

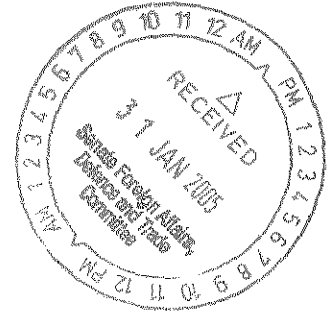
Queensland  
Government

Premier of Queensland  
and Minister for Trade

Please quote: MN68605/CM15/IGR

21 JAN 2005

Senator Steve Hutchins  
Chairman  
Foreign Affairs, Defence and Trade References Committee  
Australian Senate  
Parliament House  
CANBERRA ACT 2600



Dear Steve

Thank you for your letter of 9 December 2004 concerning the Committee's Inquiry into Australia's relations with China. The Queensland Government welcomes the opportunity to provide input to such matters and takes steps to ensure that any submissions are well considered.

I note the Inquiry's terms of reference refers to the possibility of a free trade agreement with China. The Queensland Government has a keen interest in the potential Australia-China free trade agreement. The Queensland Government sees China as an increasingly important trading partner and a market of high growth potential. Queensland currently enjoys a strong trade relationship with China. Queensland merchandise exports to China are estimated to be \$1.4 billion for the financial year 2003-2004, representing a 180% increase over the last 5 years. Queensland has dedicated trade and investment offices in Shanghai and Hong Kong to assist Queensland businesses seeking export opportunities and to assist Chinese companies and investors seeking to do business in Queensland.

I have indicated to the Federal Minister for Trade that Queensland has an interest in the Commonwealth Government's discussions on the feasibility of a free trade agreement with China. In particular, Queensland has interest in the potential for such arrangements to:

- establish protocols on access for agricultural products and the elimination of tariff and non-tariff barriers to Queensland exports of these products;
- develop and enforce transparent and consistently applied national and provincial policies for the provision and commercial operation of offshore education by private and public providers;
- ensure a transparent and consistently applied commercial legal environment for Queensland businesses operating in China; and
- eliminate a range of tariff and non-tariff barriers.

Executive Building  
200 George Street Brisbane  
PO Box 185 Brisbane Albert Street  
Queensland 4002 Australia  
Telephone +61 7 3224 4500  
Facsimile +61 7 3221 3631  
Email [ThePremier@premiers.qld.gov.au](mailto:ThePremier@premiers.qld.gov.au)  
Website [www.thepremier.qld.gov.au](http://www.thepremier.qld.gov.au)

I have also expressed my concern to Minister Vaile that such free trade arrangements should not hinder Australia in dealing with Chinese imports, for the purposes of anti-dumping, that are directly and indirectly subsidised.

I consider it essential that the ramifications of a potential free trade agreement be considered fully after consideration of a range of sources of information. In particular, I wish to consider the Commonwealth Government's feasibility study into a potential free trade agreement with China and the economic modelling that has been commissioned before Queensland provides a detailed submission to the Inquiry. I understand this information will not be available before the end of March 2005.

Consequently, without this information, it would be premature to provide a detailed submission to your Inquiry at this time. However, I note that the Committee intends to report to the Senate on or before 15 September 2005 and there may be an opportunity for Queensland to assist the Inquiry prior to this.

Yours sincerely

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

**PETER BEATTIE MP**  
**PREMIER AND MINISTER FOR TRADE**