2.5 June 26th, 2010

The Hon. Simon Crean, MP Minister for Trade Parliament House Canberra, ACT 2600

Simon Dear Minister

Thankyou for your letter of 4 March, supporting the international study group we have proposed to underpin the multilateral system. We are writing again, on behalf of the Australian and New Zealand business organisations responsible for the study group, to seek your endorsement of it as an officially sanctioned Australian initiative.

We suggest the conditions for Australia's participation in the study group should include:

- confirming that its purpose is to examine the options available for reinforcing the multilateral system;
- locating responsibility for establishing the study group, and for providing Australia's contribution to it, with the Productivity Commission;
- maintaining the status of the study group outside government, but making the Commission accountable to government for the level of public resources it commits to the study;
- requiring the Commission to provide regular updates of progress and ongoing scope for public input during the life of the international study group; and
- because its role in exploring options for reinforcing the multilateral system is ongoing, no specific time limit should be placed on completion of the study.

These conditions could be confirmed in a reference to the Commission, requesting it to establish and chair the study group. As mentioned in our letter of 11 February, this would not commit you to accept responsibility for the Commission's contribution or for the outcome of the study group. It would, however, provide an earnest of the government's commitment to the multilateral system.

We believe its role and experience in providing advice on protection (our trade barriers), its domestic policy focus and international respect for its open procedures, make the Commission the appropriate vehicle for Australia to establish and participate in the international study group.

Yours sincerely