

## **PRIME MINISTER**

### **MALCOLM TURNBULL**

#### **Joint press conference with Angela Merkel, Chancellor of Germany**

15th November 2015

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#### **CHANCELLOR MERKEL:**

Ladies and gentlemen, I would like to bid a very warm welcome to the Australian Prime Minister Mr Turnbull and his wife Lucy, who have come to Germany today - the first stop on their first trip to Europe since the Prime Minister took over.

We've just witnessed the handover of the report of the Australia-Germany Advisory Group. I would like to use this opportunity to express my warmest thanks to the co-chairperson of the advisory group for having drafted this report and done the necessary work. It was decided upon during my visit, how long ago was it – a year ago – to Australia. And it is, of course, a report rich in suggestions. The breadth of our relations is covered in that report and I would like to use this opportunity to thank the Minister, Minister Cormann and the State Minister, Mrs Böhmer and Mr Klein and, of course, Mrs Turnbull because we have been provided with many important impulses as regards a security dialogue, as regards to cooperation in the field of science and education, the whole breadth of immigration issues.

And allow me also to express a special word of gratitude to the Finance Minister, in a breathtakingly short period of time he's been able to bring about a new double taxation agreement and we've been able to see that agreement signed yesterday, that prepares the basis for a further intensification of Australian-German ties. Ties which have always, I hasten to add, have been very friendly but we've injected fresh life into them in a way because that lively exchange has been reinjected and we have tasked the two co-chairperson of the advisory group to come back to us in a year's time to report back to us about how the process of implementation has been going and I look forward to that.

Today we have had a very important, a very good and a very friendly discussion about the status of our bilateral relationship. I reported to the Prime Minister about this. We also talked about the Syria conflict and about the chances for a peaceful solution and a peaceful settlement here.

Of course, we also talked about the countries in the immediate vicinity of Australia. The Prime Minister's come here from Indonesia and we've talked about peaceful coexistence with Muslims fighting ISIL, Islamic State and we've had a very good exchange of views here.

I am confident – I believe that this visit is a clear expression of the fact that we can intensify our economic ties, that we should further our cooperation in the field of research and science. There's much that can be done here, but also to further develop our cooperation and security and defence issues.

I would like to thank the Prime Minister very much indeed. Both our countries – Australia and Germany – have an enormous potential to further build and develop their relationship and your visit to Berlin today has made a contribution towards that.

I thank you very much.

**PRIME MINISTER TURNBULL:**

Thank you very much, Chancellor.

It is such a great pleasure to be here in Berlin on my first visit to Europe as Prime Minister. I want to thank you, Chancellor, for being so generous with your time in hosting the very productive discussions that we have held today.

It is very good that Australia and Germany are focusing much more intently than ever on how we can do more business together and help generate stronger growth in the global economy. We are looking to strengthen and enrich our engagement across a wide range of sectors where we have shared interests or goals.

As the Chancellor and I discussed earlier today, Australia and Germany have always had good relations but we have not paid enough attention to that relationship and thanks, in no small measure, to the leadership of the Australia Germany Advisory Group whose report we've just received. I think we can say that we are beginning today a new era in Australian-German relations, one where the longstanding friendship is going to be built into a much more productive engagement and cooperation in the years ahead.

So, I want to join the Chancellor in thanking Minister Böhmer and Minister Cormann – my colleague, the Finance Minister – and all of the contributors to the Australia-Germany Advisory Group, including of course the President of the German-Australian Chamber of Commerce, meine liebe frau Lucy.

Now, they've identified many opportunities for strategic cooperation on this already very strong and positive relationship between our nations. I'm delighted that a new double taxation agreement was signed yesterday by Mathias and his counterparts as a result of the advisory groups' work. That is a new generation double taxation treaty, modernising our bilateral tax arrangements and including commitments to address base erosion and profit-shifting practices, particularly those that have become more manifest in the digital era.

Now, one of the key priorities of our Government in Australia, and I know of your government, Chancellor, is to harness the transformative power of science and innovation. The Chancellor made a very powerful, and if I may say so very influential, contribution to policy development in Australia recently by making her only visit outside the G20 in Brisbane last year to MIKTA in Sydney which is now incorporated with in the CSIRO as Data61.

Germany has been especially successful in integrating primary research with industry. In Australia, this is something we have not nearly successful been enough at. In fact, we have not done very well at it and changing that culture in Australia is a key priority of my Government. I want to make sure that our primary researchers, our universities, our big institutions, are working collaboratively with Australian business and industry.

Now the example of Germany and especially the work of the Fraunhofer Institute is something we will seek to emulate in Australia as we will all see when the Government's innovation statement is released early next month.

Now, we are living in the most rapidly transforming period in human history. There has never been a time when there has been such strong economic growth and such strong economic change that's so rapid. Forty years ago, as we know, China barely registered as part of the global economy. Now it's arguably the world's largest, or if not the world's largest, the second largest single national economy. That has all happened in such a short time.

So many of the biggest companies, digital companies that are transforming the world we live in would be, if they were children, still at school – some of them would still be at primary school. Microsoft and Apple, these elder statesmen of the digital age, are 40 and 39 years old respectively. So that pace of change is formidable and that's why a culture of innovation, a culture of technology, a culture of science is absolutely critical – and Germany has been a great example in that regard.

Now, one of the things, Chancellor, that governments perhaps do less well than business is we – generally, politics is local because after all we have to get re-elected, we have those in our country, those triennial reviews by the people and so you can focus in a very concentrated way on local issues, but it is very important I think for us always to learn from the experiences and the practices in other jurisdictions, other countries because all of us – your government, our government – all of us are grappling with the same challenges. How do we ensure that we have a culture of innovation? How do we ensure that our cities develop in a sustainable and liveable way? How do we deal with an ageing population? How do we make healthcare affordable and so forth? All of these challenges are there and we can learn so much more from working with each other and observing the practices of each other.

So, I'm thrilled that we have concluded that we'll have annual meetings between our defence and foreign ministers, but we should go further than that, Chancellor. We should encourage our ministers to talk to each other more often and for their civil servants to share experiences because, as I said, we're always grappling with the same problems and we can do so much more if we can learn from each other. So it's been very useful for us to visit with you here today. You've been very generous with your time, we've had a very frank discussion on the range of issues that you described in your opening remarks and I look forward to stronger and deeper Australian and German cooperation in the years ahead, building on a very solid friendship to make a deeper and richer relationship for all of us.

Thank you.

**QUESTION:**

My question is to both leaders, but perhaps initially to the Chancellor. Although the geography and numbers are different, both Germany and Australia have had to come up with policy responses to deal with unexpected migrant arrivals. Is there anything in Australia's border control or visa arrangements which may be applicable to Germany at the moment? And do you accept the advice of Australia's former prime minister Tony Abbott that misguided altruism towards migrants could lead Europe towards catastrophic error?

**CHANCELLOR MERKEL:**

We also talked about migration issues as a consequence of the civil war in Syria. Of course, one has to bear in mind the specific situation each and every region finds itself in and there is quite a distance between Turkey and Greece, which happen to be two partners in NATO. Several kilometres

that have to be overcome and solutions have to be found to allow the European Union to better protect its external borders. There's no denying the fact and we talked about that intensively yesterday at our EU Summit meeting in Malta. Right now the very narrow sea lane between Turkey and Greece is under the control of smugglers and traffickers and this is unacceptable and we are working on that. But we're doing so in cooperation with Turkey and I think we have set out on a good path here.

**PRIME MINISTER TURNBULL:**

Greg, I'm not sure what the question – the question you addressed was to the Chancellor so...

**QUESTION:**

Are you thinking about policy responses that [inaudible]?

**PRIME MINISTER TURNBULL:**

Let me just say that we had a very good discussion, but I have no intention or desire to give advice on these matters to the German Chancellor. Each country faces very different circumstances, not least of which are geographic and I think this is a matter for the German government, as it is for the Australian Government to manage these challenges in their own way.

**QUESTION:**

Prime Minister, what are your expectations of the G20 summit, especially the expectations you have of President Obama and President Putin and the possible settlement in Syria? And, Madam Chancellor, to what extent do you support the decision to return to the Dublin procedure for Syrian refugees? And do you fear, in regards to the world of soccer that the claims of corruption against Franz Beckenbauer might lead to the fact that that summer dream will turn into a nightmare?

**PRIME MINISTER TURNBULL:**

About the prospect, the G20, the outcomes we're seeking for the G20 overwhelmingly are economic ones. A continued commitment to strong economic growth following on the work of the G20 in Brisbane last year which where you'll recall there was a common commitment of the G20 countries to make renewed efforts for stronger economic growth and of course growth forecasts have been scaled back somewhat over the last year as you would have seen in the most recent data. But nonetheless, all of us have to remember that our primary, our overwhelming commitment has to be to ensure that there are good jobs, high quality jobs, today and in the future for our peoples and that we are pushing the envelope on innovation and technology because that is how developed countries like Australia, like Germany, can remain high wage, generous social welfare net economies in the future.

There is no alternative unless we are innovative, and not just in terms of tech start-ups but right across the board – in government and in industry – unless we are innovative, unless we are committed to technology and science, unless we do that than we will fall behind and that is clearly the key part of the G20.

Now, you asked me about Mr Putin and Mr Obama in terms of Syria. The one thing that is perfectly clear there and perhaps I'd leave the rest of this to the Chancellor, but it's one thing that is perfectly clear in Syria that the solution will ultimately be a political one. As you know, Australia has made a

very significant military commitment to the struggle against Daesh or the so-called Islamic State and we are working there with the Iraq government and of course with our allies the United States, the UK and others. But ultimately, there needs to be a political solution to this absolutely catastrophic situation in Syria.

**CHANCELLOR MERKEL:**

I fully agree with what the Prime Minister said – a political solution is required and I am pleased to note that the second round of the Vienna talks will take place tomorrow. Not only with Russia and the United States of America being present, but also Iran and Saudi Arabia being at the table which is an indication of the need for comprehensive formative solution is to be achieved. Of course, this is only going to be a small step on the road leading to such a political solution which will undoubtedly require further patience on our part.

Now, as the application of the Dublin procedure is concerned, this applies to all refugees where we can provide proof of the fact that they have been registered according to [inaudible]. Unfortunately this is rarely happening.

Right now at the external borders of the European Union that's the number of cases we're talking about is fairly low. But I think it is right nevertheless because we have to ensure that we move closer to a fair distribution of the refugees in Europe. We need to have that fair distribution because we want to avoid a situation where the countries on the borders of the European Union bear the brunt of the burden whilst the others are not doing their bit and that regard I think takes us another step in the direction of achieving a fairer distribution of burden in Europe though there are many hurdles still for us to overcome on that road and we have to make sure for the time being that the 160,000 refugees that we want to distribute in Europe are being distributed.

Now, as far as the world of soccer is concerned. The memories we've had of the championship will be indelible and as for the rest, transparency is what we need these days.

**QUESTION:**

Madam Chancellor, thank you very much for hospitality in this beautiful building. My question is about submarines. Why would Germany be a good builder of submarines for Australia and what would be the advantages to Australian jobs if Germany were the winning bidder for this multi-billion dollar contract and for potential partners?

And, Prime Minister, if Germany does win the bid, what would that mean for your innovation agenda?

**CHANCELLOR MERKEL:**

We believe that our company can offer good quality and that is I think something that should speak for itself and this is what the tendering procedure is about, the bidding procedure is about. We also believe that our offer is attractive as regards the ability to produce in Australia. As for the rest, it will be a fair procedure, a fair competition, as is the rule with such procedures all over the world. But I want to be clear, the German government supports the German offer which has been submitted by private business.

**PRIME MINISTER TURNBULL:**

Thank you, Chancellor and thank you Andrew for your question. We are, as the Chancellor indicated and as I think everyone knows, we are going through a competitive evaluation process to determine the party that will cooperate to construct the new submarines.

You asked me about the relationship of a successful tender, if you like, or a successful bid and innovation. The requirements, the specifications, that have been indicated will require a great deal of innovation by whichever company is successful. Can I say to you that it is important that Australia has a strong Australian defence industry located in Australia, to be successful it has to be innovative. We've seen examples of that in the armoured vehicle space with the Bushmaster, the recent Hawkei vehicle, these are mine resistance vehicles the Chancellor and I were talking about this earlier today.

Technology is key and there are also very significant spin-offs into the rest of the technology ecosystem from innovative defence industries and that's, I think, well understood in our own country, but certainly elsewhere as well, including in Germany.

So, innovation is absolutely vital. It is going to be the key factor which will determine who will succeed or who will do better and who will do worse in a much more competitive global environment. The tenure of the times - the zeitgeist if you like - is one of rapid change and often unpredictable change. So, to be successful all of us – nations, corporations – have to treat volatility as our friend. We can't do anything about it. We can't proof ourselves against the future and being able to respond innovatively and nimbly to uncertainty and treat that as an opportunity for making new moves, treat it as opportunity rather than threat is absolutely critical. So, I know that is the Chancellor's philosophy, I know that has been the key to Germany's success for many years, so that's why we're doubly pleased to be here with these new initiatives – Australian-German initiatives – which I know will see us learning from each other and ensuring that both Germany and Australia prosper as innovative nations in the years ahead.

**QUESTION:**

Madam Chancellor, two weeks ago you've had long discussions aimed at preserving the cohesion of the coalition government. When you take a look at the developments over the last two weeks, it's fair to say it's not been optimal as far as your party's concerned. Now, what is the signal that you are going to send out in order to depressurise the situation, what do you expect of tonight, what kind of decisions that will be taken that will be an improvement upon what was decided two weeks ago?

**CHANCELLOR MERKEL:**

Well, what we're talking about really is that we have announced the results of the coalition meeting, the two co-chairmen were there, we will have to, you know, work on the legislative implementation now. Once that has happened, can action be taken and we will attend to it speedily.

I thank you very much.

**Ends**