



Celebrating
50 years: EU-Australia

Creating a cooperative *partnership*



The EU and Australia now hold regular high-level talks on geopolitical security issues. They are also cooperating in addressing challenges to global peace and prosperity.

Over 50 years, the EU and Australia have broadened and deepened their relations beyond trade to forge strong ties in foreign policy and security issues, science and research, and education. From initial disagreements over agricultural policy, the relationship has expanded to the two partners negotiating a treaty-level agreement in 2013.

Official relations between the European Union and Australia began in 1962 when Sir Edwin McCarthy, Australia's Ambassador to the Netherlands, was also accredited to the European Economic Community in Brussels, Belgium. Australia's primary interest was to follow the United Kingdom's negotiations to accede to the *Common Market* – as the EC was often called. The UK was Australia's predominant export market, notably for its agricultural produce which in the main was wool, dairy products, wheat, beef and sheep meat.

The EU established its Delegation in Canberra in 1981. The Delegation was officially opened by Commission President Gaston Thorn and Prime Minister Malcolm Fraser in 1982. At this time, the relationship between the two partners was still clouded by the effects of the EU's Common Agricultural Policy (CAP). >



Left: In his 2011 visit to Australia, President Barroso met with the Governor-General of the Commonwealth of Australia, Quentin Bryce.

Above: The Australian Government and the European Commission are negotiating a Framework Agreement to bring all elements of their cooperation under one agreement.





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The EU is Australia's largest source of foreign direct investment. Conversely, the EU is the second largest destination for Australian investment abroad after the US.

Above: European Commissioner for External Relations, Chris Patten, Minister for Foreign Affairs, Alexander Downer and Minister for Trade, Mark Vaile during the Australia-European Commission Ministerial Consultations in Melbourne in April 2003.

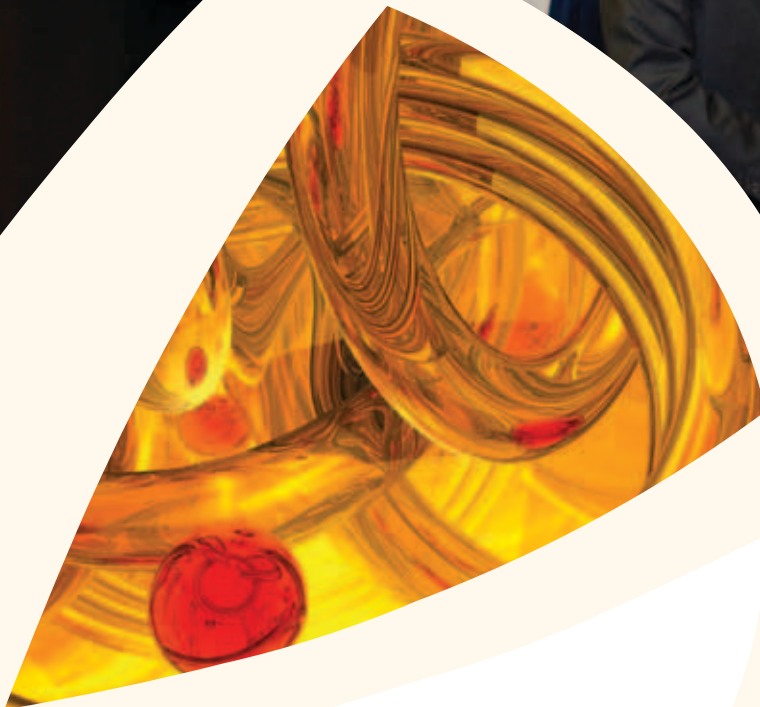
In exchange for the benefits of the Commonwealth preference, Australian agricultural exports faced a range of quotas and high tariffs. Australia was forced to find alternative markets for its agricultural products in the Middle East and Asia but even here it found access to market hampered by low global commodity prices brought about, in part, by a build up of EU stocks and the EU's use of export subsidies.

It was not surprising therefore that relations between the two sides were, at times, strained and talks between Australian Ministers and European Commissioners and respective officials were often described as 'frank'. Whatever the merits of the arguments over the CAP, they overshadowed the whole relationship, not only at the level of government but also across other sectors – business, media and academia. Business perceived the EU as a closed market, the media described the EU as protectionist, and academia focused on the CAP and not much else. European perceptions of Australia would have been influenced by the fact that it seemed fixated on this single issue.

Broadening the relationship beyond agriculture

In these circumstances, the newly opened EU Delegation aimed to broaden and deepen relations beyond agriculture. It sought ways to encourage both sides to look for solutions to some of the more tenuous issues in agriculture – for example, the use of export subsidies in certain markets leading to innovations, such as the 'Andriessen Assurance' where the EU refrained from using export subsidies in specified markets important to Australia.

Beyond agriculture, Europe and Australia began to look at greater cooperation in the services sector, investment, science and technology and education. With goodwill prevailing on both sides, the EU and Australia relationship did broaden and deepen. For example, with the Science Agreement (1994) – the first ever such agreement signed by the EU with an industrialised country, and the Wine Agreement (1994, 2010) under which Australia has become the largest third country supplier of wine to the EU.



Middle: The Science Agreement 1994 is one example of broad cooperation between the two partners.

Top right: In December 2008, Australia's Minister for Foreign Affairs, Stephen Smith, met with the EU High Representative for Common Foreign and Security Policy, Javier Solana in Belgium.

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The inclusion of agriculture in the GATT/WTO Uruguay Round of negotiations in 1992 and ongoing reforms of the CAP took much of the heat out of tensions over agriculture. By 2000, the EU had become Australia's largest economic partner when trade in goods, services and investment were taken into account. The EU is Australia's largest source of foreign direct investment which, directly or indirectly, provides 1.4 million Australian jobs or 12% of the workforce. Conversely, the EU is the second largest destination for Australian investment abroad, after the US. The EU is Australia's largest partner in trade in services and its third largest partner in trade in goods after China and Japan. Today, the EU and Australia are at the forefront of the WTO Doha Round negotiations. Trade Minister Emerson and European Trade Commissioner De Gucht work very closely to reinvigorate the negotiations.

Regular ministerial exchanges

While the relationship is still largely driven by matters economic, EU–Australia political relations have also grown significantly. There are regular ministerial consultations in Australia and Europe, and sometimes in the margins of wider international conferences. Items on the agenda go far beyond trade, to international hotspots such as Afghanistan, North Korea, Iran and Syria; there is greater bilateral cooperation and coordination in international fora such as the UN and G20, cooperation in science and research, and the education sectors. There is cooperation, too, in combating global challenges such as climate change, terrorism and organised crime – including people smuggling, drugs and arms dealing.

Equally important is the cooperation in delivering development aid, especially in the South Pacific where the EU is the second largest donor after Australia. The EU and Australia have agreed to implement aid projects on behalf of the other – Australia being the first country outside the EU with which the EU has such arrangements. >

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The level of Commissioner/Ministerial exchanges has greatly increased, culminating in the important visits of the Australian Prime Minister, Kevin Rudd, to Brussels in 2007, PM Julia Gillard's visit in 2010 and the reciprocal visits of Commission President Jose Manuel Barroso and HR/VP Catherine Ashton to Australia in 2011. Already in April 2013, the Australian Foreign Minister, Bob Carr, has visited the Commission in Brussels.

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The level of cooperation in foreign policy and security matters has particularly increased since the Lisbon treaty came into effect. The treaty gives EU institutions – the Commission, the Council of Ministers and the Parliament – more powers. The creation of the European External Action Service and the appointments of Herman Van Rompuy as Council President and Baroness Catherine Ashton as High Representative of the Union for Foreign Affairs and Security Policy have given the EU a more permanent voice in foreign policy.

In countries such as Australia, it is the Delegation of the European Union that now conducts the day-to-day contact, with the host government taking over the responsibilities of the rotating presidency. This gives the EU a more visible and consistent personality.

Cooperation on security issues

The EU and Australia now hold regular high-level talks on geopolitical security issues. They are also cooperating in addressing challenges to global peace and prosperity, including terrorism, the proliferation of weapons of mass destruction, and failing states. For example, Australia and the EU have a cooperation agreement to facilitate the exchange of information between the Australian Federal Police and EUROPOL, the EU's law enforcement agency.

In the Asia-Pacific region, the EU makes an important contribution to promoting development and security outcomes for East Timor and the countries of the Pacific region. Australia also welcomed the EU's constructive role in Aceh



where, along with five ASEAN countries, the EU deployed a Monitoring Mission (AMM) for the implementation of the peace agreement signed between Indonesia and the Free Aceh Movement in August 2005 in Helsinki, Finland.

The EU provides support for the Jakarta Centre for Law Enforcement Cooperation (JCLEC), a joint Australian–Indonesian initiative to enhance the expertise of South–East Asian law enforcement agencies in combating terrorism and transnational crime, and for the Bali process on enhancing regional cooperation on people smuggling, trafficking in persons and related transnational crime. A more recent concrete example of cooperation is in the anti-piracy operations in the Horn of Africa.

During President Barroso’s visit in September 2011, Australia and the European Atomic Energy Community (EURATOM) signed an agreement which will deepen our cooperation in the areas of nuclear safeguards, security and safety.

A deep relationship into the future

The EU and Australia are currently negotiating a Framework Agreement which will bring all the elements of cooperation under one umbrella in the form of a legal, binding agreement. This treaty-level agreement was suggested by PM Julia Gillard during her visit to Brussels, on the margins of the Europe–Asia leaders meeting in 2010, as an agreement befitting the importance of relations between the two partners. The aim is to conclude negotiations in 2013.

Thus, driven by shared values and common kinship, the EU and Australia today see each other as natural political, economic and social partners. In upholding democratic values, the protection of human rights and on foreign policy issues in multilateral fora, the EU and Australia normally stand as one. Bilaterally, building on their robust economic ties, the EU and Australia have broadened and deepened their relations to forge strong ties in foreign policy and security issues, in science and research, and education sectors. •

The EU and Australia are working together in delivering development aid.

Images: EuropeAID: Pedro Luis Rojo and Yves Derenne

