

NATIONAL INTEREST ANALYSIS [2015] ATNIA 12

WITH ATTACHMENT ON CONSULTATION

**AUSTRALIA'S DENUNCIATION OF THE CONVENTION RELATING TO
INTERNATIONAL EXHIBITIONS AND PROTOCOL OF SIGNATURE**

(Paris, 22 November 1928)

[1973] ATS 39

NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY

SUMMARY PAGE

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Nature and timing of proposed treaty action

1. The treaty action relates to Australia's proposed denunciation of the *Convention relating to International Exhibitions, and Protocol of Signature* (Paris, 22 November 1928) ('Convention') by lodgement of an Instrument of Denunciation with the Government of the French Republic in accordance with **Article 37** of the Convention. Under **Article 37** of the Convention, Australia's denunciation shall take effect one year after the date of receipt of notification of the denunciation by the Government of the French Republic.
2. Denunciation of the Convention will give effect to Australia withdrawing its membership of the International Exhibitions Bureau ('Bureau'), the entity set up under **Article 10** of the Convention to execute the Convention, overseeing the selection and organisation of international exposition events.

Overview and national interest summary

3. The Convention was concluded on 22 November 1928 in Paris and entered into force generally on 17 January 1931. The Convention is open to accession by any State (**Article 35**). Australia became a signatory to the Convention in 1935 and the Convention entered into force for Australia on 27 October 1973. The Convention was amended by Protocols in 1948, 1966 and 1972, and by Amendments in 1982 and 1988.
4. The purpose of the Convention is to formalise the process for the holding of international exhibitions. The Convention established the Bureau, regulates the frequency of international exhibitions, and defines the rights and responsibilities of organisers and participants.
5. The Bureau has convened numerous exhibitions: 'World Expos', are generally held every five years (such as Hannover 2000, Aichi 2005, Shanghai 2010 and Milan 2015), with smaller 'International Specialised Expos' generally held in the intervening years (Zaragoza 2008 and Yeosu 2012).

6. The cost of participation in international exhibitions is significant. In 2012, the Australian Government contributed **\$10 million** for Yeosu, in 2010; **\$73 million** for Shanghai; in 2005 **\$37.6 million** for Aichi and in 2000, **\$11.9 million** for Hannover.
7. Australia has not hosted a Bureau-convened '*World Expo*'. Melbourne hosted a historical exhibition in 1880 prior to the creation of the Bureau, and Brisbane hosted a Bureau-convened convention titled the "*World Expo 88*" – however this was officially categorised as an 'International Specialised Expo'.
8. Australia is currently one of 167 member countries of the Bureau. The annual cost of membership is approximately **\$25,000**.
9. Should Australia denounce the Convention under **Article 37**, thereby withdrawing its membership from the Bureau, Australia would lose its membership rights. As a member, Australia is entitled to one vote in the Administrative Council of the Bureau. The Administrative Council determines who can host an exhibition.
10. Technically, non-members of the Convention are able to host an exhibition; however in practice this is extremely unlikely as member states are unlikely to vote for a non-member to host an exhibition. Furthermore, **Article 7** of the Convention provides that if a member state- hosted exhibition conflicts with one hosted by a non-member, the contracting countries to the Convention must give preference to the former.
11. There is no penalty should a country wish to re-join the Convention and reinstate its membership of the Bureau. If Australia decides to host an exhibition in the future, it would be relatively easy to re-join the Bureau under **Article 35** of the Convention. Accession to the Convention by a non-signatory country can be effected by notification in writing to the French Government, with the Convention taking effect one month after the date of receipt of such notification (**Articles 35 and 36**). Indeed, Australia previously denounced the Convention (in 1945) and subsequently re-joined the Convention (in 1972).
12. Denouncing the Convention (and thereby withdrawing membership from the Bureau) will have no impact on Australia's participation at future exhibitions, i.e. non-member countries are free to participate in Bureau- convened exhibitions.

Reasons for Australia to take the proposed treaty action

13. Australia's denunciation of the Convention and withdrawal from the Bureau reflects the Australian Government's broader policy position of assessing its future participation in international exhibitions on a case-by-case basis, balancing potential trade and investment benefits against the cost. Given the significant costs of participation, the Australian Government will only participate in future exhibitions where there are strong economic links with the host country, compelling business benefits and majority private sector financing support. Furthermore, withdrawing Australia's membership of the

Bureau will result in savings to the Government of approximately \$25,000 per year in membership fees.

14. However Australia's denunciation of the Convention and withdrawal from the Bureau would not preclude Australia from participating in future international exhibitions. The UK, the US (withdrew in 2001), and Canada (withdrew in 2012) are not members of the Bureau. However they continue to participate in international exhibitions, with the US and the UK confirmed to participate in the next international exhibitions in 2015.

Obligations

15. The denunciation of the Convention will not impose any new obligations on Australia. Australia's existing obligations under the Convention will continue until the denunciation takes effect, namely for one year after Australia gives its notification (**Article 37**).

Implementation

16. The obligations under the Convention are not implemented by any specific domestic legislation, however, reference to the Convention can be found in **Regulation 2.2** of the *Patents Regulations 1991*, which contains a definition of "recognised exhibition" which is the same as the meaning of 'recognised exhibition' under **Article 1** of the Convention.
17. The proposed denunciation of the Convention will not require any changes to Australia's legislation or to **Regulation 2.2** of the Patents Regulations.

Costs

18. The proposed denunciation of the Convention will result in a cost saving of \$25,000 per year to the Government spent on annual membership fees for the Bureau.

Regulation Impact Statement

19. The Office of Best Practice Regulation has been consulted by the Department of Foreign Affairs and Trade and confirmed that a Regulatory Impact Statement is not required for the proposed denunciation.

Future treaty action

20. Any decision by Australia to accede to the Convention and membership of the Bureau in the future would constitute a domestic treaty action requiring tabling in Parliament, JSCOT consideration and Executive Council approval, albeit that formal notification of accession is all that is required under **Article 35** of the Convention.

Withdrawal or denunciation

21. Subject to JSCOT approval of this proposed treaty action, under **Article 37** of the Convention, Australia's membership of the Convention and Bureau will cease one year following the French Government's receipt of the proposed Instrument of Denunciation.

22. The Convention does not contain any specific provisions relating to withdrawal from the Convention or Bureau. Denunciation, however, is dealt with under **Article 37**. If Australia elects to accede to the Convention under **Article 35** at any stage in the future, any subsequent withdrawal from the Bureau or denunciation of the Convention would be subject to domestic treaty requirements and **Article 37** of the Convention.

Contact details

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CONSULTATION

1. State and Territory governments were directly consulted and invited to make submissions on the proposed treaty action by the Department of Foreign Affairs and Trade ('DFAT') to denounce the *Convention relating to International Exhibitions, and Protocol of Signature (Paris,)* ('Convention') and thereby withdraw from the International Exhibitions Bureau ('Bureau') established by **Article 10** of the Convention
2. A majority of the State and Territory governments had no objection to the proposed treaty action. The Northern Territory stated that it was unlikely to bid to host an international exposition and had no objection to Australia's denunciation of the Convention. South Australia agreed Australia should formally denounce the Convention and withdraw from the Bureau and confirmed that it has no plans to host any international exhibitions in the foreseeable future. It noted the Australian Government's approach that participation in future international exhibitions will be determined on a case-by-case basis following a cost benefit analysis. Western Australia supported Australia's denunciation of the Convention and withdrawal from the Bureau.
3. On the other hand, New South Wales stated that it strongly supports Australia's continued membership of the Convention and Bureau on the basis that:
 - (a) it leaves open the option for NSW to host a Bureau event in the future without having to re-join the Convention;
 - (b) it allows Australia to promote the region's status as a business and events destination; and
 - (c) the annual membership fee is relatively low.
4. Victoria also noted its support for Australia's continued membership of the Convention and Bureau and its strong interest in participating in international exhibitions. To an extent these concerns are addressed by the fact that denunciation of the Convention (and consequential withdrawal from the Bureau) will not preclude Australia's participation in future international exhibitions and the opportunity to promote itself as a business, events and tourism destination.

5. The Australian Capital Territory, Queensland and Tasmania did not provide a response to DFAT's consultation request on the issue of denunciation of the Convention.
6. DFAT also consulted business and industry groups, who were broadly supportive of the proposal to denounce the Convention and withdraw from the Bureau. Specifically:
 - (a) The *Australian Chamber of Commerce and Industry* did not object to Australia rescinding its membership of the Convention and Bureau in the short to medium term, while noting that Australia should continue to participate in global promotional activities, including well-chosen international exhibitions;
 - (b) The *Australia Council for the Arts* agreed that Australia should denounce the Convention and withdraw from the Bureau and noted that international exhibitions were not currently a priority for the promotion of Australian arts to international audiences;
 - (c) The *Australian Dental Industry Association* was not opposed to Australia denouncing the Convention and thereby withdrawing from the Bureau; and
 - (d) The *Business Council of Australia* did not provide a response to DFAT's consultation request.

