

**PACIFIC ISLAND ECONOMIC MINISTERS ENDORSE CAIRNS
COMPACT,
ENDORSE AUSTRALIA'S VOICE AT THE G20
AND BACK FINANCIAL SECTOR REFORM AGENDA**

RAROTONGA, COOKS ISLANDS – Assistant Treasurer, Senator Nick Sherry has met with Economic Ministers from across the Pacific in wide ranging regional economic talks at the Pacific Islands Forum Economic Ministers Meeting (FEMM).

Key outcomes of FEMM were a strong endorsement of the recently agreed Cairns Compact; support for Australia's regional role as a voice for the Pacific on economic issues at the G20; and backing of a series of practical reforms to boost financial regulation in the region, lower the cost of remittances and expand the efficiency of customs services.

"Today, at the 13th FEMM, my Ministerial colleagues and I moved this annual meeting of Economic Ministers into a new, highly productive phase with a range of practical actions to be completed before our next meeting," said the Assistant Treasurer.

"The Pacific region has been hit hard by the global recession – remittances have fallen sharply, key commodity prices have reduced, as have export volumes."

"Tourism, whilst not as badly affected, has also been hit, and we now have the impacts of the terrible tsunami in Samoa and Tonga."

"Today, I presented an overview of the global recession, Australia's economic and budget strengths and the central role of the G20 in the world economy."

"Following detailed economic talks, today Ministers took the opportunity for action and endorsed a number of key actions."

In detail, FEMM Ministers:

- endorsed the central role of Economic Ministers in safeguarding macroeconomic stability, strengthening public finances, improving competitiveness and improving development coordination;
- supported Australia's regional role as a voice for the Pacific on economic issues at the G20;

- endorsed the Cairns Compact on Strengthening Development Coordination in the Pacific and committed to develop a draft roadmap before the next FEMM which sets out pathways to strengthen public expenditure, procurement, accountability and management systems in Pacific island countries;
- backed a series of practical sectoral reforms to:
 - strengthen statistical services across the Pacific, both in terms of quality and coverage, through expanded technical assistance programs;
 - run a pilot regional audit of customs services and boost technical assistance for customs services to be delivered through the Oceania Customs Organisation; and
 - boost financial literacy and capability among Pacific populations, including developing a set of best practices for building adult financial capability;
- supported the important role of the private financial and banking sector for sustainable growth in the Pacific region and the need for appropriate regulation of the sector.

"Pacific Leaders agreed to the Cairns Compact in August this year and today's meetings were the first opportunity for Economic Ministers to take up the tasks allocated by Leaders," said the Assistant Treasurer.

"I believe Ministers stepped up to that task today and we've agreed to a very detailed and ambitious work agenda that supports the overarching goals of the Compact."

"My Pacific colleagues also endorsed the role Australia now plays as an informal regional economic voice as the Pacific's G20 member country."

"Another key decision today was the voicing of strong Ministerial-level concerns with the fees, costs and charges of remittance transfers in the Pacific region."

FEMM was attended by the Economic Ministers and representatives of Australia, the Cook Islands, the Federated States of Micronesia, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, the Solomon Islands, Tonga, Tuvalu and Vanuatu.

The meetings were also attended by representatives of the World Bank, the International Monetary Fund, the Asian Development Banks, the Oceania Customs Organisation and a range of international development partners.

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