



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

APRIL 2026

# Australia-European Union Free Trade Agreement: Key Outcomes from Concluded Negotiations

MARKET INTELLIGENCE REPORT

# Summary

- Australia and the European Union (EU) concluded negotiations of the Australia-European Union Free Trade Agreement (A-EU FTA) on 24 March 2026, after almost eight years of talks. Conclusion of the A-EU FTA is a positive development for the international rules-based system and strengthens ties between two of New Zealand's most important partners at a challenging time globally.
- The EU is Australia's third-largest trading partner, with two-way trade of NZ\$132 billion in the year ending June 2025. The EU is New Zealand's fourth-largest trading partner, with two-way trade of NZ\$23 billion in 2025.
- The [A-EU FTA](#) is broadly similar to the [New Zealand-European Union Free Trade Agreement \(NZ-EU FTA\)](#), which was concluded in June 2022 and entered into force on 1 May 2024. Like the NZ-EU FTA, the A-EU FTA will eliminate almost all tariffs in both directions, and contains commitments on services, investment, government procurement, digital trade, intellectual property, and trade and sustainable development.
- The [provisional text](#) of the A-EU FTA will now undergo legal verification on both sides, and translation into the EU's 24 official languages. The text is expected to be signed by the end of 2026 or early 2027. Australia has indicated the FTA is likely to enter into force in late 2027.
- With the A-EU FTA expected to enter into force in late 2027, New Zealand exporters have had a headstart on their Australian counterparts. Since the NZ-EU FTA entered into force in May 2024, New Zealand's goods exports to the EU have increased by \$2.5 billion (up a cumulative 58%), making the EU New Zealand's fastest-growing goods export market since it entered into force. New Zealand's services exports to the EU have also increased, reaching a new high of \$2 billion in 2025 (up a cumulative 18%).
- This report provides information on key outcomes of most relevance to New Zealand, based on information published by the [Australian Government](#) and the [European Commission](#).

# Report

Australia has secured a broadly similar deal to New Zealand in many respects, with each agreement having a broadly similar scope and key outcomes.

Both FTAs eliminate almost all tariffs on goods, with a narrow set of exceptions:

- **EU tariffs:** The EU will eliminate tariffs on 97.8% of goods imported from Australia at entry into force of the AUS-EU FTA, rising to 98% over seven years from entry into force. For certain sensitive agricultural products, such as beef, sheep meat, butter, skim milk powder, high protein whey, sugar, and milled rice, Australian access is subject to quotas.
  - The EU eliminated tariffs on 91% of goods imported from New Zealand at entry into force of the NZ-EU FTA (in 2024), rising to 97% over three, five and seven years from entry into force (i.e. by 2027, 2029 and 2031). The remainder comprises sensitive agricultural products, such as beef, sheep meat, butter, cheese, and high protein whey, for which New Zealand access is subject to quotas. For details, see table below.
- **AUS/NZ tariffs:** Australia will eliminate tariffs on 97.6% of goods imported from the EU at entry into force of the AUS-EU FTA, and 99.6% over transition periods of three to five years.
  - New Zealand eliminated all tariffs on imports from the EU on entry into force of the NZ-EU FTA.

Almost all New Zealand's goods exports to the EU already enter the EU duty free under the NZ-EU FTA, including:

- Horticulture: 99.9% of NZ exports enter the EU duty free
  - Fish and Seafood: 99.6% enter duty free
  - Other Agricultural Products, including Wine and Honey: 97% at present (99% from 1 January 2027)
  - Industrial Products: 99.9%
  - Textiles, Apparel and Footwear: 100%
-

## Red meat

The A-EU FTA will deliver Australia a larger **beef** quota than New Zealand (30,600 tonnes of new FTA access once fully implemented after 10 years, vs New Zealand's 10,000 tonnes of new FTA access by 2031). This is on top of each country's existing WTO access (4,400 tonnes for Australia, and 1,466 tonnes for New Zealand). The beef outcomes are broadly comparable in the context of Australian and New Zealand beef export volumes globally, with Australia exporting 3.7 times as much beef as New Zealand in 2025.

The A-EU FTA will deliver Australia a smaller **sheep meat** quota than New Zealand (30,851 tonnes vs New Zealand's 163,769 tonnes, including existing WTO access, duty free, upon full implementation).

For more details on the red meat outcomes, see table below.

---

## Dairy

The A-EU FTA will deliver Australia tariff elimination for cheese (also an EU export interest), whole milk powder, and milk fats and oils, all over three years. These products are subject to quotas under the NZ-EU FTA. Australia exports less than half as much cheese as New Zealand globally, and only a small fraction as much whole milk powder and milk fats and oils.

The A-EU FTA will deliver Australia quota access for butter, skim milk powder and high-protein whey. These quotas are duty free, but significantly smaller than New Zealand's quota access under the NZ-EU FTA – for details, see table below.

---

## Geographical Indications (GIs)

On geographical indications (GIs), Australia agreed to protect a list of terms as GIs under its FTA, as did New Zealand.

Australia will protect both 'feta' and 'prosecco' as GIs. However, existing users of the term 'feta' in Australia will be able to continue that use, and Australian wine producers will be able to use the term 'prosecco' to identify the grape variety of their wine (subject to labelling requirements) for 10-years for exports and indefinitely for domestic sales.

These terms are also protected under the NZ-EU FTA, subject to existing users being able to continue to use 'feta' for nine years and 'prosecco' for five years.

The A-EU FTA clarifies that, in Australia, ‘parmesan’ is not a translation of the Italian GI - ‘Parmigiano Reggiano’. The NZ-EU FTA does not include this clarification, however it does allow existing users of ‘parmesan’ to continue that use.

---

## Services and investment

Australia’s outcome on services is largely in line with New Zealand’s. Regardless, under the NZ-EU FTA, New Zealand has “most favoured nation” treatment with regard to the EU’s services and investment commitments in almost all sectors. This means that any better outcomes secured by Australia in these areas will be extended to New Zealand.

---

## Next steps: Signature and Ratification

Australia has said signature of the Australia-EU FTA is expected to take place in late 2026 or early 2027, and that domestic ratification processes are expected to take up to another year. This would suggest the Australia-EU FTA may enter into force around the end of 2027.

---

## Published materials

### Australian Government:

- [Main page](#)
- [Provisional text \(NB: except market access schedules\)](#)
- [Highlights](#)
- [Key outcomes and benefits](#)
- [Geographical indications](#)
- [Frequently asked questions](#)
- [Next steps](#)

### European Commission:

- [Main page](#)
  - [Provisional text \(NB: except market access schedules\)](#)
  - [Chapter-by-chapter summary](#)
  - [Questions and answers](#)
  - [Main benefits](#)
  - [Agriculture](#)
  - [Sustainability](#)
  - [Critical raw materials](#)
-

# Australia-EU FTA Red meat and dairy outcomes (and NZ comparison)

Product	Australia outcome (Year 7: 2034 est.)	NZ outcome (Year 7: 2031)
<b>Beef</b> <sup>1</sup>	<p><b>Overall access of 35,000 tonnes,</b> comprising:</p> <p><b>FTA:</b> 30,600 tonnes of new access over 10 years (10,200 tonnes from entry into force in 2027 and for five years thereafter, growing to final volume from years 6-10), split as follows:</p> <ul style="list-style-type: none"> <li>- 55% grass-fed, grain-finished beef (16,830 tonnes) (0% tariff)</li> <li>- 45% any beef (13,770 tonnes) (7.5% tariff)</li> </ul> <p><b>WTO:</b> Australia's existing 4,400-tonne WTO quota will drop to a 0% tariff</p>	<p><b>Overall access of 11,466 tonnes,</b> comprising:</p> <p><b>FTA:</b> 10,000 tonnes (7.5% tariff), phasing in over seven years (6,190 tonnes in 2027), raised under New Zealand's pastoral farming conditions</p> <p><b>WTO:</b> New Zealand's existing 1,466-tonne WTO quota dropped to a 7.5% tariff</p>
<b>Sheep meat</b> <sup>1</sup>	<p><b>Overall access of 30,581 tonnes,</b> comprising:</p> <p><b>FTA:</b> 25,000 tonnes (0% tariff)</p> <p><b>WTO:</b> Australia's existing 5,581 tonne WTO quota remains at 0% tariff</p>	<p><b>Overall access of 30,581 tonnes,</b> comprising:</p> <p><b>FTA:</b> 25,000 tonnes (0% tariff)</p> <p><b>WTO:</b> Australia's existing 5,581 tonne WTO quota remains at 0% tariff</p>
<b>Subtotal: Red meat</b> <sup>1</sup>	<p><b>Overall access of 65,581 tonnes of red meat,</b> comprising 35,000t of beef and 30,581t of sheepmeat.</p>	<p><b>Overall access of 175,235 tonnes of red meat,</b> comprising 11,466t of beef and 163,769t of sheepmeat.</p>

<b>Product</b>	<b>Australia outcome (Year 7: 2034 est.)</b>	<b>NZ outcome (Year 7: 2031)</b>
<b>Butter</b>	<b>Access for butter of 5,000 tonnes</b> <b>Tariff elimination</b> over three years for other dairy fats and oils	<b>Overall access of 36,000 tonnes,</b> comprising:  <b>FTA:</b> 15,000 tonnes (at 5% of standard EU tariff)  <b>WTO:</b> 21,000 tonnes of New Zealand's existing WTO quota drops to 5% of the standard EU tariff.
<b>Milk powder</b>	<b>Access for skim milk powder of 8,000 tonnes</b> <b>Tariff elimination</b> over three years for whole milk powder	<b>Overall access of 15,000 tonnes,</b> comprising:  <b>FTA:</b> 15,000 tonnes for all milk powders (at 20% of standard EU tariff)
<b>Cheese</b>	<b>Tariff elimination over 3 years</b> (NB: mirrored by Australia for EU cheese exports to AUS)	<b>Overall access of 31,031 tonnes,</b> comprising:  <b>FTA:</b> 25,000 tonnes (0% tariff)  <b>WTO:</b> New Zealand's existing 6,031-tonne WTO quota dropped to a 0% tariff
<b>High protein whey</b>	<b>2,000 tonnes (0% tariff)</b>	3,500 tonnes (0% tariff)
<b>Additional dairy products with tariff elimination</b>	<b>Tariff Elimination over three years for:</b> Liquid milk and cream Dairy spreads & fats and oils (Infant Formula, Casein and Peptones: outcomes not yet public)	<b>Tariff Elimination for:</b> Liquid Milk / Cream: 7 years Processed cheese: 7 years Buttermilk powder: 7 years Retail Infant Formula: 7 years Casein: 5 years Peptones: 7 years

*1 Beef and sheep meat volumes cited above are all expressed in carcass weight equivalent (CWE).*

**Notes:**

- A stricter bilateral safeguard mechanism applies for products subject to quotas under the A-EU FTA, should Australian exports to the EU surge or EU prices decrease. The A-EU FTA safeguard will apply for 15 years for beef, 12 years for sheepmeat, and 8 years for butter, milk powder and milk fats and oils. The NZ-EU FTA does not contain a safeguard of this nature.
  - The A-EU FTA includes a clause through which Australia may request a review of the beef and sheep meat quota volumes five years after entry into force of the FTA.
-

# More info

## More reports

View full list of market reports from MFAT at [www.mfat.govt.nz/market-reports](http://www.mfat.govt.nz/market-reports)

If you would like to request a topic for reporting please email [exports@mfat.govt.nz](mailto:exports@mfat.govt.nz)

To get email alerts when new reports are published, go to our [subscription page](#).

To learn more about exporting to this market, New Zealand Trade & Enterprise's comprehensive [market guides](#) cover export regulations, business culture, market-entry strategies and more.

## To contact the Export Helpdesk

email [exports@mfat.govt.nz](mailto:exports@mfat.govt.nz)

call 0800 824 605

visit [Tradebarriers.govt.nz](http://Tradebarriers.govt.nz)

### Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.

### Copyright

Crown copyright ©. Website copyright statement is licensed under the [Creative Commons Attribution 4.0 International licence](#). In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms.