

Prime Minister of Australia

Speech

A Change of Climate - A New Approach to Australia-Europe Relations, European Policy Centre Briefing, Brussels

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E&OE

About 100 kilometres south west of here is the French town of Noreuil.

On this day – the 2nd of April – in 1917, a soldier with the Australian 50th Battalion, Private J.C. Jensen won the Victoria Cross – the Australian military's highest award for bravery.

He captured a machine gun post and took forty prisoners.

But I mention Private Jensen for more than his bravery.

He says a lot about the links between Australia and Europe.

He was an Australian fighting on the side of European allies in a terrible and bloody war.

Private Jensen was one of nearly half a million Australians who fought with European allies in that war to end all wars – fifty thousand of whom still lie in the ancient fields of this continent.

And they were soon to be followed by thousands of sailors and airmen who fought once again with their European allies (this time against Fascism).

Private Jensen himself had come from Europe.

Private Jensen had been born in Loegstoer, Denmark, about 700 kilometres north east of here.

He was one of the multitude of Europeans who, in the course of the past 200 or so years, has made the journey to Australia to start a new life.

Today I would like to talk about a new life for the relationship between Australia and Europe.

One where we cooperate more closely on security, trade, development, and the great moral and economic challenge of climate change.

New beginning

The historical connections between Europe and Australia are profound.

Europe has nurtured Western civilisation.

Australia has inherited, embraced and adapted that great civilisational tradition.

The modern state of Australia is heir to European philosophical and political thought.

We owe Europe a debt of gratitude for our stable system of government that has served us well over the 107 years of our federated history.

And our system of government has endured largely unchanged for more than a century already.

One reason these institutions are so enduring is that they sit on a solid foundation of centuries of European political philosophy and institutional pedigree.

At its core, this foundation is about the rights of the individual and the need for government to be accountable to the citizens they serve.

It is a noble heritage that we are proud to be part of.

But we cannot afford simply to look nostalgically back at history when we talk about Australia's relationship with Europe.

There is too much change in the world today to only hark back to our common foundations.

Globalisation is creating a new generation of deeper, broader political, economic and personal ties right across the globe.

It is changing the way individuals and nations deal with each other.

The new technologies of globalisation are now drawing people together across continents – increasingly in defiance of classical geographical definitions of “region”.

If we want to look at the changes taking place in the world, one need look no farther than Brussels.

Brussels, this city, is the heart of a new experiment in sovereignty.

Just as the treaty of Westphalia in 1648 set the ground rules for national sovereignty for centuries to come, Europe is now at the forefront of developing new notions of sovereignty.

The senseless loss of life of two world wars taught Europe bitter lessons.

The countries of Europe have made an historic decision to seek a new level of shared sovereignty between nations that transcends the normal notions of international relations.

They are seeking to develop a strong set of rules, norms and institutions to ensure cooperation between the nations of Europe.

And in 2009 this experiment will reach a new stage.

Once EU member states ratify the Lisbon Treaty, Europe will have a dedicated High Representative for Foreign Affairs and Security Policy.

The question for this new EU High Representative will be what will he or she stand for?

What sort of Europe will this office represent?

What will be the foreign policy of Europe?

What will be the security policy of Europe?

And how will these policies differ from the national policies of the member states?

I do not know the answer to this question, but I know that as the answer emerges in the years ahead, it is likely to have a profound impact on the international society of states.

Europe is already a force for stability in the world.

Not just in the absence of major wars from its own soil

Europe has assumed a leading role in helping Kosovo make the transition to an independent state.

Europe has also played a key role in advancing development, security and governance in Africa.

Of course the evolution of politics in Europe is not the only change we see.

With the end of the Cold War more than 15 years behind us now we are seeing a new and much more flexible global order.

No longer do we see a competition of bloc against bloc as the foundation of international relations.

We see nations cooperating with each across traditional groupings on the complex challenges all nations face.

As the world changes, and as Australia and Europe change with the world, our two peoples will share ever more convergent interests in an ever more shrinking world.

Europe's global reach

Europeans have settled all over the globe.

The contribution of Europeans to Australia has been so strong that it almost seems redundant to mention it.

The European migrants that came to Australia after the Second World War and changed forever the way Australians lived, talked, ate and played.

In the process, many of these migrants, quite literally, built Australia.

They participated, for example, in the building of large scale national engineering projects like the Snowy Mountains scheme.

They came in their thousands and built a massive hydro scheme in the middle of nowhere which today displaces 4,500,000 tonnes of carbon emissions each year.

Australia offered a new start to millions of people seeking a new life away from war ravaged Europe.

Today, some two million Australians were born in Europe and nearly 90 per cent of Australians claim some European ancestry.

But some time in the past, at a political level, Australia and Europe began to focus more on what divided us than what pulled us together.

At the government level, we began to focus on our differences over trade policy, rather than remembering the trade and investment between our two economies is of intrinsic importance.

We have to be honest and frank about our differences.

But should also work together where we have shared interests.

This principle extends beyond just Australia and the European Union.

From time to time we will have policy differences with close friends and traditional partners like the United States.

Governments must make their own policy choices based on their assessment of the national interests.

But we should not be hamstrung from future action by past problems.

Europe in the world and Australia and Europe

Australia and Europe should take a broad view of our relationship.

Europe's GDP is more than \$16 trillion – making it even larger than the United States.

Europe's financial markets are among the world's oldest.

They draw upon a deep pool of specialist knowledge in asset management, banking, finance and insurance.

And today Europe's financial services firms rank amongst some of the world's largest.

The introduction of the Euro has helped reduce transaction costs and the bolstered development of a larger and more liquid debt and stock market.

The Euro serves more than the 320 million people within its member countries.

It has become a central currency in global financial markets.

It is the second most heavily traded currency in global foreign exchange markets, after the US dollar, with some 37 per cent of daily foreign exchange turnover involving the Euro on one side of the transaction.

Australia, like Europe, is closely linked to the global economy.

We are the 15th-largest economy in the world.

Our stock exchange is among the largest in Asia – and has the largest number of foreign listings.

Our financial services sector has the world's fourth-largest pool of funds under management.

As two global economies, Australia and Europe are closely connected through trade and investment.

We also have strong ties in education and research.

The EU is Australia's largest scientific partner.

We have the Forum for European-Australian Science and Technology cooperation – called FEAST.

FEAST, which is hosted by the Australian National University in Canberra, works to boost connections between Australian and European researchers.

Australia and Europe are both focused on building economic futures based on education and innovation.

You might have heard of the Square Kilometre Array project.

The goal is to build the world's biggest virtual radio telescope by linking together hundreds of smaller telescopes connected together through a super computer. Australia is bidding to host this project.

I hope we can count on European support.

It would open up even more avenues for scientific cooperation and collaboration between us.

Common challenges

Australia and Europe have a shared interest in working together to shape the changing world in ways that serve our needs.

And there are many ways we can work together.

Four weeks ago I was in Honiara, the capital of Solomon Islands.

Solomon Islands is a country of 500,000 people that lies to Australia's north.

It is one of our Pacific island neighbours.

The Solomon Islands has had a difficult time in recent years – internal political strife and a stalled economy.

Australia has taken a leading role in helping Solomon Islands overcome its problems.

And I am pleased to say that the European Union has been an important partner in our efforts.

While I was in Honiara I opened a new National Public Health Laboratory.

This laboratory will help Solomon Islands diagnose diseases, monitor outbreaks and improve food safety.

It will make a real difference to the health of the people of Solomon Islands.

And our partner in this project, along with the Solomon Islands Government, was the European Union.

I hope that, in the future, we can do a lot more of this sort of cooperation, recognising as I do that the European Union is the world's largest provider of international development assistance.

If we work together, we will be able to help developing countries make better progress towards the Millennium Development Goals.

The international community agreed to the MDGs in 2007 and we are now at the half way point in the time line we set for ourselves.

Progress against the MDGs has been mixed at best, so we should look at better cooperation and coordination to deliver more effective development assistance.

Australia is keen to work more closely with the European Union and other major donors including the World Bank.

For Australia, the focus of our development assistance program is on the Pacific island nations.

The Australian Government is looking to negotiate new agreements – what I call Pacific Partnerships for Development – with the Pacific island nations to offer them greater development assistance in return for progress against mutually agreed goals.

I also want to recognise the close cooperation we have with Europe in the security field.

Tomorrow I am going to Bucharest for the NATO meeting on Afghanistan.

Afghanistan is an example of why we need to work hard on security problems.

Afghanistan under the Taliban became a haven for terrorists.

These are the terrorists that planned and executed the attacks on the United States on 11 September 2001 – which was in every respect an attack on the collective civilisation of the West.

Australia is an ally of the United States.

Much of Europe is an ally of the United States.

Those attacks saw the cold blooded murder of over 3000 people from all over the world.

We have to make sure we prevent the threat of similar attacks in the future.

One important part of that strategy is helping Afghanistan become a stable country – no longer a safe haven for terrorists and drug lords.

It will be a long-term commitment.

It will involve putting our troops in harms way to provide security for the people of Afghanistan.

It will mean agreeing an integrated effective and collective military and civilian strategy.

It will mean all countries needing to pull their weight.

And it will mean agreeing on an effective strategy for eliminating Afghanistan's opium crop which goes to fund so much of the terrorist activity that we are fighting.

The time has come to end the disagreement on so fundamental an element of our overall Afghanistan strategy.

World Trade Organisation

Just as we need to help meet the specific security needs of individual states, we also have to make sure that there are economic opportunities to spur development around the world.

With the world's financial markets facing turbulence, we need to maintain the momentum for trade.

And to achieve that, an ambitious outcome to the Doha Round of WTO negotiations is crucial.

I believe, after the discussions I've had in the United States and here in Brussels today, that a successful conclusion to the Doha Round is within our reach this year.

The global economy now desperately needs a shot of confidence in the arm.

Over the past five years, world trade has grown twice as fast as world output.

The message from this is clear: an important means of ensuring sustainable economic growth is to continue expanding trade opportunities.

Expanded trade opportunities – when combined with efforts to assist developing countries better integrate into the global economy – can make a real and substantial difference to development.

What we need now is to see Ministerial engagement in the Doha negotiations as soon as possible after the release of the revised negotiating texts on agriculture and industrial products.

These revised negotiating texts are expected in the next few weeks.

There are substantial economic gains on offer from the Round for all states – not just for some.

First, a successful Doha Round will bind in legal terms the significant unilateral trade liberalisation that has occurred since the Uruguay Round, thereby providing greater certainty to business.

Second, it will deliver meaningful new market access opportunities in all sectors: agriculture, industrials and services.

Third, it will lock in the elimination of export subsidies in agriculture once and for all and see a substantial reduction in domestic agricultural subsidies.

Fourth, it will see improvements in a range of other areas such as trade facilitation, which will reduce the red-tape and other costs of international trade for business.

Finally, it will reinforce the primacy of the World Trade Organisation as the body which sets the rules under which global trade is conducted.

There is still a lot of work to be done, but a deal is within our reach.

Let us imagine what a final deal on Doha might look like.

- On agriculture it could deliver cuts of up to two-thirds or even more to trade distorting domestic support and tariffs in developed countries;
- On industrial products it could deliver significant tariff cuts in developed countries and major developing countries – bringing most of these tariffs down to the teens and in many cases single digits;
- On services it could legally bind unilateral liberalisation that has been made since the Uruguay Round and deliver new commercial opportunities in a wide range of sectors – transport, telecommunications and professional services.

If we can achieve such a deal (and such a deal is, I believe, now within our reach), it will be a real boost to global trade.

All countries have an interest in a strong multilateral trading system based on agreed rules.

Given its leadership role, the European Union has an important part to play in ensuring that the Doha negotiations are

brought to a successful conclusion.

It is normal past practice for Australian Prime Ministers and Ministers to travel to Brussels , bash up the Commission, issue a press release, then go home.

And it has not been unusual for the Commission to do the same.

In a departure from normal practice and protocol, I do not intend to do this.

Certainly we have significant differences on trade policy – and I will certainly be defending Australia’s economic interests – in particular those of our farmers.

But rather than shout at each other, I have proposed a new radical approach of talking with one another instead – and working intensively together in the weeks ahead to produce real outcomes for us all.

Australia is committed to working closely with the EU towards this end, a point which President Barroso and I have affirmed during my visit to Brussels.

I will continue to make Doha a priority in my engagement with other Leaders in the weeks and months ahead, including when I attend the G8 Summit outreach session in Japan in July.

Leadership will need to come from all of us – the United States, Europe, China, India, Brazil, Indonesia – and the Cairns Group which Australia heads.

Leadership will require intelligent flexibility. But without it, the cost of failure is just too great – as the world would once again yield to the forces of protectionism.

And protectionism is the enemy of all our economies – and the enemy of the standards of all our working families who will pay the price if protectionism prevails.

Climate change

The biggest challenge the world faces in the decades ahead is climate change.

It is the great moral and economic challenge of our time.

It will require concerted global action to overcome.

We need the right domestic policies – such as cap and trade carbon markets and policies to promote energy efficiency.

And we need the right international policies too.

Australia’s ratification of the Kyoto Protocol underlines the fact that we are ready for the serious action required to address climate change.

I was pleased that Australia and the European Union could work effectively together (and with others) in Bali to help launch negotiations on a new, international post-2012 framework that will see all countries contribute.

We want to see “top-down” emission reduction targets for advanced economies and specific commitments to action by developing countries.

But we need to do more than that.

We also have to support large-scale cooperative efforts to develop new low-emission technologies and to reduce deforestation.

A key element of this will be developing effective mechanisms for funding and supporting adaptation, particularly in the least developed countries and vulnerable small island states.

Australia is keen to promote a more pragmatic approach to negotiations that moves beyond the rhetoric of the past.

To support the UN negotiations, we are also working through the Major Economies Meetings process, the climate change

forums under the G8, and engaging in strategic bilateral dialogue with key countries – including China.

Emissions trading is at the heart of Australia's and the EU's drive to reduce greenhouse gas emissions.

Australia and Europe have a lot to gain from more frequent dialogue, information sharing and exchange of expertise on carbon markets.

And again I would propose that we become effective partners on climate change along the road to Copenhagen.

Australia and Europe should remember what we have in common.

Not just the history – but also the goals we share for the future.

Europe wants to build on its stable political foundation and the freedoms its people enjoy to enlarge the democratic project.

That is what Australia wants too.

We both recognise, I believe, that we need to work more closely with each other and with other partners around the world.

Today I want to leave you with one clear message: the new Australian Government is committed to building a new, positive partnership with Europe – a new economic partnership, a new security partnership, a new development partnership and a partnership on climate change.

But it takes two to Tango.

Let's go forward together - and work constructively together on the great challenges which now face the international order in the new century.