Australia and the EU

Australia has strong political, economic and cultural ties with the European Union, working closely to meet shared global responsibilities such as promoting sustainable development and tackling climate change.

Political Relations

The European Union and Australia enjoy a strong, dynamic and continuously evolving partnership, the foundations of which were laid in the 1960s. The relationship is currently based on the 2008 European Union - Australia Partnership Framework, a comprehensive statement of shared values and close historical, political, economic and cultural ties. As our relationship evolved, the EU and Australia have moved to upgrade bilateral ties. To this end, on 7 August 2017 in Manila, the EU’s High Representative for Foreign Affairs and Security Policy Federica Mogherini and Australia’s then Minister for Foreign Affairs Julie Bishop signed the EU Australia Framework Agreement.

This Agreement (currently under provisional application pending the completion of ratification procedures underway in the EU and its Member States) builds on an existing solid cooperation basis and will enable the further promotion and expansion of relations across a broad range of areas of mutual interest, such as:

- Foreign policy & security issues at global and regional level
- International trade
- Development & humanitarian aid
- Migration & asylum
- Research & innovation
- Environment & climate change
- Education & culture
- Energy & transport

A number of mechanisms are already in place to foster cooperation, in particular a series of formal bilateral dialogues as well as several sectoral agreements, including:

- The 1994 Agreement Relating to Scientific and Technical Cooperation between the European Community and Australia (entered into force 25 July 1994);
- The 1998 Agreement on Mutual Recognition in relation to Conformity Assessment, Certificates and Markings between the European Community and Australia (entered into force 1 January
1999), amended in 2012;
- The 2008 Agreement between the European Community and Australia on Trade in Wine (entered into force 1 September 2010);
- The 2010 Agreement between the European Union and Australia on the Security of Classified Information (entered into force 1 July 2011);
- The 2011 Euratom-Australia Agreement for Cooperation in the Peaceful Uses of Nuclear Energy (entered into force 1 January 2012);
- The 2012 Agreement between the European Union and Australia on the processing and transfer of Passenger Name Record (PNR) data by air carriers to the Australian Customs and Border Protection Service (entered into force 1 June 2012);

The European Parliament and Australian Parliament also engage in ongoing and productive cooperation. In 1979, the European Parliament established a Delegation for Relations with Australia and New Zealand (DANZ) which engages in regular "inter-parliamentary meetings" with Australia's federal Parliament and discusses issues of common interest.

In addition to formal dialogues and agreements, the EU and Australia have engaged on a more informal cooperation track through the EU-Australia Leadership Forum. This is unique platform (funded by the EU) has enabled European and Australian leaders in politics, business, media and civil society to meet and discuss new ideas for the relationship. Emerging and Senior Leaders Forums took place in Sydney in June 2017 and Brussels in November 2018. The project ends in 2019 but the alumni network will continue to be active.

Foreign & Security Policy

The EU and Australia are likeminded partners on the international stage and work together to find solutions to global challenges, both bilaterally and multilaterally. Strategic cooperation is on-going in areas such as counter-terrorism, migration and asylum, non-proliferation of weapons of mass destruction, organised crime prevention, development and humanitarian aid, promotion and defence of human rights as well as supporting the international rule of law.

Regular consultations underpin this cooperation, together with other forms of concrete collaboration. For example, in 2014-2015 Australia contributed to EUCAP NESTOR, an EU-led maritime capacity building mission in the Horn of Africa and Western Indian Ocean. In June 2019, an Australian humanitarian expert joined the EU Advisory Mission in support of Security Sector Reform in Iraq (EUAM Iraq). A specific bilateral agreement on cooperation in crisis management enables Australia and the EU to agree on such Australian participation in EU-led crisis management missions around the world.

Economic Relations

Despite having only 7% of the world’s population, the EU accounts for 16.6% of world GDP and its imports and exports with non-EU states accounts for 7.86% of global trade. This makes the 
EU the second-biggest trade player in the world (after China). It is simultaneously the world’s biggest
investor; the source of 30% of the world's foreign direct investment (FDI), as well as the top investment destination, receiving 34% of world FDI.

The EU's trade policy safeguards growth and jobs in Europe. The European Commission together with EU countries and business ensures that negotiated trade deals result in market access for EU exporters. Globally, the EU has more than 200 Free Trade Agreements in place, covering a third of global trade.

The EU and Australia share a strong economic relationship. The EU is Australia's second-largest trading partner after China and its most significant trading partner in services. It is also the second-largest source of FDI into Australia (after the United States), and the second-most popular destination for Australian FDI abroad.

The EU as a key trade partner for Australia

In 2017, the EU was Australia's second-biggest merchandise trading partner (DFAT Composition of Trade 2017), accounting for AUD 67.4 billion (or 11%) of Australia's total goods trade. 17.4% of Australia's merchandise imports originated in the EU (second after China), while 5.8% of Australia's exports are destined for the EU; making it the fourth-biggest market for Australian goods.

The EU continues to be Australia's largest services trading partner, with AUD 33.2 billion worth of services traded in 2017 (19.2% of total two-way services trade). It was Australia's largest services supplier, representing 24.4% of Australia's services imports (AUD 21.6 billion). The EU was the second-biggest client of Australian services, purchasing 13.7% of Australian service exports (AUD 11.6 billion).

In 2018, the EU became the biggest director in Australia with foreign direct investment worth AUD 226 billion, 23% of Australia's total.

The EU-Australia Free Trade Agreement Negotiations

In November 2015, then Prime Minister of Australia Malcom Turnbull together with President of the European Council Donald Tusk and the President of the European Commission Jean-Claude Juncker agreed to start the process towards the launch of negotiations for an ambitious Free Trade Agreement (FTA). In September 2017, President Juncker, in his State of the Union address to the European Parliament, proposed to open trade negotiations with Australia and signalled the ambition that it be finalised by end 2019. In May 2018, the Council of the EU authorised the Commission to open trade negotiations with Australia and adopted the relevant negotiating directives. The talks were formally launched by European Trade Commissioner Cecilia Malmström, then Prime Minister Turnbull and Trade Minister Ciobo on 18 June in Canberra. Trade negotiations are on-going.

More information on the EU-Australia FTA is available here.

International Development Cooperation

The EU, together with its Member States, is the largest provider of Official Development Assistance, worth more than EUR 75 billion in 2017 and constituting 57% of OECD Development Assistance Committee contributions globally. In May 2015, the European Council reaffirmed its commitment to increase collective ODA to 0.7% of EU Gross National Income (GNI) before 2030. 2018 figures show spending at 0.47%, so progress still needs to
be made.

The EU's approach to development cooperation is set in the European Consensus on Development, a policy statement by three key EU institutions (Commission, Parliament and Council) and the EU Member States that commits them to eradicating poverty and building a fairer and more stable world. It identifies shared values, goals, principles and commitments which guide the EU and its Member States in their pursuit of sustainable development.

The EU and Australia meet regularly to discuss international development issues, both bilaterally and in the context of numerous multilateral fora. Both are committed to achieving the 2030 Agenda and the UN Sustainable Development Goals.

They are also committed to implementing the Cairns Compact on Strengthening Development Coordination in the Pacific and to making aid to the region more effective by reducing uncoordinated efforts and increasing the use of country partner systems and pooled funding arrangements. An example of EU-Australia cooperation in the Pacific is the joint co-financing, together with UN Women, of a program to tackle the root causes of gender inequality and violence against women and girls. The EU, Australia and New Zealand have also joined forces in a climate change and biodiversity initiative which aims to assist Pacific countries across various areas, such as climate change resilience, sustainable fisheries and waste management.

**Environment, Climate & Energy**

The EU has established a comprehensive system of environmental protection and, as one of the key brokers of the Paris agreement (COP21) in December 2015, is a leader in global efforts to tackle climate change. It addresses concerns through broad-based, targeted policies and activities ranging from the world's largest and most comprehensive emissions trading scheme to energy efficiency labelling for appliances. It continues to set stringent environmental standards and ambitious climate action goals, having already achieved its binding greenhouse gases emissions reduction and renewable energy targets for 2020. New 2030 targets have been agreed by EU legislators and are underpinned by robust measures: to reduce greenhouse gas emissions by 40% from 1990 levels; to ensure at least 32% of final energy consumption comes from renewable sources; and to improve energy efficiency by 32.5%.

The EU and Australia cooperate across a wide variety of international environmental agreements and hold high level dialogues dedicated to environmental issues. The EU and Australia continue to work together on global issues such as combating illegal logging and and addressing the scourge of illegal, unreported, unregulated fishing.

**Research & Innovation**

The EU and Australia recognise the importance of research, science and innovation to
succeed in creating the jobs and investment that underpin inclusive, smart and sustainable
growth. In 1994, the EU and Australia signed the first Scientific and Technical Agreement
between the EU and a non-EU country. Strong cooperation is ongoing with around 30 000
publications involving EU and Australian authors published annually.

**Horizon2020**

Significant EU investment is provided through the Horizon 2020 Framework Programme for
Research and Innovation. From 2014-2020 around EUR 77 (AUD 115) billion will go
to research, innovation, support to bring new ideas to market and connecting scientists
worldwide through research mobility programs.

Australian universities, companies and researchers are actively involved in Horizon 2020
through a wide range of projects. The Marie Skłodowska-Curie actions, for example, provides
grants to researchers at any stage of their career and encourages transnational, inter-
sectoral and interdisciplinary mobility. Since 2007, more than 590 Australians researchers
have taken part. More information through the Horizon 2020 Participants Portal.

The EU is currently looking at the design and content of the research programme that will
succeed Horizon 2020, covering the period 2021-2027. More information is available here.

**Promoting EU-Australia scientific collaboration**

The European Research Council, set up by the EU in 2007, is the premiere European funding
organisation for excellent frontier research. It is part of the Horizon 2020 programme. The
ERC offers long-term grants in Europe to scientists of any nationality and in any field. To date,
the ERC has funded around 9,000 top researchers at various stages of their careers. More
than 48 Australian researchers based in Europe have been awarded ERC grants, of which 41
are early- to mid-career researchers. From 2019, Synergy grants will allow Australian
researchers, who are part of an EU-based team, to conduct research in Australia. More
information here.

More of Australia's top talent will join high-calibre research teams in Europe thanks to recent
joint agreements between the ERC and Australia's National Health and Medical Research
Council (NHMRC) and the Australian Research Council.

NHMRC-funded health and medical researchers in Australia can join high-calibre research
teams in Europe through the Implementing Arrangement. It can be a single and long-term
research visit of up to 12 months or multiple short-term visits for joint experiments.
Applications are open here.

From October 2019, a similar Implementing Agreement will be in place for Australian Research
Education

Erasmus+ is the EU's programme for education, training, youth and sport for the period 2014-2020, replacing the previous programme Erasmus Mundus. Erasmus+ funds various projects for institutions and scholarships for individuals worldwide including Australia.

Student & staff mobility

Short-term mobility for students, researchers and staff allows students to study in a foreign university and obtain credits recognised at their home institution as part of their degree. A grant is also possible for staff and students of Australian universities which have signed a bilateral agreement with a European university as part of an Erasmus+ mobility project. Each year new projects are selected for EU funding. Australia is a popular partner for European universities with more than 1000 Australians participating in Erasmus programs since 2004.

Each year new projects are selected. EU funding is available for projects with Australia as part of the wider Asia-Pacific region. Australia is a popular partner for European universities and 25% of their mobility with the region is with Australia. New projects have been selected in 2017 with 73 projects involving Australian institutions entailing 225 Australian students and academics coming to Europe and 195 European students and academics coming to Australia.

Erasmus Mundus Joint Master Degrees (EMJD) award full-degree scholarships to Master students from around the world covering tuition, travel and a living allowance. These are joint programmes offered by a consortium of universities. Students study in at least two different European countries during their 1-2 year programme. Upon graduation, they are awarded a joint, double or multiple degree.

Australian higher education institutions can take part. In 2019, 39 students applied for an EMJD with nine scholarships awarded to Australians.

Jean Monnet activities aim to develop EU studies worldwide. For more than 25 years, they have been promoting excellence in teaching and research on the European integration process at higher education level. In 2018, the EU's Erasmus+ Jean Monnet programme contributed nearly $A2.4 million to 15 research projects at eight universities in South Australia, Victoria and the ACT. The research projects will focus on issues such as innovation, trade, refugees, energy, water policy, economic cooperation, global affairs and media relations. The University of South Australia, University of Adelaide, University of Melbourne, RMIT, Swinburne University, Monash University, Deakin University and the Australian National University receive EU funding.

Broader Social Interaction

People-to-people links between Europe and Australia are deep and longstanding. Nearly 70% of Australians have European ancestry forming an integral part of Australia's rich multicultural landscape. Data from 2018 indicates 29% of Australians were born overseas,
with EU countries among the top ten birth places.

Many EU citizens live and work in Australia and vice versa. At the end of 2017 there were more than 100 000 Australians with valid residence permits (for at least 3 months) issued by EU Member States. Bilateral tourist flows are considerable with reciprocal visitors estimated to be in the millions each year.

See also

EU-Australia Factsheet
www.eeas.europa.eu

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