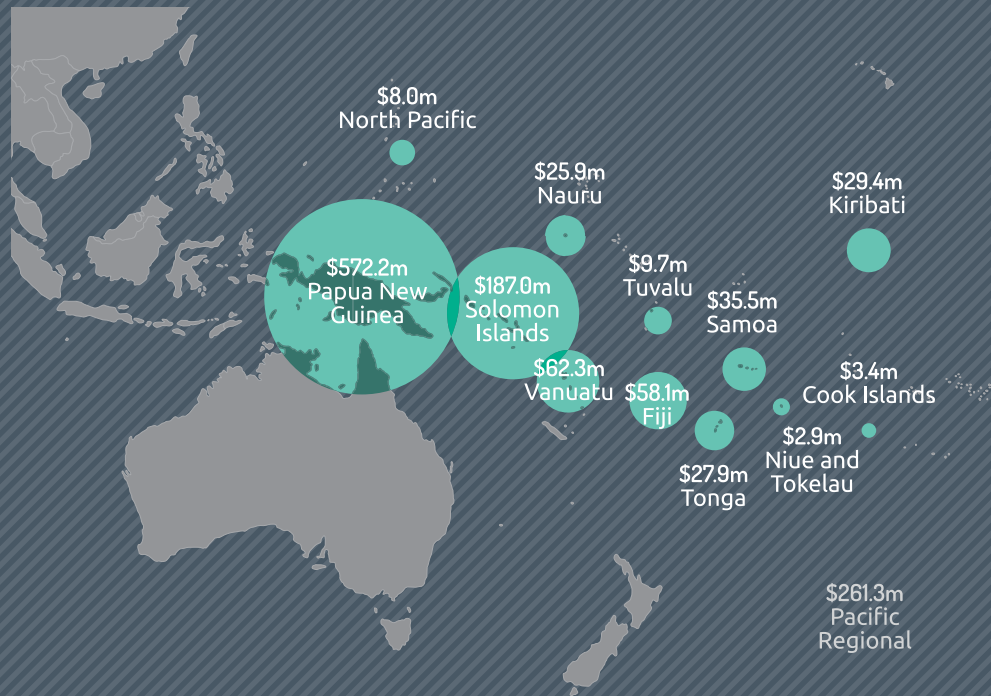
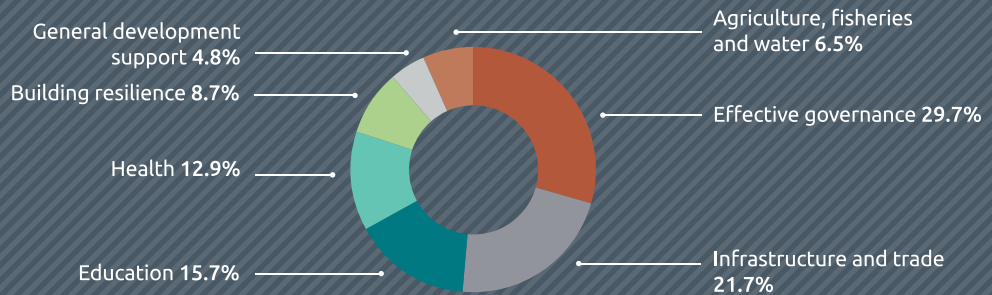


2018-19 TOTAL AUSTRALIAN ODA TO THE PACIFIC*

\$1.3 BILLION



Australian ODA by investment priority



Program highlights



**PACIFIC
AUSTRALIA PACIFIC
SECURITY COLLEGE****

\$17.5m

2018-19 TO 2020-21



**PACIFIC
LABOUR FACILITY**

\$50m

2018-19 TO 2022-23



**PACIFIC
ELIMINATING
MOSQUITO BORNE
DISEASES IN THE PACIFIC**

\$7.7m

2017-18 TO 2020-21

* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in the Pacific.
** Includes non-ODA eligible components.

Stepping up support for a more resilient Pacific is one of the five priorities for Australia's foreign policy set out in the White Paper.

The Australian Aid program will focus on promoting economic cooperation and greater Pacific integration for economic growth, tackling security challenges and strengthening people-to-people links with Pacific island countries to achieve stronger partnerships for a secure, stable and prosperous Pacific.

The Aid program will work to strengthen the economic resilience of the region by improving opportunities for growth and jobs in the Pacific, and by increasing labour mobility opportunities for Pacific workers in Australia. Through our Pacific regional program, we will support a new Pacific Labour Scheme to allow workers from the region to take up low and semi-skilled opportunities in rural and regional Australia for up to three years. Streamlined measures will also help increase the uptake of opportunities under the Seasonal Worker Program (SWP). A new Pacific Labour Facility and the realignment of our skills and education programs, in the Australia-Pacific Technical College will support this.

Our bilateral programs will help countries review policies, strengthen the competitiveness of key sectors and create the conditions for economic growth and prosperity. Key policy focuses include supporting women's empowerment and greater economic participation, reducing red tape, developing improved financial markets, deepening financial inclusion, and supporting the tourism and agribusiness sectors.

We will assist with major infrastructure projects, including the construction of a high-speed telecommunications cable connecting PNG and Solomon Islands to Australia.

Security of the Pacific region is necessary for Pacific island countries to achieve sustainable development. Through new initiatives, such as the Australia Pacific Security College, we will work with Pacific island countries to build a more stable and secure region. We will bring together officials from across countries and agencies for training and professional development and enable them to establish close working relationships.

The Australian Federal Police's (AFP) Pacific Police Development Program will continue to support a broad range of police development activities throughout the Pacific, improving the rule of law as a prerequisite for economic, social and political development.

Australia is the most significant contributor of humanitarian assistance and reconstruction efforts to the Pacific, as shown in our responses to recent disasters such as Tropical Cyclone Gita and the earthquake in PNG. Beyond these responses we are working with Pacific partners to enhance climate change and natural disaster resilience among communities.

We are also working to bring Australians and Pacific Islanders closer together through a range of programs to enhance our people-to-people links. Australia Awards Scholarships will continue to build strong links within the Pacific and national capacities in the Pacific.

More broadly, Australia will also enhance regional information sharing, which is central for Pacific island countries to better control their maritime domains against illegal fishing, drug smuggling and other transnational crimes, as well as promote their sovereignty. Alongside this we will also focus on improved health security outcomes to prevent major disease outbreaks across the region.



1474
awardees

ACROSS 13 COUNTRIES
IN THE PACIFIC



60%
females

2018
AUSTRALIA AWARDS
SCHOLARSHIPS

Stepping up for a more secure and prosperous Pacific



ECONOMIC GROWTH

Working in partnership with governments to better integrate our economies through transformative infrastructure, open access to Australian markets and facilitation trade.



INFRASTRUCTURE, SUCH AS UNDERSEA CABLE PROJECT



LABOUR MOBILITY AND SKILLS



PACER PLUS PACKAGE



SECURITY

Promoting a rules based order, we are committed to good governance and stability in our region.



AUSTRALIA PACIFIC SECURITY COLLEGE



PROTECTING FISHERIES RESOURCES



POLICE DEVELOPMENT PROGRAMS



RELATIONSHIPS

Building and strengthening working relationships, with Pacific people-to-people opportunities for collaboration and share insights into new and innovative solutions for development.



PACIFIC SCHOOLS BRIDGE PROJECT



AUSTRALIA AWARDS



PACIFIC CONNECT

Case study: Stepping up engagement in the Pacific

Australian Aid has helped address many of the acute challenges faced by our neighbours in the Pacific over many years. This includes our work on economic vulnerability, climate change and natural disasters, health security, governance and capacity constraints, and education and employment opportunities. However, we recognise that the complexity of these challenges demands deeper engagement, integrated policy and fresh ideas to help drive forward development outcomes in the region.

In the White Paper, Australia has committed to intensifying our engagement and promoting greater integration with, and within the region, along three core pillars:

- » promoting economic resilience and improving livelihoods
- » tackling security challenges
- » strengthening people-to-people links, skills and leadership.

The 'Step-Up' in action: Pacific Pharmaceutical Laboratory Testing Program pilot

In close partnership with Pacific island countries, the Australian Therapeutic Goods Administration is piloting the Pacific Pharmaceutical Laboratory Testing Program. This program will enable access to safe, quality assured medicines, by providing participating countries access to Australia's world-class medicine testing services.

Laboratory testing is a simple and immediate mechanism for countries to determine the quality and safety of the medicines they procure and use. The pilot provides five medicine quality test credits per participating country, per year. Three credits are for routine testing of commonly used medicines, with a focus on antibiotics and medicines for treating non-communicable diseases, while two are for reactive testing of medicines when a potential problem with a product is suspected.

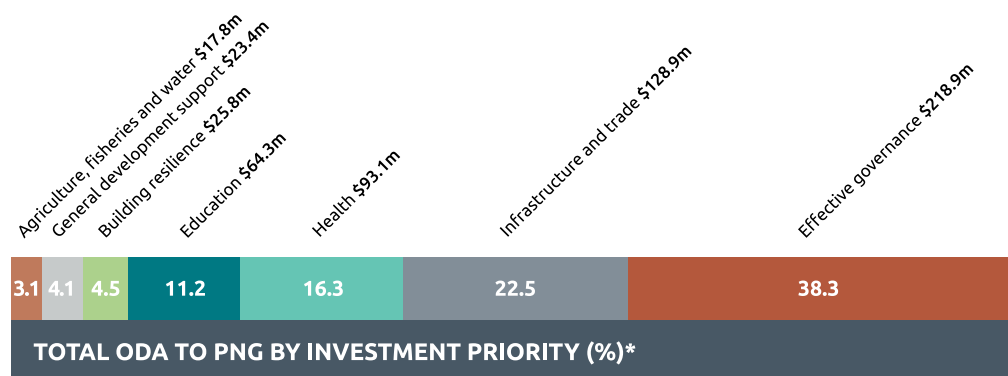
In 2017–18, Australia signed five memoranda of understanding with the governments of Kiribati, Nauru, Solomon Islands, Tonga and Tuvalu to participate in the pilot. The first routine testing campaign took place between February and March 2018. Following its success, the program will expand to additional Pacific island countries throughout 2018.

The sharing of Australian testing systems through this initiative not only supports improved health outcomes in Pacific island countries, but also promotes greater health security for our neighbourhood and Australia.

Indo-Pacific Health
Security Initiative

Papua New Guinea

	2018–19
Program	Budget Estimate \$m
Country	519.5
Regional	21.4
Global	11.5
Other Government Departments	19.8
Total ODA to PNG	572.2



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia has a strong and enduring partnership with PNG, our nearest neighbour. Close cooperation on economic, security, and development matters, as well as a broad range of people-to-people links highlight the depth and breadth of our relationship.

Despite a decade of robust economic growth from the mid-2000s, growth in PNG has slowed due to lower commodity prices and budget deficits. Growth is projected to remain moderate over the short-to-medium term. More than 40 per cent of the population remain poor and face hardship, 80 to 85 per cent of Papua New Guineans live in traditional rural communities. The development challenges for children and youth in PNG are stark. An estimated 40 per cent of children are stunted, one in five children are not enrolled in school and nearly half the population is under 20 years of age.

PNG is our largest development partner. Our support responds to PNG's many challenges, including fiscal and infrastructure constraints, poor human development indicators, and weak capacity to deliver services.

In 2018–19, Australian development support for PNG will focus on:

- » supporting the future digital economy through the delivery of a new undersea high-speed telecommunications cable from Australia to Port Moresby, a project that will have a positive impact on business engagement and significant social benefits

A stable prosperous
PNG is in Australia's
national interest.

White Paper

- » improving the lives of women and girls across all areas of work through investments that: enhance women's voice in decision-making, leadership and peace building; promote economic empowerment; end violence against women and girls; and increase access to support services
- » enabling economic growth by: investing in infrastructure, innovation and business partnerships; leveraging finance for development; supporting agriculture and rural development; improving the business enabling environment; developing improved financial markets; and deepening financial inclusion
- » supporting effective governance, with an emphasis on: working with provinces and districts to improve service delivery and economic opportunity; supporting the contribution of communities, churches and the private sector; and enhancing the accountability, legitimacy and responsiveness of law and justice agencies
- » enhancing health by: targeting maternal and child health and communicable diseases; strengthening health security; and helping to build a more effective health system
- » enhancing the education sector by: improving the quality of education for young children; equipping students with the skills and qualifications necessary for employment; and nurturing the leadership qualities needed for the country's development
- » cultivating a culture of gender inclusiveness.

Case study: Undersea Telecommunications Cable Project

Australia is committed to supporting PNG and Solomon Islands to build their economies through sustainable development and resilient technologies, enabling e-commerce and the digital delivery of services.

In an ambitious joint project, planning is underway to build high-speed telecommunications cables from Australia to PNG and to, and within, Solomon Islands, allowing faster and more reliable Internet connections in both countries.

PNG's existing undersea telecommunications cable to Sydney is nearing the end of its useful life. Solomon Islands has no undersea telecommunications cable link, leaving it dependent on expensive and unreliable satellite communications.

The Undersea Telecommunications Cables Project is one element of Australia's International Cyber Engagement Strategy that sets out Australia's approach to help bridge digital divides across the Indo-Pacific. The project will support the development of entrepreneurship, digital skills and the further integration of these Pacific countries into the global marketplace.



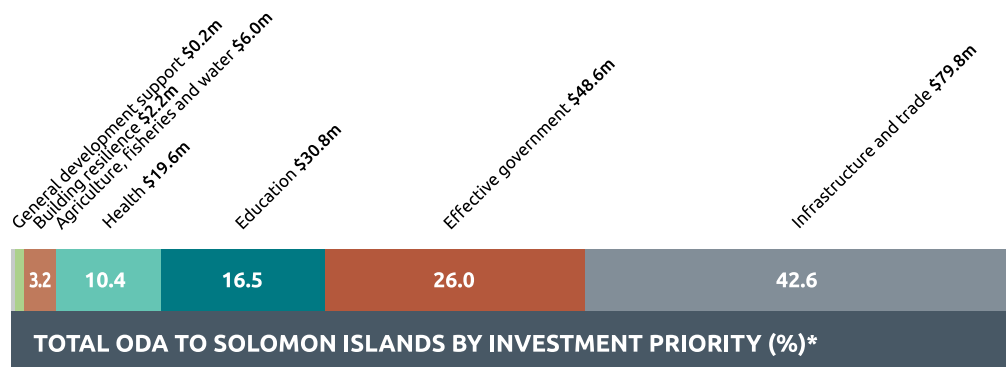
Caution Bay PNG. Mapping the route for the new telecommunications cable. Photo: DFAT

Slow and unreliable Internet connections hinder business potential and prevent timely information sharing and exchanges, both within and external to the local environment.

World Bank

Solomon Islands

2018–19	
Program	Budget Estimate \$m
Country	146.1
Regional	12.7
Global	9.4
Other Government Departments	18.9
Total ODA to Solomon Islands	187.0



* Difference in values due to rounding and/or percentages below 2 per cent are not published.

Australia is a major economic, development and security partner of Solomon Islands and has a deep and longstanding relationship in supporting its ongoing stability, underpinned by viable institutions and economic growth.

Development outcomes in Solomon Islands are behind the rest of the region. Solomon Islands ranked 156 out of 187 countries on the 2016 United Nations Human Development Index. Gross Domestic Product (GDP) per capita is among the lowest in the Pacific at around US\$2,000.

Most of the population (growing at about 3 per cent per annum) is involved in subsistence and/or cash crop agriculture, with less than one-quarter involved in paid work. Agriculture and raw materials (including logging) accounted for 92 per cent of exports, leaving the narrow-based economy vulnerable to shocks.

The conclusion of Regional Assistance Mission to Solomon Islands (RAMSI) in 2017 coincided with Australia's commitment to step-up support for a more resilient Pacific and the development of a shared agenda for security and prosperity in Solomon Islands. In 2018–19, Australian development support for Solomon Islands will focus on:

- » creating conditions for economic growth and prosperity, including assisting with major infrastructure projects such as the Tina River Hydro Development Project, a public-private partnership aiming to deliver significant energy production and unlocking potential for economic growth in Solomon Islands

- » supporting the future digital economy through the construction of a high-speed telecommunications cable from Australia to, and within, Solomon Islands, which will support the development of entrepreneurship, digital skills and the integration of Solomon Islands into the global marketplace and have significant social benefits
- » creating an improved enabling environment for business investment through the Solomon Islands Growth Program, and positioning Solomon Islands to maximise the benefits and opportunities of economic development and responsible investment
- » ensuring that the first national elections following the conclusion of RAMSI, scheduled to occur in early 2019, deliver a credible and technically sound election process for the people of Solomon Islands
- » continuing to provide support for long-term stability through Australia's justice, governance and policing development programs, which will focus on strengthening key institutions so as to improve macroeconomic stability, provide better access to services, and contribute to safer communities
- » supporting the ongoing development of Solomon Islanders through our education and health improvement projects.



Increased telecommunications links is important to economic growth and social welfare.
Photo: Irene Scott



Case study: The Last Taboo

Funded under the Australian Aid program's Pacific Women Shaping Pacific Development (Pacific Women) program, The Last Taboo is the first multi-country study of menstrual hygiene in the Pacific. Research and workshops took place in Fiji, PNG and Solomon Islands in 2016 and 2017.

The Last Taboo explored the challenges experienced by women and girls in managing their menstruation, particularly whether these challenges made it harder for them to equally participate in school and work and engage with their communities.

Managing menstruation effectively and with dignity can be challenging for girls and women in low and middle-income countries in the Pacific. Barriers include negative community attitudes towards menstruating females, a lack of menstrual health education, and the unavailability, quality and price of menstrual hygiene products, particularly in rural and remote regions.

Innovative research methods were enlisted where women and girls were able to share the challenges they face in managing their menstruation, their preferences regarding sanitary products and their aspirations for how they wish to manage their menstrual hygiene in a safe environment. Research outcomes informed a series of workshops that brought together gender, health, education and water and sanitation experts to deliver new approaches.

The Last Taboo has already achieved successes in improving gender equality in the Pacific. The project is supporting companies that produce low-cost, safe menstrual hygiene products in the Indo-Pacific. A woman-owned business has been established in Solomon Islands to produce menstrual hygiene products.

This initiative is an important step in bridging the gender divide in the Pacific through education and the empowerment of women. It also supports Australia's commitment to achieving global Sustainable Development Goal 5 on gender equality. The Last Taboo aligns with Australia's foreign policy objectives by reducing poverty, leveraging partner funding and delivering results at a low cost.

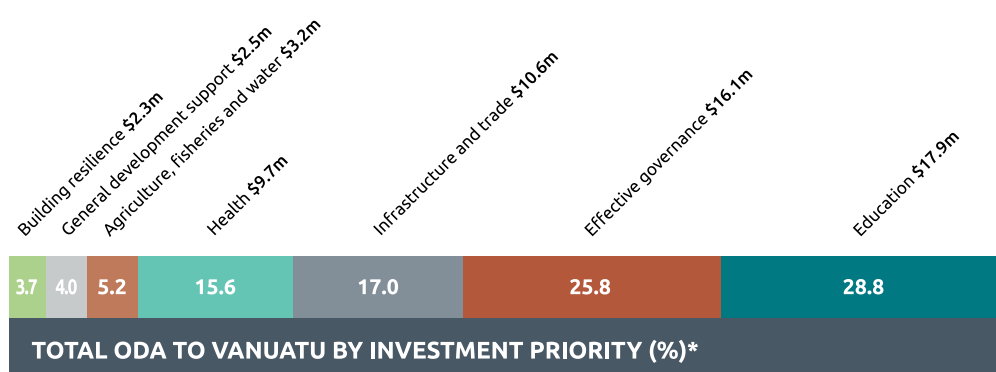
The Last Taboo was a collaboration between the innovationXchange, Pacific Division, Health Division and external organisations including the Burnet Institute, International Women's Development Agency and Water Aid Australia.



Solomon Islands data collection for the Last Taboo Research project. Photo: DFAT and Burnet Institute

Vanuatu

	2018–19
Program	Budget Estimate \$m
Country	41.9
Regional	9.9
Global	8.9
Other Government Departments	1.7
Total ODA to Vanuatu	62.3



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia and Vanuatu share a common interest in a prosperous and stable Vanuatu. Australia is an important economic partner for Vanuatu, providing the country with most of its tourists, investment and development assistance.

Most of Vanuatu's population lives in rural areas where subsistence farming, fishing and production of cash crops, such as kava, coconut and cocoa, are the main sources of livelihood. Goods exports are dominated by agricultural products, particularly kava, coconut products, beef and cocoa. Vanuatu's economic growth has recently been driven largely by tourism and construction. Tourism and tourism-related services sectors (wholesale and retail trade, hotels and restaurants, and transport and communication) account for approximately 40 per cent of GDP and one-third of people in formal employment.

The overall economic impact of Tropical Cyclone Pam (2015) has been significant, as real GDP contracted by more than 2 per cent before growth rebounded to 4 per cent in 2016 and 4.5 per cent in 2017, largely driven by recovery in tourism and agricultural production. In 2017, Vanuatu's GDP per capita was US\$2,976.

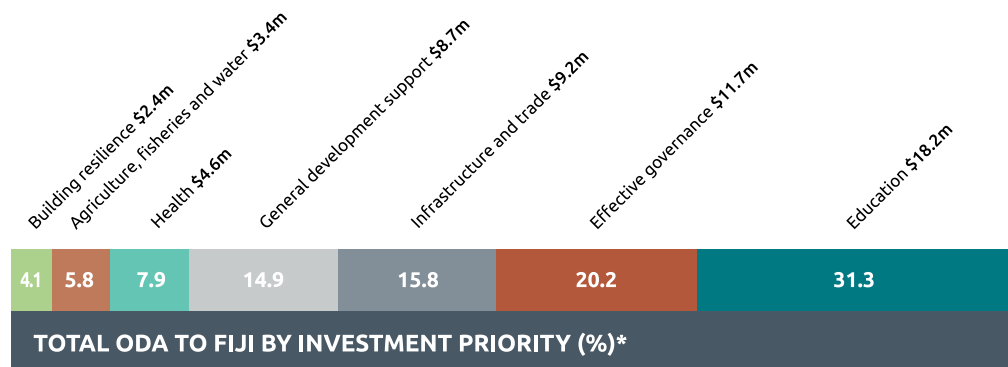
In 2018–19, Australian development support for Vanuatu will focus on:

- » promoting economic growth through helping the Vanuatu Government provide the right conditions for business development and investment
- » strengthening skills in tourism, agribusiness and handicrafts to improve economic opportunities for both women and men in targeted provinces, with Australia continuing to work with government and private sector stakeholders to co-invest in skills development priorities

- » improving economic growth and service delivery in rural areas in Vanuatu through increased access to a well maintained, affordable and integrated transport network
- » supporting the Vanuatu Government to improve the early years of education by training teachers and rolling out new curriculum, to ensure children can read, write and understand basic mathematics
- » supporting essential health services and initiatives to combat malaria, training village health workers and providing locum doctors and support for clinical staff in hospitals
- » improving community safety and resilience through strengthening justice institutions, with a focus on reducing violence against women, children and youth
- » building disaster resilience through the final phase of support for recovery from Tropical Cyclone Pam, including the repair of critical public infrastructure (such as rebuilding health centres, primary school classrooms and key government buildings for essential public services).

Fiji

	2018–19
Program	Budget Estimate \$m
Country	35.0
Regional	14.5
Global	5.6
Other Government Departments	3.0
Total ODA to Fiji	58.1



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia is committed to strong and productive relations with Fiji, underpinned by people-to-people links and significant trade and investment ties to support a prosperous Fiji. We recognise Fiji's economic potential and its capacity to serve as a regional hub for business, tourism, security cooperation, and humanitarian and disaster response coordination.

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.



The Fiji Women's Fund launching its first annual progress report. The Fund is an Australian Government initiative and Australia will contribute \$10.5 million from 2015 to 2022. Photo: DFAT

Expansionary fiscal policies, particularly large infrastructure and social expenditure programs and accommodative monetary policy, have supported seven years of economic growth since 2010. Service sectors continue to grow strongly (largely driven by the tourism industry) and along with construction, manufacturing and retail activity, are the main drivers of growth. Tourism remains Fiji's main source of foreign exchange and visitor numbers grow steadily each year, reaching more than 840 500 in the 12 months to January 2018—a new record. Australia remains Fiji's largest tourism market, accounting for more than 43 per cent of visitor arrivals during this period, followed by New Zealand (22 per cent) and the United States (10 per cent).

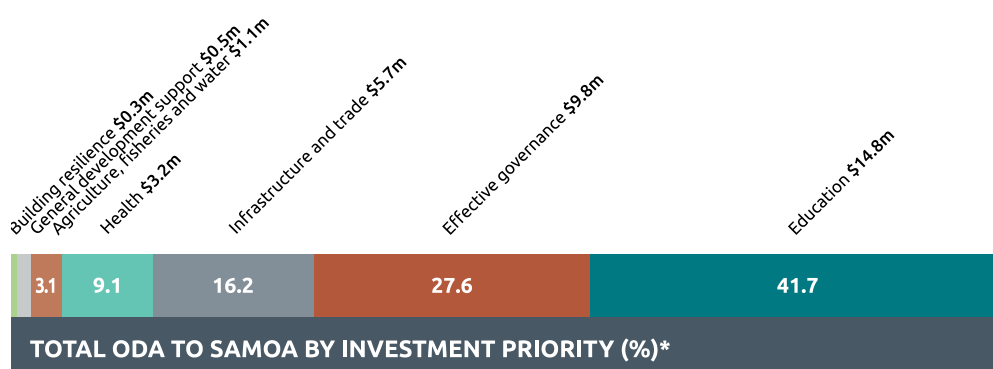
Australia's development program forms part of our enhanced partnership with the Government of Fiji in support of Fiji's development, outlined in their 5-year & 20-Year National Development Plan: Transforming Fiji. We share the interest of the Government of Fiji in enhancing private sector growth and stimulating the economy to generate jobs and incomes for the poor. Australia is Fiji's leading donor in health and education, and a major partner in private sector development and governance.

In 2018–19, Australian development support for Fiji will focus on:

- » increasing private sector development by supporting the Fiji Government to review and improve its investment policies, reduce red tape, strengthen financial markets, and strengthen the competitiveness of the key sectors of tourism and niche goods exports
- » improving human development through new programs to improve the quality of basic education and health services in Fiji
- » supporting the Fiji Government to administer the 2018 election and induct new members of Parliament, with Australia continuing to support the work of the Fiji Parliament and its committees and assisting the Fiji Government to implement its civil service reforms.

Samoa

	2018–19
Program	Budget Estimate \$m
Country	23.6
Regional	8.1
Global	1.7
Other Government Departments	2.1
Total ODA to Samoa	35.5



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Samoa and Australia have an enduring and cooperative relationship that extends across political, security, economic and people-to-people links. We are committed to Samoa's development and to the security and prosperity of the region.

Samoa has a small and developing economy that has generally performed well in recent years. Key domestic sectors are services, tourism and agriculture. Remittances from Samoans working abroad are a key part of the economy. Australia, New Zealand and the United States are the main source of remittances. Foreign development assistance in the form of loans, grants and direct aid is an important component of the economy. Approximately 60 per cent of the population is employed informally and works in subsistence agriculture or local commercial ventures.

Samoa has a small population of around 196 000, a narrow resource base, and is geographically isolated. Economic infrastructure needs to be improved and credit is relatively expensive. It is difficult for Samoa to attract and retain the skills it needs.

Australia's development program will support ongoing governance reforms, promote gender equality, improvements to education and health services, and resilience to climate change and natural disasters.

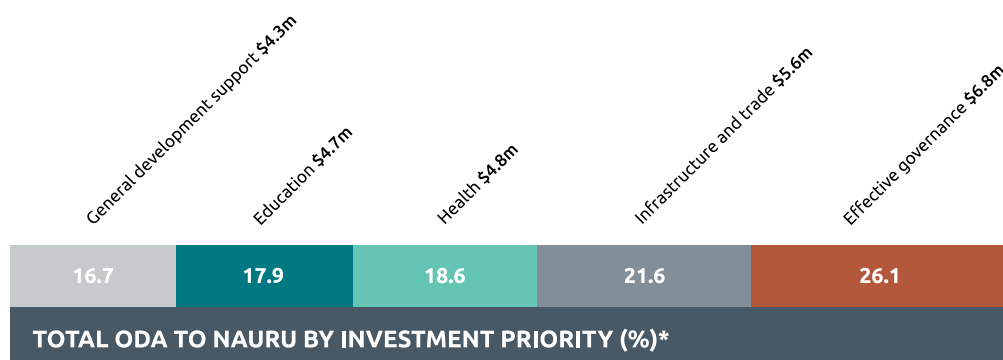
In 2018–19, Australian development support for Samoa will focus on:

- » assisting the Government of Samoa to pursue economic reforms which will improve the performance of state-owned enterprises, effectively manage government expenditure and debt, promote private sector growth and build resilience to external shocks
- » investing in climate resilient roads and bridges

- » improving the quality of teaching standards with a view to further improving numeracy and literacy outcomes
- » providing support to Samoa's health care system
- » delivering programs that benefit people with disabilities and promote gender equality, particularly women's economic empowerment, such as the Women in Leadership Project, led by the United Nations Development Programme (UNDP), which aims to strengthen women's leadership and gender equality.

Nauru

	2018–19
Program	Budget Estimate \$m
Country	21.2
Regional	3.6
Global	0.0
Other Government Departments	1.1
Total ODA to Nauru	25.9



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia has a long-established relationship with Nauru, dating back almost a century. Australia is Nauru's largest trade, investment and development assistance partner, and will continue to support Nauru to achieve its development priorities in health and education services, essential infrastructure, and public-sector reform. Nauru's economy faces significant constraints common to other small island states. These include 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.

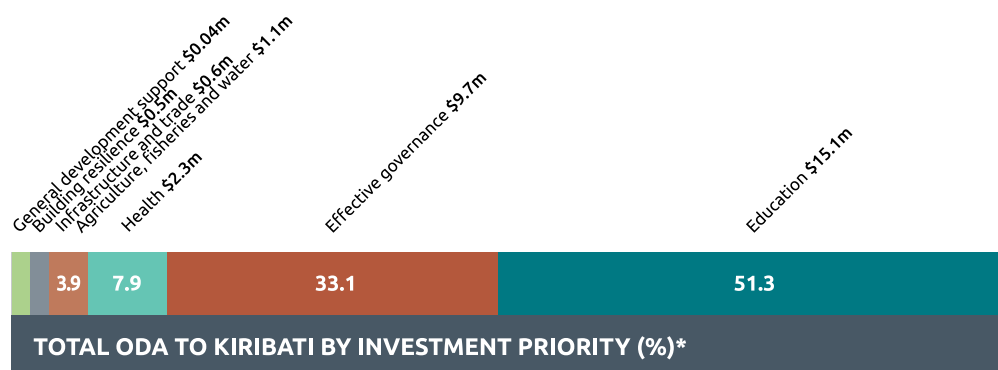
Fish abound in Nauruan waters, but Nauru has been unable to establish a fishing industry of its own. Fees from fishing licenses issued to distant water fishing nations are an important source of revenue for Nauru. An Australian-funded fisheries adviser was previously engaged to help maximise revenue from the country's marine assets. Royalties from the phosphate industry currently offer only a modest and declining revenue stream, providing an estimated 3 per cent of the national budget in 2015–16. However, revenue associated with the presence of the Regional Processing Centre and its ancillary service providers represents Nauru's most significant revenue stream.

In 2018–19, Australian development assistance to Nauru will focus on the:

- » provision of skilled personnel to fill key management roles in the Nauru public service to strengthen public financial management, develop coordination and economic governance, and deliver essential utilities
- » development of an all-weather port and community sports centre
- » enhancement of human development by working with the ministries of education and health on training and recruitment of staff, strategic planning, and the management of resources
- » provision of Australia Award Scholarships to Australian universities and other tertiary education providers in the region
- » expansion of participation by Nauruans in Australia's labour mobility programs.

Kiribati

2018–19	
Program	Budget Estimate \$m
Country	20.2
Regional	7.4
Global	1.3
Other Government Departments	0.5
Total ODA to Kiribati	29.4



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia and Kiribati have a long history of collaboration. Australia is Kiribati's largest bilateral aid donor. Kiribati is a low-lying archipelago nation acutely vulnerable to climate change, especially to rising sea levels that have already begun inundating land and homes across the islands. Australia is promoting economic cooperation with Kiribati through enhanced labour mobility and helping to mitigate environmental security challenges.



Seasonal workers from Kiribati. Photo: DFAT

Kiribati, in common with other small island atoll states, 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 have kept the private sector small. This constrains economic growth and strains public finances. Kiribati relies heavily on fishing revenue and remittances from citizens employed abroad, mainly seafarers. These are both sensitive to fluctuations, respectively depending on fish migratory patterns and the global economy.

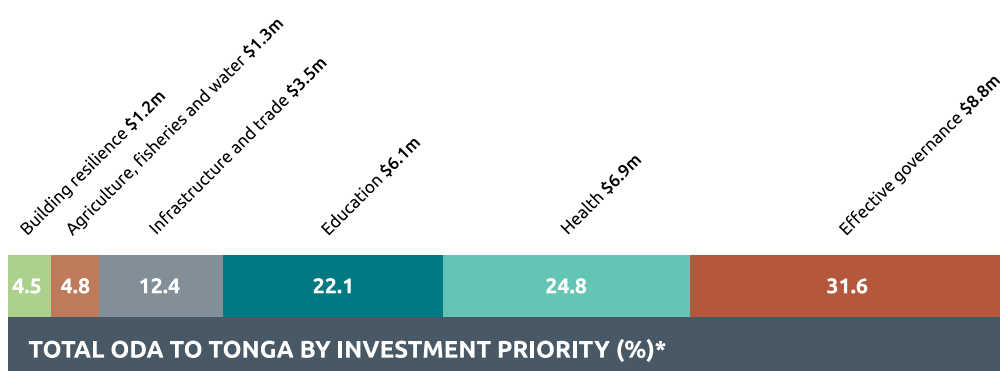
Notwithstanding its limited resources, Kiribati has largely had a solid record of financial stability since independence in 1979. Governments have adopted a cautious approach to domestic spending combined with a deliberate policy of capitalising its sovereign wealth fund, the Revenue Equalisation Reserve Fund.

In 2018–19, Australian development assistance for Kiribati will focus on:

- » developing a more capable, qualified and mobile I-Kiribati workforce through skills development at the Kiribati Institute of Technology and increased I-Kiribati participation in labour mobility schemes to Australia through the new Pacific Labour Scheme and the SWP
- » strengthening primary and secondary education to improve learning outcomes for I-Kiribati children through: curriculum reform and teacher professional development; inclusive education development; upgraded school facilities; school leadership programs; and improved management of the education system.

Tonga

	2018–19
Program	Budget Estimate \$m
Country	17.6
Regional	6.2
Global	1.4
Other Government Departments	2.6
Total ODA to Tonga*	27.9



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia has a longstanding relationship with Tonga. Australia and Tonga are committed to Tonga's development and to the security and prosperity of the region. Tonga's development challenges include vulnerability to natural disasters, geographical isolation and a narrow resource, production and export base.

In 2016, Tonga was ranked second on the World Risk Index due to its exposure to natural hazards and its capacity to respond. Tonga has a geographically isolated population of around 100 000 people, significant subsistence agriculture and a narrow resource, production and export base. It imports substantially more than it exports and has a relatively low level of private sector activity. Approximately one-quarter of Tongan households find it difficult to meet their basic needs, especially those living on outer islands and those who are not in receipt of overseas remittances. Remittances from Tongans working overseas are an important element of the economy, representing an estimated 26 per cent of GDP in 2015.

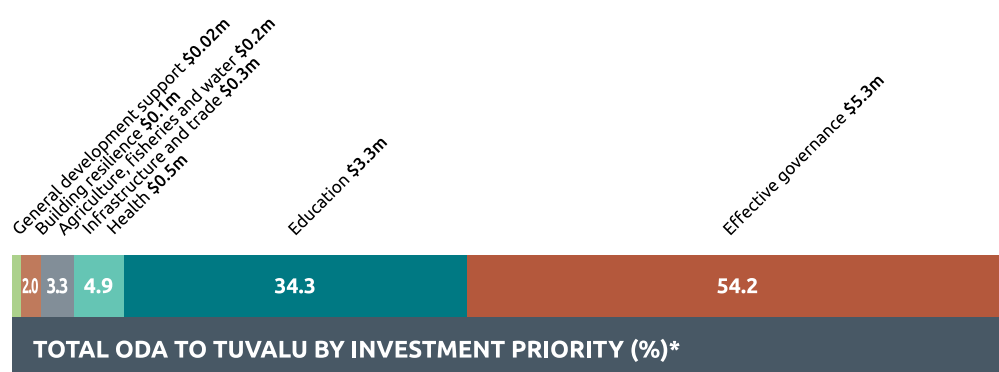
In February 2018, Tonga suffered extensive damage from Tropical Cyclone Gita. Australia's total recovery and reconstruction package of \$14 million will assist with the recovery of the education sector, restoration of urban infrastructure and strengthened food security.

In 2018–19, Australian development support for Tonga will also focus on:

- » strengthening the health system including by promoting health, exercise and nutrition to address non-communicable diseases like diabetes, and supporting mental health and disability services
- » assisting the Government of Tonga to achieve its economic reform, which includes reforms to strengthen revenue, effectively manage government expenditure and debt, and promote private sector growth
- » providing Australia Awards Scholarships, quality tertiary education and skills development aligned with labour market needs, to provide economic opportunities for Tongan workers, with a focus on opportunities for women and those with disabilities.

Tuvalu

	2018–19
Program	Budget Estimate \$m
Country	6.6
Regional	2.7
Global	0.2
Other Government Departments	0.2
Total ODA to Tuvalu	9.7



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia's close and longstanding relationship with Tuvalu is underpinned by strong security and development partnerships. Australia will continue to work with Tuvalu to build resilience to external shocks, improve macro-economic stability, effective governance and basic education.

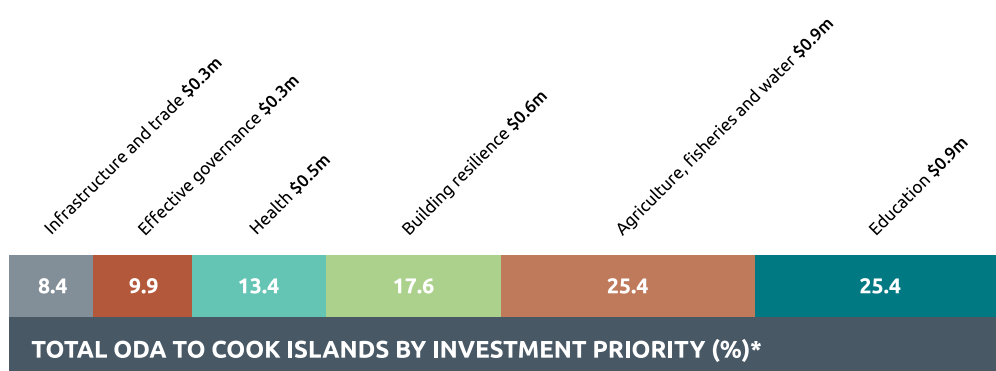
Tuvalu's prospects for economic growth are constrained by its distance from markets, small and dispersed population and vulnerability to both economic and environmental external shocks. Gross national income per capita is US\$5,840 per annum and Tuvalu has limited options to generate revenue. Its main sources of income are fishing licenses, aid, the leasing of the '.tv' Internet domain name and distributions from the Tuvalu Trust Fund. The private sector is small and offers limited employment opportunities. Tuvaluans rely primarily on the public sector as their principal source of employment. Tuvalu also faces severe development challenges arising from limited education and work opportunities, and modest natural resources. Climate change impacts will exacerbate these development challenges.

In 2018–19, Australian development support to Tuvalu will focus on:

- » promoting effective governance and economic growth through key economic and social development reforms, including the provision of skilled personnel in areas such as investment and budget management, climate change and disaster management
- » strengthening education service delivery through a new program to expand the quality of learning outcomes for primary school students nationwide, increase technical and vocational skills development, and strengthen government systems
- » building an educated and skilled workforce through Australia Awards Scholarships to study in Australia and the Pacific region
- » supporting joint efforts on health security, identity security and border security to increase opportunities for Tuvaluans to participate in labour mobility schemes.

Cook Islands

	2018–19
Program	Budget Estimate \$m
Country	1.9
Regional	1.3
Global	0.2
Other Government Departments	0.0
Total ODA to Cook Islands	3.4



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

The Cook Islands has developed a small but successful tourism industry and the Government of Cook Islands has accorded high priority to its further development. Developing marine resources within the Cook Islands' large economic exclusion zone, including black pearl farming in the Northern Group Islands, is another government priority. Cook Islands' development is challenged by its narrow economic base, limited natural resources, fragile environment, shortage of skilled labour and relatively remote location.

The economy, underpinned by tourism and marine resources, remains vulnerable to natural disasters, as demonstrated by Cyclone Pat which caused significant damage to key infrastructure in 2010, and the severe drought that hit in 2011. The Cook Islands has relatively high-income levels per person, reflecting the impact of expatriate residents and the tourist-based economy of Rarotonga. However, this masks the subsistence lifestyle of people living on the outer islands, who have limited access to basic services such as health, education, transport and potable water.

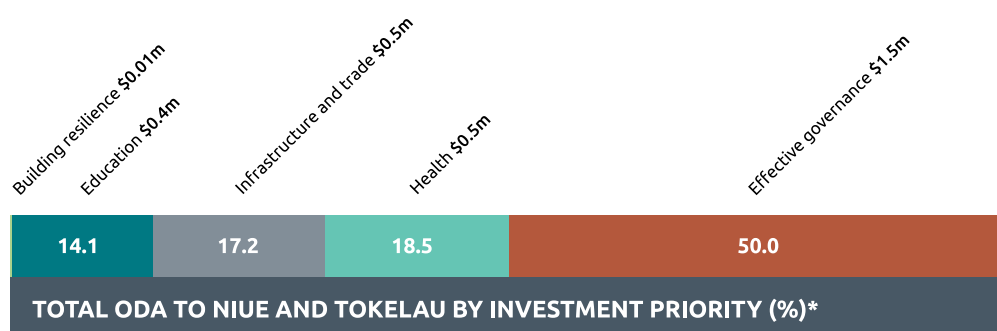
Australia will continue to support the Cook Islands to achieve its development priorities in the water and sanitation, gender and education sectors through the New Zealand Government, under a delegated cooperation arrangement.

In 2018–19, Australian development support to the Cook Islands will focus on:

- » upgrading waste management and sanitation facilities
- » providing direct budget support to the education sector
- » providing advisory support and training to empower and promote the rights of women and girls.

Niue and Tokelau

	2018–19
Program	Budget Estimate \$m
Country	1.8
Regional	1.1
Global	0.0
Other Government Departments	0.0
Total ODA to Niue and Tokelau	2.9



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Niue

The economic challenges Niue faces are common to other small island states within the region. Geographic isolation, limited natural resources and a small population hamper economic development. Cyclones occasionally devastate the island's infrastructure, including housing and tourist facilities. Niue's declining population has been a concern of successive governments. At the time of the 2006 Census, the population was 1625 and fell to 460 in 2011. Approximately 24 000 Niueans live in New Zealand (2013 Census) and about 900 live in Australia (2011 Census).

Australia provides development assistance to Niue through a delegated cooperation arrangement with New Zealand. Australia's assistance focuses on education, to ensure an educated and productive workforce that is ready to contribute to economic growth and waste management. Australian support to Niue is aligned with the development priorities identified in the Joint Commitment for Development between New Zealand and Niue.

In 2018–19, Australian development support to Niue will focus on the:

- » design of a waste management program to meet the increasing challenges facing the country
- » implementation of a pilot vocational education scholarship program to train new nurses, teachers and trades.

Tokelau

Tokelau has the smallest economy in the world. The principal sources of revenue are sales of copra, postage stamps, souvenir coins, handicrafts and remittances from relatives in New Zealand. Tokelau's population of 1400 people is spread across three low-lying coral atolls (Atafu, Fakaofo and Nukunonu) with a land area of only 12 square kilometres. Tokelau's small size and isolation are a challenge for economic growth and development. Tokelau is very poorly serviced by transport routes. It has no airport in the islands, and the only way to travel in or out is twice a month by boat from Samoa. The journey covers 500 kilometres and takes about 26 hours in good weather. This makes it difficult for people to access work opportunities abroad and means importing goods is expensive.

Australian development assistance is delivered through the New Zealand Government under a delegated cooperation arrangement. Australian support to Tokelau is closely aligned with the Joint Commitment for Development between New Zealand and Tokelau.

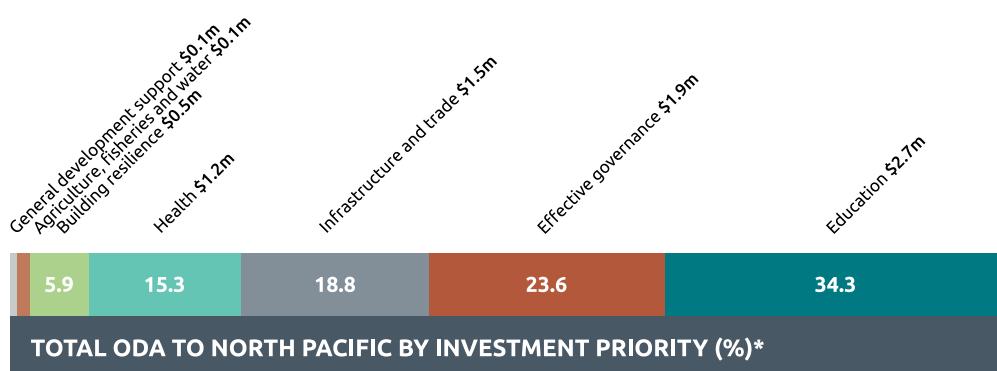
In 2018–19, Australian development support to Tokelau will support Tokelau's strategic development priorities including continued support for improving early childhood education.



An aerial view of Atafu atoll in Tokelau. It is the smallest of Tokelau's three atolls with a land area of only 2.5 square kilometres. Photo: NASA

North Pacific

	2018–19
Program	Budget Estimate \$m
Country	5.0
Regional	2.2
Global	0.8
Other Government Departments	0.0
Total ODA to North Pacific*	8.0



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Australia's development assistance in the North Pacific focuses on the Federated States of Micronesia, the Republic of Palau and the Republic of the Marshall Islands. These three North Pacific countries face challenges with remoteness, access to potable water and natural disasters (particularly drought). Their tourism and fisheries industries show the most potential to support economic growth.

Australia's assistance addresses shared development priorities and is delivered in collaboration with government, multilateral development partners and NGOs.

Australian Aid will help improve social and economic opportunities for women and girls in the North Pacific through the Pacific Women program. It will also build national capacity to drive change by providing Australia Awards Scholarships.

In 2018–19, Australian development support to the North Pacific will focus on the:

- » Federated States of Micronesia, where Australia, together with the national and state governments and the Asian Development Bank (ADB), is co-financing the Improving the Quality of Basic Education Project to strengthen the effectiveness of education systems and improve early grade learning outcomes
- » Republic of Palau, where Australia is part of a multi-partner effort to reform Palau's digital communications sector and increase access to high-quality, low-cost Internet services by taking advantage of a submarine cable connecting Palau to an international cable hub in Guam
- » Republic of the Marshall Islands, where Australia, the national government and the ADB are establishing an integrated water supply and sanitation system on Ebeye Island to improve health outcomes for residents.

Case study: The Pacific Women program

The Pacific Women program recognises that long-term targeted investment is necessary to achieve gender equality. Since 2012, Pacific Women has worked through multiple partnerships and coalitions to address the complex factors associated with gender inequality: violence against women; women's economic empowerment; leadership; and decision-making.

Pacific Women has supported almost 60 000 women and children to access crisis support services, including counselling, health and justice. More than 11 500 women have been supported to take on leadership roles at community, provincial and national levels and more than 8000 women have received financial literacy training and information services.

Produce markets are central to the economies of Pacific countries and 80 per cent of market vendors are women. Pacific Women funds Markets for Change, implemented by UN Women and UNDP, to provide women with financial literacy and services, agricultural skills training, improved market infrastructure and strengthened Market Vendors Associations (MVA). Leisavi Joel, Vice-President of Silae Vanua MVA in Vanuatu, noted the changes she has experienced from being part of the MVA: 'Now I have the courage to go to the office of the government to talk. Before I was afraid to do it, I didn't know what to say.'

Pacific Women continues to evolve with new programs underway, such as Pacific Girl, designed to work with Pacific organisations to address the needs of adolescent girls, and Balance of Power, designed to increase women's participation and voice in political processes.

Promoting gender equality in the coffee industry in PNG

Pacific Women also supports CARE's Coffee Industry Support Project in PNG. This project has worked to increase women's access to extension services and encourage joint decision-making in coffee farming families. Money earned increased by 100 per cent from 2014 to 2016 and women and men are now jointly involved in decisions about how that money is spent.

In the Eastern Highlands of PNG, coffee is an essential cash crop. Women work longer hours in coffee production than men but receive, on average, less than one-third of the income. Despite their valuable contribution to coffee production, services that improve coffee farming techniques are predominantly provided by men, for men.

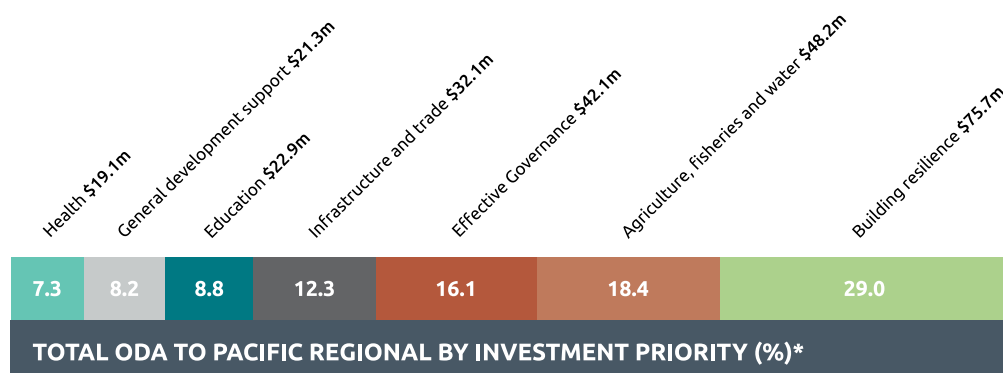
Women make up nearly half of the world's agricultural workers but have less access than men to productive resources and opportunities. Improving women's access could increase agricultural yields by 25 to 30 per cent worldwide.



The campaign, SANAP WANTAIM – STAND TOGETHER, seeks to bring men and women, boys and girls, as allies and partners in making Port Moresby safe for everyone. Photo: DFAT

Pacific Regional

2018–19 Total ODA allocation: \$206.6 million



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

The Pacific Regional Program focuses on issues more effectively addressed at regional level.

In 2018–19, Australian development support through the regional program will focus on:

- » supporting economic growth through: building a better business-enabling environment and encouraging private sector development; implementing labour mobility programs, including the Pacific Labour Facility, which will provide work experience, skills and remittances through the new Pacific Labour Scheme; and supporting the Australia Pacific Technical College, which delivers internationally recognised Australian technical and vocational qualifications for Pacific Islanders
- » tackling regional security challenges through the Australia Pacific Security College that will build individual and regional capacity to respond to security threats; supporting border, identity and health security through partnerships with Australian institutions; and supporting regional fisheries management to detect and prevent illegal fishing
- » supporting resilient and healthy communities to better prepare for climate change and respond to natural disasters; and strengthening regional health services and training, including through the Pacific Pharmaceutical Laboratory Testing Program pilot
- » developing stronger people-to-people links, including through regional institutions, led by the Pacific Islands Forum Secretariat, which will contribute to regional growth, stability and development. Our key partnerships will include the Pacific Community, the Forum Fisheries Agency, the Secretariat of the Pacific Regional Environment Programme, and the University of the South Pacific
- » targeting gender equality programming through the Pacific Women, which supports gender equality, greater economic participation, and women's empowerment in the Pacific.
- » Fisheries are the primary economic resource of many countries in the Pacific. Australia has been a strong and active supporter of sustainable fisheries management and of action to address illegal, unreported and unregulated fishing.

In 2018–19, we will provide regional support to promote sustainable fisheries management in the Pacific by:

- » assisting Pacific island countries to: increase economic return from fisheries; detect and prevent illegal, unreported and unregulated fishing; and build coastal resilience to withstand pressure from the impacts of climate change, population growth and overfishing
- » negotiate international treaties on maritime boundaries and biodiversity in the high seas.

The estimated economic rent loss in the Western and Central Pacific due to illegal, unreported and unregulated fishing in 2014 was estimated to be US\$150 million, principally from licensed vessels undertaking unreported and unregulated activities.

Forum Fisheries Agencies
Annual Report 2016–17



Young girls from Hulavu in West Guadal Canal enjoy a Saturday afternoon fishing in a dug out canoe.
Photo: DFAT

Case study: Labour Mobility

Increased international migration for work offers critical opportunities for the Pacific and its people. Given the unique development challenges faced by the Pacific Island countries, there is now broad consensus that expanding labour mobility is vital for their future. Given their youth bulge, unemployment is a pressing problem. Where these countries are unable to bring jobs to the people, the alternative is to bring the people to where the jobs are. For labour-sending countries, remittance flows can be important sources of income and consumption, as well as foreign exchange and investment, often in education and health.

Pacific Possible: Labour Mobility, World Bank, 2017

The White Paper highlights the importance of promoting economic cooperation and greater economic integration between Australia and the Pacific. Australia will work to improve opportunities for growth and jobs and strengthen the economic resilience of Pacific island countries by increasing opportunities for labour mobility, in line with stepping up Australia's engagement in the Pacific.

A new Pacific Labour Scheme will allow workers from the region to take up low and semi-skilled work opportunities in rural and regional Australia for up to three years. The Scheme will commence in July 2018 with an initial intake of up to 2000 workers over 2018–19. It will focus on sectors in Australia with projected employment growth and which match Pacific island skill sets.

The Scheme will be labour-market tested to ensure Australians have priority for local jobs and that Pacific workers are provided with skills, experience and incomes not available in their home countries. Kiribati, Nauru and Tuvalu will have first access to the Scheme, with access to be extended to other Pacific countries over time based on need and determination of impact. The Scheme will contain protections to safeguard against worker exploitation.

The Government will establish a new Pacific Labour Facility in 2018 to connect Australian employers with Pacific workers and support the administration of the Pacific Labour Scheme. The Facility will increase the quality of training and supply of workers to Australia, provide pastoral care services for workers, and monitor the impact of labour mobility programs both in Australia and in Pacific economies. The Facility will also provide targeted support for the SWP.

Building on the 21 000 workers from the Pacific and Timor-Leste who have worked in Australia under the SWP since 2012, a range of new measures to support participation in the program and to improve uptake will be introduced. These measures include increasing Australian industry engagement, piloting additional support to reduce up-front costs for approved employers, strengthening training, improving visa arrangements, and providing additional assistance for seasonal workers to access their superannuation and pastoral care in Australia.

The Scheme will complement the SWP through longer-term, non-seasonal employment opportunities for Pacific workers, and will build on the success of the Northern Australia Worker Pilot Program.

For every six-month placement under the SWP, workers on average save and send home \$5,000. For Tonga, the largest provider of seasonal workers, this would equate to \$13 million sent home in 2016–17.

White paper