

A Fair Australia
Trade Policy
ACTU Congress 2003

1. Increased trade and economic growth are necessary for Australia's future. However, globalisation and its associated elements of trade liberalisation, technological change, financial deregulation, and the development of a huge speculative capital market exacerbate domestic political pressures for the adoption of neo-liberal economic policies. Over the last few decades, business groups and sympathetic governments and international agencies have been seeking, in terms of proportions of GDP, to increase profit share and to reduce, or at least arrest the rate of growth in tax revenue and the public sector. In many countries there continues to be downward pressure on living standards, cutbacks in government services, job losses, and efforts to deny workers fundamental rights as governments elect to compete through the lowering of standards.
2. The issue of trade liberalisation should be seen in the context of social progress and not simply in terms of narrow economic outcomes. The ACTU recognises the importance of international trade to improving living standards in trading countries and supports a system of fair trade that promotes reform of the current free trade environment. Fair trade means trade carried out in a manner which benefits civil society and delivers progress for all countries in terms of:
 - (a) employment growth,
 - (b) improved social protections,
 - (c) implementation of core labour standards,
 - (d) sustainable environmental standards,
 - (e) the elimination of forced labour and child labour, and
 - (f) adherence to human rights conventions and democratic values.
3. The ACTU believes we must put the community and civil society at the centre of the economy. There must be values that guide and underpin the trading system so that it provides the mechanisms, incentives and

opportunity for all nations to engage in a race to the top, rather than a race to the bottom.

4. Trade policy needs to be consistent with economic and social policies in Australia which ensure that:
 - (a) Australia builds a competitive, sustainable and balanced base of service and manufacturing industries;
 - (b) employment opportunities are available in decent, full-time jobs;
 - (c) audio-visual and cultural services continue to reflect and promote Australia's cultural identity;
 - (d) the cultural and intellectual property rights of Indigenous people are protected, and employment opportunities and economic independence promoted;
 - (e) training and retraining opportunities are available for workers whose employment is affected;
 - (f) any opening-up of the Australian economy must be matched by reciprocal access to other markets;
 - (g) there is an on-going policy commitment matched by practical actions to sustain a viable and competitive manufacturing industry; and
 - (h) social audits are carried out to establish comprehensive assessments of the effects of free trade before trade agreements are signed.
5. The ACTU notes the pressures in trade agreement negotiations for zero tariffs on industrial goods, for greater commercialisation of public and other services, and for new WTO and bilateral agreements covering investment, government procurement, and competition policy. The ACTU will campaign, in conjunction with its affiliates and non-government organisations, for comprehensive reform of the WTO and against further neo-liberal proposals for trade liberalisation. The ACTU will also seek changes to existing multilateral and bilateral free trade agreements (FTAs).
6. The objectives of the campaign are to achieve:
 - (a) the incorporation of enforceable ILO core labour standards in trade agreements;
 - (b) the incorporation of enforceable environment standards in trade agreements, and recognition that obligations under multilateral

environment agreements prevail over liberalising disciplines in FTAs;

- (c) the exclusion of public services and other services of national or social significance from FTAs;
- (d) the exclusion of licensing requirements, technical standards, qualification requirements, and measures to protect health, safety, plant and animal life, and the environment, from 'least trade restrictive' tests;
- (e) rules of origin that require 50% local manufacturing content as a minimum and higher levels for goods partially processed in exploitative low wage export processing zones;
- (f) a freeze on current Australian bound and actual tariff levels, noting that the average tariff rate is already 3.7%;
- (g) the enactment of anti-dumping provisions that are effective, and deal expeditiously with complaints;
- (h) the exclusion of government procurement policy, competition policy, and limitations on foreign investment from FTAs;
- (i) the continuation of the exclusion of Australian quarantine rules and the Pharmaceutical Benefits Scheme from bilateral FTAs;
- (j) better provision for special and differential treatment for developing countries in FTAs, and for the supply of additional development funds and technical assistance to enable such countries to meet their obligations under trade agreements;
- (k) amendments to the Trade Related Intellectual Property Rights Agreement in order to provide developing countries with greater access to low cost pharmaceuticals;
- (l) a redistribution of cash crop profits from transnational agribusiness to small farmers, growers, and agricultural workers in developing countries;
- (m) reforms to FTA dispute resolution procedures, such as public hearings, restriction of the right to initiate disputes to signatory country governments, and provisions for intervention or amicus briefs by unions and non-government organisations; and
- (n) reforms to Australian processes for the consideration of FTAs, such as effective parliamentary oversight of negotiations, public hearings on proposed commitments from Australia, and a vote of parliament on the adoption of an FTA.

7. The Federal Government has shifted Australia's trade policy in the direction of active pursuit of bilateral free trade agreements with several countries in the Asia-Pacific region.
8. The negotiations with the US are the most significant, given its global power and the fact that Australia's economy is about the same size as the American State of Pennsylvania.
9. Congress expresses grave concern at the potential impact of the proposed Australia-US FTA (AUSFTA).
10. Congress notes:
 - (a) The econometric modelling used to justify the agreement and the estimated \$4 billion 'benefit' in the long term has been widely criticised and discredited.
 - (b) The linkage between the AUSFTA and Australia's commitment to US military and economic expansion is becoming increasingly apparent.
 - (c) The potential negative effects on Australian culture, the social fabric and the manufacturing base would diminish our economic and social independence.
 - (d) The lack of guarantees that public services, the health system, the PBS and the education system will not be threatened or diminished through the implementation of the proposed AUSFTA.
 - (e) The agreement is being negotiated in secret with little or no input from civil society and in particular the Australian Trade Union Movement.
 - (f) The Federal Government can endorse and implement the agreement with no debate or scrutiny by the Parliament.
11. Congress determines to continue coordinating affiliates in their opposition to the AUSFTA. Congress supports a range of campaign initiatives including:
 - (a) grass roots membership activities including multi union delegations to lobby State and Federal politicians, local governments and key industry groups in addition to on the job meetings;
 - (b) coordination of a specific ACTU campaign theme and logo;
 - (c) ACTU lobbying of State and Federal politicians;

- (d) the development of union activists training and campaign materials such as posters and leaflets; and
- (e) increased coordination and cooperation with community and interest groups.