



Australian Government
Department of Foreign Affairs and Trade



DFAT SUBMISSION

**Inquiry by the Senate Foreign Affairs, Defence and Trade Relations
Committee: Opportunities for strengthening Australia's relations
with the Republic of France**

June 2020

Australia and France have a strong, enduring and forward-looking partnership. We share interests, values, history and people-to-people linkages.

France is a key partner for Australia:

- **strategically**, as a significant power with territories in the Indo-Pacific, and a major player on global and multilateral issues;
- **economically**, as the 7th largest economy in the world and with growing bilateral trade and investment ties to Australia; and
- **culturally and socially**, with strong people-to-people, institutional, cultural and historical links.

The 2017 Foreign Policy White Paper outlined the increasing importance of cooperation with like-minded partners which support international rules and institutions. The White Paper highlighted France as a key Member State of the European Union, and an important Pacific partner, with which we would strengthen our bilateral relationship.

To deliver on this objective, the Department of Foreign Affairs and Trade (DFAT) works with Commonwealth agencies, state and territory authorities, and the private sector and civil society. DFAT also engages with the French Government, business and French civil society. Submissions by other Commonwealth Government agencies provide further detail on engagement and cooperation with France.

The COVID-19 pandemic is having a major impact on domestic and international policy settings and modes of engagement between governments. Australia and France will continue to work together to address the challenges of COVID-19, including in the Pacific, and to prevent or counter any future pandemics.

STRATEGIC ENGAGEMENT

Strong Bilateral Relations

Australia and France have strengthened cooperation on key global and regional issues in recent years, taking significant steps to deepen the already-close political and strategic relationship.

The **Joint Statement of Enhanced Strategic Partnership between Australia and France**, signed on 3 March 2017, promotes engagement across many areas of mutual interest, including political cooperation, defence and in the Pacific and Indian Oceans. On 2 May 2018, then-Prime Minister Malcolm Turnbull and French President Emmanuel Macron released the **Vision Statement on the Australia-France Relationship**. Building on the 2017 Joint Statement, the Vision Statement sets out a broad work agenda for bilateral cooperation.

In the Vision Statement, leaders agreed to launch the **Australia-France Initiative (AFiniti)** “to establish a lasting and prosperous relationship across all fields of human endeavour”. Under AFiniti, Australia and France have increased work across government, industry and civil society. Ministers from a range of portfolios are directly engaged with this work, and there is a particular focus on the Indo-Pacific region. In February 2019, Senator the Hon Marise Payne, Minister for Foreign Affairs and Minister for Women, met with French Minister for Europe and Foreign Affairs, Jean-Yves Le Drian, to finalise a joint report on AFiniti, which underlined progress made in strengthening the relationship.

The **Future Submarine Program** is a central pillar of the strategic relationship between Australia and France. This will see 12 regionally-superior submarines designed and built in Australia for the Navy. The submarines will help protect Australia's security and prosperity for decades to come and deepen the defence relationship between Australia and France. Australia's decision to collaborate with France to develop and deliver this key defence capability recognised the experience of France in designing and building submarines.

The Strategic Partnering Agreement includes a joint commitment to maximise Australian industry involvement. This significant project will involve close and long-term collaboration between the two Governments, officials and defence industry.

Under the Pacific Step-up, Australia is broadening our cooperation with France and the autonomous governments of New Caledonia and French Polynesia. A signature aspect of our enhanced engagement includes opening a new diplomatic post in Papeete, French Polynesia, in early 2021.

Important Partners in the Indo-Pacific

Indo-Pacific engagement is another key pillar of our strategic cooperation with France. With overseas territories and 93 per cent of its exclusive economic zone in the Indian and Pacific oceans France is an Indo-Pacific power. France is an important partner in promoting an open, inclusive and prosperous region, and maintains a significant military presence in the region, including in its Pacific territories of New Caledonia and French Polynesia. President Macron outlined his vision for the Indo-Pacific in May 2018 in Sydney, stating that Australia and France could be at the heart of a new “Indo-Pacific Axis” promoting peace, stability and a rules-based order.

France's approach to the Indo-Pacific is set out in two key policy documents: France's *Defence Policy for the Indo-Pacific* and the *French Strategy for the Indo-Pacific: 'For an Inclusive Indo-Pacific'*. The latter states:

“France has a growing role to play in this vast region whose stability is crucial for global peace and security, multilateralism, the preservation of global public goods, world economic development and trade, which are all issues with a direct, tangible impact on our country's interests.”

Australia's cooperation with France in the Indo-Pacific is growing through AFiniti, the FRANZ arrangement on disaster response, and engagement in key regional organisations, including the Pacific Islands Forum, the Pacific Community, which has its headquarters in New Caledonia, the Secretariat of the Pacific Regional Environment Programme, and the Indian Ocean Rim Association.

Among our common regional maritime interests, Australia and France have a shared interest in combatting illegal, unreported and unregulated fishing in the Indian and Pacific oceans, and work together on fisheries surveillance and monitoring.

Shared Global and Multilateral Interests

France's influence and standing as a G7 and G20 nation, a UN Security Council permanent member and a founding member of the EU make it an essential partner on global and multilateral issues. France is also a global leader in soft power.

Australia and France share a commitment to protecting the rules, norms and institutions that underpin regional and international security and prosperity. In the maritime domain, for example, Australia and France have publicly expressed support for the universal application of the United Nations Convention on the Law of the Sea and regularly engage on a range of shared maritime security interests in the Indo-Pacific.

We also share common interests and objectives on a range of global issues, including:

- human rights;
- gender equality;
- the multilateral trading system;
- international aid and development;
- climate change, biodiversity and oceans; and

- security issues including countering foreign interference, countering terrorism and violent extremism, and countering the proliferation or use of weapons of mass destruction.

Underlining our like-minded approach to a range of global issues Prime Minister Morrison attended the G7 summit in Biarritz in August 2019, at the invitation of President Macron.

Australia is working with France, alongside other partners, to manage the health, social and economic impacts of COVID-19, and to support recovery and resilience, particularly in the Indo-Pacific. Given our strong common interest in gender equality, including the gender impacts of the COVID-19 crisis, opportunities may exist to work together with Pacific partners to support women's economic empowerment, resilient recovery, and to address violence against women and girls.

France is a valuable likeminded partner in multilateral forums, including in the UN General Assembly, the UN Human Rights Council, and bodies based in France, including the OECD and UNESCO. Through UNESCO, France and Australia collaborate on areas of mutual policy interest including recognition of indigenous culture and language, gender, the protection of journalists and preventing violent extremism through education. Australia and France are both parties to all instruments of the Antarctic Treaty system. Australia has contributed to the French and German-led Alliance for Multilateralism, an informal alliance of countries that supports multilateralism.

ECONOMIC AND COMMERCIAL OPPORTUNITIES

Australia's economic relationship with France is strong and has seen significant growth in recent years. France's total investment stock in Australia almost doubled between 2017 and 2018, and total trade increased by over 10 per cent in the same period.¹

The bilateral trade and investment relationship will be strengthened by an ambitious and comprehensive **Australia-EU Free Trade Agreement (FTA)**. France supports the FTA, recognising the benefits from stronger two-way flows of goods, services and investment. Since the negotiations launched in June 2018, there has been good progress. When negotiations conclude, the European Council and European Parliament will be responsible for approving the FTA for the EU.

The Minister for Trade, Tourism and Investment, Senator the Hon Simon Birmingham, hosted the inaugural **Australia-France Trade and Investment Dialogue** with French Foreign Minister Jean-Yves Le Drian in Adelaide on 8 November 2019. Ministers discussed strengthening links in a number of areas, including: infrastructure in the Indo-Pacific, renewable energy (hydrogen, wind, solar), critical minerals and fintech.

According to French estimates, there are more than 600 subsidiaries of French companies, employing more than 70,000 people, operating in Australia. Australia's **energy, infrastructure** and **defence** sectors have experienced strong interest from French investors. French company Neoen, for example, has emerged as a major player in the Australian renewable energy industry with significant investments in large-scale solar, wind and battery storage. Neoen, with Tesla, developed the world's biggest battery, the Hornsdale Power Reserve, in South Australia. Other major French companies with interests in Australia include Total (oil and gas), Suez and Veolia (water and waste management), Accor (hotels), Keolis and Transdev (transport), Pernod Ricard (beverages), and Navya (autonomous vehicles).

In defence, there are opportunities to build on the success of Naval Group, the prime contractor for the Future Submarine Program. French companies have shown strong interest in investing in Australia, or forming joint ventures with Australian companies, to deliver contracts under the Future Submarine Program.

¹ DFAT Trade Statistics at <https://www.dfat.gov.au/sites/default/files/fran-cef.pdf>

The Australia-France Defence Industry Symposium has brought respective industry and government representatives together to identify opportunities for broader collaboration.

Australia is working to position itself as a regional **fintech** hub for French firms, given our robust fintech ecosystem, world-class regulatory regime and government policy settings. Greater bilateral cooperation on fintech at the government, business and regulatory levels will build momentum for the sector in both countries.

Australia's **critical minerals** sector provides another opportunity to advance commercial ties. Australia offers security of supply for battery and other critical minerals applications used in sectors such as defence, renewable energy and automotive. Australia can meet France's requirement for high environmental, social and governance standards, and is an attractive source of raw, and potentially of processed, critical minerals.

There are opportunities to strengthen Australia's economic partnership with the **French territories**, especially with New Caledonia. Two-way trade with New Caledonia was \$721 million in 2018-19. Potential growth sectors where Australian expertise, technology and investment are already highly valued include mining, tourism, education and agriculture. Australian companies active in New Caledonia include ANZ, Qantas, Carnival Australia, New Century and Bluescope. Having become full members of the Pacific Islands Forum in 2016, New Caledonia and French Polynesia are looking to increase their regional economic links. New Caledonia's Minister for the Economy equivalent visited Australia with a significant business delegation in February 2020 to discuss opportunities for closer engagement in a range of sectors, especially energy.

French and Australian commercial and security interests also coincide in **North and West Africa**. Australia has significant commercial – and related consular – interests in the region, chiefly in extractive industries. With ongoing security challenges in the region, Australia can work collaboratively with French authorities and security forces to safeguard our interests.

PROMOTING CULTURAL, HISTORICAL AND PEOPLE-TO-PEOPLE TIES

Cultural Ties

The choice of France as the 2021 partner for ***Australia now*** underlines the depth of our historical and cultural ties, our shared values, and the potential for collaboration, now and in the future. *Australia now* is Australia's premier public diplomacy program, celebrated in a country or region of importance to Australia each year. It provides unique opportunities to expose international audiences to modern Australia by highlighting our creative excellence, cultural diversity, global contribution and open economy.

In 2021, *Australia now* will promote collaboration and strengthen international dialogue between Australia and France in business, research, technology, education, tourism, sport and the arts. The program, which is currently under development, will:

- promote Australian entrepreneurs, artists, innovators and thinkers through an extensive program presenting Australian companies at major French venues;
- raise Australia's profile as an innovative, inclusive, and contemporary nation; connect individuals, institutions and businesses; and
- build our cooperation and coordination in the Indo-Pacific region.

Leading French cultural institutions and regional centres have already indicated their enthusiasm to participate in *Australia now*.

There are also opportunities for further two-way cultural cooperation through French institutions in Australia, including the Alliance Française and French-Australian schools, and through cultural festivals like *French Waves 2020*. In 2019, the Adelaide Festival announced a three-year partnership with the Festival International d'Art Lyrique d'Aix-en-Provence to collaborate on a range of initiatives.

Cultural and economic engagement continues to be enhanced by the Australia-France film co-production agreement, which has resulted in 34 productions with budgets totalling \$279 million. Film festivals – like the Rencontres Internationales du Cinema des Antipodes in St Tropez; the Festival de Cinema Aborigène Australien and Australian Short Film Today, which both screen annually in Paris; or the annual Alliance Française French Film Festival in Australia – provide another way for the two countries to learn and experience from our respective cultures and artistic expression.

One of the priority areas of Australia-France cultural engagement is advancing the repatriation of Aboriginal and Torres Strait Islander ancestral remains known to be held in French institutions to their communities of origin.

History and Commemoration

The legacy of Australian involvement on French soil in the First and Second World Wars plays an important role in the bilateral relationship and people-to-people ties. Some 46,000 Australians lost their lives on the Western Front during the First World War. Each year, many Australians travel to the Western Front to participate in commemorative activities and visit grave sites.

Joint commemorative activities, such as the annual Anzac Day ceremonies at Villers-Bretonneux and Bullecourt, are important elements of our bilateral engagement, and were particularly so during the Centenary of World War I period (2014-18). The Australian Remembrance Trail along the Western Front includes seven key sites developed in France and Belgium in partnership with local authorities as part of the Centenary. On 24 April 2018, then-Prime Minister Turnbull officially opened the Sir John Monash Interpretive Centre at the Australian National Memorial in Villers-Bretonneux.

Australia's decision to open a representative office (now a Consulate General) in Nouméa in 1940, our fourth overseas diplomatic mission, was closely linked to our support for the Free French presence in the Pacific during the Second World War. We are celebrating the 80th anniversary of Australia's diplomatic presence in the French Pacific this year.

Education and Research

Education and research links between Australia and France continue to grow. In 2019, France was the 4th largest source of international students from Europe studying in Australian universities, English language colleges and vocational education and training institutes. The Australia-France Alumni Network, administered by the Australian Embassy in Paris, facilitates ongoing links between French graduates of Australian institutions. Australia Awards and the New Colombo Plan have supported education, research and training exchanges between Australia and French Pacific territories.

France is an important academic, research and exchange agreements partner, and there are a numerous agreements and memoranda of understanding between Australian and French universities.

Travel and Tourism

Prior to the COVID-19 pandemic, there were over 100,000 French students, Working Holiday makers and tourists visiting Australia each year. France is a very popular destination for Australian tourists, and Australia

has also been a major source country of tourists to the French Pacific, with over 400,000 Australians visiting New Caledonia in a typical year on cruise boats alone.

France is a top five source country for Working Holiday makers in Australia, under a bilateral Agreement which commenced in 2004. The arrangement contributes to enhancing cross-cultural exchange and interpersonal links between the two countries. In the program year ending 30 June 2019, 24,413 Working Holiday visas were granted to French passport holders, an increase of 5.2 per cent on the previous year. From 1 July 2019, the maximum age for French Working Holiday makers increased from 30 to 35 years of age.

REFERENCES

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