

Department of Foreign Affairs and Trade

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RE: SUBMISSION SUPPORTING AUSTRALIAN BUSINESSES TAPPING NEW OPPORTUNITIES IN THE CHINESE MARKET

To whom it may concern,

We write to you as teacher and Master of Arts candidates for Australian Studies in China's top research centre on bilateral relations, with a specific interest in opportunities emerging and untapped by Australian businesses despite ten years into ChAFTA.

We have conducted research and drafted this submission under the supervision of our subject instructor, Dr. Dan (Diane) HU, as part of the workload for her course "Australia's economy and economic relations with China".

Dr HU is Deputy General Secretary of the Chinese Association for Australian Studies and Deputy Director of the Australian Studies Centre at Beijing Foreign Studies University, the largest of its kind in China. Her course on bilateral economic relations is the only university course in China featuring Australian economy. She is the Deputy Chief Editor of *Australia Blue Book* and sits on the editorial board of International Australian Studies Association's Journal of Australian Studies. She is the principal investigator of "Australia in the Chinese Eyes" poll, in collaboration with Global Times' Research Institute. She is also Associate at the Centre for Contemporary Chinese Studies at the University of Melbourne. She was delegate and/or speaker to all three track-two youth dialogues between China and Australia: China-Australia Millennial Project (CAMP), Australia-China Youth Dialogue (FASIC Fellow) and ACELS. She was a Chinese delegate to the 2018 China-Australia High Level Dialogue and has been an active commentator on Australia/Oceania and China on Australian, Chinese and international media outlets. She was finalist to the 2020 China Australia Alumni Award.

Our research indicates that ample opportunities remain untapped or are emerging in the Chinese market for Australian businesses. They are further explained below sector by sector.

International Education

International education constitutes a core pillar of Australia's services export economy and presents significant opportunities for China-Australia engagement. Policy-driven facilitation in student mobility, institutional cooperation and service adaptation is crucial.

1. Student Visa Policy

Student visa policy remains a critical lever for restoring Chinese student flows and stabilising long-term demand. China continues to be the largest source of education export income, contributing over AUD 13.675 billion annually in recent data.

Facilitating faster visa processing, improving transparency in approval criteria, and ensuring policy stability would directly enhance Australia's competitiveness relative to alternative

destinations. Given that international education is tightly linked to migration expectations and employment outcomes, aligning visa settings with skilled labour needs (e.g., STEM and healthcare sectors) could simultaneously support domestic workforce gaps while sustaining inbound student demand.

2. Bilateral Education Cooperation

Beyond student mobility, bilateral education cooperation represents a scalable and less politically sensitive growth pathway. Future opportunities lie in:

- Joint degree programs and dual qualifications (e.g. 3+1 or 4+0 undergraduate programs);
- Collaborative research in sectors like green transition and digital economy; and
- Offshore and hybrid education delivery models.

Such cooperation enables Australia to export education services without relying solely on physical student mobility, thereby reducing exposure to geopolitical or regulatory disruptions while maintaining long-term institutional linkages.

3. Adaptation to Changing Demands

To fully capture future growth, Australian education providers must adapt to evolving preferences among Chinese students, who are increasingly outcome-oriented and value-sensitive. Future opportunities lie in:

- Employability-focused education models, including industry-linked programs and internships;
- Hybrid and digital delivery, allowing flexible access and partial offshore study; and
- Targeted student support services, including career guidance and cultural integration.

Clean and Renewable Energy

This part focuses on the Australian clean energy and renewable energy equipment sector, exploring the implementation effects, existing challenges and optimization suggestions of the China-Australia Free Trade Agreement (ChAFTA) from three sub-sectors, aiming to provide reference for the overall assessment and upgrading of ChAFTA.

1. Trade Policy and Market Access

ChAFTA's tariff reduction policies have laid a solid policy foundation for Australian clean energy equipment exports to China, with zero-tariff preferences significantly cutting trade costs for photovoltaic, energy storage and other equipment¹. However, technical standard alignment barriers persist: the discrepancy between the Clean Energy Council (CEC) certification and China's domestic testing standards increases the time and capital costs for Australian equipment to enter the Chinese market².

It is recommended to establish a mutual recognition mechanism for clean energy equipment standards through ChAFTA upgrading, simplify certification procedures, and expand zero-

¹ General Administration of Customs of the People's Republic of China, Guangdong Sub-administration. (2026). ChAFTA's 10th anniversary: Gongbei Customs helped enterprises enjoy over 6.3 billion RMB of preferences in the first 11 months.

² Huayu Testing. (2025). Application process and energy equipment standards of Australia Clean Energy Council certification.

tariff coverage to wind power core components and other sub-categories to unlock greater market access dividends.

2. Supply Chain Stability and Raw Material Export Optimization

Australia's exports of lithium ore and other clean energy raw materials to China form the core of bilateral supply chain cooperation, with China absorbing the majority of Australia's spodumene exports³. The implementation of RCEP's regional cumulative rules of origin has deepened the integration of China-Australia clean energy supply chains, yet logistics inefficiency and insufficient trade facilitation remain in raw material exports.

We propose optimizing customs clearance processes for Australian raw material exports, building a China-Australia clean energy raw material supply chain information sharing platform, and advancing the development of a new "Australian green hydrogen + Chinese equipment manufacturing" supply chain model via ChAFTA's assessment.

3. Industry Innovation and Bilateral Tech Cooperation

ChAFTA has fostered a sound business environment for China-Australia clean energy technological cooperation, extending bilateral collaboration from equipment supply to integrated solution co-construction⁴. Cooperation projects between Chinese enterprises such as Goldwind Science & Technology and PowerChina and Australian counterparts have become models of bilateral tech cooperation, realizing the synergy of wind power-energy storage integration and ecological protection with energy development⁵.

It is advised to deepen industry-university-research cooperation between the two countries, jointly establish a clean energy technology innovation fund, conduct joint R&D on core technologies such as grid-forming inverters and new energy storage, and promote technology exchange and achievement transformation in green mining and new energy power station operation and maintenance.

For Offshore Wind Energy, marine industry has also offered a platform with vast opportunities for Australia-China cooperation under ChAFTA, particularly in sub-sectors like renewable energy, sustainable fisheries and port infrastructure construction. In renewable energy, for instance, Australia possesses substantial offshore wind potential, along with targeted policy and financial support, while Chinese renewable energy industry has both the demand and growing trend to expand overseas.

In terms of offshore wind energy, the Australian government has advanced policy support for infrastructure construction. For instance, it has released the "Offshore Electricity Infrastructure Regulations" and "announced areas for offshore wind in Gippsland (Victoria)"⁶. To facilitate the implementation of several Gippsland projects, six feasibility licences have been secured in July 2024, which will contribute to the "proponents' environmental impact assessments" and "their applications for commercial licences to construct and operate offshore wind farms"⁷.

³ China Council for the Promotion of International Trade. (2026). In-depth restructuring of China-Australia new supply chain.

⁴ People's Daily. (2024, November 28). Broad prospects for China-Australia new energy cooperation.

⁵ National Energy Information Platform. (2025). Wu Kai of Goldwind: Green technology creates new value for China-Australia trade.

⁶ Global Wind Energy Council, GWEC Global Wind Report 2023, 2023, p. 15.

⁷ Global Wind Energy Council, GWEC Global Wind Report 2025, 2025, p. 53.

Moreover, China's offshore wind industry has also demonstrated investment demands overseas. The *Global Wind Report 2025* released by GWEC has mentioned the "price war" in Chinese wind industry market, which has been "sparked by the termination of feed-in tariffs" and will intensify domestic competition.⁸ In this context, for Chinese wind industry companies, expanding overseas markets and cooperation can avoid increasingly intense competition at home.

Therefore, Australia can align with Chinese demand, and leverage its expertise in environmental assessment and commercial licence application under policy support, while driving local employment and renewable industrial chain development through bilateral cooperation.

Healthcare

China's healthcare market is undergoing structural growth driven by population ageing, rising chronic disease prevalence and consumption upgrading. By 2025, people aged 60 and above reached 323.38 million (23.0%) and those aged 65 and above reached 223.65 million (15.9%)⁹. People aged 60 and above are projected to exceed 400 million by 2035 and 500 million by 2050¹⁰. More than 300 million people in China live with chronic diseases¹¹, and approximately 75.8% of Chinese adults aged 60 years and older suffer from at least one chronic disease¹². China's medical device market is projected to grow at a compound annual growth rate (CAGR) of 8.9% from 2024 to 2029, reaching \$55.2 billion by 2029¹³.

Under ChAFTA, China granted Australia unprecedented service-sector concessions: Australian providers may set up wholly foreign-owned hospitals in major Chinese cities and selected provinces. Notably, for the first time in any FTA, China opened its aged care market nationwide, allowing fully Australian-owned profitable senior care facilities across the country without geographic limits¹⁴.

Australia's Core Competitive Strengths

⁸ Global Wind Energy Council, GWEC Global Wind Report 2025, 2025, p. 33.

⁹ National Bureau of Statistics (NBS) of China. *2025 Statistical Communique on National Economic and Social Development* [EB/OL]. (2026-02-28)[2026-03-30]. Retrieved from https://www.stats.gov.cn/sj/zxfb/202602/t20260228_1962662.html?f_link_type=f_linkinlinenote&flow_extra=eyJpbmxbpmVfZGlzcGxheV9wb3NpdGlvbil6MCwiZG9jX3Bvc2l0aW9uIjowLCJkb2NfaWQiOiIzMjllN2MxMWRhZWZwNzgzLWJkYzU0YWU5MDJmODc5YmEifQ%3D%3D.

¹⁰ Ministry of Civil Affairs of the People's Republic of China. *Deepening the National Strategy for Responding Proactively to Population Aging*. (2024-10-12)[2026-03-30]. Retrieved from https://www.mca.gov.cn/n1288/n1290/n1314/c1662004999980001773/content.html?f_link_type=f_linkinlinenote&flow_extra=eyJpbmxbpmVfZGlzcGxheV9wb3NpdGlvbil6MCwiZG9jX3Bvc2l0aW9uIjowLCJkb2NfaWQiOiIjMzU4NjViYmI2MWM0TjJlWQ3ZDY3MWWiMTA2YWZmODgifQ%3D%3D.

¹¹ National Health Commission of China. (2025). *Report on nutrition and chronic diseases in China (2025)*[Report]. People's Medical Publishing House.

¹² Wang, Linmin, et al. "Study of the Prevalence and Disease Burden of Chronic Disease in the Elderly in China." *Chinese Journal of Epidemiology*, vol. 40, no. 3, 10 Mar. 2019, pp. 277-283, <https://doi.org/10.3760/cma.j.issn.0254-6450.2019.03.005>.

¹³ U.S. International Trade Administration. (2025, September 25). *China country commercial guide: Leading sub-sectors - Medical devices*. U.S. Department of Commerce. Retrieved from <https://www.trade.gov/country-commercial-guides/china-healthcare#:~:text=Medical%20Devices>.

¹⁴ DFAT. (n.d.). ChAFTA fact sheet: Trade in services. Australian Government Department of Foreign Affairs and Trade. Retrieved from <https://www.dfat.gov.au/trade/agreements/in-force/chafta/fact-sheets/Pages/chafta-fact-sheet-trade-in-services>.

Australia has distinct competitive advantages aligned with China's needs. Backed by the globally recognised TGA certification, Australia has more than 850 medical technology enterprises with strengths in assistive technologies, remote monitoring, respiratory devices and hearing implants¹⁵. Australia also provides mature aged care and chronic disease management models, high-value biologics, digital health tools and trusted health supplements¹⁶.

Pathways for Australia to Capture China's Market Opportunities

To capture these opportunities, Australia could strengthen regulatory alignment between TGA and Chinese authorities to streamline approvals, support enterprises to access procurement and insurance channels, and expand early market entry via pilot zones. Australia could also deepen joint innovation and establish a dedicated health dialogue under ChAFTA to address non-tariff barriers.

Agriculture

Agriculture has been an important driver of Australia's exports to China. Government facilitation is advised in the following two aspects:

1. Reducing Non-Tariff Barriers for Market Access

Empirical evidence indicates that ChAFTA has significantly expanded market access, particularly in sub-sectors such as forest products and aquatic products, which experienced growth rates of 473 percent and 376 percent respectively¹⁷. Current research suggests that agricultural NTMs are equivalent to a 19 percent tariff, imposing costs on exporters exceeding \$4 billion annually¹⁸. To address these barriers, it is recommended that the Australian government implement a systematic data collection framework to identify specific NTMs that disproportionately affect exports to China. This evidence should serve as the primary instrument for bilateral negotiations within ChAFTA technical committees to ensure that all measures remain justifiable under international trade law.

2. Strengthening Value Chains through Standards Alignment

Significant growth in Australia's textile-related agricultural exports, which rose by 361 percent, suggests China's demand for higher-value processed inputs¹⁹. It is recommended that the government facilitate a direct supply system connecting Australian farms to Chinese textile factories under the ChAFTA framework for wool, cotton, and other natural fibers. This system should be supported by the harmonization of Sanitary and Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT). Align standards for pesticide residues and

¹⁵ Medical Technology Association of Australia & Austrade. (n.d.). *Medical technology, devices and diagnostics industry capability report*. Retrieved March 30, 2026, from <https://www.mtaa.org.au/medical-technology-devices-and-diagnostics-industry-capability-report>.

¹⁶ Department of Foreign Affairs and Trade (DFAT). (n.d.). *Invested: Australia's Southeast Asia economic strategy to 2040 – Chapter 9: Healthcare*. Retrieved March 30, 2026, from <https://www.dfat.gov.au/countries-economies-and-regions/southeast-asia/invested-australias-southeast-asia-economic-strategy-2040/chapter-9-healthcare>.

¹⁷ Cai, Y., Chen, W. and Zeng X. (2025). "The impact of the China-Australia free trade agreement on China's agricultural imports." *Frontiers in Sustainable Food Systems*, 9:1553373.

¹⁸ ABARES (2026). *Snapshot of Australian Agriculture 2026*. ABARES Insights, Issue 1.

¹⁹ Cai, Y., Chen, W. and Zeng X. (2025). "The impact of the China-Australia free trade agreement on China's agricultural imports." *Frontiers in Sustainable Food Systems*, 9:1553373.

quarantine requirements for wool and cotton with China to reduce repeated testing and lower compliance costs. Use China's e-commerce platforms to launch a special section for Australian textile raw materials.

For the **wine** subsector,

1. Geographical indications and label compliance

China's GB 7718-2025 labelling standard permits Chinese labels to be affixed by printing or sticker, and allows production dates to be calculated based on the original label's shelf life.²⁰ However, many Australian SMEs lack awareness of these updates, leading to clearance delays and increased costs. It is recommended that DFAT and Wine Australia, through the ChAFTA joint mechanism, issue regular Chinese-language policy guidance and conduct training to help exporters stay compliant.

2. E-commerce and market diversification

Wine consumption in China is shifting to younger consumers and online channels. The March 2026 Chengdu Food and Drinks Fair attracted over 400,000 visitors, offering a strategic entry point to second- and third-tier cities.²¹ However, competitors such as Spain and Italy have gained ground in China's e-commerce space through livestream marketing, KOL partnerships, and strong platform relationships. Australian wine remains under-invested in these channels, lacking tailored marketing for young consumers and with SMEs unable to operate independently online. It is recommended that the Australian Government, through the ChAFTA joint mechanism, increase support for SMEs in China's e-commerce market, and draw on the experiences of Spain and Italy to strengthen platform partnerships and targeted marketing for younger consumers.

Tourism

Given that both China and Australia face increasing environmental pressures on key tourism destinations, there is clear potential to deepen bilateral cooperation under the framework of the China–Australia Free Trade Agreement (ChAFTA). Iconic sites such as the Great Barrier Reef in Australia and glacier or coastal tourism destinations in China have been significantly affected by climate change, including rising temperatures, ecosystem degradation, and increased environmental risks.²² These shared challenges highlight the need for a more coordinated approach to sustainable tourism development.²³

However, current ChAFTA provisions primarily focus on market access and trade liberalisation, with limited emphasis on environmental cooperation in the tourism sector. This creates a gap between expanding tourism flows and ensuring ecological sustainability.

To address this issue, both countries could consider incorporating a joint sustainable tourism initiative within the existing ChAFTA framework. This could include cooperation in environmental monitoring technologies, joint research on climate resilience, and the development of eco-friendly tourism standards. In addition, bilateral programs could promote

²⁰ National Health Commission, State Administration for Market Regulation, "National Food Safety Standard - General Principles for Prepackaged Food Labelling (GB 7718-2025)".

²¹ China Food and Drinks Fair Organizing Committee, 2026 Chengdu Food and Drinks Fair - Event Overview, 2026.

²² Publication: Great Barrier Reef Tourism Climate Change Action Strategy 2009-2012.

<https://elibrary.gbrmpa.gov.au/entities/publication/77d59019-e651-42b9-a0f3-e05049039a0a>

²³ Curnock, M.I., Marshall, N.A., Thiault, L. *et al.* Shifts in tourists' sentiments and climate risk perceptions following mass coral bleaching of the Great Barrier Reef. *Nat. Clim. Chang.* 9, 535–541 (2019). <https://doi.org/10.1038/s41558-019-0504-y>

low-impact tourism models and encourage knowledge exchange between protected areas. Therefore, a portion of tourism-related investment flows could be reallocated to environmental protection projects, particularly in climate-vulnerable destinations such as the Great Barrier Reef and fragile ecosystems in China. In addition, both governments could introduce a revenue-sharing mechanism, whereby a small percentage of tourism-generated income—such as park entry fees or tourism-related taxes—is earmarked for conservation purposes.

Such cooperation would not only help mitigate the environmental impacts of tourism but also enhance the quality and sustainability of bilateral tourism exchanges. In this way, ChAFTA could evolve from a trade-focused agreement into a more comprehensive platform for green and sustainable development.

Video Games

Among all sectors of Australian economy, the video game development industry seems not so important as other ones such as mining and agriculture. However, as the global (including China) success of *Fruit Ninja*, *Crossy Road*, *Hollow Knight*, etc. suggests, the opportunities for the Australia-made video games may be underestimated. Consequently, it is necessary that the Australian video game development industry be more stressed, and video games may be more promoted in the trades between Australia and China.

According to IGEA, an association dedicated to providing advice for Australian and New Zealand video game developers, the Australian video game industry in the year 2025 has gained a total income of 608.5 million Australian dollars²⁴, nearly twice the income in the previous year (339.1 million) and in 2023 (345.5 million) each²⁵. Earlier data by the Australian Bureau of Statistics, which are also the latest official data, show that the total income was 459.3 million Australian dollars in the years 2021-22²⁶. Notably, the surge of income in 2025 was supposed to be related to *Hollow Knight: Silksong*, the long-awaited sequel to *Hollow Knight*, which, since its release on 4 September 2025, was estimated to gained a revenue of 50 million US dollars (approximately 70 million Australian dollars, with China being the second largest market) in three days on Steam, the world's largest game distributor²⁷. Such numbers suggest that the Australian video game industry, albeit small in size, does have the potential to further burgeon with globally renowned game IPs.

Furthermore, multi-platform and mobile games are preferred over PC and console exclusives. Although more recent data are unavailable, at least it can be learned from the Australian Bureau of Statistics that in the year 2021-22 there were in total 119 multi-platform games and 123 mobile and web games compared to 46 PC, Mac and console games, and that their development cost 72.6, 75.2 and 28.0 million Australian dollars respectively²⁸. On the other

²⁴ Wolfe, S. E. (2026, March 17). Australia's video game industry shows revenue of AU\$608.5 million. *IGEA*. <https://igea.net/2026/03/agds-2025/>

²⁵ Knowles, R. (2024, December 18). Australian video game development industry stays steady, generating \$339.1 million for the economy. *IGEA*. <https://igea.net/2024/12/australian-video-game-development-industry-stays-steady-generating-339-1-million-for-the-economy/>

²⁶ Australian Bureau of Statistics. (2023). *Film, television and digital games, June 2023* [XLSX]. <https://www.abs.gov.au/statistics/industry/technology-and-innovation/film-television-and-digital-games-australia/2021-22-financial-year/FTVDC01.xlsx>

²⁷ Elliott, R. (2025, September 9). *Silksong passed 5M players in three day*. The Alinea Insight Newsletter. <https://alineaanalytics.substack.com/p/silksong-passed-5m-players-in-three>

²⁸ Australian Bureau of Statistics. (2023). *Film, television and digital games, June 2023* [XLSX]. <https://www.abs.gov.au/statistics/industry/technology-and-innovation/film-television-and-digital-games-australia/2021-22->

hand, multi-platform games were also the most lucrative genre with a total income of 181.6 million Australian dollars in 2021-22, followed by mobile and web games with an income of 81.8 million Australian dollars²⁹. The aforementioned *Hollow Knight* (including *Silksong*) is a typical multi-platform game (released on PC, Mac, PlayStation, Xbox, Nintendo Switch, etc.), while *Fruit Ninja* and *Crossy Road* are typical mobile games.

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²⁹ Australian Bureau of Statistics. (2023). *Film, television and digital games, June 2023* [XLSX].

<https://www.abs.gov.au/statistics/industry/technology-and-innovation/film-television-and-digital-games-australia/2021-22-financial-year/FTVDC01.xlsx>