Australia’s approach to promoting trade in environmental goods and services

20 September 2023
Challenges of promoting trade in environmentally sustainable goods and services

- Two initial challenges:
  - Definitional
    - What is (and is not) properly considered an ‘environmental’ good or service?
  - Operational
    - How should we promote trade in the categorised good or service?
Environmental goods and services trade policy developments

- Asia-Pacific Economic Cooperation Environmental Services reference list (published 2021)
  - Voluntary, non-binding and non-exhaustive
  - 2 subcategories of environmental services

- Singapore – Australia Green Economy Agreement (signed 2022)
  - Based on APEC-list: Expanded non-exhaustive non-binding list
    - SAGEA List expands upon the APEC list.
    - 3 subcategories of environmental services

- New Zealand – EU FTA (signed 2023)
  - Included 4 subcategories of environmental services
Singapore – Australia Green Economy Agreement

Environmental Goods List

<table>
<thead>
<tr>
<th>HS 2022</th>
<th>HS DESCRIPTION (WCO)</th>
<th>DESCRIPTION OF ENVIRONMENTAL GOOD</th>
<th>REMARKS</th>
<th>ENVIRONMENTAL CATEGORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2716.00</td>
<td>Electrical energy</td>
<td>Electricity produced from renewable sources.</td>
<td></td>
<td>Renewable Energy Production and Storage</td>
</tr>
<tr>
<td>3919.90</td>
<td>Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls; other</td>
<td>Solar window film.</td>
<td>To improve efficiency of heating and cooling.</td>
<td>Energy Efficient Technologies and Products</td>
</tr>
<tr>
<td>4418.73</td>
<td>Assembled flooring panels; of bamboo or with at least the top layer (wear layer) of bamboo</td>
<td>Sustainably sourced bamboo flooring panels.</td>
<td>Provide an environmentally preferable alternative due to the natural, renewable and biodegradable nature of bamboo.</td>
<td>Environmentally Preferable Materials and Products</td>
</tr>
</tbody>
</table>

Environmental Services List

<table>
<thead>
<tr>
<th>CPC 2.1</th>
<th>CPC 2.1 Description</th>
<th>CPC Prov.</th>
<th>CPC Prov. Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>54650</td>
<td>Insulation services</td>
<td>51650</td>
<td>Insulation work (electrical wiring, water, heat, sound)</td>
</tr>
<tr>
<td>54234 ex</td>
<td>General construction services of irrigation and flood control waterworks</td>
<td>51330 ex</td>
<td>Construction work for civil engineering for waterways, harbours, dams and other waterworks</td>
</tr>
<tr>
<td>82221 ex</td>
<td>Accounting services</td>
<td>86219 ex</td>
<td>Other accounting services</td>
</tr>
</tbody>
</table>
Lessons learned

• Expanding a common understanding of what constitutes environmental good or service is important to focus future cooperative initiatives

• Indicative non-binding lists can de-link discussions from a focus on market access
  • helpful to guide discussions on other potential areas for cooperation to promote trade in environmental goods and services
  • these can include areas like technical standards, improvements to the domestic regulatory regimes, and signalling to markets