

FTA Modernisation - General Review of ChAFTA
Regional Trade Agreements Division
Department of Foreign Affairs and Trade

Via email: ftamodernisation@dfat.gov.au

To Whom it May Concern

RE: General Review of ChAFTA

The Australian Oilseeds Federation (**AOF**) welcomes the opportunity to provide a submission on the General Review of the China-Australia Free Trade Agreement (ChAFTA).

1. AOF's remit

AOF is the peak industry body for the Australian oilseeds industry. Established in 1970, AOF represents the common interests of all Australian oilseed industry participants, and promotes the development, expansion and improvement of Australian oilseed production, processing and trading.

AOF members include seed technology companies and plant breeders; researchers, R&D providers and end users of seed technologies; growers and agronomists; crushers and refiners; exporters, traders and bulk handlers; and end users of oil and meal.

AOF provides a range of services focussed on enhancing industry growth, including advocacy and representation (policy, technical & regulatory); market access and trade strategy; shaping R&D and innovation priorities; industry standards and protocols; and stewardship of sustainability programs (Sustainable Grain Australia).

AOF's submission is focused on commenting on issues most relevant to the remit of its membership base and the Australian canola industry, that is, the sustainable, science driven, market-led and grower engaged, development of the Australian oilseeds industry.

Accordingly, AOF highlights the below themes for consideration:

Theme 1 – Application of ChAFTA to oilseeds and the intersect with non-tariff measures/barriers

Theme 2 – Alignment between ChAFTA and the Regional Comprehensive Economic Partnership (RCEP)

Theme 3 - Sustainability and innovation – important partnership elements

2. Application of ChAFTA to oilseeds

AOF acknowledges and commends DAFF's recent engagement with China's General Administration of Customs of the People's Republic of China (GACC) regarding canola market access. Improving access for Australian canola into China represents a significant opportunity for the grain industry and the broader economy. Prior to the trade of Australian canola to China ceases in 2009, the China market represented 25% of Australia's canola exports. It is anticipated that if canola market access is fully reinstated, trade

could represent as much as much as, if not more than, 1 million tonnes per annum – representing, in value, one of the highest Australian exports to China.

AOF recognises the role that Free Trade Agreements, and the ChAFTA, can play in building and enabling partnerships and dialogue between signatory states. The effectiveness of ChAFTA will assist industry as a whole in working towards better outcomes as outlined above.

For Australia's primary oilseed export product, canola seed, China had already applied low or zero tariffs prior to the entry into force of the ChAFTA in 2015. Under ChAFTA, the tariff on Australian canola seed imports was confirmed at zero per cent, with duty-free access applying immediately upon the agreement's commencement.

In practice, this meant that ChAFTA did not materially change the tariff settings for Australian canola exports to China. However, the agreement provided an important outcome for the industry by locking in tariff-free access under a formal trade framework. For an export-oriented sector such as Australian canola, this certainty is valuable given the scale of China's oilseed crushing industry and its importance as a global vegetable oil and protein meal market.

3. Non-tariff related barriers, and administrative processes for import licences

While tariffs are zero under ChAFTA, the more significant factors influencing canola trade with China have been technical market access conditions (for example, measures associated with the management of blackleg disease in canola) rather than tariff barriers, and administrative processes related to canola meal import licence.

As noted above, AOF acknowledges DAFF's recent engagement with GACC regarding canola market access. Improving access for Australian canola into China represents a significant opportunity for the grain industry and the broader economy.

With respect to Australian vegetable oils including canola oil. China has applied in-quota tariffs to vegetable oils including rapeseed/canola oil at a tariff of 9%. AOF encourages the Australian Government for this to be reviewed and revisited with a view to the tariff being reduced.

Further, AOF understands that the licencing process for the import of canola meal into China can be a cumbersome and lengthy administrative processes for importers. AOF asks DAFF to consider ways in which it can work with Chinese counterparts to encourage flexible and progressive processes in this regard.

4. Alignment between ChAFTA and the Regional Comprehensive Economic Partnership (RCEP)

Since the entry into force of the China-Australia Free Trade Agreement, both Australia and China have become Parties to the Regional Comprehensive Economic Partnership (RCEP).

RCEP introduces regionally harmonised rules of origin, trade facilitation commitments and administrative cooperation mechanisms that now operate alongside ChAFTA. The coexistence of these agreements presents practical opportunities to improve efficiency and utilisation.

In particular, alignment between ChAFTA and RCEP could:

- Harmonise or streamline rules of origin requirements;
- Reduce duplication in certification and documentation processes;

- Improve administrative and customs efficiency;
- Enhance transparency and information sharing;
- Increase utilisation rates of preferential arrangements; and
- Reduce compliance costs for exporters operating across multiple Asian markets.

For bulk commodity exporters such as the grain industry, administrative simplicity and predictability are critical. Where multiple agreements apply, complexity can deter utilisation even when tariff benefits exist.

The General Review provides an opportunity to examine how ChAFTA can be implemented in a manner that complements RCEP, avoids regulatory duplication, and delivers practical commercial outcomes.

5. Sustainability and innovation - important partnership elements

China's 2026 No. 1 Central Document highlights the important of food security and technology and innovation, amongst other areas. Further the 5th Five-Year Plan for Economic and Social Development notes the importance of the role of green energy.

- Seed innovation** tools are rapidly evolving, and it is important that trade agreements reflect, facilitate and support ongoing innovation. Seed innovation has the potential to deliver global benefits in terms of resource use, food security, climate change and sustainable and resilient food systems. However, the oilseed and canola meal trade needs regulatory pathways that are workable and do not create unnecessary risks and trade barriers. Clear and predictable import policies for grain are critical. Gene-edited crops are currently subject to pre-market requirements in some jurisdictions, and voluntary processes in others. Importers and exporters are increasingly expected to understand and navigate these frameworks. There is an opportunity to build in principles that enable import policies and procedures for grain that are transparent, science-based, and aligned with international trade commitments, while also being achievable by grain traders.
- Sustainability** - The global environment in which the oilseed industry operates continues to evolve. Shifts in consumer expectations, regulatory frameworks and geopolitical dynamics are reshaping agricultural supply chains and influencing demand for oilseed products. Over the past decade, international markets have increasingly required agricultural products to demonstrate strong environmental and traceability credentials. In response, the Australian canola industry has worked collaboratively to ensure it can meet these evolving requirements.

There is increasing incorporation of sustainability references in trade agreements, however this can present challenges for the grains industry, in particular, where one country attempts to impose their standards and practices on another without recognising the unique and/or different characteristics of the environments in which each party operates i.e. one size does not fit all. Further, when importing countries apply their environmental requirements to producers in exporting countries, these can be discriminatory and burdensome and add complexity to the regulatory landscape, increasing compliance costs for businesses and be of no commercial value.

We take the opportunity here to also note the role of Sustainable Grain Australia (SGA). SGA is a readily proven industry model to facilitate the sustainability certification of Australian grain, oilseeds and pulses. Currently, SGA facilitates the sustainability certification of Australian grain, oilseeds and pulses under the International Sustainability and Carbon Certification (ISCC) scheme. SGA is, however, certification agnostic i.e. the model could use other certifications.

These efforts have reinforced Australia's reputation as a reliable supplier of sustainably produced canola and have positioned the industry well to meet the global sustainability expectations.

6. Conclusion

AOF is very supportive of the ChAFTA to strengthen trade and economic ties with a key trading partner however also notes the importance of continued government to government discussions with respect to non-tariff measures.

Market access will be maximised through active, ongoing collaboration between Government and industry, effective implementation of agreements, and sustained reform of both tariff and non-tariff barriers.

AOF welcomes the opportunity to further discuss the above key themes forming its submission. AOF Manager, Courtney Draper, can be contacted on Courtney.draper@australianoilseeds.com.

Yours sincerely,



Courtney Draper

AOF and Sustainability Manager