



**Australia Israel
Leadership Forum**

December 6-7, 2009

Melbourne



Tuesday, 16 March 2010

Policy Paper INTRODUCTION

This policy paper is made public today. It sets out proposals arising from the second Australia Israel Leadership Forum, which was held in Melbourne, Australia on December 6-7, 2009. It was written for the equal action of both Australian and Israeli Governments.

The Forum was established by the Australia Israel Cultural Exchange in 2009 to create a high-level candid environment in which issues of mutual strategic relevance could be debated.

It is precisely because of the longstanding warm bilateral relations between the two nations that the AILF can add value by elevating the relationship to an unprecedented level.

The Israeli delegation was led by Deputy PM Silvan Shalom and included some 30 high-profile powerbrokers and politicians, academics and opinion makers, business leaders and media personalities. The 40 Australian leaders that comprised the Australian delegation were led by Deputy Prime Minister Julia Gillard.

I hope that what follows will offer not just food for thought for both governments, but will be considered valuable enough to act upon – for the benefit of both these great countries.

Albert Dadon AM
Chairman, Australia Israel Leadership Forum Melbourne, January, 2010.



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1) MILITARY LINKS

THE ISSUE

The Australian Defence College – the umbrella organisation of the Centre for Defence and Strategic Studies, the Australian Command and Staff College and the Australian Defence Force Academy – does not invite Israeli military student leaders.

This is no minor issue. The mission statement of the ADC – where the minimum rank of those invited is lieutenant-colonel – is “to educate military officers and officials who are recognised – nationally and internationally – as world leaders in their profession.”

We believe that the inclusion of Israeli officers in the ADC program would be of great benefit to both Australia and Israel. Two countries with such warm bilateral relations should also have reciprocal military success.

SOLUTION PROPOSED BY THE FORUM

There ought to be an Israeli officer every year at the Australian Defence College.



2) FREE TRADE

THE ISSUE

It seems axiomatic to argue in favour of a Free Trade Agreement between Australia and Israel. But for a variety of reasons the two countries have failed to sign an agreement.

Despite the strength of the political and diplomatic relationship between the countries, trade is relatively weak. It amounted to less than \$1 billion last year, compared with \$76 billion in two-way trade between Australian and China in 2009.

At a science and technology research level, collaboration also appears rather weak. All this against a backdrop of a robust alliance that stretches back six decades and more.

Agriculture seems to be the stumbling block on the FTA. The Israelis appear to be stuck in the mindset of the early pioneering years of the Jewish state; namely that they believe they should not have to import food, rather simply export it. On that basis, it will not sign an FTA with Australia.

Australia, for its part, appears unwilling to sign an agreement that excludes agriculture because of the precedent it will set with China, with whom it has been negotiating an FTA for almost five years.

This is myopic policy-making. In Israel, agriculture represents a negligible amount of GDP. If it was not included in an FTA, Australia would not suffer, and yet because of this stumbling block both countries are missing out on the multiple benefits of an FTA that are self-evident.



SOLUTION PROPOSED BY THE FORUM

Both sides need to step back from the trees to see the proverbial woods. It's high time to move beyond the issue of agriculture and see the sweeping benefits of an FTA for both countries.

It is inconceivable that tomato trade should prevent hi-tech companies having the opportunity to open their doors in Australia or vice versa. Israel, it should be noted, spends a higher proportion of its GDP (outside of defence) than any other country on Research.

Australia has just signed the ASEAN-Australia-New Zealand Free Trade Agreement, spanning 12 economies with over 600 million people and a combined GDP of \$3.1 trillion. It includes Brunei, Burma, Malaysia, the Philippines, Singapore and Vietnam.

In addition, Australia has seven FTAs under negotiation (one of which is China) and two FTAs under consideration (India and Indonesia).

At the very least, a joint feasibility study should be launched between Israel and Australia to try and see beyond the blind spots that have prevented an FTA between Israel and Australia. We have no doubt that such a study would conclude with this simple fact: once both countries get beyond the minutiae, an FTA will bring both peoples sweeping economic benefits that far outweigh any of the current obstacles.

If and when an FTA does come to fruition, it would be sensible to include in it a tax treaty.



4) HEALTH

THE ISSUE

Israel has had great success in helping ameliorate the health problems of the Bedouin population in the south of its country. Thanks to landmark research initiated by Professor Rivka Carmi at Ben-Gurion University of the Negev in 1990, Israel has been able to reduce hereditary and genetic diseases as well as morbidity and mortality rates in the Bedouin population with great success.

While in no way suggesting that the health issues facing Australia's Aboriginal and Torres Strait Islander peoples are the same as Israel's Bedouin, there are some initial similarities that warrant closer inspection.

For starters, both are ancient peoples and both are nomadic and semi-nomadic peoples who have suffered acute health problems compounded, in part at least, by the march of modern society.

Israel's experience and subsequent expertise in this domain is worth considering, especially given the gravity of the health problems among indigenous Australians.

SOLUTION PROPOSED BY THE FORUM

Ben-Gurion University, where Professor Carmi is now President, is willing and able to assist Australia in developing a new approach to treat the health issues of indigenous Australians.



One of the key successes the Israelis have had is in garnering the cooperation of multi-faceted agencies in a culturally sensitive program that has been led by academia as opposed to the government.

Australian programs seeking to redress indigenous disadvantage could benefit from greater involvement of non-government organisations and academics.



5) CURRENT COLLABORATIONS

THE ISSUE

While it is easy to be critical of gaps in the bilateral relationship between the two countries, we recognise that much groundwork has already been laid. This should not be overlooked, or undervalued, but our sense is that there are already several agreements in place that are only nominally active.

Whereas, for example, the memorandum of understanding signed in 2004 between the Alfred Hospital in Melbourne and Hadassah Hospital in Jerusalem has been of great value, especially in terms of exchanging expertise in handling trauma victims, other agreements and memoranda appear to have been sidelined or been rendered obsolete for one reason or another.

In 2007, Israel and Australia signed a non-binding declaration of intent to join forces in a bid to co-develop water technologies, given that both

countries suffer from drought conditions. What have been the practical results of this declaration or has the intent not been fulfilled in this crucial area?

And then there are areas where a MOU could perhaps be valuable. In terms of research, for example, Israeli scientists were involved in some 13,000 scientific papers in 2008; 43% of them were collaborations with scientists in other countries.

Australian scientists, who published about 40,000 papers in 2008,



also collaborated roughly on 40% of them. Both countries collaborated massively with American scientists. But Australian researchers only collaborated in some 220 research papers with Israelis (Australia's 29th partner). Indeed, Australia collaborated on 170 papers with Iranian scientists.

This appears, at face value at least, to be grossly underestimating the value of joint research papers between the brightest brains from both countries. This is surely an area that can lead to important discoveries that would benefit both countries, and therefore effort must be made to redress the balance.

SOLUTION PROPOSED BY THE FORUM

It should thus be the remit of the governments of both countries to assess the agreements and memoranda that have already been signed, and to decide how best they can be further implemented and indeed maximised.

Every single agreement or memorandum should be revisited to assess its status, its productivity, whether it needs to be reassessed and whether it has in fact been outdated.

Such ongoing leverage could produce substantial economical returns for both countries.

The bottom line is this: agreements have been signed on multiple issues. Now it's time to ensure their implementation. This is the beginning of the road, not the end, and it behooves both governments to commit to maximising these agreements, and where necessary, initiating new ones.