BCA
Business Council of Australia

6 July 2026

Ambassador Jamieson Greer
United States Trade Representative
Via electronic submission (Docket No. USTR-2026-0266)

Dear Ambassador Greer

The Business Council of Australia (BCA) welcomes the opportunity to provide comments on the proposed Section 301 tariff measures relating to forced labour.

The BCA is Australia's peak business organisation, representing the chief executive officers of Australia's largest corporations and investors across every sector of the economy, collectively employing almost ten per cent of all privately employed Australians.

Overview

The BCA strongly supports international efforts to eliminate forced labour from global supply chains. Australia has established a mature, transparency-based regulatory framework to combat modern slavery and business continues to work closely with the Australian Government to strengthen that framework and improve practical outcomes with respect to eliminating forced labour in Australia and internationally, particularly in our region.

The United States is Australia's longstanding ally and largest economic partner. In 2025, two-way trade amounted to over US$103 billion and the bilateral investment relationship totalled US$2 trillion. Collectively, BCA members employ thousands of American workers, purchase from American suppliers and contribute to deeply integrated supply chains between Australia and the United States across technology, healthcare, infrastructure, energy, resources, critical minerals and professional services. Australian exports strengthen American manufacturing, investment and supply chain resilience.

Given Australia's modern slavery regulatory framework, its strong labour institutions and the demonstrated commitment of Australian business to responsible supply chain governance, the BCA opposes any additional tariff measures on Australian exports. Additional tariffs are likely to impose unnecessary costs on American businesses and consumers while being unlikely to materially advance the objective of eliminating forced labour.

Should the proposed tariffs nevertheless be imposed, the BCA submits that existing exclusions should be maintained in full and, where possible, expanded. Maintaining the current exclusions would be consistent with USTR's established approach.

Australia's Modern Slavery Act

Australia's Modern Slavery Act 2018 establishes a national transparency-based reporting framework requiring large businesses and other entities operating in the Australian market to report annually on modern slavery risks in their operations and supply chains and the actions taken to address those risks.

Since its commencement in 2019, the Act has strengthened corporate governance, supply chain transparency and risk management. Australian businesses have invested in sophisticated systems to identify and mitigate modern slavery risks throughout their operations and supply chains. These include supplier due diligence, contractual obligations, geographic risk assessments, independent auditing, remediation processes and ongoing monitoring of risks.

The regime continues to evolve. The BCA is actively engaging with the Australian Government's current review of the Modern Slavery Act to improve implementation, promote international interoperability and ensure regulatory effort remains focused on practical outcomes in identifying and mitigating modern slavery risks.

Mutually beneficial trade and investment

At a time when the United States is seeking to strengthen economic resilience and trusted supply chains, preserving predictable market access between Australia and the United States directly supports our shared economic and national security interests.

The reality is that Australian exports to the United States complement rather than displace American production. They provide critical inputs for American manufacturers, strengthen resilient supply chains between allies and support critical sectors including advanced manufacturing, healthcare, energy, critical minerals, agriculture and technology.

The Australia-United States Free Trade Agreement (AUSFTA) has underpinned more than two decades of shared prosperity. AUSFTA entered into force on 1 January 2005 and more than 99 per cent of US exports of consumer and industrial goods are now duty free.

The United States has enjoyed a longstanding trade surplus with Australia, reflecting the fact that our trading ties are mutually beneficial, supporting prosperity in both countries.

Exclusions

The BCA firmly opposes the proposed 12.5 per cent Section 301 duty on Australian exports. This would increase the duty currently applicable to many Australian exports from 10 per cent to 12.5 per cent.

The proposed tariff measures are likely to impose disproportionate costs on US manufacturers, businesses and, ultimately, consumers without achieving the stated objective.

Should the proposed tariff measures nevertheless be imposed, the BCA submits that existing exclusions should be maintained and, where appropriate, expanded. This includes, but is not limited to:

- products for persons with disabilities under the Chapter 98 provision
- products already subject to separate national security trade measures
- products for which there is no meaningful domestic alternative

- products supporting resilient supply chains
- products where additional tariffs would impose disproportionate costs on American businesses or consumers without materially advancing the objective of eliminating forced labour.

The Business Council of Australia would be pleased to provide further information about these exclusions, including the relevant product classifications.

Maintaining and expanding exclusions in these circumstances would be consistent with USTR's established tests, including whether tariffs would lead to the unavailability of domestic supply, cause supply dislocation or whether the measures would practically or effectively help to eliminate forced labour.

Recommendations

Australia and the United States have built one of the world's most successful economic partnerships on shared values, strategic trust and deeply integrated supply chains. Australian business shares the United States' commitment to eliminating forced labour and continues to invest in strong supply chain governance under Australia's modern slavery regulatory framework.

The proposed tariff measures would not advance that objective when applied to Australian exports. Instead, they would likely increase costs for American manufacturers and consumers, weaken resilient supply chains between allies and reduce economic competitiveness in both countries.

The BCA respectfully urges USTR to:

- recognise Australia's modern slavery regulatory framework and the demonstrated commitment of Australian business to combating forced labour
- exclude Australian exports from any final tariff measures
- should tariff measures be imposed on Australian goods, maintain and expand existing exclusions where duties would not be in the interests of the US economy, including for the three specific areas identified in the USTR's proposed action.

The Business Council of Australia appreciates the opportunity to provide these comments and would welcome continued engagement with USTR.

Yours sincerely

Bran Black
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Business Council of Australia