



Business Council of Australia

2 April 2026

Ravi Kewalram
First Assistant Secretary
Free Trade Agreements and Stakeholder Engagement Division
Department of Foreign Affairs and Trade
Via email: FTAModernisation@dfat.gov.au

Dear Mr Kewalram

The Business Council of Australia (BCA) welcomes the opportunity to input into the General Review of the China-Australia Free Trade Agreement.

The BCA is Australia's peak business organisation comprising the chief executive officers of the country's most impactful companies. The BCA advocates for good policy on behalf of the business community and the Australians they employ. The BCA works to ensure Australia is economically strong to support a fair, free and inclusive society for all Australians.

Overview

Trade between Australia and China remains vital for the economic prosperity of both nations. China is Australia's largest two-way trading partner, accounting for around 25 per cent of our global goods and services trade. Our economies continue to have many complementarities, including through Australia's significant exports of resources and agricultural goods, which have supported China's growth and prosperity. Investment ties between Australia and China are broadening beyond traditional sectors, with growing engagement in decarbonisation, including low-emission steelmaking.

The BCA welcomes the normalisation of trade relations between Australia and China, underpinned by constructive and respectful political dialogue. Ongoing investment in personal and business-to-business connections is critical for sustaining and expanding our trade relationship. To this end, the BCA has been pleased to convene the Australia-China CEO Roundtable since 2010, most recently in Beijing in July 2025 in partnership with the China Development Bank.

ChAFTA's importance

The China-Australia Free Trade Agreement (ChAFTA) remains a cornerstone of the bilateral economic relationship. In the decade since ChAFTA entered into force, Australia's two-way trade with China has more than doubled, growing from \$151 billion in 2015 to \$312 billion in 2024. ChAFTA has delivered immense benefits to both countries, enhancing our competitive positions in each other's markets, boosting economic growth and creating jobs. Businesses have taken advantage of lower tariffs under the agreement, with utilisation rates exceeding 90 per cent in both directions.

The BCA welcomes the renewed effort by both governments to undertake the General Review of ChAFTA. This Review offers an opportunity to further strengthen the agreement and ensure the benefits are fully realised.

At a time of global economic uncertainty, the need to diversify and strengthen Australia's trade and investment relationships and demonstrate tangible gains from the rules-based trading system has never been greater.

The BCA recommends that the Government consider the following actions as part of the General Review. These include seeking greater market access where possible and ensuring the agreement is fit for purpose in capturing emerging opportunities for businesses in both countries.

- **Recommendation 1:** Seek expanded market access in key sectors affected by regulatory constraints

Despite the significant liberalisation achieved under ChAFTA, Australian exporters continue to face constraints across key agricultural sectors, including tariff rate quotas for products such as rice and beef.

Regulatory and administrative hurdles also persist in services trade. Australian financial institutions face licensing restrictions and operational constraints. Australian education institutions face regulatory uncertainty for transnational education, as well as inconsistent recognition of their offerings. In addition, restrictions on the scope of practice and requirements for local partnerships limit the ability of Australian professional services firms to operate effectively.

Expanding market access in these areas would deliver substantial commercial benefits for Australian businesses, while also supporting key Chinese priorities, ranging from food security to workforce development, and reinforcing the bilateral economic relationship. Increased market access could be complemented by enhanced cooperation to build mutual capability, including in smart agricultural systems such as irrigation, precision farming, and technology adoption.

- **Recommendation 2:** Address persistent non-tariff barriers, digitise rules of origin processes and expand self-declaration to reduce compliance costs

ChAFTA has delivered significant value where tariff reductions are clear and predictable. However, targeted and practical reforms are needed to translate formal market access into consistent commercial outcomes for Australian businesses.

Non-tariff barriers continue to dilute the benefits of preferential tariffs. Regulatory uncertainty, as well as complex licensing and customs processes, can significantly undermine the commercial value of the agreement. While there has been strong progress in China, non-tariff barriers inhibiting market access persist in key sectors, and the operating environment remains challenging. These barriers include high compliance costs for meat products, registration and certification requirements for dairy, and customs clearance delays affecting seafood exports.

Rules of origin, in particular, remain a key barrier. Documentation requirements, certification costs and audit risks often outweigh tariff benefits, especially for low-volume trade.

The BCA considers that the General Review should prioritise measures to enhance utilisation of the agreement. This includes simplifying and digitising rules of origin processes, expanding the use of self-declaration, and improving guidance to support businesses in navigating requirements.

- **Recommendation 3:** Advance interoperability in the energy transition and sustainable finance through strengthened regulatory cooperation

As China and Australia advance their respective decarbonisation agendas, increasing demand for international expertise, capital and technology is creating significant opportunities to deepen bilateral trade and investment. To fully realise this opportunity, the BCA recommends enhanced bilateral cooperation to improve interoperability between the two countries' sustainable finance frameworks.

Greater alignment in energy transition activities and sustainable finance taxonomies would reduce regulatory friction for investors, streamline due diligence processes, and facilitate more efficient cross-border capital flows.

Practical mechanisms to support interoperability could include structured regulatory dialogue, technical cooperation between relevant authorities, and provisions promoting transparency in sustainable finance frameworks.

- **Recommendation 4:** Strengthen bilateral notification mechanisms to provide advance consultation on material policy changes

While ChAFTA includes general transparency and consultation mechanisms, there is scope to strengthen advance notification mechanisms, particularly in relation to global safeguard measures and other regulations that may materially affect bilateral trade.

China's recent global safeguard measure on beef imports from 2026 to 2028 has significantly constrained the volume of Australian beef entering the Chinese market. For Australian exporters, the imposition of a country-specific tariff-rate quota has reduced effective market access and created significant uncertainty across the supply chain.

The BCA considers there is merit in strengthening provisions on transparency, consultation, and advance notice where global safeguard measures are contemplated, especially where they may have a disproportionate impact on either partner or limit their ability to realise the benefits of existing bilateral commitments.

Greater cooperation could also help mitigate the unintended impacts of export controls, including the effects of critical minerals export controls on the production of essential goods such as life-saving medical devices.

Strengthening these transparency commitments would enhance predictability for exporters and reinforce confidence in ChAFTA as a stable and reliable framework for bilateral trade, fostering continued growth in the Australia-China economic relationship.

- **Recommendation 5:** Expand access in services trade, including through mutual recognition of qualifications to support professional mobility

Enhanced mutual recognition of professional qualifications represents a practical and underutilised avenue to deepen services trade between Australia and China. While ChAFTA includes provisions to encourage mutual recognition, progress to date has been limited. The BCA considers there is scope to strengthen these arrangements through a more structured and outcomes-focused approach that facilitates recognition across priority sectors.

Improving mutual recognition would reduce administrative barriers, lower compliance costs, and enable Australian professionals and firms to more effectively operate in the Chinese market, and vice

versa. This is particularly important in sectors where Australian expertise is globally competitive and in demand, including healthcare, engineering, financial services, education, and professional services.

Strengthening mutual recognition would support deeper economic integration, improve labour mobility, and reinforce the role of services as a key pillar of the bilateral economic relationship.

Enhanced institutional frameworks to support mutual recognition could include establishing dedicated bilateral working groups for priority professions, setting clear timelines for outcomes, and promoting greater transparency in licensing and accreditation requirements.

■ **Recommendation 6:** Support capital flows

Businesses continue to face complexity and uncertainty in navigating approval processes and regulatory requirements around investment. Enhancing transparency and streamlining administrative processes would improve investor confidence and reduce barriers to market entry and expansion. Withholding tax settings could also be reviewed as part of broader efforts to support cross-border capital flows.

The BCA also recommends leveraging China's existing Special Economic Zones as platforms for trialling streamlined approvals processes and enhanced mutual recognition of qualifications.

More broadly, the BCA considers that meaningful reforms under the General Review, informed by a pragmatic and outcomes-driven approach, will cement ChAFTA as a platform for long-term economic cooperation between Australia and China and ensure the agreement remains commercially relevant into the future.

The BCA trusts this submission is of assistance and welcomes further engagement on the recommendations outlined above.

Yours sincerely



Bran Black

Chief Executive

Business Council of Australia