



THE HON DR CRAIG EMERSON <sup>115</sup> MPM

MINISTER FOR TRADE

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FILE No:

Mr Geoff Lake  
President  
Australian Local Government Association  
8 Geils Court  
DEAKIN ACT 2600

22 NOV 2010

*Geoff*  
Dear Mr Lake

Thank you for your letter of 1 October 2010 regarding the Australian Local Government Association resolution on global fair trade.

The Gillard Government is working to assist marginalised producers and workers in developing countries to achieve better trading and working conditions, and to get the most from international trade. We are doing this through the Australian Government's aid program and by promoting rules-based, open trade.

Australia is part of a global trading system that is governed by the rules of the World Trade Organization (WTO). These rules aim to create an open, fair and transparent trading regime for all countries, including developing countries.

A key trade policy priority for the Australian Government is a successful conclusion to the WTO Doha Round of trade negotiations. The Doha Round has a strong development focus and aims to improve developing countries' market access, reduce agricultural subsidies and increase global Aid for Trade. This refers to development assistance that addresses trade-related needs (such as policy, infrastructure and productive capacity) to help increase developing country participation in trade, and support economic growth. Australia's Aid for Trade represents more than 10 per cent of our overall aid program and is a key part of our efforts to achieve the UN's Millennium Development Goals.

The Australian Government has been active in other international forums to encourage other governments to maintain their commitment to open trade, especially at a time when many are under pressure domestically to impose trade protectionist measures in the aftermath of the deepest global recession since the Great Depression.

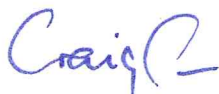
In addition, the Government is supporting our trading partners to improve their labour standards, primarily through the forum of the International Labour Organization (ILO). The

Australian Government is committed to the ILO principles, including the elimination of forced or compulsory labour, and the abolition of child labour.

On government procurement, Government agencies are required not to contract with suppliers that are known to engage in exploitative labour practices, such as slavery or human trafficking, or that use sources determined to engage in such practices. This requirement is reflected in the *Commonwealth Procurement Guidelines (CPGs)*, issued by the Minister for Finance and Deregulation under the *Financial Management and Accountability Act*. The Guidelines state (at paragraph 6.22) that “Agencies must not seek to benefit from supplier practices that may be dishonest, unethical or unsafe.” The extent to which this can be determined in any given procurement is dependent on the availability of reliable and accessible information that is fair to all potential suppliers.

Thank you for bringing your views to the attention of the Government.

Yours sincerely



Craig Emerson