

SENATE STANDING COMMITTEE ON ECONOMICS QUESTION
(Supplementary Budget Estimates 20 October – 21 October)

Question: SBT 173

Topic: Australia's participation in bilateral/multilateral trade agreements

Senator Cameron asked:

Senator CAMERON—My question is not one of principle or political arguments about it; my question is about what the economic outcomes are. The trade policy division should be able to advise me, surely.

Mr Murphy—We will endeavour to give you that information, but you are waiting for a period of time to elapse after the free trade agreement is signed to be able to garner some of that information.

Senator CAMERON—How long does that take?

Mr Murphy—We would have to say—

Senator CAMERON—How long is a piece of string?

Mr Murphy—No. I am saying possibly you could look at the influence of the free trade agreement with the US as one that by now would be able to give you some discernable data as to what impact it has. Of course, I think it is going to be very difficult to isolate the impact of a free trade agreement from the normal trade arrangements. What is the counterfactual if you did not have it?

Senator CAMERON—The modelling does that. It tells us that this is what the benefit is.

Mr Murphy—We will do our best for you, Senator.

Senator CAMERON—I am happy for you to take that on notice as well. I am asking whether the statement you have made then means that the modelling that we are advised provides all the benefits under these so-called free trade agreements is wrong?

Mr Murphy—No. It is the best modelling we can come up with and it is modelling. It is not what actually happens.

Senator CAMERON—I would like to know what the modelling said and what real life says.

Mr Murphy—Okay. We will do our best.

Answer:

Please see the response to SBT 172.