

MPA

Mathematicians Party of Australia



Trans Pacific Partnership

Submission to DFAT 23 Jan 2016 – Mathematicians Party Australia (MPA) –Part 1

Solve for X for this
sequence before
proceeding

$$X = ?$$

1, 2, 12, 288, 34560, X



About US

Mathematicians Party of Australia was established in 2015.

Website: mathematicians.org.au

- Generating evidence based solutions informed by systems mathematics
- PROJECTS 2016: Competition to develop a virtual Parliament design that solves for Arrow's Theorem (www.smart.org.au)



Assumptions & Modelling of DFAT

MPA finds it difficult to understand the modelling and assumptions being proposed by DFAT in entering into negotiations for the TPP as no modelling or reference to modelling assumptions has been released by DFAT.

Free trade and economy models, whether examining factor prices, revealed comparative advantage (Balassa Index), GDP optimization or sectorial export dynamics come in many shapes and sizes, and require a degree of transparency that allows mathematical examination and testing of structural, financial, technological, environmental and other associated and unassociated risks and their probable outcomes.



Objectives of Free Trade

Objectives cited by DFAT officials and Ministers for Free Trade Agreements:

- Increase GDP growth
- Increase exports of Agricultural, Mining and Services Sectors
- Improve ties in the region with partners
- Increase competitiveness of Australian business and Industry in overseas markets

MPA is concerned that the following objectives have been ignored:

- Preserve energy and the environment
- Enables Australian businesses that pay reasonable wages to prosper
- Leads to innovation
- Establishes the long term prosperity of Australians
- Development of global human rights



Ongoing Concerns

Energy Footprint

The exponential rate at which humans are consuming energy is not sustainable unless a new form of energy can be uncovered. Regional and Global Trade where products are shipped from low cost regions to consumers creates a structure/system that enforces high energy costs in transferring goods all around the world when a localized production structure would be more efficient in energy terms.

Environment

Without any mechanism to price negative externalities in development of goods, unfettered free trade defaults to consumers buying goods that do not follow sustainable practices.



Ongoing Concerns

Trade as Part of Finance and Environment

Trade Agreements are part of a wider picture of humanity, and are not currently integrate to optimize a balance between finance, environment and human value.

Revenue Loss

By cutting excise on imports to a zero % tariff rate over the forward horizon, the Government is cutting a revenue source in the billions of dollars each year, which adds to deficit pressures. It is not clear what the size of this revenue loss is and how it is expected to be funded.

Other Concerns

ISDS provisions risk unacceptable, Reverse Dumping not mitigated, Foreign Investment not appropriately vetted for links to money laundering, tax evasion, economic warfare strategies or financial appropriateness.



Ongoing Concerns

Process

The process of TPP development has not been transparent. Whilst text documents have been released after they have been negotiated, it is simply unfathomable that the modelling, assumptions and objectives of the modelling have not been released.

What is the horizon of the modelling in years?

What are the modelled prices of Iron Ore, Coal, Oil and Gas?

What is the Australian unemployment rate over 100 years?

What is the environmental footprint of the TPP over 100 years?

What is the AUD/USD assumed rate over 100 years?

What are the assumptions behind costs and benefits?

What are the assumptions on peak energy?



Ongoing Concerns

Optimization of Modelling and Priorities out of calibration with the needs of Australians

DFAT Waterfall of importance

- GDP Growth
- Finance and Money
- Exports of Mining and Agriculture
- Development of Real estate, education, tourism sectors
- Services export



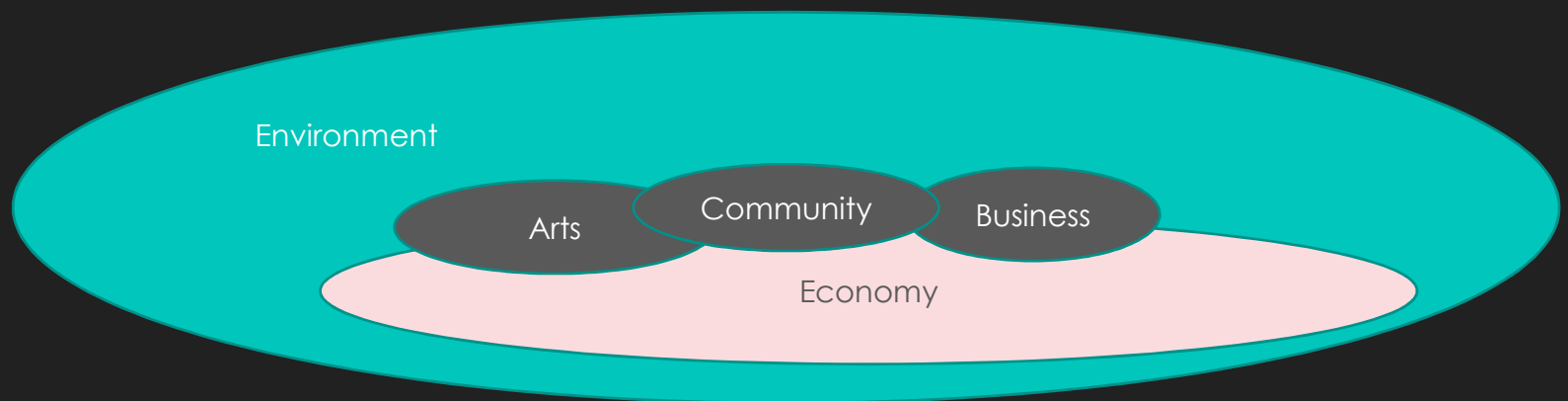
Maths Party Waterfall of importance

- Preserve Energy, Biodiversity and Environment by creating a structure of trade incentives that prioritizes sustainable footprint, circular economy, optimal energy and water use across full lifecycle, and local opportunities and local economy.**
- Triple bottom line accounting at global and local level**
- Innovation of STEM technologies and industries in Australia**
- Sustainable Trade System that preserves skills and opportunities for Australians**
- Happiness, is not necessarily correlated to GDP growth yet to quality of life**

Recommendations/Next Steps

Integrated DFAT workshop with professionals and experts from all sectors and fields that builds a model and policies to optimize transition through the next century and beyond inclusive of assumptions book, objectives, calculations and optimization points and moves beyond simple GDP analysis yet also measures other KPIs.

Understand that Economy, Arts, Community, Business are all a subset of a finite environment, and map out trade models guided by systems models that reflect this reality.



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