



MISSION REPORT

following the 41st EU-Australia

Inter-Parliamentary Meeting

CANBERRA & MELBOURNE 26-28 FEBRUARY 2020

Members

Ms Ulrike MÜLLER, Chair	RENEW
Mr Axel VOSS, Vice-Chair	EPP
Mr Morten LØKKEGAARD	RENEW
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Introduction

The Delegation of the European Parliament for the relations with Australia and New Zealand (DANZ) organised a visit to Canberra and Melbourne on 26-28 February 2020. Chaired by Ulrike Müller and with Axel Voss as Vice-Chair, the Delegation was composed of eight MEPs from five political groups and six Member States. It included European Parliament Vice-President Pedro Silva Pereira and the Vice-Chair of the Committee for International Trade (INTA), Iuliu Winkler.

Combined with an earlier visit to New Zealand from 24-25 February, the primary goal of the mission was to hold the 41st Australia-European Union Inter-Parliamentary Meeting. DANZ would like to thank the Australian Parliament, which, in cooperation with the Australian Embassy in Brussels and the Delegation of the European Union in Canberra, provided an interesting programme and assured all possible assistance for the Delegation during its stay.

Context

From September 2019 to February 2020, extensive bushfires devastated Australia, leading to considerable loss of human and animal life, as well as substantial environmental and the economic costs. It is fair to say the visit of the European Parliament took place at a stressful time for Australia.

The visit by the Delegation for relations with Australia and New Zealand was the first official EU mission to Australia after the withdrawal of the United Kingdom from the European Union. However, the main bilateral topic was the current state of play in the negotiations for a Free Trade Agreement between Australia and the EU. The talks are taking place in the context of growing concern for climate change, rising Chinese activity in the Indo-Pacific and the USA's disengagement from the multilateral system.

Meetings

During the visit, the Delegation had an intense programme which included: an important meeting with the Australian de facto Head of State, Governor-General David Hurley; a joint working lunch with both the President of the Senate and the Speaker of the House of Representatives (the lower chamber of the Parliament of Australia); and meetings with several Members of Parliament and with the Chief

Negotiator of the FTA. Unfortunately, some meetings were disrupted due to unexpected political developments resulting in last minute changes of agenda. The EU Head of Delegation and his colleagues provided extensive briefings and the Delegation also met several stakeholders from the Australian business community as well as environmental experts. Through the variety of meetings, the EP Delegation was able to gain insights and develop a deeper understanding of the current challenges that Australia is facing.

The full programme is attached at the end of this report (see Annex I).

Inter-Parliamentary Meetings

41 official Inter-Parliamentary Meetings testify to well-established bilateral cooperation between the Australian and the European Parliament. Yet, the timing of this IPM was challenging for several reasons: the ongoing FTA negotiations, the bushfire disaster, the very first EP delegation without UK Members, as well as emerging coronavirus worries. Therefore, the 41st IPM was an important occasion to evaluate the status of current EU-Australia relations under the somewhat stressful circumstances.

The Australian Parliament and its two Houses - the House of Representatives and the Senate - have a strong majority-opposition dynamic that the EP Delegation was able to witness by observing question times in the two hemicycles. This dynamic is also reflected in the political positions of the coalition government (comprising of the Liberal & National parties) and the opposing Labor and Green parties, and again in the Delegation's meeting with the Shadow Minister for Foreign Affairs.

Due to continuous disruptions in daily parliamentary proceedings, the IPM was broken into several sessions, sometimes with poor attendance by the hosts. Fortunately, Parliament level meetings concluded in a warm and lively working lunch hosted by the President of the Senate and the Speaker of the House. The intimate setting of the lunch held in a private room of an informal and popular restaurant was a sign of the warm and friendly relations between the EP and its Australian counterpart.

The Australian Parliament is facing a number of challenges concerning its external relations. There is wide cross-party support for the principle of global

free trade, and conclusion of the FTA with the EU is clearly a common priority, as expressed by all interlocutors. Climate change is a more controversial topic. Debates about natural versus human causes continue, even in relation to bushfires. Brexit was another popular topic of discussion, with Australian counterparts keen to know more about the EU's position and reactions to the UK decision. While Australia's links with the UK remain strong, at 27 rather than at 28 Member States, the EU looks to exert the same degree of appeal in Australia in the future.

As discussed during the lunch with the Speaker of the House and the President of the Senate, Australia needs to balance the realities of its geostrategic partnerships, taking into consideration the political and military alliance with the USA, the crucial trade partnership with China, and its autonomous and prominent role in South-East Asia and the Indo-Pacific. Many factors are changing: from USA's decision to disengage from the multilateral system, to a more invasive Chinese presence, and a future FTA with Europe.

The Free Trade Agreement

The topic of trade dominated discussions and the FTA will be a crucial step in a new era of relations with Australia. The presence of two full Members of INTA, one of them Vice Chair of the committee, meant that DANZ was able to present the EP position on the negotiations clearly, and was able to address the many questions raised by Australian colleagues. Before departure, the EP Delegation received an extensive preparatory briefing from the EU Chief negotiator of the FTA and an updated briefing note prepared by the Commission's FTA negotiation team.

Australia has developed a considerable expertise in negotiating FTAs, a point often raised by the local interlocutors: the FTA with the EU will be just one of a constellation of agreements already operational with partners such as China, South Korea, Japan, Chile and Pacific States, while trade talks are ongoing with United Kingdom, Peru and India. "*Australia is too small to trade internally*", pointed out a member of the Joint Standing Committee. This focus on foreign trade, and notably the crucial economic link with China, has allowed Australia to become, as underlined by the EU Head of Delegation, the only OECD country having 29 years of continuous growth.

Although the EU is not Australia's main trading partner, it is nevertheless an increasingly strategic one. Foreign policy, trade and security are three different chapters of a single narrative, as made clear by the Australian MPs that the Delegation met. Canberra has based its policy on having Washington as the main ally in its foreign and defence policy and the USA has also been the main investor in the country (while China has been the main partner for trade). For different reasons, both pillars are increasingly challenging. On the one hand, Australia has had to rethink takeovers and acquisitions by Chinese companies. On the other hand, defending multilateralism creates difficulties with the current American administration on issues such as trade, climate change or nuclear security (commitment to WTO, Paris Agreement and JCPOA are all issues of disagreement with the USA). Therefore, as also stated by the Governor-General, the negotiations with the EU go beyond pure trade goals, and have become strategic.

Compared to some other FTA negotiations, the one with Australia benefits from the fact that the country is already such a close and like-minded partner of the EU. Furthermore, both parties are transparent about the negotiations, openly consulting different actors, for example. The Australian business community is active in the process, and the lively round table between the EP Delegation and the European Australian Business Council (EABC) was an important occasion for sharing ideas and assessing the engagement between various sectors of the Australian economy. All stakeholders were pushing for a successful negotiation outcome. However, it was obvious that the agricultural sector is still on the defensive, and the EU agricultural surplus, for example, is difficult to explain to Australian farmers.

The protection of Geographical Indications (GIs) was a long debate and Australia has little expectation that the EU can be flexible on its line. The EP Delegation insisted that GIs should not be seen as a protectionist idea, as they are recognized Intellectual Property Rights and protect producers and consumers alike. The Delegation reminded that GIs apply also within the EU and to individual Member States - as a way to promote local identities; a mechanism that, through re-branding, can be a successful marketing strategy also for Australian producers. The existence of a bilateral agreement between China and the EU on GIs, reinforces such a position.

The FTA negotiations also need to address other crucial issues. The role of trade on climate change mitigation is an issue that Australian MPs advised to leave for a later phase of negotiation and to Ministerial level, in order not to delay progress on other components of the Sustainable Development Chapter. This should also include, for instance, animal welfare and notably the transport of animals by ship from Australia. The Australian Parliament also stressed that the ratification of relevant International Labour Organisation Conventions should not be a major obstacle, since Australia is already respecting their obligations, including article 7 of Convention 138 on child labour.

Climate Change

The European Parliament Delegation shared a common concern about climate change and the necessity to make ambitious political decisions. It presented the European Green Deal as a coherent sustainable development plan, with a comprehensive set of economic, financial and legislative initiatives. The Green Deal will also have a crucial role in the EU's external relations.

The host side did not always appear to share such ambitious thinking and the issue of climate change remains a complicated topic of debate. Australia faces one of the highest costs of energy per capita among OECD countries due to the vast dimension of the territory and its climatic conditions. Moreover, Australia's mining activity is a crucial sector of production, with a high volume of worldwide export. Although it is going through eco-conversion programmes, the mining industry has a negative environmental impact and is in a position to exert influence over political debate, also because production is located in important electoral constituencies, notably in states such as Queensland. An additional element is what powers individual states within Australia have to take decisions on energy policy and climate change, as states themselves differ considerably in their own approaches to the issue.

However, this complex situation does not undermine the Australian commitment to the Paris Agreement. This includes a two €billion Climate Solution Fund, and a two €billion Snowy Hydro Project (to be the world second largest pumped hydro project, constructed by an Italian/German/Australian consortium) and advanced projects such as the Battery of the Nation and the Marinus Link to provide Tasmania with a new energy interconnector. The Emissions Reduction Fund is a key instrument in providing gas reduction in economic sectors such as

greenhouse, mining, waste treatment, transport, etc. The advisor to the Finance Minister illustrated the ambitious programme of five billion AUS \$ investment in hydrogen, with contributions from both the public and private sectors.

The overall picture is an evolving and dynamic set of actions. Yet, the target of zero emissions by 2050 is still widely debated. The European Union can share its experience, offer expertise and technological and legislative cooperation, and join forces with Australia in the international fora in promoting a multilateral approach on tackling climate change. The Free Trade Agreement, with its Sustainable Development Chapter and the possible inclusion of provisions inspired by the Green Deal, can become an important platform for effective cooperation on climate change.

Australian Bushfires

The recent extensive bushfires destroyed an area as vast as Bulgaria. Local authorities welcomed outside support offered by Canadian, American and New Zealand firefighters (these countries sharing the same operational codes and procedures). The CEO of the Bushfire and Natural Hazards Cooperative Research Centre stressed that bushfires cannot be removed from the Australian landscape, yet the recent fires traumatised many Australians for an unusually long period, causing heavy loss of human and animal life, and severe economic and environmental damage. As stressed by the Governor-General, the psychological effects on parts of the population are going to last. The fires affected mostly the rural population, and the government is currently implementing different financial schemes to support farmers, while a Rural Commission is at work to coordinate replantation and the possible relocation of cattle.

While few deny outright the connection between the increasing severity of Australia's bushfires and climate change, the domestic political debate has reached no consensus on the impact of human activities. In any case, the hazard of future bushfires is a natural one - and a problem with which Australia will have to live.

The country continues to work on different preventive measures, such as shared responsibility and community engagement, predictive services, data and early warning systems, improving communication on risks and on understanding the benefits of mitigation. The European Union has offered support in these efforts, for example through technological cooperation, satellite networks, etc.

The European Union, Australia, and the Indo-Pacific region

In the aftermath of Brexit, the UK will remain the single most important European partner for Australia, but the importance of the EU will increase, as was confirmed during the mission. Yet, the EU needs to work harder in developing networks in Australia, having so far relied mostly on British connections.

Australia remains a close ally to the USA, participating in every American military operation since WW2, from Korea to Afghanistan and Iraq. At the same time, Canberra is heavily involved in South-East Asia and East Asia, with close political cooperation with Indonesia, Japan, and South Korea. Australia occupies a unique geopolitical position as a continent country that maintains close links to its Asian neighbours while culturally and historically sharing European values and demonstrating a commitment to multilateralism. Therefore, as a likeminded entity, the EU is an essential partner to Australia that can help balance the growing role of China in the Indo-Pacific. This EU-Australian partnership is not limited to trade and investment, but equally essential in digital technologies, standards and services, in scientific cooperation, security related issues, farming, renewable energy, climate change mitigation, cultural cooperation, and so forth. In fact, the EU and Australia should cooperate virtually on every single aspect of the public space.

Looking forward, the planned EU-Australia mobility and digitalisation dialogues will focus on how to improve the overall connectivity between the two sides. New direct flights from London to Perth should be matched with direct connections from EU capitals - although the Covid-19 outbreak is likely to delay such a plan. An aviation agreement is back on the agenda, and the European Space Agency signed an important memorandum on Copernicus (an important asset during the bushfire emergency plan) and Galileo satellites networks, both used by Australia. These are some of the new areas of cooperation with Australia.

The role and a follow-up of the European Parliament

The European Parliament is closely following the FTA negotiations with Australia. Among the areas deserving special attention by the EP are: the Sustainable Development Chapter, and notably the FTA provisions connected to climate change and the impact of the Green Deal on the FTA; the agriculture sector, and notably livestock and dairy; the promotion of GIs as a way to valorise local identities and identity of brands, in Europe as well as in Australia.

The European Parliament needs to focus on at least three other strategic sectors, which have great potential: cooperation in the entire digital sphere (market, technology, data protection, etc.); in climate change, including legislation and investments in new technologies; in connectivity, with special attention to the aviation sector.

Australia is also an active member of ASEM and ASEP - the last meeting hosted by the EP in Brussels in 2018 was Co-Chaired by the President of the Australian Senate. The Australian Parliament increasingly engages with ASEAN and AIPA, and these are key allies to the European Parliament in advocating the democratic values and multilateralism.

Annexes

- 1: final programme
- 2: list of participants

ANNEX I

European Parliament

2019-2024

**DELEGATION FOR RELATIONS WITH AUSTRALIA AND NEW ZEALAND**
**41ST EU-AUSTRALIA INTER-PARLIAMENTARY MEETING
CANBERRA & MELBOURNE 26-28 FEBRUARY 2020**

PROGRAMME

Wednesday 26 February

Travel to Canberra

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| 13.00 | Working lunch hosted by the Chair, Ms Ulrike Müller with briefing by H.E. Mr Michael Pulch, Ambassador of the EU mission to Australia |
| 15.45 | Meeting with Senator The Honourable Penny Wong, Shadow Minister for Foreign Affairs |
| 16.30 | Opening of the 41st EU-Australia Inter- Parliamentary Meeting

Meeting with members from the Joint Standing Committee on Foreign Affairs, Defence and Trade, Chaired by Senator the Honourable David Fawcett and Vice Chair Mr Nick Champion |
| 18.00 | Reception at the residence of H.E Michael Pulch, Head of the EU Mission. |

Thursday 27 February

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| 09.00 | Meeting with David Hurley, Governor-General of Australia (Chair, Vice-Chair and EP Vice-President only) |
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- 10.15 Meeting with Ms Alison Burrows, Chief Negotiator for the Australia-EU FTA, Mr Justin Bassi, Chief of Staff, Minister for Foreign Affairs,
- 12.00 Working lunch hosted by Mr Andrew Wallace, Chair of the Australian EU Parliament Inter-Parliamentary Group
- 14.00 Question time
Senate
- 14.30 Question time
House of Representatives
- 15.00 41st Australia/EU IPM with Mr Andrew Wallace, Chair of the Australian EP Inter-Parliamentary Group, and deputy Chair Mr Josh Burns MP
- 18.00 Travel to Melbourne
- 20.30 Optional dinner with the Meat and Livestock Australia Industry

Friday 28 February

- 07.45-09.45 Meeting with Jason Collins and Tim Goulain from the European Australian Business Council and Mr Simon Crean, Former Minister for Trade and Chairman of the EABC, with 2/3 business representatives from key sectors
- 10.15 Met by Dr Richard Thornton, CEO Bushfire and Natural hazards CRC, followed by a presentation
- 12.30 Lunch hosted by the Presiding Officers of the Commonwealth of Australia, the Honourable Tony Smith MP, Speaker of the House of Representatives, and Senator the Honourable Scott Ryan, President of the Senate, Members only
- 18.00-22.00 AFL State of Origin Bushfire Relief Match, with reception hosted by the Victoria State Office

European Parliament

2019-2024



ANNEX II LIST OF PARTICIPANTS

Ms Ulrike MÜLLER, Chair	RENEW	Germany
Mr Axel VOSS, Vice-Chair	EPP	Germany
Mr Morten LØKKEGAARD	RENEW	Denmark
Ms Monika VANA	GREENS/EFA	Austria
Mr Iuliu WINKLER	EPP	Romania
Ms Gabriele BISCHOFF	S&D	Germany
Mr Kosma ZŁOTOWSKI	ECR	Poland
Mr Pedro SILVA PEREIRA	S&D	Portugal

Members were accompanied by 4 Staff from the EP

RENEW Renew Europe

Greens/EFA Greens, European Free Alliance

EPP European People's Party -
Christian Democrats

ECR European Conservatives and Reformists Group

S&D Group of the Progressive Alliance
of Socialists and Democrats