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To: Levant Section
Middle East Branch
Department of Foreign Affairs and Trade
Email: israeltrade@dfat.gov.au

Submission re Feasibility Study on Strengthening Australian Trade with Israel

Our organisation appreciates this opportunity to make a submission regarding your pursuit of new Australian trade and investment opportunities with Israel, possibly through a bilateral free trade agreement. However we argue that in the current political situation your exclusion of a similar approach involving the State of Palestine/Palestine National Authority seriously undermines the Australian commitment to a two-state solution; a position recently re-confirmed by Minister Marise Payne and US President Joe Biden.

The proposed one-sided encouragement of closer trade and business ties with Israel is a cruel blow to the already seriously disadvantaged Palestinian people under occupation. We must assume that your section is well-acquainted with the series of UNCTAD reports, made under the direction of UN Security Council resolutions, outlining the fiscal costs of the Israeli occupation to Palestinian society, including problems with trade, tax and business. You will also be familiar with research on Palestine's fiscal losses published by the World Bank (2014, 2016), addressing problems under the framework of the outdated and corrupted Paris Protocol.

The UNCTAD Report of 2 December 2019 analyses multiple aspects disadvantaging Palestinian trade and business, and in the current situation of extreme crisis calls for *"fundamental reforms to the trade and taxation system under the Paris Protocol...A new trade arrangement should be put in place upon ending the work with the expired Protocol, which was supposed to prevail for an interim five-year period only."*

We approve of any expansion of Australian trade, but not under these unfair and dire circumstances. In accordance with your suggestion that submissions might address "more general issues" we make the following points for your consideration:

1. Broadly speaking, multilateral trade agreements via the World Trade Organisation, involving all 164 members, are preferable. Bilateral free trade agreements, on your agenda for discussion here, are preferential agreements which discriminate against other trading partners. In a sensitive political climate, this would be another unnecessary signal of Australian bias towards Israel. Minister Marise Payne assured this committee, in a letter of 2 March 2021, that her government *"will continue its longstanding support for a two-state solution,"* and it is surely important for this bipartisan and balanced position to be reflected in all future plans and decisions.
2. Therefore if the Australian government does adopt a bilateral trade agreement with Israel, we hope that in the interests of an even-handed approach you might consider a concomitant free trade agreement with the State of Palestine. The current Australian



government has not yet joined the majority (139) of United Nations member states which recognise the State of Palestine, but this may change: this month's national conference of the ALP passed a resolution which would expedite recognition if or when they win government. In any case we note in a World Bank Report of April 2012 (S23) that the Palestine Authority has already entered into a number of free trade agreements with various partners, and Australia could follow suit.

3. In terms of any well-publicised expansion of trade and business with Israel, as in the establishment of the so-called Australian Launching Pad in Tel Aviv in 2016, or the opening of the Australian Trade and Defence office in West Jerusalem in 2019, we ask you to consider whether such pursuits are in Australia's national interest. We advise a more cautious approach at a time when the International Criminal Court has just opened an investigation into Israeli (and Palestinian) war crimes. Likewise, given the recent expansion of racial discrimination in Israel, in December 2019 the UN Committee on the Elimination of Racial Discrimination determined that it has jurisdiction regarding Israel's alleged breaches of the International Convention on the Elimination of All Forms of Racial Discrimination. To emphasise an increasing abuse of Palestinian rights, on 12 January this year the Israeli human rights group B'Tselem published a significant report concluding that Israel is now an apartheid state: a view long held by many. We argue that it is not in our national interest to align ourselves so closely with Israel, while other world leaders including some prominent Israelis are attempting to promote serious peace negotiations by applying moral and financial pressure, via the Boycott Divestment and Sanctions movement and other avenues. If our government remains blind to changing attitudes, our country stands accused of conniving in the unethical behaviour of another brutal colonial settler state. Under the circumstances we also regret Australian support for Israel's military industry through our major import of \$71 million worth of "arms and armaments" in 2019-20.
4. Australian governments are committed to a rules-based international order, of the greatest benefit to smaller nations like ours, and in this context we note that Israel has breached 28 resolutions of the UN Security Council, including Resolution 2334 of 2016 stating that Israel's settlement activity is a "*flagrant violation*" of international law. On 8 September 2020 an UNCTAD report listed a total of 150 settlements plus 128 outposts illegally built in the West Bank, with 622 Palestinian structures demolished or seized, and over 1 million productive Palestinian trees destroyed since 2000. As Australians, we object to any proposals involving closer ties with Israel until it forgoes its illegal occupation and its plans for annexation of the West Bank. Incidentally we are aware that the Australian government is providing \$10 million in funding for UNWRA in 2021-22, and recently provided \$1 million to the World Health Organisation to help supply COVID-19 medical supplies for the Palestinian territories. These are positive moves which we would not like to see undermined. Dr. Mukhisa Kituyi, the Secretary-General of UNCTAD, put out a plea in the 2020 report, asking the international community to "*urgently redouble support to the Palestinian people*" and we would prefer our country to move in this direction rather than giving encouragement to Israel's illegal activities.

Caroline Graham, Secretary