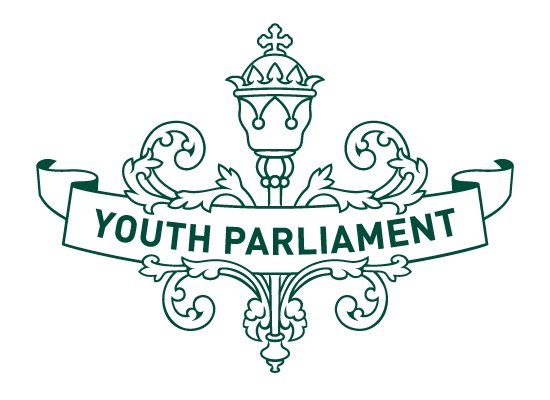
  
Youth Parliament 2016

Record of Proceedings:  
Foreign Affairs, Defence and Trade  
Select Committee report





Foreign Affairs, Defence and Trade Select Committee

**Inquiry into where New Zealand’s international obligations should lie – the Pacific or wider afield**

**Recommendations**

The Foreign Affairs, Defence and Trade Select Committee makes the following recommendations to the Government:

that it continue to focus its international aid predominantly in the Pacific region, by maintaining the current funding ratio

that it provide aid in such a way as to create trade ties, not dependence

that it look to further use other state/non-state actors’ resources in combination with New Zealand regional expertise

that it increase assistance to Pacific countries to mitigate, and adapt to, the effects of climate change

that it prioritise assistance to refugees from the Pacific region

that it take a multilateral approach to trade across the globe.

**Introduction**

The purpose of this report is to summarise our consideration of where New Zealand’s international obligations should lie – the Pacific or wider afield. New Zealand’s future prosperity and security is closely intertwined with the changing international landscape, and relies heavily on our ability to navigate changes on the world stage. The Pacific has historically been a region in which New Zealand has wielded considerable influence due to strong cultural, economic and historical links. Given the current crises unfolding across much of the globe, it is timely to assess New Zealand’s approach to its international obligations.

**International Aid**

**Geographic focus**

New Zealand is forecast to distribute just over $1.7 billion in aid across the globe over the next three years. Almost 60 percent ($1 billion) of this amount will go to the Pacific region, with 20 percent going to international organisations, 17 percent to Asia and the rest to Africa, Latin America, and the Caribbean. New Zealand also offers support to the Pacific through scholarships, regional programmes and partnerships.

While New Zealand’s focus on aid in the Pacific is largely due to its proximity, and historic and cultural links, it is also where New Zealand’s resources can be best spent. New Zealand is a relatively large, wealthy, and developed country in the Pacific, meaning its aid has a real impact on the development of small Pacific island countries. Given the vast size of other under-developed regions around the world, such as South Asia and Africa, New Zealand’s small population and limited resources are unlikely to have a significant impact elsewhere.

**Dependence on aid**

We are concerned that some Pacific countries may become dependent upon New Zealand aid to function. Research presented to us suggests that from 1991 to 2002 over 93 percent of the Pacific’s total external income flow was in the form of official development assistance. We feel this proportion is far too high and that further emphasis must be placed upon growing trade revenues.

We heard that Pacific countries themselves seek economic independence and would prefer to rely on trade rather than aid. We believe there are opportunities in this area which could be further explored.

**Cooperation with other actors**

We question whether New Zealand’s regional expertise could be utilised further. As a small island state, New Zealand has a comparative advantage in making a difference in the Pacific, and in understanding the issues facing the region. We would like to see New Zealand approach other state or non-state actors for funds, which New Zealand could then utilise and apply more effectively with its regional knowledge and understanding.

**Climate change**

We heard about the Tokelau Renewable Energy Project, in which the Government spent $7 million to transition Tokelau’s energy supply from diesel to 100 percent solar power. While we are pleased to see such projects funded, we would like to see more aid contributed to initiatives such as this throughout the Pacific. Many low-lying Pacific Island countries, such as Kiribati, Tuvalu, and Tokelau, are likely to be disproportionately affected by climate change. New Zealand must play a larger role in building Pacific countries’ capacity to mitigate, and adapt to, the effects of climate change.

We recognise that most Pacific states have played little to no role in climate change. New Zealand should continue to play a leading role in ensuring larger greenhouse gas emitters shoulder the bulk of the associated costs.

**Trade and Commerce**

**Pacific**

New Zealand has significant trade and commercial interests in the Pacific region. In 2013, it exported $1.368 billion worth of goods to the Pacific, while imports from the region were just $103 million. These values have the potential for large growth as well, with approximately 65 percent of the global tuna catch, worth up to $2 billion, thought to come from Pacific Island Forum states.

In addition to trade, labour mobility around the Pacific also benefits the New Zealand economy and the economies of its Pacific neighbours. Labour mobility initiatives allow for temporary labour shortages to be filled, and Pacific workers to earn higher salaries and gain new skills.

**Global**

Although New Zealand does export significant amounts of goods to the Pacific, as outlined above, its total exports in 2013 amounted to over $61 billion, and imports were over $59 billion. In this context, New Zealand’s trade with Pacific Island states is small. As a result, we feel that New Zealand, while continuing to grow trade in the Pacific, should look to expand its trade networks globally, without any specific regard for geographic region. This would support the growing economies of the Pacific without hindering New Zealand’s potential growth opportunities in other parts of the world.

**Refugees**

The Government recently announced an increase in New Zealand’s refugee quota from 750 people per year to 1000. The committee is supportive of this change, however we recommend that priority be given to Pacific peoples seeking refuge. Rising sea levels are likely to present an increased risk to this group. We do not question the extreme need of those fleeing other regions, but given New Zealand’s close proximity to the area and its existing Pasifika communities, we feel refugees from the Pacific are in the best position to be able to thrive in New Zealand.

**Appendix to Foreign Affairs, Defence and Trade Select Committee report**

**Committee procedure**

The committee met on 19 and 20 July 2016 to consider the inquiry. The committee received and heard 2 submissions. Evidence was heard from Assistant Professor Hon Luamanuvao Winnie Laban and the Ministry of Foreign Affairs and Trade.

**Committee members**

William Muir (Chairperson)

Dharma Bratley

Setareh Brown

James Busch

Hamish Duncan

Connor McCormick

Rose McLeod

Noella Niyonzima

Kelly Stitely

Emma Tompkins

Julia Wiener

Nathan Wilson