

droughts will add pressure to fragile island systems and may threaten the entire existence of low-lying island nations.²²⁰

A WBG report of the 20 countries in the world with the highest average annual disaster losses scaled by GDP, found eight are PICs: Vanuatu, Niue, Tonga, the FSM, Solomon Islands, Fiji, Marshall Islands and Cook Islands.²²¹ Tonga and Vanuatu are listed as the world's most "at risk" countries from disasters in the World Risk Index (although TC Winston may result in a future revision of this rating). Every year Vanuatu is expected to incur, on average, US\$48 million (equivalent to 6.6% of GDP) in losses due to earthquakes and TCs. For Tonga, the annual average loss is 4.4% of the GDP.²²²

218 "Pacific Island Nations, how viable are their economies" http://www.eastwestcenter.org/sites/default/files/private/pip007_0.pdf

219 <http://www.abc.net.au/ra/pacific/places/jemima.htm>

220 <http://blogs.worldbank.org/eastasiapacific/picture-not-perfect-look-behind-scenes-small-island-developing-states>

221 <http://www.worldbank.org/en/country/pacificislands/overview>

222 <http://blogs.worldbank.org/eastasiapacific/picture-not-perfect-look-behind-scenes-small-island-developing-states>

ECONOMIC PERFORMANCE 2015

Data released by the ABD indicates a number of PIC economies performed strongly in 2015. Fiji experienced its fifth consecutive year of growth fuelled by new private investment; Cook Islands, Tonga and Samoa had stronger growth in 2015, but are expecting a slight slowing in 2016.

“In general, 2015 is looking to be an ‘up’ year for most of the PICs. Tourism is robust, fisheries revenues are robust and that is very important for some of the smaller atoll states. There are also the usual cycles of public infrastructure investment which tend to be very important in driving growth fluctuations in many of these economies ... [However], Vanuatu’s economy would be the hardest hit this year [2015] as a result of Cyclone Pam, which has also had an impact in Kiribati, Nauru, Solomon Islands and Tuvalu.”²²³

Asian Bank Outlook report
March 2015

The average growth in the Pacific region is projected to have accelerated to 9.9% in 2015, driven mainly by the first full year of LNG exports from PNG. However, disasters dampen the 2015 outlook for some of the PICs. The impacts of severe weather events in March 2015 impeded growth in the economies of the FSM and Vanuatu. Fiji will see similar impacts in 2016 following TC Winston.

Continued rises in fishing license fees boosted fiscal resources of the economies of Kiribati, Nauru, Palau, and Tuvalu. El Niño is expected to lead to transitory increases in tuna stocks, but additional revenues will need to be managed carefully to safeguard long term fiscal sustainability.

While there has been a strong demand for tourism in the Pacific, there are also a number of challenges to growth, including lack of infrastructure, human resources, destination development, airline links and visa restrictions.²²⁴

Palau: Strong tourism continues with over 50% increase in visitor arrivals over first seven months of the FY2015 and a six-fold increase in tourists from the People’s Republic of China. This continuing strong performance of tourism in Palau is projected to help boost average growth in the PICs in 2016.²²⁵ However, there are concerns about the carrying capacity of attractions and Palau’s environment.

Samoa, Solomon Islands, and Tonga: Recovering from recent disasters (cyclones and flooding), Tonga will also suffer in the wake of TC Winston.

Cook Islands and the RMI: Received stimulus from development partner-funded projects.

Fiji: Improved prospects for Fiji were predicted in 2016, however Fiji’s economy will be affected by the aftermath of TC Winston as Fiji’s economy is built on sugar and tourism, both of which are likely to take a massive hit in the storm’s wake.

Ahead of the Paris climate change talks in 2015, Fiji’s president warned:

“Unless the world acts decisively in the coming weeks to begin addressing the greatest challenge of our age, then the Pacific, as we know it, is doomed.”

Pacific Island nations like Fiji have led the charge on climate change globally, sounding the warning siren because their communities will be among the first affected by rising sea levels and worsening storms.²²⁶

PNG: The LNG exports commenced in May 2014 and 2015 was the first full year of LNG exports, resulting in a one-off spike in GDP growth. But, the government cut its official growth forecast citing more subdued expectations of LNG’s growth impact. Growth in the non-mineral sector has been projected at around 5%.²²⁷

FORECAST FOR 2016

Growth in the Pacific region is expected to ease back to 5.0% in 2016, from a one-off spike to 9.9% in 2015. Steady improvement in smaller PICs are anticipated from 2.6% in 2014 to 3.1% in 2015 to 3.9% in 2016, as indicated in Figure 36.

INFLATION OUTLOOK

Inflation is believed to have risen in 2015 to 4.7% reflecting stronger economic activity, before moderating to a predicted 4.0% in 2016.²²⁸

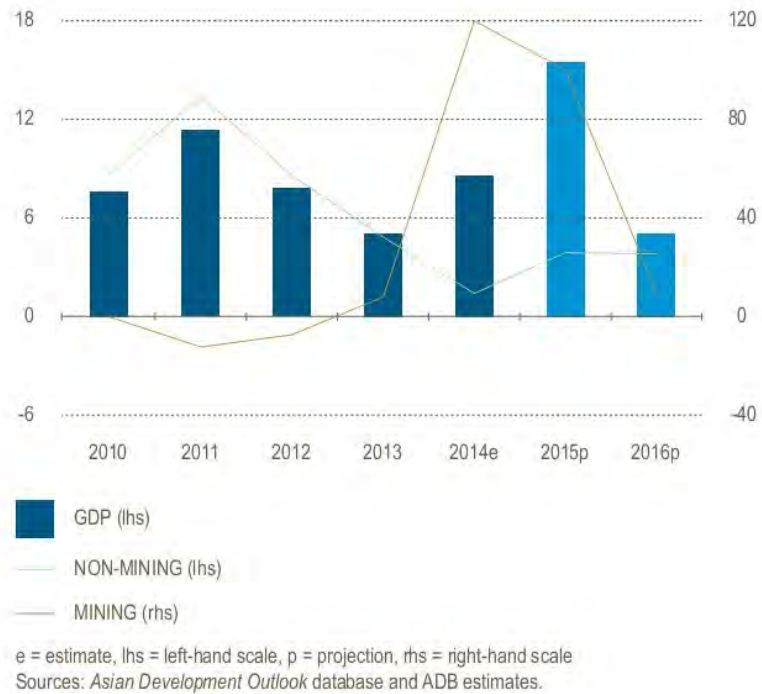


Figure 36 - GDP growth (% per annum)

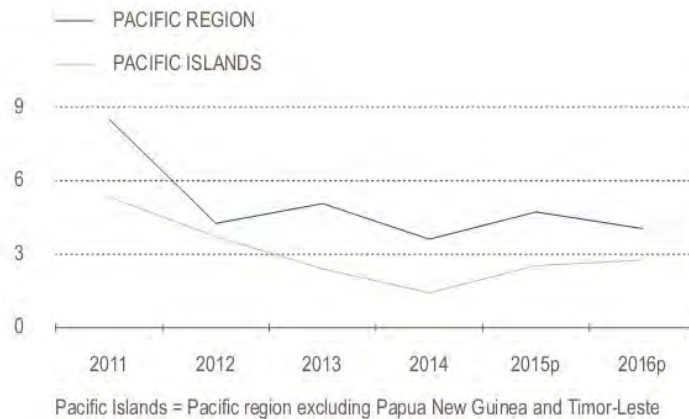


Figure 37 - Inflation (% annual average)²²⁹

223 ADB Pacific economist Chris Edmonds, March 2015. <http://www.abc.net.au/news/2015-03-24/asian-development-bank-sees-positive-outlook-for-pacific/6345224>

224 <http://www.adb.org/publications/pacific-economic-monitor-december-2015>

225 <http://www.adb.org/publications/pacific-economic-monitor-july-2015>

226 <http://thediplomat.com/2016/02/cyclone-winston-wreaks-havoc-on-fiji/>

227 <http://www.adb.org/publications/pacific-economic-monitor-july-2015>

228 http://www.econ.fbe.usp.ac.fj/fileadmin/files/schools/ssed/economics/events/Pacific_Update_2015/PEM_July2015_Pacific_Economic_Outlook_v1.pdf

229 Ibid

DEVELOPMENT IN THE PACIFIC REGION

SECTION 6

Sustained development progress for PICs requires long-term co-operation by international partners, greater economic integration, more equitable natural resource agreements, more open labour markets and adaptation to climate change.²³⁰ Enabling development progress centres on working with Pacific partners in ways that drives economic growth, removes barriers and strengthens the capacity and capability of the people of the Pacific region. Traditional aid donors have started moving from physical infrastructure and production towards institution building and social infrastructure, such as education and health.²³¹

Section 6 of the APTC e-Scan 2016 scans forums, agreements, partnerships and strategies initiated in the Pacific to identify the changing landscape, key stakeholders and structures in place to support economic and social development. This section also examines workforce and educational initiatives facilitating the development of human capital and economic prosperity.

Regional co-operation in the Pacific has a well-established record. Regional governance of shared resources and the number of agreements covering environment and sustainable development in the Pacific are steadily increasing. However, the individual characteristics of each PIC, especially those relating to property rights, the size and resilience of their economies and environments, and their often large subsistence sectors, constrains their options for development.²³²

230 <http://www.worldbank.org/en/country/pacificislands/overview>

231 <http://www.cn.undp.org/content/dam/china/docs/Publications/Pacific%20Research%20Report%208%20Oct%20ZC.pdf>

232 <http://nautilus.org/eassnet/trade-environment-and-development-in-the-pacific-islands-the-role-of-sprep/>

PACIFIC PARTNERSHIPS FOR DEVELOPMENT

The *Pacific Partnerships for Development* commits Australia and its Pacific partners to work together to make rapid progress towards development goals and the development ambitions of the partners, through:

- Improving economic infrastructure and enhancing local employment possibilities through infrastructure and broad-based economic growth;
- Enhancing private sector development, including better access to microfinance;
- Achieving quality universal basic education;
- Improving health outcomes through better access to basic health services; and
- Enhancing governance, including the role of civil society, and the role of non-government organisations in basic service delivery.

Fundamental principles of mutual respect and mutual responsibility underpin the Pacific Partnerships for Development.

The Partnership gives effect to Australia's commitment under the *Paris Declaration on Aid Effectiveness and the Accra Agenda for Action* to increasingly align assistance with partner government planning and implementation systems. Australia works with New Zealand, development banks and other development partners to achieve these outcomes.²³³

THE PACIFIC ISLANDS FORUM

The PIF is a political grouping of 16 independent and self-governing states. Forum membership has increased from the original seven founding members (Australia, Cook Islands, Fiji, Nauru, New Zealand, Tonga and Western Samoa – now Samoa) to also include the FSM, Kiribati, Niue, RMI, Palau, PNG, Solomon Islands, Tuvalu and Vanuatu.²³⁴

PIF's goals are to stimulate economic growth and enhance political governance and security for the region through the provision of policy advice and to strengthen regional co-operation and integration through co-ordinating, monitoring and evaluating implementation of decisions. The PIF is led by the Secretary General who is directly responsible to the Forum Leaders and to the Forum Officials' Committee (FOC), which is a governing body comprising representatives from all PIF members. The PIF's mandate is delivered through the annual Leaders' Communiqués and high level ministerial meeting decisions.²³⁵

The PIFS, based in Suva, Fiji, is responsible for the delivery of decisions made at the annual Forum Leaders meetings and high level ministerial meetings. The PIFS is mandated to co-ordinate the implementation of the Framework for the Pacific Regionalism.

FRAMEWORK FOR THE PACIFIC REGIONALISM (THE FRAMEWORK)

The Framework articulates the vision, values and objectives of an invigorated Pacific-wide regionalism and positions Pacific Islands Leaders to make decisions about the agenda and priorities for the Pacific region.²³⁶

The principal objectives are:

- Sustainable development that combines economic social and cultural development in ways that improve livelihoods and well-being and use the environment sustainably;
- Economic growth that is inclusive and equitable;
- Strengthened governance, legal, financial, and administrative system; and
- Security that ensures stable and safe human, environmental and political conditions for all.

Pacific countries will adopt forms of regionalism for each principal objective, drawing from collective actions, that work in support of deeper regionalism. Refer **Appendix E** for the forms of regionalism.

233 <http://dfat.gov.au/geo/pacific/development-assistance/partnerships/Pages/default.aspx>

234 <http://www.forumsec.org/pages.cfm/political-governance-security/forum-leaders-meeting/>

235 <http://www.pacificwomen.org/pacific-links/pacific-islands-forum-secretariat-2/>

236 <http://www.forumsec.org/pages.cfm/newsroom/press-statements/2015-media-releases/new-forum-committee-embraces-civil-society-business-public-sector-skills.html>

PRIORITY SETTING

Proposals are submitted by stakeholder groups and consortia which are reviewed by the various committees and sub-groups before being presented to the Leaders at their annual forum. Relevant agencies work on the implementation of the projects, with progress reports prepared by the Forum Secretariat. This process is illustrated by Figure 38.



Figure 38 - The Framework for the Pacific Regionalism^{2,47}

MONITORING

Progress will be monitored by the relevant implementing agencies and the PIFS, who will work with the Council of Regional Organisations in the Pacific (CROP) agencies to develop a high level regional monitoring framework, linking regional work across key areas to the pursuit of higher-order objectives for regionalism and the fulfilment of SDGs.

CROP (formerly the South Pacific Organisations Co-ordinating Committee, SPOCC) was established in 1988 with the mandate to improve co-operation, co-ordination, and collaboration among the various intergovernmental regional organisations to work toward achieving the common goal of sustainable development in the Pacific region.

There are nine members of the CROP:

1. Forum Fisheries Agency (FFA);
2. Pacific Aviation Security Office;
3. Pacific Islands Development Program (PIDP);
4. Pacific Islands Forum Secretariat (PIFS);
5. Pacific Power Association;
6. The Pacific Community (SPC);
7. Secretariat of the Pacific Regional Environment Program (SPREP);
8. South Pacific Tourism Organisation; and
9. The University of the South Pacific (USP).

The CROP Charter establishes a working group mechanism to support technical and operational engagement on regional priorities identified by Leaders. Presently, there are seven official CROP Working Groups on:

1. Population and Health (Chaired by SPC);
2. Human Resource Development (Chaired by USP);
3. Sustainable Development (Co-chaired by SPREP and PIFS);
4. Marine Sector (Chaired by SPC and FFA);
5. Information Communication Technologies (Chaired by USP);
6. Lands (Chaired by SPC); and
7. Gender (Co-Chaired by SPC and PIFS).²³⁸

In June 2015, CROP announced it had commenced a review of regional co-ordination to ensure it is well positioned to deliver on the regional agenda under The Framework.²³⁹

PIF LEADERS FORUM

At the 46th PIF Leaders Forum, in September 2015 at Port Moresby, the Leaders endorsed the Hiri Declaration on Strengthening Connections to Enhance Pacific Regionalism, which commits the leaders to, *“the pursuit of the goal of strengthening connections to enhance Pacific regionalism for all, that increases our people to people relations, improves institutional governance; and enhances our physical connectivity wherein we can chart our own destiny for a better Pacific”*.²⁴⁰

The Leaders pledged to strengthen connections to enhance Pacific regionalism through:

1. Implementing core policy frameworks to encourage greater regional economic integration;
2. Building good economic and social infrastructure to facilitate the ease of doing business and movement of people across borders;
3. Sharing of knowledge, skills, preservation and promotion of traditional and cultural values and sporting activities;
4. Calling for greater ambition and commitment at the national, regional and international level to enable PIF nations to respond to emerging opportunities, issues and challenges; and
5. Calling on international partners to align their development co-operation plans with national priorities and regional integration and co-operation frameworks of the PIF leaders.²⁴¹

PACIFIC ISLANDS DEVELOPMENT FORUM (PIDF)

In August 2013, Fiji hosted the inaugural PIDF summit, a regional meeting of Pacific Island leaders initiated by Fiji.

PIDF, widely perceived as a challenge to the PIF, builds on the *“Engaging with the Pacific”* process established in response to Fiji’s exclusion from the Forum.

The PIDF is governed through the following transitional arrangements:

- The annual PIDF Summit as the ultimate forum where leaders of public sector, private sector and civil society deliberate and agree on the key policy decisions, including on innovative approaches, tools, and accountabilities that advances its Vision, Mission and Purpose;
- The Leaders Council consisting of leaders of governments, private sector and civil society will serve as the governing body to provide overall strategic and policy guidance to the PIDF and the Secretariat;
- An Executive Board of ministerial level representation of governments and executive level representations from the private sector and civil society, to advocate for the interests of PIDF, to review the advice of the Senior Officials Committee and make the necessary recommendations to the Leaders Council;

“PIDF is being established because ... a changing global and regional environment requires new approaches to problem solving. Current development model has not worked and the “Green Economy” now provides the preferred pathway to sustainable development. The model of growth and development pursued in the last decades has not delivered the inclusive growth and sustainable development aspired to by our people. Sustainable development through the Green Economy which not only balances but builds on the synergies between economic growth, social inclusion and preservation of the environment [this] will be the major focus of PIDF.”²⁴²

237 <http://www.forumsec.org/resources/uploads/embeds/image/framework%20pacific%20regionalism.png>

238 <http://www.spc.int/en/media-releases/2158-regional-organisations-undertake-review.html>

239 <http://www.spc.int/en/media-releases/2158-regional-organisations-undertake-review.html>

240 <http://www.pina.com.fj/?p=pacnews&m=read&o=2750406815507a4719859105e49e5a>

241 http://pidp.eastwestcenter.org/pireport/2015/September/pif-comm.htm#Annex_2

242 <http://pacificidf.org/why-pidf/>

- The Senior Officials Committee provides technical and policy advice and support to the Leaders Council; and
- The Secretariat that provides advice to the Senior Officials Committee and implements the decisions of the organisation. Headed by the Secretary General who is responsible to the Governing Council through the Senior Officials Committee for the management of the Secretariat.

PIDF will undertake its work at three levels: Sphere of Control, Sphere of Influence and Sphere of Concern, as indicated in Figure 39.



Figure 39 - PIDF's partners²⁴³

SPHERE OF CONTROL

National Development Policies, PSIDS NY

SPHERE OF INFLUENCE

Pacific Rim Countries/Potential Development Partners, Mauritius Strategy and the 2014 SIDS Global Conference, MDGs Acceleration Framework to 2015, Post 2015 Sustainable Development Goals, G77 and China Chairmanship in 2013, AOSIS

SPHERE OF CONCERN

UNFCCC, Rio+20

The PIDF is open to all PICs irrespective of their political status and all public sector, private sector and civil society organisations from the following are eligible to participate in PIDF activities: American Samoa, Commonwealth of the Northern Marianas, Cook Islands, FSM, French Polynesia, Guam, Kiribati, RMI, Nauru, New Caledonia, Niue, Palau, Pitcairn Islands, PNG, Samoa, Solomon Islands, Timor Leste, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis and Futuna.²⁴⁴

The PIDF highlighted Fiji's importance to the region through references to Fiji's role as chair of the G77, the MSG trade show and the ability to attract funding for the PIDF from China, Russia, Kuwait and the United Arab Emirates.²⁴⁵

UN INTERNATIONAL CONFERENCE ON SMALL ISLAND DEVELOPING STATES

SIDS are low-lying coastal countries that tend to share similar sustainable development challenges.²⁴⁶ They are recognised by the UN as a special case for sustainable development due to unique and particular vulnerabilities.²⁴⁷ SIDS members in the Pacific region include the Cook Islands, FSM, Fiji, Kiribati, RMI, Nauru, Niue, Palau, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The Third International SIDS Conference was held in September 2014 in Apia, Samoa. The overarching theme of the conference was "The sustainable development of small island developing States through genuine and durable partnerships".²⁴⁸ UN Member States formally adopted the outcome document of the Conference, the SIDS Accelerated Modalities of Action (SAMOA Pathway) in which countries recognised the need to support and invest in these nations so they can achieve sustainable development.

The SIDS Action Platform was developed as a follow up to the Conference and includes a partnerships platform, a partnerships framework and a UN implementation matrix.²⁴⁹

243 <http://pacificidf.org/partners/>

244 Ibid

245 <http://devpolicy.org/in-brief/pacific-islands-development-forum-launch-in-fiji-20130813/>

246 http://en.wikipedia.org/wiki/Small_Island_Developing_States

247 <http://sustainabledevelopment.un.org/index.php?menu=203>

248 <https://sustainabledevelopment.un.org/topics/sids>

249 <http://www.sids2014.org/index.php?menu=1604>

THE PACIFIC COMMUNITY

The SPC is an international organisation owned and governed by its members. In November, 2015, the SPC changed its name to The Pacific Community, however it is still known by the acronym SPC.

SPC works in public health, geoscience, agriculture, forestry, water resources, disaster management, fisheries, education, statistics, transport, energy, human rights, gender, youth and culture to help Pacific Island people achieve sustainable development. SPC's work program is determined by members, with regional initiatives that support the national policies and plans of members. SPC is actively advocating for greater co-ordination and a more regional approach to the allocation of Pacific aid funding.²⁵⁰

MELANESIAN SPEARHEAD GROUP

The Melanesian Spearhead Group (MSG) is an intergovernmental organisation, composed of the four Melanesian states of Fiji, PNG, Solomon Islands and Vanuatu as well as the FLNKS (Front de Libération Nationale Kanak et Socialiste) of New Caledonia.

One of its key features is the Melanesian Spearhead Group Trade Agreement, a sub-regional preferential trade agreement established to foster and accelerate economic development through trade relations. MSG also provides a political framework for regular consultations and review on the status of the

Agreement, with a view to ensuring that trade both in terms of exports and imports is undertaken in a genuine spirit of Melanesian Solidarity and is done on a most favoured nation basis.²⁵¹

In December 2015, PNG and Solomon Islands witnessed the signing of the new partnership agreement between the ACP and the MSG at the Le Bourget Conference venue in Paris. The new MOU, signed at the global climate conference in Paris, sets the framework for future collaboration between the two organisations including sharing information and supporting each other's work.²⁵²

In October 2015, the MSG Technical Working Group Negotiations (TWGN) met regarding the draft 3rd edition of the MSG Trade Agreement (MSGTA). The TWGN meeting focused on the Trade in Goods and Trade in Services Chapters of the draft Trade Agreement. Members agreed to the schedule on Labour Mobility to allow for movement of professionals from MSGTA parties to move freely for employment purposes under the Chapter on Labour Mobility. This has the potential to provide better services in areas of skills shortages, such as doctors, teachers, bankers, pilots and so forth.²⁵³

PACIFIC AFT STRATEGY

More than 88 million people are likely to be unemployed (in the formal sector) in Asia and the Pacific by 2018. To generate jobs and improve livelihoods, developing economies will need to grow at a higher rate and

for a longer period. If a country is to achieve high and lasting growth, it must participate in international trade.²⁵⁴

AfT helps developing countries improve their regulatory environment, address their poor economic infrastructure and build their private sector capacity. It supports developing countries' efforts to better integrate into and benefit from the global rules-based trading system, implement domestic reform and make a real economic impact on the lives of their citizens. Refer to **Appendix F** for The AfT Program Logic diagram.

The OECD DAC categorises AfT investments under the broad headings of trade policy and regulations, economic infrastructure, and building the capacity of the private sector, as outlined in Figure 40.

The first Pacific AfT strategy was developed in 2009 and has been valuable in the mobilisation of resources. It has since served as a guiding document for the prioritisation of needs against available resources and for the implementation of regional AfT programs.²⁵⁵

250 <http://www.spc.int>

251 <http://www.lowyinterpreter.org/post/2012/07/18/What-Abbott-will-do-about-foreign-policy-aid.aspx>

252 <http://www.msgsec.info/index.php/extlinks/1028-09-dec-2015-png-and-solomon-islands-witness-msg-partnership-agreement-with-the-acp-secretariat>

253 <http://www.msgsec.info/index.php/component/content/article/981-msg-technical-working-group-negotiations-meeting-on-the-draft-3rd-edition-of-the-msg-trade-agreement>

254 <https://dfat.gov.au/about-us/publications/Documents/strategy-for-australia-aid-for-trade-investments.pdf>

255 <http://www.readperiodicals.com/201307/3136544101.html>

Trade Policy and Regulations and Trade-Related Adjustment	Economic Infrastructure	Building Productive Capacity
<ul style="list-style-type: none"> ▪ Trade policy and administrative management ▪ Trade facilitation ▪ Regional trade investments ▪ Multilateral trade ▪ Negotiations ▪ Trade-related adjustment ▪ Trade education/training 	<ul style="list-style-type: none"> ▪ Transport and storage ▪ Communications ▪ Energy generation and supply 	<ul style="list-style-type: none"> ▪ Banking and financial services ▪ Business and other services ▪ Agriculture ▪ Forestry ▪ Fishing ▪ Industry ▪ Mineral resources and mining ▪ Tourism

Figure 40 - Simplified OECD Aid for Trade Classification Structure ²⁵⁶

The Pacific AfT Strategy 2014-17 harnesses consensus between member states on the priorities for ensuring a growing and more diversified regional economy. The ultimate goal of the strategy is to outline a coherent approach to resource mobilisation, one that signals to donors, investors and international development partners that the region has a clear understanding of how it can best utilise existing and future resources.

The Strategy seeks to facilitate trade expansion in the region through four specific objectives:

1. Improving trade-related infrastructure;
2. Increasing productive capacity for trade;
3. Promoting trade-related adjustment; and
4. Improving institutional capacity for trade policy and regulations.²⁵⁷

Agriculture is the most important economic sector for PICs as it provides the greatest source of livelihoods, cash-employment and food security. However, a key challenge is transport as there is little point to harvesting high-value papaya or ginger or cut-flowers if the produce can't get to consumers who are prepared to pay for them. An even bigger issue is market entry as quarantine restrictions have been identified as the weakest link in the Pacific's horticultural export marketing chain.²⁵⁸

256 <https://dfat.gov.au/about-us/publications/Documents/strategy-for-australias-aid-for-trade-investments.pdf>

257 <http://www.tradeforum.org/article/A-strategy-to-support-development-in-the-Pacific/#sthash.hEsSnrUx.dpuf>

258 <http://devpolicy.org/aid-for-trade-should-support-the-pacifics-hidden-strength-smallholder-agriculture-20140221/>

PICS TRADE AGREEMENT

The Pacific Island Countries Trade Agreement (PICTA) is a free trade agreement amongst the 14 FICs. Australia and New Zealand are excluded.²⁵⁹ By May 2015, the PICTA had been signed by 12 out of the 14 FICs: Cook Islands, Fiji, Kiribati, FSM, Nauru, Niue, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

Apart from FSM, the 11 other FICs that had signed PICTA have ratified the agreement, but only six FICs have announced their readiness to trade, presenting considerable challenges in the implementation of the agreement. Support is currently being provided by the PIFS to assist the remaining FICs to undertake the requisite domestic reform required under the agreement in order to facilitate their readiness to trade under the agreement.²⁶⁰

Under the PICTA agreement, virtually all barriers (import tariffs and quotas) to merchandise trade between FICs will be subsequently removed, covering: business, communication, construction, distribution, educational, environmental, financial, health, tourism, recreational and transport.²⁶¹

259 <http://www.forumsec.org/pages.cfm/economic-governance/regional-trade-1/picta/>

260 <http://www.forumsec.org/pages.cfm/economic-governance/regional-trade-1/picta/>

261 <http://www.mit.gov.fj/index.php/divisions/trade-division/regional-trade-agreement/the-pacific-island-countries-trade-agreement-picta>

The creation of a regional market is hoped to encourage increased investment in FICs who are often struggling to attract investment, mainly because of the size of their domestic markets. The opportunity for goods manufactured in the FICs to reach the regional market of over 10 million people, tariff and quota-free, may attract more investors who are hesitant to engage with FICs individually.²⁶²

PACIFIC REGION INFRASTRUCTURE FACILITY (PRIF)

Established in 2008, PRIF is a multi-agency, multi-partner investment co-ordination mechanism aimed at improving the delivery of development assistance from its members to the infrastructure sector in the Pacific region. The initiative encourages a co-ordinated approach to infrastructure planning and development through harmonised support and improved project prioritisation.

PRIF is supported by: ADB; DFAT; New Zealand Ministry of Foreign Affairs and Trade; WBG; International Finance Corporation (IFC); EC; EIB; and JICA.²⁶³ PRIF aims to:

- Streamline PIC access to technical and capacity building assistance and to funding for infrastructure;
- Improve the quality of infrastructure investments in PICs, for example to enhance sustainability with measures to support recurrent infrastructure maintenance; and

- Strengthen capacity within PICs to plan, manage and maintain infrastructure for sustainable and improved delivery of services.

PRIF is designed to commit development partners to improve development effectiveness in the infrastructure sector through closer co-ordination, increased use of partner country systems and longer term support.^{264,265}

PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION (PIPSO)

PIPSO is the peak body for the private sector in the Pacific region; its members are the national private sector organisations of the 14 FICs and American Samoa. PIPSO is mandated to advocate the interests of the private sector at the regional level and to participate and contribute to the policy development and strategies for private sector development.

PIPSO works with regional organisations and donor agencies to strengthen the capacity of its members through consultation, training, mentoring, technical support and funding to enable them to dialogue with their governments on a level playing field.

262 <http://www.forumsec.org/pages.cfm/economic-governance/regional-trade-1/picta/>

263 <http://www.theprif.org/>

264 <http://www.theprif.org/index.php/support>

265 <http://www.theprif.org/index.php/infrastructure/infrastructure-needs>

PACIFIC PRIVATE SECTOR DEVELOPMENT INITIATIVE

A regional technical assistance facility financed by ADB and the Australian and New Zealand governments. PSDI was launched in 2006 and is now in its third phase (2013-19).²⁶⁶ The initiative works across 14 FICs and focuses on five core areas:²⁶⁷

1. Financing growth;
2. Reforming outdated business laws and removing regulations that compromise investment;
3. Enhancing efficiency of state-owned enterprises and promoting public-private partnerships;
4. Ensuring well-functioning competition and regulatory frameworks; and
5. Promoting the economic empowerment of women.

PSDI responds to country requests and provides support services in policy and program development, advocacy, legislative and administrative reform, capacity building and technology project management. It assists to remove constraints to doing business; fostering entrepreneurship and new business models; and removing barriers to women's participation in business. PSDI helps the private sector to formalise and grow their business, to create jobs, pay taxes, and lift people out of poverty.²⁶⁸

266 <http://www.adb.org/offices/pacific/pacific-private-sector-development-initiative>

267 <http://dfat.gov.au/geo/pacific/development-assistance/Pages/economic-growth-and-private-sector-development-pacific-regional.aspx>

268 <http://www.adbpsdi.org/p/what-is-psdi.html>

PACIFIC ISLANDS TRADE AND INVEST (PT&I)

The international trade and investment promotion arm of the PIFS is the region's lead tourism promotion, export and investment facilitation agency. In January 2016 the Australian Business Volunteers, experienced in delivering a suite of programs designed to build capacity of business across the Asia-Pacific region, signed a MOU with the PT&I to work together for the economic and sustainable development of PICs.²⁶⁹

INTERNATIONAL TRADE CENTRE

The Pacific region is presently negotiating multilateral, regional, and bilateral trade agreements in an effort to secure market access to their goods and services. ITC assist these countries through its program on business and trade policy, and public-private sector dialogue.²⁷⁰

The ITC program in the Pacific region is geared towards strengthening national and regional private-sector organisations, strengthening trade support institutions, greater usage of ITC global goods and services, public-private sector dialogue on trade policies and facilitating a greater participation of women in the globalised economy. This is achieved through:

- Facilitating multi-agency collaboration;

- Involvement in the EU/ACP All Agricultural Commodities program;
- Engagement in support of Pacific women in business to build a sustainable regional architecture for women entrepreneurs; and
- The Enhanced Integrated Framework for Pacific Least Developed Countries²⁷¹

INTERNATIONAL FINANCE CORPORATION PACIFIC PARTNERSHIP

IFC fosters sustainable economic growth across the Pacific region by financing private sector investment, mobilising capital, and advising businesses and governments on projects that generate returns for investors and provide lasting benefits to communities.

IFC's work in the Pacific is guided by the Pacific Partnership. Australia, New Zealand and IFC work together through the partnership to promote sustainable economic development, reduce poverty and stimulate private sector investment across the Pacific. IFC currently has projects in Fiji, Kiribati, PNG, Samoa, Solomon Islands, Timor-Leste, Tonga, and Vanuatu.²⁷²

269 <https://www.facebook.com/PacificIslands.Forum.Secretariat/>;

270 <http://www.intracen.org/itc/regions/the-pacific/>

271 <http://www.intracen.org/news/Multiplying-trade-opportunities-in-the-Pacific-region-through-a-new-partnership/>

272 http://www.ifc.org/wps/wcm/connect/region_ext_content/regions/east+asia+and+the+pacific/countries/ifc+in+pacific

WORKFORCE DEVELOPMENT AND EDUCATION INITIATIVES

A highly educated and skilled workforce supports innovation, the implementation of technological advances and the accumulation of physical capital for economic prosperity. Research shows the level of educational and skills attainment significantly influences an individual's future labour force participation and earnings potential.²⁷³ Dr Richard Curtain's 2013 study of the skills needs of eight PICs (Fiji, Solomon Islands, Vanuatu, Kiribati, Tonga, Nauru, Samoa and Tuvalu) provides data related to skills gaps and the level of qualifications held across these countries.²⁷⁴ There are major differences between the high qualifications profiles of Fiji, Samoa, Tonga and Tuvalu and the much lower profiles of Kiribati, Solomon Islands, Vanuatu and Nauru as shown in Figure 41. Skills gaps are high when compared with Australian post-school qualifications rates of 68% for managers, 92% for professionals and 73% for a combined technician and trades group.

²⁷³ http://en.wikipedia.org/wiki/Melanesian_Spearhead_Group

²⁷⁴ Curtain Consulting is a Melbourne-based consultancy specialising in public policy and research since October 1993

Post-school qualifications, % of each occupation group

ISCO occupation major groups	Fiji	Samoa	Solomon Islands	Tonga	Kiribati	Vanuatu	Nauru*	Tuvalu*
1. Legislators, senior officials & managers	43.4	43.6	44.3	52.5	33.9	29.7	30.6	60.2
2. Professionals	77.0	85.3	42.0	72.2	23.4	34.8	19.6	68.0
3. Technicians & associate professionals	56.7	81.0	26.1	47.4	10.1	18.8	14.1	46.3

Figure 41 - ISCO occupation major groups
*Provisional census results

SKILLS GAP

One measure of a skills gap is the level of foreign workers in particular occupation groups in a country. Dr Curtin’s report found foreign workers to be mostly managers (1,628) followed by professionals (1,426), technicians and associated professionals (544) and trade workers (403). In all cases, foreign workers had a much higher proportion of post-school qualifications than national job holders in the same occupations. Skills shortages were most pronounced at the managerial and professional levels. Employment of foreign workers in the trades’ environment tends to be at the supervisor or managerial level.

SKILLS SHORTAGES AND THE LOCAL LABOUR MARKET

The PICs’ labour market (with the exception of PNG) suffers from deficient demand for skills because they are small and lacking in a diverse

economic structure. This results in severe constraints when matching the supply of skills to the demand, as there is always a lag. However, there is also tension between the provision of local training and the potential for oversupply in skill shortage areas due to the limited employment opportunities in economies with a narrow industrial base, weak private sector and small domestic markets.²⁷⁵

LABOUR MOBILITY IN THE PACIFIC

Pacific workers today are international and mobile: i-Kiribati and Tuvaluan seafarers staff the global shipping trade; Samoan and Tongan labourers work in factories and building sites in Sydney and Auckland or pick fruit in New Zealand and Australia; more than 1,000 Fijians work in Iraq and Kuwait as security guards, truck drivers and labourers, while Fijian soldiers and police officers serve in peacekeeping operations around the globe.²⁷⁶ Migration has become an outlet for the population pressures

evident in many island nations and remittances sent home play a vital part in the economy of many PICs. However, the immigration policies of developed nations favour those with skills and high levels of education, creating a potential ‘brain drain’ as rugby players, teachers, nurses, accountants and other professionals and tradespeople move to jobs offshore that offer better pay or career advancement. PICs are robbed of the skilled workers who are most needed, while low or semi-skilled workers who most need jobs are left behind and remain unemployed, with limited job opportunities in the formal wage sector.²⁷⁷

275 Curtin, R, *Skilling Youth in the Pacific: Identifying the Skill Needs of Eight Pacific Countries together with Australia and New Zealand*, 2014

276 http://press.anu.edu.au/ssgm/global_gov/mobile_devices/ch08.html

277 http://press.anu.edu.au/ssgm/global_gov/pdf/ch08.pdf

The 2005 Forum Secretariat Remittance Roundtable identified a number of steps that could be taken to address the problem, including adapting the educational, vocational and training curricula to reflect the fact that many workers are contributing to an international rather than domestic labour market.²⁷⁸

PACIFIC FRAMEWORK FOR TVET (PTVETF)

In 2012 the Pacific Forum Ministers of Education endorsed an overarching framework for TVET in the Pacific region for the years 2012-15. A review was conducted in April 2015 using a variety of methods including desk research, survey, and in-country consultations.

Refer to **Appendix G** for the objectives of PTVETF, and an assessment of the impact and sustainability.

CHALLENGES

A number of commissioned studies and stakeholder consultations have identified common and ongoing challenges for TVET in the Pacific:

- An imbalance in demand for and supply of skills;
- Unclear co-ordination of TVET;
- Lack of demand-driven data – training needs analysis/market/graduate tracer surveys;
- Quality assurance and standards – at a very early stage of development;
- Poor/inadequate management pool of TVET personnel;
- Financing, as TVET is underfunded;
- Limited pathways and models of excellence; and
- Organisation and modes of delivery.

The table on the following page identifies priority areas, key issues and challenges in response to the PTVETF.

278 Ibid

Priority Areas	Areas of Attention
Policy and advocacy	<ul style="list-style-type: none"> ▪ Strengthening support to ensure that TVET priorities are reflected in national and regional sectoral policies, regulatory frameworks and national structural reforms; ▪ A regional marketing and communication strategy to advocate on the benefits of TVET for different interest groups (employers, youths, government officials, women, local communities); and ▪ Advocating for TVET through meetings of Pacific leaders and regional sectoral heads in the implementation of various regional frameworks.
Quality and standards	<ul style="list-style-type: none"> ▪ Reviewing regional and national processes in the licensing of trades and regulatory frameworks for license and other required systems; ▪ Regional higher education institutions to support and provide programs focusing on TVET trainers, teacher educators, workplace training and higher level (specialised) TVET; and ▪ Enhancing and expanding accreditation and quality assurance systems to international standards.
Access and provision	<ul style="list-style-type: none"> ▪ Youth engagement in informing service provision to ensure that relevant and applicable programs are identified. Furthermore, providers must keep pace with youth interests and changing market requirements; ▪ Higher levels of participation of women and other marginalised groups and those with disabilities and special needs; ▪ Increased local/community participation and ownership in main-streaming for the development of appropriate models of delivery within the villages of the Pacific; ▪ Identification and sharing of regional models and programs of excellence in TVET; and ▪ Strengthened institutional development of TVET at national and regional levels.
Organisation, delivery, access and pathways	<ul style="list-style-type: none"> ▪ Strengthened labour market focus as a useful strategy for improving links between TVET providers and labour market needs, and encouraging labour mobility; ▪ Opportunities for industry apprenticeships and work attachments (practicum) as critical in introducing students to the world of work and employer expectations; ▪ Development of best practice and innovative approaches, including open and distance learning to encourage multiple pathways and opportunities; and ▪ Promotion of, and pathways in, community education, sports and cultural practices, as a means of addressing social issues and for the creation of employment skills and attitudes amongst job seekers.
Demand-driven TVET data and market research	<ul style="list-style-type: none"> ▪ Conducting regular labour market surveys; ▪ Building capacity of stakeholders in market research skills and analysis; ▪ Tracer studies and research on TVET; and ▪ Pilot initiatives as part of research/good practice.
Co-ordination	<ul style="list-style-type: none"> ▪ Development of an implementation and monitoring and evaluation plan as part of the regional co-ordination mechanism for this framework; ▪ Clear information sharing and mechanism for dissemination of outcomes of TVET forums and meetings to feed into forum ministerial processes, especially meetings of ministers of education, information and communication, economics and trade, and labour; ▪ Strengthened partnership among regional organisations, development partners, and higher education institutions in the Pacific region; and ▪ Strengthening existing TVET information sharing and networking.
Financing TVET	<ul style="list-style-type: none"> ▪ Establishing a regional funding pool (with development partner support) to develop national TVET programs, strategies, training of trainers, and new initiatives; ▪ Increasing TVET scholarship funding so that more Pacific Islanders can travel and study in the region and abroad and gain much needed exposure; ▪ Supporting the integration of TVET and higher education in Pacific institutions, allowing more opportunities for a sustained and cost effective education; ▪ Implementation of cost sharing and cost recovery programs, including registration fees for trainees/employers and consultancy services; ▪ Strengthening and promoting employer and industry partnerships and user-pays models and training levies to share the burden of financing TVET; and ▪ Mobilising resources for other national level TVET support.

Figure 42 - Critical challenges and key issues²⁷⁹

PACIFIC EDUCATION AND SKILLS DEVELOPMENT AGENDA

The Pacific Education and Skills Development Agenda provides guidance to Australia's aid program for education and skills development across the Pacific (Fiji, Kiribati, Nauru, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu). The agenda focuses on significant issues faced in the Pacific such as getting children into school, keeping them there, children's learning and young people's employability.²⁸⁰

Australia has four objectives for its engagement in the development of education and skills in the Pacific:

1. Ensuring that all Pacific children have access to a basic education;
2. Making sure that education is of an acceptable quality, particularly to guarantee literacy and numeracy and to provide a basis for learning beyond primary school;
3. Ensuring young people have opportunities to gain the skills needed to connect to further education, training and employment; and
4. Ensuring that increased numbers of young people gain valued professional, technical or vocational qualifications through post-secondary education and training.²⁸¹

Australia's education assistance in the Pacific is informed by both the Port Moresby Declaration and the Pacific Education Development Framework.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The mission of the OECD is to promote policies that improve the economic and social well-being of people around the world. The *OECD Skills Strategy* was launched in May 2012 along with an online skills portal that features skills data, country-specific information and policy pointers for developing, supplying and using the global talent pools.

Young people face both structural and cyclical problems to successfully integrate into the labor market. Lack of appropriate skills and difficulty in applying those skills effectively are at the core of these problems.²⁸² The *OECD Skills Outlook 2015* draws attention to the fact that young people around the world are struggling to enter the labour market. In some OECD countries, one in four 16-29 year olds is neither employed nor in education or training.

The *OECD Skills Outlook 2015* highlights how improving the employability of youth requires a comprehensive approach. While education, social, and labour market policies have key roles to play, co-ordination between public policies and the private sector is also crucial.²⁸³

The table on the following pages explores opportunities and barriers as well as strategic planning and policy directions by industry sector.

279 <http://unesdoc.unesco.org/images/0023/002354/235475e.pdf>

280 <http://dfat.gov.au/about-us/publications/Documents/pesda-2011.pdf>

281 Ibid

282 <http://www.brookings.edu/research/books/2014/oecd-skills-outlook-2014>

283 <http://www.oecd.org/edu/oecd-skills-outlook-2015-9789264234178-en.htm>

Areas Skills demand	Opportunities	Barriers and issues	Strategic planning and policy directions
Agriculture	<ul style="list-style-type: none"> ▪ Develop agricultural opportunities. ▪ Empower people. ▪ Prioritise policy actions. ▪ Smallholder agriculture has been the 'hidden strength' of otherwise structurally weak economies. ▪ Substantial investment in product and market development is required for niche commodities. 	<ul style="list-style-type: none"> ▪ The land-poor micro-states that are mostly atolls have very limited land but vast marine resources. ▪ In some countries the economic contribution of the subsistence sector is underestimated. ▪ Rapid urbanisation has resulted in large undersupplied markets for traditional and other food products. 	<ul style="list-style-type: none"> ▪ Agricultural policy needs to recognise small-scale farmers as part of the private sector. ▪ The private sector has some basic needs; to take advantage of agricultural opportunities the private sector needs: <ul style="list-style-type: none"> – Infrastructure (roads, ports and jetties, affordable shipping, telecommunications and market facilities) – Good governance – Market access – Information and skills – An enabling policy environment – Access to affordable financial services – Secure access to land. ▪ Consult communities and stakeholders, and invest strategically and develop public-private partnerships.
Fisheries	<ul style="list-style-type: none"> ▪ The overall outlook is for a strengthening of trends towards sustainability. ▪ Take practical policy actions to increase the contribution of fisheries to development. ▪ Fisheries in the Pacific have the potential to make a major contribution to sustainable development. ▪ There is a great diversity in the opportunities and constraints across the region. 	<ul style="list-style-type: none"> ▪ Good national governance is a key to improving the use of fishery stocks. ▪ More work needs to be done on analysing the impacts of different policy measures. ▪ The impact of fishing is a growing concern countries can expect to face increasing pressure from illegal fishing. ▪ The infrastructure and market access constraints are particularly severe for several small countries with large potential in fisheries – Kiribati, Nauru, Tuvalu and Niue. 	<ul style="list-style-type: none"> ▪ The greatest potential for economic growth lies in developing locally based industries. ▪ Take action to improve policymaking and increase the role of the private sector. ▪ Address overfishing at the local, national and regional levels. ▪ Good national fisheries governance – transparency, planning and stakeholder involvement. ▪ Increase investment in combating illegal fishing and other illegal activities. ▪ Address corruption by formalising licensing processes. ▪ Share ideas and experiences, and pool resources. ▪ Adopt a bottom-up process to strengthen entrepreneurial capacity and build skills in the private sector. ▪ Training opportunities for the private sector.
Forestry	<ul style="list-style-type: none"> ▪ Forests are an important natural resource in the PICs. ▪ Forests are a vital safety net for the people of the Pacific. ▪ The forested islands of the Pacific hold globally significant levels of biodiversity and endemism. ▪ Certification schemes are needed if niche markets are to be realised. 	<ul style="list-style-type: none"> ▪ Forests are being degraded and biodiversity is under threat. ▪ Unprecedented logging and land conversion are issues. ▪ Governance needs to be improved. ▪ Sound laws and regulations need to be implemented. ▪ Land tenure issues need to be addressed. ▪ Donor support needs to be co-ordinated. 	<ul style="list-style-type: none"> ▪ If forests are to be a basis for sustainable development, sustainable forest management will need to be achieved. ▪ Sustainable forest management requires accountability, transparency, information, the rule of law and economic efficiency. ▪ Regional action can be taken to address illegal, under-reported and unreported logging.

	<ul style="list-style-type: none"> Value-adding and community forest management require enabling environments. New plantations would need to focus on a few species in which the Pacific has some comparative advantage. Opportunities for producing high-value, non-perishable, non-timber products need to be investigated. 	<ul style="list-style-type: none"> Revenue from commercial logging is rarely used for longer term investment. Employment opportunities for nationals are limited. Under this scenario the major primary natural and accessible forests of the Pacific are likely to be logged out by 2020. 	<ul style="list-style-type: none"> Consideration should be given to supporting a regional certification body. Continued technical assistance to improve forest management and monitoring systems is a priority. Carbon trading opportunities and technology transfer.
Mining	<ul style="list-style-type: none"> There are three main areas where the promotion or adoption of best practice principles by national governments will not be sufficient to achieve sustainable development from investment in the extractive industry sector. They are: <ul style="list-style-type: none"> The relationship between private investment, foreign aid and economic diversification The allocation of government revenues and management of these revenues The matching of needs, capacities and responsibilities among stakeholders If it is agreed that foreign investment is preferable to foreign aid as an engine of economic growth, then foreign aid programs should not have the effect of discouraging foreign investment, even if that is not the donor's intention. 	<ul style="list-style-type: none"> The challenges and opportunities of the next 15 years cannot be predicted from a survey of current developments. This is especially true of the mining and petroleum sectors because the process of exploration, discovery, investment, extraction and closure is full of uncertainties. Further expansion of investment to match the development of better policy and management. 	<ul style="list-style-type: none"> It is not possible to convert key policy opportunities into practical policy options for all relevant decision makers in different countries because of the uneven development. Three issues policymakers in East Timor might wish to discuss with their PNG counterparts are: <ul style="list-style-type: none"> The feasibility, costs and benefits of foreign investment in downstream processing facilities in the petroleum sector. Arguments for and against establishment of a national oil company or the acquisition of state equity in oil and gas operations. The corporate governance structure and investment strategies of PNG Sustainable Development Program Ltd.
Employment and Labour Market	<ul style="list-style-type: none"> The region faces major challenges in generating sufficient employment to meet the aspirations of its rapidly growing populations. 	<ul style="list-style-type: none"> Labour and employment market prospects vary across the region and employment data are generally incomplete, out-dated or of poor quality. The region faces labour market demand and supply problems. Barriers to employment growth can come from the demand or supply of labour markets. Some barriers such as the small size and isolation of an economy are beyond influence of governments. 	<ul style="list-style-type: none"> Encourage the formation of small businesses. Recognise and support the informal and subsistence sectors. Align labour skills with market needs. Labour mobility can benefit from targeted training. Policy changes can improve gender equality.
Private Sector	<ul style="list-style-type: none"> Growth can be promoted through private sector development. With the support of donors, governments are beginning to identify constraints to growth and to formulate reform agendas. 	<ul style="list-style-type: none"> Existing policies have failed to respond to the aspirations of the Pacific island peoples. In the Pacific region, policies should seek to ameliorate the region's physical and geographic disadvantages. 	<ul style="list-style-type: none"> Reform requires the energies of visionaries within the region, as well as far-sighted donors. Reform implies making the countries easier places in which to do business.

- Many Pacific leaders are committed to reforming the business environment.
 - Achieving more efficient, cost-effective and competitive transport services is a priority.
 - When governments get 'out of the way', entrepreneurs have responded strongly.
 - The potential of successful rural enterprise is great.
- There is not a good understanding of how to promote private sector development or how to implement private sector friendly policies.
 - Policies exacerbate rather than ameliorate the natural disadvantages of geography and size.
 - Reform remains in its infancy.
 - Donors' aid programs need to be co-ordinated and to match the countries' abilities to absorb aid.
- Detailed analyses are essential to identifying specific barriers to private sector development.
 - Financial market reform requires an effective collateral framework and more credit information on borrowers.
 - The private sector and communities need to be involved in the provision of infrastructure.
 - Policymakers and reformers have to be able to identify whether their efforts are promoting private sector development.
 - Improving the environment for business requires commitment, analysis, persuasion, political action and co-ordination.
 - As the costs and barriers to business decline, economic activity will increase in areas not yet imagined.
- Regional Economic Agenda**
- Ministers directed the Forum Secretariat to assist PICs in acquiring the technical capacity to introduce easier processes.
 - Implementation of Regional Agreements.
 - Improving economic outcomes is an ongoing process of:
 - Setting directions and identifying objectives.
 - Identifying the best ways to achieve objectives, given the timeframe and capacity available.
 - Implementing activities to deliver planned outcomes.
 - Reviewing the impacts of interventions.
- Regional agreements can take a variety of forms, including:
 - Regional co-operation – governments working together to share information and take a regional stance on issues, which increases the need for co-ordination and dialogue between governments.
 - Regional provision of services pooling national resources to overcome limitations in national capacities, particularly if individual countries are unable to provide certain services because of their large fixed costs (for example, regional airlines and universities).
 - Regional integration – lowering market barriers between PICs to improve access to goods and services and income earning opportunities, using such measures as regional trade agreements and harmonised regulatory systems.
 - The Asian Development Bank's report "Toward a new Pacific Regionalism" concludes that for regional action to be effective it must be self-sustaining and generate sufficient gains to be of net benefit to each participant. Depending on the context, these gains can come from:
 - The Forum Economic Ministers Meeting 2004 biennial stocktake of accountability principles also highlighted the need for adequate resourcing of independent monitoring agencies, better financial oversight and enforcement of financial regulations, and more effective accounting and budget execution systems.
 - Eight Principles of Accountability.
 - Principle 1 - Budget processes, including multi-year frameworks, to ensure Parliament/Congress is sufficiently informed to understand the longer term implications of appropriation decisions.
 - Principle 2 - The accounts of governments, state-owned enterprises and statutory corporations to be promptly and fully audited, and the audit reports published where they can be read by the general public.
 - Principle 3 - Loan agreements or guarantees entered into by governments to be presented to Parliament/Congress, with sufficient information to enable Parliament/Congress to understand the longer term implications.
 - Principle 4 - All government and public sector contracts to be openly advertised, competitively awarded, administered and publicly reported.
 - Principle 5 - Contravention of financial regulations to be promptly disciplined.

Framework for Growth

- As the developed world has finally started gathering the political will to do something about poverty. Pay attention to delivery mechanism, incentives, and spillover effects, and allowing aid recipients to develop their own approaches while sharing experiences about what works.
- Accessing a larger market, leading to a reduction in the per unit costs of production.
- Avoiding costly duplication by sharing limited resources.
- Harmonising standards to reduce transaction costs and limit the scope for non-co-operative behaviour.
- Principle 6 - Public Accounts/Expenditure Committees of Parliament/Congress to be empowered to require disclosure.
- Principle 7 - Auditor General and Ombudsman to be provided with adequate fiscal resources and independent reporting rights to Parliament/Congress.
- Principle 8 - Central bank with statutory responsibility for non-partisan monitoring and advice, and regular and independent publication of informative reports.

Land

- All parties need to be involved in articulating a vision and a strategy for improving the lives of Pacific islanders over the next 15 years.
- Pacific island communities and policymakers need to recognise that policy and institutional shortcomings can be significant and detrimental to sustaining economic growth. Given the natural disadvantages facing the PICs.
- A customised set of reforms that are context specific will need to be identified and pursued in order to fuel economic growth.
- The PICs will need to make a concerted effort to adopt institutional arrangements that work well for small countries such as pooling regional capacity and resources where possible to reduce the already very high transaction costs facing these individual small entities.
- Concentrate on finding niche markets for exports, rather than attempting to enter markets characterised by global price competition.
- Find a way to differentiate the product or service (examples being Fiji water and Maldives tourism).
- Two important caveats are in order on this point. First, governments should not get into the business of identifying which niche markets should be developed, as the record of bureaucrats 'picking winners' is not very promising. Niche markets thrive when private agents pursue investment in a market-based activity on the basis of expected profits. Second, the role for governments in developing niche markets should be as a facilitator, such that infrastructure or regulatory constraints to the development of a niche market are reduced.
- Overfishing, poor negotiations in international arrangements and corruption prevent these revenues from being raised to their maximum potential or from being distributed equitably within the economy.
- Adaptation, not replacement, of customary tenures is the way forward.
- Maintaining the status quo will produce worst case scenarios – conflict and exploitation.
- Blending ownership at the group level with leases or other agreements for the rights to use land at the individual level points to what might be the best way forward.
- The challenge for governments is to manage land tenure reform to facilitate economic growth without widespread dispossession.
- People have a deep-seated fear that they will be stripped of their land.
- Any land reforms in the Pacific must be popularly supported, fair and in accordance with the rule of law.
- Mechanisms are needed for adjusting land tenures to the changing patterns of land settlement.
- The most practical and acceptable approach is to change land tenure only to the extent that it is necessary.
- Introduce land tenure reform only where there is a real demand for the change, and strong local support. Consult stakeholders and community land holders.
- Governments will have to do better without any increase in available funds and resources.
- In considering land reforms in the Pacific, there are a number of points that deserve emphasis:

- Special arrangements may be required to gain access to customary land to meet the need for land for public purposes and to exploit resources.

- The only land reforms that have any chance of being accepted and implemented are changes based on existing customary land tenures.

- The main lesson from previous attempts at reform is not to be too ambitious.
- There is no blanket solution. Just as there is diversity between countries and within countries, so must there be diversity in how each country solves its land problems.
- Adopting policy and passing legislation on land has proven to be very difficult. If anything, these difficulties are increasing.
- The administrative capacity of the state is weak and is not likely to improve much in the near future.

Political Governance
- A priority area affecting all Pacific Island

- Civil activism can benefit governance and development if used constructively.
- International and regional organisations are playing an increasing role in promoting good governance.
- Each country must work out its own strategies.
- Working on the supply side of good governance has been the traditional approach and much more can be done.
- The demand side of good governance holds the greatest potential for substantive returns to development.

- The economic and social trends in the Pacific have been influenced by key political governance issues.
- Governance and political instability issues have constrained social and economic growth in the Pacific.
- Each country must be encouraged to work out its own approaches to better and more effective political governance.
- Political governance is about managing the state, establishing transparency and accountability to the people, and promoting a sense of nationhood.
- The assumed complex governance structures are beyond the capacities of current governments.
- Governance structures generally do not take account of tradition.
- The lack of a sense of nationhood constrains development.
- The incentives and sanctions for effective leadership are often missing.
- Traditional social systems do not encourage the questioning of authority.
- The potentially beneficial influences and perspectives of women are often missing in key formal and informal processes.
- Pressures for local autonomy run counter to the need for a sense of nationhood and for economic and social integration.

- Good political governance requires sound electoral processes and well-functioning parliaments.
- Peer pressure among politicians.
- Educated parliamentarians and seats for women.
- Executive governments and public services need professionalism, discipline, accountability and results-based management.
- Potential areas for integrating local governance with customary leadership include justice systems, community services and socioeconomic issues.
- Government positions, policies, strategies and budgets need to reflect the important roles and contributions of women in society.
- A sense of nationhood can be promoted through communication, education and leadership and by fairly distributing public finances and eschewing regionalism.
- Business interests have no better way of ensuring a safe and fair return on their investment than by promoting good governance among the holders of public office.

COUNTRY PROFILES

SECTION 7

Section 7 of the APTC e-Scan 2016 is a snapshot of countries where APTC operates in the Pacific region:

- Cook Islands
- Federated States of Micronesia
- Fiji
- Kiribati
- Marshall Islands (The Republic of)
- Nauru
- Niue
- Palau
- Papua New Guinea
- Samoa
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu

COOK ISLANDS

Cook Islands is a non-campus country (NCC). Representation of APTC is managed from the Regional Head Office (RHO) with local support for mobilisations and graduations. The Alumni activity is managed from the RHO Office.

Location: Cook Islands comprise 15 small islands, spread over 2.2 million square kilometres, northeast of New Zealand, between American Samoa and French Polynesia. The capital is Avarua.²⁸⁴

Population: 13,239 (est) as at 1 January 2016, being a 3.2% decrease from the previous year's estimates. In 2015 the number of births exceeded the number of deaths, however due to external migration, the population has declined.

Life expectancy is estimated to be 71.9 years for males and 74.7 years for females.²⁸⁵

Languages: English (official) and Maori.

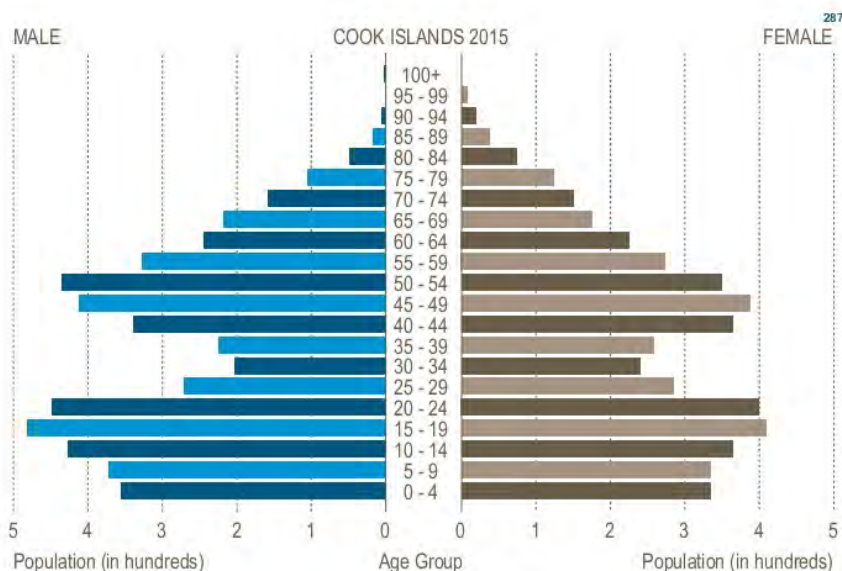
Literacy rate: 95%²⁸⁶

Religion: The Cook Islands Christian Church 55.9%, Roman Catholic 16.8%, Seventh-Day Adventists 7.9%, Church of Latter Day Saints 3.8%, other Protestant 5.8%, other 4.2%, unspecified 2.6%, none 3%.

Age distribution: 2016 estimates calculated based on 2015 percentages.

Age	%	Male	Female
0-14	22.15	1,553	1,379
15-24	17.64	1,251	1,085
25-54	38.05	2,525	2,512
55-64	10.81	766	665
65+	11.36	741	762

Note: 2016 population pyramid not available.



284 <http://dfat.gov.au/geo/cook-islands/Pages/cook-islands-country-brief.aspx>

285 http://countrymeters.info/en/Cook_Islands

286 <https://www.cia.gov/library/publications/the-world-factbook/geos/cw.html>

287 http://www.indexmundi.com/cook_islands/age_structure.html

Political overview: Cook Islands is a democracy with Queen Elizabeth II being the Head of State and represented by the Governor-General. Cook Islands has close links to New Zealand where it maintains its only diplomatic office overseas. Its people hold New Zealand citizenship with free access to New Zealand.

Cook Islands is a unicameral parliament²⁸⁸ with 24 elected members and a parliamentary term of four years. The head of the government is the Prime Minister. There is also a 15-member House of Ariki (Chiefs) composed of six Ariki from Rarotonga and nine from the outer islands, whose role is to advise the government on land use and customary issues. Cook Islands has full adult suffrage and registration is compulsory, although voting is not. Elections were last held in July 2014.

Bilateral relations: The Australian High Commissioner to New Zealand is accredited to the Cook Islands. Australia's relationship with the Cook Islands is based mainly on shared membership of regional organisations, development co-operation, people to people links, and Cook Islands' participation in the Pacific Patrol Boat Program.²⁸⁹

In 1989, Australia gifted a patrol boat, the CIPPB Te Kukupa, to Cook Islands. Te Kukupa assists the Cook Islands Police Maritime Division with surveillance in Cook Island's large Exclusive Economic Zone (EEZ). Australia completed a second refurbishment of the Te Kukupa in April 2015.

Through the Defence Co-operation Program, Australia provides in-coun-

try, Australian-based training in technical and professional skills, operational planning support, funding support for patrolling and ongoing maintenance. As well as maritime surveillance, Te Kukupa also has search and rescue capability.²⁹⁰

Economic overview: Although Cook Islands per capita GDP is high compared to many other PICs, largely due to the substantial support it receives from New Zealand, its economy faces many of the development challenges common to other SIDS. These include relatively limited natural resources, remoteness from major trade and industrial centres, and a diminishing labour force. Despite these constraints, Cook Islands has developed a small but successful tourism industry and the government has accorded high priority to its further development.

Developing marine resources within Cook Islands' large EEZ, including black pearl farming in the Northern Group of islands is another government priority.²⁹¹

The Te Mato Vai Water Project, one of the largest infrastructure projects to be undertaken in the Cook

Islands, has boosted GDP growth and will bring national health, economic and environmental benefits.

Visitor arrivals from July 2014 to March 2015 dropped by 2.2% from a year earlier. Arrivals from Australia, the largest source market, declined by 9.0%, likely because of rising costs as the Australian dollar depreciated against the New Zealand dollar, which Cook Islands uses as its currency. Arrivals from New Zealand grew slightly, reversing the contraction observed over the same period in FY2014.

To curb smoking and raise revenues, in July 2014 the government implemented the third of three tobacco tax hikes. The combined effect of the three hikes doubled the excise tax on tobacco. Higher prices for tobacco products, as well as higher import prices resulting from the depreciation of the New Zealand dollar, contributed to rising inflation in FY2015 slightly more than projected.

Cook Islands economy is expected to contract in FY2016, as indicated in Figure 43, as the Te Mato Vai Water Project nears completion.²⁹³

Economic indicators (%) Cook Islands	2015	2016
GDP Growth	2.1	-0.3
Inflation	2.4	1.4
Current account balance (share of GDP)	n/a	n/a

Figure 43 - Selected economic indicators Cook Islands²⁹²

288 one chamber

289 <http://www.cookislandsnews.com/item/34895-eight-vessels-apprehended-in-operation/34895-eight-vessels-apprehended-in-operation>

290 <http://dfat.gov.au/geo/cookislands/pages/cook-islands-country-brief.aspx>

291 Ibid

292 <http://www.adb.org/countries/micronesia/economy>

293 Ibid

FEDERATED STATES OF MICRONESIA

The FSM is a Non-Campus Country (NCC). Representation of APTC is managed from the Regional Head Office (RHO) with local support for RHO Office.

Location: FSM is located north of the equator in the western Pacific, approximately 5,000 kilometres west of Hawaii. FSM is made up of 607 islands, 65 of which are inhabited. The islands are in four main groups, forming the basis of the FSM's four states: Yap, Chuuk, Pohnpei and Kosrae. The capital, Palikir, is located on the island of Pohnpei.

Population: 105,216 (July 2015 est.) with a negative population growth rate of 0.46%.²⁹⁴

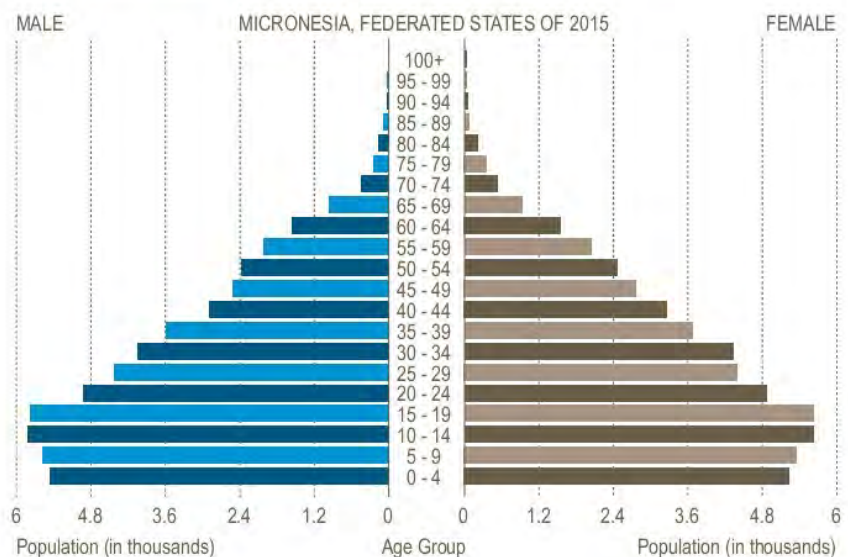
Language: English is the official language of FSM and is widely spoken. While there are at least eight major indigenous languages in the country, none are spoken across the whole of the island nation.

Literacy rate: 89% (male 91%; female 88%).²⁹⁵

Religion: Several Protestant denominations are active in every Micronesian state, as well as the Roman Catholic Church. Most Protestant groups trace their roots back to American Congregationalist missionaries.²⁹⁶

Age distribution: 2015 estimate

Age ²⁹⁷	%	Male	Female
0-14	31.34	16,761	16,215
15-24	20	10,576	10,469
25-54	38.41	19,583	20,827
55-64	6.72	3,494	3,580
65+	3.53	1,660	2,051



294 <https://www.cia.gov/library/publications/the-world-factbook/geos/fm.html>

295 Ibid

296 http://en.wikipedia.org/wiki/Religion_in_the_Federated_States_of_Micronesia

297 <https://www.cia.gov/library/publications/the-world-factbook/geos/fm.html>

Political overview: FSM is an independent country in a COFA with the United States of America. An American-style constitution incorporates a parliament of an executive branch, a legislative branch and a judicial branch. Each of the country's four states has an elected governor, a lieutenant governor and a legislative body. The National Congress is unicameral and consists of 14 members. The President of FSM is both Head of State and Head of Government. There are no formal political parties.²⁹⁸

Bilateral relations: Australia established diplomatic relations with FSM in July 1987 and the Australian Embassy in Pohnpei was opened in November 1989.²⁹⁹ Australia's regional programs assist FSM through: support for fisheries management, via the Forum Fisheries Agency; support to prepare for and mitigate the impacts of severe climate, tidal and oceanographic events through the Climate and Oceans Support Program in the Pacific; and support for strengthening governance and accountability through the Pacific Islands Centre for Public Administration, the Pacific Financial Technical Assistance Centre and the Pacific Regional Audit Initiative.

Australia and FSM share a common interest in supporting economic and human development. The two countries enjoy a close bilateral relationship supported by shared regional interests, particularly ensuring maritime and transnational security and sustainable management of fisheries. The physical isolation of FSM along with its small population and fragile natural environment present particular development challenges;

transport and communication costs are high, and the skills base of the country is low. As a regional neighbour, Australia is well placed to work closely with the FSM government and civil society to support FSM's development efforts.³⁰⁰

Economic overview: The economy is dominated by government services and largely reliant on external grants, with only a modest private sector. The fisheries sector is regarded as having the greatest development potential. With an EEZ of 2.7 million square kilometres, FSM spans major equatorial tuna migratory paths and the fishing industry has been boosted by the construction of cold storage facilities and processing plants. Fishery licensing fees account for nearly half of domestic budgetary revenue.

The tourism industry is another area of high potential growth, particularly diving and eco-tourism. Some 21,000 tourists visit the islands each year. Tourism development is, however, constrained by limited airline links, availability of infrastructure, including roads, power and water, and by geographical isolation.³⁰¹

GDP growth in 2015 is expected to have been impacted by a series of devastating typhoons that affected all four states. In March 2015, Typhoon Maysak destroyed an estimated 90% of food crops and hundreds of homes in the state of Chuuk and outlying islands. In May, Typhoon Noul struck the main islands of Yap, and Typhoon Dolphin caused severe flooding and damage in the states of Pohnpei and Kosrae. The value of FSM imports from the United States between October 2014 and July 2015 increased by 6.7% over the same period a year earlier. Although the value of food imports was 6.3% lower, the value of other imports, mostly machinery and transport equipment, increased by 22.3%.

The economic outlook for FY2016 is brighter, as recovery in agriculture and the scaling up of the infrastructure projects are projected to support higher growth. However, growth is expected to be less than projected as capacity constraints may hinder reconstruction. Minimal inflation is forecast in FY2015 and FY2016 as low prices for imported food and oil persist.³⁰²

Economic indicators (%) FSM	2015	2016
GDP Growth	0.0	4.0
Inflation	1.0	1.0
Current account balance (share of GDP)	-1.3	-2.5

Figure 44 - Selected economic indicators FSM³⁰³

298 <http://dfat.gov.au/geo/federated-states-of-micronesia/pages/federated-states-of-micronesia-country-brief.aspx>

299 Ibid

300 <http://dfat.gov.au/geo/federated-states-of-micronesia/development-assistance/Pages/development-assistance-in-federated-states-of-micronesia.aspx>

301 <http://dfat.gov.au/geo/federated-states-of-micronesia/pages/federated-states-of-micronesia-country-brief.aspx>

302 Ibid

303 <http://www.adb.org/countries/micronesia/economy>

FIJI

Fiji is a campus country and is the base for the APTC Regional Head Office (RHO) office. The RHO deals with regional student enquiries, mobilisation and non-campus country Alumni activities. The APTC Fiji campus operations are co-located with the RHO and training is delivered from a number of locations in Suva.

Location: Fiji is an independent country lying on the border between the Polynesian and Melanesian regions of the Pacific. Its capital is Suva.³⁰⁴

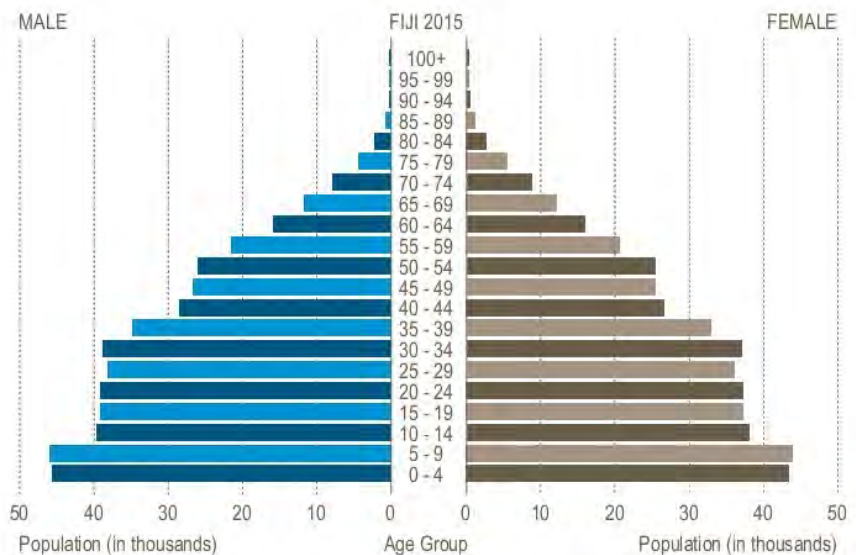
Population: The population was estimated to be 909,389 (July 2015); a population growth rate of 0.67%.³⁰⁵

Language: English and Fijian are the official languages, with Hindustani also spoken.

Literacy rates: 93.7% (male 95.5% / female 91.9%).³⁰⁶

Religion: The majority of the population is Christian (64.5%), with Hindu (27.9%) and Muslim (6.3%) comprising substantial religious groups. Other segments reporting unspecified or no religion status.

Political overview: Fiji has a bicameral Parliament which consists of the Senate (32 seats) and the House of Representatives (71 seats). Judiciary consists of the Supreme Court (judges are appointed by the president), Court of Appeal, High Court and Magistrates' Court. In September 2014 general elections were held under a new constitution to select the members of the Fijian parliament for the first time since 2006.³⁰⁸



Age distribution: 2015 estimate

Age ³⁰⁷	%	Male	Female
0-14	28.03	130,251	124,633
15-24	16.73	77,716	74,449
25-54	41.12	191,393	182,571
55-64	8.04	37,019	36,141
65+	6.07	25,386	29,830

Bilateral Relations: Australia and Fiji have an enduring relationship, underpinned by strong people-to-people links and longstanding trade and investment ties. Australia's national interest is in a stable and prosperous Fiji that is an active member of the Pacific community. Up to 50,000

Fijians live and work in Australia and over 340,000 Australians visit Fiji each year. Australia is one of Fiji's largest trade and investment partners, with Australian investment in Fiji worth approximately A\$2.3 billion in 2014. Two-way trade in goods and services is worth over A\$1.7 billion annually.³⁰⁹

304 <http://dfat.gov.au/geo/fiji/Pages/fiji-country-brief.aspx>

305 <https://www.cia.gov/library/publications/the-world-factbook/geos/fj.html>

306 Ibid

307 Ibid

308 <http://www.lowyinstitute.org/publications/fijis-election-and-australia-terms-re-engagement>

Australia continues as the lead donor in health and education, areas in which Australia has historically been the largest contributor and where major ongoing challenges remain. Australia will focus on private sector development, good governance and gender equality. These new areas of engagement reflect Fiji's major development challenges as well as Australia's development co-operation priorities as outlined in the Australian Aid policy.³¹⁰

Economic Overview: The foundations of Fiji's economy are broadly sound, and perceptions of increased transparency and accountability following Fiji's return to democracy have boosted business confidence. In May, 2015 Standard & Poor's raised its long-term sovereign credit rating for Fiji from B to B+, reflecting the more stable economic outlook arising from a more normalised political climate and reengagement with development partners.³¹¹

Expansionary fiscal policies, particularly large infrastructure and social expenditure programs, as well as persistently accommodative monetary policy, have supported six years of economic growth since 2010. The Reserve Bank of Fiji estimates that GDP grew by 4% in 2015, and prior to TC Winston, had forecasted further growth above 3% for 2016 and 2017, mainly driven by the transport and storage; financial and insurance; tourism and construction sectors. Public debt is 48% of GDP, most of which is held domestically, and the projected fiscal deficit for 2016 is 2.9% of GDP.

Tourist arrivals have grown at a steady pace, increasing by 8.7% year on year in the first half of 2015.³¹² Tourism is Fiji's strongest performing export,

directly contributing approximately 13% of GDP. However, this contribution rises to almost 40% when including related industries such as transport. Water, gold, garments, sugar and fish continue as Fiji's strongest merchandise exports. Despite high rates of domestic consumption and a construction boom fuelling a persistent trade deficit, Fiji has ample foreign currency reserves, accounting for around 5.9 months of import cover as at 30 November, 2015.

Fiji's 2016 budget was passed on 20 November 2015, continuing the government's main areas of expenditure, particularly in infrastructure, health, education and agriculture. The Budget lays the groundwork for moderate fiscal consolidation over the next few years. Tax and duty changes are aimed at fuelling consumption and simplifying and broadening the revenue base, most notably through reducing the rate and increasing the coverage of the Value Added Tax.³¹³

However, the economic outlook for Fiji is unknown in the aftermath of TC Winston, which will have a direct

impact on the economic outlook and fiscal policies of Fiji.

Tropical Cyclone Winston: On Saturday, 20 February 2016, a category-five storm devastated Fiji. TC Winston had winds of up to 325km/h, damaging key infrastructure and many homes.³¹⁵ The death toll is reported as 44 people, TC Winston, the most powerful storm to make landfall in the southern hemisphere, has damaged many Fijian schools, houses, churches, roads and crops. A huge tidal surge, up to four metres high, compounded the losses for many villages.³¹⁶ The recovery process will take many months as families who have lost their homes and livelihoods slowly rebuild.

"This is an enormous tragedy in Fiji. Our nation has never faced anything like this before, and we still don't know the full extent of the storm's impact".³¹⁷

Save the Children Fiji CEO

Economic indicators (%) Fiji	2015	2016
GDP Growth	4.0	4.5
Inflation	2.5	3.0
Current account balance (share of GDP)	-9.8	-8.7

Figure 45 - Selected economic indicators Fiji³¹⁴

309 <http://dfat.gov.au/geo/fiji/pages/fiji-country-brief.aspx>

310 <http://dfat.gov.au/geo/fiji/pages/fiji-country-brief.aspx>

311 <http://www.adb.org/countries/fiji/economy>

312 Ibid

313 <http://dfat.gov.au/geo/fiji/pages/fiji-country-brief.aspx>

314 <http://www.adb.org/countries/fiji/economy>

315 <https://www.savethechildren.org.au/donate/cyclone-winston?gclid=CKKMzby2rssCFYJjvAodrGgCYg>

316 <http://www.abc.net.au/news/2016-03-07/fiji-before-after-photos-cyclone-winston/7220784>

317 <https://www.savethechildren.org.au/donate/cyclone-winston?gclid=CKKMzby2rssCFYJjvAodrGgCYg>

KIRIBATI

Kiribati is a Non-Campus Country NCC.). Representation of APTC is supported by a non-campus country representative who manages local student enquires, mobilisations, and graduations. Alumni activity is managed from the Regional Head Office (RHO).

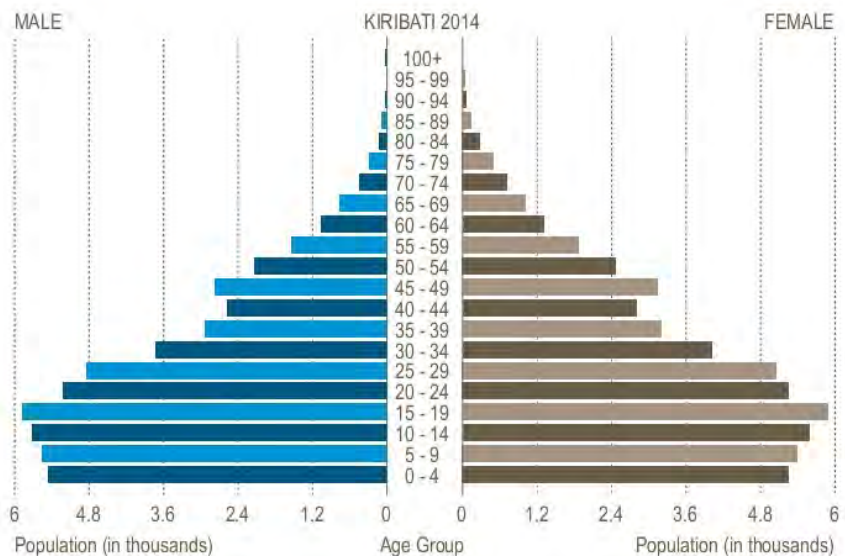
Location: The republic of Kiribati is an independent country comprising 33 atolls in three main groups running 4,000 kilometres along the equator. As a result, Kiribati's EEZ is the largest in Micronesia and one of the largest in the Pacific.³¹⁸

Population: Kiribati has a population of 105,711 (July 2015 est.) down from the estimated population in 2012 of 107,000. The people of Kiribati are 98.8% Micronesian, with small minorities of Tuvaluans and Westerners.³¹⁹

Language: The people of Kiribati speak a language called Gilbertese, or I-Kiribati. English is the official language, although it is not widely spoken in rural areas and on the outer islands.³²⁰

Literacy: Reliable data is not available. I-Kiribati generally have good education levels with many continuing their tertiary studies in countries such as Australia, New Zealand and the United Kingdom.³²¹

Religion: Kiribati consist of Roman Catholic 55%, Protestant 36%, Mormon 3.1%, Bahai 2.2%, Seventh Day Adventist 1.9%, other 1.8%.



Age distribution: estimate only

Age ³²²	%	Male	Female
0-14	30.77	16,582	15,950
15-24	21.28	11,202	11,296
25-54	38.23	19,446	20,965
55-64	5.66	2,706	3,281
65+	4.05	1,689	2,594

Political overview: The country has a 44-member unicameral parliament, 42 members of which are elected and two appointed - the Attorney-General, and the one Member of Parliament (MP) chosen by the Rabi Council.³²³ The Speaker is elected by MPs however they are not an MP and have no vote.

MPs are elected for a four-year term by non-compulsory universal adult suffrage. Once parliamentary elections are completed, the MPs meet and nominate at least three and no more than four presidential candi-

³¹⁸ <http://dfat.gov.au/geo/kiribati/Pages/kiribati-country-brief.aspx>

³¹⁹ <https://www.cia.gov/library/publications/the-world-factbook/geos/kr.html>

³²⁰ <http://traveltips.usatoday.com/culture-kiribati-13626.html>

³²¹ <http://www.kiribatistories.com/a-brief-history/>

³²² <https://www.cia.gov/library/publications/the-world-factbook/geos/kr.html>

³²³ The Rabi Council serves the interests of I-Kiribati originally from Banaba but who now live on the Fijian Island of Rabi.

dates. A President (Te Beretitenti) is then elected by popular vote, on a first-past-the-post basis.

The President is both Head of Government and Head of State and holds ministerial responsibility for Foreign Affairs, Police and the Public Service.³²⁴ Parliamentary elections were held on 30 December, 2015 and 7 January 2016.^{325,326}

Bilateral relations: Australia and Kiribati enjoy close and longstanding relations based on regional and international co-operation and trade links, a substantial development assistance program, support for maritime surveillance and broader security co-operation, and extensive people to people contacts.

Economic overview: The public sector continues to dominate economic activity, accounting for two-thirds of employment and over 80% of GDP. Budgetary pressure has undermined economic growth, and the economy is heavily dependent on foreign assistance, remittances, and an increasingly important tourism sector.³²⁷

Kiribati relies heavily on fishing revenue and remittances from citizens employed abroad, mainly seafarers. As a party to the Nauru Agreement, Kiribati has benefitted from rising rates under the vessel day scheme. In 2014, revenue from fishing licenses outperformed budget expectations for the third year running increasing by 34%. However, crippling algae in the corals surrounding Kiribati is posing a serious threat to Kiribati's fishing industry.³²⁸

Kiribati faces key economic challenges of reducing large structural fiscal imbalances and increasing growth and employment opportunities. In common with other SIDS, Kiribati faces obstacles posed by remoteness, lack of scale and vulnerability to external shocks and environmental stress. Internal and external remoteness and weakness in business climate has kept the private sector small. This constrains economic growth and puts strain on public finances. Continuing the fiscal and structural reform program in Kiribati is essential.

Stimulus from ongoing infrastructure projects appears to have been greater than previously forecast, and low energy prices has encouraged more consumption. Lending to households expanded by 26.0% in 2014 as the Kiribati Provident Fund and the Development Bank of Kiribati introduced personal lending schemes. Higher public expenditures, notably on wages and salaries, and the inclusion of a budget for contingency and infrastructure maintenance, also support output growth.³²⁹

Although infrastructure projects are scheduled to wind down in 2016, ADB forecasts that their positive influence on economic activity is expected to persist. The contribution of fishing license fees to GDP remained high in 2015 but lower than in 2014. Inflation is still seen to rise modestly in 2016.

Risks to growth include volatility in fishing license revenues stemming from uncertainty over the future terms and enforcement of the Nauru Agreement, as well as changes to the migratory patterns of tuna linked to El Niño.

SIDS economies are vulnerable to disasters. Following the destruction caused by TC Pam, the Kiribati Adaptation Program has begun to integrate climate risk management with national economic planning. The program's current phase aims to improve communities' capacity to store fresh water, ensure water quality, and protect coastal areas from storm surges and flooding.³³¹

Economic indicators (%) Kiribati	2015	2016
GDP Growth	3.0	2.0
Inflation	1.0	1.5
Current account balance (share of GDP)	-4.5	-9.7

Figure 46 - Selected economic indicators Kiribati³³⁰

324 <http://dfat.gov.au/geo/kiribati/Pages/kiribati-country-brief.aspx>

325 https://en.wikipedia.org/wiki/Kiribati_parliamentary_election,_2015%E2%80%9316

326 <http://www.radionz.co.nz/international/pacific-news/292403/voter-registration-closes-in-kiribati>

327 <http://www.heritage.org/index/pdf/2016/countries/kiribati.pdf>

328 <http://www.heritage.org/index/pdf/2016/countries/kiribati.pdf>

329 <http://www.adb.org/countries/kiribati/economy>

330 Ibid

331 Ibid

MARSHALL ISLANDS

(THE REPUBLIC OF)

The RMI is a Non-Campus Country. Representation of APTC is managed from the Regional Head Office (RHO) with local support for mobilisations and graduations. The Alumni activity is managed from the RHO.

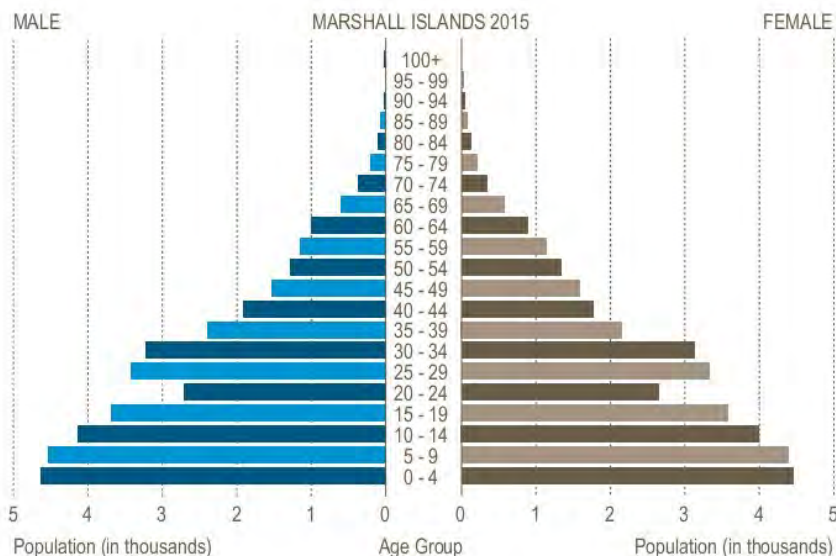
Location: The RMI is an independent country in a COFA with the United States. RMI comprises of five islands and 29 atolls.³³²

Population: The population of RMI is 72,191 (July 2015 est).³³³

Language: Marshallese is the official language of RMI but English is widely used in business. Japanese is also spoken by some members of the community.

Literacy rates: 93.7% (male 93.6%; female 93.7%).³³⁴

Religion: The people are almost entirely Christian, primarily Protestant, as a result of the arrival of American and Hawaiian Protestant missionaries in the 1860s. The United Church of Christ is the principal denomination, representing some 55% of the population.³³⁵



Age distribution: 2015 estimate

Age ³³⁶	%	Male	Female
0-14	36.02	13,256	12,749
15-24	17.4	6,391	6,171
25-54	37.25	13,681	13,210
55-64	5.73	2,120	2,017
65+	3.6	1,276	1,320

332 <http://dfat.gov.au/geo/republic-of-marshall-islands/Pages/republic-of-the-marshall-islands.aspx>

333 <https://www.cia.gov/library/publications/the-world-factbook/geos/rm.html>

334 Ibid

335 <http://www.nationsencyclopedia.com/Asia-and-Oceania/Marshall-Islands-RELIGIONS.html#ixzz3YwjJbS4>

336 <https://www.cia.gov/library/publications/the-world-factbook/geos/rm.html>

Political overview: RMI has a semi-Westminster style constitution, adopted in 1979, with a Nitijela (Parliament) comprising 33 members, elected every four years by universal suffrage. While there are no formal political parties in RMI, there are two political groupings, the Aelon Kein Ad (Kabua Party) and United Democratic Party. The President is both the Chief of State and Head of Government. The Cabinet is selected by the President from among the members of the legislature. The legal system is based on adapted Trust Territory laws, acts of the legislature, municipal, common, and customary laws.³³⁷

Bilateral relations: Australia was the second country, after the United States of America, to establish diplomatic relations with RMI in 1987. Australia and RMI enjoy a close bilateral relationship supported by shared regional interests, particularly ensuring maritime and transnational security, sustainable management of fisheries and a common interest in supporting economic and human development. The Australian Embassy in Pohnpei, FSM is responsible for Australian affairs in RMI.³³⁸

Economic overview: The RMI is classified by the UN as a SIDS. Its economy is dependent on revenue from the United States under COFA, with over 80% of government revenue being derived directly, or indirectly, from United States grants. The majority of products wholly grown, made or produced in the RMI have duty-free access into the United States, and are not presently subject to any quota restrictions.³³⁹ As Marshallese

have free access to the United States labour market, worker remittances have the potential to provide a substantial source of offshore income.³⁴⁰

The government is the major employer, followed by the commercial and retail sectors. The construction industry is expanding but there is limited domestic production, fisheries, copra, handicrafts and subsistence agriculture being the most significant sectors. Opportunities exist for private sector investment in the tourism industry, especially in scuba diving.³⁴¹

Australian merchandise exports to RMI in 2013 totalled A\$4.6 million (mainly meat prepared or preserved and wheat flour).³⁴²

Government spending is the main driver of economic growth. Government spending was up by 12.8% in the first half of FY2015 from a year earlier, on higher outlays for goods and services, intergovernmental grants, and transfers to

households. Capital spending was up by 86.4% year on year in the same period.

Inflation in the RMI is still expected to rise slightly in FY2015 (above the number below). Consumer prices, mainly for apparel and food, rose by 1.3% in the first quarter of FY2015. Prices for household utilities, transport, health care, communication services and education were largely unchanged, while prices for alcoholic beverages and recreation declined. The cost of imports from the United States of America declined as food and fuel prices fell.

The implementation of new infrastructure projects and those delayed from FY2014 are expected to have supported strong growth in construction and related services in FY2015. However, as infrastructure projects are completed and wind down, growth is predicted to drop in FY2016, as indicated in Figure 47.

Economic indicators (%) RMI	2015	2016
GDP Growth	3.5	1.5
Inflation	1.4	1.3
Current account balance (share of GDP)	-9.9	-11.4

Figure 47 - Selected economic indicators RMI³⁴³

337 <http://dfat.gov.au/geo/republic-of-marshall-islands/pages/republic-of-the-marshall-islands-country-brief.aspx>

338 <http://dfat.gov.au/geo/republic-of-marshall-islands/pages/republic-of-the-marshall-islands-country-brief.aspx>

339 <http://www.rmiembassyus.org/Economy.htm>

340 <http://www.adb.org/sites/default/files/linked-documents/43321-01-rmi-ea.pdf>

341 <http://www.rmiembassyus.org/Economy.htm#tourism>

342 <http://dfat.gov.au/geo/republic-of-marshall-islands/pages/republic-of-the-marshall-islands-country-brief.aspx>

343 <http://www.adb.org/countries/marshall-islands/economy>

NAURU

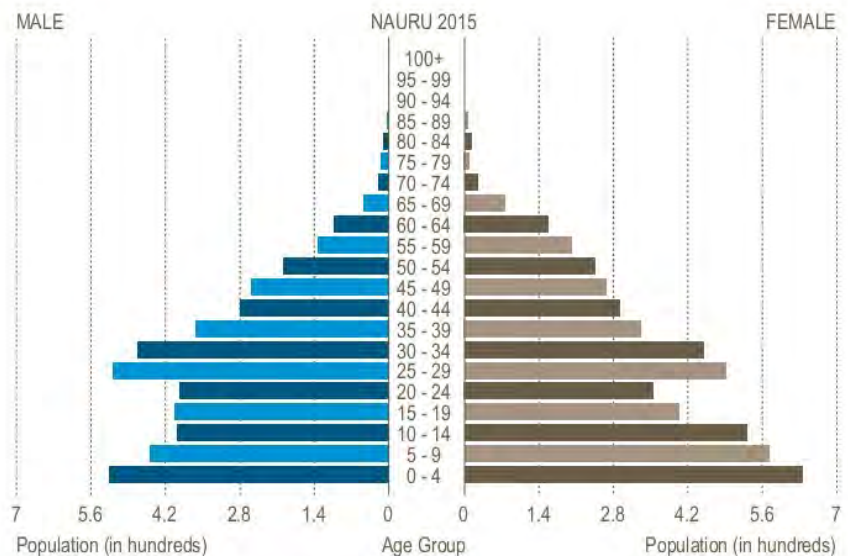
Nauru is a Non-Campus Country (NCC). Representation of APTC is managed from the Regional Head Office (RHO) with local support for mobilisations and graduations. The Alumni activity is managed from the RHO.

Location: Nauru is located in the South Pacific Ocean, south of the RMI. There is no official capital, with government offices located in the south of the island in the Yaren District. The total area is approximately 21 square kilometres. The climate is tropical with a monsoonal pattern rainy season from November to February.³⁴⁴

Population: Nauru population is 9,540 (2015 est.), falling from 10,167 in 2012. The population is approximately 49.9% male and 50.1% female. Ethnic groups include Nauruan 58%, other Pacific Islander 26%, Chinese 8% and European 8%.³⁴⁵

Language: Nauruan is spoken by 95% of the population, English by 66%, and other languages by 12% (2011 est.).³⁴⁶

Literacy: 96.5%. The proportion of the country's population aged 15 and over attaining academic degrees is one of the lowest in the world, reaching 7.9% in 2011.³⁴⁷



Religion: Nauru is a mixture of Christian Churches (Nauru Congregational 35.4%, Roman Catholic 33.2%, Nauru Independent Church 10.4%, other 14.1%), none 4.5%, unspecified 2.4% (2002 census).

Age distribution: 2015 estimate

Age ³⁴⁸	%	Male	Female
0-14	32.45	1,360	1,736
15-24	16.13	785	754
25-54	13.19	2,059	2,061
55-64	6.11	231	352
65+	2.12	78	124

344 <http://dfat.gov.au/geo/nauru/Pages/nauru-country-brief.aspx>; <http://www.adb.org/countries/nauru/economy>

345 <https://www.cia.gov/library/publications/the-world-factbook/geos/nr.html>

346 Ibid

347 http://en.wikipedia.org/wiki/Demographics_of_Nauru

348 Ibid

Political overview: Nauru is one of the world's smallest independent, democratic states. Its constitution, adopted in 1968, established it as a republic with a Westminster style parliamentary system of government. The President is elected by, and responsible to, the unicameral Parliament and is both head of government and head of state. As there are no political parties in Nauru, all MPs stand as independents. MPs are elected every three years by Nauruan citizens over the age of 20.

Bilateral relations: Australia enjoys good relations with Nauru and is its largest trade, investment and development assistance partner. The Australian government upgraded its mission in Nauru from Consulate-General to High Commission in August 2009. In September 2012, Australia established a Regional Processing Centre (RPC) in Nauru for the purpose of processing asylum seekers' international protection claims.

Nauru participates in the SWP.³⁴⁹ Workers from Nauru are able to work in Australia under SWP for nine months because of the high costs of transport home.³⁵⁰

Economic overview: Nauru's economy faces significant constraints common to other island atoll states including its small size, remoteness, a harsh natural environment with infertile soils, limited exploitable resources and the need to create jobs and promote growth for an expanding population. Pelagic fish abound in Nauruan waters, but Nauru has been unable to establish a fishing

industry of its own. Fees from fishing licenses issued to distant water fishing nations are an important source of revenue for Nauru. An Australian-funded fisheries adviser has been engaged to help maximise revenue from the country's marine assets. The phosphate industry also continues to be an important revenue stream providing an estimated 10% of the national budget in 2014-15. However, revenue associated with the presence of the RPC and its ancillary service providers represents Nauru's most significant revenue stream. The significant increase in the expatriate population has resulted in major increases in revenue from customs duties and other fees and levies. This increased economic activity has also resulted in Nauru now enjoying close to full employment and a booming private sector.

Australian merchandise exports to Nauru in 2012-13 were A\$60.5 million (principally prefabricated buildings and civil engineering equipment and parts).³⁵¹

The recent signing of a five-year plan with the Australian government will bring greater stability to revenues from the processing centre. The Nauru government aims to establish a trust fund to save for future generations the windfall revenues from the processing centre, phosphate exports and fishing licenses. The FY2016 budget allocated A\$10.4 million for this purpose, bringing appropriations for the proposed fund to A\$20.4 million.

Growth is expected to slow in FY2016 as budgeted expenditures stabilise around current levels, matching the expected plateau in government revenues. Activity at the RPC is thought to have peaked in FY2015. Continued progress in budget implementation, coupled with an expected recovery in phosphate exports, should deliver continued GDP growth into FY2016, albeit at a slower pace.

The Nauru Disaster Risk Management Unit is preparing a tsunami support plan to improve tsunami preparedness, as well as response and recovery processes.³⁵³

Economic indicators (%) Nauru	2015	2016
GDP Growth	6.8	5.4
Inflation	11.4	10.0
Current account balance (share of GDP)	n/a	n/a

Figure 48 - Selected economic indicators Nauru³⁵²

349 <http://dfat.gov.au/geo/nauru/pages/nauru-country-brief.aspx>

350 <http://www.abc.net.au/news/2016-02-08/govt-expands-seasonal-worker-program-cracks-down-on-exploitation/7147796>

351 <http://dfat.gov.au/geo/nauru/pages/nauru-country-brief.aspx>

352 <http://www.adb.org/countries/nauru/economy>

353 Ibid

NIUE

Niue is a Non-Campus Country (NCC). Representation of APTC is managed from the Regional Head Office (RHO) with local support for mobilisations and graduations. The Alumni activity is managed from the RHO.

Location: Niue is a self-governing country in free association with New Zealand. A coral island of only 260 square kilometres, Niue is located about 480 kilometres east of Tonga and 560 kilometres south-east of Samoa.

Population: 1,190 (July 2014 est.) down from 1,607 in the 2011 census. Niue's declining population has been a concern of successive governments.³⁵⁴ Population growth in 2014 was estimated to be negative 0.03%.³⁵⁵ Niueans are New Zealand citizens with the right of free access to New Zealand, where approximately 90% of Niue's population lives. About 500 Niueans live in Australia.³⁵⁶

Language: English (official) and Niuean (a Polynesian language closely related to Tongan and Samoan).

Literacy rate: 95% (gender breakdown unavailable).³⁵⁷

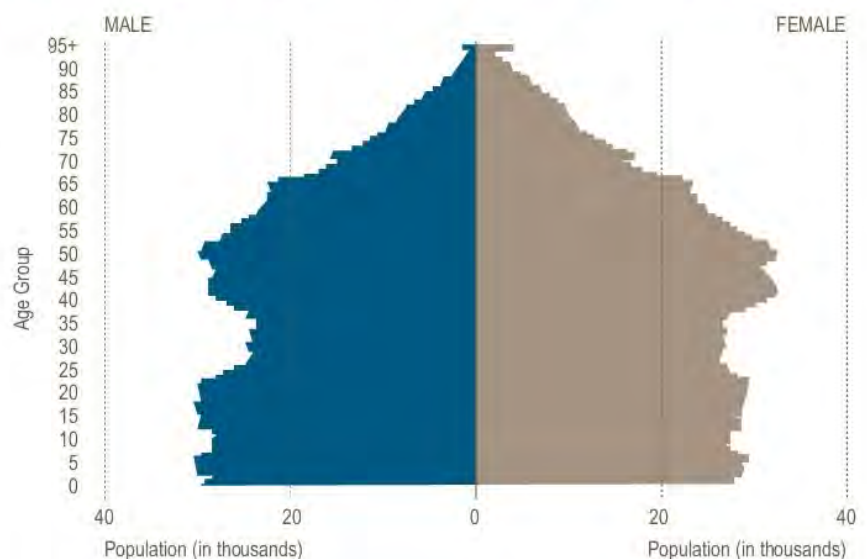
Religion: Ekalesia Niue (Niuean Church: Protestant church closely related to the London Missionary Society) 61.1%, Latter-Day Saints 8.8%, Roman Catholic 7.2%, Jehovah's Witnesses 2.4%, Seventh-Day Adventist 1.4%, other 8.4%, unspecified 8.7%, none 1.9%.

Age distribution: The last official census was conducted in 2011. An emerging pattern is the low numbers in the age groups between 20 to 49 years. This group is of great importance to Niue in terms of reproduction and economic developments.³⁵⁸

2011 Niue census data

Age	Totals	Male	Female
0-14	386	183	203
15-24	205	122	83
25-54	536	269	267
55-64	152	68	84
65+	181	80	101
Totals	1460	722	738

Population by age and sex, 2013 Census. Source Statistics New Zealand³⁵⁹



Political overview: Niue is a self-governing parliamentary democracy in free association with New Zealand since 1974 and with the power to make its own laws.³⁶⁰ The Head of State is Her Majesty Queen Elizabeth II, represented by the Governor-General of New Zealand. The Executive Branch consists of the Chief of State and Head of Government. Cabinet consists of the Premier and three Ministers. The legal system is based on English common law. The most recent Niue general election was held on 12 April 2014.³⁶¹

Bilateral relations: Australia and Niue established diplomatic relations on 27 February 2013 and enjoys friendly relationship based on shared membership of Pacific regional organisations, development co-operation and people to people links as well as a modest aid program. Australia is helping Niue build a skilled workforce by providing access to awards to individuals to further their education and professional development.³⁶²

Economic overview: The economic challenges Niue faces are common to other SIDS within the region. Geographic isolation, limited natural resources and a small population hamper economic development. TCs occasionally devastate the island's infrastructure, including housing and tourist facilities.

Under the terms of the constitutional agreement between the two countries, New Zealand provides substantial economic and administrative assistance to Niue. Economic assistance is provided in the form of both direct budget support and project-related aid. Fishing licences and the international lease of Niue's unique four-digit telephone numbers are important income earners for the country. Remittances from Niueans living abroad supplement the income of island families.

The tourism industry is a small, but potentially an important sector in the economy. Noni-juice production also provides ongoing employment opportunities.

Australian merchandise exports to Niue at the end of 2014 totalled A\$167,000.³⁶³

354 <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>

355 <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/bp.html>

356 <http://dfat.gov.au/geo/niue/pages/niue-country-brief.aspx>

357 <http://www.indexmundi.com/niue/literacy.html>

358 Niue Census of Population and Households 2011, Government of Niue

359 https://upload.wikimedia.org/wikipedia/commons/2/27/2013_NZ_Census_population_pyramid.gif

360 <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>

361 <http://dfat.gov.au/geo/niue/pages/niue-country-brief.aspx>

362 Ibid

363 Ibid

PALAU

Palau is a Non-Campus Country. Representation of APTC is managed from the Regional Head Office (RHO) with local support for mobilisations and graduations. The Alumni activity is managed from the RHO.

Location: Palau is a Micronesian country, located to the southeast of the Philippines and comprises of 340 islands, eight of which are inhabited. The capital city Melekeok is located on the island of Babeldoab, the largest island.³⁶⁴

Population: Palau has a population of 21,265 (July 2015 est.).³⁶⁵ Life expectancy at birth in 2005 was estimated to be 69.1 years

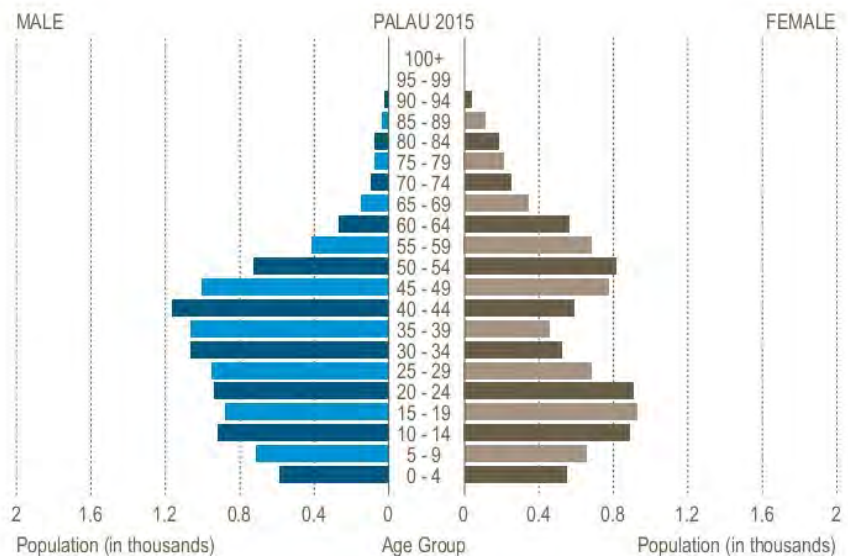
Language: Palauan is the main language however English is also spoken.

Literacy rates: 92% (males: 93%; females: 90%).³⁶⁶

Religion: The majority of Palauans are Christian.

Age distribution: 2015 estimate

Age ³⁶⁷	%	Male	Female
0-14	20.26	2,225	2,084
15-24	17.18	1,819	1,834
25-54	46.21	5,992	3,834
55-64	9.03	667	1,253
65+	7.32	418	1,139



Political overview: Palau is in a COFA with the United States of America. It is a constitutional government consisting of the Chief of State (who is also the Head of State); Legislative Branch and the Judiciary. The Australian Embassy in Pohnpei, is responsible for Australian affairs in Palau. Presidential elections take place every four years, at the same time as the United States' presidential election, to select the President and the Vice-President. The last election was held in November 2012.³⁶⁸

³⁶⁴ <http://dfat.gov.au/geo/palau/Pages/palau-country-brief.aspx>

³⁶⁵ <https://www.cia.gov/library/publications/the-world-factbook/geos/ps.html>

³⁶⁶ Ibid

³⁶⁷ http://www.indexmundi.com/palau/age_structure.html

³⁶⁸ <http://dfat.gov.au/geo/palau/pages/palau-country-brief.aspx>

Bilateral relations: Australia enjoys a close bilateral relationship with Palau supported by shared regional interests, particularly in ensuring maritime and transnational security, tourism development and the protection of Palau's pristine marine environment, and a common interest in supporting economic and human development.³⁶⁹

Economic overview: Palau has one of the PICs' higher standards of living. It has a well-established high-end tourism sector with good potential for expansion, a strong services industry and an active private sector. Palau's prospects for long term economic growth are strongly linked to a growing tourism sector, as well as private sector development and careful management of its marine environment.

Fisheries and small-scale agriculture are also important for local employment. Palau faces many development challenges including a small population and the high cost of service delivery due to the levels and cost of imported goods and expertise. The service sector dominates the Palauan economy, contributing more than 50% of GDP and employing more than half of the work force. The government alone employs nearly 31% of workers and accounts for 20% of GDP.³⁷⁰

Visitor arrivals in Palau in the first three quarters of FY2015, numbering around 126,000, had already exceeded arrivals for the previous fiscal year. The upsurge has been driven by higher arrivals from the People's Republic of China. Tourism accounts for close to 85% of Palau's GDP and while profits are up, some are worried the long-term damage may be too great.³⁷¹ Responding to concerns of sustainability, the government has restricted the number of charter flights.

The value of mineral imports, mainly petroleum products, dropped by 33.8% in FY2015 to July from the same period a year earlier, reflecting lower international oil prices. The value of food imports also declined slightly. The consequent 13.3% decline in the import bill and strong tourism growth prompt a downward revision to the forecast for the current account deficit in FY2015.³⁷²

GDP growth forecast for FY2015 and FY2016 has been raised substantially upward because of strong tourist arrivals and revised GDP figures for FY2014. Food inflation has remained high, at an average of 4.4% in the first three quarters of FY2015, reflecting rising demand from tourists.

Economic indicators (%) Palau	2015	2016
GDP Growth	10.0	9.0
Inflation	3.0	3.0
Current account balance (share of GDP)	-6.1	-7.6

Figure 49 - Selected economic indicators Palau³⁷³

369 Ibid

370 <http://data.worldbank.org/country/palau>

371 <http://www.news.com.au/travel/world-travel/pacific/palau-islands-have-been-inundated-with-chinese-tourists/news-story/75a4d19601a930e431298983a2b28937>

372 <http://www.adb.org/countries/palau/economy>

373 Ibid

PAPUA NEW GUINEA

PNG is a campus country. The campus deals with local student enquiries, mobilisations and Alumni activities. The APTC PNG campus is located in Port Moresby.

Location: The PNG mainland and its 600 islands have a total area of 463,000 square kilometres and a coastline of 5,152 km. The capital is Port Moresby.³⁷⁴

Population: PNG has a population of 6,672,429 (July 2015 est).³⁷⁵ Melanesian, Papuan, Negrito, Micronesian and Polynesian ethnic groups make up the bulk of the population.

Language: There are over 800 language groups. English (language of government and business), Tok Pisin (Pidgin) and Hiri Motu are the official languages of PNG.

Literacy: 62.4% (male 65.4%; female 59.4%).³⁷⁶

Religion: Predominantly Christian, with traditional animism and ancestor worship still found in some places. Many combine their Christian faith with traditional indigenous beliefs and practices.³⁷⁷

Age distribution: 2015 estimate

Age ³⁷⁸	%	Male	Female
0-14	34.45	1,169,870	1,128,631
15-24	19.77	668,327	650,672
25-54	36.43	1,853,827	1,177,004
55-64	5.3	179,075	174,721
65+	4.05	139,060	131,242

Political overview: PNG is a constitutional monarchy with a Prime Minister as its Head of Government. The Head of State is HM Queen Elizabeth II, represented by a Governor-General.

PNG has three levels of government: national, provincial and local. The National Parliament has a 111 member unicameral legislature elected for five-year terms by universal suffrage. The Prime Minister is appointed and dismissed by the Governor-General on the proposal of Parliament. The Cabinet, known as the National Executive Council, is appointed by the Governor-General on the recommendation of the

Prime Minister. The Supreme Court, National Court, and local and village courts form an independent justice system.

Bilateral relations: The bilateral relationship is one of Australia's most complex and wide-ranging. The current bilateral agenda includes close

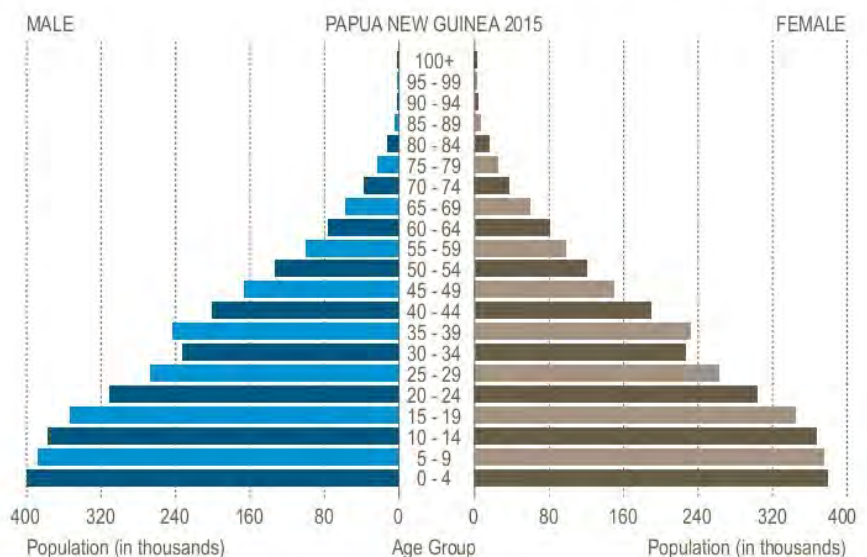
374 <http://www.adb.org/countries/papua-new-guinea/economy>; <http://dfat.gov.au/geo/papua-new-guinea/Pages/papua-new-guinea-country-brief.aspx>;

375 <https://www.cia.gov/library/publications/the-world-factbook/geos/pp.html>

376 Ibid

377 https://en.wikipedia.org/wiki/Religion_in_Papua_New_Guinea

378 <https://www.cia.gov/library/publications/the-world-factbook/geos/pp.html>



co-operation on economic, development, security, immigration and people-to-people issues. There is a burgeoning trade and investment relationship.

There is a strong and wide-ranging defence partnership between Australia and PNG for security and stability in the Pacific region and beyond. The bilateral Defence Co-operation Program, Australia's largest with any country, involves training and technical advice, a number of regular bilateral exercises.

Australia has made a strong commitment to support PNG's hosting of APEC in 2018, particularly to assist PNG prepare for the security arrangements. This will involve support from both the Australian Defence Force and the Australian Federal Police.³⁷⁹

Economic overview: PNG is rich in gold, oil, gas, copper, silver, timber and is home to abundant fisheries. Economically, despite some recent diversification, PNG's economy remains dominated by two sectors: the agricultural, forestry and fishing sector, which engages most of the labor force (the majority informally); and the minerals and energy extraction sector which accounts for the majority of export earnings and, from 2015, the country's GDP.

2014 saw the completion of a large LNG plant which is expected to provide a significant boost to PNG's overall GDP. Yet while exports from this project will eventually provide revenue to the state, it is unlikely to be felt in the short term. Non-mining GDP was forecasted to grow by 4% in 2015, supported by a rebound in the construction sector, driven mostly by increased infrastructure expenditure associated with facilities constructed for the 2015 Pacific Games and the ongoing upgrading of the roads.

To diversify PNG's asset base and increase employment, investment is needed to strengthen capacity in institutions and in physical infrastructure. Electricity, telecommunications, road and other transport infrastructure continue to be a critical need to enable private sector-led growth.

Translating strong macroeconomic performance and revenues from the extractive industry into robust, tangible improvements to living standards for all Papua New Guineans remains the key challenge for the PNG government. However, improving public financial management, efficiency of public spending and service delivery, raising the performance of the civil service, and improving transparency and accountability in budget management will be crucial in converting resources revenue into inclusive growth and a genuine improvement in the livelihood of ordinary Papua New Guineans.³⁸⁰

Slower growth is predicted for 2016. Driven by LNG exports, the surplus in the current account is forecast to reach about US\$800 million in 2015 and 2016. Foreign exchange reserves will likely be maintained at US\$2 billion, equivalent to about four months of imports of goods and services.

These forecasts hinge on the government curbing expenditure and adopting more prudent monetary policies.

Economic indicators (%) PNG	2015	2016
GDP Growth	9.0	3.0
Inflation	6.0	6.0
Current account balance (share of GDP)	4.4	4.2

Figure 50 - Selected economic indicators PNG³⁸¹

In its mid-year outlook, the government highlighted the fiscal pressures it faces. Without immediate cuts to expenditures, the budget deficit is projected to widen to the equivalent of 9.4% of GDP or more than double the 2015 deficit target of 4.4%.

The government is likely to reduce operating expenditure and defer capital expenditures by the equivalent of 2.5% of GDP. Public expenditure reform currently underway offers the most effective option for addressing the near-term cash flow constraints.

Proposed new investments, particularly in the mineral sector in 2017 and 2018, could boost growth in the medium term. The priority should still be to improve productivity in agriculture and service sectors because of their importance to employment and poverty reduction. This will require sustained investment in infrastructure that supports productive sectors, increased capacity in the public sector and more efficient budget execution, improved labor market institutions and labor skills, and expanded business opportunities.

Greater dynamism in the non-mineral sectors would strengthen the PNG economy's resilience to commodity price fluctuations and help address concerns about rising inequality fueled by strong growth in resource extraction.³⁸²

379 <http://dfat.gov.au/geo/papua-new-guinea/pages/papua-new-guinea-country-brief.aspx>

380 <http://www.worldbank.org/en/country/png/overview>

381 <http://www.adb.org/countries/papua-new-guinea/economy>

382 <http://www.adb.org/countries/papua-new-guinea/economy>

SAMOA

Samoa is a campus country. The campus deals with local student enquiries, mobilisations and Alumni activities. The APTC Samoa campus is located in Apia.

Location: Samoa lies northeast of Fiji and consists of four inhabited and five uninhabited islands. The capital Apia is located on Upolu, the most populous and developed of the islands. Upolu and Savai'i, the other main island, account for 99% of Samoa's population. On 29 December 2011, Samoa moved the international dateline east and skipped a day to align its time zone more closely with New Zealand and Australia.³⁸³

Population: Samoa has a population of 197,773 (2015 est.³⁸⁴) with an annual growth rate of 0.8% (2011 est).³⁸⁵ The population is approximately 51.5% male and 48.5% female. Life expectancy has increased to 72.7 years (2012 est.) from 72.32 years in 2006.³⁸⁶

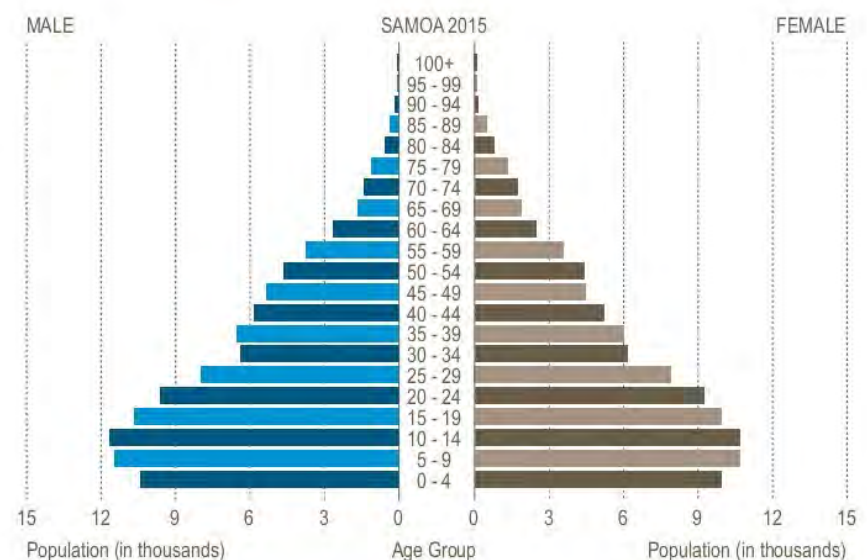
Languages: Samoan (Polynesian) and English.

Literacy: 98.8% (male 99%; female 98.6%).³⁸⁷

Religion: The majority of the population is Christian.

Age distribution: 2015 estimate

Age ³⁸⁸	%	Male	Female
0-14	32.72	33,393	31,324
15-24	19.96	20,253	19,217
25-54	35.58	36,374	33,993
55-64	6.27	6,283	6,057
65+	5.5	4,730	6,149



383 <http://dfat.gov.au/geo/samoa/pages/samoa-country-brief.aspx>

384 <http://www.sbs.gov.ws/>; <https://www.cia.gov/library/publications/the-world-factbook/geos/ws.html>

385 <https://www.cia.gov/library/publications/the-world-factbook/geos/ws.html>

386 <http://www.sbs.gov.ws/>

387 http://www.indexmundi.com/samoa/age_structure.html

388 <https://www.cia.gov/library/publications/the-world-factbook/geos/ws.html>

Political overview: Samoa is a stable parliamentary democracy. Its constitution and its political system takes substantial account of Samoan traditions and culture.

The National Legislative Assembly is elected by universal suffrage for five-year terms. All 49 seats are reserved for matai, people who have the status of chiefs in Samoa's villages. The Samoan Cabinet consists of the Prime Minister and 12 Ministers. General elections were held on 4 March 2016.³⁸⁹ The Human Rights Protection Party secured a landslide victory.³⁹⁰

Samoa has an independent judiciary, including a specific court to resolve disputes over land and traditional titles.³⁹¹

Bilateral relations: Samoa and Australia have an enduring and co-operative relationship that extends across political, security, economic and people-to-people links. Australia is the largest destination for Samoan merchandise exports and is Samoa's fifth largest source of merchandise imports.

Australia's commitment to development with Samoa is ongoing. In line with Australia's aid policy and the Strategy for the Development of Samoa, Australia is working with the Samoan government to pursue a number of strategic priorities including economic growth, advancing Samoa's health and education outcomes and strengthening governance.³⁹²

Economic overview: Samoa has a small and developing economy that has generally performed well

in recent years. Remittances from Samoans working abroad are a key part of the economy. New Zealand is the main source of remittances, followed by Australia and the United States of America. Foreign development assistance in the form of loans, grants and direct aid is an important component of the economy.

Samoa is reliant on imports and has a large trade deficit. Its indigenous exports consist mainly of fish and agriculture products, but their proportion of GDP has declined steadily in recent decades. A large proportion of the population is employed informally and works in subsistence agriculture or low-level commercial ventures.

Samoa enjoys a balance of trade surplus with Australia and has a number of Australian investors including Westpac and ANZ, which operate commercial banks in Samoa.³⁹³

Visitor arrivals in Samoa were up by 6.1% in FY2015 to April over the same period a year earlier partly because of its hosting of a UN Conference in September 2014.

Remittances increased by 5.6% year on year during the period however higher remittances were offset by declines in agricultural production and non-food manufacturing.

Following two consecutive years of deflation, consumer prices rose in FY2015, but by less than forecasted because of higher costs for health care, restaurant food, clothing and footwear.

Higher capital outflows drained foreign reserves such that, at the end of March 2015, gross foreign reserves covered only 4.1 months of merchandise imports, down from 5.3 months previously.³⁹⁵

Growth is expected to moderate in FY2016 slightly more than earlier forecast in light of the recent weakness in agriculture and non-food manufacturing. Government spending is also likely to be lower, by about 2%, following a decline of more than 20% in external grant inflows. However, strong inflows from remittances and tourism are seen to continue, augmented by receipts from the Commonwealth Youth Games.³⁹⁶

Economic indicators (%) Samoa	2015	2016
GDP Growth	2.3	1.9
Inflation	1.9	2.0
Current account balance (share of GDP)	-6.9	-5.4

Figure 50 - Selected economic indicators Samoa³⁹⁴

389 http://www.ipu.org/parline-e/reports/2351_E.htm

390 https://en.wikipedia.org/wiki/Samoan_general_election,_2016

391 <http://dfat.gov.au/geo/samoa/Pages/samoa-country-brief.aspx>

392 <http://dfat.gov.au/geo/samoa/development-assistance/Pages/development-assistance-in-samoa.aspx>

393 <http://dfat.gov.au/geo/samoa/pages/samoa-country-brief.aspx>

394 Ibid

395 <http://www.adb.org/countries/samoa/economy>

397 <http://www.adb.org/countries/samoa/economy>

SOLOMON ISLANDS

Solomon Islands is a campus country. The campus deals with local student enquiries, mobilisations and Alumni activities. The APTC Solomon Island campus is located in Honiara.

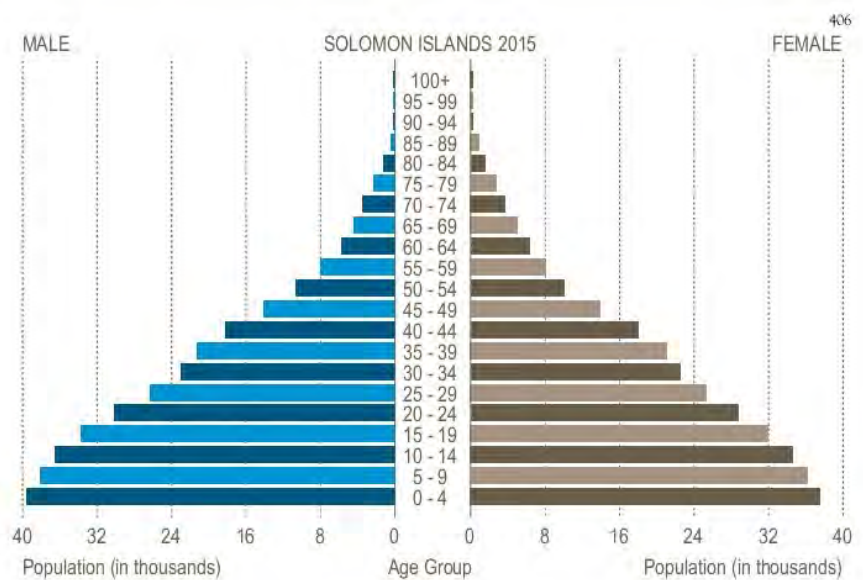
Location: Solomon Islands is an archipelagic state situated in the south-west Pacific Ocean, approximately 2,000 kilometres to the north-east of Australia. Its land mass of 28,400 square kilometres extends over nearly 1000 islands comprising nine main island groups. The capital, Honiara, is located on Guadalcanal, the largest island.³⁹⁸

Population: 622,469 (July 2015 est).³⁹⁹ The population is largely located in rural coastal areas.⁴⁰⁰ The median age is 21.6 years and life expectancy at birth is 74.89 years.⁴⁰¹

Language: English is the official language of Solomon Islands but Solomon Islands Tok Pisin is the spoken language for the majority of people however there are 120 indigenous languages.^{402,403}

Literacy: 84.1% (male: 88.9%; female 79.2%).⁴⁰⁴

Religion: Protestant 73.4% (Church of Melanesia 31.9%, South Sea Evangelical 17.1%, Seventh Day Adventist 11.7%, United Church 10.1%, Christian Fellowship Church 2.5%), Roman Catholic 19.6%, other Christian 2.9%, other 4%, none 0.03%, unspecified 0.1% (2009 est.).⁴⁰⁵



Age distribution: 2015 estimate

Age ⁴⁰⁷	%	Male	Female
0-14	35.68	114,349	107,750
15-24	20.01	64,036	60,512
25-54	35.73	113,306	109,133
55-64	4.45	13,863	13,820
65+	4.13	12,315	13,385

Health and well-being: Malaria is widespread and the main cause of premature death in Solomon Islands, however the malaria incidence rate reduced from 199 cases per thousand people in 2003 to 82 per thousand in 2008. Although there are no reliable figures, there are fears that instances of HIV/AIDS are fast increasing. Diabetes, unknown in the country

398 <http://dfat.gov.au/geo/solomon-islands/Pages/solomon-islands-country-brief.aspx>

399 <https://www.cia.gov/library/publications/the-world-factbook/geos/bp.html>

400 Ibid

401 http://www.indexmundi.com/solomon_islands/demographics_profile.html

402 <https://www.cia.gov/library/publications/the-world-factbook/geos/bp.html>

403 <http://www.dfat.gov.au/geo/fs/solo.pdf>

404 Ibid

405 http://www.indexmundi.com/solomon_islands/religions.html

406 Ibid

407 <https://www.cia.gov/library/publications/the-world-factbook/geos/bp.html>

before the 1980s, has become widespread owing to poor diet. Poor infrastructure only makes life more challenging, particularly during times of natural disaster as the country is vulnerable to devastating climate events, such as TCs, tsunamis and earthquakes.⁴⁰⁸

Political overview: The unicameral national Parliament comprises 50 members elected for a four-year term under a first-past-the-post voting system. The Prime Minister is elected by a simple majority of members of Parliament. Party structures are fluid, with extensive coalition-building usually required to form a government. In addition to the national government there are nine provincial assemblies, each led by a Premier.⁴⁰⁹ The last National General Election was held in 2014.⁴¹⁰

Bilateral relations: Australia has a deep and longstanding relationship with Solomon Islands. There is now estimated to be around 1,500 Australians in Solomon Islands, mainly in Honiara. Solomon Islands main development partner is Australia.

Australian ODA to Solomon Islands, through Solomon Islands–Australia Partnership for Development, focuses on improving health, education, water and sanitation, transport, telecommunications, law and justice, rural livelihoods and effective governance. Shipping and air services directly connect Solomon Islands with Australia and two Australian commercial banks (ANZ and Westpac) operate in the country.

Every year around 125 Solomon Islanders study at Australian or regional universities supported by Australian scholarships. With limited tertiary studies in Solomon Islands,

these scholarships help Solomon Islands government to meet their training and human resource development needs.⁴¹¹

Economic overview: Since RAMSI was deployed in 2003, Solomon Islands has seen relatively consistent economic growth. Despite the cessation of gold production, total exports rose by 5.3% in the first half of 2015 over the same period in 2014, largely reflecting higher exports of bauxite and agricultural commodities.⁴¹²

After parliamentary elections in November 2014, passage of the 2015 budget was delayed to give the new coalition government time to incorporate its spending priorities. The resulting 2015 budget provides for total expenditures 11.8% higher than the previous budget, mostly due to higher expenditure on flood recovery. Total revenues and grants are projected to rise, but by only 3.3%. Fishing license revenue has increased but not enough to offset revenue declines from suspended operations at the gold mine. The government expects to incur a deficit, equivalent to 4.9% of GDP for a second consecutive year and plans to draw down cash reserves to finance the deficit.

Consumer prices declined in 2015 following large flood-related price rises in 2014. Between January and July 2015, consumer prices were 2.4% lower than in the same period the previous year, driven by reductions in prices for food, drinks and tobacco, and housing and utilities declined.

Solomon Islands continues to face serious economic challenges. The majority of the population is involved in subsistence/cash crop agriculture (growing at about 3% per annum) with less than a quarter involved in paid work.

Inflation is expected to pick up in 2016 as the effects from the flood dissipate. The current account deficit in 2014 was expected to equal 8.1% of GDP as imports of equipment for post-flood reconstruction and rehabilitation were delayed.

With the arrival of the delayed imports, the deficit is projected to have widened slightly in 2015 and almost double in 2016. Development assistance flows and foreign direct investment are expected to help maintain foreign reserves above eight months of import cover through 2015 and 2016.⁴¹⁴

Economic indicators (%) Solomon Islands	2015	2016
GDP Growth	3.0	3.5
Inflation	2.0	2.8
Current account balance (share of GDP)	-8.5	-13.0

Figure 51 - Selected economic indicators Solomon Islands⁴¹³

408 <https://www.oxfam.org.au/country/solomon-islands/>

409 <http://dfat.gov.au/geo/solomon-islands/pages/solomon-islands-country-brief.aspx>

410 <http://www.siec.gov.sb/index.php/about-us/129-your-vote-is-safe-and-secure>

411 <http://dfat.gov.au/geo/solomon-islands/pages/solomon-islands-country-brief.aspx>

412 Ibid

413 <http://www.adb.org/countries/solomon-islands/economy>

414 Ibid

TONGA

Tonga is a Non-Campus Country. Representation of APTC is managed through a partnership with Tongan Chamber of Commerce who co-ordinate student enquiries, mobilisations and graduations. The Alumni activity is managed from the Regional Head Office (RHO).

Location: The Kingdom of Tonga is the sole constitutional monarchy in the Pacific. It is a Polynesian country, comprising of 176 islands, 36 of which are inhabited.⁴¹⁵

Population: 105,965 (1 January 2016 est).⁴¹⁶ A large proportion of Tonga's population is under 25.⁴¹⁷

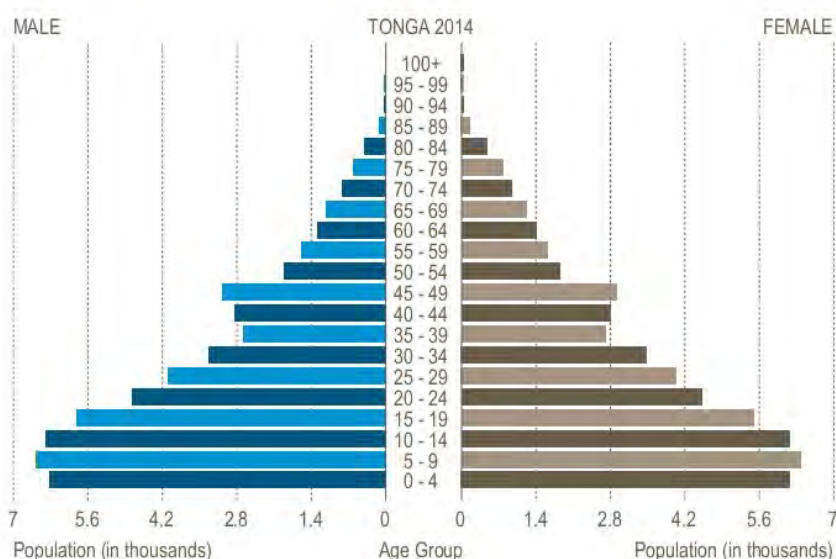
Language: Tongan and English are the spoken languages.

Literacy rates: 99% (males 99%; females 99.1%).⁴¹⁸

Life expectancy: 76.6 years for females and 73.8 for males (2012 estimate).⁴¹⁹

Religious affiliation: 64.9% of the population is protestant,⁴²⁰ Mormons make up 16.8%, Roman Catholics 15.6%, and 3% other, none or unspecified⁴²¹ include Baha'is, Muslims, and Hindus (2006 estimates).⁴²²

Health and wellbeing: Tongans face a number of health challenges relating to NCDs such as obesity, diabetes and cardiovascular diseases. In 2008, NCDs accounted for approximately 74% of all mortality.⁴²³ With support from Australia, Tonga has successfully accelerated action on combatting NCD risk factors but this remains a key challenge to Tonga's development.⁴²⁴



Age distribution: 2014 estimates

Age ⁴²⁵	%	Male	Female
0-14	35.6	19,272	18,661
15-24	19.3	10,514	10,016
25-54	33.3	17,717	17,732
55-64	5.5	2,852	3,013
65+	6.3	3,044	3,619

415 <http://www.adb.org/countries/solomon-islands/economy>

416 <http://countrymeters.info/en/Tonga>

417 <http://www.anzbusiness.com/content/anz-superregional/countries/tonga.html>

418 <https://www.cia.gov/library/publications/the-world-factbook/geos/tn.html>

419 <http://countrymeters.info/en/Tonga>

420 Protestant includes Free Wesleyan Church, Free Church of Tonga, Church of Tonga, Tokaikolo Christian Church, Assembly of God, Seventh Day Adventist, Constitutional Church of Tonga, Anglican and Full Gospel Church

421 <https://www.cia.gov/library/publications/the-world-factbook/geos/tn.html>

422 <http://www.state.gov/documents/organization/171675.pdf>; <http://www.nationsencyclopedia.com/Asia-and-Oceania/Tonga-RELIGIONS.html>

423 http://www.commonwealthhealth.org/pacific/tonga/non-communicable_diseases_in_tonga/

424 <http://dfat.gov.au/geo/tonga/development-assistance/pages/development-assistance-in-tonga.aspx>

425 http://www.indexmundi.com/tonga/age_structure.html

Political overview: Tonga is a constitutional monarchy, making it unique in the Pacific. Its monarchy is over 1,000 years old and its constitution dates back to 1875.⁴²⁶ King Tupou VI was formally crowned on 4 July 2015, more than three years after ascending to the throne.⁴²⁷ As Head of State, the King is Commander-in-Chief of the Tonga Defence Services. The King is advised by a Privy Council whose members he appoints.⁴²⁸

Tonga has the advantages of a maturing parliamentary democracy, a relatively well-educated population and a capable public service.⁴²⁹ The most recent election was held in November 2014.⁴³⁰

Bilateral relations: Australia and Tonga enjoys a close bilateral relationship, supported by the aid program, defence co-operation, development programs and people-to-people links. Australia is Tonga's largest development partner, followed by New Zealand and Japan.

Australia is an important focus for Tongans seeking education, travel and business opportunities. The largest communities of Tongans in Australia are in Victoria and NSW, with smaller groups in the ACT and Queensland. In August 2008, the Tongan government established a High Commission in Canberra.⁴³¹

Economic overview: Tonga has a small open economy which is vulnerable to external shocks; it has limited medium-term economic growth prospects with economic growth averaging less than 1% annually over the last decade. Tonga is largely dependent on foreign development assistance in the form of loans, grants and direct aid and remittances from Tongan communities abroad, estimated to be 21% of gross national disposable income (2012-13), to offset its trade deficit.⁴³²

Tonga has taken steps towards creating a growth enabling environment including: regulatory reform; sale and reform of state-owned infrastructure; and investments in roads, energy and communications infrastructure. However, Tonga's narrow economic base constrains the government's ability to fund the delivery of services to its people.

The country faces a number of economic development challenges, including its small domestic market, skill shortages, high cost of power and variable domestic transport services, low savings rates, high costs of doing business and high youth unemployment.⁴³³

Agriculture is the leading productive sector. Most Tongan exports are agricultural produce while imports cover the full range of consumer and industrial goods as the manufacturing sector is very small. Tonga's main trading partners are New Zealand, Australia, Fiji, the United States of America and Japan.

Tourism is modest but with potential for expansion. Visitor arrivals in Tonga are estimated to have been

stable, at about 59,000 visitors in FY2014, following slight declines in the previous two years.

Economic growth is forecast to accelerate with preparations for the 2019 South Pacific Games, as well as continued support from development partners, improved agricultural production and an expanding tourism sector. New economic opportunities are emerging in the tourism sector including eco-tourism; the fishing sector including tourism related fishing, diving and water recreation activities; and in the agriculture sector.⁴³⁵

In February 2016 TC Winston hit Tonga's northern islands twice in the one week, with houses damaged and the loss of food crops. The full extent of the economic damage is unknown. This will have an impact on Tonga's economy.⁴³⁶

Trade and investment: Australia's merchandise exports to Tonga were A\$10.579 million in 2014, and imports from Tonga were A\$1.387 million for the same period. Total trade amounted to A\$11.966 in 2014.⁴³⁷

Economic indicators (%) Tonga	2015	2016
GDP Growth	2.4	2.6
Inflation	0.4	1.2
Current account balance (share of GDP)	-4.5	-6.0

Figure 52 - Selected economic indicators Tonga⁴³⁴

426 <http://dfat.gov.au/geo/tonga/pages/tonga-country-brief.aspx>

427 <http://www.bbc.com/news/world-asia-33393492>

428 https://en.wikipedia.org/wiki/Tupou_VI

429 <http://dfat.gov.au/about-us/publications/Documents/tonga-aid-investment-plan-2015-19.pdf>

430 <http://dfat.gov.au/geo/tonga/pages/tonga-country-brief.aspx>

431 Ibid

432 <http://www.abc.net.au/news/2014-11-29/strong-t turnout-for-tonga-election-as-many-mps-dumped/5923790>

433 <https://www.aid.govt.nz/where-we-work/pacific/tonga>

434 <http://www.adb.org/countries/tonga/economy>

435 <http://www.adb.org/countries/tonga/economy>

436 <http://www.abc.net.au/news/2016-02-19/fiji-braces-for-cyclone-winston-after-tonga-hit-twice/7185662>

437 <https://dfat.gov.au/trade/resources/Documents/tnga.pdf>

TUVALU

Tuvalu is a Non-Campus Country. Representation of APTC is managed from the Regional Head Office (RHO) with local support for mobilisations and graduations. The Alumni activity is managed from the RHO.

Location: Tuvalu, formerly known as the Ellice Islands, is located midway between Hawaii and Australia in the South Pacific Ocean. It comprises nine islands (four reef islands and five coral atolls), with about half the population living on the atoll of Funafuti, which is its capital.⁴³⁸

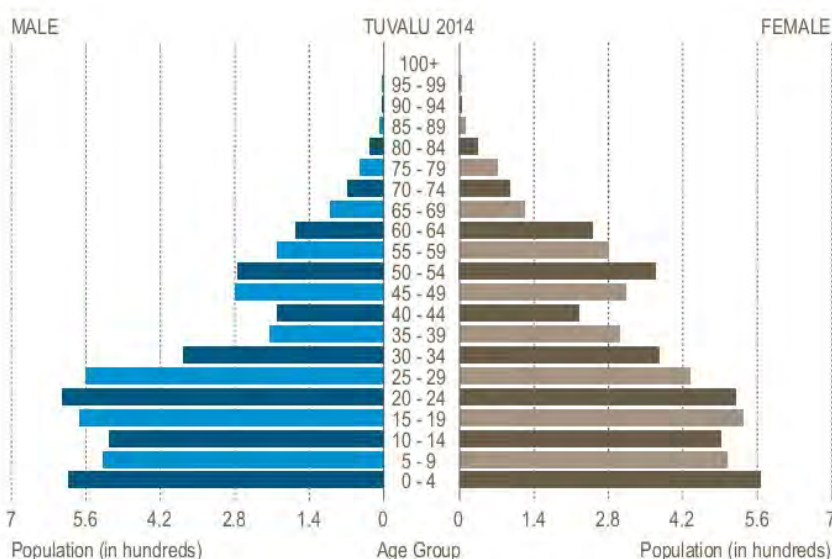
Population: Tuvalu has an estimated population of 11,206 and its projected population growth rate over the period 2012 to 2030 is 0.5% per annum.^{439,440} Average life expectancy is 66.16 years (males 64.01 years; females 68.41 years).⁴⁴¹

Language: Tuvaluan and English are the official languages. Samoan and Kiribati (on the island of Nui) are also spoken.

Literacy: 99.0% (2002).⁴⁴³

Religion: The Church of Tuvalu (Congregationalists) 97%, Seventh Day Adventist 1.4%, Baha'i 1%, and others at 0.6%.⁴⁴²

Health and wellbeing: NCDs are the main cause of morbidity and mortality. TB, previously thought to be under control, is increasing again. There is a limited supply of safe water which must come from rainfall and



rainwater harvesting; groundwater is generally not safe for consumption.⁴⁴⁴

Developing health and education infrastructure is very difficult in Tuvalu, not only because of the narrowness of its economic base, but also for environmental and geographical reasons such as the dispersion of the islands, the smallness of land space and the scarcity of freshwater resources.⁴⁴⁵

Age distribution: estimates only

Age ⁴⁴⁶	%	Male	Female
0-14	29.6	1,636	1,553
15-24	20.6	1,176	1,048
25-54	36.2	1,901	1,999
55-64	8.2	360	525
65+	5.4	342	342

438 <http://dfat.gov.au/geo/tuvalu/Pages/tuvalu-country-brief.aspx>
 439 <http://www.bbc.com/news/world-asia-pacific-16340072>; <http://www.spc.int/prism/tuvalu/en/>;
 440 http://www.unicef.org/infobycountry/Tuvalu_statistics.html

441 <https://www.cia.gov/library/publications/the-world-factbook/geos/tv.html>
 442 http://en.wikipedia.org/wiki/Demographics_of_Tuvalu
 443 <http://www.tuvaluislands.com/about.htm>
 444 <http://www.pacificwater.org/pages/cfm/country-information/tuvalu.html>

Political overview: Tuvalu became independent from the United Kingdom in October 1978. It is a constitutional monarchy with a 15-member unicameral parliament elected every four years. Cabinet consists of the Prime Minister, elected by a majority of the members of parliament and several ministers. The Prime Minister is the head of government. Politics are relatively low-key in Tuvalu, there are no formal political parties and election campaigns are largely run on the basis of personal/family ties and reputation.⁴⁴⁷ MPs have very close links with their island constituencies and effort is directed towards balancing island representation in Cabinet.

Bilateral relations: Australia has a longstanding, co-operative relationship with Tuvalu based on shared development and security goals. Australia is Tuvalu's largest aid donor as Australian aid comprises about 33% of Tuvalu's total ODA. Australia is committed to strengthening Tuvalu's economic and environmental resilience development through its aid program.⁴⁴⁸

Tuvalu also maintains close relations with Fiji, New Zealand, Japan, South Korea, United Kingdom and the EU. It has diplomatic relations with the Republic of China, which maintains the only resident embassy in Tuvalu.⁴⁴⁹

Economic overview: Most of Tuvalu's population is involved in subsistence fishing and agriculture. Remittances from seafarers working on overseas vessels are a significant (but declining) source of income for many families. The money economy is dominated by government activity.

From 1996 to 2002, Tuvalu was one of the best-performing PICs economies with an average real GDP growth rate of 5.6% per annum, however since 2002 economic growth has slowed. In 2008 Tuvalu was exposed

to rapid rises in world prices of fuel and food, and inflation peaked at 13.4%.⁴⁵⁰

Growth has been sustained by construction projects funded by development partners and continuing high revenue from fishing license fees. As a party to the Nauru Agreement, the country has benefitted from rising rates under the vessel day scheme. Revenue collections have been boosted by higher dividends paid out by a joint venture of the National Fishing Corporation of Tuvalu and overseas investors. The fishing licences and marketing of Tuvalu's internet domain name '.tv' contribute to government revenue, however, access to finance remains a key challenge. The airport upgrade funded by development partners and continued retail expansion are expected to maintain economic growth at around 2.0% in 2016.⁴⁵¹

The reconstruction of infrastructure damaged by TC Pam in early 2015, as well as the commencement of other large infrastructure projects, and a

continued fiscal expansion, promises to offset the damage and economic losses caused by the TC which are estimated to be equivalent to 10% of GDP.⁴⁵²

Expansionary fiscal measures in Tuvalu, such as a 14.9% increase in public sector wages and construction spending, are seen to spur domestic economic activity. Remittances are likely to remain significantly below inflows recorded in 2014 but are expected to pick up in 2016 as conditions in advanced economies improve.⁴⁵³

Trade and investment: Exports are minimal and the country depends highly on imports due to its almost no domestic production base except for subsistence farming and fishing.⁴⁵⁴

Australian merchandise exports to Tuvalu in 2014 were A\$1.846 million. Imports from Tuvalu during the same period were A\$0.296 million. Total trade was valued at A\$2.142 million in 2014.⁴⁵⁵

Economic indicators (%) Tuvalu	2015	2016
GDP Growth	2.0	2.0
Inflation	2.0	2.0
Current account balance (share of GDP)	-37.2	-21.4

Figure 53 - ADB economic indicators for Tuvalu⁴⁵²

445 http://www.un.org/en/development/desa/policy/cdp/ldc/profile/vulnerability_profile_tuvalu_2012.pdf

446 http://www.indexmundi.com/tuvalu/age_structure.html

447 Tuvalu Economic and Development Strategy Handbook, Volume 1. International Business Publications, USA

448 <http://dfat.gov.au/geo/tuvalu/development-assistance/Pages/development-assistance-in-tuvalu.aspx>

449 <http://onlinelibrary.wiley.com/doi/10.1002/app5.30/full>

450 Tuvalu Economic and Development Strategy Handbook, Volume 1. International Business Publications, USA

451 <http://www.adb.org/countries/tuvalu/economy>

452 <http://www.adb.org/countries/tuvalu/economy>

453 Ibid

454 Ibid

455 <https://www.imf.org/external/pubs/ft/scr/2011/cr1146.pdf>

456 <https://dfat.gov.au/trade/resources/Documents/tuva.pdf>

VANUATU

Vanuatu is a campus country. The campus deals with local student enquiries, mobilisations and Alumni activities. The APTC Vanuatu campus is located in Port Vila.

Location: Vanuatu is an archipelagic nation of 83 islands, extending over 1,000 kilometres in a north-south direction between the equator and the tropic of Capricorn. It lies some 2,000 kilometres to the northeast of Brisbane in the Coral Sea, at similar latitudes to Cairns in North Queensland. Port Vila, on the island of Efate, is the capital of Vanuatu.⁴⁵⁷

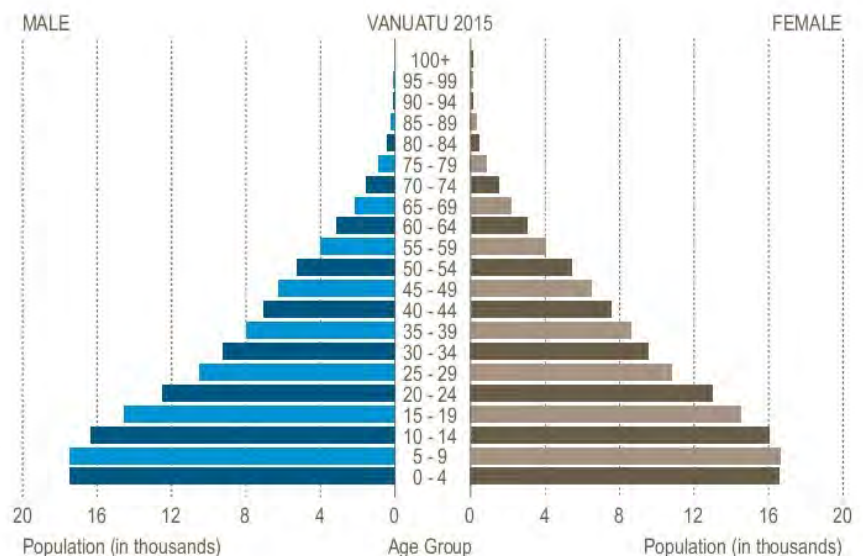
Population: Approximately 272,264 (July 2015 est.) with 50.9% female and 49.1% male.⁴⁵⁸

Languages: Official languages are Bislama, English and French, plus over 105 distinct languages.

Literacy rates: 85.2%, according to the latest census, (males 86.6%; females 83.8%) 2015 estimates.⁴⁵⁹

Religion: Protestant 70%,⁴⁶⁰ Roman Catholic 12.4%, customary beliefs 3.7% (including Jon Frum cargo cult), other 12.6%, none 1.1%, unspecified 0.2% (2009 est).⁴⁶¹

Median age: 21.4 years.⁴⁶²



Age distribution: 2015 estimates

Age ⁴⁶³	%	Male	Female
0-14	37.3	51,014	48,940
15-24	19.9	26,970	27,314
25-54	34.4	45,935	47,864
55-64	5.1	7,034	6,932
65+	3.7	5,236	5,025

457 <http://dfat.gov.au/geo/vanuatu/Pages/vanuatu-country-brief.aspx>

458 <https://www.cia.gov/library/publications/the-world-factbook/geos/nh.html>

459 Ibid

460 Includes Presbyterian 27.9%, Anglican 15.1%, Seventh Day Adventist 12.5%, Assemblies of God 4.7%, Church of Christ 4.5%, Neil Thomas Ministry 3.1%, and Apostolic 2.2%

461 <https://www.cia.gov/library/publications/the-world-factbook/geos/nh.html>

462 Ibid

463 Ibid

Health and well-being: Access to primary health care is limited by distances in remote and rural areas, rugged terrain, dispersed islands, transport costs and limited transport which prevent services from reaching the community or people accessing primary health care services.

As of 2013, there was a total of 377 health facilities and two referral hospitals, three provincial hospitals, 34 health centres, 97 dispensaries and 240 village aid posts (the lowest level of healthcare in Vanuatu). Every aid post is manned by a local villager who has been trained as a health worker, however, there are variable levels of competence and devotion across the community post staff.⁴⁶⁴

Poor nutrition among children is associated with maternal malnutrition, low birth-weight, inadequate breast-feeding and weaning diets and morbidity related to high levels of infectious diseases.⁴⁶⁵

Vanuatu has a low prevalence of HIV infection. The National AIDS Committee has the responsibility for the strategic oversight and implementation of the response to HIV and Sexually Transmitted Infections.

Political overview: Formerly known as the New Hebrides, Vanuatu was jointly governed by British and French administrations before attaining independence on 30 July 1980.⁴⁶⁶

Vanuatu is a republic with a non-executive presidency. The President is elected by Parliament together with the Presidents of the regional councils and serves a five-year term. The single-chamber Parliament has

52 members, directly elected every four years by universal adult suffrage with an element of proportional representation. Parliament appoints the Prime Minister from among its members, and the Prime Minister appoints a council of ministers from among the MPs.⁴⁶⁷

The people of Vanuatu went to the polls on Friday 22 January 2016 in a snap election that was occasioned by the dissolution of Parliament at the end 2015. The dissolution of Parliament resulted in a period of political unrest after the imprisonment of 14 government MPs on conviction of bribery in October 2015.⁴⁶⁸

Bilateral relations: Australia has a close relationship with Vanuatu and is an important economic partner, providing the country with the majority of its tourists, foreign direct investment and aid. There is also a significant resident population of Australians (approximately 2,000) living in Vanuatu. Australia and Vanuatu enjoy a very broad range of links at government, business and community levels. Australia has a High Commission in Port Vila and the Vanuatu government established a High Commission in Canberra in March 2012.

Australia is Vanuatu's largest bilateral aid donor. The estimated Australian aid budget for Vanuatu for FY2016 is A\$60.5 million. Australian aid is governed by the Australia-Vanuatu Partnership for Development, which focuses on improving economic governance, infrastructure, education, health and law and justice.

The Australian Federal Police provides assistance to the Vanuatu Police Force as part of the Vanuatu Policing and Justice Support Program. Australia also has a Defence Co-operation Program with Vanuatu which was established in 1983.

Australia assists Vanuatu in maintaining and operating its Pacific Patrol Boat Program.⁴⁶⁹ The vessel donated under this program in 1987 - RVS Tukoro - is responsible for maritime surveillance patrol within Vanuatu's 200 EEZ and limitation boundaries between Vanuatu and Fiji, New Caledonia and Solomon Islands. However, RVS Tukoro became a victim of TC Pam when it became grounded on 13 March 2015 and suffered damage to its propeller shafts and rudders and some hull damage. The grounding of the boat has been a setback to the Program, but one that can be recovered from.^{470,471}

Economic overview: Vanuatu's economy grew in 2014 at its fastest rate in several years, driven by commercial construction and projects funded by development partners.⁴⁷² However, the overall economic impact of TC Pam has been significant, with real GDP expected to decline in 2015. In 2015 Vanuatu's estimated GDP per capita was US\$2,872 and estimated real GDP growth was -2 %.⁴⁷³

TC Pam has heavily affected tourism and agriculture, and reconstruction efforts have suffered delays. By June 2015, visitor arrivals by air were down by 24% from a year earlier and arrivals by cruise ship were down by 56%. Agriculture export receipts increased in the second quarter over a year

Selected economic indicators (%)	2015	2016
GDP Growth	-1.0	4.5
Inflation	4.0	2.5
Current Account Balance (share of GDP)	-15.0	-13.0

Figure 54 - ADB economic indicators⁴⁷⁴

earlier because of a large but temporary increase in coconut oil exports. Exports of other major commodities fell significantly relative to a year earlier.

In the aftermath of the TC, the government responded through fiscal and monetary measures. A supplementary budget increased expenditures by 1.3%, and value-added tax and import duties were waived for building materials and relief items. The Reserve Bank of Vanuatu reduced the policy rate, lowered bank reserve requirements, and activated targeted credit facilities. These actions helped stabilise liquidity, but the weak monetary transmission mechanism limited benefits to the real economy. National Provident Fund members were permitted to withdraw up to 20% of their retirement account to finance private recovery efforts.

Growth is expected to rebound in 2016 somewhat as several large infrastructure projects financed by development partners get under way, reconstruction continues, and tourism and agriculture recover.

Trade and investment: Australia is the major source of foreign investment in the Vanuatu economy with a focus on agriculture, tourism, finance and construction. Australian investments in Vanuatu totalled A\$169 million in 2014. Two-thirds of long stay tourists to Vanuatu and almost all cruise ship passengers are Australian.

Australian merchandise exports to Vanuatu in 2014 totalled A\$77 million.⁴⁷⁵ Vanuatu's export partners include Thailand and Japan with the country exporting copra, beef, cocoa, timber, kava, and coffee.⁴⁷⁶ Its import partners include China, Singapore, Australia, New Zealand, Fiji and Japan.⁴⁷⁷

Vanuatu participates in the Australian SWP and is the second highest contributor of workers to the program.⁴⁷⁸

- 464 http://www.unaids.org/sites/default/files/country/documents//VUT_narrative_report_2014.pdf
- 465 <http://www.vns0.gov.vu/index.php/component/advlisting/?view=download&fileId=2966>
- 466 <http://dfat.gov.au/geo/vanuatu/pages/vanuatu-country-brief.aspx>
- 467 <http://thecommonwealth.org/our-member-countries/vanuatu/constitution-politics>
- 468 <http://devpolicy.org/vanuatus-general-election-some-preliminary-thoughts-20160125/>
- 469 <http://dfat.gov.au/geo/vanuatu/pages/vanuatu-country-brief.aspx>
- 470 <http://news.navy.gov.au/en/Dec2015/Fleet/2568/Vanuatu-patrol-boat-to-Australia-for-repairs.htm#.Vuk0NHlpB9B>
- 471 <http://www.loopvanuatu.com/content/solomon-islands-patrol-boat-rs1pv-lara-helping-distribute-ballot-boxes>
- 472 <http://countriesafeguardsystems.com/vanuatu/>
- 473 <http://dfat.gov.au/geo/vanuatu/pages/vanuatu-country-brief.aspx>
- 474 <http://www.adb.org/countries/vanuatu/economy>
- 475 <http://dfat.gov.au/geo/vanuatu/pages/vanuatu-country-brief.aspx>
- 476 Ibid
- 477 https://en.wikipedia.org/wiki/Economy_of_Vanuatu
- 478 <http://dfat.gov.au/geo/vanuatu/pages/vanuatu-country-brief.aspx>

APPENDIX A

NEW ZEALAND'S 12 INVESTMENT PRIORITIES

 <p>RENEWABLE ENERGY (FLAGSHIP)</p> <p>Expand access to reliable and affordable, reliable and clean energy</p> <ul style="list-style-type: none"> › Improve access to reliable and renewable energy through new infrastructure and technical assistance › Identify and support greater private-sector participation in the energy sector › Strengthen sector planning and asset management to improve service quality and efficiency 	 <p>INFORMATION & COMMUNICATIONS TECHNOLOGY</p> <p>Expand ICT connectivity, access, and use in the Pacific</p> <ul style="list-style-type: none"> › Improve access to affordable, high-quality internet and telecommunications services › Increase the use of ICT to deliver government services such as education and health › Strengthen the online presence of the private sector in the Pacific and increase the availability of ICT tools for small and medium enterprises (SMEs) › Build ICT skills and capability through school curricula, vocational training, and digital literacy training 	 <p>ECONOMIC GOVERNANCE</p> <p>Strengthen economic governance in the Pacific</p> <ul style="list-style-type: none"> › Help Pacific partner countries identify and implement their policy reform priorities through incentive-linked financial support and technical assistance › Strengthen the capability of the public sector to deliver high-quality services 	 <p>LAW & JUSTICE</p> <p>Strengthen law and justice systems in the Pacific</p> <ul style="list-style-type: none"> › Improve community safety by strengthening policing, corrections, and border management, and preventing violence against women › Strengthen democratic and national integrity systems › Improve access to justice by strengthening court systems and legal representation 	 <p>HEALTH</p> <p>Improve the health of people in the Pacific</p> <ul style="list-style-type: none"> › Reduce the impact of non-communicable diseases (NCDs) by reducing risk factors and increasing access to secondary NCD drugs, technology, and specialist services › Enhance maternal health by increasing access to modern contraception, reproductive health services, and better nutrition for pregnant women › Improve child health by increasing access to routine immunisation, life-saving vaccines, and better nutrition › Increase reliable access to clean water and sanitation services
 <p>FISHERIES</p> <p>Increase economic and food security benefits from sustainable fisheries and aquaculture in the Pacific</p> <ul style="list-style-type: none"> › Strengthen governance, transparency, stakeholder engagement, and rights-based management of fisheries at local, national, and regional levels › Enhance skills and capability to enforce fishing rules, monitor fishing, and assess the health of fish stocks › Support the development of proven aquaculture food-production technologies 	 <p>TOURISM</p> <p>Increase economic benefits from tourism in the Pacific</p> <ul style="list-style-type: none"> › Grow demand for tourism by improving infrastructure and investing in destination marketing and product development › Increase local value from tourism by strengthening skills and capability and linking local businesses and communities with tourism markets 	 <p>TRADE & LABOUR MOBILITY</p> <p>Increase economic benefits from trade and labour mobility in the Pacific</p> <ul style="list-style-type: none"> › Improve trade facilitation and market access with implementation assistance for Pacific Agreement on Closer Economic Relations (PACER) Plus, and support to improve biosecurity and customs systems › Improve the capability of SMEs to trade, obtain finance, and supply markets › Increase the development benefits of labour mobility › Enhance reliable transport links for people and goods by improving aviation and maritime safety and infrastructure 	 <p>EDUCATION</p> <p>Improve knowledge, skills, and basic education</p> <ul style="list-style-type: none"> › Increase literacy and numeracy by improving attendance, teaching methods, leadership and management, and the use of assessment information › Strengthen the provision of education in the Asia-Pacific region › Provide scholarships and vocational training to support economic opportunities and in response to skills shortages 	 <p>RESILIENCE</p> <p>Strengthen resilience</p> <ul style="list-style-type: none"> › Improve the preparedness of Pacific and ASEAN partners to manage and recover from disasters › Invest in targeted disaster risk reduction and climate change adaptation initiatives › Mainstream disaster risk reduction and climate change adaptation measures across our aid investment portfolio
 <p>HUMANITARIAN RESPONSE</p> <p>Respond to humanitarian emergencies</p> <ul style="list-style-type: none"> › Respond to requests for assistance in the Pacific and contribute to responses to larger-scale emergencies elsewhere › Invest in New Zealand's capability for offshore responses › Support economic recovery from emergencies in our region 	 <p>HUMANITARIAN RESPONSE</p> <p>Respond to humanitarian emergencies</p> <ul style="list-style-type: none"> › Respond to requests for assistance in the Pacific and contribute to responses to larger-scale emergencies elsewhere › Invest in New Zealand's capability for offshore responses › Support economic recovery from emergencies in our region 	 <p>HUMANITARIAN RESPONSE</p> <p>Respond to humanitarian emergencies</p> <ul style="list-style-type: none"> › Respond to requests for assistance in the Pacific and contribute to responses to larger-scale emergencies elsewhere › Invest in New Zealand's capability for offshore responses › Support economic recovery from emergencies in our region 	 <p>HUMANITARIAN RESPONSE</p> <p>Respond to humanitarian emergencies</p> <ul style="list-style-type: none"> › Respond to requests for assistance in the Pacific and contribute to responses to larger-scale emergencies elsewhere › Invest in New Zealand's capability for offshore responses › Support economic recovery from emergencies in our region 	 <p>HUMANITARIAN RESPONSE</p> <p>Respond to humanitarian emergencies</p> <ul style="list-style-type: none"> › Respond to requests for assistance in the Pacific and contribute to responses to larger-scale emergencies elsewhere › Invest in New Zealand's capability for offshore responses › Support economic recovery from emergencies in our region

APPENDIX B

SKILLED OCCUPATIONS LIST, AUSTRALIA

Occupation	ANZSCO Code	Assessing Authority	Occupation	ANZSCO Code	Assessing Authority
Construction Project Manager	133111	VETASSESS	Agricultural Engineer	233912	Engineers Australia
Project Builder	133112	VETASSESS	Biomedical Engineer	233913	Engineers Australia
Engineering Manager	133211	Engineers Australia/AIM	Engineering Technologist	233914	Engineers Australia
Production Manager (Mining)	133513	VETASSESS	Environmental Engineer	233915	Engineers Australia
Child Care Centre Manager	134111	TRA	Naval Architect	233916	Engineers Australia
Medical Administrator	134211	VETASSESS	Agricultural Consultant	234111	VETASSESS
Nursing Clinical Director	134212	ANMAC	Agricultural Scientist	234112	VETASSESS
Primary Health Organisation Manager	134213	VETASSESS	Forester	234113	VETASSESS
Welfare Centre Manager	134214	ACWA/VETASSESS	Medical Laboratory Scientist	234611	AIMS
Accountant (General)	221111	CPA/ICAA/IPA	Veterinarian	234711	AVBC
Management Accountant	221112	CPA/ICAA/IPA	Metallurgist	234912	VETASSESS
Taxation Accountant	221113	CPA/ICAA/IPA	Physicist (Medical Physicist only)	234914	ACPSEM
External Auditor	221213	CPA/ICAA/IPA	Early Childhood (Pre-Primary School) Teacher	241111	AITSL
Internal Auditor	221214	VETASSESS	Secondary School Teacher	241411	AITSL
Actuary	224111	VETASSESS	Special Needs Teacher	241511	AITSL
Land Economist	224511	VETASSESS	Teacher of the Hearing Impaired	241512	AITSL
Valuer	224512	VETASSESS	Teacher of the Sight Impaired	241513	AITSL
Ship's Engineer	231212	AMSA	Special Education Teachers nec	241599	AITSL
Ship's Master	231213	AMSA	Medical Diagnostic Radiographer	251211	AIR
Ship's Officer	231214	AMSA	Medical Radiation Therapist	251212	AIR
Architect	232111	AACA	Nuclear Medicine Technologist	251213	ANZSNM
Landscape Architect	232112	VETASSESS	Sonographer	251214	AIR
Cartographer	232213	VETASSESS	Environmental Health Officer	251311	VETASSESS
Other Spatial Scientist	232214	VETASSESS	Occupational Health and Safety Adviser	251312	VETASSESS
Surveyor	232212	SSSI	Optometrist	251411	OCANZ
Chemical Engineer	233111	Engineers Australia	Chiropractor	252111	CCEA
Materials Engineer	233112	Engineers Australia	Osteopath	252112	ANZOC
Civil Engineer	233211	Engineers Australia	Occupational Therapist	252411	OTC
Geotechnical Engineer	233212	Engineers Australia	Physiotherapist	252511	APC
Quantity Surveyor	233213	AIQS	Podiatrist	252611	APodC/ANZPAC
Structural Engineer	233214	Engineers Australia	Speech Pathologist	252712	SPA
Transport Engineer	233215	Engineers Australia	General Practitioner	253111	Medical Board of Australia
Electrical Engineer	233311	Engineers Australia	Anaesthetist	253211	Medical Board of Australia
Electronics Engineer	233411	Engineers Australia	Specialist Physician (General Medicine)	253311	Medical Board of Australia
Industrial Engineer	233511	Engineers Australia	Cardiologist	253312	Medical Board of Australia
Mechanical Engineer	233512	Engineers Australia	Clinical Haematologist	253313	Medical Board of Australia
Production or Plant Engineer	233513	Engineers Australia	Medical Oncologist	253314	Medical Board of Australia
Mining Engineer (Excluding Petroleum)	233611	Engineers Australia			
Petroleum Engineer	233612	Engineers Australia			
Aeronautical Engineer	233911	Engineers Australia			

Occupation	ANZSCO Code	Assessing Authority	Occupation	ANZSCO Code	Assessing Authority
Endocrinologist	253315	Medical Board of Australia	Registered Nurse (Community Health)	254414	ANMAC
Gastroenterologist	253316	Medical Board of Australia	Registered Nurse (Critical Care and Emergency)	254415	ANMAC
Intensive Care Specialist	253317	Medical Board of Australia	Registered Nurse (Developmental Disability)	254416	ANMAC
Neurologist	253318	Medical Board of Australia	Registered Nurse (Disability and Rehabilitation)	254417	ANMAC
Paediatrician	253321	Medical Board of Australia	Registered Nurse (Medical)	254418	ANMAC
Renal Medicine Specialist	253322	Medical Board of Australia	Registered Nurse (Medical Practice)	254421	ANMAC
Rheumatologist	253323	Medical Board of Australia	Registered Nurse (Mental Health)	254422	ANMAC
Thoracic Medicine Specialist	253324	Medical Board of Australia	Registered Nurse (Perioperative)	254423	ANMAC
Specialist Physicians nec	253399	Medical Board of Australia	Registered Nurse (Surgical)	254424	ANMAC
Psychiatrist	253411	Medical Board of Australia	Registered Nurse (Paediatrics)	254425	ANMAC
Surgeon (General)	253511	Medical Board of Australia	Registered Nurses nec	254499	ANMAC
Cardiothoracic Surgeon	253512	Medical Board of Australia	ICT business Analyst	261111	ACS
Neurosurgeon	253513	Medical Board of Australia	Systems Analyst	261112	ACS
Orthopaedic Surgeon	253514	Medical Board of Australia	Analyst Programmer	261311	ACS
Otorhinolaryngologist	253515	Medical Board of Australia	Developer Programmer	261312	ACS
Paediatric Surgeon	253516	Medical Board of Australia	Software Engineer	261313	ACS
Plastic and Reconstructive Surgeon	253517	Medical Board of Australia	Computer Network and Systems Engineer	263111	ACS
Urologist	253518	Medical Board of Australia	Telecommunications Engineer	263311	Engineers Australia
Vascular Surgeon	253521	Medical Board of Australia	Telecommunications Network Engineer	263312	Engineers Australia
Dermatologist	253911	Medical Board of Australia	Barrister	271111	SLAA
Emergency Medicine Specialist	253912	Medical Board of Australia	Solicitor	271311	SLAA
Obstetrician and Gynaecologist	253913	Medical Board of Australia	Clinical Psychologist	272311	APS
Ophthalmologist	253914	Medical Board of Australia	Educational Psychologist	272312	APS
Pathologist	253915	Medical Board of Australia	Organisational Psychologist	272313	APS
Diagnostic and Interventional Radiologist	253917	Medical Board of Australia	Psychotherapist	272314	VETASSESS
Radiation Oncologist	253918	Medical Board of Australia	Psychologists nec	272399	APS
Medical Practitioners nec	253999	Medical Board of Australia	Social Worker	272511	AASW
Midwife	254111	ANMAC	Civil Engineering Draftsperson	312211	Engineers Australia/ VETASSESS
Nurse Practitioner	254411	ANMAC	Civil Engineering Technician	312212	VETASSESS
Registered Nurse (Aged Care)	254412	ANMAC	Electrical Engineering Draftsperson	312311	Engineers Australia
Registered Nurse (Child and Family Health)	254413	ANMAC	Electrical Engineering Technician	312312	TRA
			Radio Communications Technician	313211	TRA
			Telecommunications Field Engineer	313212	Engineers Australia
			Telecommunications Network Planner	313213	Engineers Australia
			Telecommunications Technical Officer or Technologist	313214	Engineers Australia
			Automotive Electrician	321111	TRA
			Motor Mechanic (General)	321211	TRA
			Diesel Motor Mechanic	321212	TRA
			Motorcycle Mechanic	321213	TRA
			Small Engine Mechanic	321214	TRA
			Sheetmetal Trades Worker	322211	TRA
			Metal Fabricator	322311	TRA

Occupation	ANZSCO Code	Assessing Authority
Pressure Welder	322312	TRA
Welder (First Class)	322313	TRA
Fitter (General)	323211	TRA
Fitter and Turner	323212	TRA
Fitter-Welder	323213	TRA
Metal Machinist (First Class)	323214	TRA
Locksmith	323313	TRA
Panelbeater	324111	TRA
Bricklayer	331111	TRA
Stonemason	331112	TRA
Carpenter and Joiner	331211	TRA
Carpenter	331212	TRA
Joiner	331213	TRA
Painting trades workers	332211	TRA
Glazier	333111	TRA
Fibrous Plasterer	333211	TRA
Solid Plasterer	333212	TRA
Wall and Floor Tiler	333411	TRA
Plumber (General)	334111	TRA
Airconditioning and Mechanical Services Plumber	334112	TRA
Drainer	334113	TRA
Gasfitter	334114	TRA
Roof plumber	334115	TRA
Electrician (General)	341111	TRA
Electrician (Special Class)	341112	TRA
Lift Mechanic	341113	TRA
Airconditioning and Refrigeration Mechanic	342111	TRA
Electrical Linesworker	342211	TRA
Technical Cable Joiner	342212	TRA
Electronic Equipment Trades Worker	342313	TRA
Electronic Instrument Trades Worker (General)	342314	TRA
Electronic Instrument Trades Worker (Special Class)	342315	TRA
Chef***	351311	TRA
Cabinetmaker	394111	TRA
Boat Builder and Repairer	399111	TRA
Shipwright	399112	TRA
Dental Hygienist	411211	VETASSESS
Dental Prosthetist	411212	TRA
Dental Technician	411213	TRA
Dental Therapist	411214	VETASSESS

ANZSCO is the Australian and New Zealand Standard Classification of Occupations published by the Australian Bureau of Statistics and current as at 1 July 2013.

nec means "not elsewhere classified".

*** indicates that the occupation excludes positions in fast food or takeaway food service.

The acronyms used to refer to an Assessing Authority mean:

AACA	Architects Accreditation Council of Australia Inc
AASW	Australian Association of Social Workers
ACOPRA/APC	Australian Council of Physiotherapy Regulating Authorities Ltd/Australian Physiotherapy Council
ACPSEM	Australasian College of Physical Scientist and Engineers in Medicine
ACS	Australian Computer Society
ACWA	Australian Community Workers Association
ADC	Australian Dental Council
AIM	Australian Institute of Management
AIMS	Australian Institute of Medical Scientists
AIQS	Australian Institute of Quantity Surveyors
AIR	Australian Institute of Radiography
AITSL	Australian Institute for Teaching and School Leadership
AMSA	Australian Maritime Safety Authority
ANMAC	Australian Nursing and Midwifery Accreditation Council
ANZOC	Australian and New Zealand Osteopathic Council (name changed to Australasian Osteopathic Accreditation Council)
ANZSNM	Australian and New Zealand Society of Nuclear Medicine
APharmC	Australian Pharmacy Council
APodC/ANZPAC	Australasian Podiatry Council/Australian and New Zealand Podiatry Accreditation Council Inc.
APS	Australian Psychological Society
AVBC	Australasian Veterinary Boards Council Inc.
CASA	Civil Aviation Safety Authority
CCEA	Council on Chiropractic Education Australasia Inc.
CPAA	Certified Practising Accountants Australia
DAA	Dieticians Association of Australia
EngineersAustralia	Institution of Engineers, Australia
ICAA	Institute of Chartered Accountants of Australia (name changed to Chartered Accountants Australia and New Zealand)
IPA	Institute of Public Accountants
NAATI	National Accreditation Authority for Translators and Interpreters
OCANZ	Optometry Council of Australia and New Zealand
OTC	Occupational Therapy Council
SLAA	State Legal Admission Authority
SPA	Speech Pathology Association of Australia
SSSI	Surveying and Spatial Sciences Institute
TRA	Trades Recognition Australia
VETASSESS	Vocational Education and Training Assessment Services

<http://www.border.gov.au/Trav/Work/Work/Skills-assessment-and-assessing-authorities/skilled-occupations-lists/SOL>

APPENDIX C

LIST OF FLAGGED OCCUPATIONS ON THE SKILLED OCCUPATIONS LIST

ANZSCO Code	Occupation	ANZSCO Code	Occupation
133513	Production Manager (Mining)	234912	Metallurgist
221111	Accountant (General)	241411	Secondary School Teacher
221112	Management Accountant	251311	Environmental Health Officer
221113	Taxation Accountant	251312	Occupational Health and Safety Adviser
224111	Actuary	252712	Speech Pathologist
224511	Land Economist	271111	Barrister
224512	Valuer	271311	Solicitor
232212	Surveyor	321111	Automotive Electrician
232213	Cartographer	321211	Motor Mechanic (General)
232214	Other Spatial Scientist	321212	Diesel Motor Mechanic
233111	Chemical Engineer	321213	Motorcycle Mechanic
233211	Civil Engineer	321214	Small Engine Mechanic
233212	Geotechnical Engineer	322211	Sheetmetal Trades Worker
233213	Quantity Surveyor	331111	Bricklayer
233214	Structural Engineer	331112	Stonemason
233215	Transport Engineer	331211	Carpenter and Joiner
233411	Electronics Engineer	331212	Carpenter
233511	Industrial Engineer	331213	Joiner
233512	Mechanical Engineer	332211	Painting Trades Workers
233513	Production or Plant Engineer	333111	Glazier
233611	Mining Engineer (except Petroleum)	333211	Fibrous Plasterer
233612	Petroleum Engineer	333212	Solid Plasterer
233911	Aeronautical Engineer	333411	Wall and Floor Tiler
233912	Agricultural Engineer	351311	Chef*
233913	Biomedical Engineer	399111	Boat Builder and Repairer
233914	Engineering Technologist	399112	Shipwright
233915	Environmental Engineer	411211	Dental Hygienist
233916	Naval Architect	411212	Dental Prosthetist
234611	Medical Laboratory Scientist	411213	Dental Technician
234711	Veterinarian	411214	Dental Therapist

* Indicates that the occupation excludes positions in fast food or takeaway food service.

APPENDIX D

SOUTH PACIFIC MAP



http://countryoffice.unfpa.org/pacific/drive/web_140414_UNFPAPopulationandDevelopmentProfiles-PacificSub-RegionExtendedv1LRv2.pdf

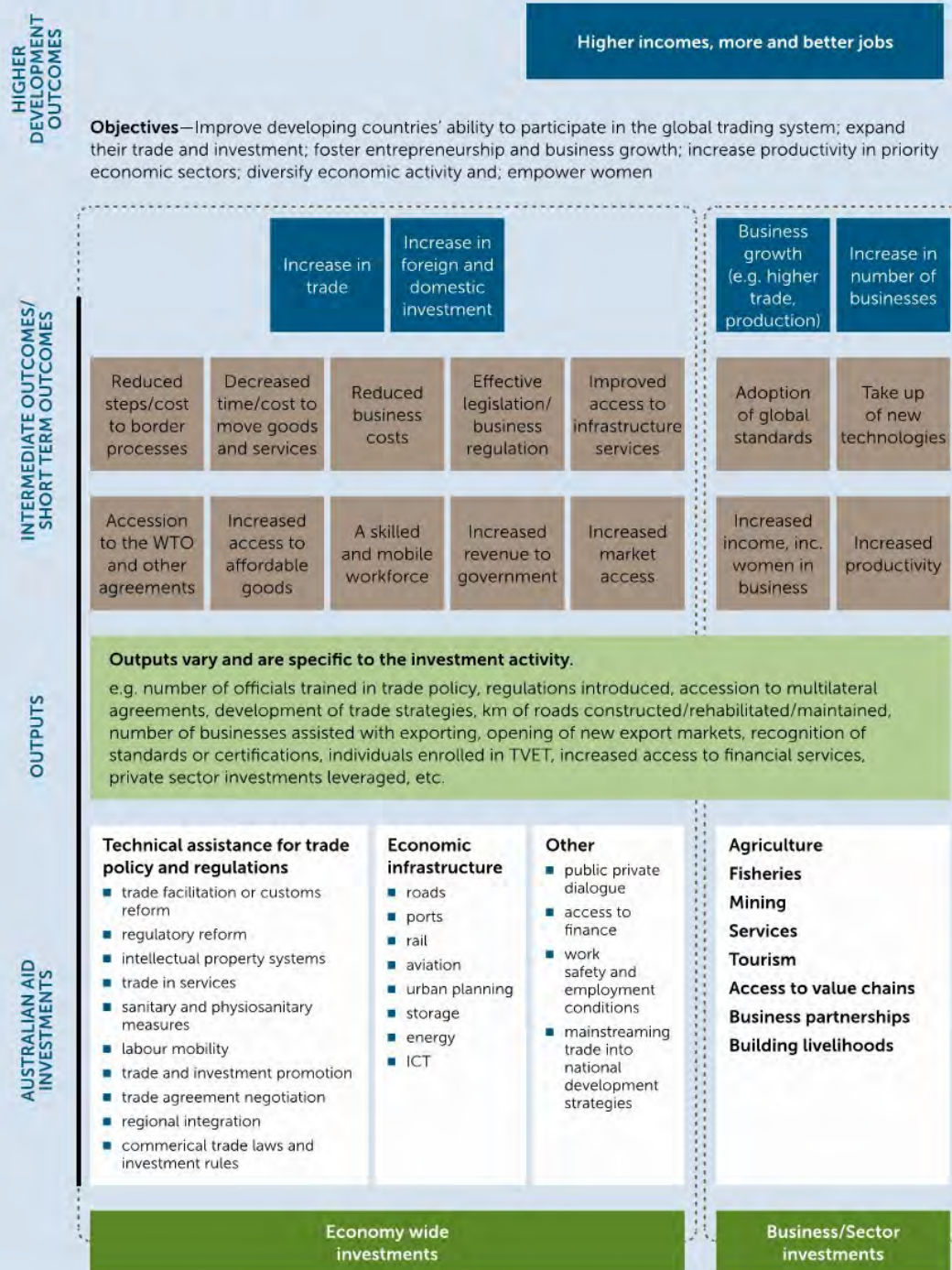
APPENDIX E

FORMS OF REGIONALISM

Regional collective action	To achieve:	By:	Requiring:
Coordination	Open consultation and access to information; and coordinated application of shared, best-practice norms and standards.	Establishing and managing agreed processes that facilitate regional dialogue and access to (and use of) information.	Voluntary consultations and agreements; possible resource sharing.
Cooperation	An effective and strengthened voice in protecting and sustainably harnessing the region's physical, social and cultural assets for the benefit of all.	Developing and committing to coordinated regional or sub-regional policies and strategies.	Voluntary agreement to modes of regional cooperation; services are mainly funded and delivered nationally.
Collaboration	Achievement of economies of scale and equitable benefits that cannot be achieved nationally.	Delivering regional public goods and pooled services.	Voluntary agreement to modes of regional collaboration; national governments are freed from daily management of these priorities.
Harmonisation	Achievement of shared institutional and/or legal objectives.	Entering into specific regional or sub-regional commitments to common policies, regulations, standards and/or processes.	Legally binding arrangements, including commitment to national resource allocation; each country free to amend their internal laws / requirements to meet the shared regional objectives.
Economic integration	Greater economic prosperity founded on regional economic integration and sustainability and the equitable distribution of benefits and costs.	Lowering physical and technical market barriers to enable freer movement of people and goods within and among countries.	Legally binding arrangements, including commitment to national resource allocation; each country commits to amending their internal laws / requirements to meet the shared regional objectives.
Administrative/legal/institutional integration	A secure and well governed Pacific region pledged to upholding regional values.	Agreeing to common rules, standards and institutions to foster and sustain integration.	Legally binding arrangements, including commitment to national resource allocation and to operating within regionally mandated requirements.

APPENDIX F

AFT PROGRAM LOGIC



APPENDIX G

PACIFIC TVET FRAMEWORK – IMPACT AND SUSTAINABILITY

Objectives	Impact and sustainability
Support the implementation of national TVET frameworks and action plans	While national frameworks and plans are for the most part seem to be aligned to the PTVETF there is little evidence to suggest that where this alignment occurs it is a direct result of the PTVETF
Enhance the status of TVET in the Pacific region and stress the importance of TVET in national and economic development	The Forum Ministers' endorsement of the PTVETF in 2012 was in itself an important step to enhance the status of TVET in the Pacific region. However, as noted above, evidence of the direct impact of the PTVETF at country level has yet to be realised.
Strengthen, develop, and transform TVET into a mainstream activity for Pacific youth development, youth employment and capacity building	The PTVETF is comprised of guides to best practice across the eight priority areas included in this study. It is a useful checklist from which Pacific Governments could benchmark their respective development practices. Since its endorsement, there has been no formal mechanism for monitoring and continuing advocacy of the PTVETF principles. As a consequence, its promise as a guide for common and consistent approaches to TVET good practice has not been realised.
Mobilise resources and support for TVET	There are strong signs of increasing Government commitment to increase investment in TVET in Fiji and Vanuatu but these are the exception rather than the norm. Particularly in the school sector TVET remains the 'second cousin' in education funding and programming.
Position regional institutions to showcase best practice in TVET and develop appropriate TVET programs and a pool of TVET trainers and managers	Currently the USP and the APTC are both extending their reach in the TVET area and providing opportunities for post-school TVET training and qualifications for students in smaller countries who would otherwise have minimal access to tertiary studies. USP is offering a Certificate IV in Training, Assessment and evaluation in a blended mode. Other institutions like the Fiji National University are also providing opportunities for post-school training and qualifications. The SPC through the Pacific Register of Qualifications and Standards (PRQS) and the Pacific Qualifications Framework continues to offer best practice support and benchmarking opportunities for those countries with national qualifications authorities and qualifications structures for those countries without.
Strengthen regional co-ordination of TVET through development, co-operation and partnerships	The development of the PTVETF was a regional initiative with the aim of co-ordinating TVET in the region and identifying gaps with regards to TVET provision. This initiative was supported by the PIFS and endorsed by the Forum Education Ministers' Meeting. At provider and qualification authority levels there is some evidence of regional co-operation but it is not apparent in practice at national government levels. This is because of the existence of bilateral arrangements between governments and donors.
Promote life-long learning	The concept of life-long learning remains an aspiration for the most part. There are some minor instances but it is fair to say that at this stage the practice is not widespread. The absence of quality student data management systems is a significant constraint in this regard as student data are not captured at the school level. This indicates a need to develop a more efficient Education Management Information System to capture student information/ data. What is also missing is a pathway model for students after formal schooling.
Facilitate labour mobility (temporal movement of natural persons)	International and regional recognition of qualifications remains elusive. Substantial and good quality effort has been applied at the regional level through the PRQS and at the national level several countries have established qualifications authorities and frameworks with an eye to international recognition. APTC is also providing programs of study with the objective of awarding internationally recognised qualifications to students from the region.

Source: <http://unesdoc.unesco.org/images/0023/002354/235475e.pdf>

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AUSTRALIA-PACIFIC
TECHNICAL COLLEGE

CREATING SKILLS FOR LIFE

APTC Regional Head Office

Ganilau House Cnr Edward and Scott Street Suva

PO Box 14319 Suva Fiji Islands

Phone +679 330 0967

Fax +679 331 2288

Email enquiries@aptc.edu.au

Web www.aptc.edu.au

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