

6 March 2026

Dear colleagues,

Thank you for the opportunity to make a submission to the General Review of the China–Australia Free Trade Agreement (ChAFTA).

I make this submission in an individual capacity as an academic economist at the University of Technology Sydney, specialising in the Australia–China economic and broader relationship. I have been an active participant in Australia’s public debate on ChAFTA’s merits since it was announced in late 2014 that negotiations had reached a successful conclusion.

Individual companies and business peak bodies are best placed to advise on how ChAFTA can be revised to best unlock future opportunities. I instead aim my submission at ensuring the General Review begins from a rigorous analysis of ChAFTA’s outcomes to date.

Prior to ChAFTA’s enactment, and extending into its initial years of operation, ChAFTA was subjected to numerous criticisms. These included claims that it would lead to massive job losses for Australian workers, erode workplace safety standards, and, in strategic terms, result in Australia’s economic subordination to China. I have recently assessed these claims in peer-reviewed research and collaborated with a colleague at East China Normal University to also consider ChAFTA’s outcomes from a Chinese perspective.

I attach a copy of this open-access research, along with an associated report, and summarise the findings as follows.

1. In the decade that followed ChAFTA’s enactment, the Chinese market outperformed across almost all categories of Australia’s goods and services exports and imports. Of course, not all of this outperformance owes to the liberalisation that ChAFTA engendered. Nonetheless, Australia’s trade performance is particularly striking in product categories where tariff reductions were most prominent. Also consistent with ChAFTA having positive marginal effects is the fact that Australia’s share of China’s total goods imports rose from 4.4% in 2015 to an average of 5.7% in the decade that followed.
2. After ChAFTA’s enactment, rather than increasing, the number of temporary resident (skilled) visas granted to Chinese nationals fell, as did their proportion of the total. Employment data also show that a decade later there were more jobs in Australia’s manufacturing sector, not fewer.
3. Contrary to some media headlines, there is no convincing evidence that ChAFTA has eroded Australian workplace safety.
4. Despite the share of Australia’s trade involving China increasing, there is no convincing evidence that ChAFTA has compromised Canberra’s sovereign foreign policy and strategic decision-making.
5. It is true that Beijing has not always acted in a way that is consistent with ChAFTA’s letter and spirit. It is wrong, however, to claim, as some commentators have, that ChAFTA is “not worth the paper it’s written on today”. Even during the period of acute bilateral political and trade tension in 2020–22, Beijing continued to implement scheduled tariff

reductions and quota increases. Both capitals also continued to support ChAFTA's alignment with World Trade Organization processes, and these provided an independent and structured off-ramp that led to the resolution of several disputes.

6. A Chinese assessment of ChAFTA's merits is more qualified. The Chinese side had reason to expect that ChAFTA would lead to Australia being more open to investment and treating its goods in the same way as those from other countries for anti-dumping purposes. Neither of these outcomes has eventuated.

Best regards,

James Laurenceson