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Minister for International Development and the Pacific

Address to ACFID Pre-Election International Development Forum

E&OE; Check against delivery

Thank you Marc.

To the ANU's Development Policy Centre, the Australian Council for International Development, and the International Development Contractors Community [IDCC], thank you for the invitation to address your forum today.

You all play a critical role in shaping and delivering Australia's international development program and I thank you for that.

I have appreciated your engagement and advice in my first 18 months as Minister for International Development and the Pacific.

And I hope to continue working closely with you as Minister for International Development and the Pacific if the Coalition is re-elected.

It has truly been an honour to serve in this portfolio – it is one that aligns closely with values I hold dear, including compassion, generosity, and integrity.

This is a timely opportunity to lay out the Government's approach to Australia's international development program.

Partnerships for Recovery has been a critical strategy guiding our approach.

Relationships are at the core of this strategy – we are partnering with countries in our region to support their priorities.

And we are working to promote Australian values and interests as well.

For the Coalition, this is about delivering results not rhetoric.

We have steered Australia through some of the most challenging and complex circumstances our country and our region have faced.

We have delivered record levels of development assistance to the Pacific and Timor Leste.

Our COVID-19 temporary and targeted initiatives, combined with our \$1.5 billion loan to Indonesia, is Australia's largest investment in Southeast Asia since the Indian Ocean tsunami in 2004.

We have provided our region with over \$1 billion in additional ODA.

We have stood up to economic coercion at home and introduced critical new tools to support economic growth abroad.

Second, we are ensuring Australia's development program is part of an integrated foreign policy toolkit.

Our development program supports human development and international peace and stability.

We have a whole of government approach to both objectives.

Because we cannot separate development and foreign aid from its broader context.

The development program is seen as an integral aspect of our foreign policy, *and* a crucial tool to make the world a better, more just and humane place.

Our ODA budget is the central aspect of our development program.

But it is not the only aspect of our development program

Beyond our ODA budget, the Coalition has ensured Australia is utilising the full suite of government capabilities to support development efforts in the region.

Our non-ODA assets - from defence cooperation, to labour mobility, to diplomacy, to economic cooperation – are making critical contributions to the Coalition’s integrated, whole of government, development and foreign policy efforts.

Third, the Coalition’s approach to development is based on pursuing Australia’s values and interests.

As the Prime Minister has said, we have a moral *and* economic duty to support our neighbours.

We are engaged in partnerships which responding to our neighbours’ priorities.

Our development program is making an important contribution to poverty alleviation, to helping the most marginalised, and to improving lives across our region.

We’re ensuring that we concentrate on delivering quality in our development program.

It is building human capital, through investing in health and education.

It is addressing gender equality, by investing in programs which give women and girls the opportunities to realise their full potential.

And it is also making an enormously important contribution to the security, stability and prosperity in our region.

And fourth, the Coalition Government has recognised the fundamental change in our strategic circumstances, and is adapting our development program to suit.

We have innovated, bringing new tools to support development outcomes.

The Coalition has focussed our development program on the Indo-Pacific where we have a comparative advantage.

And we continue to be good global citizens, in support of the international rules-based system.

Let me expand on these themes.

Our development program has played a central role in Australia's support to our region as it responds to COVID.

We're providing over \$1.1 billion in ODA and nearly 33 million vaccines – above and beyond the baseline aid budget - to help our region address COVID.

These vaccine doses, and our end-to-end support for vaccine delivery, have been the critical factor in allowing many Pacific countries to manage COVID-19 and re-open to the world.

In parallel we've used the development program to shore-up safety nets in Fiji, Tonga, Timor-Leste and elsewhere during COVID – providing an additional \$300 million to help countries in our region manage fiscal risks.

Australia's funding has helped to ensure that the health crisis in our region hasn't turned into a destabilising economic or security crisis.

We do all this because it is the right thing to do, and the smart thing to do.

Human development is rightly placed at the centre of human security in our development efforts.

But the Morrison Government is also clear-eyed about the challenges in our region.

The international environment is changing at a rapid pace.

As the Prime Minister has said, an arc of autocracy from Beijing to Moscow is challenging the rules-based world order.

COVID has had profound health, economic and social impacts.

Coercion, disinformation and foreign interference are on the rise.

These trends hinder development, trade, and economic growth but, most worryingly, they undermine the trust and strong bonds we share across the region.

In short, our development program no longer enjoys the more benign geostrategic environment of the late 90s and early 2000s.

Russia's illegal war in Ukraine provides a clear example of the negative development impacts.

Tens of thousands have been killed, and millions displaced.

Ukraine's economy is expected to halve.

The World Bank has assessed that up to 30 per cent of its population is living in poverty.

We have responded immediately with \$65m to protect women, children, and the elderly, including for food, shelter and emergency medical supplies.

But clearly humanitarian support is not enough to push back against Russia's unrelenting brutality.

So we are providing over \$225 million of military assistance to support Ukraine's response.

In Ukraine as elsewhere, we no longer have the luxury of supporting development assistance in isolation from security and stability.

Closer to home, authoritarian states such as Russia and China are challenging the international order.

We've seen this in Ukraine, and most recently through China's security agreement with the Solomon Islands.

Issues such as predatory and opaque lending, coercion and foreign interference are threats to sovereignty and stability, but they are threats to development as well.

These trends are undermining economic stability, transparency, sovereignty and democratic norms in our region.

The development program outlined by Pat Conroy here on Monday focussed on human development, health and education.

These are essential public goods.

The Coalition has been investing heavily in these areas and remains absolutely committed to addressing them.

But pretending they are our regions' only challenges ignores the reality of the world we now face and pursues a very narrow vision of development.

The Coalition believes that Australia's development program provides us with a strong basis to counter the complex challenges our region faces.

It has generated goodwill and positive relationships across our region and across generations.

It has built human capital across our region.

It is ensuring mothers survive childbirth, that children survive childhood, and that those children are better educated and skilled to contribute to their nations' development.

During 2020-21 our development program reached 157 million people with new or improved social protection programs.

Our support helped the Government of Timor-Leste expand its social protection system including providing \$62 million in emergency cash transfers to 95 per cent of households.

In 2020, our stepped up support in global health helped Global Fund (*\$242 million, 2020-22*) and GAVI (*\$300 million, 2021-25*) to:

- vaccinate 64 million children
- provide 21.9 million people with antiretroviral therapy for HIV
- and treat 4.7 million people for tuberculosis.

But our development program is just one of a suite of tools we can use to shape our international environment for the better.

Alongside our diplomacy, defence and people to people links, our development program gives us agency and influence.

For example, the Morrison Government has secured ASEAN's agreement to a Comprehensive Strategic Partnership – its first such agreement.

We believe that development, security and growth are indivisible and must be addressed together.

This is why Australia is working with our partners to build resilience and support the rule of law in our region.

At home we have been clear and consistent in defending Australia's democratic values against significant pressure.

Our international relationships, across the PIF and ASEAN, and the Quad and AUKUS, are defending common values and principles.

And our development program is giving practical support to democratic institutions.

- We support the conduct of elections, including in Papua New Guinea, Fiji, Tonga and Solomon Islands.
- Our police forces, courts and justice agencies are working with partners to provide security, policing and justice support.
- We speak out in defence of international human rights
- And we support free and vibrant media environments

No country – not Australia, nor any Pacific nation, nor any in Southeast Asia – can enjoy economic development or human security in the absence of stability.

The Coalition sees the development program making a fundamental contribution to shared prosperity, shared stability and shared security across our region.

I am proud that the Morrison Government has responded with speed and urgency to the unprecedented challenges our region faces.

Our latest budget continues that effort.

I reiterate here the new funding announcements made by the Government in March.

We are doubling AIFFP lending headroom to \$3 billion.

There have been ODA increases right across the map for 2022-23.

We are providing an additional \$324 million in economic support for the Pacific, front-loaded in 2022-23.

This funding will provide economic and social support to aid COVID-19 recovery in the Pacific and Timor-Leste.

Critical health, education, and social protection services can continue to be provided by governments facing reduced revenues and higher COVID-19 related expenditure.

It will provide technical expertise to assist governments access reputable and transparent international finance mechanisms, including those related to climate financing.

We are providing an additional \$98.3 million in targeted funding for the Vaccine Access and Health Security Initiative.

We are providing an additional \$13.6m for Pacific Labour Mobility as part of our streamlining of the Pacific Labour Scheme and Seasonal Workers Program.

Including these temporary and targeted measures Australia will spend a record \$1.85 billion in ODA in the Pacific in 2022-23.

Compare this to just \$1.1 billion in 2012-13 when Labor left office.

In total we will provide an estimated \$4.549 billion in ODA in 2022-23.

In total the Morrison Government is providing an additional \$460 million in ODA in 2022-23 for temporary, targeted and supplementary measures, over \$330 million of which is for the Pacific.

Compare this to Labor's offer of \$130m in additional ODA per annum for the Pacific.

I'll come back to Labor's Pacific plan later. But for now I ask you to contrast the detail I've just outlined against Labor's vague and uncosted policy prescriptions – what is its Pacific ODA funding for? And where is the detail of Labor's global ODA commitment?

Over nine years the Coalition has delivered a comprehensive whole of government development approach, including ODA, development finance, security cooperation, and climate investment, to respond to the region's needs and Australia's priorities.

Our non-ODA expenditure is increasingly important to achieving development outcomes.

We have delivered \$2.7 billion in bilateral loans to support Papua New Guinea and Indonesia to support them through COVID economic impacts. We have done this at the request of those governments.

We'll spend \$1.85 billion in the coming year in ODA in the Pacific, but \$2.7 billion in total support to the Pacific, including our aid, security, health and financial support.

We have established the AIFFP - now with \$3 billion in loan finance for critical economic infrastructure in the Pacific and Timor-Leste, backed by \$500 million in grant financing.

The Government has committed over \$900 million for 10 critical infrastructure Pacific projects.

We have a pipeline of 22 projects across 11 countries valued at over \$2 billion. These include Tina River Hydro power transmission line in the Solomon Islands; and a \$580 million ports redevelopment project in Papua New Guinea.

We expanded Export Finance Australia's mandate to increase finance to the region.

We are supporting Australian companies to invest in the Pacific, including Telstra's bid for Digicel Pacific.

We have delivered the Coral Sea Cable to PNG and Solomon Islands.

We've supported countries' COVID responses across the region and provided nearly 33 million doses so far.

We've opened six new diplomatic posts [*Marshall Islands; French Polynesia; Niue; Palau; Tuvalu; Cook Islands*] in the Pacific since 2018. Australia is the only country with diplomatic posts in every PIF country.

We have responded to emergencies and crises, through a mixture of ODA and non-ODA funding.

Australia was the first country Solomon Islands called upon when unrest began [*November 2021*].

And Australia responded decisively to Tonga's requests for assistance following its recent volcanic eruption and tsunami.

HMAS Adelaide and other ADF assets were critical to our Tonga and Solomon Islands humanitarian responses.

Defence expenditure is not ODA eligible but has a very significant impact on peace, security and economic growth.

We've procured a Pacific support vessel, capable of delivering both humanitarian and disaster relief missions, as needed across the Pacific.

The \$2 billion Pacific Maritime Security Program, which has already delivered 14 out of 21 pledged Guardian-class Patrol Boats and upgraded wharf infrastructure across our region.

These vessels are protecting Pacific fisheries resources and protecting our region against smuggling of weapons and drugs.

We've delivered the Australia Pacific Security College here at the Australian National University, to train Pacific security professionals.

We've established Pacific Fusion Centre based out of Vanuatu to deliver training and strategic analysis on security priorities identified by PIF countries.

We've delivered Blackrock Humanitarian and Peacekeeping camp in Fiji - \$100m in non ODA-eligible defence infrastructure, which is supporting peacekeepers and humanitarian response.

The redevelopment of Lombrum Naval Base in PNG is supporting both jobs and stability in our nearest neighbour.

And the Border and Patrol Boat Outposts in the Solomon Islands are a further demonstration that are investing in practical partnerships with our Pacific neighbours.

In all these ways, the Morrison Government has stepped up. We've expanded the toolkit to support both development and stability.

Our policy settings have predicted the more contested global environment and have meant Australia is well placed to respond.

Yes, we see ODA as central to our foreign policy and development goals.

But we also recognise it's not enough.

On climate as well, the Coalition has a strong record of delivering results, not rhetoric.

The \$22 million Palau Solar project will deliver 20 per cent of Palau's energy needs through clean energy.

Our \$60 million in grant and loan finance for the Tina River Hydro project will help Solomon Islands deliver clean energy to Honiara.

We're delivering on our commitment of \$2 billion in climate finance between 2020 and 2025.

This commitment will see at least \$700 million flowing to meet the Pacific's needs.

And we've supported Pacific delegations to attend COP and the Our Oceans conference .

At home too, Australia's 2050 net zero target demonstrates our commitment to take significant and meaningful action to reduce emissions.

Australia's emissions are lower now than in any year under the previous Labor Government, and at their lowest levels since records began.

Emissions are now 20% below 2005 levels [*the baseline year for Paris*].

Between 2005 and 2019, our emissions fell faster than Canada, New Zealand, Japan, the United States and the OECD average (nine percent).

Current projections show we will overachieve on our 2030 target of a 26 to 28 per cent reduction on 2005 levels.

Ladies and gentlemen, going forward, you can expect a Coalition government to maintain a strong focus on security, stability and economic growth.

We will continue to focus on results, not rhetoric.

We'll deliver real partnerships for our developing country partners and their people; and real value for the Australian taxpayer.

Geographically we will continue to focus on our region, while remaining a responsible global citizen.

We will continue to take a serious moral stance on development issues.

You can expect continued attention to ensuring the development program is directly addressing poverty alleviation and supporting the most marginalised in societies.

You can expect a continued focus on gender equality.

You can expect a continued focus on resilience – of populations and individuals.

We'll build on partnerships for recovery, delivering further practical assistance in health security, economy recovery and stability.

As Australia's geostrategic environment continues to shift, it will be appropriate for a new government to lay out a new approach.

We'll look to more fully integrate the development objectives of our ODA and non-ODA funding.

But our strategy will continue to be an expression of Australia's values and interests.

And we will continue to prioritise genuine partnerships with countries across our region.

And we will continue to prioritise using the ODA budget and other tools to continue to improve the lives of people in our region, while remaining a good global citizen. g

In just over a week the Australian people will face a choice.

Labor's Pacific policy announcements prove it doesn't understand the strategic challenge our country is facing.

It is a pale and incoherent version of what the Coalition has already been delivering.

Labor doesn't have an agenda for how Australia can respond to insecurity and instability in our region.

It has expressed no view on responding to economic risks in our region.

Labor's Pacific Maritime Security announcement is an extension of an existing program – there's no new thinking here.

Labor's Australia-Pacific Defence School is duplicative and unnecessary – we already have substantial and highly effective programs for defence training, and have already established the Australia Pacific Security College and the Pacific Fusion Centre. There's no new thinking here.

And while the Coalition has been delivering tangible assistance through loan financing, Labor has made the underwhelming commitment of delivering a review of development financing.

Its Pacific Climate Infrastructure Financing Partnership is no more than a rebranding of the AIFFP's existing climate window – I don't think Labor has even bothered to google the AIFFP website.

So while the Coalition has introduced critical new tools to respond to the complexity in our geopolitical environment, Labor is proposing exactly nothing new.

On infrastructure financing, each-way Albo is having a bet each way. Labor will happily rebrand the AIFFP's existing work to deliver a Climate Infrastructure Financing Partnership.

But as Pat Conroy told this forum on Monday, Labor would rebalance the aid program *away* from infrastructure and towards human development.

I see this as a serious misreading of what the Pacific nations are telling us they want.

Mr Conroy, you can't finance climate infrastructure while also rebalancing away from infrastructure. Which is it to be?

What Labor has announced is vague and uncoded.

More Pacific funding has been announced but what is Labor proposing to use it for?

And where is the detail of Labor's broader ODA platform?

How will it get to the 0.5% ODA to GNI ratio it has promised?

All these are important questions which must be answered for the Australian public to be able to judge Labor's aid policy.

I reiterate that Australia's ODA budget is an immensely important way of addressing poverty, instability and insecurity in our region – but ODA is also not the only tool we have to address these issues.

The Coalition has a track record of delivering results.

We have focussed on the Indo-Pacific, as the region which will determine Australia's future prosperity and security, whilst continuing to be good global citizens.

We have navigated this country's development program through the greatest global disruption in decades.

And we have a positive vision for how our development program can adapt and respond to the challenges of our times.