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**Federation Chamber**

**COMMITTEES**

**Joint Standing Committee on Treaties**

**Report**

**SPEECH**

**Thursday, 1 December 2016**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Mr TED O'BRIEN** (Fairfax) (11:50): I am delighted to speak on this document of the Joint Standing Committee on Treaties that has been tabled, not because I am a member of the Joint Standing Committee on Treaties—because I am not—but because my background is very much in international trade. I believe the TPP is a core, vital potential instrument for the international community and that is important for Australia's ongoing prosperity. I think there is no secret that the world is currently amidst an enormous amount of volatility and uncertainty. At times like this, we need to ensure that the architecture across the international environment is one that reconciles with Australia's values and indeed with the existing open trade arrangement that has persisted post-World War II.

There are three reasons why I stand here today to talk in support of the TPP. Firstly, it does reinforce a positive international trading environment. Secondly, it is especially good for Australia. And thirdly, I believe it is good for the Sunshine Coast, where the seat of Fairfax's is based. If I could start with the bigger picture global architecture, those students of history, particularly economic history, will understand the importance of the Bretton Woods discussions post-World War II that saw the likes of the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade being established.

At that point, we were looking at a global political economy that was not only just recovering from war but was also looking at a depression. The integration that the Bretton Woods discussions gave rise to has been very much to our advantage as a country. We had then the Western Allied Forces establish a network structure globally that reconciled with Australian democracy and Australia's liberal economic approach. In other words, we now have the predominant approach to global trade that reconciles with our own approach as a country.

There has been a proven correlation over hundreds of years now between economic integration and peace. That correlation is not ironclad. There was a time in the lead up to World War I where people suggested the world had never been so integrated yet a war eventuated. Nevertheless, I think most economists would agree that the tighter different economies are integrated, the more likely it is that peace and prosperity will exist.

So as we discuss the TPP here in this country and elsewhere, I think it is worth remembering that these large international multilateral agreements actually do an enormous amount of good also from a strategic perspective. The great thinkers of economics, be they Adam Smith or John Stuart Mill, did not really differentiate that much between politics and economics, quite frankly. They saw philosophy, politics and economics as so closely interwoven that it suggests, even today, that what is good from an economic perspective is also good from a political perspective. It is for that reason, too, that I disagree with the former speaker from the opposition, who suggested that multilateral agreements—as much as the TPP is one—are always preferable over bilateral agreements or regional agreements. I disagree entirely with that. Based on my own background, not just by studying these matters but as a practitioner in international trade, I would encourage opposition members to not be so ideological on issues of international agreements. We need to be more pragmatic. We need, basically, to make whatever agreements are in the best interests of our country—because more FTAs mean more trade; more trade means more jobs. If we take an ideological position on any of these matters, then we risk jeopardising the opening up of new markets for Australia.

On the first point: indeed, the TPP reconciles with the existing international trade architecture. That architecture is one in which Australia has prospered enormously. That takes me to my second point: the TPP is very good for Australia. I think anybody who has worked in business before knows that the first point of a growth strategy, whether you are a small business or a large multinational—or, indeed, if you are a country—the first step is to leverage and exploit your own strengths. We see in the TPP an opportunity where over 98 per cent of the tariffs in the region that the TPP covers will be eliminated or reduced. We see an opportunity for those things which we are strong in—not just agriculture and resources but also services. We now have an opportunity, through the TPP, to provide more market access to some of our largest trading partners. As a country, therefore, as we go forward and grow our economy, and as we leverage our strengths, a lot of those strengths need to be exported—and the TPP plays in perfectly with that. Where there is some confusion in the international market, with different

bilateral or regional agreements, the TPP also plays an additional role in harmonising some of that confusion. That, again, brings greater certainty to Australian companies that are trading internationally.

When it comes to what is, of course, the greatest part of Australia, Mr Deputy Speaker, the Sunshine Coast and the seat of Fairfax, deals like the TPP are good for companies in my local area, too. If you look at some of the sectors that the TPP covers, they include horticulture, beef, seafood and dairy; these are areas that are enormous strengths for the Sunshine Coast. Five years ago, we were nearing \$200 million in just the agricultural sector in our region. Any region of Australia is not unlike Australia itself: growth potential lies in exporting; investment relies on importing. And the more we can be exposed as a region—the Sunshine Coast region—the more we can be exposed to markets where we can export more seafood, more beef, more horticulture and more dairy and, I have to add to that, more organic foods, where we have a deep expertise, then the more jobs we will be creating on the Sunshine Coast. It is for that reason that I am more than happy to stand here today to put my support behind the TPP.