



**Queensland
Government**

Premier of Queensland
and Minister for Trade

Please quote: 55309/AA07/IGR

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Dr Andrew Southcott
Chair
Joint Standing Committee on Treaties
Parliament House
CANBERRA ACT 2600

17. May & June 2004
Submission No:10.1.....

Andrew,
Dear Dr Southcott

Thank you for your letter of 18 May 2004 concerning the Joint Standing Committee on Treaties' inquiry into the Australia-Thailand Closer Economic Relations Free Trade Agreement (CERFTA).

Thailand is Queensland's twenty-first largest export market and merchandise exports from Queensland to Thailand amounted to over A\$200M in 2002-03. The Queensland Government is eager to expand exports to Thailand.

Thailand has traditionally been a difficult market for many Queensland exporters to access because of high average tariffs and very high tariff peaks in products of interest to Queensland companies. I am optimistic that the proposed agreement will make a range of Queensland products more competitive in the growing Thai market.

I note however, that reductions in some Thai tariffs, particularly on a range of agricultural products, will occur over long phase-in periods, yet the removal of the majority of Australian tariffs on Thai imports will occur from entry into force. It is therefore likely that some industry sectors would be at risk of being negatively affected by this agreement. In light of this I urge the Committee to pay attention to the submissions of those sectors that stand to be negatively affected and suggest that the Committee seeks detail from the Commonwealth Government on how it intends to respond with appropriate adjustment packages for these industry sectors.

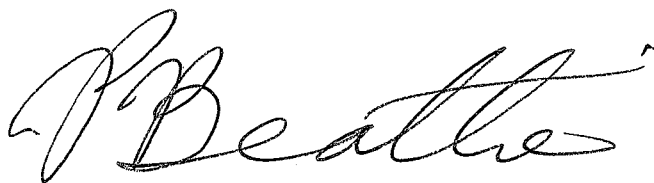
I understand that no commitments will be made on government procurement except to consider in the first twelve months of the CERFTA whether to enter into negotiations on government procurement. As any agreement of this nature would have significant implications for Queensland I look forward to the opportunity for Queensland to be consulted on, and provide input into, any future discussions regarding government procurement arrangements.

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I note that under the CERFTA decisions on matters affecting quarantine and food safety will continue to be made using scientific assessment of the risks involved in the commercial trade of food, animals, plants and services. However, I also note that article 609.9 provides for consultation for the recognition of equivalence of quarantine and food safety matters. I urge the Committee to recommend that any potential changes to Australia's established decision making process for quarantine and food safety matters would need to be undertaken in consultation with industry and State and Territory governments.

Thank you for the opportunity to comment on this proposed agreement. I look forward to reviewing the Committee's recommendations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P Beattie', written in a cursive style.

PETER BEATTIE MP
PREMIER AND MINISTER FOR TRADE