



12 October 2015

Committee Secretary
Senate Foreign Affairs, Defence and Trade Committee
PO Box 6100, Parliament House
Canberra ACT 2600

Via email: fadt.sen@aph.gov.au

Customs Amendment (ChAFTA Implementation) Bill 2015 and Customs Tariff Amendment (ChAFTA Implementation) Bill 2015

The Australian red meat and livestock industry is strongly supportive of the China-Australia Free Trade Agreement (ChAFTA), which upon entry into force will initiate significant improvements to current access arrangements. ChAFTA has delivered on our priorities via securing future elimination of all import tariffs imposed on our products over various implementation timeframes.

Under the Agreement, the tariffs currently levied on Australian beef of 12-25% will be eliminated within 9 years of entry into force; sheepmeat and goat meat tariffs of between 12-23% will be eliminated within 8 years; the tariffs on offals of 12-25% will be eliminated over 4-9 years; the 5-14% tariffs on hides and skins will be eliminated over 4-8 years; and the 10% tariffs on live cattle and live sheep eliminated over 4 years.

Based on the above outcomes, our industry has made submissions to both the Joint Standing Committee on Treaties Inquiry and the Senate Foreign Affairs, Defence and Trade References Committee inquiry into ChAFTA, recommending that binding treaty action for ChAFTA be taken without delay.

The two ChAFTA Bills which are the subject of this inquiry - the Customs Amendment (ChAFTA Implementation) Bill 2015 and the Customs Tariff Amendment (ChAFTA Implementation) Bill 2015 - should also be passed without delay - thus ensuring the regulations to implement ChAFTA proceed unhindered.

Timely passage of the Bills is essential to facilitate ChAFTA entry into force (EIF) in 2015. The resultant initial tariff cut (in calendar 2015), followed by a second cut on 1 January 2016, will be extremely beneficial as it will reduce the competitive disadvantage currently faced by our sector (vis-a-vis the tariff preference enjoyed by our major competitor, New Zealand).

It has been estimated that the failure to secure ChAFTA entry into force in 2015 will cost our industry around \$110 million in 2016.

The expeditious completion of domestic legislative requirements is critical if the commercial advantages to be derived from ChAFTA are to be realised in a timely manner.

Yours sincerely

David Larkin
Chair
Australian Red Meat Industry ChAFTA Taskforce