



Inquiry into strengthening Australia's relationships with countries in the Pacific region

Submission – April 2020

Hon. Dave Sharma MP
Chair of the Foreign Affairs and Aid Subcommittee
Joint Standing Committee on Foreign Affairs, Defence and Trade
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Sharma

Strengthening Australia's relationships in the Pacific region

As the National Standards Body, Standards Australia works closely with industry, government and the wider community to develop and adopt standards for every sector of the economy. Our work enables economic growth by reducing technical barriers to trade and facilitating global trade

Australia faces a complex environment in the Pacific region where the strategies and goals of other nations compete with and challenge our own. Standardisation has traditionally sat outside of foreign and aid policymaking, but with the breadth of national interests now affected by standards, and the increasingly politicised environment that surrounds these highly technical discussions, the topic is swiftly moving up the agenda. Today, standards are used to influence relationships and economic activity across countries in a complex geo-strategic landscape.

The COVID-19 pandemic brings a further new set of unique and pressing challenges. For Pacific nations, the impact of the loss of tourism and other key sectors, in addition to the devastation of Cyclone Harold, will hinder economic growth, and early recovery will require access to markets such as Australia. As Pacific countries draw on rescue packages and development support to cope with the immediate stress on their economies and wellbeing, there is an opportunity to position Australia as a trusted leader and ally as the region faces an unprecedented reset.

It is therefore, the strong recommendation of Standards Australia that:

1. Standards be fully incorporated into any strategy to drive economic, social and environmental progress within the Pacific region.
2. Institutional strengthening of the standards infrastructure be supported as a means of connecting our nations and opening doors for engagement within the global trading system.
3. Priority be given to projects leveraging the strength of Australia's standards infrastructure to position Australia as a leader and ally in the Pacific.

For further discussion on the above, or on any of our work with Pacific island countries, please read below and contact me directly at adrian.oconnell@standards.org.au or +61418977170.

Yours sincerely,



—Adrian O'Connell, Chief Executive Officer

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Recommendation 1

Standards be fully incorporated into any strategy to drive economic, social and environmental progress within the Pacific region.

Standardisation can be an enabler for economic, social and environmental progress. There is an opportunity to strengthen and broaden Australian engagement in the Pacific Step-Up by addressing the region's needs for enhanced capacity in standardisation.

Across the majority of Pacific island countries, standardisation capability is in its infancy. Only three nations (Papua New Guinea, Fiji and Vanuatu) have internationally recognised National Standards Bodies. Many other Pacific island countries are in the early stages of establishing their National Standards Bodies under government departments. Regardless of their level of development, the standards bodies in the region require support to better realise the benefits that standards can bring to their economies and their people.

Strengthened standardisation systems would not only improve health, safety and environmental outcomes under Australia's Pacific Step-Up but would also have significant benefits in facilitating market access, standards harmonisation, technical alignment and regulatory coherence. There is a role for Australia to play in enhancing and accelerating the development of standardisation systems to strengthen our engagement in the region and open up new opportunities for trade in the Pacific.

Recommendation 2

Institutional strengthening of the standards infrastructure be supported as a means of connecting our nations and opening doors for engagement within the global trading system.

The need for strengthened Pacific quality infrastructure, including standardisation, has recently been recognised across the region, marking an important window for action. At the February Pacific Islands Forum Trade Ministers' Meeting, Ministers endorsed the Pacific Quality Infrastructure Initiative, which intends to enhance economic prosperity and people-centred development through quality infrastructure.

This Initiative is also backed by Pacific government ministries, local businesses, chambers of commerce, quality infrastructure bodies, trade associations, and international partner agencies. All attendees committed to a Regional Quality Statement expressing "the strong potential of quality infrastructure to underpin the health, safety, wealth and sustainability of the Pacific Island economies and their people".

The statement also acknowledges the need for future work to improve quality infrastructure in the Pacific. Collaboration is needed to address the following challenges:

- Awareness of the quality infrastructure pillars and the understanding of their contribution to economic and social wellbeing, including health, safety, wealth and sustainability
- Availability of resources, both financial and human
- Development, adoption, and use of standards
- Cost of metrology, accreditation, and conformity assessment
- Understanding of quality infrastructure needs
- Quality promotion activities

The Australian Government should invest effectively in this initiative to help stimulate trade and development in the region. Investing in demand-driven projects like the Pacific Quality Infrastructure Initiative would help deepen engagement under the Pacific Step-Up and further position Australia as a leader and an ally as the region faces existing and new challenges.

Recommendation 3

Priority be given to projects leveraging the strength of Australia's standards infrastructure to position Australia as a leader and ally in the Pacific.

Standards Australia is the National Standards Body for Australia. We are an independent, not-for-profit organisation and are the Australian member of the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the Pacific Area Standards Congress (PASC). We support the Australian Government through the APEC Sub-Committee on Standards and Conformance and the World Trade Organization.

Standards Australia is well placed to assist developing countries in the region with their standardisation responsibilities. We build on our long experience and proficiency in the business to help other National Standards Bodies deliver on obligations to the rules-based system, and operate effectively for their economies, reducing frictions and technical barriers to trade. This includes work with countries in the Pacific to strengthen and harmonise standards, contributing to the Pacific Step-Up and Australia's valued reputation in the region:

- **Standards harmonisation to support trade agreements:** We conduct research and provide recommendations for harmonisation of standards across industry sectors that support trade negotiations. This will become increasingly important under PACER Plus, with Chapter 6 committing to technical regulations, standards and conformity assessment procedures.
- **Building and maintaining strong and reliable standardisation systems:** We carry out bilateral and plurilateral work in the region, including needs assessments using international 'good standardisation practice' methodology, and structured, professional institutional strengthening and capacity building, based on skills and competency objectives for standardisers.
- **Supporting new and emerging challenges in the Pacific:** Our recent initiatives assessed standardisation maturity in Pacific countries. These confirm much work remains to be done. Standards Australia is actively collaborating with partner organisations - the Pacific Island Forum Secretariat and Oceania Cyber Security Centre, among others - to better coordinate efforts that support standardisation, digital readiness, COVID-19 responses, etc., and simultaneously relieve the burden of multiple projects on these small island states.

Australian Government support for this work going forward will be crucial, not least to address the geo-political context set out above. Investing in institutional strengthening and capacity building efforts so that developing country National Standards Bodies can contribute to social progress and economic development would be a mutually positive step forward for Australia and its neighbours in the Pacific region.