



Department for International Trade

The Rt Hon Anne-Marie Trevelyan MP
Secretary of State for International Trade
Department for International Trade
Old Admiralty Building
London
SW1A 2DY

Angus Brendan MacNeil MP
International Trade Committee
House of Commons
London
SW1A 0AA

T +44 (0) 20 7215 5000
E trevelyan.correspondence@trade.gov.uk
W www.gov.uk/dit

10 December 2021

ITC – letter on the Australia FTA Impact Assessment

Dear Angus,

Thank you for your letter regarding the UK-Australia Free Trade Agreement, its forthcoming economic impact assessment and the topic of future primary legislation. This letter responds to the detailed queries you have raised.

To inform the longer-term development of the department's modelling approach and toolkit, my predecessor established an independent expert modelling review panel to explore and inform ways to improve the department's modelling toolkit and approach to CGE modelling. This Modelling Review Expert Panel (which is external to DIT) has concluded its review. I will be meeting the Panel's Chair, in due course to discuss the findings and recommendations of the review. I expect to publish his report and my department's response as soon as practicable afterwards.

As raised in our session on the 24th November, we will be publishing full impact assessments for all of our new FTAs. The methodology used to assess the impact of free trade agreements will continue to be set out in each of our published scoping and impact assessments, which will continue to include detailed technical annexes. The impact assessments for agreements with Australia and New Zealand will describe any changes from approaches used in previous scoping assessments and the rationale for those changes.

Regarding the comparability of results between FTAs, the Japan impact assessment published last year was based on external modelling. The impact assessments for Australia and New Zealand will be based on HMG modelling. This means that the results presented in that assessment will not be directly comparable to our upcoming publications for an Australia FTA and New Zealand FTA. It will not be possible to provide a dataset which will allow a direct like-for-like comparison of impact assessments for all new FTAs.

In response to your fifth point, I can reassure the committee that the domestic legislation required to implement the FTA is not a result of Australian demands to change our legislation on animal welfare or Sanitary and Phytosanitary Measures. We will set out the elements of the FTA that require primary legislation in due course.

In terms of the timelines for signature, negotiating teams have made significant progress in finalising the agreement, refining over 2000 pages of legal treaty text. We have always been clear that we will never sign a deal that is not in the UK's national interest.

I can confirm that my department will proactively keep the Committee updated on the scope and timing for the primary legislation required, although as mentioned in our previous letter, no decisions have been taken on this so far.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Anne Marie Trevelyan', with a horizontal line underneath the name.

The Rt Hon Anne-Marie Trevelyan MP
Secretary of State for International Trade
& President of the Board of Trade