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Ref: NF/DC/TRADE31DEC2025

31 December 2025

Department of Foreign Affairs and Trade

R.G. Casey Building
John McEwen Crescent
Barton ACT 0221 Australia

By Email: FTAModernisation@dfat.gov.au

To Whom It May Concern,

Re: Southeast Asia Free Trade Agreement Modernisation – AgForce Submission.

AgForce Queensland Farmers Ltd is the peak representative body for Queensland's cane, cattle, grain, and sheep, wool and goat producers. Together, these industries generated approximately \$11.2 billion in on-farm value of production in 2022-2023. AgForce's purpose is to advance sustainable agribusiness and to support the long-term growth, viability, competitiveness and profitability of Queensland agriculture. More than 6,000 farmers, individuals and agribusinesses support AgForce through membership, collectively owning and managing approximately 55 million hectares—around one-third of Queensland's land area. Queensland producers supply high-quality food and fibre to domestic and international markets, contribute significantly to the social and economic fabric of regional, rural and remote communities, and play a central role in stewardship of the state's natural environment.

AgForce strongly welcomes the Australian Government's decision to review and modernise the South-East Asian FTA network. The priority is not simply new headline market access commitments. It is through the lens of whether the architecture of Australia's FTAs with South-East Asia (and those being negotiated with non-SEA countries) are fit-for-purpose for a production economy like Queensland's, whether it reduces non-tariff friction in practice, whether it makes existing preferences usable by small and medium exporters, and whether it supports long-term investment into Northern Australia to unlock Queensland's full sustainable economic potential.

AgForce recommendations:

The SEA FTA modernisation process consider the following priorities:

- shift from a philosophy of nominal market access to one of market integration, focusing on the practical plumbing of trade-harmonising audits, digitising compliance, rationalising rules of origin, and unlocking Northern Australia.
- resolve the regulation web through a Single Origin Window; secure genuine audit mutual recognition through AANZFTA upgrades and the RCEP built-in agenda;
- pilot digital labelling solutions with key partners;

- embed producers in negotiation processes to ensure requests and outcomes are needed and beneficial;
- develop green trade lanes for cane-based biofuels;
- promote Australia's agricultural productive capacity in negotiations rather for long term sustainable agreements that leverages Australia's unique value the most
- shift from a philosophy of nominal market access to one of market integration, focusing on the practical plumbing of trade-harmonising audits, digitising compliance, rationalising rules of origin, and unlocking Northern Australia.
- lead development of a Single Origin Window: a government-backed digital platform where exporters input a bill of materials once and the system calculates eligibility and generates ROO(Rules Of Origin) documentation across AANZFTA, RCEP, and CPTPP, consistent with the paperless and digital trade direction in modern FTA architecture.^{2 6}
- Development and implementation of domestic sustainability and environmental clauses must be drafted to avoid open-ended regulatory creep, and producers should be present in negotiations to ensure common sense inform text and implementation. Excessive compliance particularly in non-consumer compensated areas decreases price competitiveness of Australian commodities through increased production cost. Also jeopardising the long term business sustainability of the affected industries.

Trade Relationships

Queensland agriculture is highly exposed to export variabilities, trade conditions and market distortions. Queensland's production system is not an entrepôt model. It is a land-based production economy supplying raw and lightly processed food and fibre to global value chains, underpinned by a unique biosecurity status and a proven capacity to convert extensive rangelands and high-quality irrigation districts into safe, reliable product. South-East Asia is one of Queensland's most important growth regions and a natural economic partner.

Australia's agricultural export relationship with Southeast Asia has strengthened markedly under existing Free Trade Agreements, particularly the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) and the Indonesia–Australia Comprehensive Economic Partnership Agreement (IA-CEPA), alongside the region-wide framework of the Regional Comprehensive Economic Partnership (RCEP) and the additional overlay of CPTPP and key bilateral agreements.² Agriculture remains one of the most internationally integrated sectors of the Australian economy, with around 70 per cent of agricultural production exported, with Beef and veal, and wheat among the largest export commodities by value.³ Australia's agricultural exports to Southeast Asia have also risen materially in recent years; evidence to the Parliament records an increase from \$11.3 billion (2019) to \$17.7 billion (2023) in agricultural exports to Southeast Asia.⁴ These gains align with tariff liberalisation and procedural commitments under AANZFTA and IA-CEPA, with RCEP now providing an additional platform for supply chain integration across fifteen member economies, including through rules of origin settings and committee structures.^{2 5 6}



Challenging Emerging Trade Risk:

A strictly tariff-centric analysis now conceals emerging risks. While tariff liberalisation has delivered statutory access, the contemporary trade environment is increasingly defined by behind-the-border friction, these include: Non-tariff barriers (NTBs)—including divergent sanitary and phytosanitary (SPS) measures, opaque administrative procedures, inconsistent audit practices, differing halal and labelling rules, and the proliferation of private sustainability standards now constitute a primary constraint on Australian agricultural competitiveness.

International evidence bases and multilateral reporting consistently identify Non Tariff Measures (NTMs) as significant drivers of trade cost, delay and uncertainty, particularly for food and agricultural goods.^{7 8} The consequence is that “tariff free” can still mean slow, expensive, and uncertain at the border, with real costs flowing back to producers through lower prices, delayed sales, and heightened risk. At the same time, global competition in protein and grains remains intense, including from major South American suppliers and Black Sea grain exporters in periods when supply chains are functioning, narrowing Australia’s margin for error in commodities where geographic proximity historically delivered an advantage.^{7 8} The SEA FTA modernisation agenda should therefore shift from a philosophy of nominal market access to one of market integration, focusing on the practical plumbing of trade-harmonising audits, digitising compliance, rationalising rules of origin, and unlocking Northern Australia.

AgForce contends that Australia’s trade strategy should avoid over-reliance on non-tangible service exports such as education and consultancy; currently valuable, but not anchored in physical supply chains and vulnerable to erosion through trade peer equivalency, and instead reinforce productive capacity and sustainable raw goods where Australia’s comparative strengths are structural.

Agricultural goods exist in a unique commodity class as true renewable and sustainable goods that are infinitely inexhaustible assuming continuing production averages, and value competitive as non-replicable items at scale in ally and trade partner economies.

Growth of nations

DFAT’s Southeast Asia Economic Strategy (Moore Paper) to 2040 frames the region as a major growth partner and highlights the breadth of Australia’s engagement, including services and education, alongside trade in goods.⁹ Australia’s durable strategic advantage lies in productive capacity: the ability to produce safe, high-quality food and fibre at scale, in a unique geozone, with strong biosecurity and credible environmental and animal welfare controls.

Queensland contributes materially to that national proposition, including through the scale of Queensland’s agriculture and food exports in 2024–25.¹ A modernised SEA FTA network should reinforce this fact of reality rather than embed an implicit model where Australia is expected to export “knowledge” while under-investing in the infrastructure, rules, and certainty required to expand physical production; particularly in the North.

ASEAN comprises eleven member states with a combined population of approximately 680 million.¹⁰ Economic growth across the region continues to lift incomes and drive dietary change towards higher-protein and value-added food products, supporting sustained growth in demand for imported food and agricultural inputs.¹¹ Many ASEAN countries actively legislate and invest to safeguard sovereign agricultural capability, supply-chain resilience and food security. ASEAN’s own Strategic Plan of Action for Food, Agriculture and Forestry explicitly recognises food security as a core policy objective, stating that the region



seeks to “ensure long-term food security, food safety and better nutrition, while enhancing the resilience of ASEAN agriculture to climate change, market volatility and external shocks.”²⁷ In this context, Australia’s proximity, complementary seasonal production cycles and strong biosecurity credentials position it as a trusted, reliable and consistent supplier. This reputation is a strategic asset that underpins deeper trade relationships, reinforces diplomatic confidence, and supports dependable, mutually beneficial market access under a modernised trade framework.

As food security increasingly becomes a key priority and driver of policy it is natural to leverage Australia’s ability to provide this confidence as a trading partner. This is not a suggestion to debase Australia’s economic export complexity to the lowest rating as a raw commodity exporter; but acknowledging our unique ability to do so as what was once an agrarian nation and working with our trading partners then in the value add of these products intra region.

Competitor nations sovereign policy agendas

OECD analysis indicates that agricultural trade remains shaped by policy settings and cost competitiveness, and that exporters face persistent competitive pressure in global agricultural markets.⁷ This reinforces the importance of RCEP, AANZFTA, and IA-CEPA as systems frameworks that can reduce border friction, improve predictability, and integrate Australian production with regional processing and distribution capacity.

AANZFTA has governed Australia–ASEAN trade since January 2010. The Second Protocol to amend AANZFTA upgrades rules and procedures across areas including trade facilitation and economic cooperation, and entered into force on 21 April 2025 for Australia, New Zealand and those ASEAN Parties that had completed ratification at that time, with entry into force for remaining ASEAN Parties occurring as each completes its domestic processes.^{12 13} IA-CEPA entered into force in July 2020, building on AANZFTA by securing tariff elimination or reduction on a range of agricultural products and embedding economic cooperation principles that recognise capacity and systems as trade constraints.⁵

RCEP sits alongside these agreements as the broadest regional framework, particularly relevant to rules of origin (ROO) cumulation, supply chain integration, and the formation of region-wide committee processes that can be leveraged to reduce duplication and divergence.⁶ This matters for Queensland because the practical decisions producers make; whether to invest, expand, diversify, or value add, depend on whether access is durable and usable.

Australia’s Agricultural Trade Nexus

In 2023–24, Australia’s agricultural exports were valued at \$71.6 billion, with beef and veal \$12.4 billion, wheat \$9.9 billion, and other major commodities including barley \$3.3 billion, sugar \$3.0 billion, and wool \$3.0 billion.³ ASEAN collectively accounts for a vital import share and DFAT’s published data indicates Indonesia, Vietnam, the Philippines and Malaysia as major markets for Australian agricultural exports in 2023–24.³

For Queensland specifically, agriculture and food exports were \$15.6 billion in 2024–25, with strong performance across key commodity lines over the period.¹ For sugar, Queensland is the dominant producing state, with Australian Government material stating that around 95 per cent of Australian sugar is produced in Queensland and that Queensland raw sugar exports generate export earnings above \$2 billion in some years.¹⁴ This uplift demonstrates that the FTA framework works at a high level. The challenge now is removing residual friction that prevents full utilisation of preferences and deters further private investment, particularly in the North.



Australian Northern Development and Modernisation

AgForce considers the development of Northern Australia central to any serious SEA FTA modernisation. Federal laws and regulatory settings that effectively cap expansion of the North, through infrastructure bottlenecks, environmental approvals, shipping regulation, telecommunications deficits, and biosecurity policy uncertainty undermine the long-term value of the FTAs under review.

The live cattle trade is the clearest example. Under IA-CEPA, Australia and Indonesia agreed improved arrangements for live cattle access, including a growing duty-free quota framework referenced in DFAT's IA-CEPA outcomes material.⁵ This has been material for Northern Queensland and the Northern Territory. The strategic proposition remains that Australian production capacity can be integrated with South-East Asian feeding, slaughter and processing capacity where partner policy settings favour local value adding, and where the trade spine (ports, vessels, regulatory interoperability) can respond at speed.

Port and shipping capacity is enabling infrastructure for the SEA FTA network, not a peripheral issue. Live export data reported by industry sources and regional media records that Darwin reached over 440,000 head exported in the 2024–25 financial year, described as a decade-high level.^{15 16} Townsville and other Queensland ports are important strategic alternatives, providing redundancy and competitive discipline. Any slowdown in live export capacity caused by under-investment in ships, port logistics constraints, or ad hoc policy shocks will not reduce demand for beef protein in South-East Asia. It will divert that demand to alternative suppliers, reshaping supply chains in ways that can be difficult to unwind. Modernisation should explicitly recognise Northern port and shipping capacity as core to the trade spine for both live export and bulk commodities. This includes harmonising Australian Maritime Safety Authority (AMSA) requirements with regional maritime rules and investing in digital and telecommunications infrastructure at ports and in regions to support compliance tools increasingly required under SPS and animal welfare disciplines.

Queensland producers and processors operate within a web of overlapping FTAs. A single shipment of processed food to Vietnam may be eligible under AANZFTA, CPTPP, or RCEP, each with different rules of origin, certification methods, and compliance costs.^{2 6} RCEP is particularly relevant because it provides region-wide rules of origin and cumulation settings intended to support supply chain integration across the membership.⁶ The modernisation review should treat this as a practical utilisation problem.

AgForce recommends DFAT and DAFF lead development of a Single Origin Window: a government-backed digital platform where exporters input a bill of materials once and the system calculates eligibility and generates ROO documentation across AANZFTA, RCEP, and CPTPP, consistent with the paperless and digital trade direction in modern FTA architecture.^{2 6}

Audit fatigue remains an unresolved issue. Despite SPS chapters and committee structures, processors still face multiple market-specific audit and listing requirements across importing countries. RCEP's SPS chapter establishes cooperation mechanisms but does not, by itself, create automatic equivalence of inspection systems.¹⁷ The modernisation process should therefore pursue explicit MRAs or systems recognition outcomes through the upgraded AANZFTA architecture and the relevant RCEP committee processes, with a clear objective: one Australian standard overseen by DAFF recognised across the region where scientifically and regulatorily appropriate, reducing duplication that adds cost without commensurate safety gains.

Digital labelling is a practical reform at the intersection of trade facilitation, consumer information, halal, and changing domestic regulation. Divergent CoOL, halal, and regulatory information requirements drive repeated over-stickering and reprinting. A regionally recognised digital passport for goods, drawing on



established global standards frameworks is a credible pathway to reduce friction for processed foods and meat products when governments are managing complex and evolving domestic compliance regimes. This is particularly relevant given ongoing implementation and transition arrangements around Indonesia's halal and associated administrative requirements affecting imported goods.^{18 19}

Red meat and livestock industries

Beef is Queensland's dominant agricultural export and one of the most sensitive products in almost every FTA. At a national level, beef and veal were Australia's largest agricultural export by value in 2023–24.³ While the strategic imperatives regarding live export infrastructure and processing audit alignment have been detailed above, specific attention is required on by-products and regulatory creep.

There is a missed opportunity in hides and by-products. The EU Deforestation Regulation (EUDR) is an example of an external regulatory regime with potential compliance impacts on supply chains, including traceability and due diligence expectations, and has been the subject of Australian Government engagement and public commentary in relation to Australian industries.²⁰ Domestic sustainability and environmental clauses must be drafted to avoid open-ended regulatory creep, and producers should be present in negotiations to ensure common sense inform text and implementation.

Sheep, goats and wool warrant a different approach. Wool remains a durable natural textile, and diversification of processing and demand exposure is strategically relevant when market concentration risk is high. For sheep and goat meat, South-East Asia offers complementary outlets to traditional markets, contingent on logistics reliability and stable certification pathways.

Grains and Pulses

For grains and pulses, the SEA FTA network has been important directly and indirectly. The trade policy lesson remains that targeted tariff outcomes can transform export performance where demand exists and where supply chains can respond. Technical barriers remain, including strict port-based requirements and divergent tolerance settings that can raise transaction cost and rejection risk, and international institutions have repeatedly documented the trade impacts of NTMs in ASEAN.^{8 21}

These issues should be addressed through SPS committees and technical working groups under AANZFTA upgrades and RCEP cooperation provisions, with an objective of commercially realistic standards and predictable change notice.^{12 17} Where digital facilitation exists, it should be accelerated. DAFF's published material on electronic certification and ePhyto initiatives provides a clear pathway toward paperless trading that reduces document error, improves border processing, and lowers demurrage and delay risks.²²

Sugarcane

Sugar should be treated with a forward-looking bioeconomy lens. Queensland effectively is the Australian sugar industry, producing around 95 per cent of national output.¹⁴ Sugar remains sensitive in many trade settings due to longstanding global protectionism in sugar markets. The most promising path forward is to treat cane as an energy and industrial feedstock as well as a food commodity. The Singapore–Australia Green Economy Agreement provides a template recognising green economy cooperation and low-carbon technologies as priority areas.²³

Cane-based Biofuels and Sustainable Aviation Fuel (SAF) can fit this framework with credible certification. A practical barrier is that bio-ethanol can face materially higher tariffs or is heavily subsidised, than some



other commodities in certain markets, and country-specific biofuels policy settings can materially affect access and competitiveness.²⁴ Modernisation should develop explicit green trade lanes for certified low-carbon biofuels and bio-products, and ensure biofuels are treated distinctly from food sugar in schedules and quota management where negotiating pathways exist.^{23 24}

In Conclusion

Across the system, the core impediment is regulatory divergence, administrative friction, and the proliferation of private standards that operate as quasi-regulators. Modernisation should ensure sustainability disciplines complement rather than duplicate other obligations, avoid importing language unsuited to Northern Australian production realities, and recognise Australia's biosecurity integrity and environmental performance as competitive advantages.^{3 20}

Australia's broader trade posture should apply a consistent principle: agricultural access must be commercially meaningful and measurable.

AgForce appreciates the opportunity to contribute and would welcome further engagement with DFAT, DAFF and the Trade 2040 Taskforce as priorities for SEA FTA modernisation are refined.

If you have any questions or require further information please contact Daniel Counsell, Cattle Policy Director by email counselld@agforceqld.org.au or mobile via 0429 649 881.

Yours Sincerely



Niki Ford

Chief Executive Officer



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