



**Australian
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Working for business.
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22 October 2015

Senator Chris Back
Chair
Senate Foreign Affairs, Defence and Trade Legislation Committee
Parliament House
Canberra ACT 2600

Dear Senator,

**Re: Customs Amendment (ChAFTA Implementation) Bill 2015; Customs Tariff
Amendment (ChAFTA Implementation) Bill 2015**

The Australian Chamber of Commerce and Industry appreciates the opportunity to make a submission to the inquiry on the above Bills implementing the China-Australia Free Trade Agreement (ChAFTA).

ChAFTA removes a wide range of tariff barriers, benefitting many Australian exporters, particularly in agriculture and food (agri-food). Thousands of tariff lines will receive concessions obtained by negotiators in ChAFTA, benefitting Australian business. Within 10 years of ChAFTA entering into force, tariffs on 95 per cent of Australian goods exported to China will be completely eliminated. We applaud this achievement.

For example:

- Tariffs on fruit, fresh vegetables, macadamia nuts, almonds, walnuts, pistachios and all other nut varieties will be eliminated within four years;
- Tariffs on chocolate, biscuits, jams and juice will be eliminated within four years;
- Tariffs on beef imports will be eliminated within nine years, and the 12 per cent tariff on beef offal will be removed within seven years;
- Tariffs on sheep meat will be eliminated within eight years, and tariffs on pork will be eliminated within four years;
- Tariff barriers for dairy products have also been negotiated to provide Australian dairy producers competitive advantage, with tariffs on infant formula, ice cream, and lactose eliminated within four years;
- Tariffs on wine, alcoholic spirits and beverages will be removed within four years; and
- Tariffs on select grains, seafood, live animals and processed food will be eliminated, almost all within four years.

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Several sectors (including the sugar and rice industries) will not receive specific benefits from the current agreement. We hope these may be covered in future agreement reviews. We strongly encourage the Government to pursue further and better concessions with China on behalf of these sectors.

Apart from the significant economic benefits in the medium to long term, if the ChAFTA enters into force early, Australian business will get a double tariff cut under the deal which will reap immediate rewards for many industries who will benefit from better access to the China market. We therefore call on the Australian Government to ensure speedy passage of these two Customs Bills.

Recommendation:

That the Australian Government ensure the swift passage of the *Customs Amendment (ChAFTA Implementation) Bill 2015* and the *Customs Tariff Amendment (ChAFTA Implementation) Bill 2015*, so that both party countries might obtain the best possible schedule for tariff cuts.

Yours sincerely,

Bryan Clark
Director, Trade & International Affairs