

Government hopes Jerusalem compromise will smooth Indonesian trade deal

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Scott Morrison has announced a compromise position that recognises West Jerusalem as Israel's capital but does not move Australia's embassy there until a peace settlement determines Jerusalem's final status.

Instead Australia will simply establish a Trade and Defence Office in West Jerusalem.

The government briefed Indonesia before the Prime Minister outlined the new Australian policy in a speech in Sydney on Saturday.

Morrison's announcement in the run up to the Wentworth by-election that Australia would consider moving its embassy from Tel Aviv to Jerusalem caused Indonesia - a Muslim country that is hostile to Israel - to put on ice the conclusion of the free trade agreement between the two countries. It also led to criticism from Malaysia. The government is hoping the compromise will mollify the Indonesians, and enable the finalisation of the trade deal.

In a speech strongly sympathetic towards Israel and condemning the "rancid stalemate" that had emerged in the negotiations to resolve the Israeli-Palestinian dispute, Morrison outlined Australia's position.

"Australia now recognises West Jerusalem, being the seat of the Knesset and many of the institutions of government, is the capital of Israel.

"And we look forward to moving our embassy to West Jerusalem when practical, in support of and after final status determination".

Morrison said Australia would start work now to find a suitable site for an embassy in West Jerusalem.

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“Out of respect for the clearly communicated preference of the Israeli government for countries to not establish consulates or honorary consular offices in West Jerusalem, the Australian government will establish a Trade and Defence Office in West Jerusalem.”

Morrison said the defence aspect of this office would be concerned with defence industry, not diplomatic activity, because the Israeli defence ministry was in Tel Aviv.

He also said that “recognising our commitment to a two-state solution, the Australian government has also resolved to acknowledge the aspirations of the Palestinian people for a future state with its capital in East Jerusalem”.

Bill Shorten described the Morrison announcement as “a humiliating backdown”.

Shorten said the government had “walked away from their initial rush of blood to the head”.

Asked whether a Labor government would reverse the decision, Shorten said the ALP believed “Jerusalem should be recognised as the capital of both Israel and Palestine as part of the final stages of a negotiated two-state peace deal”.

Labor would do this “at the final stage and we’re not at the final stage of a two-state peace deal”.

Shorten said he hoped the trade deal with Indonesia would go ahead.

There was no immediate reaction from Israel because of the Jewish Sabbath. At the time when Morrison announced that Australia was considering moving its embassy, this was warmly welcomed by the Israeli Prime Minister, Benjamin Netanyahu, so the Israelis might be disappointed with the Morrison halfway house.

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The official Indonesian reaction gave no indication about whether the Morrison announcement would be enough to move along the trade agreement. An Indonesian statement called “on Australia and all member states of the UN to promptly recognise the state of Palestine and to cooperate towards the attainment of sustainable peace and agreement between the state of Palestine and Israel”, based on a two-state solution.

The Sydney Morning Herald reported a member of the main Indonesian opposition coalition, Dian Islamiati Fatwa, a candidate for next year’s election, was critical of the announcement and said the free trade deal should be put on hold. The Australia Palestine Advocacy Network denounced the Morrison announcement saying that it “was appeasing extremist elements of the party while further slamming closed the door to peace”

“As Israel claims exclusive sovereignty over all of Jerusalem and refuses to abide by United Nations resolutions calling it to withdraw from occupied East Jerusalem, we cannot give them a free kick,” said Bishop George Browning, President of the Australia Palestine Advocacy Network.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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