# Briefing for introductory meeting with Harinder Sidhu, Australian High Commissioner

# Haurongo – Biography



High Commissioner Sidhu is a senior career officer with DFAT and was most recently Chief Operating Officer and Deputy Secretary, Service Delivery Group. She has previously served overseas as Australia's High Commissioner to India (2016-2020); and had previous postings in Washington as Lead Negotiator, Finance for Development (2014-2015); Moscow (1994-1998); and Damascus (1990-1992).

Ms Sidhu has held several senior roles in government, including on multilateral issues, climate change, foreign intelligence in the Office of National Assessments, and on defence policy.

The new High Commissioner is conducting a range of introductory calls across the Aotearoa New Zealand system, and met with the Prime Minister on 4 April. <sup>s9(2)(g)(i)</sup>

# Ngā Whāinga - Objectives

To welcome High Commissioner Sidhu to Aotearoa New Zealand, and to her new role.

# Te Pātahitanga— The Relationship

- The bilateral relationship between Aotearoa New Zealand and Australia is unlike any other. The high level of integration, instinctiveness in our cooperation and depth of our shared enterprise are hallmarks of the relationship across all areas that matter to us: the economy, our people, our security and our global interests and ambitions, in particular when it comes to cooperation with our close partners in the Pacific.
- Recent years have seen us tested in many ways (pandemic, natural disasters, terrorist attacks, increasingly challenging geostrategic environment), and we have been grateful for the mutual support.
- The possibility of in-person engagement that comes with the easing of COVID restrictions is welcome across all levels of the trans-Tasman bilateral relationship: government, bureaucracy, indigenous peoples, business, sports, community and within whānau.
- Coming just before the start of a new term of Federal Government in Canberra, this provides us with the perfect opportunity to reconnect and re-forge the person-person relationships that underlie our strength as partners.
- Other Ministers will also be looking to connect with their Australian counterparts following the election, and we expect that a number of Ministers will either travel to Australia or host their counterparts over the course of the next year.
- s6(a), s9(2)(g)(i)

s6(a), s9(2)(g)(i)

# Ngā Take - Issues

This section covers issues relevant to the Minister's portfolios. The points have been provided by a number of Divisions across the Ministry of Foreign Affairs and Trade.

# Disarmament/non-proliferation

- Register New Zealand's long-held commitment to disarmament and non-proliferation. We have a long and proud history of taking a principled approach to these issues, and the elimination of nuclear weapons remains a core component of our foreign policy. Our priorities are set out in our Disarmament Strategy, released last year.
- Recognise Australia's own long-standing advocacy in this space, for example on the Comprehensive Nuclear Test Ban Treaty, which Australian Rob Floyd now presides over.
- Reiterate our interest in ongoing trans-Tasman dialogue across the disarmament and non-proliferation portfolio. Welcome the upcoming visit by Australia's Ambassador for Arms Control, Ian Biggs (9-10 May), which will be an opportunity to go into detail on many of these issues.
- Note that Russia's invasion of Ukraine has implications right across the disarmament and arms control agenda. Russia's aggression has seen significant international solidarity behind Ukraine. But at the same time, it has demonstrated the fragility of multilateral institutions and of the rules and norms that underpin the international rules-based order. We need to do what we can to make sure this does not lead to a spiral of further deterioration and fragmentation of the multilateral system, but is instead a rallying cry in support of multilateralism.
- Note the importance of the NPT Review Conference. Russia's nuclear threats and its
  escalatory activities should be opposed and called out by the NPT membership. But they
  are not the only problem facing the NPT right now and should not be presented as such.
  - For New Zealand and other non-nuclear weapon states, the risk facing the NPT is the same risk that has been present many years now. It's the risk that lack of progress by the NWS on their nuclear disarmament obligations will lead to an unravelling of the NPT. At the Rev Con, we need to see a clear statement and some concrete measures from the NWS that they are committed to their disarmament obligations under Article VI. The situation in Ukraine highlights the unsustainability of the current situation and the need for progress.
- Emphasise New Zealand's strong support for the Treaty on the Prohibition of Nuclear Weapons, and encourage Australia to attend MSP1 as observers, to send the message of being open to dialogue and wanting to avoid polarisation on nuclear disarmament.

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- Iran and North Korea pose additional challenges to the international non-proliferation regime. The JCPOA negotiations appear to have reached an impasse. At the same time, there has been a significant uptick in North Korea's ballistic missile testing. What is Australia's assessment of the prospects for a revived JCPOA deal and a return to diplomacy on the Korean Peninsula?
- Outline the importance New Zealand places on international regulation of Autonomous
   Weapons Systems, as reflected by our position agreed by Cabinet late last year.
  - In line with this policy, New Zealand will continue to advocate for new, legally-binding international rules and limits to address our concerns with autonomous weapons systems. Our focus is on enlarging the number of states that are willing to consider agreeing effective legally-binding rules and regulations. I know my officials have really appreciated close engagement with their Australian counterparts and that there is much we agree on, including on both the legal and ethical challenges posed by AWS. I want to register here our ongoing interest in working with Australia on this issue.
  - We are establishing a domestic working group on autonomous weapons, which will provide for the participation of industry, academia, civil society and Māori. This working group offers an additional avenue for ongoing engagement with external stakeholders.
- Note New Zealand's ongoing interest in the issue of **the legacy of nuclear testing in the Pacific**, building on the commitments made by Forum Leaders over many years. New Zealand has recently joined the CROP Taskforce that deals with these issues. Our priority is to advance the independent review of existing scientific assessments of nuclear contamination in the Pacific. <sup>s6(a)</sup>

We would welcome Australia's

support for this ongoing work.

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We think a call post-election would be valuable, given the importance of cooperation between Australia and New Zealand on these issues, especially in light of the situation in Ukraine and its impact on the range of important meetings and issues to take forward in the remainder of 2022.

# AUKUS - non-proliferation aspects

- The Prime Minister and Minister of Foreign Affairs have both commented publicly on the AUKUS security partnership, and I know this is something that has been discussed in their bilateral meetings. I am personally interested in possible implications of the deal for the issues that fall within my portfolio, specifically in relation to nuclear non-proliferation.
- As we would expect, the IAEA has confirmed that the submarine deal raises some very tricky technical questions. There is also the central question of the precedent effect of AUKUS.
- As acknowledged by AUKUS partners, it will be important to work closely with the IAEA
  given the imperative of transparency, and in order to maintain confidence in the IAEA's

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safeguards regime. We therefore welcome AUKUS partners' continued commitment to keeping the IAEA Board of Governors actively informed of latest developments.

s6(a), s6(b)(i)

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#### **Trade**

- e c Aotearoa New Zealand and Australia have one of the closest and broadest trading relationships in the world and we share a strong commitment to the international rules based order. We want to continue to work closely together to develop and leverage our shared trading architecture, to support our economic recovery s6(a)
- My portfolio focuses on several of our regional FTAs including with ASEAN, both AANZFTA and RCEP, as well as PACER Plus. It also extends to our unique bilateral FTAs with Korea, Malaysia and Thailand.
- Aotearoa New Zealand strongly values its close collaboration with Australia on PACER Plus. This Agreement holds significant value as the only comprehensive agreement in the Pacific covering trade in goods, services and investment, while also containing a significant development component.
- New Zealand has worked with Australia to promote a strategic partnership model,
- The close engagement with Australia on the upgrade process for AANZFTA has also been very much appreciated, as we look to deliver a high-quality upgraded Agreement that reflects modern business practices and supports regional integration.

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- Now RCEP has entered into force, we are looking forward to working further with Australia on implementing the Agreement to deliver the full benefits for business. As we know, to date this has been challenging.
- It is important to recognise the large numbers of SMEs that are not only operating domestically in our economies, but are trading between our economies. I would be interested in keeping lines of communication open on how we may look to support SMEs wanting to trade, improve regulatory coherence and carry out capacity building and information sharing.

# **Pacific labour mobility**

- Australia has invested significantly in the expansion of its Pacific labour mobility programme. Over the last year, Australia's has aligned its existing schemes into the Pacific Australia Labour Mobility programme, and has shifted oversight completely into DFAT. Political pressure to meet serious labour shortages fuelled PM Morrison to commit in 2020 to seeing 50,000 Pacific workers in Australia by May 2022. s6(a)
- s6(a), s6(b)(i)
- There is significant scope for greater cooperation. s6(b)(i)

We see value in gaining shared insights into our Pacific partners' labour mobility aspirations.

Australia Division/International Security and Disarmament Division/Trade Policy Engagement April 2022

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Minister for Disarmament and Arms Control, A ster sed under Minister of State for Trade and Export Growth Hon Phil Twyford

Visit to Canberra

6 - 8 September 2022

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# **Objectives**

The key objectives for your visit to Canberra are:

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- Reinforce our commitment to working with Australia on disarmament and nonproliferation issues and encourage the new Australian Government to take a more forward leaning approach, particularly in relation to nuclear disarmament and in response to the legacy of nuclear testing in the Pacific.
- Support the continuing implementation of PACER Plus, and s6(a)
- Explore opportunities to collaborate more closely with Australia on a regional labour mobility agenda, to ensure Pacific countries are supported to maximise the benefits of participation in our respective schemes and mitigate any possible negative impacts, and to test Australian views on how to enhance collective regional responsibility for progressing labour mobility efforts under PACER Plus.
- Support the upgrading of AANZFTA and the implementation of RCEP through discussions with the new Australian Government s6(a)
- Continue to use all opportunities of engagement with Australian Ministers to register the importance to the bilateral relationship of addressing the situation of New Zealanders in Australia and reminding Australian Ministers of the commitments made at Prime Ministerial-level for ambitious changes in this area.

These objectives will be taken forward through:

- Meetings with Ministerial counterparts, Minister of Trade Don Farrell, Assistant Minister for Trade Tim Ayres, Assistant Minister for Foreign Affairs Tim Watts, Minister for International Development and the Pacific Pat Conroy, and a possible meeting with Minister for Foreign Affairs Penny Wong.
- Meetings and a dinner hosted by the High Commissioner with think tanks, academics and NGOs to discuss disarmament issues and the likely approach of the new Australian Government to disarmament and non-proliferation.

# Context and policy issues

1. s6(a)

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the new Government's approach to Climate Change action (it has increased Australia's Nationally Determined Contribution and committed to putting climate change action at the centre of its engagement in the Pacific) and indigenous relations (Albanese has committed to implementation of the Uluru Statement of the Heart and to embedding an indigenous 'voice' in the Australia Constitution) align well with New Zealand's own approach to these issues.

#### Disarmament and Non-Proliferation

- 4. Although we take a different approach to nuclear disarmament, New Zealand and Australia work very closely on many disarmament and non-proliferation issues. We engage frankly and constructively, cooperating wherever possible (for example, on our shared opposition to nuclear testing).
- 5. Prime Minister Albanese is personally committed to nuclear disarmament, and we have seen this reflected in some changes in Australia's approach, in particular Australia's attendance as an observer to the Treaty on the Prohibition of Nuclear Weapons (TPNW) First Meeting of States Parties in Vienna in June.  $^{56(a)}$
- 6. s6(a)
- 7. On non-proliferation, we are likeminded on many issues, including our support for the Joint Comprehensive Plan of Action (JCPOA) and mutual commitment to a diplomatic solution to achieve the denuclearisation of North Korea. Both New Zealand and Australia are long-standing and steadfast supporters of the International Atomic Energy Agency (IAEA) and its authority on nuclear safeguards matters. While the AUKUS submarine initiative represents a complex issue for the global non-proliferation regime, our respective positions on non-proliferation continue to be largely characterised by alignment and shared interests.

- 8. Your visit provides a timely opportunity to canvass a wide range of disarmament and non-proliferation issues, including (among others) the recently concluded Nuclear Non-Proliferation Treaty (NPT) Review Conference, the First Meeting of States Parties to the TPNW and the upcoming IAEA General Conference, and the Group of Governmental Experts (GGE) meeting on Lethal Autonomous Weapons Systems (or "killer robots"). Exchanging views with Australia on the disarmament landscape post-NPT Review Conference will be particularly valuable, both in terms of encouraging ambition from Australia, and sharing assessments of strategic trends and their impact. With the Irish-led Political Declaration on Explosive Weapons in Populated Areas (EWIPA) set to be opened for signature later this year in Dublin, there is a prime opportunity to encourage Australia to endorse the Declaration and to join New Zealand in lobbying partners in South East Asia to do the same.
- The legacy of nuclear testing in the Pacific is another issue New Zealand is keen to 9. Ficial Informatil work with Australia on. s6(a)

# Trade Policy

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However, our economic relationship is underpinned by the Australia-New Zealand Closer Economic Relations Trade Agreement (CER), our oldest and most comprehensive FTA, which enables world-leading economic integration and benefits both sides of the Tasman enormously. As the 40th anniversary of CER approaches in 2023, we have an opportunity to set genuine ambition for our future joint economic interests. Labor has also shown interest in New Zealand's Trade for All agenda as a means of firming up social licence on trade, which could enable a stronger focus on inclusive outcomes in our bilateral economic and trading relationship.

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Beyond the trans-Tasman relationship our economic interests are also inextricably linked. There is a strong geostrategic argument for New Zealand and Australia to work together to advance regional trade liberalisation and economic integration with Pacific Island countries and the wider Indo-Pacific through shared agreements such as PACER Plus, AANZFTA, and RCEP, as well as other mechanisms such as the Indo-Pacific Economic Framework (IPEF).

#### Pacific

The Pacific has never been so strongly in the spotlight in Australian politics. Recent 12. events in Solomon Islands and significant in person high-level visits to the region by China, Japan, the United States and Australia in the past few months, have underscored the heightened interest in our region. s6(a)

#### New Zealanders in Australia

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# **Summary of requirements**

Date	Action		
Before departure	We recommend you pack at least three RAT tests. Register on SafeTravel ( <u>link here</u> ).		
Travelling	Wearing of face masks on flights travelling to and domestically in Australia is required. They are also mandatory while in the Canberra Airport terminal. We also recommend wearing masks in the Sydney Airport terminal and sanitising surfaces around assigned seats on the airplane.		
On arrival	Arrival in both Sydney and Canberra: No testing or COVID-19 requirements.		
In-country	<ul> <li>Masks are no longer required in most locations but remain mandatory on public transport and in hospitals GP clinics and other high risk locations.</li> <li>The delegation may wish to wear masks where practicable and masks should be carried to meeting should the interlocutor preference mask wearing.</li> <li>Monitor for COVID-19 symptoms. If COVID-19 symptoms develop, remain in your accommodation and take a RAT test.</li> <li>If you test positive for COVID-19, you will be required to register your result online and self-isolate for sever days – ACT will electronically advise when the isolation period has concluded.</li> <li>If the RAT test is negative, a PCR test is recommended and you must isolate until symptoms have gone. If the PCR test is negative but you still have symptoms you must continue to isolate until symptoms have gone.</li> </ul>		
On departure from Australia	<ul> <li>A pre-departure test is not required.</li> <li>A New Zealand Traveller Declaration must be completed before travel. The proof of vaccination does not need to be uploaded for New Zealand citizens. A Traveller Pass with QR code will be emailed and should be on hand at check-in.</li> </ul>		
Arrival in Auckland	<ul> <li>There is no re-entry test requirement.</li> <li>You will be provided with RAT kits at the airport, and must self-test on Day 0/1 and Day 5/6.</li> </ul>		

# **Before departure**

- Recommend you travel with a copy of your New Zealand international travel vaccine certificate link to application <a href="here">here</a>.
- Test in New Zealand before departing. This is not an official requirement, however testing at this point avoids problems created by becoming unwell shortly after departure, needing to isolate etc.

- Pack at least three rapid antigen tests (RAT), hand sanitizer and anti-bacterial wipes in hand luggage.
- Register on SafeTravel (<u>SafeTravel</u>).
- Complete your New Zealand Traveller Declaration before travelling home. The proof
  of vaccination does **not** need to be uploaded for New Zealand citizens. A Traveller
  Pass with QR code will be emailed and should be on hand at check-in.

#### MFAT COVID-19 advice for travellers

- Wear a well-fitting N95 mask when moving through airports and in other public spaces.
- Observe 1m social distancing including in queues.
- Consider wiping down high-touch areas (e.g. tray table, seat back, arm rests) with anti-bacterial wipes when you board.
- Make frequent use of hand sanitizer.
- Keep mask on in-flight, except when eating and drinking (this is mandatory).
- Consider carrying a mask at all times to allow you to wear one if you feel more comfortable doing so – for example in large or close groups where distancing is not possible.

#### **Entry requirements**

There are no entry requirements for Australia, or for the state of New South Wales or ACT.

On return to New Zealand, there are no testing requirements for entry. On arrival you will be given two RAT kits <u>and required to self-test on Days 1 and 5.</u>

#### **COVID-19** requirements in Canberra

# Masks

- Masks are not required to be worn in airports, but are required on airplanes, on public transport, and in high-risk settings such as hospitals and GP clinics.
- Beyond this, masks are not required, but are recommended by public health authorities in all public indoor settings and crowded outdoor settings. Individual businesses may still require masks.

## If you are feeling unwell

- In a life-threatening situation call **000.** Your accommodation address is: 21 Mugga Way, Red Hill, Canberra 2603.
- If you begin to have symptoms of COVID-19 then self-test with a RAT test immediately and let the New Zealand High Commission know.

# If you test positive

- You are required to self-isolate for seven full days, with day zero being the date you tested positive. You would do this at your accommodation, with MFAT staff staying in close contact.
- You must register your positive RAT result using ACT Health's online form.
- ACT Health will contact you by phone, text or email. You will also be sent a text message with a link to a short survey to complete.
- The isolation period concludes at the point ACT Health provides you with written clearance. This will be at 11:59pm on day seven.

- MFAT's policy for staff who return a positive RAT is as follows. These are not requirements of the Australian authorities:
  - Take a 2nd test to confirm the result. [Note: MFAT staff can arrange a PCR for you.]
  - o Remain or return to your accommodation
  - o Inform the delegation
  - Inform insurance adviser (for MFAT this is Healix via <u>mfat@healix.com</u>) they will provide "next steps" information.
- If you test negative, ACT Health recommends you take a PCR test and isolate until you receive a negative PCR result and your symptoms have gone.
- If you are a **close contact** and considered 'high risk' with some who tested positive you must **minimise your movements in the community** where possible for 7 days and monitor closely for COVID-19 symptoms. Further guidance is available <a href="here">here</a>.
- **PCR tests** are available at the Garran Surge Centre at no cost from 7:30am to 9:00pm each day. Address: 123 Kitchener Street, Garran.
- The MFAT Barton General Practice is a Healix approved provider and the High Commission can arrange a phone consult, if needed. Address: 2/3 Sydney Avenue, Barton, Phone: +61 6210 5020. Additional support to manage symptoms of COVID-19 can be provided over the phone by the COVID Care Home Team on +61 2 5124 3085, available 8:00am-6:00pm daily, and the National Coronavirus Helpline on 1800 020 080, available 24/7.

#### Contacts

New Zealand High Commission, Canberra		
Dame Annette King, High Commissioner	s9(2)(a)	
Eamonn O'Shaughnessy, Deputy High Commissioner		-
Georgina Sargison, Counsellor		
Sophie Chrisp, Second Secretary		
Maree Tindall, Executive Assistant to H/C		
Post General Number (business hours)		
New Zealand Consulate-General, Sydney		-
Bill Dobbie, Consul-General		-
Tracy Lockwood, Team Administrator Consular	1	
Shaun McKean, Administration Manager		_
New Zealand Consulate-General office (business hours)		

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# Media Points

# **Trade and Economic - Bilateral Relationship**

- For almost 40 years, since Closer Economic Relations was signed, New Zealand and Australia have pursued one of the world's most ambitious economic integration projects.
- The Single Economic Market makes it easier to engage in trade and tourism, research and development, investment and even transferring superannuation funds across the ditch.
- And it helps make doing business in Australia as easy as it is in New Zealand, and vice versa.
- Wherever the Australian and New Zealand economies face challenges and change, we benefit from tackling them together. We also both prosper when we take advantage of opportunities together.

#### **AANZFTA**

- AANZFTA is one of New Zealand's most important trade agreements, providing business with significant market access into a region that in 2021 received over \$6 billion of New Zealand goods.
- We are currently negotiating an upgrade of AANZFTA to ensure it remains a modern, high-quality, fit-for-purpose FTA. We want to secure outcomes that will make business easier, in areas like e-commerce, services and investment, and customs processes.
- The negotiations are also considering new, innovative provisions that align with the Government's Trade for All agenda. This includes cooperation between parties on sustainability issues, and how the Agreement can support SMEs.
- I will be discussing with my Australian counterparts how we can deliver a quality upgrade by the end of 2022.

## **RCEP**

- The recent entry into force of RCEP is a significant step forward for our region's recovery and prosperity. With 15 member economies, it is the world's largest FTA, covering 30% of the global population and 30% of global GDP.
- While our existing FTAs have already eliminated tariffs on most of the goods we export
  into the region, RCEP improves and simplifies the rules of trade. This aims to make trade
  easier for businesses and reduce compliance costs.
- RCEP also provides some exciting innovations that will modernise trade in our region. This
  includes commitments in e-commerce, SMEs, competition, and government procurement.
  New Zealand is particularly pleased to have secured IP provisions that go further than of
  our other FTAs in recognising genetic resources and traditional knowledge and folklore
  (GRTKF).

# **Indo-Pacific Economic Framework for Prosperity (IPEF)**

(Note that Minister O'Connor is scheduled to attend an IPEF ministerial meeting in Los Angeles on 8-9 September, where the scoping phase of the initiative is expected to be concluded, and potentially where the launch of negotiations will be publicly announced.)

- We welcome the Indo-Pacific Economic Framework (IPEF) as an opportunity to strengthen our cooperation with a diverse range of partner economies across the Indo-Pacific region, including Australia.
- IPEF will cover a range of important economic, trade, and climate topics that are critical for New Zealand's future and indeed for the Indo-Pacific's future, including for example the digital economy, supply chain resilience, and climate action.
- We are particularly pleased to see the strong connections between the underlying themes of sustainability and inclusivity in IPEF and New Zealand's own trade policy principles, for example as outlined in our Trade For All Agenda and our Trade Recovery Strategy 2.0.
- I'm confident that at the upcoming IPEF ministerial meeting in Los Angeles, New Zealand will be pushing to ensure that the scope of IPEF contains meaningful areas of cooperation across the economic, trade, and climate agendas.
- [If asked: has New Zealand made a formal decision to join the IPEF?] IPEF is still at the scoping stage, but I understand that soon it will move to the negotiations stage, and at that point economies will be deciding which negotiating pillars they will be formally joining.
- [If asked: have New Zealand and Australia been working together on IPEF?] New Zealand and Australia enjoy a close working relationship on a wide array of topics, and IPEF is no different. My sense is that we share a commitment to seeing meaningful economic benefits resulting from IPEF, as well as a commitment to driving global climate action through the Framework.
- [If asked: Why is New Zealand taking part in IPEF if market access isn't on the table?] Ideally, we would have liked to see 'standard' market access provisions in this initiative, which would deepen economic integration between our economies. The Prime Minister and others have said openly that we would welcome the US back into CPTPP, for example. However, we do expect that there will still be meaningful commercial benefits as an outcome of IPEF, particularly in the trade pillar, where issues such as trade facilitation and agricultural trade cooperation are on the table. Aside from commercial benefits, there are also other benefits from IPEF, for example working regionally on climate action and on setting new norms on future-focused issues such as the digital economy and resilient supply chains.
- [If asked: Why doesn't New Zealand get the US to join CPTPP rather than launching IPEF?] In the long-term, we still see CPTPP as the best option for the US to embed itself in the Indo-Pacific economic order and we hope to someday be able to welcome them into that agreement. In the meantime we are engaging constructively on IPEF.

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#### New Zealand, Australia and the Pacific

- The Pacific matters deeply to New Zealand our identity, prosperity and security are intertwined through deep cultural, people to people, historical and economic linkages.
- Pacific countries face a complex and growing array of challenges, including the impacts of climate change and an increasingly contested strategic environment.
- New Zealand and Australia are working closely together to lift our engagement in the region and scale up our response to all these challenges under our Pacific Resilience Policy and Australia's Step-Up, including through deepening our partnerships with Pacific Island countries.
- Together we can deliver on a larger scale in response to Pacific priorities. One practical example of this is in Papua New Guinea where New Zealand, Australia, Japan and the United States are working together with Papua New Guinea to connect 70 percent of its population to electricity by 2030 (from a current base of 13 percent).

#### **PACER Plus**

- We see PACER Plus as a critical part of the regional trade and development architecture in the Pacific. It is crucial in supporting the region's efforts to build economic diversification and resilience, including in response to Covid-19.
- New Zealand's support for PACER Plus includes funding for the PACER Plus Implementation Unit (PPIU) which is implementing the five year (A\$25.5m) Development and Economic Cooperation Work Programme (our contribution is NZ\$7m; Australia's is A\$19m). This support is helping Pacific countries party to the Agreement implement its provisions, further build sustainable economies and resilience, and derive increased benefits from trade and investment.
- I am really pleased that a solid start has been made in implementation, notwithstanding the impacts of Covid-19 lockdowns, and also for Tonga, January's volcanic eruption.
- I am delighted that Vanuatu recently deposited its ratification of the Agreement. This brings to 10 the number of countries who have ratified the Agreement (New Zealand, Australia, Samoa, Kiribati, Tonga, Solomon Islands, Niue, Cook Islands, Tuvalu had previously ratified).
- [If asked] However the full benefits of PACER Plus for the region as a whole won't be realised if membership from within the region remains incomplete. I would therefore welcome moves by near neighbours like Fiji and Papua New Guinea to seek membership.

# **Pacific Labour Mobility**

- Labour mobility is a driver of economic and social resilience in the Pacific region. Through
  access to labour markets in New Zealand and Australia, Pacific countries obtain remittances
  and skills that directly support families and communities to improve outcomes; particularly
  important in a post-COVID world.
- Labour mobility is a key focus of the PACER Plus work programme, and New Zealand is committed to delivering outcomes under the Labour Mobility Arrangement.
- New Zealand will be developing Pacific Programmes in four new sectors meat and seafood processing, construction and care as part of our Immigration Rebalance. These

programmes, which will be rolled out from 2024, will be smaller in scale than the Recognised Seasonal Employer (RSE) scheme. They will represent a next-generation labour mobility approach that is development-driven and focuses on skills and training, circular opportunities, and puts worker and family well-being at the centre.

- It is vital that these new programmes work for both New Zealand and our Pacific partners. We want workers to have a positive experience while employed in New Zealand, and strengthen skills and experience that they can then use to boost economic resilience in their own countries.
- As opportunities for Pacific labour mobility grow, New Zealand and Australia will continue to explore opportunities for greater collaboration, to ensure our collective efforts deliver positive outcomes for the region. It will also play a role in minimising-any negative impacts of increased Pacific labour mobility, including risks to partners' domestic labour supply.
- [If raised: which countries will be eligible to participate in new programmes]: Further details on the scope of the new labour mobility programmes are yet to be worked through.
- [If raised: worker well-being concerns]: Worker well-being, including living conditions, remains a priority for the New Zealand government. We take any complaints made regarding the treatment of RSE workers seriously.

#### If asked: China in the Pacific

- China's interest in expanding its cooperation with the Pacific, including through joint projects and activities, is not a surprise.
- We tell all our partners in the region that it is important that engagement in the Pacific takes place in a manner which advances Pacific priorities, is consistent with established regional practices, and supportive of Pacific regional institutions. As part of that, we have emphasised that we would be concerned with any developments that might undermine existing frameworks.
- New Zealand encourages all partners in the region to be transparent with their actions and intentions. We encourage assistance to be targeted in a manner that enables inclusive and sustainable development, enhances democratic norms, and supports regional stability.
- We have highlighted to all partners that New Zealand does not want strategic competition in the Pacific. Any activities that destabilise the current institutions and arrangements that underpin our region's security would benefit neither New Zealand nor other Pacific Countries.
- We work hard to promote strong, independent Pacific governance, human rights and rule
  of law, and expect other partners operating in the Pacific to respect these principles.

# China - general

- China is a key player in our region and our relationship is important to New Zealand, as it is to Australia. But it is also a very complex one.
- China is our largest trading partner just ahead of Australia and we work together on issues such as climate change and international trade where we have a shared global interest.

- New Zealand naturally has different views on some issues than China. We manage
  differences in a mutually respectful way. But we are proud of our independent foreign
  policy and we will speak out on issues where we see that that is required.
  - s6(a)

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#### **Disarmament**

 During my visit, I'll be taking the opportunity to discuss with Australian counterparts a range of disarmament and arms control issues.

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- With the recent conclusion of two big meetings on nuclear disarmament and non-proliferation the NPT Review Conference just last week and the TPNW First Meeting of States Parties in June this will naturally be a point of discussion.
- New Zealand is a strong advocate for nuclear disarmament and I am keen to explore the opportunities for us to work with Australia, as we take forward our efforts following these two meetings. (See below more detailed NPT and TPNW points.)
- I will be raising the important issue of the legacy of nuclear testing in the Pacific (see more detailed points below).
- I will also be exploring opportunities for concrete, tangible cooperation on a range of other disarmament and non-proliferation issues, ranging from conventional weapons issues such as the Arms Trade Treaty to emerging issues such as autonomous weapons systems, and non-proliferation challenges such as Iran and North Korea. We also work closely together on the Comprehensive Nuclear Test Ban Treaty, on which Australia has played a leading role.

#### Nuclear Non-Proliferation Treaty

- Over the past 50 years, the NPT has made a real contribution to international peace and security. It has worked well in preventing the spread of nuclear weapons around the world.
- Unfortunately, however, the other part of the Grand Bargain nuclear disarmament has been failing. The world is seeing a massive reinvestment in nuclear weapon stockpiles, in nuclear modernisation programmes, and a reduction in transparency. This is unacceptable and there is significant frustration and fatigue on the part of the non-nuclear weapons states.
- New Zealand was deeply disappointed and frustrated that the Review Conference was not able to adopt a substantive outcome, because of Russia blocking consensus.

- Obviously Russia's invasion of Ukraine and the worsening situation at the ZNPP –
  provided the backdrop to the Review Conference. While no one had high expectations of
  success, all delegations engaged with the stated intention of achieving an agreed outcome
  and there was no sense that this failure was inevitable.
- The draft outcome was the result of long negotiation and reflected the efforts of the Conference President to resolve a range of irreconcilable positions and very different levels of ambition. As a result, it was not an outcome that met the expectations or delivered the interests of any individual state of group of states. It certainly did not reflect New Zealand's aspirations, in particular on nuclear disarmament, where the cupboard was essentially bare in respect of new substantive commitments.
- There were, however, some good elements that we would have been pleased to take
  forward into the coming review cycle. These included the strengthened language on the
  humanitarian consequences of nuclear weapons, acknowledgement of the TPNW, and new
  pathways for work on nuclear risk reduction, enhanced transparency and accountability,
  and efforts to address nuclear harm including in the Pacific.
- In terms of "what next": Nuclear disarmament is hard, as the generations of New Zealanders that have advocated for it can attest. Despite this, we must and will continue. Nuclear weapons are not going to go away of their own account. Achieving their elimination demands political leadership, tireless diplomacy, civil society activism, and support from the scientific and academic community. We all have a role to play in that and New Zealand will continue to do all it can.
- [If asked nuclear weapon states] Once again the nuclear weapon states have frustrated the ambitions of the overwhelming majority of the rest of the NPT membership. There was little preparedness to move beyond existing commitments. The nuclear weapon states resisted any new undertakings and the introduction of long overdue accountability measures such as deadlines or benchmarks that would have helped track implementation of their outstanding disarmament commitments.
- [If asked is the NPT a failed Treaty?] The treaty has not failed, but the process we have in place for the review of its implementation has once again let us down. New Zealand engaged actively in an effort to improve this process but met with heavy resistance from many of the nuclear weapon states.
- [If asked what does this mean for the TPNW?] The TPNW is a separate treaty process, with a different membership. But the failure of the NPT to deliver on disarmament can only highlight the important role that the TPNW has to play in putting pressure on the nuclear weapon states and their alliance partners, and in continuing to build momentum for the elimination of nuclear weapons.

#### Russia's invasion of Ukraine

- New Zealand stands with the international community in condemning President Putin's unjustified and illegal attack on Ukraine.
- As Minister for Disarmament and Arms Control, I am following closely the implications for the international disarmament and non-proliferation agenda.
- In the nuclear space, Russia's thinly-veiled threats to use nuclear weapons were alarming and unacceptable. Russia's war on Ukraine has made all too clear the very real dangers of nuclear weapons. Progress on nuclear disarmament is essential and urgent.

- I want to be clear that nothing about this detracts from our absolute support for Ukraine. There is no tension between, on the one hand, supporting Ukraine and its partners, and, on the other hand, advocating for renewed urgency on nuclear disarmament.
- As Prime Minister Ardern said recently, our solidarity with Ukraine must be matched by an equal commitment to strengthen international institutions, multilateral forums, and disarmament.
- [If raised: Zaporizhzia Nuclear Power Plant] New Zealand is deeply concerned by shelling and other military activities in the vicinity of the Zaporizhzhia (pronounced: Zah-poh-reeh-ji-ji-ya) Nuclear Power Plant, which contributes to a deteriorating and dangerous nuclear safety and security situation at the site.
- Deployment of Russian military personnel and weaponry at the facility significantly raises the risk of nuclear incidents or accidents. Their presence also prevents both the Ukrainian authorities from fulfilling their nuclear safety obligations in accordance with international standards, and the International Atomic Energy Agency (IAEA) from fulfilling its safeguards mandate.
- It is critical that the IAEA is given access to the site as soon as possible so it can carry out essential nuclear safety, security and safeguards work there.
- Alongside likeminded partners, New Zealand has called on Russia to withdraw its forces from the facility and all of Ukraine so that the Ukrainian authorities can resume their sovereign responsibilities and normal site operations can recommence. We will continue to do so.

# Treaty on the Prohibition of Nuclear Weapons

- New Zealand is a proud member of the Ban Treaty. The Ban Treaty is a notable addition
  to the legal regime on nuclear weapons since it makes nuclear weapons illegal for those
  who join, and has global application.
- The Ban Treaty has strong support in the Pacific, with 10 Pacific countries [including New Zealand] being members.
- The Ban Treaty came to life out of a sense of real frustration on the lack of progress on nuclear disarmament by the nuclear weapon states. We see the Treaty as a way of taking forward the obligations for nuclear disarmament under the NPT.
- The Treaty's First Meeting of States Parties in June was a real success. Its Vienna Declaration has been called the strongest ever multilateral statement on nuclear disarmament. It made clear the real urgency we see for progress on nuclear disarmament.
- We were very pleased that Australia attended the First Meeting of States Parties as an observer, alongside other countries including Germany, Sweden and Norway, among others. The presence of observers helped to send a message of openness to constructive dialogue on nuclear disarmament. We hope the meeting made clear to the observers the role of the Ban Treaty and our vision for its future trajectory and I look forward to continuing to stay in touch with Australia on this.

## Nuclear legacy in the Pacific

- The Pacific region still bears the scars today of decades of nuclear testing. Those countries that were directly affected continue to suffer in terms of the health of their people and environmental damage. The effects of climate change also mean there are growing risks to the entire region, in terms of our Blue Pacific Ocean and the environment.
- This is an important issue to New Zealand it is something we feel strongly about.
- We are keen to work together as a Pacific region to take this issue forward, and this is something I look forward to talking further to Australian counterparts about. New Zealand has joined a regional Taskforce on nuclear legacy issues, and we were pleased that nuclear legacy was discussed during high-level meetings of the Pacific Islands Forum earlier this year.

#### If asked: AUKUS

- We are pleased AUKUS partners continue to share information about how the initiative is progressing.
- New Zealand has close and important relationships with Australia, the US and the UK, including on security and defence matters. We have publically reiterated that AUKUS does not affect our strong security and intelligence ties with the AUKUS partners, as well as with Canada.
- The peace and stability of the region, and the upholding of the international rules based order, remain our common objectives with AUKUS members. Security architecture that contributes to peace and stability in the region, and has as its point of reference the interests of the countries of the region, is welcome.
- We are not a member of AUKUS, so we have not been participating in discussions about its progression.
- s6(a)

It is important to note that we have existing defence and security intelligence sharing relations with all AUKUS members, and that the AUKUS arrangement does not change our ties with these three countries.

s6(a)

• s6(a) New Zealand does not support the establishment of additional parallel structures to consider the AUKUS initiative given this would undermine the work and integrity of the IAEA.

- s6(a)
- Our strong security and intelligence ties with these three countries, as well as with Canada, remain unchanged.

s6(a)

## **New Zealanders in Australia**

#### Access to Australia Citizenship

New Zealand welcomes Prime Minister Albanese's unequivocal public commitments to improve the status of New Zealanders in Australia.

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- New Zealand's view is that New Zealanders who have settled long-term in Australia deserve a chance to formalise their status here.
- Following their meeting in July, our Prime Ministers agreed that "no New Zealander or Australian should be rendered permanently 'temporary' when it comes to residence in either country".
- Our Prime Ministers also announced that Australia and New Zealand will identify options to provide citizens of both countries better access to opportunities and benefits by ANZAC Day 2023.
- [If raised why does New Zealand treat Australians better?] Our focus is on improving conditions for New Zealanders in Australia. As the Prime Minister has said previously we don't think making life harder for Australians in New Zealand would help with that.

# Deportations

New Zealand welcomes Prime Minister Albanese's public commitment to take a "common sense" approach to deportations for "someone who has lived their entire life, effectively, in Australia".

- As the Prime Minister has said previously we accept that Australia has the sovereign right to determine what level of offending by non-citizens is unacceptable. However, we do express concern at deportation of people with little or no connection to New Zealand.
- We acknowledge Australia will still deport people it is their sovereign right to do so, just as we are provisioned to deport offenders who don't have a long-term connection to New Zealand.

# First Nations voices/Indigenous Foreign Policy

- I welcome the new Australian Government's emphasis on the inclusion of First Nations voices in policy making.
- We will continue sharing experiences and lessons we've learned from our respective journeys to ensure indigenous perspectives are included in our policy development.
- This is an area where Australia and Aotearoa can cooperate closely, Together we are already making progress as guided by the intention and deliverables of our Indigenous Collaboration Arrangement.

#### Climate change

- We welcome the new Australian Government's commitment to climate change action.
- We know that all of us need to do more on climate change. This is why New Zealand increased our international commitments on climate action. We updated our Nationally Determined Contribution under the Paris Agreement to reduce emissions by 50%<sup>1</sup>; and we quadrupled our climate finance. Alongside these commitments, New Zealand has moved into full implementation mode on our zero carbon architecture. We have set emissions budgets out to 2035, and delivered our first emissions reduction plan. We have placed 1.5 degrees at the heart of our response.
- Limiting the temperature increase to 1.5 degrees is critical to New Zealand and our common region. Staying within this limit requires every country to take urgent, effective action that is aligned to that temperature goal. There are limits to what can be adapted to.
- New Zealand and Australia are both Pacific countries, sharing our region's common ties of geography, history, people, and politics. We have cooperated together with Pacific Island countries to support the region's climate action and adaptation efforts. The commitment and contribution of our two governments to assist Pacific countries on climate change is only growing in importance.
- The transitions we will each undertake to address climate change will require collaboration.
   Our markets are close and interconnected and present opportunities to work together to access the technology, innovation, and investment we both need to accelerate our climate action.

If asked about traditional differences between Australia and New Zealand climate policy:

- No one country alone is responsible for or can address the causes of climate change. Global ambition needs to be lifted across the board: the world collectively needs to be doing more.
- All countries need to decide for themselves the best way to do this what policies and what sectors to focus on to transition their economies.

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 $<sup>^{\</sup>rm 1}\,\text{To}$  reduce net emissions 50% below gross 2005 emissions levels by 2030.

• New Zealand is very much focused on transitioning to a low emissions, climate resilient economy. We have set ourselves challenging targets and we are focused on how we can meet them.

Released under the Official Information Act

# Meeting with Pat Conroy MP, Minister for International Development and the Pacific

Tuesday, 6 September, 3:45pm to 4:15pm Minister Conroy's office, Parliament of Australia



The Hon **Pat Conroy** MP is the Federal Member for Shortland in New South Wales. He comes from a family of Labor activists and has deep links with the unions' movement. Prior to entering parliament in 2013 he held a number of roles working for unions and the ALP. Conroy now lives in Lake Macquarie, with his wife and their two young children.

In 2022, Conroy was appointed by Prime Minister Anthony Albanese as the Australian Minister for International Development and the Pacific and Minister for Defence Industry.

Conroy attended the Commonwealth Heads of Government Meeting in Rwanda, the Pacific Islands Forum as well as Battle of Guadalcanal commemorations providing him an opportunity to meet a number of New Zealand Ministers in person including Ministers Mahuta, Sio and Henare.

# **Objectives**

- Register New Zealand's enduring interest in the Pacific is for a stable, prosperous and resilient region and note how PACER Plus supports Pacific development.
- Seek Conroy's support for Australia being more active on the issue of nuclear legacy in the Pacific.
- Register New Zealand's desire to work with Australia on Pacific labour mobility issues to better ensure any negative impacts of increased Pacific labour mobility are minimised.
- Register how important seeing genuine change to the situation of New Zealanders in Australia is to the New Zealand Government.

#### Talking points

#### PACER Plus

- New Zealand's enduring interest in the Pacific is for a stable, prosperous and resilient region.
- Our key objective for PACER Plus is to support the Pacific's development through delivering on Pacific priorities in trade and labour mobility to meet both the needs of existing Pacific Parties as well as attracting non-Parties (such as Fiji and Papua New Guinea) and <sup>56(a)</sup> to the Agreement. Expanding the Agreement's membership will bolster Pacific countries economic resilience in the long term, as well as assist in increasing prosperity and stability of the Pacific.
- New Zealand has a key interest in broadening the span of PACER Plus. The Agreement's long-term value as a piece of regional economic architecture will depend on it being inclusive and representative of the membership of our region. The inclusion of Fiji and Papua New Guinea would significantly enhance the Agreement's value and utility. We also wish to encourage the remaining signatory Nauru to ratify, and in the longer term secure membership of other Pacific partners.

- s6(a), s9(2)(f)(iv)
- In line with the principles of the Pacific Resilience approach, it is important that PACER Plus remains driven by and for the Pacific.

#### Pacific Disarmament Issues

- The issue of the legacy of nuclear testing in the Pacific is important to New Zealand. The effects of testing continue to be felt today – most directly by those countries that were the direct subject of tests, but also regionally, with the impacts ant into the official into the official into the official into the official into the office of the o of climate change increasing the risks for health and the environment beyond the directly affected countries.
- s6(a)

# Labour Mobility

- Supporting Pacific Island countries to access our labour markets is important for building economic and social resilience in the Pacific region, and delivers on key development as well as strategic foreign policy objectives that New Zealand and Australia share. This is particularly pivotal in these post-COVID times of economic recovery and rebuilding.

- Like Australia, New Zealand is facing critical labour shortages in key sectors. As part
  of our Immigration Rebalance, we will be designing new labour mobility programmes
  in our meat and seafood processing, construction and care sectors. These will
  complement the RSE scheme, which will remain our key offering, limited to roles in
  horticulture and viticulture.
- As we embark on the design of new labour mobility opportunities in new sectors, we are keen to learn more from Australia's experience in expanding into new sectors, and explore opportunities for greater collaboration. By working together, we can better ensure any negative impacts of increased Pacific labour mobility are minimised, including risks to domestic labour supply at the Pacific end.
- We consider it will be crucial for us to partner more closely with Australia on how we enable our Pacific partners to build greater capacity to support the delivery of more equitable, sustainable and development driven opportunities for the region.
- s6(b)(i)
- It is in the interest of both New Zealand and Australia to work together to ensure that our labour mobility programmes can continue to scale up, and deliver sustainable flows of Pacific workers. By working together, we can better ensure any negative impacts of increased Pacific labour mobility are minimised, including risks to domestic labour supply at the Pacific end.

#### New Zealanders in Australia

Though I do not have responsibility for issues relating to the treatment of New Zealanders in Australia, and I understand it is not directly within your portfolio, I want to underline how important seeing progress on these issues is to New Zealanders, and to the New Zealand Government. s6(a), s6(b)(i)

Australia Division / Trade Policy Engagement and Implementation Unit / Pacific Regional Division

Event Brief: Dinner hosted by High Commissioner with Track Two Disarmament and non-proliferation academics / think tank representatives

Tuesday 6 September 7pm – 9pm New Zealand Official Residence

# **Objectives**

- To discuss nuclear disarmament issues, including Pacific nuclear legacy issues and get expert perspectives on Australia's approach to these issues under its new government s6(a)
- s6(a), s9(2)(g)(i)

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- Academics and commentators will, like many others in Australia, likely be quite focused on AUKUS, so you may want to seek their views on the non-proliferation aspects of the submarine deal in particular.
- It is also an opportunity to explore opportunities for collaboration beyond nuclear issues, for example on autonomous weapons systems and explosive weapons in populated areas. What insights do Track Two partners have on Australia's positions on these issues?
- It would be useful to understand the extent to which disarmament issues feature in Australian public discourse. s9(2)(g)(i)
- You could note our interest in building up academic/think tank capacity in New Zealand on these issues, in particular among the science community. What has been Australia's experience on this and do they have any ideas for collaboration?



**Dr Tanya Ogilvie-White** is Senior Research Adviser at Asia-Pacific Leadership Network and non-resident senior fellow at ANU. A UK/New Zealand dual national, her work has a strong Asia-Pacific focus. She was previously the Global Security Program at the New Zealand Centre for Global Studies, and has had roles at the Centre for Nuclear Non-proliferation and Disarmament, ASPI, IISS, and Canterbury University.



**Dr Benjamin Zala** is a Research Fellow in International Relations at ANU. His research interests include, strategic relations in the Asia-Pacific, nuclear arms control and disarmament; and strategic conventional weapons. He has previously held roles at Harvard University, University of Leicester, the Oxford Research Group, and Chatham House.



**Talei Mangioni** is currently a PhD candidate at ANU. Her research charts the Nuclear Free and Independent Pacific (NFIP) movement across Oceania. She is Secretary of the Australian Association for Pacific Studies and a board member of the International Campaign to Abolish Nuclear Weapons (ICAN). Previously she has held roles in Pacific studies, Asian Studies and Indigenous studies at the Australian National University.



**Alex Bristow** is the Acting Director of Defence, Strategy and National Security at the Australian Strategic Policy Institute (ASPI). His expertise is in US-Japan security alliance, summit diplomacy, and nuclear weapons agreements. Alex spent the last decade working in the UK Foreign, Commonwealth and Development Office (FCDO) this included postings to Beijing and Canberra.



Wing Commander Ulas ('Ulie') Yildirim is the Air and Space Power Centre's Air Force Visiting Fellow at ASPI. Ulie has expertise in space strategy and concepts. He is on secondment from Air Force Headquarters where he most recently held the title Deputy Director Force Structure Design and managed the Air Force's input to Defence's Capability Assessment Program.

# Meeting with Senator Tim Ayres, Assistant Minister for Trade

Wednesday, 7 September, 10:00am to 10:45am Senator Ayres' office, Parliament of Australia



Senator the Hon Tim Ayres grew up on a beef cattle farm in Northern New South Wales. Before politics, Ayres was a trade union leader who played a prominent role in Australia's manufacturing, food and agriculture sectors. In 2019, he was elected as a Senator for New South Wales. Ayres is married, with two teenage children and lives in Sydney.

In 2022, Senator Ayres was appointed by Prime Minister Anthony Albanese as Assistant Minister for Trade and Assistant Minister for Manufacturing. The warrant letters for the Assistant Ministerial portfolios are still in the process of being drafted and as such it is not yet known what his responsibilities will be under his Trade and Manufacturing portfolios. It seems clear they will include responsibility for PACER Plus and potentially AANZFTA.

As the Australian representative for PACER Plus, you recently virtually engaged with Ayres at the PACER Plus Ministers' Meeting and bilaterally in advance of it. You also met Ayres in person in New York at the Nuclear Non-Proliferation Treaty Review Conference as he stood in for the responsible Minister.

# **Objectives**

- s6(a), s9(2)(g)(i)
- Provide context and content for conversation on supply chain issues.
- Register how important seeing genuine change to the situation of New Zealanders in Australia is to the New Zealand Government.

#### **Talking points**

# PACER Plus

- Good to be able to catch up again on PACER Plus, Vanuatu's recent deposit of ratification is great news.
- s6(a), s6(b)(i)

s6(a), s6(b)(i)

**AANZFTA** 

- dy ar As you know, we are quickly approaching the agreed deadline for substantive conclusion of the AANZFTA upgrade. New Zealand is committed to meeting the deadline, as we want to avoid at all costs the upgrade drifting into 2023 when ASEAN will have competing priorities.
- We are focused on elements that will add value for our businesses as well as other inclusive elements such as trade and sustainable development and MSMEs. We are concerned at the slow progress in parts of the negotiations particularly around services and investment.

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s6(a), s6(b)(i)

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#### **RCEP**

- We are pleased that progress is being made on ironing out the governance and institutional arrangements for RCEP, and appreciate Australia's constructive input into these discussions. Given the range of members, it has been a challenge to get progress and things are still moving slowly.
- s6(a), s6(b)(i)
- We are supportive of RCEP as an open plurilateral agreement and growing its membership and think we need to get work under way on guidelines at some stage in the near future to support that work.
- s6(a)
- We, like our RCEP partners, want to ensure our business community is aware of and making use of this important Agreement. We are looking at domestic outreach efforts, and are also interested in how we can work together to promote RCEP across the region.
- s6(a)

#### Supply Chain Issues

- Disruptions to global supply chains continue to pose significant challenges for many countries, including New Zealand and Australia.
- New Zealand believes resilient supply chains are those that are transparent, open, secure, and diverse. We have been committed to maintaining open and resilient supply chains throughout the disruptions experienced since the outbreak of COVID-19
- New Zealand highly values our engagement with Australia on supply chains. We have a shared interest in cooperating to address disruption, capacity constraints, and high

- prices in global freight, which are presenting persistent challenges for trading businesses.
- The Trans-Tasman Supply Chains Dialogue is a great example of how we work together to address areas of joint vulnerability. This has been an excellent platform to share learnings.
- New Zealand looks forward to deepening collaboration in the future. On supply chains, we both benefit from continuing to advocate for maintaining trade flows and the rules-based trading system.

### New Zealanders in Australia

Though I do not have responsibility for issues relating to the treatment of New Zealanders in Australia, and I understand it is not directly within your portfolio, I want to underline how important seeing progress on these issues is to New Zealanders, and to the New Zealand Government. s6(a), s6(b)(i)

Australia Division / Trade Policy Engagement and Implementation Unit / Economic Division August 2022

### Meeting with Tim Watts MP, Assistant Minister for Foreign Affairs

Wednesday, 7 September, 12:30pm to 1:00pm Minister Watts' office, Parliament of Australia



The **Hon Tim Watts MP** is the Federal Member for Gellibrand in Melbourne's west. He holds a Bachelor of Laws (Hons) from Bond University, Master of Public Policy from Monash University and Master of Science from the London School of Economics. Prior to being elected in 2013, Watts worked in the technology sector and also served as Deputy Chief of Staff for the Minister for Communications and a Senior Adviser to the Victorian Premier.

Watts has a large New Zealand diaspora community in his Melbourne electorate s6(b)(i)

In 2022, Watts was appointed by Prime Minister Anthony Albanese as the Australian Assistant Minister for Foreign Affairs. The warrant letters for the Assistant Ministerial portfolios are still in the process of being drafted and as such it is not yet known what his responsibilities will be. It seems clear that Watts' responsibilities will include disarmament issues. Due to other commitments, Watts' was not available to represent Australia at the recent Nuclear Non-Proliferation Treaty Review Conference.

### **Objectives**

- Explore Australia's thinking on nuclear disarmament following the NPT Review Conference, and encourage Australia to be proactive on disarmament in the next review cycle, including cooperation with New Zealand on strengthening the review process.
- Seek Watts' support for Australia being more active on the issue of nuclear legacy in the Pacific.
- Encourage Australia to join the Political Declaration on Explosive Weapons in Populated Areas.
- Register New Zealand's desire to work with Australia on Pacific labour mobility issues to better ensure any negative impacts of increased Pacific labour mobility are minimised.
- Register how important seeing genuine change to the situation of New Zealanders in Australia is to the New Zealand Government.

### Talking points

### Disarmament

- Register New Zealand's long-held commitment to disarmament and nonproliferation.
- Recognise Australia's own long-standing advocacy in this space, for example on the Comprehensive Nuclear Test Ban Treaty, and reiterate our interest in ongoing trans-Tasman dialogue across the disarmament and non-proliferation portfolio.

- In the current international environment, including in response to Russia's illegal and unprovoked attack on Ukraine, it is more important than ever that we shore up disarmament and non-proliferation Treaties and institutions. We can't let the legacy of the war in Ukraine be a renewed arms race and weakening of rules, norms and institutions.
- Seek Australia's views on the **NPT Review Conference**. How satisfied would Australia have been with the draft outcome, had it been agreed?
- From New Zealand's perspective, irrespective of its strengths and weaknesses, adoption of a consensus outcome would have represented a sense of cooperation on disarmament and non-proliferation that is so needed at this time.
- In the draft outcome itself, there were some aspects that were positive from our perspective, including language on the heightened threat and devastating consequences of nuclear weapon use, signposting of new pathways for work on nuclear risk reduction, enhanced transparency and accountability, and efforts to address nuclear harm including in the Pacific.
- Overall, though, we were deeply disappointed at the lack of progress on nuclear disarmament, with the nuclear weapon states unable to agree collectively to even very modest steps.
- The lack of an outcome now since 2010, combined with the ongoing lack of progress on nuclear disarmament, means the NPT continues to be under real stress. There is a risk of it falling into irrelevance, taking with it the benefits the Treaty has brought on non-proliferation.
- We cannot be in this same position at the next Review Conference in 2026. s6(a), s6(b)(i)

### **TPNW**

Note New Zealand's appreciation for Australia's attendance as an observer at the **Treaty on the Prohibition of Nuclear Weapons** First Meeting of States Parties.

S6(a) From

New Zealand's perspective, the participation of observers sent a helpful message of openness to dialogue – an important message in these current times. We were very pleased with the outcome of the meeting itself, and would welcome staying in touch with Australia during the TPNW intersessional process, in the spirit of keeping the dialogue open.

What did Australia think of the TPNW meeting and are there any areas in particular that you might be interested in supporting or remaining engaged on?

### **JCPOA**

 Iran and North Korea pose additional challenges to the international nonproliferation regime. The JCPOA negotiations continue to grind on against a backdrop of warnings from various voices in the international community that the

window for a deal is rapidly closing. At the same time, we are receiving reports that North Korea is on the verge of conducting a nuclear test. What is Australia's assessment of the prospects for a revived JCPOA deal and a return to diplomacy on the Korean Peninsula?

### **AUKUS**

- Concerning **AUKUS**, as the Prime Minister has noted, the peace and stability of our region, and upholding the international rules-based order, remain shared objectives with AUKUS members. I am personally interested in possible implications of the submarine deal for the issues that fall within my portfolio, specifically in relation to nuclear non-proliferation.
- As acknowledged by AUKUS partners, it will be important to work closely with the IAEA given the imperative of transparency, and in order to maintain confidence in official Information of the of the IAEA's safeguards regime. We therefore welcome AUKUS partners' continued commitment to keeping the IAEA Board of Governors actively informed of latest developments.

s6(a), s6(b)(i)

### Pacific Legacy Issues

- The issue of the legacy of nuclear testing in the Pacific is important to New Zealand. As Australia can attest, the effects of testing continue to be felt today - most directly by those countries that were direct subject of tests, but also regionally, with the impacts of climate change increasing the risks for health and the environment beyond the directly affected countries.
- s6(a)

### Autonomous Weapon Systems (AWS)

- A key priority for New Zealand is advocacy for new, legally binding prohibitions, rules and limits on **autonomous weapons systems** (or "killer robots"). For New Zealand, we recognise as a fundamental starting point that autonomous weapons systems that cannot be used in accordance with international humanitarian law are de facto unlawful and their development, deployment, and use must be prevented. We remain of the view that a legally-binding instrument is the best means of ensuring effective and appropriate international regulation of AWS.
- We were deeply disappointed with the outcomes from the recent Group of Governmental Experts (GGE) meeting in July. s6(a)
- We would be interested to hear your views, and how you see discussions moving from here.

### Other Disarmament and Arms Control issues

- There is of course significant pressure being brought to bear on other international humanitarian issues. Russia's invasion, and its bombardment of urban areas in Ukraine, has served as a tragic example of the increasing risk of harm to civilians that **explosive weapons in populated areas (EWIPA)** poses.
- As you may know, New Zealand was one of 25 states (alongside the US and UK) to voice its support, in June this year, for a new Political Declaration on EWIPA.
- Finalisation of the Declaration is a significant achievement, especially in the current international context. It seeks to give weight to existing international humanitarian law rules (and does not impose any new legal obligations on signatory states). In our view, it's a strong, civilian-centred declaration and one which strikes an appropriate balance between ambition and appeal.
- From here, New Zealand is looking for ways to raise awareness of the Declaration and encourage its uptake ahead of its adoption in Dublin later this year.
- s6(a)

### **Labour Mobility**

- Supporting Pacific Island countries to access our labour markets is important for building economic and social resilience in the Pacific region. s6(a)
- Labour mobility is a key interest for most PACER Plus members. I'm keen to see a
  stepped up level of regional ambition, underpinned by next-generation labour
  mobility principles that focus on aligning labour mobility opportunities to Pacific
  countries' own development aspirations; skills and training; circular opportunities;
  worker well-being; maximising the benefits and mitigating negative impacts on
  communities; and collective regional responsibility.

- I'm interested in your views on how we can elevate our engagement on labour mobility, from a series of bilateral arrangements to a regional approach underpinned by an agenda and set of principles determined collectively, by ourselves and our Pacific partners. s6(b)(i)
  - I believe we can enhance the value proposition of labour mobility opportunities further by focusing on skills investment. The Pacific Labour Mobility Annual Meeting (PLMAM) to be hosted by Samoa in November will be a key opportunity to discuss these issues.
- Like Australia, New Zealand is facing critical labour shortages in key sectors. As part of our Immigration Rebalance, we will be designing new labour mobility programmes in our meat and seafood processing, construction and care sectors. These will complement the RSE scheme, which will remain our key offering, limited to roles in horticulture and viticulture.
- As we develop these programmes, we are keen to learn more from Australia's experience in expanding into new sectors, and explore opportunities for greater collaboration. It is in the interest of both New Zealand and Australia to work together to ensure that our labour mobility programmes can continue to scale up, and deliver sustainable flows of Pacific workers. By working together, we can better ensure any negative impacts of increased Pacific labour mobility are minimised, including risks to domestic labour supply at the Pacific end.

### New Zealanders in Australia

Though I do not have responsibility for issues relating to the treatment of New Zealanders in Australia, and I understand it is not directly within your portfolio, I want to underline how important seeing progress on these issues is to New Zealanders, and to the New Zealand Government. s6(a), s6(b)(i)

### **Background**

1. s6(b)(i)

eleased under the Australia Division / International Security and Disarmament Division / Pacific Regional Division

## Coffee with International Campaign to Abolish Nuclear Weapons (ICAN)

Wednesday, 7 September, 2.30pm to 3pm NZHC, Berendsen Room

### **Objectives**

- The meeting is an opportunity to register New Zealand's commitment to the TPNW, and acknowledge our productive working relationship with ICAN (globally and via its New Zealand branch).
- It would be useful to understand ICAN Australia's strategy for engagement with the Australian Government and with broader sections of Australian civil society, as well as with those Pacific Islands that have yet to join the Treaty (Papua New Guinea, Solomon Islands, Tonga, Republic of Marshall Islands and Federated States of Micronesia).
- s6(a), s9(2)(g)(i)



**Dr Sue Wareham** is a member of the ICAN Australia board. Sue is a former Canberra GP. She has played an active part in the peace and anti-nuclear movement since the 1980s, and was awarded a Medal of the Order of Australia. She was one of the founding members of ICAN. She is also a board member of International Physicians for the Prevention of Nuclear War, and President of the Medical Association for Prevention of War.



**Talei Mangioni** is currently a PhD candidate at ANU. Her research charts the Nuclear Free and Independent Pacific (NFIP) movement across Oceania. She is Secretary of the Australian Association for Pacific Studies and a board member of the International Campaign to Abolish Nuclear Weapons (ICAN). Previously she has held roles in Pacific studies, Asian Studies and Indigenous studies at the Australian National University.

### Meeting with Senator Don Farrell, Minister for Trade and Tourism

Wednesday, 7 September, 4:00pm to 4:45pm Senator Farrell's office, Parliament of Australia



Senator Don Farrell is a fourth generation South Australian who has represented South Australia as a Senator from 2008 to 2014 and again since 2016. s9(2)(g)(i)

He lives in Adelaide

with his wife Nimfa and enjoys working in his Clare Valley vineyard.

Appointed Minister for Trade and Tourism and Deputy Leader in the Senate following the May election, \$9(2)(g)(i)

Farrel

also holds the Special Minister of State role responsible for various parliamentary, electoral, financial, public service and oversight functions.

Farrell attended the Australia New Zealand Leadership Forum in Sydney providing him an opportunity to meet Ministers O'Connor and Nash in person.

### **Objectives**

- To provide context and content for a conversation on supply chain issues.
- To register how important seeing genuine change to the situation of New Zealanders in Australia is to the New Zealand Government.

### **Talking points**

eleased

### PACER Plus

 [You may wish to refer to your conversation with Minister Ayres on this issue earlier in the day along with the s6(a) s6(a)

**AANZFTA** 

- As you know, we are quickly approaching the agreed deadline for substantive conclusion of the AANZFTA upgrade. New Zealand is committed to meeting the deadline, as we want to avoid at all costs the upgrade drifting into 2023 when ASEAN will have competing priorities.
- Released under the We are focused on elements that will add value for our businesses as well as other inclusive elements such as trade and sustainable development and MSMEs. We are concerned at the slow progress in parts of the negotiations particularly around

### Supply Chain Issues

Disruptions to global supply chains continue to pose significant challenges for many countries, including New Zealand and Australia.

- New Zealand believes resilient supply chains are those that are transparent, open, secure, and diverse. We have been committed to maintaining open and resilient supply chains throughout the disruptions experienced since the outbreak of COVID-19.
- New Zealand highly values our engagement with Australia on supply chains. We have a shared interest in cooperating to address disruption, capacity constraints, and high prices in global freight, which are presenting persistent challenges for trading businesses.
- The Trans-Tasman Supply Chains Dialogue is a great example of how we work together to address areas of joint vulnerability. This has been an excellent platform to share learnings.
- New Zealand looks forward to deepening collaboration in the future. On supply chains, we both benefit from continuing to advocate for maintaining trade flows and the rules-based trading system.

### New Zealanders in Australia

Though I do not have responsibility for issues relating to the treatment of New Zealanders in Australia, and I understand it is not directly within your portfolio, I want to underline how important seeing progress on these issues is to New Zealanders, and to the New Zealand Government. s6(a)

Australia Division / Trade Policy Engagement and Implementation Unit / Economic Division August 2022

### Australia New Zealand Bilateral Relationship

### **Key Points**

- s6(a)
- At a general level our strategic policy priorities to pursue in our engagement with Australia include:
  - s6(a), s9(2)(g)(i)
  - 0
  - 0
  - 0
- Next year's anniversary of Closer Economic Relations (CER) (40th), the Trans-Tasman Travel Arrangement (50th) and the establishment of diplomatic missions in each others countries (80th) provides an opportunity to: remind the public and both our systems of the benefits we each reap from our relationship and the opportunities to do more together; seek acknowledgment on both side of our unique contexts and the added value that our different perspectives and strengths can bring; and, demonstrate to our partners that we stand united as allies and family.

### **Background**

- s9(2)(g)(i) 1.
- sedunderinec The first Australia New Zealand Leaders Meeting (ANZLM) between Prime Minister Ardern and Australian PM Anthony Albanese took place on 8 July in Sydney, and delivered positively for New Zealand. Positive progress was made at the Leaders Meeting on a number of bilateral people issues particularly in relation to the rights of New Zealanders living in Australia (see para 8 - 9 below). s6(b)(i)

with the announcement of formal annualised meetings between the Treasurer/Minister of Finance and Climate Change Ministers, and between Defence and Foreign Affairs Ministers, further reinforcing trans-Tasman ties.

s6(a), s9(2)(g)(i)

s6(a), s9(2)(g)(i) 3.

Pacific

- 4. s6(a), s9(2)(g)(i)
- s6(a), s9(2)(g)(i) 5.

New Zealanders in Australia

- ralia has for s' 6. The situation of New Zealanders in Australia has for some time been an irritant in our bilateral relationship. s6(a), s6(b)(i), s9(2)(g)(i)s6(a), s6(b)(i), s9(2)(g)(i)
- 7.

Australia Division August 2022

### PACER+

### **Key Points**

s6(a), s9(2)(g)(i)

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### Background

- 1. New Zealand support for PACER Plus includes funding for the PACER Plus Implementation Unit (PPIU) implementing the five year (A\$25.5m) Development and Economic Cooperation Work Programme (our contribution is NZ\$7m; Australia is A\$19m).
- 2. We see PACER Plus as a critical part of the regional trade and development architecture in the Pacific. It is crucial in supporting the region's efforts to build economic diversification and resilience, including in response to Covid-19. s6(a), s9(2)(f)(iv)
- 3. A solid start has been made in **implementation** although Covid-19 lockdowns, capacity constraints in-country and for Tonga, January's volcanic eruption delayed some activities. A portion of the 2022/23 annual plan approved in June 2022 comprises activities deferred from 2021/22. The total PPIU budget for 2022/23 is A\$5.519m, including \$3.547m (64 per cent) allocated for activities.
- 4. The great majority of activities will benefit all Pacific Parties, including Vanuatu (Vanuatu ratification was deposited on 12 August). Activities are relevant to all PACER Plus chapters; for 2022/23 there is a particular focus on work under Sanitary and Phytosanitary Measures, Trade in Services, Labour Mobility and cross cutting activities related to the Agreement as a whole.  $^{\rm s6(a)}$
- 5. A sample of activities being supported in 2022/23 are:
  - Revenue mobilisation strategies, including policy dialogue and technical assistance;
  - Capacity strengthening for customs services and private sector in such areas as valuation, advance ruling and post-clearance audit;
  - Capacity building and awareness raising among relevant private sector stakeholders on SPS requirements;
  - o Provision of critical equipment, including incinerators and harvest bins;
  - Training and equipment to enable introduction of "ePhyto" or electronic certification;
  - o Testing and certifying agricultural exports to meet food safety requirements;
  - Tourism sector training;
  - Capacity building for public sector on investment provisions;
  - o Review, updating and revising existing legislation and supporting regulations across the Goods, Services and Investment Chapters;

- Labour mobility strategies and research on remittances.
- s6(a), s6(b)(i) 6.

- s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv) 7.
- s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv) 8.
- HAE OFFICIAL INFORMATION ACT s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv) 9.

- s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv)
- 13. s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv)

s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv)

14. s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv)

15. s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv)

16. s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv)

17. s6(a), s6(b)(i), s9(2)(g)(i), s9(2)(f)(iv)

official Information Act and Im, Trade Policy Engagement and Implementation Division August 2022

### **AANZFTA**

### **Key Points**

- We are pleased that since the return to in-person negotiations in June 2022, progress
  has significantly improved on the AANZFTA upgrade negotiations. Parties have recommitted to substantive conclusion in September 2022 at the ASEAN Economic
  Ministers Meetings.
- s6(a)

### **Background**

- 1. At the last full negotiating round in Siem Reap in August, lead negotiators recommitted to delivering substantive conclusion in September 2022. In practice 'substantive conclusion' means acceptance of market access offers and agreement on all substantive issues, with only technical details and legal review left to finalise. We are aiming to announce full conclusion at the ASEAN leaders meetings in November 2022, with signing to take place in March 2023 at a special ASEAN Economic Ministers Meeting.
- 2. Momentum has stepped up considerably in the past three months, particularly with the resumption of in-person negotiation. All parties now seem to agree on the urgency of concluding negotiations by the end of 2022, particularly as ASEAN is likely to be distracted by other issues including the Canada FTA negotiation in 2023.
- 3. However, a number of complex and sensitive issues remain on the table and some are likely to go to Ministers for consideration at the ASEAN Economic Ministers Meetings 17-18 September in Siem Reap.
- 4. s6(a), s9(2)(g)(i)
- 5. s6(a), s9(2)(g)(i)

Trade Policy Engagement and Implementation August 2022

### **Key Points**

- Good progress has been made on establishing RCEP's governance arrangements following entry into force in January 2022. Parties are now beginning to focus more on promoting utilisation of the Agreement, through initiatives like data exchange and business outreach.
- An important remaining step is initiating RCEP's subsidiary bodies, which will be eview es like : responsible for implementing the RCEP work programme (for example, reviewing the application of certain provisions) as well as looking at inclusion issues like support for SMEs.

### **Background**

s6(a), s9(2)(g)(i)

Trade Policy Engagement and Implementation August 2022

### **Labour Mobility**

### **Key Points**

- Labour mobility is a key driver of economic and social resilience in the Pacific region.
   Through access to New Zealand and Australia labour markets, Pacific countries obtain remittances and skills that directly support families and communities to improve outcomes.
- Supporting Pacific countries to access New Zealand's labour market, where a
  matching domestic labour force is not available, s6(a), s9(2)(g)(i)
- As part of the Immigration Rebalance, and in line with our undertakings under the Labour Mobility Arrangement (LMA) attached to PACER Plus, New Zealand will be developing Pacific Programmes in four new sectors: meat and seafood processing, construction and aged care. These programmes, which will be rolled out from 2024, will be smaller in scale than the Recognised Seasonal Employer (RSE) scheme and will incorporate New Zealand's principles under a next-generation labour mobility approach. This includes an emphasis on an alignment of opportunities to partners' own development aspirations; skills and training; circular opportunities; worker wellbeing; maximising the benefits and mitigating negative impacts on communities; and collective regional responsibility.
- s6(a), s9(2)(g)(i)
- There has been a recent significant uptick in Australia's labour mobility programmes. In 2021, Australia established the Pacific Australia Labour Mobility Program (PALM). Participation has grown from approximately 8,000 Pacific (and Timorese) workers in early 2020, to 26,595 PALM workers in Australia as at 31 July 2022. s6(a), s9(2)(g)(i)
- As we both look at expanding our Pacific labour mobility programmes, we see great value in pursuing greater targeted collaboration with Australia to ensure our collective efforts deliver positive outcomes for the region.
- New Zealand is looking forward to the Pacific Labour Mobility Annual Meeting (PLMAM) to be hosted by Samoa in November. As the preeminent regional labour mobility meeting, under the auspices of PACER Plus, PLMAM provides a useful platform for helping shape what best-practice labour mobility looks like in a post-COVID world, and advancing regional labour mobility initiatives and outcomes under the LMA. In particular, New Zealand wants to see an outcome statement that lifts the level of regional ambition for labour mobility, aligned to our next-generation principles.

### **Background**

1. Pacific labour mobility schemes have enjoyed bipartisan support in Australia. Under the Coalition Government, participation in Australia's temporary Pacific labour migration schemes experienced exponential growth. In the last two years – despite the pandemic –

participation has expanded from approximately 8,000 Pacific and Timorese workers in Australia in early 2020, to approximately 26,595 currently.

- 2. In 2021, the Coalition made a series of reforms to the Pacific Labour Scheme (a multi-year work visa) and the Seasonal Worker Program (a nine-month seasonal work visa), including pulling both schemes under one programmatic umbrella: the Pacific Australia Labour Mobility (PALM) program. PALM is delivered domestically and in the Pacific by the Australian aid programme-funded Pacific Labour Facility (managed by Palladium), with policy direction provided by DFAT, and operation oversight from the Department of Employment and Workforce Relations (DEWR). The Albanese Government is set to implement further changes to the PALM scheme, including shelving the separate 'Agriculture Visa' s6(a) , and committing to making PALM the primary source of temporary labour in Australia.
- 3. The table below illustrates the key differences between New Zealand and Australia's labour mobility schemes:

	Eligible countrie s	Visa length	Delivery	Skills and training	Internationa I Developme nt Cooperation
Australia (uncapped)	Samoa, Fiji, Tonga, Vanuatu, PNG, Solomo n Islands, Nauru, Kiribati, Tuvalu, Timor- Leste	9 months (seasonal) No family accompanime nt Up to 4 years Family accompanime nt from 2023, if approved by employer	Domestic - DEWR (oversight) , PLF (delivery) Pacific - DFAT (oversight) PLF (delivery)	Tiered programme in place. Eligible employers apply for funding from PLF for tiers 2 (employabilit y and life skills), 3 (job skills) and 4 (formal qualifications ).	A\$70 million across five years (as at 2019, through to 2023)
New Zealan d Recognised Seasonal Employer (cap of 16,000)	Samoa, Fiji, Tonga, Vanuatu , PNG, Solomo n Islands, Nauru, Kiribati, Tuvalu	7 months or 9 months (Tuvalu, Kiribati) No family accompanime nt	Domestic - MBIE  Pacific - MBIE (through MFAT- funded Toso Vaka o Manu programme )	Vakameasina (RSE worker training programme) delivering a range of courses at no cost to workers or employers	NZ\$15 million across five years (through to 2023)

4. s6(a), s9(2)(g)(i)

- s9(2)(g)(i) 5. there are aspects New Zealand can learn from Australia, such as the training opportunities attached to their pilot programmes in areas such as aged care. Likewise, Australia is keen to learn from our approach to managing worker well-being and pastoral care. There are opportunities for us to partner more closely on capacity support and institutional strengthening to help deliver more equitable, sustainable and development driven opportunities for the region. There is scope for our support to be more complementary rather than competitive, despite perceived competition for workers.
- New Zealand engages on regional labour mobility issues primarily through the Labour Mobility Arrangement (LMA), which was signed in 2017 alongside PACER Plus. The LMA established the PLMAM, which has acted as the pre-eminent regional forum for considering labour mobility issues, including for non-PACER signatories, and for reviewing progress towards acheiving the objectives of the LMA. The 2022 PLMAM will be hosted by Samoa in November and will provide a critical opportunity to look towards the future of labour mobility for the Pacific region and how it can be most effectively advanced under the umbrella of PACER Plus.
- New Zealand is keen to ensure other aspects of the LMA are borne out, including the committment to enhancing intra-regional labour mobility, which is currently poorly developed across the Pacific. New Zealand has a special interest in this space given our linkages with the Cook Islands and Niue; both are labour receiving countries who with the right domestic settings could tap in to the framework that PACER Plus provides for labour Released under the

Pacific Regional Division September 2022

### Supply Chain Issues

### **Key Points**

- Disruptions to global supply chains continue to pose significant challenges for New Zealand and Australia.
- Both countries share an interest in building supply chain resilience for essential goods and services.
- There is a mutual desire to deepen cooperation, including through the Trans-Tasman Supply Chains Dialogue, formally convened twice since announced by Leaders in March 2021, and complemented by more frequent direct contact between officials working on similar issues.

### **Background**

Sea and air freight challenges

- 1. Global sea freight faces ongoing delays and congestion, high prices, elevated consumer demand, and constrained capacity. These significantly affect New Zealand because 99% of our goods imports and exports by value travel along global shipping routes to reach consumers.
- 2. Shipping delays have reached record highs this year, and in Australia, east coast ports faced additional pressure from the combined impact of flooding and an Omicron outbreak in February and March. Globally, service reliability is at an all-time low for New Zealand exports. DHL reports that that on-time performance ranges from just above 45% for the top carriers to under 20% for the worst. Some large exporters such as Zespri have chartered their own ships in an effort to avoid delays this season.
- 3. Shipping costs are rising for New Zealand businesses. The Customs Brokers and Freight Forwarders Federation notes that the price of sending a twenty-foot equivalent unit (TEU) from New Zealand to Long Beach in the US has grown from US\$2000 pre-COVID to US\$10,000. Industry has expressed concern about rising fuel prices, inflation, possible anti-competitive behaviour in the shipping industry, and the declining relative attractiveness of the New Zealand market to shipping lines (including in the context of exceptionally strong demand from Asia to North America).
- 4. Air connectivity is improving and a range of international airlines have either resumed flying or confirmed dates to resume flying to New Zealand. Air New Zealand has recently restarted its Adelaide, Cairns, Hobart and Sunshine Coast routes. This could improve airfreight capacity and frequency of flights to the Australian market.
- 5. Full recovery of the aviation industry is likely to be a few years away. Oxford Economics, an international economics consultancy, forecasts that global passenger volumes will reach 94% of 2019 levels by 2025.

Building supply chain resilience for essential goods and services

- 6. While supply chains play a critical role in ensuring connectivity to export markets, they also play a key role in ensuring access to imports, including some essential products and inputs, for New Zealand's domestic consumption and our own exporting abilities.
- 7. To this end, work is under way on identifying essential goods (and services) and options for strengthening New Zealand's longer-term supply chain resilience to future disruptions. This includes working to identify options which are economically sensible and

sustainable in the New Zealand context – to strengthen resilience of supply chains where we depend on imported inputs.

- 8. The vulnerability of Australia's supply chains for essential goods is also a significant preoccupation across the Australian Government. The resources committed by Australia to manage and coordinate supply chain risks, principally through the establishment of an Office of Supply Chain Resilience (OSCR, announced in June 2021) are significant. OSCR's work is complemented by individual agency efforts focused on addressing specific vulnerabilities in specific sectors.
- 9. Officials have consulted closely on our two countries' respective approaches. There are similarities in our approaches and Australian officials have confirmed that the methodology we are adopting is robust, and there is room for us to learn from Australia's approach. But some aspects of Australia's approach reflect Australia's different economic and political characteristics (including economic size and its approach to industry policy). Both sides see benefit in deepening bilateral dialogue and cooperation on supply chain issues.

Trans-Tasman supply chains engagement

- 10. Australia is a key partner of New Zealand in the supply chains space. 62% of New Zealand's shipping transits through Australia on its way to international markets, and Australia is the final destination for 22% of all ships coming from New Zealand. Australia is the source of many of New Zealand's essential inputs, including grain (both for human consumption and for livestock feed).
- 11. The two countries share many of the same challenges and interests in respect of supply chains. For example, both Australia and New Zealand are geographically distant from other markets, which can make us comparatively less attractive to international shipping lines. With a long history of similar trade policy and the upcoming anniversary of New Zealand-Australia Closer Economic Relations (CER) in 2023, there is a strong foundation for deeper bilateral collaboration on supply chain issues.
- 12. In March 2021, Prime Minister Ardern and former Prime Minister Morrison announced the establishment of a Trans-Tasman Supply Chains Dialogue. The Dialogue has convened twice alongside the Single Economic Market Senior Officials' Meeting. It presents excellent learning opportunities for New Zealand, including from Australia's national freight and supply chain strategy, National Freight Data Hub, and OSCR.
- 13. New Zealand and Australia are both part of fourteen Indo-Pacific economies working to develop the US-led Indo Pacific Economic Framework for Prosperity (IPEF). One of the four pillars of IPEF focuses exclusively on supply chains, with a view to improving transparency, diversity, security, and sustainability in our supply chains to make them more resilient and well-integrated.
- 14. Supply chain challenges were recently discussed at the Australia-New Zealand Leadership Forum in early July, with a focus on technology initiatives to strengthen supply chain resilience, improve port efficiency, and promote the continued growth of ecommerce.

Economic Division August 2022

### Pacific COVID Recovery and Development Programme

### **Key Points**

- COVID-19 has had a severe impact in the Pacific, both in terms of public health and the region's economies.
- Throughout the pandemic, New Zealand's overall goal has been to support Pacific countries to prepare for, respond, and adapt to living with COVID-19 in a way that minimises the social and economic impacts of the pandemic and builds long-term resilience.
- While the Pacific region is reopening to the world and returning to growth in 2022, recovery is likely to be slower than initially forecast. Rising inflation and interest rates, and continued supply chain disruptions threaten to translate into a reduced pace of economic growth. Many Pacific countries are facing these new economic challenges with reduced fiscal space, and with high debt levels.
- In the 2021-22 financial year New Zealand directed 71 percent of our total development funding to the Pacific (NZ\$586.3 million). Of this funding, NZ\$162.3 million was delivered as fiscal crisis financing (emergency budget support). This support has helped countries to respond directly and rapidly to their own priorities for COVID-19 response and recovery.
- New Zealand has proactively supported Pacific partners, particularly in Polynesia, to strengthen health systems' preparedness and effective responses to COVID-19 with a view to building long-term resilience. Our COVID-19 support has been wide-ranging and includes a significant focus on supporting vaccine access and rollout.

### **Background**

### Fiscal crisis financing

1. In order to ensure stability in the region, it is essential that Pacific governments are able to meet critical spending needs in order to maintain law and order, provide basic public services, strengthen health systems, and fund social protection mechanisms. To help Pacific countries address these challenges, New Zealand has worked with other partners in the region to provide fiscal crisis financing (emergency budget support), totalling NZ\$325 million over the duration of the pandemic. This is a form of support that provides for strong country ownership and alignment to strategic priorities. It relies on country systems for the budgeting, accounting, reporting, and audit of funds. We continue to work closely with Pacific partners to assess the ongoing fiscal and economic impacts of COVID-19 and the need for further emergency budget support.

### Additional economic and private sector support

2. New Zealand has also delivered additional development initiatives, which are aimed at building the resilience of Pacific economies through the pandemic by increasing the availability of local food, strengthening agricultural exports, readying and positioning the tourism industry for a return of international tourists, increasing businesses' access to investment capital and bank financing, and diversifying economies through support for new, emerging sectors.

### New Zealand's border settings

3. As a gateway into the region, we have also worked to ensure that our border settings took into consideration our commitment to supporting the resilience of the Pacific. After extensive cross-agency efforts led by the Ministry, New Zealand negotiated and opened one-way quarantine free travel with Samoa, Tonga and Vanuatu in October 2021, enabling the entry and employment of more than 11,000 RSE workers. Then, as New Zealand reopened in 2022, we worked to ensure access from the Pacific was prioritised

(for example, bringing forward timeframes for reopening visitor visa access), reflecting the importance of cultural, economic and social connections across the region. We also provided support and advice where requested as Pacific countries have planned and implemented their own border re-opening strategies.

Health system preparedness and response

- 4. We have provided targeted support, mainly in Polynesia, to strengthen health systems and improve health outcomes. We have focused our bilateral Pacific vaccine support on six Polynesian countries (Samoa, Tonga, the Cook Islands, Tokelau, Niue and Tuvalu) and Fiji. We provided vaccines from our domestic portfolio to these countries, accompanied by comprehensive technical and operational support, contributing to high vaccination coverage in Polynesia. Between April 2021 and June 2022, we provided 298,130 Pfizer COVID-19 vaccine doses to Polynesian countries, and 59,560 doses to Fiji.
- 5. Our support to wider Pacific vaccine efforts has been in partnership with other donors (including Australia). We participate in multi-donor forums, such as the World Health Organisation Joint Incident Management Team, and meet regularly with Australia to ensure effective coordination of our support. In addition to our bilateral donations, we have funded 492,400 COVID-19 vaccine doses for Pacific countries through the COVAX facility and contributed NZ\$6.5 million to an Australia UNICEF partnership to provide vaccines to South-East Asia and Pacific countries.
- 6. In addition to vaccine support, New Zealand's COVID-19 support to the Pacific has included: grants to support countries' vaccination plans; supply of PPE, medical equipment and consumables; laboratory infrastructure and systems strengthening; public health and technical advisory support, including for border reopening; health workforce training; and surge workforce support, including deployments in response to outbreaks.

Pacific and Development Group August 2022





3 March 2021 Minister of State for Trade and Export For action by Growth

10 March 2022

## PACER PLUS: Goods MFN and future membership BRIEFING Decision Submission s9(2)(f)(iv)

### Tukunga tūtohua – Recommended referrals

Prime Minister	For information by	17 March 2022			
Minister of Foreign Affairs	For consultation by	17 March 2022			
Minister for Trade and Export Growth	For concurrence by	17 March 2022			
Minister of Agriculture	For information by	17 March 2022			
Associate Minister of Foreign Affairs	For information by	17 March 2022			
Parliamentary Under-Secretary to the	For information by	17 March 2022			
Minister for Trade and Export Growth					

### Taipitopito whakapā - Contact details

NAME	ROLE		DIVISION	WORK PHONE
Keawe	Manager,	FTA	Trade Policy Engagement and	s9(2)(a)
Woodmore	Implementation Unit		Implementation Division	
Greg Andrews	Divisional Manager		Trade Policy Engagement and	s9(2)(a)
	<b>X</b>		Implementation Division	

### Pito matua – Key points

- PACER Plus is a landmark trade and development agreement and part of the nascent regional economic architecture. Currently nine countries have ratified PACER Plus (Australia, Cook Islands, New Zealand, Kiribati, Niue, Samoa, Solomon Islands, Tonga, and Tuvalu) and two others have signed but not yet ratified (Nauru and Vanuatu).
- PACER Plus provides a ready-made vehicle for New Zealand and our Pacific partners to advance our shared interests (spanning foreign policy, trade and development interests) and address the impacts of both COVID-19 and climate change. The Pacific is a significant destination for exports of goods from New Zealand, with trade valued at nearly \$1.3 billion in 2021. PACER Plus countries account for around 27 percent of our goods exports to the Pacific.
- The Agreement includes a most-favoured nation or MFN provision for trade in goods. The provision is designed to protect New Zealand (and Australia) by ensuring we are not disadvantaged should a Pacific partner agree to better terms in future in an FTA with one of our competitor countries by requiring them to pass on to us those better terms. This is important given the lower level of market access we agreed to under PACER Plus.
- The Agreement's membership does not currently reflect the region, include key regional players or New Zealand's major trading partners in the Pacific. Of these partners, Fiji is the most significant given New Zealand exports more goods to Fiji than to all of the other Pacific PACER Plus countries combined.

  \*\*S6(b)(i), s6(a), s9(2)(f)(iv), s6(e)(vi)\*\*

  \*\*The Agreement's membership does not currently reflect the region, include key regional players or New Zealand's major trading partners in the Pacific. Of these partners, Fiji is the most significant given New Zealand exports more goods to Fiji than to all of the other Pacific PACER Plus countries combined.

  \*\*S6(b)(i), s6(a), s9(2)(f)(iv), s6(e)(vi)\*\*

  \*\*The Agreement's major trading partners in the Pacific. Of these partners, Fiji is the most significant given New Zealand exports more goods to Fiji than to all of the other Pacific Pacific

s6(b)(i), s6(a), s9(2)(f)(iv), s6(e)(vi)

### Tūtohu – Recommendations

It is <u>recommended</u> t	that v	you:
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1	<b>Note</b> that PACER Plus is a foreign policy ins shared interests in the Pacific for a peacefresilient region through trade and investmen	ul, stable, pro		Yes / No
2	s6(a), s9(2)(f)(iv)			Yes / No
3	<b>Note</b> that the goods MFN provision is designisk that a Party to PACER Plus negotiat favourable FTA with a third party, s6(a), s9(2)(	es in the fut		Yes / No
4	s6(a), s9(2)(f)(iv), s6(e)(vi)		Wajio,	Yes / No
5	s6(a), s9(2)(f)(iv), s6(e)(vi)	11/10		Yes / No
6	s6(a), s9(2)(f)(iv), s6(e)(vi)			Yes / No
7	s6(a), s9(2)(f)(iv), s6(e)(vi)			Yes / No
8	s9(2)(f)(iv)			Yes / No
9	<b>Refer</b> a copy of this submission to the Prime I Affairs, Minister for Trade and Export Grow Associate Minister of Foreign Affairs, and Secretary to the Minister for Trade and Expo	th, Minister of the Parliamer	Agriculture,	Yes / No
	nil Twyford er of State for Trade and Export Growth	Hon Damien ( Minister for Tr		ort Growth
Date:	/ /	Date:	/ /	

### Pūrongo – Report

- 1. The Pacific Agreement on Closer Economic Relations Plus (PACER Plus) entered into force in December 2020. PACER Plus forms part of the nascent regional economic architecture and is intended to be inclusive of all countries in the Pacific. Currently nine countries have ratified PACER Plus (Australia, Cook Islands, New Zealand, Kiribati, Niue, Samoa, Solomon Islands, Tonga, and Tuvalu) and two others have signed but not yet ratified (Nauru and Vanuatu).
- 2. s9(2)(f)(iv)

### Context

- 3. New Zealand's engagement in the Pacific is steered by our desire for a peaceful, stable, prosperous and resilient region in which we collaborate with others as a true partner.
- 4. Trade and investment can contribute to economic and fiscal resilience through increased productivity, more jobs and improved incomes from private sector-led growth. Inclusive trade has a driving role in supporting well-being, economic diversification, and provides new revenue streams for governments and greater connection to regional and international markets across sectors.
- 5. Collectively the Pacific is a key destination for New Zealand goods exports and PACER Plus has a role in supporting New Zealand's trade with the region. New Zealand exported nearly \$1.3 billion in goods to the region in 2021. The majority of our goods exports (roughly two-thirds) go to four markets, all of which are currently outside of PACER Plus (Fiji, Papua New Guinea, French Polynesia, and New Caledonia). Countries that have ratified PACER Plus currently only account for about 27% of our goods exports to the Pacific.
- 6. Fiji is New Zealand's largest destination for goods exports accounting for nearly 30 percent of all exports to the region with New Zealand exporters facing relatively high tariffs (a trade-weighted average tariff of 17.2 percent). It has historically been an important market for New Zealand SMEs especially in the manufacturing area as well as a key destination for some agricultural exporters (such as potatoes where Fiji accounts for 80 percent of all exports).
- 7. Since the negotiation of PACER Plus, the region is under considerable pressure as a result of the impact of COVID-19  $^{s6(a)}$ 
  - PACER Plus provides a ready-made vehicle for New Zealand and our partners to advance our shared interests (including under our Pacific Resilience Approach) and address the impact of both COVID-19 and climate change.

### Discussion

8. s9(2)(f)(iv)

### There are important, clear reasons behind the inclusion of a goods MFN provision...

- 9. The goods MFN provision was necessary given the level of market access envisaged under the Agreement was lower than what we would normally accept. MFN is an insurance policy requiring any benefits above and beyond what New Zealand receives under PACER Plus that one of our Pacific partners might negotiate in the future with a third country to also be extended to us. While New Zealand was prepared to agree to a lower level of market access (including with Fiji), we did not wish to disadvantage New Zealand exporters against their competitors (such as the EU or China). Skiicial Information Act
- 10. s6(a), s6(b)(i), s6(e)(vi)

- 11. s6(a), s6(b)(i), s6(e)(vi)
- 12. The absence of a key regional partner like Fiji from PACER Plus undermines our desire for the Agreement to become an established piece of the regional economic architecture and this is compounded by Papua New Guinea's absence too. s6(a), s9(2)(f)(iv), s6(e)(vi)
- Fiii's inclusion in PACER Plus would be commercially significant for New Zealand given 13. we export more goods to Fiji then we do to all other Pacific PACER Plus Parties and Signatories combined. s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)
- s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

14.1.s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

14.2

14.3

15. s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

Riormation Beyond the commercial benefits of Fiji's accession, we assess that securing Fiji's membership of PACER Plus would have broader geostrategic/geopolitical and development benefits as well. This would be in terms of the Agreement's value as a genuine piece of the regional architecture, our attempts to secure further ratifications or accessions (including from other Forum Island countries), as well as attracting s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

Released

18.

s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

19.

pply a tagent inder the official information Approximately 80 percent of our potato exports go to Fiji. While Fiji does not currently apply a tariff for potatoes, it can apply a tariff under its

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24.

s6(a), s9(2)(f)(iv), s6(e)(vi)

25.

26.

Next steps

s9(2)(f)(iv) 27.

28.

Official Inflormation Action Control of the Control Before proceeding with a decision, it is necessary to consult with external partners s6(a), s9(2)(f)(iv), s6(e)(vi)29.

Consultation with Māori should also be undertaken given Māori economic interests and the Crown's commitments under Te Annex: s9(2)(f)(iv) the goods MFN provision

s9(2)(f)(iv)

- 30. is limited to the most favoured nation (MFN) provisions contained in Article 3 of Chapter 2 (Trade in Goods) of the Agreement. It does not include the MFN provisions in Chapters 7 (Trade in Services) and 9 (Investment).
- 31. s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

32.

- HOrmation Act 33. The MFN provision was negotiated s6(a), s6(b)(i), s6(e)(vi)due to concerns that by accepting lower quality market access outcomes in PACER Plus, we might be put at a disadvantage to other significant trading partners in the region such as the European Union and China if a Pacific Island country or countries were to bilaterally or collectively negotiate a better deal with them in the future.
- The provision provides an insurance policy by requiring any future negotiated benefits with a third country to also be extended to other PACER Plus countries. The provision is intended to cover future situations where a country might agree to remove tariffs on goods where tariff protection was maintained in PACER Plus or perhaps a faster phase out of a tariff. The provision only applies to negotiated outcomes with countries of a certain economic size and there are also certain other exclusions. It was negotiated, however, to capture key trading partners such as China, the European Union, Japan, and the United States.
- s6(a), s6(b)(i), s6(e)(vi)

### **Our interests**

s6(e)(vi)

it is worth recalling that PACER Plus is a tool for delivering on our national interests spanning the spectrum of foreign policy, trade and development:

- 36.4. Foreign policy: PACER Plus is an inclusive foreign policy instrument with broad membership that delivers on our interest of a stable, prosperous and resilient Pacific.
- 36.5. Trade: Establishment of a trade architecture that creates a stable, predictable and transparent environment for the Pacific that includes New Zealand's major trading partners. New Zealand's commercial interests are advanced and protected through market access outcomes.

- 36.6. Development: We see PACER Plus as a tool on delivering on the Pacific's partners interest in using trade to support their sustainable economic growth.
- 37. In considering this issue, we will take a broad-based approach that takes into account the spectrum of interests that we have and not simply our commercial ones.

s9(2)(g)(i)

38. s6(e)(vi)

The purpose of the goods MFN provision Released under the Official Information Released under the Official Information is to provide a safeguard for a future scenario whereby a PACER Plus country negotiates a future FTA with a third party on more favourable terms than what it has

39. s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

40.

40.10.

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s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)
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40.11.

40.12.

41.

42. s9(2)(f)(iv)

der the official Information Act 42.13.

42.17

42.18

43. s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

Fiji is our most significant trading partner. Fiji accounts for more of New Zealand's exports than all other Pacific PACER Plus Parties and Signatories combined. Fiji accounts for \$82m of the \$100m in duties paid by New Zealand on exports to Fiji, Papua New Guinea, and French Polynesia. \$6(a), \$9(2)(f)(iv), \$6(e)(vi) More broadly

S6(a), S9(2)(f)(iv), S6(e)(vi)

PACER Plus cannot fulfil our desire for it to be a true piece of regional trade architecture if key regional partners are outside of it.

s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

44.

45.

considered the possible accession of Fiji, Papua New Guinea, and French Polynesia – three of our four top trading partners in the region (New Caledonia was not included due to the lack of available data). s9(2)(f)(iv)

45.19. New Zealand's exports around NZ \$840 million of goods to Fiji, Papua New Guinea, and French Polynesia combined. This is about twice as much as we export to the Pacific Parties (\$373 million) and Signatories (\$53 million) combined. Fiji in particular is commercially valuable to New Zealand. We export more to Fiji alone (\$474 million) than to both Pacific Parties and Signatories combined (i.e. excluding Australia).

45.20. s6(a), s9(2)(f)(iv), s6(e)(vi)

Duties paid on

New Zealand exports to Fiji alone are 2.5 times higher than the duties paid on our exports to the Pacific PACER Plus Parties and Signatories combined.

45.21.s6(a), s9(2)(f)(iv), s6(e)(vi)

Fiji, Papua New Guinea, and

French Polynesia, s6(a), s9(2)(f)(iv), s6(e)(vi)

the \$840 million of exports we send to those markets.

45.22.s6(a), s9(2)(f)(iv), s6(e)(vi)

45.23.

45.24.

45.25.

45.26. Having Fiji, Papua New Guinea, and French Polynesia inside the 'tent', s6(a), s9(2)(f)(iv), s6(e)(vi) , would also have development,

foreign policy and geo-political benefits.

s6(a), s6(b)(i), s9(2)(f)(iv), s6(e)(vi)

47.

48.

# the official Information Act. **Treaty of Waitangi considerations**

s9(2)(f)(iv), s6(e)(vi) 49.

> Māori also have whanaungatanga connections to the Pacific. Engagement with Māori should therefore occur both in terms of the economic interests at stake as well as their broader connections.

### Recommendation

s6(a), s9(2)(f)(iv), s6(e)(vi)

51.

51.27.

s6(a), s9(2)(f)(iv), s6(e)(vi) 51.28.

51.29.

52.

edacted Official Information Act

**RESTRICTED**