



EVER CLOSER MATES

The deep support for a United Kingdom-Australia free trade deal

By Dr Michael Turner and Matthew Lesh

BRIEFING PAPER

EXECUTIVE SUMMARY

- Brits say that Australia is the number one priority to increase trade with and a clear majority in both countries want to secure a deal — this is built on the belief that Australia has high standards.
- The UK-Australia relationship is driven by deep connections between Brits and Aussies, a mutual interest in living and working across the two nations, and strong consumer demand for products made in each other's countries
- Brits and Aussies are interested in a wide array of benefits from a trade deal, including; recognising qualifications, helping businesses grow to be internationally competitive, creating jobs, giving consumers more choice, and reducing barriers to investment.
- While a small, vocal minority, may have raised concerns about farming, a clear majority of Brits believe that British farmers can and should compete globally. Brits want more Australian wine, beef and lamb, and they have a high degree of confidence in Australian farming standards. If the deal does go ahead, Brits want a short transition period and do not consider protecting farmers to be a reason worth blocking the deal.
- If push came to shove, most Brits say that they would prefer to trade with Australia over the European Union, and more than four-fifths of voters feel that trade with Australia should be at least as easy as it is with the EU.
- Australians prioritise diversifying trade away from China, and a clear majority say that Australia should increase links with like-minded countries like the UK.

UNITED KINGDOM KEY FINDINGS

- 65% support a free trade deal with Australia, 5% are opposed; there is majority support across all key demographic groups including all nations and English regions, and across the political spectrum.
- Two-thirds of Brits (66%) believe Australia has high standards of food safety and animal welfare, just 6% of people believe Australia has low standards
- 74% believe both countries will benefit from a free trade deal
- Australia is the top priority for more trade, with two-thirds (66%) of Brits saying the UK should trade more with Australia; followed by Canada (63%), New Zealand (61%), the United States (48%) and Japan (42%)
- 91% would feel comfortable being treated by an Australian nurse, 73% believe that nurse should not have to requalify before practicing in the UK

- 62% believe it should be easier to move between countries, 8% think it shouldn't be easier
- 64% believe British farmers should compete on an equal basis with foreign imports of the same standards; 52% believe they should not be denied access to Australian farming goods produced at a lower price
- 63% would support a trade deal with Australia even if it means that increased competition would reduce profits for British farmers and some might go out of business; just 20% would prefer to block a deal to prevent British farmers having more competition
- 52% would opt for Australian beef as an alternative to British beef, just 24% would opt for EU beef
- 84% believe Australia should be able to trade with the UK more easily, or just as easily, than the EU
- 68% of people think that the transition period on beef and lamb should be 2 years or less
- A majority of Brits say they would buy more Australian wine (57%), beef (52%) and lamb (50%) if it were stocked more frequently. There is also interest in purchasing Anzac biscuits (33%), Tim Tams (28%), Kangaroo meat (23%), vegemite (23%) and lamingtons (20%).

AUSTRALIA KEY FINDINGS

- 69% support a free trade deal, 3% are opposed
- 72% want Australia to be trading more with the UK
- 73% believe both sides will benefit from a trade deal
- 73% believe there will be high demand for Australian goods in the UK
- 77% believe it is essential that Australia trades more freely with its closest allies
- Australians are interested in purchasing more British goods if they were stocked more frequently and cheaply, including shortbread (59%), British cheese (53%), jam and marmalade (51%), Cornish pasty (47%), Scottish whisky (45%), Yorkshire tea (41%), gin (36%), Marmite (25%) and Irn Bru (22%)
- 68% would also consider purchasing a British-manufactured car
- 67% believe banks should be able to operate in both banks
- 54% of Australians would prioritize expanding trade with UK, compared to 4% that want to prioritise China and 31% who say both

ABOUT THE AUTHORS

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DATA TABLES

Full data tables are available on www.adamsmith.org/research/ever-closer-mates

RESEARCHER: Prepared by Dr Michael Turner, Head of Research (Director) at C|T Group.

FIELDWORK DATES: 26 - 31 May 2021

DATA COLLECTION METHOD: The survey was conducted via an online panel approach. Invitations to complete the survey were sent to members of online panels at random.

POPULATION SAMPLED: Adult residents living in the United Kingdom (UK) and in Australia.

SAMPLE SIZE

n = 1,500 in the UK

n = 1,500 in Australia

WEIGHTING

Data are weighted to match the profile of the adult population living in the UK and in Australia.

Weighting targets for the UK results include; age-sex, region/nation, level of qualification, 2019 UK General Election Vote, and 2016 EU Referendum Vote. Targets were derived from statistics collected by the Office for National Statistics (ONS), as well as the final results of the 2019 UK General Election and 2016 EU Referendum.

Weighting targets for the Australia results include; age-sex, state, level of qualification and 2019 Federal Election Vote. Targets were derived from statistics collected by the Australian Bureau of Statistics (ABS), as well as the final results of the 2019 Federal Election from the Australian Electoral Commission (AEC).

MARGIN OF ERROR

After calibration weighting, the maximum margin of error for the UK poll is +/- 2.9% when analysing top-line results.

After calibration weighting, the maximum margin of error for the Australia poll is +/- 3.0% when analysing top-line results.

For both polls, caution should be taken when analysing subsamples, as these figures will be subject to significantly higher margin of error.

Inferences drawn from small subsamples should be treated with caution.

Australia and the United Kingdom are the closest of mates. Our two countries have deep links from shared liberal democratic values, the common law and parliamentary systems through to a vicious sporting rivalry.

We also have extremely strong people-to-people links. There are 1.2 million Brits living in Australia, the UK's largest diaspora community and more than the total who live in the 27 European Union (EU) member states.¹ Meanwhile, 155,000 Aussies call Britain home, over two-fifths of all Australian expats.²

Our histories are deeply entwined. But so are our futures. We are living through an era of an increasingly complex geostrategic environment. There is a growing need for nations with shared values and goals to work closely together.

Australia's economic relationship with the United Kingdom has waxed and waned over recent decades. The decision by the UK to join the European Economic Community in 1973 necessitated ending preferential trade relations. Australia has since prospered, expanding trading links throughout the world's emerging economies. Links have also remained strong despite the imposition of restrictions.

The UK is Australia's fifth largest trading partner and Australia is the UK's 19th largest.³ Australia's top exports to the UK include financial services, agriculture including beef and wine, and precious metals, stones and jewellery. The UK exports substantial numbers of cars, machinery and electrical goods, as well as Scotch whisky (which makes up 20% of Australia's spirits market).

The two countries have an extremely strong investment relationship. The UK is the second largest source of investment into Australia, with a current stock of \$686 billion. Australian companies have invested \$507 billion into the UK.⁴ Many major British businesses base regional operations from Australia, including BP, BAE Systems, and Vodafone. In turn, many major Australian businesses have large operations in the UK such as Macquarie Bank, Westfield, and BHP Billiton. There is also substantial trade in legal and healthcare services, and pre-Covid, education, tourism and sport.

Australia and the UK have strong economies but also face many challenges. There are mutual issues like ensuring a fast economic recovery after Covid-19 and boosting wages, jobs and growth. In Australia's case, souring relations with China highlights the need to find new markets for goods and services. Meanwhile, for the first time in decades, the UK is developing an independent trade policy and defining 'Global Britain' outside of the European Union.

1 <https://www.homeaffairs.gov.au/research-and-statistics/statistics/country-profiles/profiles/united-kingdom>

2 <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/datasets/populationoftheunitedkingdombycountryofbirthandnationality>

3 <https://www.dfat.gov.au/sites/default/files/uk-cef.pdf>

4 <https://www.dfat.gov.au/sites/default/files/uk-cef.pdf>

This paper reveals an alignment between Brits and Aussies on these important challenges. There is broad and deep support for building stronger trading links between Australia and the UK. Consumers believe they should be free to purchase goods produced in each other's countries, without restrictions being imposed on them.

1. A TRUSTING RELATIONSHIP BUILT ON HIGH STANDARDS

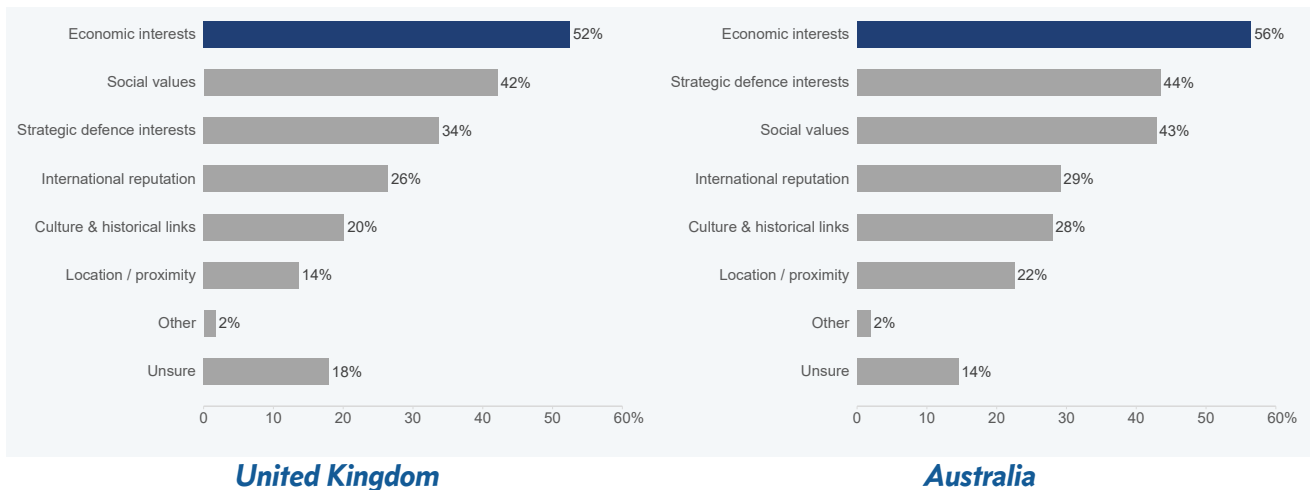
Brits say that Australia is the number one priority country to increase trade with and a clear majority want to secure a deal — this is built on the belief that Australia has high standards. Similarly, Australians believe in expanding trade with the UK and strongly support reaching a trade agreement.

OVERLAPPING PRIORITIES

Brits (52%) and Australians (56%) similarly believe that foreign policy should be guided, first and foremost, by economic interest.

FIGURE 1. DRIVING FOREIGN POLICY

What should guide the United Kingdom/Australia's foreign policy?



Source: Adam Smith Institute/CT Group

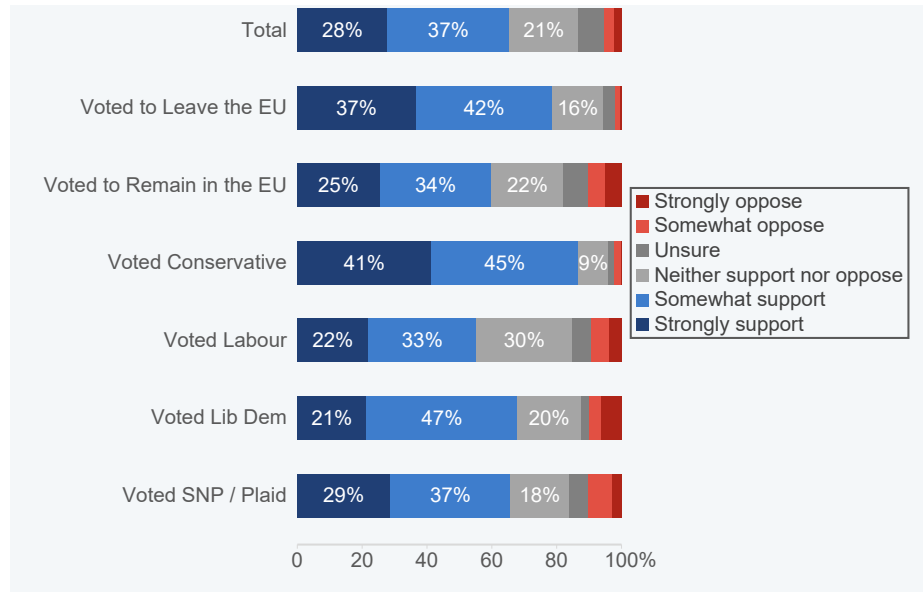
STRONG SUPPORT FOR SECURING A TRADE AGREEMENT

There is strong support for reaching a trade agreement with Australia, both across the UK and the political spectrum.

In the UK, two-thirds of adults (65%) support a deal. Very few (5%) say that they oppose a deal. Both Leavers (79%) and Remainers (59%) support the deal. There is particularly strong support among Conservative voters (86%) but also majority support across other major political party voters, including Liberal Democrats (68%) and Labour (55%), and regional party voters, SNP and Plaid (66%).

FIGURE 2. FREE TRADE DEAL SUPPORT, UK

Do you support, or oppose the UK agreeing a Free Trade Deal with Australia? (UK)

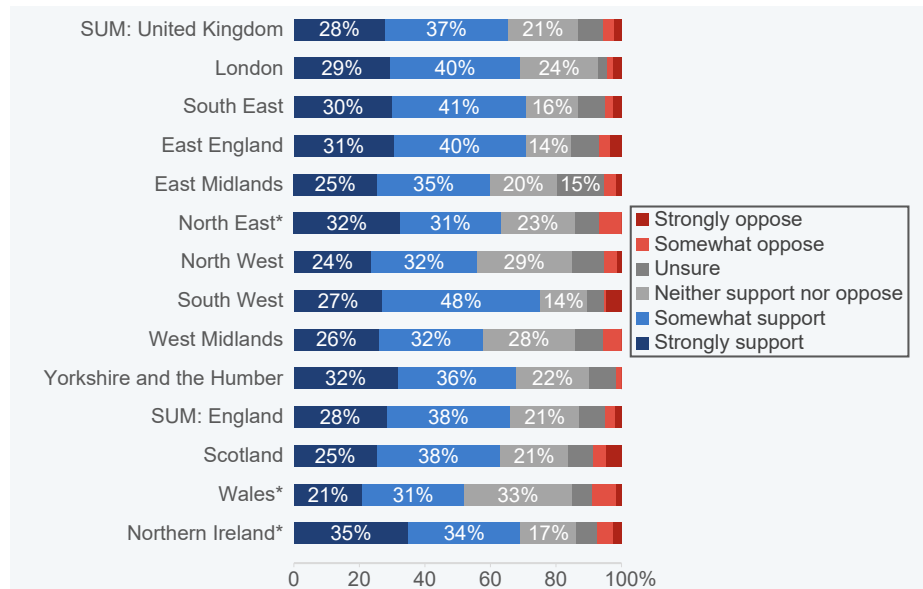


Source: Adam Smith Institute/CT Group

There is majority support for a deal across every nation in the United Kingdom and region in England as well as across all age groups, and among degree and non-degree educated voters.

FIGURE 3. FREE TRADE DEAL SUPPORT, UK, REGIONAL

Do you support, or oppose the UK agreeing a Free Trade Deal with Australia? (UK)



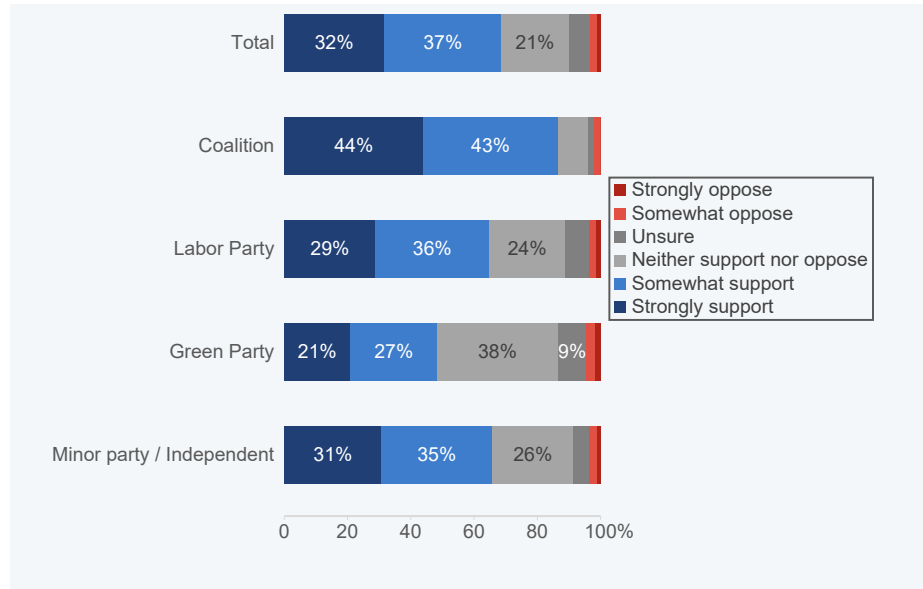
*Please note: Base size very low (<n100), interpret with extreme caution

Source: Adam Smith Institute/CT Group

Australians similarly support reaching a deal (69%) with extremely little opposition (3%) to the idea. 7

FIGURE 4. FREE TRADE DEAL SUPPORT, AUSTRALIA

DO YOU SUPPORT, OR OPPOSE AUSTRALIA AGREEING A FREE TRADE DEAL WITH THE UK? (AU)



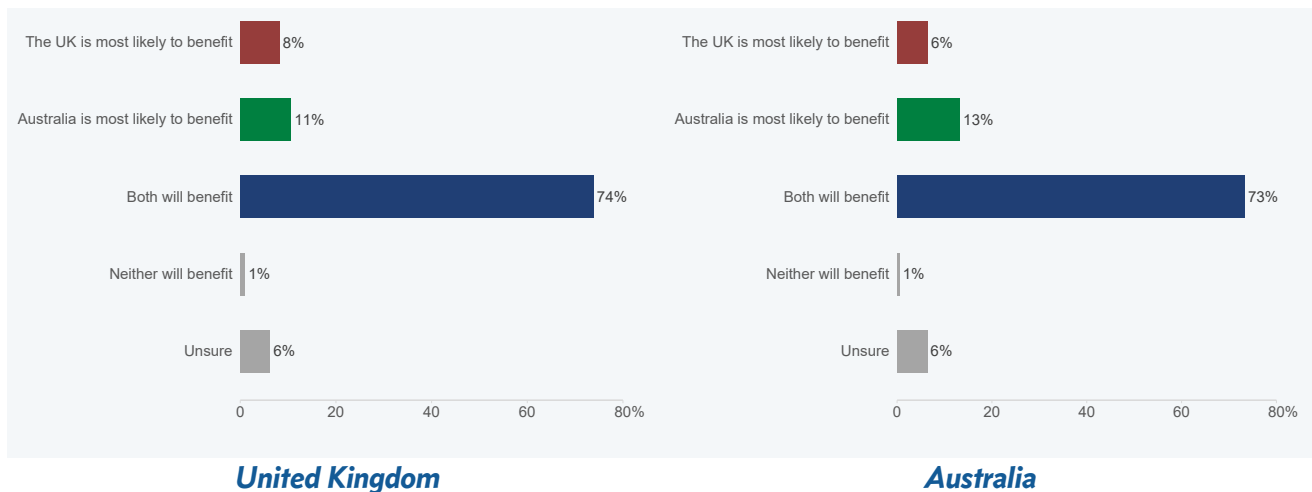
Source: Adam Smith Institute/CT Group

BOTH SIDES TO BENEFIT

The vast majority of British voters and Australian believe that a trade deal between the UK and Australia will be a ‘win-win’. Three-quarters of Brits (74%) believe that both sides will benefit, compared to less than one-in-five who believe that either the UK (8%) or Australia (11%) will be most likely to benefit. Similarly, nearly three-quarters of Aussies (73%) believe that both sides will benefit, compared to the relatively few who believe just one side will benefit: UK (6%) or Australia (13%).

FIGURE 5. WHO BENEFITS

In your view, who is most likely to benefit from a trade deal between Australia and the UK? (UK) (AU)

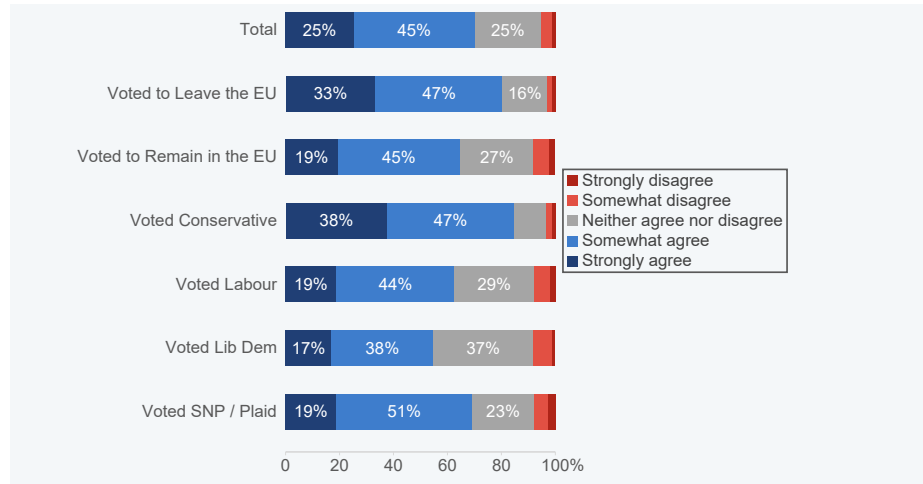


Source: Adam Smith Institute/CT Group

Seven-in-ten Brits (70%) also agree that “the UK should trade more freely with Australia, because it will strengthen both our economies”. This view is fairly consistent across the political spectrum, with a majority of Leavers and Remainers, of Conservatives and Labor supporters, all strongly agreeing with the view that there will be mutual economic benefits from a trade deal between the two countries.

FIGURE 6. TRADING WITH AUSSIES FOR ECONOMIC BENEFIT, UK

Do you agree, or disagree, with the following statement? “The UK should trade more freely with Australia, because it will strengthen both our economies” (UK)



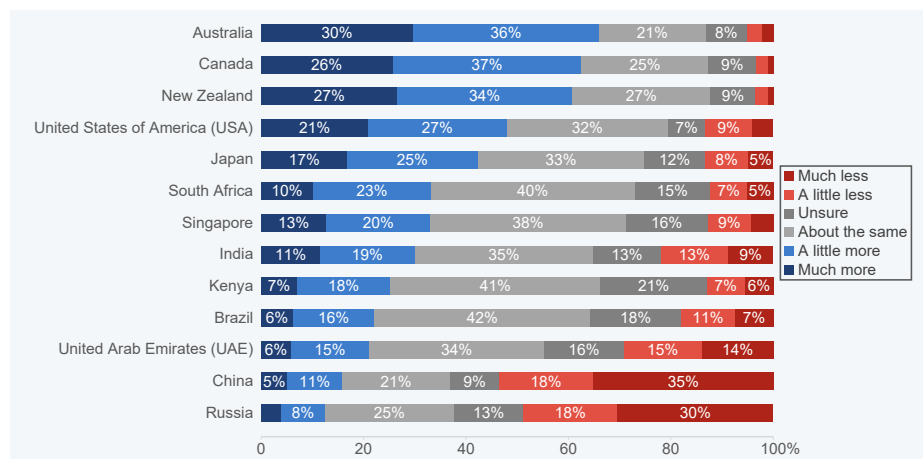
Source: Adam Smith Institute/CT Group

WHO TO TRADE WITH

Of the major economies that the UK is prioritising negotiating a trade deal, Brits consider Australia to be the number one country to build stronger trade relations with. Two-thirds of Brits (66%) believe that the UK should be trading more with Australia. This is followed by Canada (63%), New Zealand (61%), the United States (48%) and Japan (42%). A majority of Brits believe that the UK should be trading less with China (54%) and a similar proportion say the same for Russia (49%).

FIGURE 7. TRADE WITH WHO, UK

Of the following countries, who do you think the UK should be trading with more, less, with or about the same? (UK)

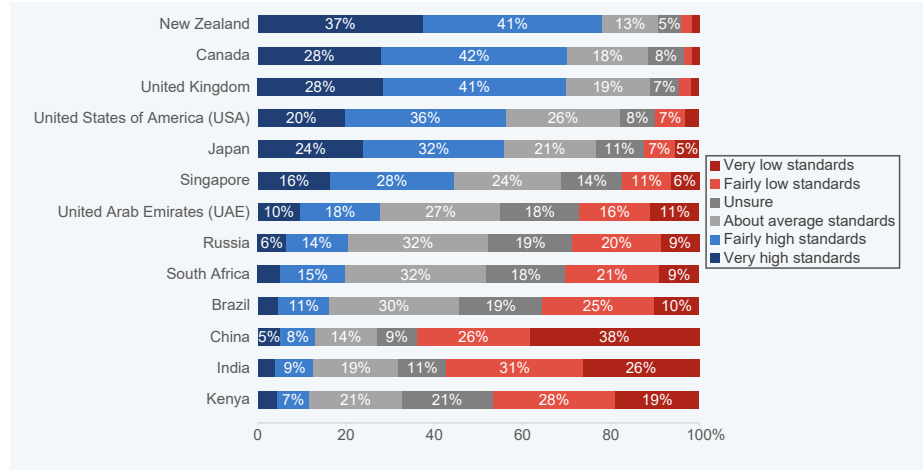


Source: Adam Smith Institute/CT Group

Australians have similar ideas to Brits about who to increase trade with, with the United Kingdom (72%), New Zealand (71%) and Canada (61%) leading the results followed by the United States (52%) and Japan (51%). They would also like less trade with China (60%).

FIGURE 8. TRADE WITH WHO, AU

Of the following countries, who do you think Australia should be trading with more, less, with or about the same? (AU)



Source: Adam Smith Institute/CT Group

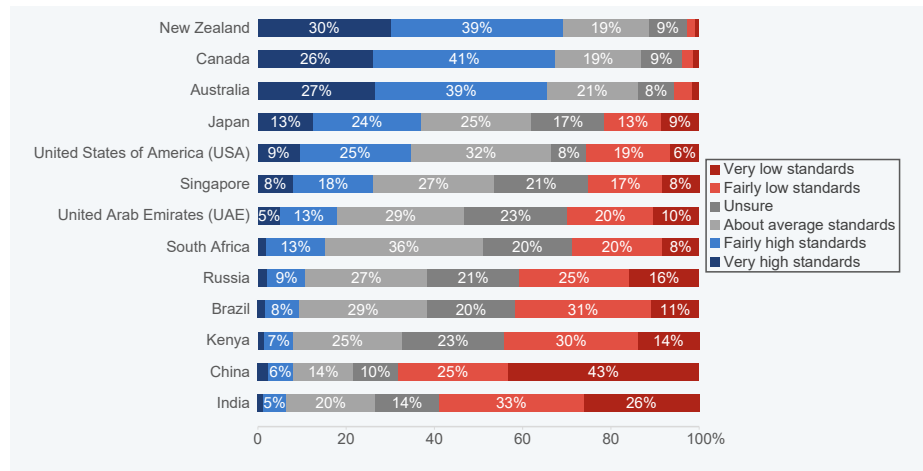
YOU'VE GOT TO HAVE HIGH STANDARDS

Brits strongly believe that Australia has high standards. The overwhelming majority of Brits say that Australia (66%), New Zealand (69%) and Canada (67%) have high standards of food safety and animal welfare.

These are a cut above the next highest rated nations, such as Japan (37%) and the United States (35%).

FIGURE 9. STANDARDS BY COUNTRY, UK

In your opinion, would you say the following have high or low standards of food safety and animal welfare? (UK)



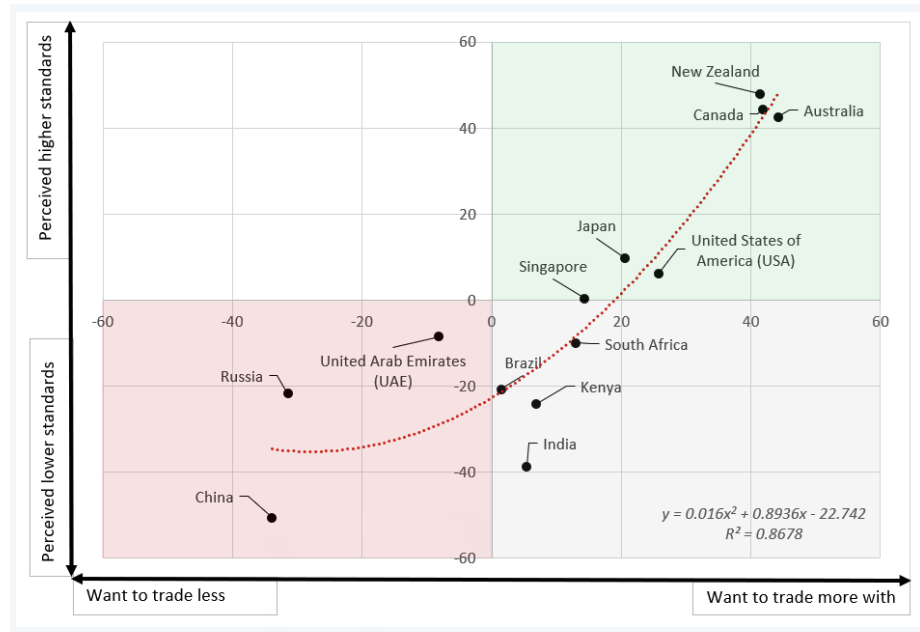
Source: Adam Smith Institute/CT Group

There is a very strong relationship between perceived standards of food safety and animal welfare, and whether Brits feel the UK should be prioritising more or less trade with that nation.

In that regard, like Canada (67%) and New Zealand (69%), Australia (66%) is at the front of the queue for a clear majority of Brits.

FIGURE 10. MORE TRADE WITH HIGHER STANDARDS

Brits desire to trade more with a country (Horizontal-Axis) by their perception of the food safety and animal welfare standards (Vertical-Axis)

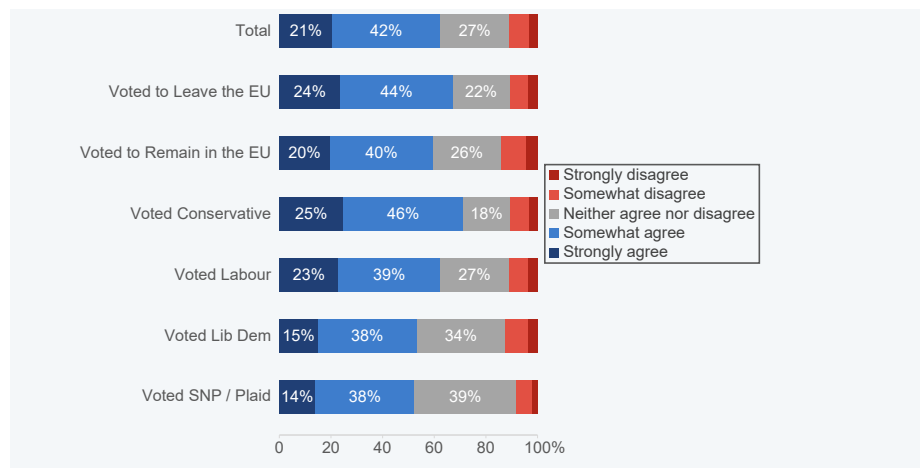


Source: Adam Smith Institute/CT Group

Around two-thirds of Brits (63%) also agree that “Britain and Australia should recognise each other’s farming standards as equivalent”. This statement has majority agreement across supporters for all major political parties, as well as Leavers and Remainers.

FIGURE 11. RECOGNISING STANDARDS, UK

Do you agree, or disagree, with the following statement? “Britain and Australia should recognise each other’s farming standards as equivalent” (UK)



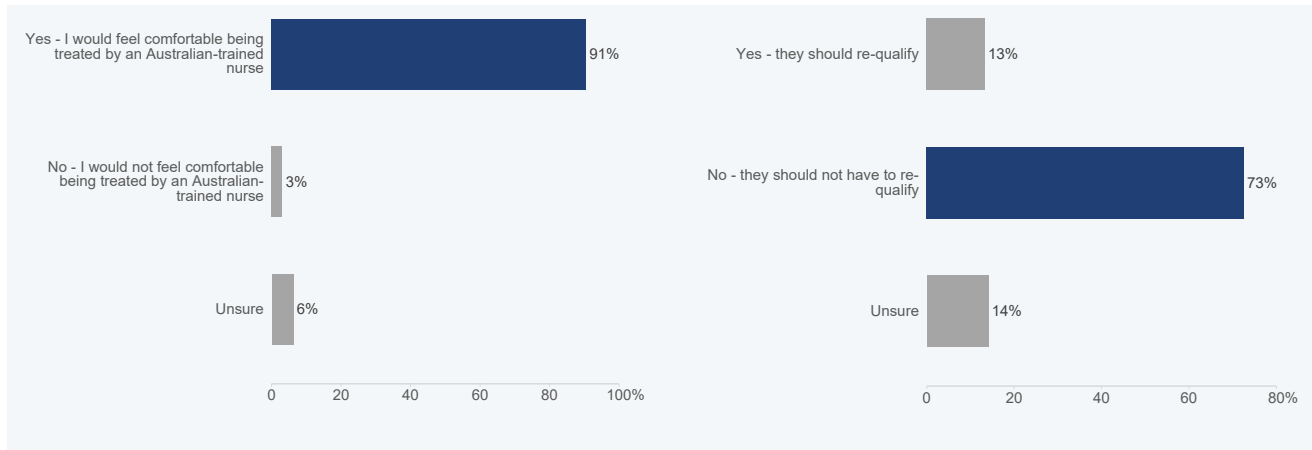
Source: Adam Smith Institute/CT Group

The belief in Australia’s high standards does not just relate to farming. Nine-in-ten Brits (91%) say that they would be happy to be treated by an Australian-trained nurse. Three-quarters (73%) go on to say that they believe Australian-trained nurses should not have to requalify in order to work in the UK.

FIGURE 12. AUSTRALIAN NURSES GET THE TICK

Would you feel comfortable being treated by an Australian-trained nurse? (UK)

Should an Australian-trained nurse have to re-qualify before working in the UK or should Britain recognise their Australian training as equivalent? (UK)



Source: Adam Smith Institute/CT Group

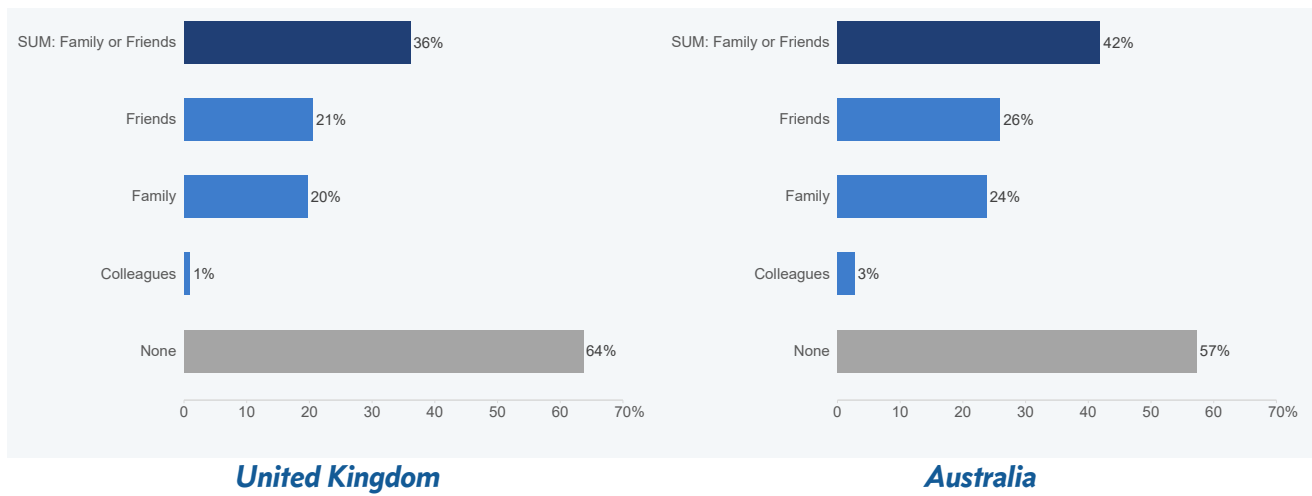
Australian and Brits are deeply comfortable with each other. The UK-Australia relationship is driven by deep connections between Brits and Aussies, a mutual interest in living and working across the two nations, and strong consumer demand for products made in each other’s countries. This is a bottom-up relationship, built on familiarity and trust across society.

DEEP PERSONAL CONNECTIONS

The familiarity starts at a personal level. A large proportion of Brits have family, friends or colleagues who live in Australia (36%). Similarly, an even larger share of Australians say that they have family, friends or colleagues living in the UK (43%).

FIGURE 13. THE PERSONAL CONNECTION

Do you have any family or friends currently living in the UK/Australia?

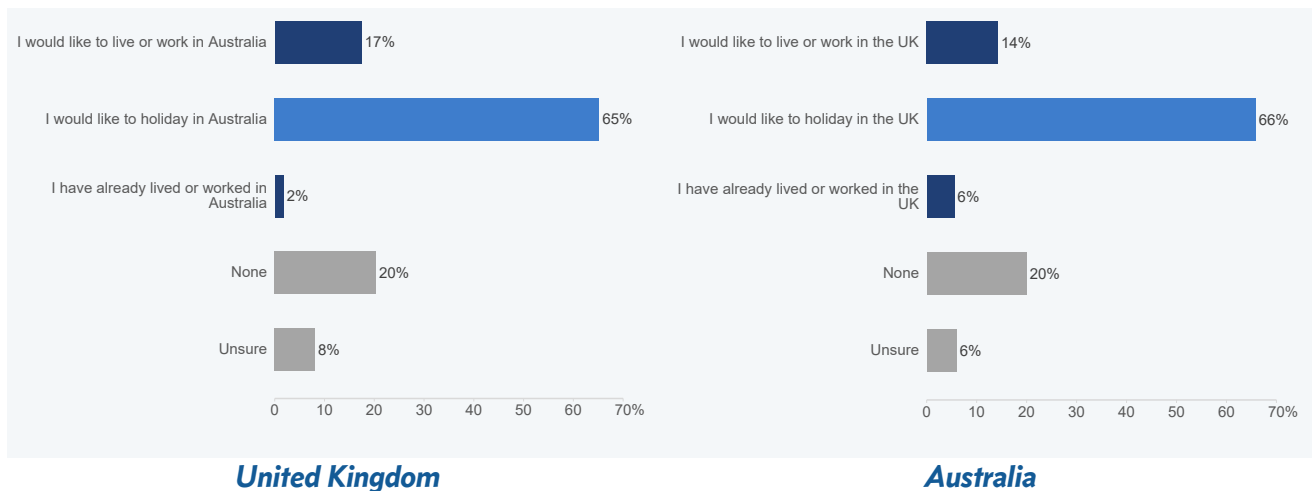


Source: Adam Smith Institute/CT Group

Many Aussies are also interested in holidaying (66%), working and living (19%) in the UK. Similarly, Brits express a strong interest in holidaying (65%), working (14%) and living (11%) in Australia.

FIGURE 14. THE PERSONAL CONNECTION

Would you like to holiday, live and/or work in UK/Australia?



Source: Adam Smith Institute/CT Group

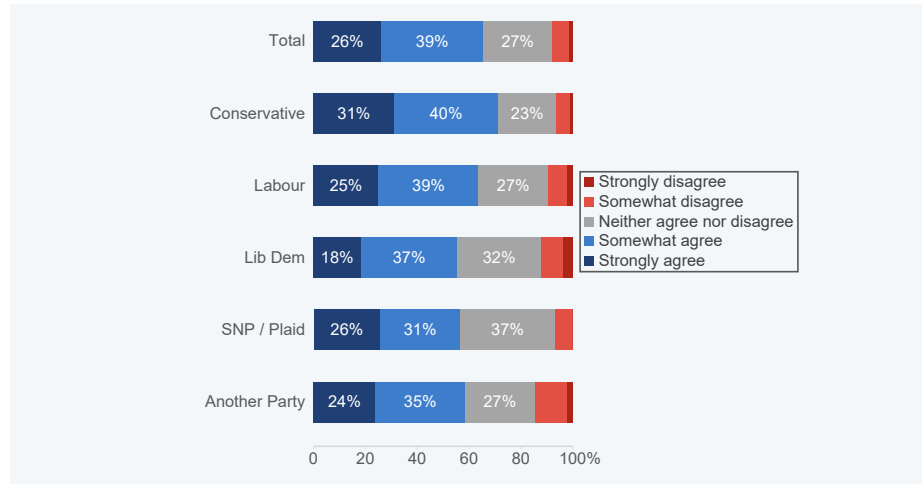
Brits who have been to Australia or have family in the country are more likely to back increasing trade with Australia, signing a trade deal and believe there will be high demand for British goods in Australia.

SHARED INTERESTS

A majority (50%) of Brits agree that the UK should trade more with Australia because of shared strategic interests *even if* there is little economic benefit.

FIGURE 15. SHARED INTERESTS

Even if there is little economic benefit, the UK should trade more freely with Australia, because we have shared strategic interests (UK)



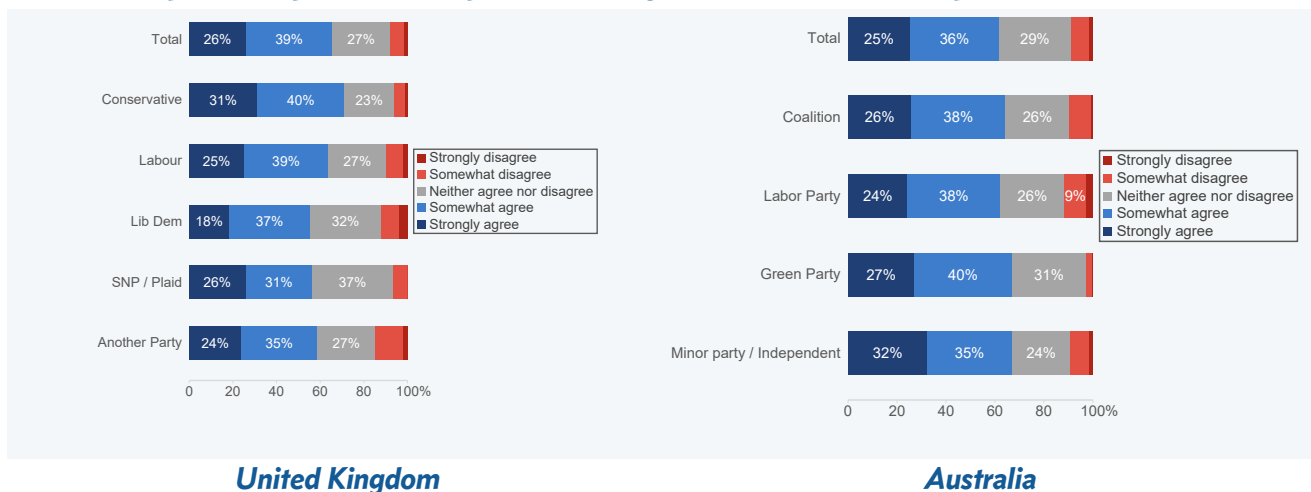
Source: Adam Smith Institute/CT Group

CONSUMER-DRIVEN DEMAND

Ultimately, Brits and Australians strongly believe in consumer sovereignty. They want the choice about which goods they are allowed to purchase. Almost two-thirds (64%) of Brits agree that the government should not limit what they are allowed to buy in a supermarket or put taxes on goods from other countries. Less than one-in-ten (8%) disagree. Similarly, 62% of Aussies believe that the Australian government should not limit their consumer choice on supermarkets, and 8% disagree.

FIGURE 16. CONSUMER CHOICE

Do you agree, or disagree, with the following statement? "I don't want the Australian government to limit what I can buy in the supermarket, or place a tax on goods that I choose to buy from other countries"

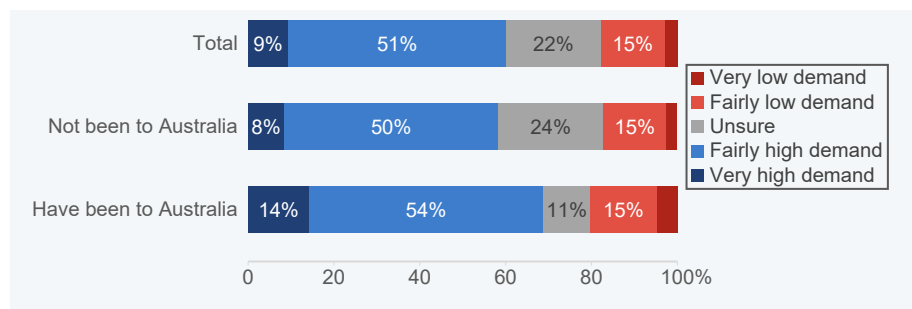


Source: Adam Smith Institute/CT Group

The strong belief in the quality of Australian goods drives interest by British consumers. Without a doubt, consumers want the option to purchase Australian goods.

FIGURE 17. DEMAND FOR BRITISH GOODS IN AUSTRALIA

Do you think there will be high or low demand for a wider range of British goods in Australia? (UK)

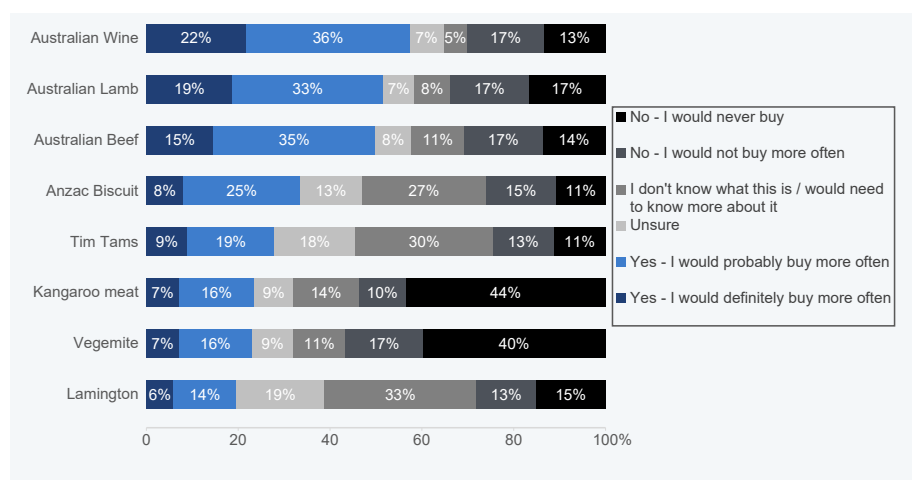


Source: Adam Smith Institute/CT Group

More than a majority (61%) believe that there will be strong demand for Australian goods.

FIGURE 18. BRITISH CONSUMERS AND AUSSIE GOODS

If they were stocked more frequently, and more cheaply, on British supermarket shelves, would you be open to purchasing the following Australian goods more often? (UK)



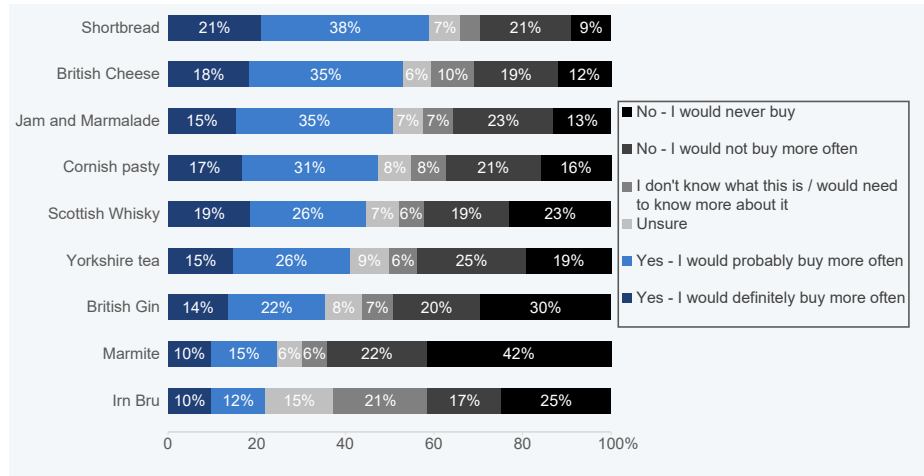
Source: Adam Smith Institute/CT Group

A majority of Brits would buy more Australian wine (57%), beef (52%) and lamb (50%). There is also interest in purchasing Anzac biscuits (33%), Tim Tams (28%), Kangaroo meat (23%), vegemite (23%) and lamingtons (20%).

Similarly, Australians are interested in purchasing more British goods including shortbread (59%), British cheese (53%), jam and marmalade (51%), Cornish pasty (47%), Scottish whisky (45%), Yorkshire tea (41%), gin (36%), Marmite (25%) and Irn Bru (22%).

FIGURE 19. AUSSIES CONSUMERS AND BRITISH GOODS

If they were stocked more frequently, and more cheaply, in Australian stores, would you be open to purchasing the following British goods more often? (AU)

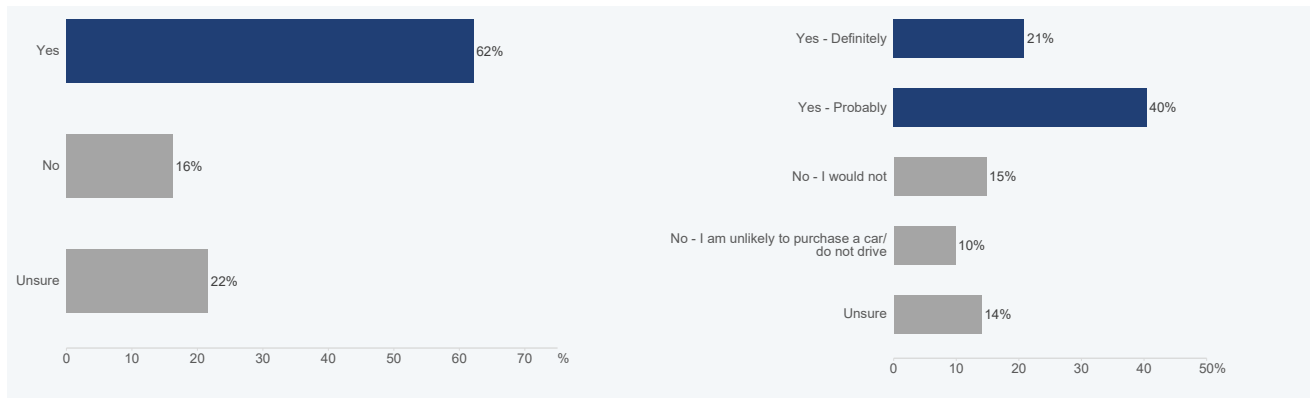


Source: Adam Smith Institute/CT Group

FIGURE 20. AUSTRALIANS WANT BRITISH CARS

Would you like to see a greater range of car manufacturers importing motor vehicles from the UK?

Thinking about your next car purchase, would you consider a British manufactured car among the brands you might choose?



Source: Adam Smith Institute/CT Group

There is also strong support among Aussies for increasing motor vehicle imports from the UK (62%). Almost two-thirds of Aussies (61%) say that they would consider purchasing a British-manufactured car at their next purchase.

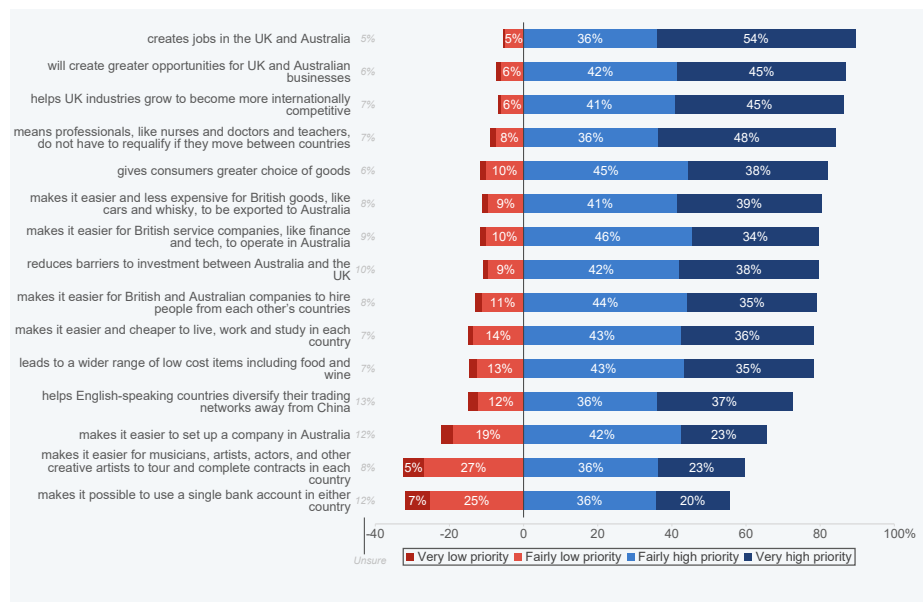
Brits and Aussies believe that there are a wide array of benefits from signing a trade deal with Australia, including securing freer movement of people, recognising qualifications, helping businesses grow to be internationally competitive, creating jobs, giving consumers more choice, and reducing barriers to investment.

A WIDE ARRAY OF PRIORITIES

Brits consider a wide range of issues to be high priority in a trade deal with Australia: job creation (90%), business opportunities (87%), helps UK industries grow to become more internationally competitive (86%), mutual recognition of qualifications (84%), greater consumer choice (82%), exporting British goods like cars and whisky (80%) and services like finance and tech (80%), as well as reducing investment barriers (80%) as well as making it easier to live and work in each other's countries (78%).

FIGURE 21. A WIDE ARRAY OF PRIORITIES, UK

Which of these priorities would you want the UK Government to put at the heart of the UK-Australia trade deal? A deal that... (UK)

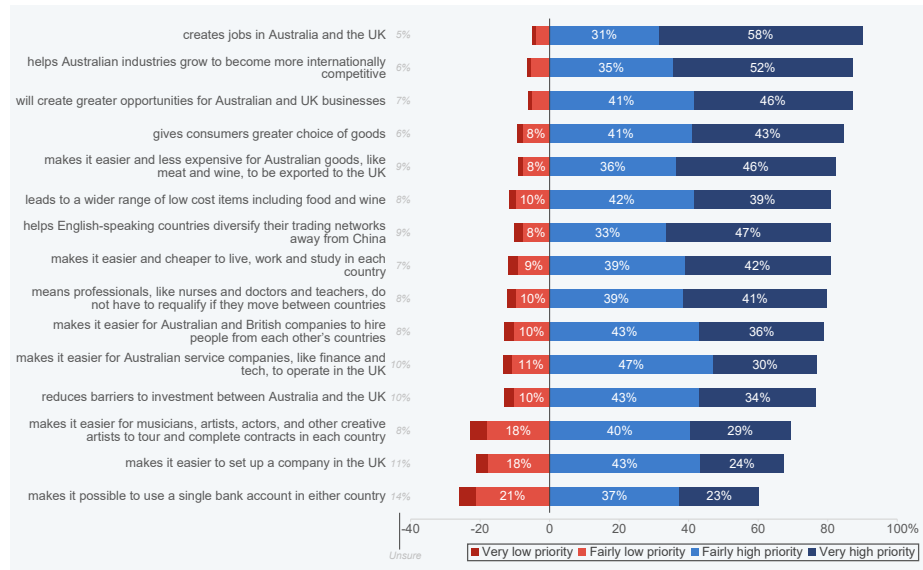


Source: Adam Smith Institute/CT Group

Australians have many of the same priorities for a UK deal: job creation (89%), helping businesses become more internationally competitive (87%), more business opportunities (87%), expanding consumer choice (84%), making it easier and cheaper to access exports like meat and wine (82%), lowering the cost (81%), and diversifying away from China (81%), and making it easier and cheaper to live in each country (81%).

FIGURE 22. A WIDE ARRAY OF PRIORITIES, AU

Which of these priorities would you want the Australian Government to put at the heart of the UK-Australia trade deal? A deal that... (AU)



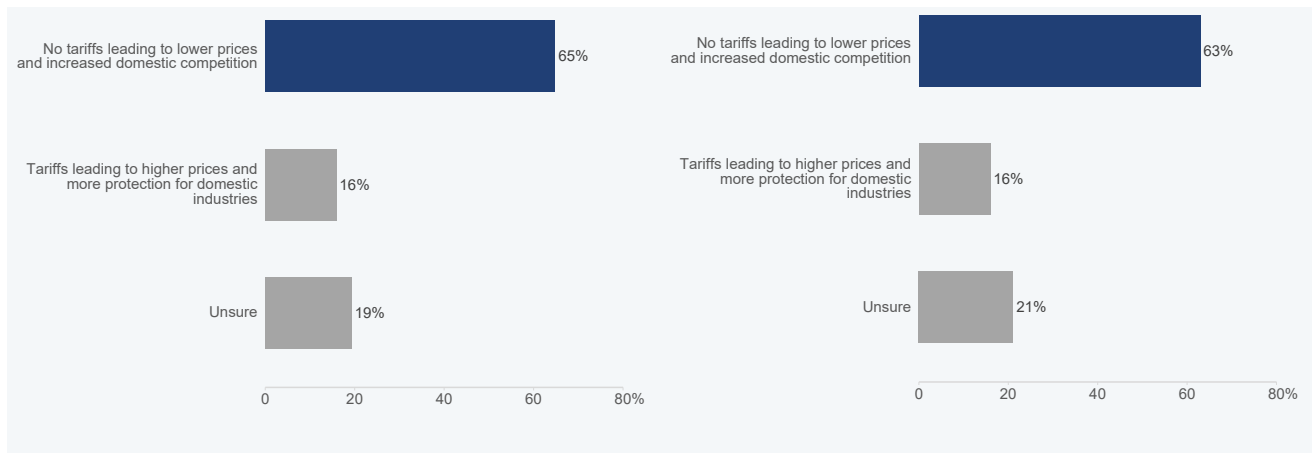
Source: Adam Smith Institute/CT Group

SUPPORT FOR A TARIFF-FREE DEAL

Two-thirds (65%) of Brits would prefer a deal with no tariffs or quotas, resulting in cheaper goods and a wider variety, even if that means more competition for local businesses. Just 16% believe businesses should be protected from competition. Similar numbers of Aussies believe there should be a tariff-free deal (63%), compared to those who believe there should be protection for key industries that make consumers pay higher prices and have less access to goods (16%).

FIGURE 23. CONSUMER CHOICE

If there is a trade deal between the UK and Australia, which of the following would you prefer?



Source: Adam Smith Institute/CT Group

No tariffs leading to lower prices and increased domestic competition = The UK/AU and AU/the UK should have no tariffs or quotas placed on goods, leading to cheaper and a greater variety of goods, but placing greater competition on local businesses.

Tariffs leading to higher prices and more protection for domestic industries = Tariffs and quotas should be placed on key industries that the UK/AU and AU/the UK would like to protect, but meaning consumers pay higher prices and can only access a more limited range of goods, and creating fewer opportunities for British/Australian businesses to export

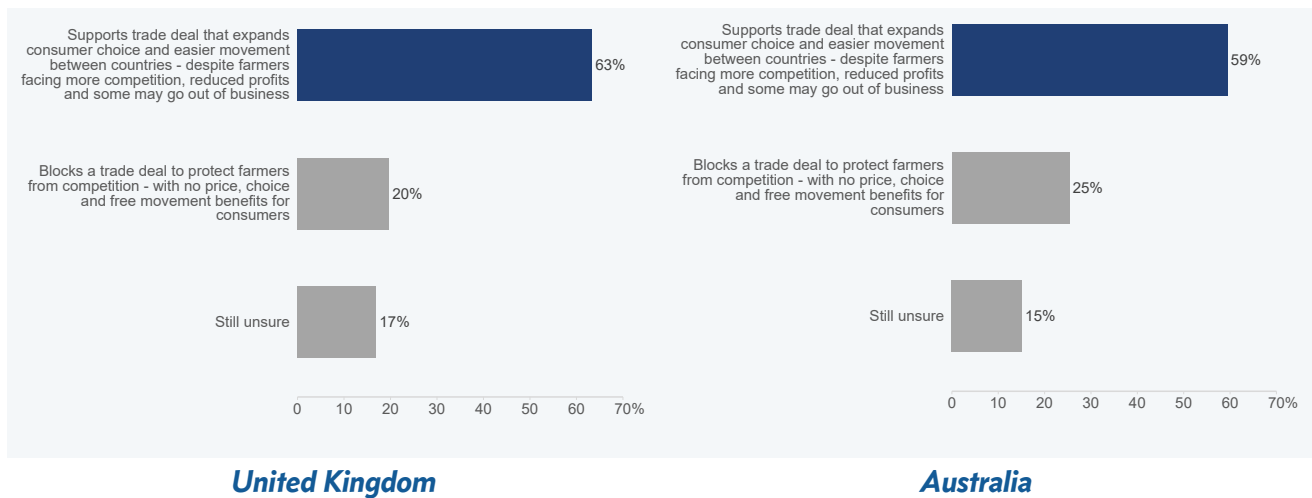
A small, vocal minority, may have raised concerns about farming.⁵ However, a clear majority of Brits believe that British farmers can and should compete globally. Brits want more Australian wine, beef and lamb, and they have a high degree of confidence in Australian farming standards. If the deal does go ahead, Brits want a short transition period and do not consider protecting farmers to be a reason to block the deal.

FARMING IS NO REASON TO NOT SIGN A DEAL

Almost two-thirds (63%) of Brits would prefer that the UK signs a trade deal with Australia — that leads to a wider range of goods and some reduced prices for British consumers, it is easier to move between countries — **even if the increased competition may reduce profits for some British farmers and some may go out of business.** Just one-in-five (20%) would block a trade deal to protect British farmers from competition. Similarly six-in-ten (59%) Aussies would prefer a deal with open competition, even if that reduces profits and some farmers go out of business, compared to a deal in which farmers are protected but Australian consumers lose out.

FIGURE 24. FARMERS IS NO REASON TO NOT SIGN A DEAL

Which of the following outcomes would you prefer?



Source: Adam Smith Institute/CT Group

Blocks a trade deal to protect farmers from competition - with no price, choice and free movement benefits for consumers = The UK/Australia blocks a free trade deal with Australia/the UK, protecting British/Australian farming businesses from Australian/British producers, but meaning British/Australian consumers do not benefit from a wider range of goods, it is not made easier for Brits/Australians and Australians/Brits to move between countries

Supports trade deal that expands consumer choice and easier movement between countries - despite farmers facing more competition, reduced profits and some may go out of a business = A comprehensive free trade deal with Australia/the UK that leads to a wider range of goods and some reduced prices for British/Australian consumers, it is easier to move between countries BUT the increased competition may reduce profits for some British/Australian farmers, and some may go out of business

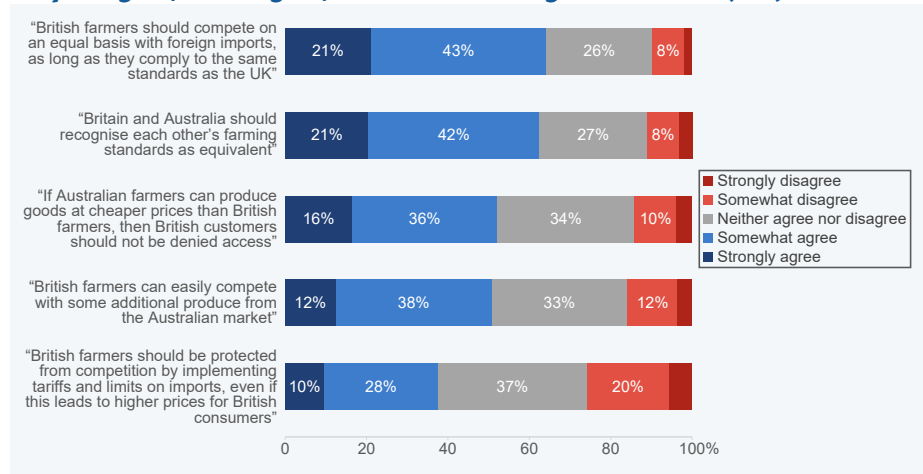
⁵ "UK makes free-trade offer to Australia despite farmers' fears," BBC News (May 21, 2021), <https://www.bbc.co.uk/news/uk-politics-57198607>.

STRONG SUPPORT FOR COMPETING WITH FOREIGN IMPORTS

A majority of Brits believe that British farmers should compete on an equal basis with foreign imports that comply with the same standards as the UK (64%), that Britain and Australia should recognise each other’s farming standards as equivalent (62%), and that cheaper Aussie produce should not be denied entry to the UK (52%). Relatively few believe that British farmers should be protected from competition (38%).

FIGURE 25. FARMERS SHOULD COMPETE

Do you agree, or disagree, with the following statements? (UK)



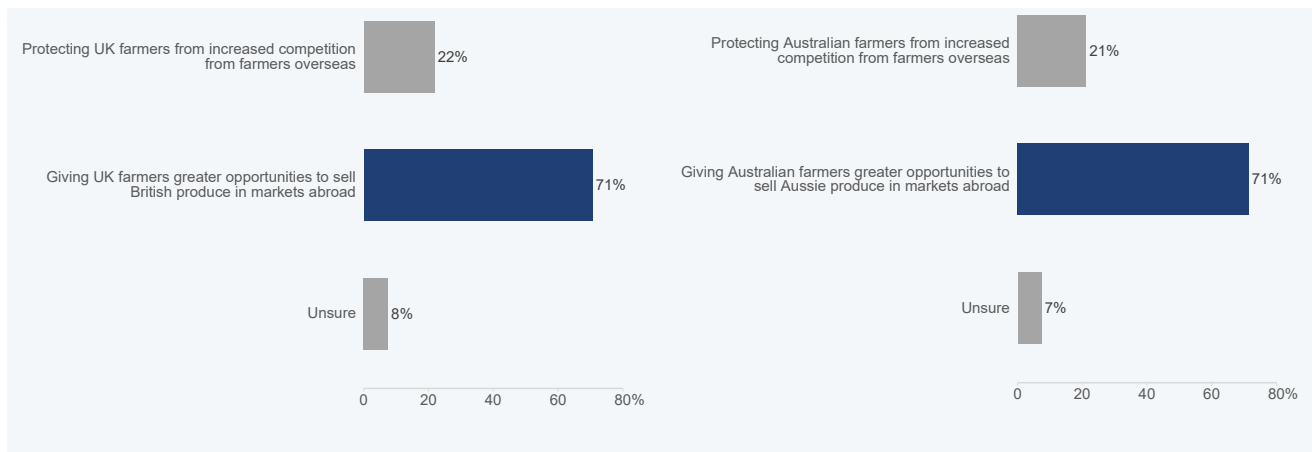
Source: Adam Smith Institute/CT Group

GLOBAL ASPIRATIONS

Australians and British both have similarly global aspirations for their farmers. Brits believe that the UK farmers should focus on greater opportunities to sell British produce in markets abroad (71%) rather than be protected from overseas competition (22%). Similarly, Aussies want farmers to sell abroad (71%), not be protected (21%).

FIGURE 26. AN OUTWARD LOOKING FARMING INDUSTRY

Do you agree, or disagree, with the following statements?



United Kingdom

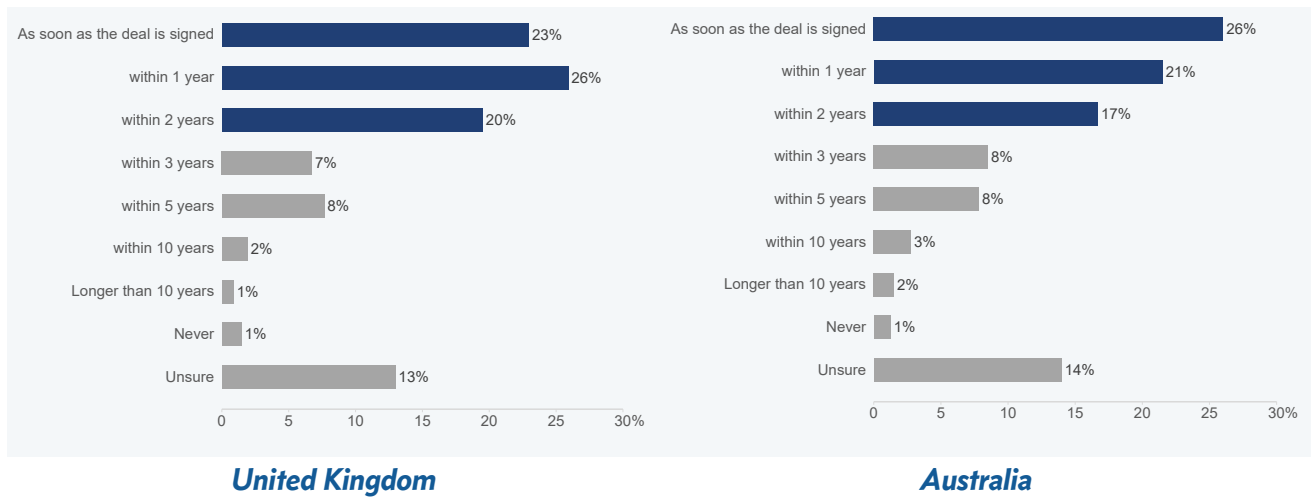
Australia

A SHORT TRANSITION PERIOD

Two-thirds of Brits (68%) and Aussies (64%) would like the transition period for abolishing tariffs and removing quotas on Aussie beef and lamb to be two years or less. Almost nobody supports the idea of a 15 year or longer transition period in the UK (1%) or Australia (1%).

FIGURE 27. A SHORT TRANSITION PERIOD

The UK government has said that they are willing to do a deal that would reduce tariffs and increase the quota of imported Australian beef and lamb to the UK. British farmers say that they need time to prepare for the changes. If the UK and Australia agree a deal, when do you think it is reasonable for the new trade arrangements to be implemented, if at all?



5. A GLOBAL BRITAIN OUTSIDE THE EUROPEAN UNION AND A GLOBAL AUSTRALIA DIVERSIFYING TRADE FROM CHINA

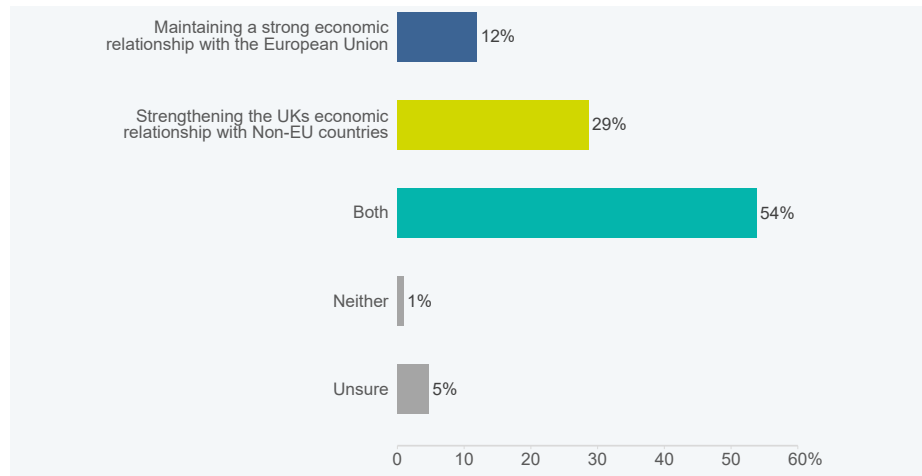
If push came to shove, most Brits say that they would prefer to trade with Australia over the European Union, and more than four-fifths of voters feel that trade with Australia should be at least as easy as it is with the EU. Likewise, Australians prioritise diversifying trade away from China, and a clear majority say that Australia should increase links with like minded countries like the UK.

EUROPEAN UNION OR NON-EU COUNTRIES

The majority (54%) of Brits believe in strengthening economic ties with both the EU and non-EU countries. There is, however, stronger support for strengthening ties with non-EU countries (29%) than EU countries (12%). This is higher support for expanding economic relations with non-EU countries among Leave voters (39%) and Conservative voters (39%).

FIGURE 28. THE EUROPEAN UNION OR AUSTRALIA?

And in your opinion, now that the UK has left the European Union, which of the following is more important to the UK? (UK)

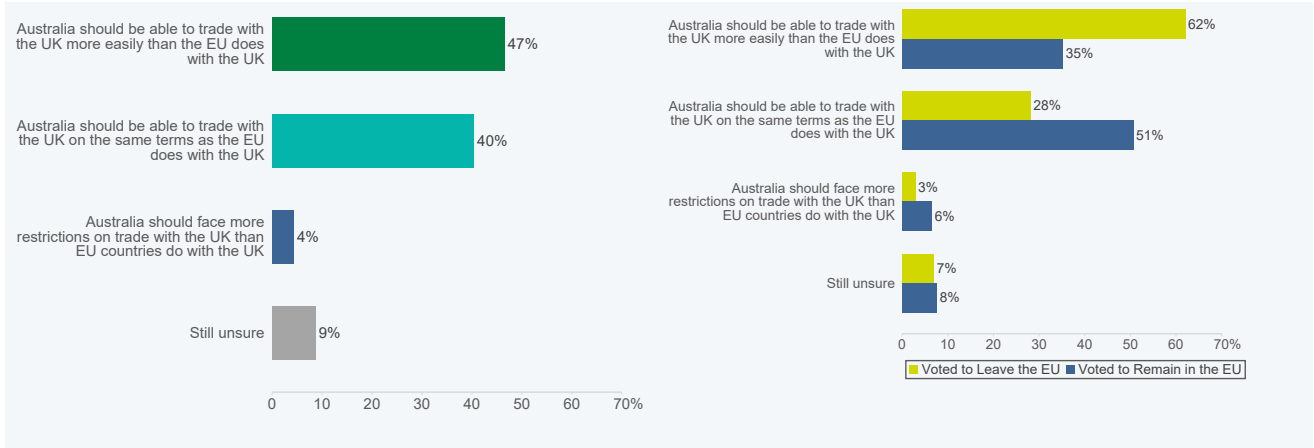


Source: Adam Smith Institute/CT Group

Almost nine-in-ten (87%) Brits believe that Australia should be able to trade with the UK more easily or on the same terms as the EU trades with the UK.

FIGURE 29. EU TERMS FOR AUSTRALIA

Which of the following best represents your view? (UK)



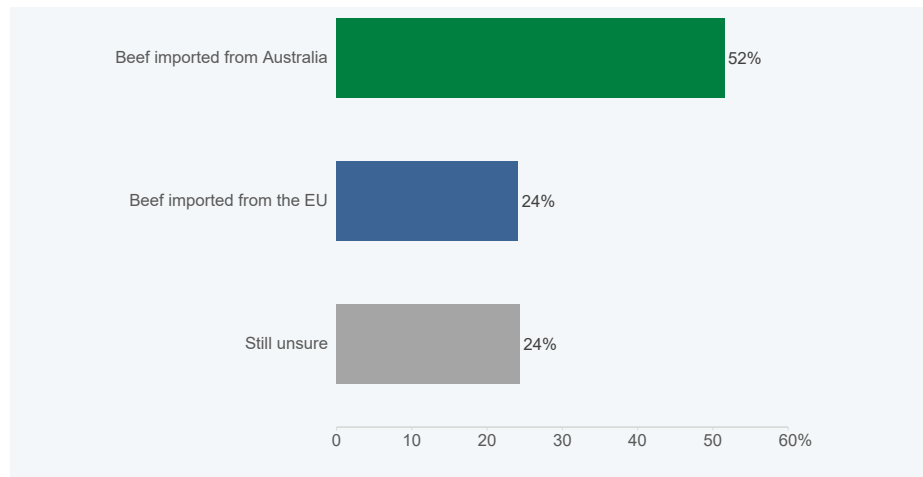
Source: Adam Smith Institute/CT Group

PRIORITISING AUSTRALIAN BEEF OVER EU BEEF

Brits, when made to choose, would prefer Aussie beef (52%) over beef imported from the European Union (24%).

FIGURE 30. AUSSIE BEEF OVER EU BEEF

If you had to choose an alternative to British beef, which would you prefer? (UK)

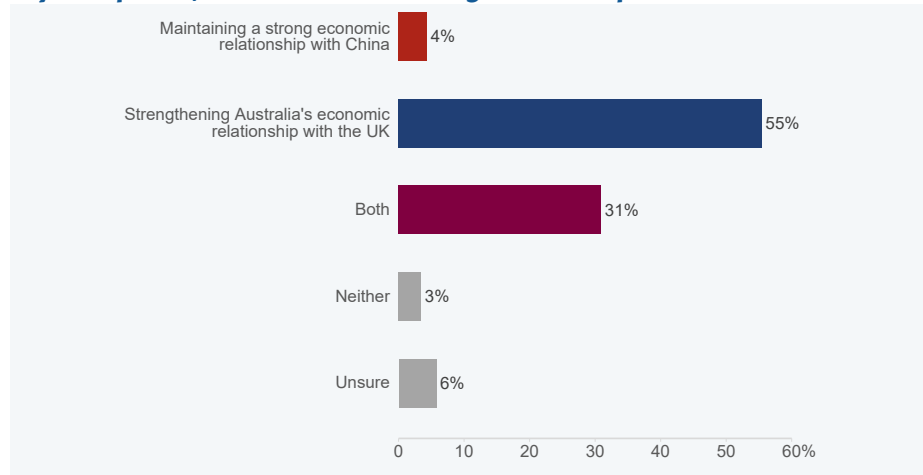


Source: Adam Smith Institute/CT Group

Australians are taking a dim view towards the current extent of trade with China, and express a much stronger interest in expanding economic relations with the UK. On the question of what’s more important to Australia, a majority (55%) say strengthening economic ties with the UK compared to a small set (4%) who say maintaining ties with China and almost one-third (31%) who say both.

FIGURE 31. IMPORTANT TO CHINA, AU

In your opinion, which of the following is more important to Australia?

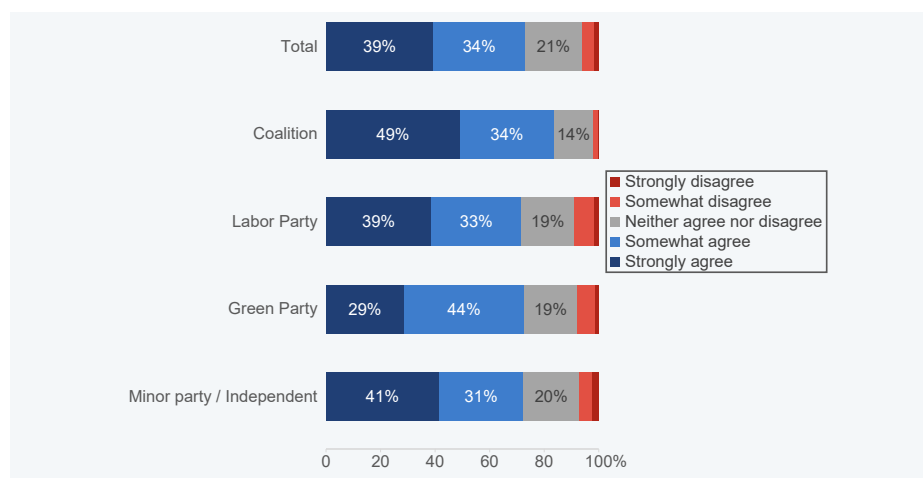


Source: Adam Smith Institute/CT Group

This comes after China introduced substantial trade sanctions on Australia including barley, beef and lamb, wine, cotton, lobsters, timber and coal.⁶ In response to these sanctions, almost three-quarters (74%) of Australians believe that it is more important than ever that Australia trades freely with as many countries as possible.

FIGURE 32. TRADING FREELY WITH MORE COUNTRIES, AU

Do you agree, or disagree, with the following statement? “After Chinese trade sanctions, it is more important than ever that Australia trades freely with as many countries as possible”



Source: Adam Smith Institute/CT Group

⁶ Kath Sullivan, “China’s list of sanctions and tariffs on Australian trade is growing. Here’s what has been hit so far,” ABC News (December 16, 2020), <https://www.abc.net.au/news/2020-12-17/australian-trade-tension-sanctions-china-growing-commodities/12984218>.

Brits and Aussies back the UK-Australia trade deal. They are looking forward to a wide array of benefits, including greater access for consumers to goods and services, making it easier to live and work in each other's country, supporting job creation, and making businesses more internationally competitive.

The most striking feature is the *why*. This deal is being brokered not just between two like-minded *governments*, it is a deal between two like-minded *peoples*. It is not an elite-driven effort with low levels of public buy-in or interest. It is a popular deal that enhances the bonds between two peoples who already feel a deep affinity.

The relationship between Aussies and Brits is highly reciprocal. We have similar priorities and views about which countries are most desirable to expand trade and build stronger relationships. When it comes to trade, Brits believe that Australian goods are desirable and Australian producers maintain high standards.

This is driven by the deep personal relationships between people in the two nations. There is even higher support for the deal and increased trade among those who have visited and those who have family living in each other's nation.

Far from wanting to protect farmers with tariffs and quotas, Brits and Aussies overwhelmingly believe that farmers can and should compete on a level playing field and seize global opportunities provided by the opening of new markets. They also believe that goods made at home will be in high demand in Australia and the UK.

Brits and Aussies understand and value freer trade. When asked if they want to protect farmers from foreign produce or increase competition, a majority choose increased competition. This is largely driven by the belief that competition has substantial economic and consumer benefits.

The polling suggests that a majority of Brits and Aussies believe that both nations will benefit from freer trade, and that free trade is generally a good thing for the economy, for consumers, for businesses and for the strategic interests of each other's nation.

Although the UK and Australia occupy different geopolitical realms, both Aussies and Brits prioritise diversification over a focus on their largest existing trading partners (China and the EU respectively). There is also an acknowledgement that if voters want to build successful domestic manufacturing industries, then they must be internationally competitive and it is essential that trading is made freer and easier.

Overall the message is clear: Aussies and Brits are the closest of mates, open to becoming even closer through a comprehensive expansion of trade in goods and services, increased investment across economies and movement of people.