

Bilateral foreign direct investment flows are rising in both directions, with the EU being Australia's largest investment partner and Australia ranking sixth in the EU. The EU and Australia have concluded several agreements covering a wide range of economic activities: from wine to science & technology. Currently, the EU and Australia are actively exploring ways to further deepen this dynamic economic partnership through the Trade Policy Dialogue and the Agricultural Trade and Marketing Experts' Group. In the field of Regulatory Cooperation the EU and Australia are revising and updating their agreement on mutual recognition of certain products and have initiated a dialogue on Animal Welfare.

On Aviation, Australia and the EU have begun negotiations for a comprehensive air services agreement. Significant work lies ahead, particularly on Australia's restrictions on investment and on opening of domestic traffic, but when completed the bilateral agreement will be one of the most ambitious of its kind in the world.



Ambassador David Daly and Prime Minister Kevin Rudd.

On development, the EU is the largest donor of ODA in the world and Australia is the largest donor in the Pacific. Helping developing countries reach their Millennium Development Goals is a high priority for both Australia and the EU. At the recent trilateral meeting between Australia, New Zealand and the EU, several joint actions were agreed including the use of delegated cooperation. The EU and Australia worked together to achieve the EU/PIF Climate Change Declaration and continue to work together to assist the Pacific Island Forum to achieve its goals, including better coordination of development under the Cairns Compact. Both the EU and Australia have untied Community development aid, to benefit many Asian countries

On Energy and Environment, both parties particularly recognise the pressing challenge of climate change and have agreed to build on the relationship to help forge a post-2012 global, comprehensive agreement and to implement ambitious measures domestically and internationally. There is a new emphasis within the climate change area to work towards a global agreement restraining global warming to under 2 degrees, which is widely regarded as a 'guardrail' beyond which the chances of more dangerous consequences increase markedly. Cooperation in climate change matters will intensify, underscoring the urgency of developing a suite of global solutions.



An entirely new action underlines the need to support agreed positions of the Major Economies Forum (MEF) which took place in July 2009. Both Australia and the EU will continue ambitious mitigation actions and support mitigation and adaptation actions in developing countries.

The scope of the next High Level Dialogue on the Environment, in 2010, will be expanded to include examination of water management issues.

Discussions on the extension and expansion of the Australia – Euratom Nuclear Transfers agreement will commence with the aim of ratifying a new agreement by January 2012.

Actions relating to fisheries management have been expanded and updated in light of new developments. Both parties are working towards sustainable global fisheries and cooperating in international fisheries fora.

In the field of education: Commissioner Figel' and the Australian Minister for Education signed a Declaration of Intent in April 2007 which set out guidelines for further collaboration including high level policy dialogue.

The Erasmus Mundus programme, adopted in 2004, promotes the attractiveness of European higher education systems to the world. The programme provides scholarships to third country graduate students, academics and staff at both the Masters and PhD level. Since 2004, over 150 Australian students and academics have benefitted from the programme.

As well, 12 Australian institutions are partners in Erasmus Mundus courses. A new Erasmus Partnerships program for Australia & New Zealand will soon be in place which will focus cooperation on a regional basis.

Since 2006, three EU Centres have been established in Australia supported by the European Commission. These Centres are currently hosted by the ANU in Canberra and RMIT and Monash University in Melbourne.

As well, the Australian Government and the European Commission fund a series of bilateral exchange projects. These projects are based on the creation of a joint module supported by credit transfer arrangements and provide mobility scholarships for about 50 students per year. So far 33 Australian Institutions and 55 European Institutions (from 19 different European countries) have participated in these projects.

In the field of civil protection, the EC and Australia signed an Administrative Arrangement in September 2008 which will allow for better coordination of each others activities on emergency management issues. The Arrangement covers the exchange of information and best practices, involvement in communication exercises, conferences and workshops and research in the field of emergency management and civil protection.



For full text of the Partnership Framework see www.delau.ec.europa.eu/PartnershipFramework

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THE EUROPEAN UNION AND AUSTRALIA

*A strategic Partnership built on
shared values and common ambitions*



A strategic Partnership built on shared values and common ambitions

Australia is one of the European Union's oldest and closest partners. What began as a largely economic based relationship has evolved over the years to become a close strategic relationship, characterised by a high degree of consensus on key issues such as democracy, the rule of law and human rights and a broad range of cooperation on major global issues such as security, development and climate change, both bilaterally and in multilateral organisations such as the United Nations.



The Partnership Framework

On 29 October 2008 the European Union – Australia Partnership Framework was endorsed in Paris, which defines a greatly enriched and deepened agenda for cooperation between the EU and Australia over the coming years. This builds on the 1997 Joint Declaration on relations between the EU and Australia, which was followed in 2002 by an agreed Agenda for Cooperation. As the Partnership Framework is a living document, it has been further enhanced in 2009 in response to the changing economic climate, to new actions in the Pacific and with developments in climate change negotiations.



Australian Prime Minister, Kevin Rudd, and European Commission President José Manuel Barroso.

The Partnership Framework explains the rationale behind cooperation in all the relevant areas and sets long and medium term objectives as well as identifying specific items for immediate action in areas of ongoing collaboration. These are contained in an operational roadmap and include actions in the fields of:

- foreign and security policy, including enhanced cooperation to reinforce the role of the UN, raising awareness of human rights in the world, combating terrorism and trans-national crime with greater cooperation between EUROPOL and Australian law enforcement agencies; and increased cooperation on migration and asylum.
- promoting global economic growth and the bilateral trade and investment relationship, by promoting and supporting the multilateral rules-based trading system and ensuring an optimum environment for bilateral trade and investment.
- enhancing cooperation in the Asia and Pacific regions, to foster regional integration and support sustainable development throughout the region both in relation to areas of concern such as DPRK and by ensuring the maximum effectiveness of development policies.
- tackling global challenges, such as those posed by climate change, and energy security. This is to be achieved through enhanced cooperation on the development of a comprehensive, global post-2012 agreement to tackle climate change and incentives to engage developing countries in increased action together with cooperation on the development and implementation of domestic policies.
- developing policies on science, research, technology and innovation, education and culture, with a view to harnessing the potential on both sides to become leading innovative, knowledge based economies.

Partnership Agreement – actions carried out since implementation

- Support for the Jakarta Centre on Law Enforcement Cooperation
- Bilateral untying of Community development aid to many Asian countries, allowing Australia and the EU to work more closely together on the ground in the region.
- European Commission accession, as a foundation member, to the Australia-based Global Carbon Capture and Storage Institute (GCCSI)
- Signature of an agreement between Australia and the European Union on the security of classified information
- Signature of the EU-Australia wine agreement
- New dialogue on Sanitary and Phytosanitary (SPS) issues.



Australia's Ambassador to the European Union, Alan Thomas, and the EU's High Representative for Foreign Affairs and Security Policy, Catherine Ashton, at the signing of the Agreement between Australia and the European Union on the Security of Classified Information.

Some recent examples of EU-Australia Cooperation

Cooperation between the EU and Australia is of course longstanding but the meeting between Prime Minister Rudd and European Commission President Barroso in April 2008 added new impetus to broadening and deepening relations further.

Political level participation in the Trade Policy Dialogue is envisaged whenever possible, following the participation of the Australian Minister for Trade Simon Crean and the European Commissioner for Trade Cathy Ashton in the 2009 trade policy dialogue. Such engagement will provide a high-level political commitment to developing the bilateral trade and investment relationship.

In 2009, Australia and the EU agreed to increase cooperation and coordinate responses to the global economic and financial crisis, including through the G20 process, to ensure implementation



Trade Minister Simon Crean and EU Trade Commissioner Catherine Ashton at the initialling of the reviewed Mutual Recognition Agreement (MRA) in Brussels on 23 June 2009.

Trade and investment relations

The EU and Australia have substantial and growing trade flows and are exploring ways to deepen the economic partnership further. In 2008, the EU remained Australia's largest two-way merchandise trading partner, and the largest two-way investment partner.

New actions under the Partnership Framework include:

- Broadening the discussion on trade matters to include cooperation in shaping the international trade policy agenda, including on trade and climate change and responses to the global economic crisis, and intensifying the focus on bilateral services and investment issues.
- Enhancing business-to-business and government-to-business linkages between the EU and Australia through the encouragement of two-way visits and business activities.
- Increasing focus on regulatory issues within existing dialogue mechanisms.

