

**Greener UK submission to the International Trade Committee inquiry on UK trade negotiations:
Agreement with Australia**

1. Greener UK is a coalition of 12 major environmental organisations, with a combined public membership of over 8 million.¹ We came together to ensure that environmental protections are maintained and enhanced during the Brexit process, particularly through ambitious domestic legislation. Now that we have left the EU, we are urging the UK and devolved governments to build on our high environmental standards and protections, including when negotiating trade agreements.

- How good a deal is the UK-Australia FTA for the UK?

2. As the UK negotiates and signs its own free trade agreements, it is essential that deals struck are high quality, work for both people and planet, and allow the UK to continue to position itself as an international climate leader as COP26 president. The UK-Australia deal sets an important precedent for future trade deals the UK is seeking, including those with Brazil and the US, both of whom have lower standards than the UK, and will likely demand similar terms to this deal.
3. Whilst we note that the UK-Australia deal is more comprehensive than any agreed before by Australia in respect of addressing climate change,² it could still compromise progress towards the UK's ambitions for net zero and nature restoration.
4. Most notably, the UK-Australia FTA gives Australian farmers preferential access to our market without any environmental or animal welfare conditions attached. The deal includes sizeable tariff free quotas on products produced to lower standards than the UK and means, for example, that we could see a large increase in the import of Australian beef that has been produced on deforested land. Australia remains one of the most carbon-intensive OECD countries and one of the few where greenhouse gas emissions, excluding land use change and forestry, have risen in the past decade.³
5. This move is coming at a time when the UK is pursuing agricultural reform, but the impact of the UK-Australia FTA could undermine our transition to a more sustainable farming system, as farmers are forced to compete with poorer quality imports. A solution to this would be for the UK to introduce core environmental standards, which would set minimum sustainability thresholds for all agri-food products imported as well as those produced domestically. Not only would this provide a level playing field for food producers in the UK but would also give the public confidence in the quality of food imported to the UK.⁴
6. Whilst the environment chapter of the UK-Australia FTA is covered by the agreement's general dispute settlement mechanism, most of the commitments are broad and vague. The commitment to enforce domestic laws is welcome but insufficient as it does not ensure that the laws themselves are improved. The removal of a specific reference to the Paris Agreement's 1.5 degrees temperature goal during the negotiations was disappointing,⁵ particularly in contrast to the UK-EU Trade and Cooperation Agreement which classifies the fight against climate change,

¹ <https://greeneruk.org/>

² Department for International Trade, [Sustainability and inclusion in the UK-Australia Free Trade Agreement](#), 2021

³ OECD, [Australia needs to intensify efforts to meet its 2030 emissions goal](#), 2019

⁴ [WWF briefing on the UK's role in building environmental standards for trade and agriculture](#), March 2021. For options for design of core standards, see [think piece by IEEP and TULIP](#), forming part of research project commissioned by WWF.

⁵ Sky News, [Exclusive: Ministers bowed to pressure to drop key climate commitments for UK trade deal with Australia](#), 8 September 2021

including not materially undermining the Paris Agreement, as an essential element.⁶ A strong environment chapter is the minimum the UK should accept in all the UK's new trade agreements, but alone it would not safeguard against the environmental risks of this deal and the weak wording agreed in this case is symptomatic of wider challenges of liberalising trade with Australia. Unfortunately, Australia's record on climate action is poor. The Sustainable Development Report 2021 scored Australia last out of 193 countries for action to reduce global greenhouse gas emissions⁷ and during the COP26 conference in Glasgow, Australia did not increase its 2030 climate commitments.⁸ As the UK strived to show global climate leadership as COP26 president, it is surprising that at the same time it prioritised the Australia deal.

7. It is welcome to see that investor state dispute settlement (ISDS) has not been included in the UK-Australia FTA as ISDS can have concerning implications for environment and climate policy. ISDS enables foreign investors to challenge states where state action has, or potentially will, negatively impact the profitability of an investment. This can result in 'regulatory chill', where states are discouraged from introducing regulations which could harm the profits of investors even if these are in the interest of public welfare, including environmental protection. It will also be crucial for the UK to agree exemptions from ISDS provisions in any future accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, as New Zealand has done via side letters with five CPTPP member countries (Australia, Vietnam, Peru, Malaysia and Brunei).⁹

- To what extent has the Government achieved its stated [negotiating objectives](#)?

8. In the government's negotiating objectives, it stated: "We remain committed to upholding our high environmental, labour, food safety and animal welfare standards in our trade agreement with Australia." However, Australia's agricultural system does not meet the environmental standards that are required from UK farmers. Australia has the highest deforestation rates in the OECD, the rate of tree-cover loss rising by 34% in 2016-18, which was largely driven by livestock.¹⁰ Australian farming also allows the use of 71 more highly hazardous substances and thousands more types of pesticides currently banned in the UK, including neonicotinoids, which harm pollinators.¹¹
9. At present, the only standards that apply to all food sold in the UK, regardless of origin, are food safety standards. These protect humans, animals, and plants from harm to health. To remedy the possibility of lower standard imports, the UK government must develop a set of core standards to include climate change, environment and animal welfare considerations.

- How well has the Government communicated its progress in negotiations – and how much has it listened to stakeholders during those negotiations?

10. In order to better align trade and climate policy, the government must engage meaningfully with relevant stakeholders in a transparent manner. Throughout the process of negotiations, environmental stakeholders have voiced concerns over aspects of the deal, both through formal stakeholder forums such as the Strategic Trade Advisory Group and the Sustainability Trade

⁶ Greener UK, [Initial environmental analysis of the EU-UK Trade and Cooperation Agreement](#), 2020

⁷ The Washington Post, [Australia ranks last on climate action in U.N. report](#), 2 July 2021

⁸ The Guardian, [Five questions the Morrison government must answer now it has agreed to the Cop26 pact](#), 14 November 2021

⁹ Greener UK, [Briefing on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#), June 2021

¹⁰ WWF, [Riskier Business: The UK's overseas land footprint](#), 2020

¹¹ PAN UK, Sustain and Dr Emily Lydgate, [Toxic Trade](#), June 2020

Working Group. However, whilst the Department for International Trade have set up these forums, the resulting deal has shown that concerns raised have not been meaningfully taken into account.

11. Scrutiny is an essential way of involving environmental expertise, as well as businesses, unions, civil society groups and members of the public in decision making.¹² However, communication of details about the deal has been poor, for example, stakeholders have been able to access more information about the negotiations from the Australian government's website than from the UK's.

- How well has the Government communicated the possible impact of the FTA, to enable you or other stakeholders to prepare for its implementation?

12. A preliminary scoping assessment was published in July 2020, and it suggested that a "resulting shift in sectoral output will marginally move the composition of UK output from sectors that are relatively less CO2-intensive towards sectors which are, on the whole, more CO2-intensive."¹³ It is unclear how this information has been used by government to reduce the deal's environmental impact.
13. The impact assessment, which was published alongside the deal, does cover its environmental impact to some degree. However, whilst it recognises that agricultural activities, especially beef and dairy production, contribute to deforestation in Australia, it does not consider emissions due to deforestation and land use change.
14. Publishing the impact assessment after the deal has been signed means that it cannot usefully be used to improve the deal throughout negotiations. To get a better understanding of the impacts to the environment, and how to mitigate them, UK trade policy should require conducting environmental impact assessments (EIAs) during the negotiating process. These assessments must inform the development of trade policy at all stages and should affect how trade agreements are agreed. EIAs should be conducted periodically once deals are ratified to determine any modifications to existing deals or implications for future deals.

- What lessons and inferences for other current and future negotiations can be drawn from how the Government approached, and what it secured in, the FTA with Australia?

15. The process of the UK-Australia trade deal highlights inadequacies of UK trade policy. Rushing to advance multiple trade deals without having a clear trade policy or strategy in place raises concerns around their potential implications for the UK's net zero and nature restoration commitments.
16. Some of the UK's major trade partners – including the US, the EU and New Zealand – have published trade policies. This gives their negotiators a clear mandate, which strengthens their hand in negotiations, as it shows that their red lines are based on domestic support. It also ensures government cohesion on critical policy issues, which cut through a range of areas. The government must clearly set out a trade strategy which should elaborate on how its approach to new trade agreements and the WTO join up with its climate and environmental commitments in order to avoid friction and maintain credibility on the international stage.¹⁴

¹² Greener UK & Aldersgate Group, [The importance of trade scrutiny for the environment](#), December 2020

¹³ DIT, [UK-Australia free trade agreement: the UK's strategic approach](#), 17 July 2020

¹⁴ Anna Sands, [How can the UK be a credible trading nation without a trade policy](#), June 2021

17. The UK-Australia deal will undermine UK farmers during a time of domestic reform. To reduce the UK's overseas environmental footprint, and to avoid undermining the process of transitioning to greener forms of agriculture in the UK, the government should follow the recommendations of several independent commissions to develop core environmental standards. These core environmental standards could take the form of minimum thresholds for the production of food sold in the UK which would be comparable to the regulations applicable to farmers in the UK.
18. Stakeholders and parliamentarians are only reviewing the details of the deal after it has already been signed. Parliament only has very limited opportunity to influence negotiations. Greater parliamentary scrutiny in the formation of trade policy would ensure FTAs can be developed in a way that supports and not hinders measures to address the climate and nature crisis.