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The Hon Mark Vaile, MP
Minister for Trade
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Via Facsimile: (02) 6273 4128
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Dear Minister,

The ACTU has been advised that the Australian Government is supporting a 9 June proposal from Chile and listed countries for a new GATS discipline in respect of domestic regulation that supports the "necessity test" that would apply to all national, state and local government regulation and would undermine the right of governments to regulate in the public interest. The ACTU seeks your assurance that this is not the case or that the Commonwealth will withdraw its support for the proposed text.

The proposed discipline would cover technical standards that apply to work performed in the services sector and qualification requirements for the delivery of a service. A significant proportion of the Australian workforce and members of unions affiliated to the ACTU therefore have an interest in this matter. The ACTU is unaware of any consultation by the Government with the relevant ACTU affiliates prior to the apparent decision to support the 9 June proposal.

The ACTU's chief concern about the proposal is that it would empower a WTO dispute panel to overturn an Australian federal, State or local technical standard, qualification requirement, or license requirement for an entity to supply a service, on the grounds of being more trade restrictive or burdensome than other possible standards or requirements. Nations differ in the standards and requirements they set for the services sector and therefore there is a risk that another country, at the behest of one of its service suppliers seeking to operate in Australia, would challenge the Australian regulations. This risk is magnified where the Australian measure is more trade restrictive in impact than standards set by an international organisation to which Australia belongs.

The ACTU would welcome the opportunity for a meeting with relevant officials with the ACTU and interested affiliates about this matter.

Yours sincerely



Sharan Burrow
ACTU PRESIDENT