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Submission – General Review of the China-Australia Free Trade Agreement (ChAFTA)

Freight & Trade Alliance (FTA) is the peak body representing the international trade and logistics sector, including freight forwarders, customs brokers, importers, exporters, and logistics service providers. FTA also acts as Secretariat to the Australian Peak Shippers Association (APSA), the designated peak shipper body under Part X of the Competition and Consumer Act 2010, representing the interests of Australia's major exporters and importers.

This submission focuses on practical impediments experienced by industry in utilising ChAFTA preferences, particularly in relation to certificates of origin (CoO). While the Agreement has delivered significant trade benefits, current origin documentation requirements are limiting accessibility and, in some cases, undermining the intended outcomes of preferential trade.

A key issue is the restricted use of self-certification. Many of Australia's other free trade agreements allow importers to rely on declarations of origin completed by exporters or manufacturers. Under ChAFTA, this pathway is not generally available unless supported by an advance ruling.

In practice, this mechanism is not functioning effectively. Advance rulings are limited in scope, applying only to the specific goods covered by the application. Any variation in the product—however minor—requires a new ruling, creating an administrative burden that is disproportionate to the commercial reality of frequently changing product lines.

This rigidity adds unnecessary cost and complexity for importers and exporters, discouraging utilisation of ChAFTA preferences. A shift towards broader acceptance of self-certified origin declarations would significantly streamline processes, reduce compliance costs, and align ChAFTA with more contemporary trade facilitation practices. Government-issued CoOs could remain available as an alternative for traders who prefer that model.

A further practical constraint relates to the retrospective application of preferential treatment. Currently, CoOs are only valid for 12 months from the date of export.

However, in many cases, duty liability is only finalised after the resolution of classification disputes, which can extend well beyond this period. Australian Border Force retains the ability to review import declarations for up to four years, yet importers are unable to obtain valid origin documentation beyond the 12-month export window.

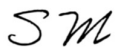


This misalignment creates an inequitable outcome where goods that are genuinely eligible for preferential treatment under ChAFTA are nevertheless subject to duty due to procedural limitations. Allowing CoOs to be issued retrospectively for up to four years, and recognising validity from the date of issue rather than export, would address this gap and ensure the Agreement operates as intended.

It is acknowledged that there may be concerns regarding the reliability of self-certified origin documentation. However, comparable agreements—such as New Zealand’s FTA with China—demonstrate that self-certification can operate effectively with appropriate compliance frameworks in place.

In summary, targeted reforms to origin certification processes, particularly the introduction of self-certification and greater flexibility in retrospective documentation, would materially improve the utilisation and effectiveness of ChAFTA. These changes would better align the Agreement with modern trade practices and reduce unnecessary barriers for legitimate trade.

Yours sincerely,



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