



**TRADE POLICY REVIEW**

REPORT BY

AUSTRALIA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Australia is attached.

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## 1 INTRODUCTION

1.1. The key pillars of Australia's trade policy are its commitment to open markets and rules-based trade, and its support for a rules-based international trading system with the WTO at its core. These principles have been the hallmark of Australia's position for decades, with open trade and foreign investment flows benefitting Australia, the Indo-Pacific region and the world.

1.2. Complementing this agenda, the Australian Government seeks to diversify with whom and what Australia trades. In doing so, the Government is expanding opportunities for Australian exporters and investors, providing benefits for Australian consumers, promoting the resilience of Australia's economy, and positioning Australia to contribute to and benefit from the global net zero transition.

1.3. Australia's last Trade Policy Review took place in March 2020, on the cusp of the COVID-19 pandemic and its historic impact on global economic activity. Since then, the global trading environment has faced further challenges, with three key factors affecting Australia's current trade and investment agenda.

1.4. The first of these is national security considerations, including geostrategic competition and supply chain impacts from conflicts in Europe and the Middle East. Second, industry policy responses and the new competition globally have seen the use of trade measures to pursue economic security. The third factor is the energy transition to a net zero economy, which represents both an opportunity and a challenge.

1.5. Australia's economy is highly integrated with the global economy, particularly the Indo-Pacific region. In the shifting global trade context, Australia remains strongly committed to the WTO and its framework of rules. It recognises that the international trading system, with the WTO at its core, is under strain. Australia wants to work with other Members to reform the WTO so that it supports all Members' efforts to address contemporary trade challenges and continues to promote global growth, prosperity and stability.

1.6. Complementing its efforts at the WTO, Australia continues to negotiate bilateral, regional and plurilateral trade agreements to expand opportunities for Australian businesses. Australia engages actively in regional and multilateral economic forums to support open trade and efforts to tackle trade challenges.

1.7. Ensuring developing and least developed countries (LDCs) can benefit from trade and participate in the international trading system is a priority for Australia, which it is pursuing through multilateral, regional and bilateral Aid-for-Trade (or economic cooperation) programs.

1.8. Australia recognises the importance of sharing the benefits of trade across communities and is pursuing an inclusive trade agenda both internationally and domestically.

## 2 TRADE AND ECONOMIC ENVIRONMENT

2.1. Trade and investment play a critical role in driving Australia's economic prosperity. Australia benefits from free, fair and open trade through higher productivity, greater economic growth, a stronger labour market, more choices for consumers and increased revenues for government. One in four jobs in Australia and 31% of Australia's economic output were supported by trade activity in the year from 1 July 2021 to 30 June 2022 (latest analysis available). In the same period jobs directly associated with exports had, on average, 10% higher annual incomes than other jobs.<sup>1</sup>

2.2. In addition to trade, Australia's openness to foreign investment has helped build Australia, create jobs, raise living standards, and support productivity growth. Foreign investment provides access to additional capital, reduces investment risk through risk-sharing, strengthens relationships with partner countries, and boosts productivity including through technology transfer. One in

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<sup>1</sup> According to Department of Foreign Affairs and Trade modelling.

eight Australians are employed by international companies (measured from 1 July 2020 to 30 June 2021).<sup>2</sup>

## 2.1 Trade performance

2.3. Following Australia's last trade policy review, the global trade and economic environment worsened significantly due to the COVID-19 pandemic and responses around the world. Geostrategic competition and supply chain vulnerabilities – highlighted by the Russian Federation's illegal invasion of Ukraine and conflict in the Middle East – have had a significant impact on global trade. Global markets have also faced extended inflationary pressures.

2.4. The total value of Australian exports grew 54.2% from AUD 436.6 billion to AUD 673.3 billion from 2020 to 2023.

2.5. The value of Australian goods exports fell by 6.9% to AUD 363.9 billion from 2019 to 2020 with the onset of the pandemic. The value of goods exports grew by 26% from 2020 to 2021, grew a further 29.7% in 2022 then fell by 5.9% in 2023 to AUD 559.8 billion. Australia's largest goods exports from 2020 to 2023 were iron ore, coal and liquified natural gas. Minerals and fuels made up 68.5% of Australia's goods exports in 2023, up from 64.6% in 2020. By value, Australia is the world's largest exporter of iron ore (AUD 136.1 billion in 2023) and metallurgical coal, and second largest exporter of thermal coal (total coal exports worth AUD 102.6 billion in 2023). Australia remains among the top 15 agricultural exporters in the world, with agricultural, forestry and fisheries products making up 13.9% of Australian merchandise exports in 2023.

2.6. Services made up 16.9% of Australia's exports in 2023, compared with 16.6% in 2020. The pandemic had a significant impact on Australia's services exports, particularly in sectors dependent on the movement of people such as tourism and education. The value of Australian services exports dropped 28.5% to AUD 72.7 billion in 2020 and dropped further by 17.6% to AUD 59.9 billion in 2021. Services exports grew 26.0% to AUD 75.4 billion in 2022 and grew 50.5% to AUD 113.5 billion in 2023 to surpass pre-pandemic levels. Trade in education-related services was worth AUD 47.8 billion in 2023, and Australia hosted around 380,000 international tertiary education students in 2021, the third largest number globally according to UNESCO and OECD (with later data not yet available). Exports of finance and insurance services, personal travel excluding education services, and technical, professional and other business services all grew over the review period.

2.7. The top destinations for Australian exports in 2023 were China, Japan, Republic of Korea, India and the United States. Trade impediments imposed by China since 2020 had a significant impact on some Australian exports in the review period. For example, Australian coal exports to China fell from AUD 13.7 billion in 2019 to zero in 2022, before rising to AUD 9.2 billion in 2023. Australian barley exports to China fell from AUD 0.6 billion in 2019 to zero in 2022, before growing to AUD 1.2 billion in 2023. From 2019-2022, Australian wine exports to China fell from AUD 1.1 billion to less than AUD 16 million and lobster exports (live, fresh or chilled) fell from around AUD 711 million to around AUD 0.5 million. Exports of affected goods to the rest of the world have largely offset these losses, though China's trade impediments had a disproportionate impact on some industries.

2.8. The value of imports into Australia declined 14.3% from 2019 to 2020 from AUD 425.6 billion to 364.8 billion, with consumption contracting sharply as lockdowns and activity restrictions reduced household spending, particularly on services. Since 2020, the value of imports has steadily increased, growing to AUD 547.5 billion in 2023. Australia's imports in 2023 consisted of manufactures (AUD 312.5 billion), services (AUD 112.8 billion), minerals and fuels (AUD 62.2 billion) and agriculture, fisheries and forestry (AUD 26.6 billion). China was the largest source of Australian imports in 2023, followed by the United States, Japan, the Republic of Korea and Singapore.

## 2.2 Australia's open tariff regime

2.9. Australia is one of the most open economies in the world. Australia is a low tariff economy and continues to lower tariffs to increase its own openness to the world. The average applied Most Favoured Nation (MFN) tariff rate is 2.2%. More than 99% of Australia's tariff lines are applied at an

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<sup>2</sup> University of Adelaide, Austrade (2024), Economic Activity of companies receiving foreign direct investment in Australia, estimates using the Business Longitudinal Analysis Data Environment (BLADE).

MFN rate of 5% or less, with over 56% duty free. The overall, applied effective tariff rate (incorporating preferential FTA rates) was 0.5% in 2023 (on a trade-weighted basis).

2.10. The Australian Government eliminated the applied MFN tariff on 457 tariff lines in July 2024 to help reduce compliance costs and make it easier to do business – particularly for small to medium-sized enterprises – as well as boost productivity and further simplify Australia's trading system. The list includes a broad range of goods such as certain types of food, clothing, furniture and electrical appliances and certain menstrual and sanitary products. These goods have been eligible for a 'free' rate of customs duty under the Australian Customs Tariff Act (1995) since 1 July 2024.

### **2.3 Investment profile**

2.11. Australia is a net capital importing country, with the 16th highest amount of direct foreign inward investment stock in the world in 2023. Total foreign investment stock in Australia was valued at AUD 4,659.5 billion at the end of 2023. Australia's top investment source economies at the end of 2023 were the United States (AUD 1,170.7 billion), the United Kingdom (AUD 879.0 billion), Belgium (AUD 379.1 billion), Japan (AUD 265.2 billion), and Hong Kong, China (AUD 146.6 billion). Mining and quarrying accounted for 33.2% (AUD 392.2 billion) of foreign direct investment in Australia at the end of 2023, with financial and insurance activities accounting for 12.6% (AUD 149 billion) and real estate activities accounting for 11.8% (AUD 138.9 billion) of foreign direct investment.

2.12. Australia also has very significant stocks of outward foreign investment. Australian total investment in other economies was valued at AUD 3,822.9 billion at the end of 2023. Australia's top investment destination economies at the end of 2023 were the United States (AUD 1,196.0 billion), the United Kingdom (AUD 732.1 billion), New Zealand (AUD 172.0 billion), Japan (AUD 135.5 billion) and Canada (AUD 109.2 billion).

## **3 MULTILATERAL TRADE POLICY**

3.1. Australia is a strong supporter of the WTO, which provides a predictable, stable framework of rules for Australian and global producers, service suppliers and importers to engage in international trade. By applying to all Members, regardless of their size, this framework provides stability and certainty in the global trading environment. Australia is active across the full WTO agenda, including efforts to strengthen and reform the organisation so that it can continue to serve the interests of Members into the future.

3.2. Australia recognises the range of challenges facing the WTO and its framework of rules. Scepticism about the benefits of open trade is increasing globally. With the WTO Appellate Body currently not functioning, the dispute settlement system is severely constrained and the enforceability of global trade rules is under threat. Securing multilateral agreement to new rules is increasingly difficult, underscoring the need to update the way the WTO makes rules so it can respond more effectively to contemporary trade challenges. These challenges include supporting the energy transition, addressing unfair competition and supporting a level playing field in the global market, addressing emerging security challenges, supporting the rapidly evolving digital economy, and ensuring the benefits of trade are shared.

### **3.1 WTO reform**

3.3. Australia wants to keep working with other Members to reform the WTO so that it can continue to support all Members' efforts to address global trade challenges and promote growth and prosperity. Australia's region – and the world – cannot afford the unpredictability, instability, and economic cost of a world without credible, enforceable trade rules. Australia is active in efforts to progress reform across the WTO's three core functions – dispute settlement, rulemaking and deliberation – to ensure that it remains relevant and continues to deliver for Members into the future. Australia's participation in the Ottawa Group provides a valuable avenue to drive and shape WTO reform discussions.

### **3.1.1 Dispute Settlement**

3.4. For many WTO Members, especially small and middle economies (including Australia), the WTO dispute settlement system is the only effective tool to deter and discipline breaches of trade rules. The current dysfunction of the dispute settlement system is impairing Members' rights and causing commercial and systemic harm to Members' collective interests. Australia's interests have already been undermined by having won a dispute at the panel stage that cannot be enforced.

3.5. Achieving a fully and well-functioning dispute settlement system that is accessible to all Members as soon as possible is Australia's highest WTO reform priority, to ensure the enforceability of global trade rules. Australia welcomed Ministers' decision at the WTO's 13<sup>th</sup> Ministerial Conference (MC13) to accelerate discussions towards achieving this objective by 2024 and is actively engaged in efforts to fix the dispute settlement system through the Geneva-based dispute settlement reform discussions and capital-to-capital engagement.

3.6. Australia participates in the Multi-Party Interim Appeal Arbitration Arrangement, which it considers the best interim option to enforce Members' rights under WTO agreements while Members work to fix the dispute settlement system.

3.7. Australia has invested AUD 10 million (2018-2025) in the Advisory Centre on WTO Law to support developing country and LDC access to high quality WTO legal advice. This commitment reduces the likelihood of disputes by helping these countries understand and implement their WTO obligations. The Advisory Centre's advice on accessions also supports the integration of developing countries and LDCs into the WTO.

### **3.1.2 Updating the rulebook**

3.8. Australia has played an important role in efforts to update the WTO's rulebook and revitalise rulemaking at the WTO, which is a core aspect of reform. Australia has strongly supported multilateral rulemaking efforts, including on agriculture and fisheries subsidies, as well as plurilateral negotiations such as under the Joint Statement Initiatives on e-commerce, services domestic regulation and investment facilitation for development. The Joint Statement Initiatives are transparent and inclusive and build on the long history of plurilateral negotiations at the WTO. They have provided an important avenue for groups of Members to develop new rules in response to contemporary trade challenges. It is important that these rules are incorporated into the WTO architecture, noting the support of the vast majority of WTO Members for doing so.

#### **3.1.2.1 Agriculture**

3.9. There is an urgent need to discipline agricultural subsidies that distort trade and production or may harm the environment, which well exceed USD 500 billion a year globally.

3.10. Australia continues to advocate, including as Chair of the Cairns Group, for genuine reforms to the rules on agriculture. Australia wants a level playing field for its agricultural producers and dependable international markets that can strengthen global food security. Reforms towards less trade- and production-distorting and environmentally friendly agricultural policies are a necessary part of the transition towards more resilient supply chains and food systems, and the fulfillment of internationally agreed climate goals.

#### **3.1.2.2 Fisheries Subsidies**

3.11. Australia, together with its Pacific Island partners, was instrumental in securing the Agreement on Fisheries Subsidies at the WTO's 12th Ministerial Conference (MC12). Australia has continued to contribute creative ideas to achieve consensus in the second wave negotiations on further disciplines on fisheries subsidies that contribute to overcapacity and overfishing and harm the sustainability of global fish stocks. Australia deposited its instrument of acceptance of the Agreement on Fisheries Subsidies on 23 October 2023. Australia was also one of the first countries to fund the Fisheries Funding Mechanism (see section 9).

### **3.1.2.3 E-commerce**

3.12. Australia has driven the E-commerce Joint Statement Initiative as co-convenor, with Japan and Singapore, since its inception in 2017. The release of the text of the new e-commerce agreement in July 2024, following five years of negotiations among a large and diverse group of WTO Members, was a major achievement. It represents the first ever set of digital trade rules with a global reach, and will set a baseline for predictable, transparent and inclusive global digital trade that benefits businesses, workers and consumers. Importantly, by delivering a permanent ban on customs duties on electronic transmissions, the agreement ensures that digital content – relied on by businesses, workers and consumers – will be tariff-free in those countries joining the agreement. Australia looks forward to the next phase of work, including integrating these foundational rules into the broader WTO system. Australia continues to encourage all WTO Members to join this groundbreaking agreement.

3.13. In addition to the joint statement initiative, Australia remains a strong supporter of the moratorium on customs duties on electronic transmissions. The moratorium has underpinned global e-commerce for a quarter of a century and offers predictability and scope for the development of digital markets, including for micro-small and medium-sized enterprises, women entrepreneurs and remote communities. Australia also continues to engage actively in discussions under the Work Programme on E-commerce.

### **3.1.2.4 Services Domestic Regulation Joint Statement Initiative**

3.14. Australia played a leading role in the negotiations of the Joint Statement Initiative on Services Domestic Regulation, which concluded in December 2021. The initiative represents the first set of services trade rules in over 25 years. It will cut red tape and improve transparency and predictability for service suppliers. It includes the first binding provision on non-discrimination between men and women within the WTO framework. The initiative has entered into force for 51 WTO members with another 21 WTO members at various stages of implementation (as at November 2024). Australia supports the right of all participating WTO Members to implement the disciplines under the initiative by incorporating them into their respective schedules of specific commitments to the General Agreement on Trade in Services.

### **3.1.2.5 Investment Facilitation for Development Joint Statement Initiative**

3.15. Australia was an active contributor in negotiations on the Joint Statement Initiative on Investment Facilitation for Development and welcomed its formal conclusion in February 2024. This new agreement, once in force, will foster a more transparent, efficient and predictable environment for cross-border investment for all WTO Members. In particular, the agreement will help developing Members attract and benefit from higher quality, longer term investment.

## **3.1.3 Addressing other contemporary trade challenges**

### **3.1.3.1 Trade and environment**

3.16. Australia believes that trade must be part of the solution to the climate crisis and is committed to progressing this agenda in the WTO. Australia engages actively in WTO Trade and Environmental Sustainability Structured Discussions, including on environmentally harmful agricultural subsidies, further liberalisation of trade in environmental goods and services, policy design guidelines for trade-related climate measures, and enhancing transparency and traceability of goods to facilitate global circular economy efforts.

3.17. Australia is a co-coordinator of the WTO Dialogue on Plastics Pollution, where it works closely with Members to identify ways trade could be used to address plastics pollution. With other co-ordinators, Australia issued a Ministerial Statement at MC13 re-affirming the role of multilateral trade-related cooperation to tackle plastic pollution, including through the implementation of effective trade-related policies and the promotion of effective and environmentally sound non-plastic substitutes and alternatives. The dialogue supports the UN Intergovernmental Negotiating Committee's work to develop an international legally binding instrument on plastic pollution.

### **3.1.3.2 Trade and gender and micro, small and medium-sized enterprises**

3.18. As a founding member of the WTO's Informal Working Group on Trade and Gender, Australia strongly supports work at the WTO to promote gender equality and the participation of women in international trade. Australia has led work on enhancing the integration of gender equality in Aid-for-Trade and contributed to the Compendium of Financial Inclusion Initiatives for women entrepreneurs.

3.19. Australia continues to engage in the Informal Working Group on Micro, Small and Medium-Sized Enterprises (MSMEs), which seeks to support the participation of MSMEs in international trade.

### **3.1.3.3 Trade and health**

3.20. The COVID-19 pandemic demonstrated the important role that the WTO and its rules framework can play in responding to urgent global issues. Australia supported the waiver of certain intellectual property rights to promote access to COVID-19 vaccines. The WTO enabled a stable global trading environment during the pandemic and supported economic recovery, with the WTO's monitoring function providing transparency of trade measures Members introduced in response to the pandemic.

### **3.1.4 Improving the deliberative function and institutional reform**

3.21. Reforms to revitalise WTO deliberations through dedicated discussions on contemporary trade challenges are essential to demonstrate the WTO's continuing relevance as the leading international forum for global trade governance. Given increasing state intervention in markets globally, Australia supports discussions in the WTO's Member Conversations on Current Economic Issues, including trade and industrial policy. Australia also supports mainstreaming discussions on inclusive trade across WTO bodies and events to ensure the WTO is maximising opportunities for traditionally marginalised groups to benefit from the opportunities presented by international trade.

3.22. Australia welcomes ongoing efforts to improve the efficiency and practical functioning of WTO bodies, building on the significant progress made through the 'reform by doing' process led by the WTO General Council.

### **3.1.5 Transparency**

3.23. Australia is a strong supporter of transparency as a key pillar of the WTO, which plays an important role in fostering predictability in global trade and helping Members understand each other's trade policy settings and monitor compliance with WTO obligations. Australia has actively supported cross-cutting efforts to strengthen the WTO's transparency function, including in the seventh appraisal of the Trade Policy Review Body. Australia is committed to continue implementing its own notification and transparency obligations.

### **3.1.6 Improving Ministerial Conferences**

3.24. Ministerial Conferences play a critical role in the functioning of the WTO, and Australia has been active in efforts to ensure they best serve Members' interests. In 2023, Australia and other Members circulated a paper setting out possible approaches to maximise the value of Ministerial Conferences, including Ministers deepening policy engagement, focusing on WTO reform, considering new rulemaking work, participating in intersessional Ministerial gatherings, endorsing outcomes concluded in substance intersessionally and guiding negotiations. MC13 gave effect to several of these approaches. Australia supports further implementation, and suggests Members consider actions that could be taken by the WTO's 14<sup>th</sup> Ministerial Conference (MC14) to help achieve this.

3.25. Australia has made positive contributions to Ministerial Conferences through leadership roles, including Australian Trade Minister Don Farrell's role as MC12 Vice-Chair and Assistant Trade Minister Tim Ayres' role as a Minister-Facilitator on Fisheries Subsidies at MC13.

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## 4 AUSTRALIA IN OTHER MULTILATERAL FORUMS

4.1. Supporting its engagement at the WTO, Australia continues to work in other international forums to advocate for free, open and rules-based global trade and to address trade and economic challenges.

### 4.1 G20

4.2. Australia supports a strong and effective G20. Australia has worked in the G20 to reinforce the value of a rules-based and fair international trading system with the WTO at its core. Australia is an active participant in the G20 Trade and Investment Working Group, engaging constructively with other G20 economies in pursuit of strong, sustainable, balanced and inclusive global economic growth. Australia has supported recent Presidencies to deliver concrete outcomes on the most pressing global challenges. Australia regularly uses the G20 as a platform to promote its trade priorities, including WTO reform, inclusivity in trade – particularly for women and Indigenous Peoples, and digital trade.

### 4.2 Asia Pacific Economic Cooperation (APEC)

4.3. Australia remains a strong supporter of APEC as the primary regional forum for driving economic integration and a free, open and predictable trade and investment environment in the Asia-Pacific. Australia's APEC priorities include supporting the international trading system and promoting trade and investment liberalisation, including facilitating the transition to paperless trade, supporting trade in environmental goods and services as well as services competitiveness and the mutual recognition of professional qualifications. Australia also prioritises advancing APEC's work on digital trade and structural reform. Australia is working to promote inclusive and sustainable growth in APEC, including through capacity building initiatives to advance gender equality and women's access to markets and supporting Indigenous businesses to grow internationally.

### 4.3 Organisation For Economic Cooperation and Development (OECD)

4.4. Australia values the OECD's independent, evidence-based analysis including on trade, investment, agriculture, food security, energy, the environment, climate change and development cooperation. This work informs both Australia's domestic policy positions and its work in the WTO. For example, OECD analysis has supported the E-commerce Joint Statement initiative negotiations and has provided evidence highlighting the value of the e-commerce moratorium.

4.5. Australia has co-chaired the OECD Southeast Asia Regional Programme with Viet Nam since 2022. The Programme is the main vehicle through which Australia encourages greater OECD engagement with Southeast Asia. During Australia and Viet Nam's chairing, Indonesia and Thailand have become OECD accession candidates, and Australia strongly supports both candidates. The adoption of OECD standards and best practices, including open market settings, is a proven path to strong economic growth and security.

4.6. Australia has engaged in the recent revisions to the OECD Guidelines on the Corporate Governance of State-Owned Enterprises, and supports the OECD's ongoing work to measure and provide transparency on government support in industrial sectors.

4.7. Australia acknowledges the important role the OECD plays in the biennial Global Review of Aid-for-Trade, especially its continued joint commitment with the WTO to producing the Aid-for-Trade at a Glance publication.

### 4.4 Indo-Pacific Economic Framework (IPEF)

4.8. IPEF negotiations were launched in September 2022, with Australia one of 14 founding members. IPEF seeks to strengthen regional economic cooperation and integration to address new and emerging opportunities and challenges in the Indo-Pacific, including in the digital economy, supply chains, the clean energy transition and anti-corruption. IPEF has the potential to secure new opportunities for Australian businesses, workers, and consumers, enhance Australia's economic resilience, and attract more investment to the Indo-Pacific region. In June 2024, Australia signed the IPEF Clean Economy Agreement, the IPEF Fair Economy Agreement and the IPEF Overarching

Agreement. Australia is progressing treaty making processes for the IPEF Supply Chain, Clean Economy, Fair Economy and Overarching Agreements.

## **5 BILATERAL AND REGIONAL FREE TRADE AGREEMENTS (FTAS)**

5.1. Australia's network of bilateral and regional FTAs is central to its trade diversification efforts (see also section 10.1) and complements its work at the WTO. Australia expanded this network during the review period, and now has 18 FTAs with 30 partner economies, covering 78% of Australia's two-way goods and services trade (as of 2022). Through FTAs, Australia has reduced barriers and established improved rules to support international trade and investment.

### **5.1 Bilateral and regional FTAs signed, updated or entering into force**

#### **5.1.1 Protocol on the Accession of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**

5.2. Negotiations for the United Kingdom's accession to the CPTPP were launched in June 2021 and substantially concluded in March 2023. Ministers from CPTPP economies and the United Kingdom signed the *Protocol on the Accession of the United Kingdom of Great Britain and Northern Ireland to the CPTPP* on 16 July 2023. The United Kingdom will become a party to the CPTPP once the Protocol enters into force on 15 December 2024 for the United Kingdom, Japan, Singapore, Chile, New Zealand, Viet Nam, Peru, Malaysia, and Brunei Darussalam, and on 24 December for Australia. Given the strong market access outcomes contained in Australia's FTA with the United Kingdom (AUKFTA), the economic gains to Australia flowing from the UK's accession to the CPTPP will be comparatively modest and include improvements for Australian services, the non-application of Investor-State Dispute Settlement (ISDS), and potential for improved supply chains.

#### **5.1.2 Australia-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA)**

5.3. The Australia-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) was signed on 6 November 2024. This is Australia's first bilateral trade agreement with a country from the Middle East, and the United Arab Emirates is Australia's largest trade and investment partner in the Middle East. CEPA eliminates tariffs on 99% of Australia's exports to the United Arab Emirates and includes market access commitments for more than 120 services sectors. The Australia-United Arab Emirates CEPA is Australia's first FTA to include a First Nations Peoples chapter, covering business networks, investment, traditional knowledge, digital trade, agriculture and environment. The agreement is also the United Arab Emirates' first dedicated chapter covering trade and labour promoting compliance with ILO standards and enforcement of labour laws.

#### **5.1.3 Second Protocol to Amend the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)**

5.4. The Second Protocol to amend the AANZFTA was signed in August 2023 and is undergoing parliamentary processes with a view to ratification and entry into force. The Second Protocol further deepens Australia's engagement with Southeast Asia, a priority of the Australian Government. It ensures AANZFTA remains fit-for-purpose and comprehensive, retaining its status as ASEAN's highest-quality FTA. In 2023, ASEAN-Australia two-way trade amounted to AUD 183.4 billion, Australia's second largest two-way trade relationship. ASEAN Member States represent six of Australia's top 15 export markets. The upgraded AANZFTA includes ASEAN's first dedicated standalone trade and sustainable development chapter, focusing on environmental protection, labour and women's economic empowerment, and enhanced cooperation in these areas.

#### **5.1.4 Australia-United Kingdom Free Trade Agreement (A-UKFTA)**

5.5. The A-UKFTA was signed in December 2021 and entered into force in May 2023. The A-UKFTA is one of Australia's most comprehensive, innovative, and ambitious free trade agreements and strengthens its already close relationship with the UK. The agreement eliminates tariffs on over 99% of Australian goods exports to the UK. Australian services companies and professionals benefit from commitments that make it easier to operate in the UK market, supporting the mutual recognition of

professional qualifications. Under the FTA, both countries offered enhanced opportunities to live and work temporarily in each other's country.

### **5.1.5 Australia-India Economic Cooperation and Trade Agreement (ECTA)**

5.6. The Australia-India ECTA was signed in April 2022 and entered into force in December 2022. ECTA was India's first FTA with a developed economy outside of Asia. It helps secure Australian access to the fast-growing Indian market of over 1.4 billion people and gives Australian businesses new opportunities for trade diversification. As a result of ECTA, over 85% of Australian goods exports by value to India are now tariff free, rising to 90% by 1 January 2026, and high tariffs have been reduced on some further agricultural products. In addition, 96% of imports from India are now tariff free, rising to 100% by 1 January 2026.

### **5.1.6 Regional Comprehensive Economic Partnership (RCEP)**

5.7. RCEP, which includes Australia, the 10 members of ASEAN, China, Japan, the Republic of Korea and New Zealand, entered into force in January 2022. It is the world's largest free trade agreement by members' combined GDP. It boosts economic integration and expands Australian commercial interests in a strategic and dynamic region.

### **5.1.7 Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)**

5.8. IA-CEPA entered into force in July 2020 and delivers significant new trade and investment opportunities to businesses in Australia and Indonesia. Building on AANZFTA, IA-CEPA provides better access to the Indonesian market for Australian exporters and improves conditions for services suppliers and two-way investment. IA-CEPA includes a framework for trade and investment-related cooperation through a jointly funded work program.

### **5.1.8 Pacific Agreement on Closer Economic Relations Plus (PACER Plus)**

5.9. PACER Plus is a development-centred FTA that entered into force in December 2020. New Zealand, Australia, Samoa, Tuvalu, Kiribati, Tonga, Solomon Islands, Niue, Vanuatu and Cook Islands are parties to the agreement, with Nauru having signed but not ratified. PACER Plus is an important part of Australia's engagement in the Pacific and provides an avenue to help foster a secure, stable and prosperous region.

### **5.1.9 Peru-Australia Free Trade Agreement (PAFTA)**

5.10. PAFTA entered into force in February 2020. The agreement enables Australian businesses to take advantage of Peru's growing market and strengthens its economic relationship with Latin America. PAFTA creates market access opportunities, with Peru and Australia ultimately to eliminate 99.4% and 99.8% of tariffs respectively under the agreement. PAFTA also provides a platform for significant growth in services and investment.

### **5.1.10 Australia-Hong Kong, China Free Trade Agreement (A-HKFTA) and associated Investment Agreement**

5.11. The A-HKFTA and associated Investment Agreement entered into force in January 2020. The agreements strengthen Australia's relations with Hong Kong, China which is a significant trade and investment partner. They provide increased certainty for Australian service providers and investors. They also lock in continued access to the Hong Kong, China market for Australian exporters of education, financial and professional services, as well as guarantee that Hong Kong, China will not apply tariffs to Australian goods in the future.

## **5.2 Bilateral and regional FTAs under negotiation**

5.12. Australia is working to grow its network of FTAs to support its trade diversification agenda and expand opportunities for Australian exporters and investors. Australia is currently engaged in negotiations for the following FTAs.

### 5.2.1 Australia-European Union Free Trade Agreement (A-EUFTA)

5.13. A-EUFTA negotiations were launched in June 2018. Australia and the EU have held 15 negotiating rounds since that time. Australia is seeking an ambitious and comprehensive FTA with the EU that reflects its commitment to open markets and the rules-based international trading system.

### 5.2.2 Australia-India Comprehensive Economic Co-operation Agreement (CECA)

5.14. Negotiations for an ambitious Australia-India CECA were re-launched in September 2021. The negotiations aim to build on the market access outcomes under the Australia-India ECTA that entered into force in December 2022, seeking outcomes in additional areas including digital trade, government procurement and new areas of cooperation.

### 5.2.3 Australia Gulf-Cooperation Council (GCC)

5.15. Free Trade Agreement negotiations with the GCC commenced in July 2007. Four rounds of Australia-GCC FTA negotiations were held, with the last one occurring in June 2009. Negotiations with the GCC were subsequently paused and there have been no further negotiating rounds.

## 6 TRADE FOR SUSTAINABLE GROWTH

6.1. Australia recognises the importance of trade and investment as forces for sustainable growth. Fair, open and rules-based trade has a crucial role to play in tackling climate change and environmental challenges. Australia is active in international efforts – at the WTO, as outlined in section 3.1.3.1, and elsewhere – to promote trade and investment across green economy sectors and build cooperation to reduce emissions and support the global energy transformation. At the same time, the Australian Government is taking a comprehensive approach to ensure Australia meets its own emissions reduction targets and contributes to and benefits from net zero global transition. Australia remains a reliable supplier of energy for export markets and a stable investment partner, which supports partner countries to reduce emissions at their own pace and meet their emissions reduction targets.

### 6.1 Australia's net zero commitment

6.2. Australia has enshrined its ambitious emissions reduction target **of 43% below 2005 levels by 2030 and net zero by 2050** in law.

6.3. Part of the way Australia will achieve its targets is through the reformed **Safeguard Mechanism**, which sets legislated limits – known as baselines – on the greenhouse gas emissions of certain facilities. These emissions limits will decline, predictably and gradually, on a trajectory consistent with achieving Australia's emission reduction targets.

6.4. Australia's **Carbon Leakage Review** commenced in July 2023 following reforms to Australia's Safeguard Mechanism and is due to report to Government by the end of 2024. The Review is considering carbon leakage risk – that is, the risk that the Safeguard Mechanism leads production of emissions-intensive trade-exposed commodities to shift to jurisdictions with weaker or no emissions reduction policies – and the feasibility of policy options to address any risk. Carbon leakage could impede the achievement of national and international net zero emissions reduction targets. The Review places central importance on the international trading system, including WTO rules. It is also committed to consultation with trade and climate partners and has consulted extensively within Australia's region and with international organisations, including the WTO and the OECD.

6.5. Australia is investing **over AUD 40 billion to tackle climate change and grow its renewable energy sector**. This includes AUD 23 billion to grow and modernise Australia's electricity grid, boost energy performance and support electrification, and AUD 17 billion to capture opportunities in hydrogen, critical minerals and upstream industries. This investment will power Australia with clean and reliable energy, drive growth in net zero industries and assist in global decarbonisation efforts. It will build capacity for Australia to export clean energy and technologies, including through the **National Reconstruction Fund**, which supports targeted investment to

diversify and transform Australian industry and has a target funding level of up to AUD 3 billion for renewables and low emission technologies.

6.6. The Australian Government is developing a **Net Zero Plan** to articulate how Australia will transition to a net zero economy consistent with its international and domestic commitments. The plan is underpinned by six sectoral decarbonisation plans, covering all major sectors of the Australian economy. These plans will map out decarbonisation pathways by 2050 for each sector and seek to maximise benefits of climate action. The six sectors are electricity and energy, transport, industry, agriculture and land, resources, and the built environment.

6.7. A range of other Australian Government strategies underpin its net zero commitment. Under the **National Hydrogen Strategy**, which was refreshed and re-launched in 2024, the Government has committed up to AUD 4 billion for the Hydrogen Headstart program to help scale up Australia's renewable hydrogen industry. The **National Battery Strategy** includes the AUD 523 million Battery Breakthrough which will provide targeted funding to support Australian manufacturers to build scale across the battery value chain. The Australian Government published a **Future Gas Strategy** in May 2024, which outlines a pathway for Australia to meet the needs of its key trading partners while actively supporting the global transition to net zero.

6.8. The Government is implementing a **National Electric Vehicle Strategy** to accelerate the uptake of electric vehicles and cut car pollution, including by doubling Government investment in charging and refuelling infrastructure to AUD 500 million. The Australian Parliament has also passed the **New Vehicle Efficiency Standard Act 2024**, which will come into effect on 1 January 2025. It will incentivise suppliers to bring more fuel-efficient, low and zero emissions light vehicles to the Australian market and contribute to lower CO<sub>2</sub> emissions from the transport sector over time.

6.9. The **Critical Minerals Strategy 2023-2030** sets out the government's vision to grow Australia's critical minerals sector. It aims to create diverse, resilient and sustainable supply chains through strong and secure international partnerships, build sovereign capability in critical minerals processing, use Australia's critical minerals to help grow its renewable energy sector, and extract more value from Australia's resources onshore. The government is providing AUD 5.8 million over 3 years from mid-2024 for a **critical minerals trade enhancement initiative** to enhance Australia's competitiveness in sustainably produced critical minerals and downstream products and help grow critical minerals trade partnerships.

6.10. To help produce and export hydrogen and other clean products at scale, Australia is also developing a world-leading **Guarantee of Origin** scheme. Under the scheme, a Renewable Guarantee of Origin mechanism will be used to track and verify the emissions associated with low-emissions products, commencing with hydrogen. The scheme will support Australia's trading partners to obtain objectively verified renewable electricity and clean energy products, irrespective of national or regional emissions intensity requirements.

## 6.2 A Future Made in Australia

6.11. In May 2024, the Australian Government announced it would invest AUD 22.7 billion over the next decade in a Future Made in Australia (FMA) plan. This plan aims to maximise opportunities of the global net zero transformation and secure Australia's place in a changing global landscape. The FMA plan focuses on sectors where Australia could have a sustained comparative advantage and public investment in the sector is likely to be needed, along with those which contribute to supply chain resilience. Scaling up Australia's clean energy industries will strengthen global clean energy supply chains and underpin Australia's ongoing role as a reliable energy supplier.

6.12. The Government will also legislate a Future Made in Australia Act and establish a National Interest Framework to guide the identification of priority industries and principles to ensure any government support is responsible and targeted.

6.13. Trade partnerships and the international trading system will be critical enablers for Australia's FMA ambition. Australia will work closely with international partners, including through the WTO, to build new clean energy industries, ensure continued energy security and advance practical action on climate change. The FMA agenda will be developed and implemented in line with Australia's international trade and investment law obligations.

### 6.3 Multilateral and regional trade and environment efforts

6.14. In addition to its engagement at the WTO, Australia is helping to drive efforts in other multilateral and regional forums to support the use of trade and economic tools in tackling climate change and environmental challenges.

6.15. Australia joined the **Coalition of Trade Ministers on Climate** in January 2023 and the **Climate Club** in July 2023. Both provide valuable platforms for cooperation and consultation among a diverse range of countries to help ensure trade and investment contribute to addressing the climate crisis. Australia endorsed the Coalition of Trade Ministers on Climate's voluntary framework of actions at MC13 and has continued to advocate for the Coalition to consider the harmful environmental impacts of agricultural subsidies and developing cooperative and trade-supportive approaches to carbon leakage.

6.16. The **IPEF Clean Economy Agreement** will be the first comprehensive regional treaty-level agreement centred on the clean economy to support the region's transition to net-zero. Australia will contribute towards the IPEF Catalytic Capital Fund to drive private-sector investment for climate infrastructure projects in Overseas Development Assistance-eligible IPEF countries. Australia is leading a new IPEF Cooperative Work Program on emissions intensity accounting under the Clean Economy Agreement. Australia is also co-leading the hydrogen supply chain Cooperative Work Program policy and strategy stocktake workstream to identify regulatory impediments to a regional market for hydrogen and its derivatives.

6.17. Australia worked with **G20** members to support 2024 G20 President Brazil's outcomes for the Trade and Investment Working Group, which included a focus on trade and sustainable development (including in investment agreements). During India's G20 Presidency in 2023, Australia supported efforts to raise awareness of the need for trade and environment policies to be mutually supportive.

6.18. Australia supports the work of the **Taskforce on Nature-related Financial Disclosures**, including as a funding partner during the development of the framework. The taskforce has released a global nature-related risk management and disclosure framework to help businesses and financial institutions identify and act on nature-related impacts, risks, dependencies and opportunities. The taskforce is supported by G7 Finance, Climate and Environment Ministers and the G20 Environment Ministers.

6.19. In 2024, Australia committed AUD 2 million to the **International Institute for Sustainable Development** and the **Forum of Trade, Environment, and the Sustainable Development Goals** to support developing countries to map the viability of their climate change national adaptation plans and nationally determined contributions and identify goods and services required for adaptation, associated financing needs and cooperation opportunities. This contribution also supports the identification of national trade-related opportunities for addressing national climate and development goals.

### 6.4 Bilateral trade and environment initiatives

6.20. Australia is also using innovative bilateral approaches to pursue its trade and environment objectives.

6.21. The **Singapore-Australia Green Economy Agreement**, signed in October 2022, lays the foundations for greater collaboration to drive growth while reducing emissions. It focuses on promoting economic cooperation, boosting trade, creating business opportunities and decarbonising key industrial sectors.

6.22. The **A-UKFTA** includes an Environment Chapter which promotes the enforcement of domestic environmental laws and lays the foundations for Australia and the UK to work together to address a range of trade-related environmental challenges, including climate change, overfishing and illegal wildlife trade.

6.23. The **Australia-United States Climate, Critical Minerals and Clean Energy Transformation Compact** was launched by leaders in May 2023. Under the Compact, Australia and the United States are cooperating to promote two-way trade and investment flows and ensure

the mutual competitiveness of their clean energy and critical mineral exports to the broader region. Since its establishment, Australia and the US have sought to align industrial policy settings to facilitate the development and integration of their net-zero industrial bases. Australia and the US have commenced technical exchanges on emissions accounting and carbon leakage under the Compact.

## 7 INCLUSIVE TRADE

7.1. The Australian Government has deepened its commitment to an inclusive international trade and investment agenda that drives economic growth for all Australians while promoting economic resilience. Australia is active in efforts to promote inclusive and equitable trade and investment internationally.

### 7.1 Trade and gender equality

7.2. Australia is pursuing a broad range of initiatives internationally and domestically that reflect its ongoing commitment to advancing women's economic equality. Australia promotes strengthened engagement on gender equality in economic diplomacy, trade and investment because gender inequalities undermine global prosperity, stability and security. Gender equality means more resilient supply chains, the prevention of poverty, rapid recovery from economic shocks, improved productivity and innovation. Australia recognises that trade and investment agreements and the structures of markets and institutions affect persons of different genders in different ways. Systemic and structural gender inequalities discriminate against and disadvantage women more than men and impede economic development.

#### 7.1.1 Trade and gender equality in multilateral and regional forums

7.3. Australia became a member of the WTO's **Inclusive Trade Action Group** and joined the **Global Trade and Gender Arrangement** in February 2024 to pursue further commitments to sustainable, equitable and inclusive trade. Through the Global Trade and Gender Arrangement, Australia will help to build international consensus on gender equality, promote networking opportunities for women-led MSMEs, and support research and data collection to improve understanding of women's economic participation.

7.4. Australia is helping to drive work on trade and gender equality at **APEC**, the **G20** and the **OECD**. Australia chairs APEC's Policy Partnership on Women and the Economy (2023-2024) and has supported the delivery of capacity strengthening activities to advance gender equality and structural reform across APEC economies. Under Brazil's G20 Presidency, Australia worked with G20 members, the B20 (Business 20) and other partners to consider the challenges facing women's participation in international trade, including by contributing to the G20 Compendium of Good Practices to Increase the Participation of Women in International Trade, which was launched in October 2024. Australia works to embed discussions on and considerations of gender equality into all OECD workstreams.

#### 7.1.2 Trade and gender equality in FTAs

7.5. Australia seeks commitments on gender equality in its FTAs, including provisions that commit parties to address barriers to women's full and equal participation in trade. Australia also seeks to establish cooperation activities to improve opportunities for women and women-led businesses in trade, and provisions establishing dialogue on trade and gender equality.

7.6. The **A-UKFTA** is Australia's first FTA to feature a dedicated chapter on gender equality that provides for cooperation to promote women-led businesses accessing markets, technology, financial services, and business and leadership networks. A dialogue mechanism and information exchange will support these objectives.

7.7. The upgraded **AANZFTA**'s standalone trade and sustainable development chapter will enhance cooperation on women's economic empowerment, including through Australia's Regional Trade for Development investment (see paragraph 7.10 below).

### 7.1.3 Trade and gender equality in development and Aid-for-Trade

7.8. Australia's new **International Development Performance and Delivery Framework**, published in August 2023, included a commitment that all new international development investments over AUD 3 million would include gender equality objectives. The Framework also included a commitment that 80% of all development investments would address gender equality effectively.

7.9. Australia is removing barriers to women's participation in trade through **Aid-for-Trade** activities. For example, the Australian funded South Asia Regional Trade Facilitation Program (2014-2023), administered by the World Bank, sought to integrate women's economic empowerment outcomes into trade facilitation and transport connectivity policy across Bhutan, Bangladesh, India and Nepal. Australia also supports the Menstrual Health Trade Finance Vehicle, launched in 2020, which brings together multiple menstrual health enterprises in the Pacific to help address financing and supply chain challenges in this sector.

7.10. Australia's **Regional Trade for Development Investment**, which supports economic cooperation with ASEAN Member States under AANZFTA and RCEP, includes an AUD 5 million Trade and Gender Equality Incubator, supporting research and pilot initiatives that advance gender equality within trade.

### 7.1.4 National and international gender equality strategies

7.11. Australia's first national strategy to achieve gender equality – Working for Women: A Strategy for Gender Equality (Working for Women) – was launched in March 2024. Working for Women sets out the Australian Government's priorities and national actions to achieve gender equality and articulates future areas for effort.

7.12. The Department of Foreign Affairs and Trade (DFAT) is developing a new International Gender Equality Strategy, which will reaffirm the centrality of gender equality to Australia's foreign policy, international development, humanitarian, trade and security efforts.

## 7.2 First Nations trade

7.13. The Australian Government is working with state and territory governments, the Australian Local Government Association, and the Coalition of Peaks to implement the National Agreement on **Closing the Gap**. The Government is also working with the Coalition of Peaks – which comprises more than 80 Aboriginal and Torres Strait Islander community-controlled peak and member organisations across Australia – to scope a **First Nations Economic Partnership** to boost labour force participation and improve economic outcomes for Indigenous Australians.

7.14. The Government released the **First Nations Businesses Succeeding Internationally Report** in August 2024, which examines the experiences of First Nations businesses involved in exporting and international trade and tourism. The report found First Nations businesses in tourism-related industries employed almost 7,000 workers and generated nearly AUD 1 billion in turnover from 1 July 2022 to 30 June 2023. Compared to all First Nations businesses studied, First Nations goods exporters typically generated almost nine times more in turnover and employed over seven times more full-time equivalent workers.

7.15. Indigenous businesses face particular challenges in engaging in international trade, including gaining access to networks, information, finance and infrastructure, protecting intellectual property, traditional knowledge and cultural rights, and harnessing digital skills. Australia is working across its bilateral, regional and multilateral agenda to promote the excellence, ideas and unique offerings of First Nation businesses to international markets, incorporate First Nations business interests into trade negotiations, global engagements and export growth strategies, and ensure that First Nations peoples, businesses and communities share more equally in the benefits of Australia's foreign direct investment activities.

7.16. In March 2023, the Australian Government announced the appointment of Australia's inaugural **Ambassador for First Nations People**, Justin Mohamed. The Ambassador leads DFAT's Office for First Nations International Engagement, established in December 2023. The Office works

in partnership with Aboriginal and Torres Strait Islander people to develop and implement a First Nations approach to foreign policy, including trade and investment, as well as development.

7.17. DFAT convenes a **First Nations Trade and Investment Reference Group** which includes representatives from First Nations peak bodies, First Nations chambers of commerce and business registries, academia, and First Nations businesses from across Australia. A pilot **First Nations Trade and Investment Advisory Group**, chaired by the Ambassador for First Nations People, is currently being established. The Group will ensure First Nations perspectives are incorporated across the breadth of trade and investment policies and activities. The **Ministerial Council on Trade and Investment**, which replaced the Trade and Investment Ministers Meeting in April 2023, works across all Australian jurisdictions to improve the way governments work together to support First Nations trade and investment outcomes.

7.18. The Australian Government has committed to introduce new **stand-alone legislation to protect First Nations traditional knowledge and cultural expressions**, including to address the harm caused by fake art, merchandise and souvenirs. The legislation will be developed through a First Nations-led process.

### 7.2.1 International efforts to promote First Nations trade

7.19. Australia welcomed the conclusion of a **Treaty on Intellectual Property, Genetic Resources and associated Traditional Knowledge** at the World Intellectual Property Organization in May 2024. The treaty provides long-overdue recognition and respect for First Nations genetic resources and associated traditional knowledge in patent systems.

7.20. Australia is a founding participant in the **Indigenous Peoples Economic and Trade Cooperation Arrangement**, an Indigenous-led, government enabled plurilateral cooperation framework which seeks to expand business networks and trade opportunities for Indigenous businesses and entrepreneurs, including for MSMEs, Indigenous women and Indigenous youth.

7.21. In **APEC**, Australia plays a leadership role in advancing First Nations interests, including through hosting policy dialogues to support Indigenous perspectives on trade discussions in APEC. Australia also works directly with Indigenous entrepreneurs to help expand export markets by building practical trade knowledge, digital skills and networks.

7.22. The **Australia-United Arab Emirates CEPA** includes a dedicated chapter covering First Nations trade, the first of its kind in Australian FTAs. The chapter will establish a framework for cooperation to promote First Nations trade and investment interests, including in biological diversity, environmental management, food and agribusiness, tourism, arts and crafts, dance and music, green economy and resources.

7.23. The **A-UKFTA** contains commitments to implement reciprocal arrangements to provide for royalties to be paid to Australian artists where their artworks are resold in the UK. The highest proportion of eligible resales in the Australian scheme occurs among Indigenous art wholesalers, meaning this outcome will help provide new future remuneration for artists after the initial sale, and particularly where works grow significantly in value. The agreement also recognises the importance of cooperation on genetic resources, traditional knowledge and traditional cultural expression.

7.24. The **Australia-New Zealand Sustainable and Inclusive Trade Declaration**, agreed in August 2023 to mark 40 years of Australia New Zealand Closer Economic Relations, includes a focus on ensuring that the rights and economic interests of Indigenous Peoples are reinforced and not undermined by international trade and investment policy and activities.

7.25. Australia is also playing a lead role in advancing Indigenous trade interests through **IPEF**. Under IPEF Pillar I (Trade), Australia and New Zealand are co-chairing negotiations for an Inclusivity Chapter, which will expand meaningful access to, and participation in, the regional economy for all segments of society, including Indigenous Peoples. The IPEF Clean Economy Agreement, which Australia signed in June 2024, also includes a first-of-its-kind provision on the importance of partnering with Indigenous Peoples in the transition to clean economies.

### 7.3 Trade and labour

7.26. Australia recognises the importance of the promotion and protection of international labour standards in a way that is conducive to full and productive employment and decent work for all. Australia pursues commitments on trade and labour in its FTA negotiations.

7.27. The A-UKFTA's Labour Chapter contains high labour standards. The Chapter includes a dedicated provision on modern slavery, including supporting efforts to ensure that parties' private and public sector entities take appropriate steps to prevent modern slavery in their supply chains. The upgraded AANZFTA's standalone trade and sustainable development chapter also includes provisions to enhance cooperation on labour.

7.28. The Australia United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) is the UAE's first FTA to include a dedicated chapter covering trade and labour. The chapter promotes compliance with ILO standards and enforcement of labour laws. The FTA also establishes a Dialogue on Labour to advance Labour Rights, including through engaging with stakeholders, and promotes cooperation on labour matters of mutual interest.

### 7.4 Trade and micro, small and medium-sized enterprises (MSMEs)

7.29. Australia promotes trade opportunities for Australian MSMEs through a range of channels. This includes engaging in multilateral and regional economic forums, complementing Australia's engagement in the WTO's Informal Working Group on MSMEs. For example, Australia participates actively in APEC's Small and Medium Enterprises Working Group and the OECD's Committee on Small and Medium Enterprises and Entrepreneurship. Australia seeks to expand opportunities for Australian MSMEs through its FTAs. Australian state and territory governments also have programs to assist MSMEs seeking to export. For example, South Australia's Department of Trade and Investment offers South Australian businesses export advisers to help develop export growth plans and overseas market entry strategies and connect business with international opportunities through South Australia's global offices.

## 8 STAKEHOLDER ENGAGEMENT

8.1. The Australian Government engages a wide range of stakeholders in the design and implementation of Australian trade and investment policies to ensure the benefits of trade are shared among the Australian community. In doing so, the Government ensures a diverse representation of the community is involved in the trade policy process, including traditionally marginalised voices such as First Nations people and women. The Government is committed to ensuring transparency in trade and investment negotiations and seeks to balance the need for confidentiality during the negotiations, the respective roles of the Executive and Parliament, and the interests of the range of stakeholders.

8.2. The **Trade 2040 Taskforce** serves as a key consultation body to progress the Australian Government's trade policy agenda with a strategic and forward-looking outlook to 2040. Australia's Trade Minister chairs the Taskforce which brings together government, industry, unions and community representatives. Individual members are leaders in their fields drawn from across Australia and reflecting a broad range of experience, including First Nations representation.

8.3. The **Ministerial Council on Trade and Investment** supports coordinated effort, policy development and implementation, and information sharing across Commonwealth, State and Territory jurisdictions regarding international trade and investment priorities. Australia's Trade Minister chairs the Council which consists of ministerial representatives from each State and Territory jurisdiction. The Council meets biannually and reports to National Cabinet.

8.4. DFAT actively engages Australian **peak body representatives** from industry, unions, civil society and First Nations, and individual businesses and entities, including during active trade negotiations and its Peak Bodies consultations on Australia's trade policy and FTA negotiating agenda. This includes outreach across Australia and its regions engaging with the full range of Australian business enterprises including MSMEs. DFAT continues to keep under review its mechanisms and implement new platforms for stakeholders to engage effectively and in genuine partnership.

8.5. The Australian Border Force also provides industry stakeholders opportunities to shape border and customs procedures to facilitate trade, such as the **National Committee on Trade Facilitation**. The committee was established as part of Australia's implementation of the WTO Trade Facilitation Agreement and is a forum for government and industry stakeholders to share information and discuss strategic issues that relate to international trade facilitation. Industry also participates in working groups that identify strategic issues and develop initiatives to improve cross-border trade.

## 9 TRADE AND DEVELOPMENT

9.1. Australia recognises the importance of trade in accelerating economic growth and reducing poverty and continues to support the integration of developing countries and LDCs into the world economy. Australia has long supported targeted, needs-based special and differential treatment, in recognition of the challenges developing countries and LDCs face in integrating into the international trading system.

9.2. Australia welcomed the **trade and development outcomes at MC13**, including transitional arrangements for countries graduating from least developed status. Australia also welcomed the **accessions of Timor-Leste and Comoros** to the WTO, which will boost their economic development through greater integration into the international trading system. Australia supported Timor-Leste throughout its accession process with technical and capacity building assistance. Australia remains committed to assisting Timor-Leste to achieve its WTO goals post-accession through its strong trade and development partnership with Timor-Leste, including its AUD 11.8 million commitment supporting Timor-Leste's WTO and ASEAN goals. Timor-Leste's WTO membership will benefit both local traders and the broader region, further integrating Australia's closest neighbours into the rules-based international trading system.

9.3. Australia's **Aid-for-Trade** agenda is wide ranging, demand driven, and delivered through multilateral, regional and bilateral programs and partnerships. From 1 July 2022 to 30 June 2023, Aid-for-Trade comprised 18.7% of Australia's total overseas development assistance (AUD 895.3 million of AUD 4.78 billion total ODA). Australia's Aid-for-Trade funding directly supports the Sustainable Development Goals, including No Poverty (SDG 1), Gender Equality (SDG 5), Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), Climate Action (SDG 13) and Conserving Oceans (SDG 14).

9.4. Australia's **Aid-for-Trade development assistance** supports developing countries and LDCs to access and benefit from the rules-based international trading system. It assists Australia's partners to foster sustainable and inclusive trade and economic growth, build economic resilience, grow export markets and access trade finance.

9.5. Australia has committed AUD 2 million (2022-2026) to the **Fisheries Funding Mechanism** to support developing country and LDC WTO members, especially in the Indo-Pacific, to implement their obligations under the WTO Agreement on Fisheries Subsidies, and in support of ocean sustainability. Australian Aid-for-Trade investments also target other shared WTO priorities such as fostering e-commerce including by delivering global e-commerce rules, and enhancing implementation of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures.

9.6. The **Australian Centre for International Agricultural Research Global Programme** supports more productive and sustainable agricultural systems in LDCs and net food importing countries by helping these countries conduct agricultural research in collaboration with Australian institutions.

## 10 PROMOTING RESILIENCE

10.1. Increasing geostrategic competition, industrial policy leading to overcapacity, and supply chain impacts from conflicts in Europe and the Middle East have required more focus on building resilience into trade and investment policy settings. The increasing use globally of trade measures for economic and other security purposes has also highlighted risks of dependence on a small number of markets for certain exports or imports. While remaining committed to open markets and rules-based trade, Australia has put in place mechanisms to promote resilience in its trade and investment regime. Australia is engaging with other countries to ensure third-country measures are targeted, proportionate, rules-based and transparent. Australia will also continue to prioritise

working with partners through a range of mechanisms to support rules-based economic resilience and energy transitions in the Indo-Pacific.

### **10.1 Trade diversification**

10.2. Diversifying who Australia trades with and what it trades is a key part of Australia's trade strategy. This helps to promote the resilience of Australia's economy by reducing risks associated with potential trade disruptions. In pursuing diversification, the Australian Government is expanding opportunities for Australian exporters and investors and positioning Australia to benefit from the energy transformation.

10.3. Australia is taking a range of actions to diversify and expand trade. The Australian Government is rolling out initiatives under the Southeast Asia Economic Strategy to 2040, which was released in September 2023 and sets out a practical pathway to significantly increase two-way trade and investment between Australia and Southeast Asia.

10.4. Australia is enhancing its economic relationship with India by progressing negotiations on an ambitious Australia-India CECA, and consulting on a new roadmap for Australia-India economic engagement. The roadmap will focus and accelerate Australian and Indian efforts for the next phase of their economic partnership, highlighting key sectors to drive the economic relationship forward.

10.5. Australia has recently concluded FTA negotiations with the United Arab Emirates and has implemented its existing trade agreements with the United Kingdom and India. Australia remains committed to negotiating an FTA with the EU and is exploring opportunities to modernise and enhance utilisation of its in-force FTAs. Australia is also implementing agreements reached under IPEF.

### **10.2 Trade-related economic coercion**

10.6. Australia is working with partners to identify, prevent, deter, and address trade-related economic coercion, including in the WTO and OECD. On 9 June 2023, Australia, with Canada, Japan, New Zealand, the United Kingdom and the United States, issued a Joint Declaration Against Trade-Related Economic Coercion and Non-Market Policies and Practices. The signatories highlighted their concern in relation to trade-related economic coercion that used, or threatened to use, measures affecting trade and investment in an abusive, arbitrary, or pretextual way to pressure a foreign government into taking, or not taking, a decision or action in order to achieve a strategic, political or policy objective. The declaration also expressed concern about non-market policies and practices that have been used as tools for economic coercion. Signatories committed to working together, with all interested partners, to address trade-related economic coercion and non-market policies and practices, including through multilateral institutions such as the WTO.

10.7. As noted earlier in this report, the WTO dispute settlement system is the only effective tool many WTO Members have to deter and discipline breaches of trade rules, including to hold to account countries that use economic coercion. Australia also uses WTO transparency mechanisms to call out trade practices that do not align with Members' obligations.

### **10.3 Investment screening**

10.8. Australia maintains an open and non-discriminatory foreign investment framework. Australia's foreign investment framework strikes a balance to ensure that it remains an attractive investment destination while maintaining community confidence in foreign investment and protecting Australia's interests. When making foreign investment decisions, the Treasurer is advised by the Foreign Investment Review Board, a non-statutory advisory body which examines foreign investment proposals and advises on the national interest implications. Responsibility for decision-making rests with the Treasurer and delegated individuals.

10.9. Investment proposals are examined on a risk-based, case-by-case basis to ensure they are not contrary to the national interest. This approach maximises investment flows, while protecting Australia's interests.

10.10. In January 2021, legislative amendments came into effect that introduced new national security powers. These reforms broadened the types of transactions subject to mandatory notification, created a scheme for voluntary notification by investors for actions of any value which could pose national security concerns, and strengthened compliance and enforcement powers.

10.11. In May 2024, the Treasurer announced reforms to streamline and strengthen the foreign investment framework to deliver a stronger, faster, and more transparent approach to foreign investment. This will ensure that Australia can attract the significant foreign capital needed to support its economic priorities while protecting the national interest in an increasingly complex economic and geostrategic environment.

#### **10.4 Measures in response to the Russian Federation's illegal invasion of Ukraine**

10.12. Australia has adopted a range of trade and economic measures in response to the Russian Federation's illegal invasion of Ukraine.

10.13. Australia has imposed trade sanctions banning the import of Russian gold, oil, refined petroleum products, coal and gas, as well as the export to the Russian Federation of alumina, bauxite and certain luxury goods, including wine and cosmetics. Australia has also banned the export of all machinery and related parts to the Russian Federation and parts of Ukraine temporarily under Russian control. Australia has denied the Russian Federation access to MFN tariff treatment and imposed a temporary additional tariff of 35% on goods produced or manufactured by the Russian Federation or Belarus.

10.14. Australia has imposed more than 1200 targeted financial sanctions on persons and entities in response to the Russian Federation's illegal invasion. Australia has also implemented the G7+ price caps on Russian oil and refined petroleum products. The Australian Government has directed Export Finance Australia to reject any requests for loans or other finance that support trade with, or investment in, the Russian Federation or Belarus.

#### **10.5 COVID-19 related measures**

10.15. The Australian Government introduced a range of targeted measures in response to the COVID-19 pandemic, including measures affecting trade in goods and services and supporting Australian businesses. These were notified at the WTO and have largely been withdrawn, although several trade-facilitative measures have been retained. For example, the Australian Government has made permanent tariff concessions for medical and hygiene products that are of use in combatting COVID-19.

### **11 ENFORCEMENT**

11.1. The implementation and enforcement of global trade rules is an important priority for Australia. The WTO dispute settlement system and, while the Appellate Body is not functioning, the Multi-Party Interim Appeal Arbitration Arrangement, are important mechanisms for promoting and defending Australia's interests.

11.2. During the review period, Australia used these mechanisms to address trade impediments and ensure rules were upheld by participating in disputes as a complainant, respondent, and third party. Australia's use of the dispute settlement system and the Multi-Party Interim Appeal Arbitration Arrangement were crucial in securing the removal of measures on Australian exports of bottled wine to Canada, and the duties on exports of barley and bottled wine to China. While Australia was successful in its claims concerning India's measures on Australian exports of sugar and sugarcane, India appealed these findings to the Appellate Body. This dispute remains unresolved while the Appellate Body is not functioning. Australia also engaged constructively in WTO cases brought against it and has participated as a third party in proceedings in which Australia made submissions on points of systemic importance.

11.3. Australia's trade remedies system is another important avenue for responding to distortive and unfair trade practices. Australia's trade remedies system is transparent, evidence-based and non-discriminatory. It provides appropriate tools for the Australian Government to take remedial action against unfairly traded imports that are causing material injury to a domestic industry, in line

with the relevant WTO Agreements. The Anti-Dumping Commission is responsible for conducting anti-dumping, countervailing (anti-subsidy) and anti-circumvention investigations and reviews. The Anti-Dumping Review Panel hears requests for merits review of certain decisions of the Anti-Dumping Commissioner and the Minister responsible for anti-dumping and countervailing matters. The International Trade Remedies Advisory service assists small and medium businesses to access the anti-dumping system. Australia's Productivity Commission is the competent authority for conducting inquiries in relation to safeguard action. Australia's judicial review system is also available for parties to challenge administrative decisions.

## 12 TRADE PROMOTION AND EXPORT FINANCING

### 12.1 Australian Trade and Investment Commission (Austrade)

12.1. Austrade delivers programs and services to support Australian businesses engaging in trade, and provides insights and advice to inform exporter, investor and Government decision making. Austrade attracts productive foreign direct investment by connecting international investors to projects and opportunities in Australia, and leads Australian Government policy, programs and the official statistics for tourism and the visitor economy.

12.2. Austrade is also responsible for developing and implementing tourism policy. **THRIVE 2030** (The ReImagined Visitor Economy) is Australia's long-term industry-led government-enabled national strategy to rebuild and grow the visitor economy. The strategy envisions a visitor economy that: delivers quality experiences for visitors; includes businesses that are globally competitive, profitable and grow sustainably; and provides jobs, growth and infrastructure that benefit Australian communities.

### 12.2 Export Finance Australia (EFA)

12.3. Export-led growth is a longstanding pillar of Australian economic policy. Since 1956, this has included financial support to exporters. In its current form, EFA facilitates and encourages Australian export trade and overseas direct investment through the provision of financial services when the private market faces constraints.

12.4. The growing complexity of global markets has seen the role of export credit agencies grow. EFA brings complex and innovative financing solutions to Australian businesses including under the **Defence Export Facility** (established in 2018) and the **Critical Minerals Facility** (established in 2021 and expanded in 2024). In 2021, EFA was also given the power to make **equity investments** on transactions in the national interest.

12.5. EFA also has a growing role delivering on the Australian Government's climate agenda. In September 2022, the Australian Government passed legislation that requires EFA to have regard to **Australia's Paris Agreement commitments and the Government's emissions reductions targets** in the performance of its functions. Australia became a signatory to the Statement on International Public Support for the Clean Energy Transition Partnership, also known as the **Glasgow Statement**, on 5 December 2023. EFA will end new direct public support for the international unabated fossil fuel energy sector within one year of Australia signing the statement (5 December 2024), except in limited and clearly defined circumstances that are consistent with the 1.5 degrees celsius warming limit and the goals of the Paris Agreement, in line with Australia's commitment under the statement. This forms part of Australia's wider commitment to build a global net zero economy, while working to align global financial flows with the goals of the Paris Agreement.

12.6. EFA has an additional financing role beyond export finance. It also provides finance for infrastructure development in the Indo-Pacific with a benefit to Australia, including under the **Australian Infrastructure Financing Facility in the Pacific** (established in 2019) and the **Southeast Asia Investment Financing Facility** (established in 2024).

12.7. All EFA finance, whether export finance or other, is implemented in line with Australia's international trade and investment law obligations, including OECD requirements such as the OECD Arrangement on Guidelines for Officially Supported Export Credits.

## 13 FACILITATING TRADE AND SUPPORTING OPENNESS

13.1. A range of policies and programs support openness, promote the connectivity of Australia's economy with the world, and facilitate trade. These policies and programs are set out below as they are relevant to Australia's approach to trade and investment.

### 13.1 Digital trade

13.2. Australia is committed to seeking digital trade rules which help manage risks of trade restrictive, coercive, or distortive behaviours, reflect democratic values and strengthen economic security.

13.3. The Australian Government released its Digital Trade Strategy in April 2022. The Strategy guides Australia's practical action as a leader in digital trade, informing its work to develop digital trade rules which address impediments to trade, give predictability to business, create quality jobs and provide for consumer welfare and choice. In addition to Australia's digital trade leadership at the WTO on the E-commerce Joint Statement Initiative, this includes the efforts outlined below.

13.4. Through the 2020 **Australia-Singapore Digital Economy Agreement** and the 2023 **A-UKFTA**, Australia set global benchmarks for trade rules, and established a range of practical cooperation initiatives to reduce barriers to digital trade and build an environment in which Australian, Singaporean and UK businesses, workers and consumers can participate and benefit from digital trade and the digitalisation of the economy.

13.5. Australia is committed to fostering digital trade links with **ASEAN** partners, including under Australia's Southeast Asia Economic Strategy to 2040 and the upgraded AANZFTA's electronic commerce chapter.

13.6. In **APEC**, Australia continues to support capacity building efforts to drive digital trade growth in the region, including through promoting digital trade rules and interoperability. Australia has sought to promote the digitalisation and cross-border recognition of electronic trade-related documents through measures to facilitate paperless trade (see paragraph 13.14). Australia is leading work to support APEC economies in the implementation of APEC's ministerially endorsed Principles for the Interoperability of Electronic Invoicing Systems, and capacity building to improve digital trade negotiation skills among APEC officials.

13.7. In 2023, Australia worked with **G20** members to develop a set of principles to guide G20 members' digitalisation of trade documents. Australia continues to support G20 initiatives that encourage transparency, interoperability, and harmonisation of digitalisation efforts across the world's largest economies.

13.8. Digital connectivity featured in Australia's **Aid-for-Trade** funding in the year of 1 July 2022 to 30 June 2023. Australia supported ICT investments in the Indo-Pacific region through the Australian Infrastructure Financing Facility for the Pacific and capacity building initiatives which helped partners to engage in digital trade.

13.9. Australia has committed AUD 3 million to the **UN Conference on Trade and Development's** E-Commerce and Digital Economy Programme to assist development partners in South and Southeast Asia and the Pacific to enhance their readiness to engage in and benefit from digital trade. The program strengthens dialogue on e-commerce and the digital economy – between policymakers, the private sector, and civil society – and helps to empower women digital entrepreneurs.

13.10. Australia is also a founding donor to the **World Bank Umbrella Facility for Trade's Digital Advisory and Trade Assistance Fund** (AUD 1 million). The fund was designed to support developing countries and LDCs to adopt policies and regulations that enhance trust in digital markets and make it easier to do business online. It was also designed to facilitate uptake and implementation of the WTO E-commerce Joint Statement Initiative.

## 13.2 Trade facilitation and customs procedures

13.11. Australia played a key role in the successful conclusion of the WTO Trade Facilitation Agreement and complies with all its provisions. The Australian Government continues to modernise import and export systems to build on commitments in the Trade Facilitation Agreement and Australia's FTAs.

13.12. The Government has invested in a suite of reforms to create a simpler, more effective and sustainable cross-border trade environment. Through the Simplified Trade System Implementation Taskforce, the Government worked with business to develop a comprehensive plan for priority digital and regulatory reforms. A Simplified Trade System Unit was established in Austrade in July 2024 to deliver on the Government's commitment to coordinated reform to simplify the cross-border trade process including through streamlined digital systems.

### 13.2.1 Australian Trusted Traders and bilateral agreements and arrangements

13.13. Businesses authorised as Australian Trusted Traders have access to a range of benefits that can simplify their customs processes and provide faster access to market. Membership of the program is free to Australian businesses that can demonstrate a secure supply chain and high levels of trade compliance.

13.14. Under the Australia-Thailand Authorised Economic Operator Mutual Recognition Arrangement, signed by the Australian Border Force and Thai Customs in 2021, Australia and Thailand formally recognised each other's Authorised Economic Operator Programs. Under the Statement of Recombitment to the Australia-China Authorised Economic Operator Mutual Recognition Arrangement, signed to commence in December 2023, Australia and China reaffirmed their commitment to the Authorised Economic Operator Mutual Recognition Arrangement signed in November 2017. Australia signed memoranda of understanding on customs and mutual assistance with Indonesia in 2020 and Singapore in 2021, as well as a Memorandum of Understanding on Trade Facilitation with Singapore in 2020.

### 13.2.2 Advance rulings

13.15. With respect to advance rulings, importers may apply to the Australian Border Force for binding advice for tariff classification, origin or valuation, which are provided free of charge. Importers can seek urgent cargo clearance for perishable goods where delay will result in their damage by indicating in sea cargo reports that goods are perishable.

### 13.2.3 Paperless trade

13.16. The Australian Government has committed to consider options for the domestic implementation of the 2017 **UNCITRAL Model Law on Electronic Transferable Records**. This project is part of a broader Government commitment to create a simpler, more effective and sustainable cross border trade environment. Implementation of the Model Law would enable the use of electronic transferable records by giving these records the same legal standing as equivalent paper-based transferable records, such as bills of lading and bills of exchange. With the support of several other economies, Australia is leading work in APEC to encourage the collective movement of APEC members to adopt and implement domestic arrangements that are based on, or equivalent to, the Model Law. This work includes a regulatory review of APEC economies' legislative frameworks and an analysis of the potential economic benefits of a collective transition to paperless trade in the region.

13.17. The Australian Border Force is progressing the development of a **Digital Verification Platform**, which aims to facilitate cross border trade and paperless trading. The platform will enable the conversion of trade documents into Verifiable Credentials that can be instantly verified.

### 13.2.4 Support for developing countries on trade facilitation

13.18. Australia's long-standing support for the Trade Facilitation Support Program supports developing countries to align customs and regulatory practices with the WTO Trade Facilitation

Agreement. Two-thirds of the agreement's benefits are expected to flow to developing countries through boosting economic growth and job creation.

13.19. The Australian Government has also supported developing and least developed countries across Southeast Asia and the Pacific with trade facilitation through the provision of technical assistance and capacity building on e-commerce capabilities, including national e-commerce policy reform and the use of online marketplaces. Through such initiatives, MSMEs, and particularly women-led enterprises, have increased their specialised e-commerce skills.

### **13.3 Biosecurity**

13.20. Australia is committed to approaches to biosecurity which facilitate trade and are consistent with the WTO's principles of non-discrimination. Australia's biosecurity system protects its agriculture, forestry and fisheries industries, tourism sector and environmental assets, which account for more than 1.6 million jobs.

13.21. This biosecurity system is underpinned by Australia's Biosecurity Act (2015) and its subordinate legislation. In 2022, amendments were made to the Biosecurity Act that increased a range of civil penalties for non-compliance, clarified the use and disclosure of protected information, strengthened Australia's ability to manage biosecurity risks posed by international travellers and improved the operational effectiveness of the Act.

13.22. Australia's National Biosecurity Implementation Plan supports the rollout of Australia's biosecurity strategy to 2032. One element of this strategy is Australia's engagement in international advocacy to support the development and application of WTO-consistent global standards, rules and conditions. In doing this, Australia seeks to maintain strong global agricultural systems, which support the environment, biodiversity and food security and safety.

13.23. In 2023, Australia completed a comprehensive review of its biosecurity cost recovery arrangement which resulted in increases in regulatory fees and charges for biosecurity and imported food regulatory activities.

13.24. The Australian Government has responded to international pest and disease outbreaks which have posed significant threats to biosecurity of Australia's region, including detections of foot-and-mouth disease (FMD) and lumpy skin disease (LSD) in Indonesia in 2022. Australia worked with other government agencies, trading partners and the public to quickly and decisively respond by supplying LSD vaccines and technical expertise to support Indonesia. Australia supported biosecurity education campaigns for regional developing countries on African swine fever, LSD and FMD. In these campaigns, education materials were developed in multiple languages and distributed via targeted digital platforms.

13.25. Australia is also a long-standing partner of the Standards and Trade Development Facility, through which it supports developing and least developed countries to improve biosecurity approaches, thereby enhancing their access to international markets and encouraging trade diversification. Australia was a strong proponent of the Facility's commitment to inclusiveness in trade, as outlined in its Gender Action Plan (July 2023).

13.26. Noting growing discussion on the use of digital tools in the WTO Sanitary and Phytosanitary (SPS) Measures Committee, Australia has continued to focus on developing eCertification and irradiation as an alternate phytosanitary pathway. The Australian Government has invested significantly in Australia's Next Export Documentation System (NEXDOC), enabling exporters to apply for digital export documentation to facilitate trade and reduce fraudulent, illegible, or lost certification.

### **13.4 Government procurement**

13.27. Australia is committed to fostering competition in its government procurement market. Australia is party to several bilateral and other agreements that include government procurement commitments, including the WTO Agreement on Government Procurement. Through these agreements, foreign suppliers are guaranteed access to the Australian government procurement

market under fair and transparent conditions, in return for guaranteed access for Australian suppliers into the markets of its trading partners.

13.28. Australia continues to play an active role in the Committee on Government Procurement, including work programmes on Small and Medium Enterprises, Sustainable Procurement and the Reporting of Statistical Data.

### **13.5 Intellectual property**

13.29. The Australian Government seeks to support a world leading intellectual property system that continues to build prosperity for Australians. Intellectual property plays an important role in encouraging an innovative and entrepreneurial economy, including through trade. Australia continues to encourage intellectual property settings that enable efficient trade, including to ensure the protection of intangible assets, such as data, software, inventions and brands, given their increasing importance as sources of business value.

#### **13.5.1 Copyright**

13.30. The Government is developing reform options for reducing barriers to Australians' use of the legal system to enforce copyright, including examining simple options to resolve 'small value' copyright infringements. The Government undertook public consultations on these issues from December 2022 to March 2023.

13.31. The Copyright (International Protection) Amendment Regulations (2022) updated the protection provided to foreign countries under Australia's copyright law in accordance with its treaty obligations and commitment to protecting international sound recordings and broadcasts. The amendment extended protection for secondary uses of sound recordings (i.e. the rights to broadcast and communicate to the public) to recordings from seven additional countries which were determined to provide reciprocal protection, taking the total number of countries receiving such protection to 119.

13.32. The Government announced the establishment of a Copyright and Artificial Intelligence Reference Group in December 2023. The reference group is a mechanism for ongoing engagement with stakeholders across a wide range of sectors to inform potential policy responses to artificial intelligence and copyright issues.

#### **13.5.2 Support for developing countries on intellectual property**

13.33. Through its support for the WIPO Funds in Trust program, Australia is promoting trade and economic growth in Indo-Pacific developing countries through improved application and use of intellectual property rules. Australia has provided AUD 2 million for a fourth iteration of the program, launched in March 2024. Activities under this iteration include: capacity building for patent examiners and judiciary in South-East Asia to enhance national intellectual property and innovation ecosystems; supporting access for groups and communities to leverage intellectual property, especially for the benefit of the visually impaired; and supporting knowledge transfer and technology adaptation to help address global challenges like climate change and marine pollution.

13.34. Australia has supported the Economic Cooperation Work Program under AANZFTA, which has included a project designed to increase consistency of outcomes from trademark examination and build certainty for exporters.

### **13.6 Competition**

13.35. Greater competition is critical for lifting dynamism, productivity, and innovation, putting downward pressure on prices and delivering more choice for Australian consumers.

13.36. The Competition and Consumer Act (2010) seeks to enhance the welfare of Australians by promoting fair trading and competition and providing for consumer protection. The Act was updated in 2022 to significantly increase the maximum pecuniary penalty for corporations and individuals engaged in anti-competitive conduct (for example, cartels, misuse of market power and exclusive dealing). These increases also apply to contraventions with respect to the News Media and Digital

Platforms Mandatory Bargaining Code, the Telecommunications Industry and the Electricity Industry as proscribed under the Competition and Consumer Act.

13.37. Australia's competition regulator, the Australian Competition and Consumer Commission, reviews mergers and acquisitions that may pose competition concerns. Parties are encouraged to approach the Commission on a voluntary basis to seek its view on proposed mergers or acquisitions that may raise competition issues. Where the Commission has concerns that a proposed merger or acquisition would, or would be likely to, substantially lessen competition, it may accept a court enforceable undertaking from the merger parties.

13.38. Under Australia's National Competition Policy, the Competition Principles Agreement (1995) applies to all levels of government and promotes competitive neutrality policies in all jurisdictions. These policies aim to promote efficient competition between public and private business by ensuring that government businesses do not enjoy competitive advantages over their private sector competitors by virtue of their public sector ownership.

13.39. Australia is also working with its FTA partners to promote fair and open market conditions, protect consumers and support good regulatory practice through commitments on competition policy, consumer protection and state-owned enterprises.

## **14 CONCLUSION**

14.1. Australia recognises the crucial role trade and investment play in promoting economic prosperity and security and tackling contemporary global challenges. Australia will continue to support open, rules-based trade, including by working with other countries to strengthen and reform the international trading system, with the WTO at its core.

14.2. Trade and investment are essential to drive Australia's economic growth and create jobs. The Australian Government will continue to pursue policies to maximise these benefits for all Australians. In doing so, the Government will seek to strengthen Australia's economic resilience and make it a key part of the net zero global economy, including by diversifying Australia's trade. Australia's engagement with international partners will remain vital to these efforts.

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