



**Submission on the China-Australia Free Trade
Agreement
22nd July 2015**

We research the food system to allow people to choose food that is good for those who eat it, grow it, produce and sell it.

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Senate Foreign Affairs, Defence and Trade Committee

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Dear Committee Secretariat

MADGE Australia Inc. is extremely concerned about the signing of Free Trade Agreements that are not debated in public and are not later assessed to ascertain if they obtain the promised benefits to Australia and Australians.ⁱ¹

This is extremely reckless behaviour and it is astonishing that successive Australian Governments are acting in this way. This is putting the livelihoods, health and sovereignty of all of us at risk.

There is increasing evidence that FTA's around the world are leading to the impoverishment of people and the movement of subsequent economic refugees. NAFTA, the North American Free Trade Agreement, according to the New York Times:

"...has cut a path of destruction through Mexico. Since the agreement went into force in 1994, the country's annual per capita growth flat-lined to an average of just 1.2 percent -- one of the lowest in the hemisphere. Its real wage has declined and unemployment is up.

As heavily subsidized U.S. corn and other staples poured into Mexico, producer prices dropped and small farmers found themselves unable to make a living. Some [two million](#) have been forced to leave their farms since Nafta. At the same time, consumer food prices rose, notably the cost of the omnipresent tortilla. As a result, [20 million Mexicans live in “food poverty”](#). Twenty-five [percent](#) of the population does not have access to basic food and one-fifth of Mexican children suffer from malnutrition. Transnational industrial corridors in rural areas have contaminated rivers and sickened the population and typically, women bear the heaviest impact.

MADGE is a group concerned both with the health and well-being of people and that of farmers. We cannot see how the China-Australia FTA, or any other FTA, will do anything other than compromise the ability of the Australian people to grow, eat and support local food. It is not enough to repeat free trade mantras. They are not magic spells; they are empty phrases unless they are supported by real world evidence of their benefits. To date FTA's have benefitted multinational corporations and undermined citizens. Even the Productivity Commission has spoken out against them:

“The Productivity Commission has launched a scathing attack on Australia's latest series of free trade agreements, saying they grant legal rights to foreign investors not available to Australians, expose the government to potentially large unfunded liabilities and add extra costs on businesses attempting to comply with them.”

The Environment Minister has given approval for the Shenhua Watermark coal mine on the Liverpool Plains. This has been intensely controversial and it appears that the Minister, Greg Hunt, may change his mind on the approval. What happens under the China-Australia FTA ISDS in this regard? Will Shenhua Watermark be able to sue the Australian Government for lost profits under this FTA as Canada was sued by US Corporation Lone Pine?ⁱⁱ Why should Australian taxpayers be under threat of paying billions for a mine that the vast majority of people do not want? How is this democratic?

An ideological commitment to a failed global economic system that has created dramatic inequality and a dying planet is insane. This may sound hyperbolic but how else can a world where the richest 85 people own more than the poorest 3.5 billion be described?ⁱⁱⁱ

Our depletion economy that only counts value in the destruction of land and water rather than clean air, food, healthy people and plants is unsustainable. This means it cannot go on. Its failure is being shown in the increasing droughts, fires, floods and

crop losses all of which are happening in California now^{iv}, and in the dead zones^v and dying oceans due to agricultural chemicals, mining and carbon pollution^{vi}.

People are also becoming sicker as a result of pollution and poisoned food, air and water. In the EU endocrine disrupting chemicals are causing 150 billion Euros of health costs every year^{vii}. We have no idea of what these costs are in Australia but it is fair to assume they are proportionately equal, if not higher, as we have less stringent chemical controls. How will trade with China, known to be struggling under huge pollution burdens and illness due to reckless economic expansion^{viii}, help Australia? Is it not likely that Australia's already inadequate safeguards will be diluted to facilitate Chinese profit extraction from us?

Merely pretending this is not happening, a preferred tactic of promoters of this economy, will not stop the inevitable destruction of lives, livelihoods and land. Only a change of course and a basic respect for the planetary systems that support us will do that.

Some simple questions need to be adequately answered, they are: What is the purpose of the FTA? Is it to benefit Australia? If so then why should it be signed since none of the other FTA's have benefitted us? If it is being signed for other reasons, what are they? Since these questions have not been asked let alone answered I am requesting that Parliament vote against the implementing legislation and thereby stop the China-Australia FTA.

Yours sincerely

Fran Murrell

President

MADGE Australia Inc

ⁱ Australia flying blind on free trade agreements, says Productivity Commission. Sydney Morning Herald 21st July 2015

<http://www.smh.com.au/federal-politics/political-news/australia-flying-blind-on-free-trade-agreements-says-productivity-commission-20150721-gihdn7.html#ixzz3gaYjtYO7>

<http://news360.com/article/303295956>

ⁱⁱ http://www.huffingtonpost.ca/ilana-solomon/lone-pine-sues-canada-over-fracking_b_4032696.html

ⁱⁱⁱ <http://www.theguardian.com/business/2014/jan/20/oxfam-85-richest-people-half-of-the-world>

^{iv} <http://www.washingtonpost.com/news/morning-mix/wp/2015/07/20/california-is-now-flooding-burning-and-having-a-drought-at-the-same-time/>

^v <http://www.scientificamerican.com/article/oceanic-dead-zones-spread/>

^{vi} <https://theconversation.com/worried-about-great-barrier-reef-water-pollution-look-at-mining-not-agriculture-11907>

^{vii} <http://www.theguardian.com/environment/2015/mar/06/health-costs-hormone-disrupting-chemicals-150bn-a-year-europe-says-study>

^{viii} <http://fortune.com/2013/01/28/chinas-environment-an-economic-death-sentence/>