



## ChAFTA Version 2.0 Proposal

*A Strategic Framework for Future Cooperation by "Joint Capacity"*

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### Executive Summary

The proposed *China–Australia Free Trade Agreement (ChAFTA) Version 2.0* represents a forward-looking initiative to modernize the existing agreement and deepen the economic partnership between the two nations. Building on the solid foundation of the original ChAFTA, Version 2.0 seeks to respond to the dynamic trade environment, embrace shared development priorities, and strength areas of cooperation.

The enhancement will focus on sustainable growth, renewable Energy, digital transformation, and strengthened supply-chain resilience, positioning both countries to capitalize on opportunities in a changing economic landscape. ChAFTA V2.0 will serve as a catalyst for innovation, competitiveness, and mutual prosperity across diverse sectors, reinforcing the long-term strategic partnership between China and Australia.

### Background

CHAFTA FORUM, a non-profit organisation, the purpose of set up to help ChAFTA processing more efficient, including last decade to promote the trade to China, Next decade will focus on Commercialisation of research, Industry-led innovation and Investment partnerships. The ChAFTA Forum will serve as an industry cooperation platform, will work close with industry leaders cross the main areas, including but not limited to Australian Made Campaign Limited, Smart Energy Council. The Forum will be held annually on a rotating basis between Australia and China. Functions include:

- Advocate the government for the update of the ChAFTA V2.0;
- The platform to have the voice from the industries;
- Policy dialogue and consultation;
- Project incubation and investment matching;
- Industry engagement and partnership development;
- Annual progress review of ChAFTA V2.0;
- International development and engagement.

More details, please go to: [www.chaftaforum.com.au](http://www.chaftaforum.com.au)

### 1. Strategic Context

Since its inception, ChAFTA has delivered substantial benefits to both economies—driving trade, investment, and cooperation. However, the rapid evolution of technology, the rise of new industries, and global disruptions now require a refreshed, future-ready framework. Key drivers for the upgrade include:

- **Economic Modernization:** Align trade rules with the realities of a digital, technology-driven economy.
- **Sustainability Commitments:** Address environmental challenges through joint green initiatives.
- **Resilient Supply Chains:** Create mechanisms to ensure reliable access to focus industry

- Regional Influence: Strengthen cooperation to enhance Asia-Pacific stability and integration.

ChAFTA V2.0 is therefore not merely an update—it is a strategic renewal of shared purpose, ensuring both economies remain competitive, adaptable, with the force of “Joint Capacity” for decade ahead.

## 2. Strategic Objectives for ChAFTA V2.0

The upgraded agreement shall pursue the following objectives:

1. *Modernize Trade Rules and Standards*  
Introduce provisions on digital trade, intellectual-property protection, and data governance to support innovation, make sure data security as the priority.
2. *Enhance Market Access and Investment*  
Expand opportunities in services, agriculture, education, health care (including the Chinese medicine), and green technology by streamlining regulatory frameworks and reducing non-tariff barriers.
3. *Advance Sustainable Development and Green Cooperation*  
Embed commitments to environmental stewardship, renewable-energy collaboration, and circular-economy initiatives in line with both nations’ carbon-neutrality goals.
4. *Strengthen Supply-Chain Security and Resilience*  
Develop cooperative mechanisms to stabilize trade in critical minerals, agricultural products, and essential manufacturing inputs.
5. *Deepen Industry collaboration and Knowledge Exchanges*  
Expand academic, and innovation partnerships fostering long-term collaboration and trust. Including the certificate recognition, and training.
6. *“Joint Capacity” the areas that strength two nations advantage*  
Including but not limited to Joint development into resources; Joint -investment into the key areas such as green economy, advanced manufactory with the supply chain; Join draft the industry standard in Green and digital economy.

## 3. Strategic Industry Priorities

ChAFTA V2.0 shall focus on priority sectors that reflect shared strategic and economic interests—serving as engines for bilateral innovation and sustainability. Priority sectors include:

1. *Renewable Energy and Clean Technology* – Cooperation in solar, wind, hydrogen, and carbon-capture projects. Which also help the energy transforming.
2. *Digital Economy and Artificial Intelligence* – Cross-border digital standards and cybersecurity frameworks.
3. *Agriculture and Agri-Tech* – Innovation in sustainable farming, biosecurity, and premium market access.
4. *Education, Research, and Innovation* – Joint research centres and institutional collaboration in future industries. And also, the commercialise. This including the citification recognition plus professional training.
5. *Healthcare and Life Sciences* – Partnerships in medical technology, clinical research, and health resilience. This shall include Chinese medicine practise in Medicare system.
6. *Green Minerals and Advanced Manufacturing* – Transparent supply chains into the green ecosystem to support **“Future Made Australia”**

## 4. Cooperation Framework for ChAFTA V2.0 (2026 – 2035)

This framework establishes a ten-year roadmap shall design with “Joint Capacity” for accountability, coordination, and measurable outcomes

### A. Governance and Institutional Mechanisms

- Establish a *ChAFTA 2.0 Joint Coordination Council* comprising senior government, industry, and academic and business representatives.
- Hold annual *Strategic Dialogue Meetings* to review progress and identify new opportunities.
- Through CHAFTA FORUM annual to exchange and communicate between government and industries.

### B. Phased Implementation Roadmap

1. 2026 – 2031 (Fundamental Phase): Modernize regulations, launch pilot projects, and finalize technical standards, plus training . Scale up investments, deepen joint research, and integrate emerging technologies.
2. 2031 – 2035 (Consolidation Phase): Evaluate outcomes, strengthen institutional ties, and align with global trade trends.

### C. Working committee

A joint working committee can engage third party such as CHAFTA FORUM to help consolidate the professionals to work on facility the issues and achieve the goal of “Join Capacity”. Also establish transparent performance metrics to ensure continuous improvement and accountability.

## Conclusion

ChAFTA Version 2.0 embodies a shared vision for a new era of China–Australia cooperation— forward-looking, sustainable, and inclusive. By modernizing trade rules, expanding industry partnerships, and investing in innovation and green economy, both nations can strengthen economic resilience and competitiveness.

This upgraded framework offers a strategic roadmap that balances opportunity with responsibility, aligning national interests with “Join Capacity” for regional stability and progress. Through ongoing dialogue, mutual respect, and collaboration, ChAFTA V2.0 shall advance shared prosperity and reaffirm the enduring partnership between China and Australia within the Asia-Pacific region.

By adopting a Industry -Technology driven, coordinated, and forward-looking approach, ChAFTA V2.0 which leverage the “CO-CAPACITY” of two countries, shall support Australia sustained economic growth, strengthen bilateral stability, navigate an increasingly complex environment into accelerated new chapter.

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