Submission No: 2.

14 August 2008

Mr Tas Luttrell Principal Research Officer Trade Sub-Committee Room R1-120 House of Representatives Parliament House CANBERRA ACT 2600



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Dear Mr Luttrell

I refer to your letter dated 4 July 2008 regarding an invitation to our organisation for a submission to the Trade Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into Australia's trade and investment relations with Asia, the Pacific and Latin America.

On behalf of the Council of Mayors (SEQ), I welcome the opportunity to provide this response to the Joint Standing Committee.

The Council of Mayors (SEQ), representing the eleven South East Queensland Councils, proactively ensures the long term viability, wellbeing and sustainability of the community by focussing attention on projects that enhance opportunities available to rural and regional enterprises.

With respect to opportunities for expanding Australia's trade and investment relations with the countries of Asia, the Pacific and Latin America, the Council of Mayors (SEQ) provides the following views in regard to the Terms of Reference:

## • The nature of existing trade and investment relationships;

The Council of Mayors (SEQ) strongly supports the expansion of the existing trade and investment relationships with these countries. Resources and services are now Australia's two biggest export categories, with services also accounting for 78 per cent of Gross Domestic Product (GDP) and 85 per cent of employment.

## • Likely future trends in those relations;

The Council of Mayors (SEQ) supports the enhancement of future trends in these relations. Future trade negotiations should reflect our strengths in resources and services, encompassing both investment and labour strengths as trade facilitators.

## • The role that these countries might play in advancing the Doha Round of multilateral trade negotiations in the World Trade Organisation (WTO);

Despite the recent break down in talks in the Doha Round in Geneva, the Council of Mayors (SEQ) agrees there is a need to explore the role that these countries might play in advancing multilateral trade negotiations in the World Trade Organisation. If the United States and European Union cut their agricultural protection in exchange for developing countries cutting their tariffs on industrial imports, this will lead to greater opportunities for Australia, proving that globalisation can deliver long term benefits.

## • The role of the Government in identifying opportunities and assisting Australian companies, especially those in rural and regional areas, to maximise opportunities in these regions.

In preparation of a possible overhaul of the trade negotiating policy, it is a prime opportunity for the Federal Government to assist Australian companies, by supporting projects that provide rural and regional areas with sustainable community facilities and infrastructure.

The Council of Mayors (SEQ) is optimistically hopeful that World Trade Organisation negotiations address the need for trade reform to reduce barriers to international trade. The overarching objective of global policies is to encourage a system of production, distribution and consumption which will significantly improve Australia's market access to Asia, the Pacific and Latin America.

Yours sincerely

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EXECUTIVE DIRECTOR