



Department for International Trade

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5 November 2021

Dear Angus,

Thank you for your letter dated 9 September, regarding climate asks in the Australia Free Trade Agreement.

My Department is committed to using trade policy and free trade agreements to support our Government's climate change objectives. As you note, I have made clear to you that there is a role for our FTAs in supporting our climate goals, though I have also made clear that the first best route to considering these issues is a multilateral one and we are committed to working with like-minded partners to do so.

In response to your specific comments and questions on the Australia deal:

- 1) Our agreement with Australia includes a substantive chapter on environment with commitments to work together on climate change. It reaffirms both Parties' commitments to upholding all their obligations under Paris and goes beyond what Australia have ever agreed before in an FTA.
- 2) The deal protects regulatory sovereignty on the environment and climate in a manner consistent with all other trade agreements and goes beyond most in its specificity of climate change law in the text of the agreement. We are clear that the UK and Australia share the understanding that policy action to meet climate objectives can be covered by the same sets of policy exceptions and rules found as a matter of course in comprehensive trade deals, should there ever be any cause for doubt over the coherence of our climate policy action and our FTA obligations.
- 3) The chapter also includes a wide range of provisions on environmental issues, for example, forestry and illegal logging, marine litter and pollution and the circular economy. It establishes a clear basis upon which the UK and Australia can cooperate to ensure our trade and environment policies are mutually supportive.
- 4) The agreement includes a specific article on multilateral environmental agreements, where the UK and Australia recognise the importance of these agreements and affirm their commitment to implement them.

You also ask about progress and any interaction with our New Zealand negotiations. On 20 October 2021, the Government agreed the main details of a trade deal between the UK and New Zealand. The published agreement in principle is the first step in finalising our agreement with New Zealand before its entry into force. The full FTA text will now be finalised and undergo legal review prior to signature. The full FTA text will then be signed and published in due course, alongside an impact assessment and explanatory memorandum.

My Department will endeavour to confidentially share these with your Committee shortly before publication, where time allows. After this point there will be ample time for scrutiny of the finalised FTA, including by your Committee and the independent Trade and Agriculture Commission. The agreement in principle demonstrates our global leadership on climate and environmental protection and how trade can support clean growth and our low carbon transition, including through the most comprehensive environmental goods list of liberalised tariffs in any FTA to date.

Our free trade agreements will also always seek to promote trade and investment in clean goods and services, including through the removal of tariffs on environmental and climate-friendly goods, and seeking ambitious commitments on market access in environmental services sectors. We will facilitate international cooperation to accelerate the global transition to a low carbon economy seeking provisions in areas such as sustainable finance and sustainable procurement.

We will uphold our world-leading environmental standards and challenge others to lift their ambition on these issues in every negotiation we enter.

Best wishes,

A handwritten signature in black ink, reading "Anne-Marie Trevelyan". The signature is written in a cursive style with a horizontal line underneath the name.

THE RT HON ANNE-MARIE TREVELYAN
Secretary of State for International Trade
& President of the Board of Trade