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MINISTER FOR FOREIGN AFFAIRS CANBERRA

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The Rt Hon William Hague MP
First Secretary of State
Secretary of State for Foreign and Commonwealth Affairs
UNITED KINGDOM

Dear Secretary of State

I am grateful for the opportunity extended to the Australian Government to contribute to the Balance of Competences Review, which was launched by you on July 12, 2012. The Australian Government's perspective on the Foreign Policy Report of the Review is set out below.

Australia and the United Kingdom enjoy a deep and enduring partnership founded on shared values and common strategic and economic interests. This partnership is characterised by strong community links and robust two-way trade and investment. We also value our close cooperation and coordination on global and regional challenges. In recent years we have strengthened our engagement through annual Australia-UK Ministerial Consultations and collaboration in the G20, the Commonwealth and now the United Nations Security Council.

Australia is also a close partner of the European Union (EU). We share with the EU a strong commitment to human rights, democracy, free trade and sustainable development. The 27 members of the EU acting together form a force more powerful than they would speaking and acting separately. We are often natural partners in the pursuit of peace, security, climate change solutions and global trade liberalisation through the United Nations and the World Trade Organization.

The scope and depth of EU and Australian bilateral relations has intensified in recent times. Our cooperation on development assistance in Africa and the Pacific and on piracy in the Indian Ocean is valuable. Our proposed framework agreement and agreements on linking emissions trading systems and international crisis management will be important in underpinning future collaboration.

Australia therefore sees both the UK and the EU as key partners. We appreciate the special role the UK has played in helping to shape the EU as an outwardly-focused institution to the benefit of the international community. The UK has championed free trade, the single market, and been a strong advocate on the need for the EU to remain competitive. The UK is also a leading voice in EU enlargement, which has helped transform Eastern Europe and improved Europe's security and prosperity. In advocating a spirit of inclusiveness and openness the UK's efforts have benefited both the EU and third states, including Australia.

Australia recognises the UK's strength and resilience and looks forward to seeing it continue as a leading economy and effective power. Strong, active membership of the EU contributes to this.

While not intending to comment on the detail of every competence or on internal questions of how sovereignty is shared in the EU, I particularly want to register Australia's strong appreciation for the important and positive role that the UK has played in EU foreign policy. I hope to see this continue long into the future.

Yours sincerely

**Bob Carr**