

ACTU

**ACTU Submission to
the Inquiry into
Australia's
Relationship with
ASEAN**

September 2008

Executive Summary

1. Opportunities to improve Australia's involvement with ASEAN:

Australia has the opportunity to expand and deepen our relations with ASEAN through many networks and linkages with counterpart community and civil society organizations, including trade unions and with members of parliament and legislators as well as government officials and negotiators. Social dialogue, public policy development and joint initiatives and programs can bring great benefits to the economic, social and cultural depth of our relations.

2. Opportunities to enhance regional security through Australian involvement in ASEAN:

In addition to the traditional security approaches shared through the ASEAN Regional Forum, broader approaches are needed to ensure human security, including poverty alleviation, the development of civil society and economic and job security, job creation underpinned by labour rights, enhanced income and employment opportunities, social protection, and social dialogue.

3. Free trade agreements with individual ASEAN countries:

The ACTU believes that Australia's international trade and investment policies should maximize economic and employment opportunities to Australia and be driven by and be consistent with its economic and social development policies. Furthermore, any new negotiations should not disturb tariff levels agreed in industry plans.

Negotiations on free trade agreements and progress with concluding agreements need to be fair and just in protecting workers' rights, and benefit industry through improved market access, reduction in non-tariff

barriers as well as provide opportunities for economic, social and cultural engagement.

The social dimensions need to be a part of any free trade agreement. The inclusion of a labour chapter in bilateral and regional free trade agreements are fundamental to achieving those aims. Australia needs to take into account the importance of achieving respect for labour rights, and acknowledge the reality of ongoing violations of fundamental labour standards including the use of forced labour, child labour, the lack of freedom of association and the rights to organize and collectively bargain, all of which are universally accepted core labour standards.

4. Opportunities to enhance the regional economy:

Effective policy development including industry, trade and investment policies are fundamental to regional economic development. Support for vocational skills training and education can provide effective responses from Australia's government and non-government sectors. The ACTU's humanitarian development agency Union Aid Abroad - APHEDA has a long history of the development and delivery of education, training and capacity building programs in the ASEAN region.

5. Opportunities to improve cultural links in ASEAN:

Support for media development, cultural outreach to the region and civil society links, including through civil society organizations including trade unions provide rich opportunities for improving cultural links and awareness.

6. Impact of global warming on the region:

ASEAN faces major challenges in relation to energy use, sustainable management of resources and greening of the economy. Australia and ASEAN can engage in new ways in sharing new and green technologies, in

joint research and development initiatives, sharing knowledge and analysis of green jobs initiatives, disaster preparedness, and in support for relevant skills training and education. ASEAN government's need to pay more attention to the social and employment aspects of climate change, to put mechanisms in place to ensure 'greening' of existing workplaces and support for those whose livelihoods are affected by adjusting to a low-carbon regional and global economy.

1. Opportunities to improve Australia's involvement with ASEAN

ASEAN relations and diplomacy has traditionally been state-centred. Australia has been an active partner of ASEAN through the ASEAN Regional Forum, the East Asia Summit, the ASEAN-Australia Post Ministerial Conference, the ASEAN Economic Ministers – Closer Economic Relations Consultations, the ASEAN-Australia Forum, and the ASEAN-Australia Development Cooperation Program Joint Planning Committee.

The ACTU acknowledges the July announcement of the appointment of an Australian Ambassador to ASEAN which can provide opportunities for closer relations. The ACTU encourages the Ambassador to foster links and contacts beyond ASEAN diplomats, the Secretariat and officials with civil society organizations, including trade unions in the region.

Furthermore, the development of relations between Australian and ASEAN members of parliament and legislators, as well as government officials should be encouraged in order to develop a broader and more sustained sets of relations and networks. This can help build political confidence between Australia and ASEAN. The ASEAN Inter-Parliamentary Myanmar Caucus (AIPMC) is one such structure, where government and opposition MPs come together to further combined action on democracy in Burma.¹ The AIPMC has had much more contact with European Union MPs than with Australians or New Zealanders.

Formal and informal discussions between EU foreign ministers, MPs and trade negotiators do not shy away from what the Australian government has previously deemed to be politically sensitive issues, including human rights, labour rights and democracy.

¹ www.aseanmp.org

The shift within ASEAN from nationally determined perspectives to approaches acknowledging that all states have a stake and have many issues of common concern, provides opportunities for substantive discussions and initiatives on important matters previously outside the realm of engagement.

The promotion of international legal and human rights instruments, including UN and ILO conventions, should be given greater attention in support of the establishment of the ASEAN-based Human Rights Commission, as announced in July 2007. Institutional and organisational partnerships can give government and non-governmental organizations more opportunities to engage regionally, in research, analysis, policy development and implementation.

For example, recent events like the response to Burma's Cyclone Nargis has provided enhanced opportunities for ASEAN and dialogue partners, as well regional and international organizations to engage more (and practically) on the delivery of humanitarian assistance and civil-military cooperation. The ongoing need to monitor the reconstruction phases of the cyclone response will need to ensure discussions and implementation on these kinds of issues are prioritized. Indeed, increasing natural disasters in the region will require more coordinated responses.

The ASEAN Eminent Persons Group is another forum where leadership and civil links could be further strengthened.

1.1. Union relations with ASEAN

The ACTU maintains close relations with trade unions across the ASEAN region. The ASEAN Trade Union Council (ATUC)² is a network of unions from 7 ASEAN countries and links with the regional Asia-Pacific body of the

2 www.aseantuc.org is made up of unions from Malaysia, Singapore, the Philippines, Indonesia, Thailand < Laos People's Democratic Republic and Vietnam. The exiled representatives of the Federation of Trade Unions of Burma (FTUB) also has observer status.

International Trade Union Confederation (ITUC A-P)³ and regional and national labour centres including Global Union Federations. A number of ACTU affiliates also have bilateral relations with industry specific unions in ASEAN countries and with their regional and global industry union, referred to as Global Union Federations.

The ASEAN-based unions were involved in the process of the development of the ASEAN Social Charter⁴ and advocated for the institutionalized participation of union representatives as well as business. There is considerable tripartite interaction within the context of activities and programs initiated through the International Labour Organisation (ILO) in the region, on labour and employment issues, especially on agendas on decent work, the development of social protection and the social dimensions of globalization. The United Nations supported full employment and decent work as the development approach for the future, as espoused at the High Level meeting of the UN ECOSOC in June 2006⁵

Decent Work and technical support for its realisation is encouraged by the Australian government, union and employer representatives to the ILO. There is no formal consultative mechanism between the ASEAN Labour Ministers, the ASEAN Confederation of Employers, and the ASEAN Trade Union Council (ATUC). The ATUC does however relate to the ASEAN Secretariat. Unions in ASEAN have played a leading role in co-hosting the civil society conferences held ahead of the annual ASEAN Heads of Government meetings⁶.

3 Sharan Burrow, President of the ACTU is the President of the global trade union organization ITUC. She is the first ever woman and representative from the Asia-Pacific to be elected to that position.

4 The ATUC comments on the ASEAN Social Charter: <http://www.asean-socialcharter.net/>

5 Decent Work is an agenda for eradicating poverty and ensuring a fair globalisation based on the principles of employment creation, labour rights, social protection and social dialogue. International Labour Organisation (ILO): http://www.ilo.org/global/About_the_ILO/Mainpillars/WhatIsDecentWork/lang--en/index.htm

6 <http://www.uniglobalunion.org/uniapron.nsf/06947aeee072be98c1256f860023d713/22cfa374118b90fbc125738b0043e05a?OpenDocument>. The next meeting is in Bangkok in December 2008.

Promoting development based on rights in ASEAN requires social dialogue, whether in improving labour standards, realizing corporate social responsibility, addressing economic development challenges or in good public policy development.

2. Opportunities to enhance regional security through Australia's involvement in ASEAN

Traditional notions of defence and security have been the basis for military exchanges, technical cooperation programs etc between ASEAN countries and Australia through the ASEAN Regional Forum (ARF). To deal effectively with contemporary and future security challenges, the interdependence of human security and civil conflict, poverty alleviation, disaster warning and coordination, terrorism, cyber terrorism, pandemic disease, and unregulated movement of people all require more advanced responses including civil and military cooperation responses.

Addressing human security also includes enhancing job security (not just more jobs) but the generation of decent work – job creation underpinned by labour rights, enhanced income and job opportunities, social protection, tripartism and social dialogue.

Beyond promoting ASEAN's founding principles of regional stability and development through the traditional orientations of economic development and national and regional security⁷, regional partnerships could contribute to include broader notions of human security and ways to achieve social and political development through decision-making processes that include social dialogue and are more open in public policy development.

There is a long history of Australian support for economic and social development through our foreign relations, aid and development programs, both government and non-government as a part of the ongoing partnership

⁷ Based on concepts of state sovereignty and the principle of non-interference.

with individual ASEAN nations and the regional group. In this, the strengthening of civil society, including trade unions is important.

Human rights are fundamental to the achievement of sustained regional security.

3. Free trade agreements with individual ASEAN countries

The ASEAN region is experiencing strong economic growth, but from a base of great inequality, high rates of unemployment or underemployment and where the provision of basic public services face huge challenges. Improving the ratification and application of labour standards in ASEAN countries is a challenge that relates to how Australia intends to activate and resource a more sophisticated trade, investment and industry development policy as new forms of engagement with ASEAN.

The ACTU policy approach is that rules-based multilateralism is preferred to bilateral trade agreements. We question the WTO process for negotiating the rules, the inequalities of bargaining power, the inclusion and exclusion of certain issues, and the uneven enforcement of rules. We believe further that Australia's international trade and investment policies should be driven by and be consistent with its economic and social development policies. The social dimensions need to be a part of any free trade agreement.

For the ACTU, any analysis of the relative merits of a trade agreement or closer economic partnership must be based on empirically sound research, properly conducted net benefit analysis, and include consideration of:

- employment effects in Australia;
- adherence to core labour standards;
- the contribution any proposed agreement will make to sustainable economic development in Australia;

- the impact on public and social services provided by affiliated unions;
- the extent to which the agreement is based on principles which will advance equitable trading relations between countries.

The ACTU draws the Committee's attention to earlier ACTU submissions where recommendations were made on the conduct of negotiations. **The ACTU's recommendations for other FTA negotiations included the importance of publicly available impact statements for proposed commitments to liberalise Australian arrangements, and of involving relevant ACTU affiliates as well as employer industry groups in detailed and final stage consultations. Consideration of the effective input of stakeholders into trade negotiations is important.**

The ACTU's policy is that bilateral and other free trade agreements should uphold and support the core labour standards set by the International Labour Organisation.

Further, the ACTU sees little practical value in clauses of the kind contained in the Australia-US FTA, which effectively permitted reductions in domestic standards to achieve a trade advantage and neither required the parties to ratify all of the core ILO conventions nor allowed for the use of dispute resolution over breaches of those conventions that each party had ratified.

In a number of ASEAN countries, the ACTU is concerned about the legal limitations on the right to unionise and to bargain collectively, on the matters that may be contained in collective agreements, and on the issues over which industrial action can be taken. Moreover the right to join or form a trade union is denied to migrant workers in a number of ASEAN countries. The right to form a union is also denied to particular groups of employees regardless of whether they are national citizens.

Even in the case of employees who are permitted to unionise, the union registration processes can take many months, and legal action by employers to can delay registration for a number of years. Formal rights to unionise are also undermined in practice by prohibitions on existing unions organising particular areas.

Limitations on the provisions of collective agreements and the right to take industrial action also undermine the right to organise and bargain collectively. Unions cannot strike over illegal dismissals, including dismissals of local union leaders, and agreements cannot deal with transfers, dismissals and reinstatements.

3.1 Trade Issues and ASEAN: An FTA Labour Chapter

The key point to note is that an FTA is a preferential trade agreement. An ASEAN agreement means that the Australian Government is proposing to give preferential access to the goods and services of these countries, including Burma. This places a particular onus on Australia to address the labour issues. Labour provisions in an FTA are proposed to ensure that labour standards apply to the conditions in which the goods are produced and services provided under the trade agreement.

The Federal Government has recently announced the conclusion of a free trade agreement between Australia, New Zealand and ASEAN. The text of this agreement is yet to be released but the ACTU understands that the agreement will cover goods, investment, services, and intellectual property and it is likely that there will be no labour chapter in the FTA despite the precedent of the chapter in Australia's agreement with the United States. While this might be due to the opposition of ASEAN countries, the absence of such a chapter in the FTA with Chile, an FTA concluded by two social democratic governments, raises doubts about whether such a proposal was even put by Australian negotiators to ASEAN.

Such a proposal would have had the support of New Zealand negotiators on this issue, given the Clark Government's track record. Moreover ASEAN's likely resistance to a proposed labour chapter should not be overstated.

The US position that FTAs must include a chapter on labour obligations is well known. Nevertheless Singapore already has an FTA with US, Thailand commenced negotiations for one in 2004 and decided to resume the negotiations in June this year, Malaysia is negotiating with the US, and the Philippines is trying to persuade a reluctant US to agree to negotiate an FTA.

The FTA being negotiated between the USA and Peru has language in the Labour Chapter that the ACTU suggests as a model for the Australian Government to investigate.⁸

ASEAN is negotiating an FTA with the European Union, and the latter supports the inclusion of labour obligations in FTAs. The EU is negotiating for ASEAN to sign up to provisions on labour rights, pro-environment legislation, competition policy, transparency in government procurement and liberalization of services.⁹

The ACTU believes that the ILO's Fundamental Principles and Rights of Work provide an appropriate basis for the discussion of labour standards within the framework of trade agreements. These core principles are:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;

⁸ US – Peru TPA: Labour Chapter 17: http://www.ustr.gov/assets/Trade_Agreements/Bilateral/Peru_TPA/Final_Texts/asset_upload_file73_9496.pdf

⁹ The EU aims to conclude deals with the most advanced ASEAN countries within two years before moving onto other negotiations. Negotiations started in July 2007. "ASEAN wary of EU approach to expanding free trade talks", http://www.bangkokpost.com/250808_Business/25Aug2008_biz34.php

- the effective abolition of child labour;
- the elimination of discrimination in respect of employment and occupation.

Consistent with the approach taken in the ILO, each country would be free to implement those fundamental principles according to its own laws and practices. But as a minimum, the outcomes of all trade agreements to which Australia is a party must be generally consistent with and not undermine these core principles, the promotion of decent work, and the promotion and protection of universal human rights standards.

Whilst each of the ASEAN countries are now members of the International Labour Organisation, in some countries even where the national labour legislation legally adheres to the core labour standards, in practice there are serious and ongoing violations of labour rights and the lack of enforcement mechanisms or lack of resources to labour administration. [Appendix A](#) outlines the core labour standards that each ASEAN country has ratified.

For example, trade unions are effectively prohibited in Burma, and there is no freedom of association. The independent Federation of Trade Unions of Burma is forced to operate clandestinely, and independent trade union leaders and labour activists have received heavy prison sentences.¹⁰ In some ASEAN countries serious abuses include the persistent use of forced and child labour, gross exploitation of migrant workers, and the trafficking of people for the purposes of labour exploitation.

Lack of freedom of association for example of defence sector staff, police personnel, prison officers and academics in public universities who do not have the right to establish or join unions. In some industries only in-house

¹⁰ A prominent labour activist was sentenced to two years hard labour for lodging complaints to the ILO on behalf of victims of forced labour including the practice of recruiting children into the army. http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang--en/WCMS_098374/index.htm

company level unions are permitted. Workers that do have the right to form a union must apply for recognition from the employer, who may deny recognition. Labour administrators can refuse to register a trade union without giving a reason for the decision.

The importance of including a labor chapter can be highlighted by reference to the country sections in the 2007 International Trade Union Confederation Annual Survey of Violations of Trade Union Rights.¹¹

Trade liberalisation commitments on Australia's part in respect of these countries will come into effect at a date specified in the FTA with ASEAN, assuming it is ratified. In our previous submission on the ASEAN FTA, the ACTU argued that a labour clause should be included in future FTAs to ensure that these agreements do not result in the exploitation of already vulnerable sections of the population in those countries.

3.2 Burma, a special case

The ACTU supports and encourages a policy of economic and financial sanctions against Burma in order to apply maximum economic and diplomatic pressure on the junta to respect human rights and restore democracy and peace.

The international trade union movement, including unions from ASEAN countries, actively campaign against trade and investment in Burma. The ITUC report, "Rich Pickings: how trade and investment keep the Burmese junta alive and kicking" outlines the case of how foreign investment and trade, especially in resources extraction, oil and gas has consolidated the power of the military junta.¹²

¹¹ <http://survey07.ituc-csi.org/>

¹² "Rich Pickings: how trade and investment keep the Burmese junta alive and kicking": ITUC April 2008: <http://www.ituc-csi.org/IMG/pdf/BirmanieEN.pdf>.

3.3 Options in the Absence of a Labour Chapter

As was stated in the ACTU's submission to the Review of Export Policies and Programs, May 2008:

“The ACTU believes that references to core labour standards should be included in every bilateral trade, development and co-operation agreement in several locations: in the preamble, in an operative article at the start of the agreement, and in a section on core labour standards in the body of the agreement. This will help to ensure that it is clear that core labour standards are fundamental and integrated part of the agreements. There should also be an item on monitoring. In the case of enforceable agreements, alleged breaches of the core labour standards should be referred to the dispute resolution panel, which shall exercise the normal powers assigned to the panel but, for this purpose, should be chaired by a nominee of the ILO.”

The ACTU proposes that the Committee recommend that the Federal Government undertake a series of initiatives designed to promote and improve labour standards in the ASEAN countries. The initiatives should include:

- The adoption of a policy that no bilateral FTAs will be concluded with individual ASEAN countries, including those that are currently under negotiation, without a labour chapter;
- The adoption of a policy that no further liberalisation commitments will be given by Australia as a result of future reviews of the ASEAN FTA, or of reviews of commitments in respect of individual countries, without ILO recognition that there has been a significant

improvement in labour rights in the region or the relevant member-states.

- A coordinated program of work financed by additional funding from the Australian Government and developed in conjunction with the ILO, to assist the governments of ASEAN countries to improve domestic labour standards, to promote compliance by companies and provincial authorities with countries' existing ILO commitments, and to encourage countries which haven't done so to ratify all ILO conventions dealing with core labour standards.
- The establishment of an advisory committee to the Federal Government, that includes ACTU and business representatives with ILO experience, on labour rights and industrial relations issues in the ASEAN region, their implications for trade and also for employment and economic development within Australia, and for the reputations of Australia and Australian corporations where the labour rights issues in the countries of the region involve Australian investments, subsidiaries, and activities in those countries.

The suggested scope of the proposed advisory committee could be extended beyond the ASEAN region in future, given that Australia is also seeking or negotiating FTAs with China, Japan, South Korea and the South Pacific island states.

3.4 Free Trade Agreements with Individual ASEAN Countries

Australia currently has FTAs with Singapore and Thailand, is negotiating an agreement with Malaysia, and is interested in the prospect of an agreement with Indonesia. There are significant differences between the existing two FTAs. With respect to services trade, the two agreements differ in the structure of the services chapters. The agreement with Thailand uses a 'positive list' structure, as will also, we understand, the FTA with ASEAN.

This is also the structure of the WTO's General Agreement on Trade in Services. In contrast, the Singapore FTA uses a 'negative' list structure.

The Department of Foreign Affairs and Trade (DFAT) promotes the negative list approach as the best way to achieve liberalisation. The ACTU, in contrast, strongly supports the positive list approach as the best way to avoid unintended, unforeseen and excessive liberalisation, and inappropriate restrictions on the rights of governments to regulate in the public interest.

A positive list agreement applies the agreed liberalisation obligations only to those service sectors and sub-sectors that the parties specifically list as bound. A government can, for a service included as bound, list reservations and limitations to liberalisation of the service in the trade agreement. A government can subsequently alter a domestic law, regulation or policy to provide greater liberalisation than that envisaged under the qualified commitment. But that same government or a successor administration has the right to reverse the shift, in whole or in part, provided it does not breach the floor level of bound liberalisation in the FTA.

In contrast a negative list structure means that the liberalisation commitments apply to services generally except where limitations and reservations are listed for specified services. This structure has three problems. First, the liberalisation obligations apply automatically to services that did not even exist at the time the agreement was negotiated, and self-evidently were neither contemplated let alone properly understood by the government concluding the agreement. Second, this structure limits the regulatory options of future governments in office when, and after, the new services emerge.

Third, negative list agreements have two annexes for limitations on liberalisation commitments. One annex exempts measures affecting a listed service in a way that allows governments full policy discretion, i.e. a government can change the arrangements to be further away from the state posited as desirable by the trade liberalisation obligations of the agreement. The other annex protects the existing arrangements only to the extent of allowing the maintenance of the degree of variance from liberalisation in effect at the time the agreement is concluded.

The latter annex has the additional disadvantage that if a future government varies the existing arrangements in the direction of further liberalisation, a ratchet effect operates: neither that government nor a subsequent government can act to return, in whole or in part, the level of liberalisation back to the status quo which the annex was intended to preserve. Policy movement is therefore unidirectional – towards comprehensive liberalisation.

There is an exclusion in the text of GATS for ‘services in the exercise of governmental authority’ and this is often replicated in FTAs, including the ones with individual ASEAN countries. This exclusion may be cited to assuage concern about the consequences of a negative list structure. However such services are defined restrictively as services that are neither provided on a commercial basis nor in competition with other service providers. In the modern era, many public agencies provide services in competition with other providers.

The ACTU therefore proposes that the Committee recommends to the Federal Government that future FTA’s with individual ASEAN countries, including with Malaysia for which negotiations are already underway, should adopt the positive list approach to the services commitments.

The ACTU also has concerns about DFAT's approach to the dispute resolution provisions of free trade agreements. For example, Australia's FTA with Thailand contains what in our view are inappropriate arrangements for the hearing of disputes between the parties.

The contrast between this provision and dispute resolution in Australia's agreement with the USA is stark. The former specifies that hearings are closed and that the documents submitted to the arbitral tribunal shall be kept confidential. The latter allows for public hearings of disputes and public release of the Parties' submissions, subject to the protection of confidential information. The FTA with the US also requires the arbitral panel to consider requests from non-governmental persons or entities to make written submissions on a matter in dispute, but there is no such agreement in the FTA with Thailand. Further, under the US agreement only the government parties can initiate formal dispute resolution proceedings, while the agreement with Thailand allows Australian investors in Thailand to do this.

Investor rather than government activated dispute proceedings are sometimes defended on the grounds that a foreign subsidiary of an Australian company may find it difficult to obtain redress from local courts in certain countries on disputes on matters that are covered by an FTA that arise between the Australian company and the government of the country concerned. However in our view the company concerned should approach the Australian government to consider approaching the other government on the issue and if need be activating the dispute resolution procedure of the FTA. It is the countries that negotiated the text of the FTA and only signatories should be able to initiate disputes using the procedures in the Agreement on the interpretation and application of the text. Once the parties initiate proceedings, the type of provisions in the US FTA for hearings, disclosure, and submissions by others should apply.

The ACTU therefore proposes to the Committee that it recommend that future FTAs with ASEAN member states have only state activated dispute resolution procedures along the lines of the FTA with the US.

There are other details of Australia's existing FTAs with ASEAN member states that are of concern and worth highlighting, including the effect on the balance of trade for particular sectors and generally.

The FTA with Thailand came into operation on 1 January 2005. The surplus for the services sector in favour of Thailand was \$153m for 2004-05. The 2006-07 result for Thailand was a surplus of \$751m. For the US, it was \$2326m that financial year.¹³

The FTA with Singapore came into effect on 28 July 2003 and therefore has been in operation for almost five years. The DFAT summary of gains under the Singapore Agreement for Australia's services providers highlights outcomes for financial, legal, education, environmental and professional services, and for conditions governing movement of people for business purposes. In 2002-03 total services trade between Australia and Singapore was \$4623m and Australia's deficit from this trade was \$191m. Data published in Table 16.13 of Trade in Services Australia indicates that by 2006-07 total services trade between the two countries was \$7246m and the deficit was \$1336m. In short the value of two-way trade increased by 56.7% but there was a sevenfold increase in the deficit.

In addition to the above, there is there is little evidence that the two FTA's Australia has negotiated with individual ASEAN countries since 2002 (Singapore and Thailand) has brought additional benefits for Australian Elaborately Transformed Manufactures (ETMs) exporters to these markets

¹³ These figures are derived from the Trade in Services Australia 2006-2007 report.

compared to the benefits for ETM importers into Australia from these countries.

Trade in automotive products between Australia and Thailand is a case in point where Thailand has benefited significantly from tariff elimination on Australia's part while the failure of the FTA to deal appropriately with non-tariff barriers enabled Thailand to increase taxes significantly on the type of vehicles Australia exports shortly after the agreement was signed.

The cumulative effect, as stated in the submission to the Brack's review of the automotive industry by the Australian Manufacturing Workers Union, the Australian Workers Union, the National Union of Workers, and the Federation of Vehicle Industry Unions, has been an increase in the trade deficit with Thailand by \$2.8 billion or 177% and our trade surplus with Singapore has become a trade deficit with the turnaround equating to \$7.1 billion or 1,027%.

The relevant section of the ACTU's submission to the Review of Export Policies and Programs, May 2008 is attached at [Appendix B](#).

The ACTU is not aware of what has been agreed in relation to tariffs relating to the textile, clothing and footwear, however, as the Textile, Clothing and Footwear Union of Australia (TCFUA) submission to the Australian Textile, Clothing and Footwear Industries Review 2008,¹⁴ states, "falling tariff rates and increased imports over the past three decades have undeniably been the major cause of job loss and retrenchment on the industry, from a high of 130,000 in August 1986 down to 52,700 in February 2008. The fall in employment for women in the (formal sector of the) industry over the same period is even more alarming; from a high of 81,400

14 <http://www.makeithere.com.au/downloads/index.htm>, pge 8 citing ABS (2007) 5368.0 International Trade in Goods and Services, Australia Dec 2007, table 25.: Merchandise Trade: Imports by Industry, Customs Value.

in August 1986 to current numbers of 30,800 employed.¹⁵ While employment has more than halved, imports have more than doubled during this period of dramatic falls in tariff protection.

The ACTU supports the TCFUA's demand that any future bi-lateral and multi-lateral trade agreements entered into by Australia should enshrine TCF tariffs at current rates. There should be no undermining of the tariff freeze by trade agreements.¹⁶ See **Appendix C** for the ALP policy position in relation to TCF tariffs.

These trade outcomes are a far cry from the projections on the anticipated benefits issued by consultants commissioned by the governments in power at the time negotiations were proposed with particular countries. The reason for this yawning gap is that the consultants modelled and estimated on the basis of comprehensive trade liberalisation being achieved in the FTA negotiations.

In light of these outcomes the ACTU proposes to the Committee that it recommend that no further FTAs be concluded with individual ASEAN countries until the report of the Review of Export Policies and Programs is released and responded to by the Federal Government. In addition, as was the ACTU's recommendation to the Review of Export Policies and Programs, the Committee is asked to recommend that the Australian Government and DFAT cease commissioning, in connection with commencing negotiations for an FTA with a country, reports that model and estimate the benefits to Australia on the unrealistic scenario of the FTA achieving a comprehensive trade liberalization outcome. Instead, commissioned reports should model a range of realistic partial liberalisation scenarios for key sectors of the

¹⁵ TFIA (2008) sourced from ABS Labour statistics, TCF&L Total Employment, Nov 1984- Feb 2008.

¹⁶ <http://www.makeithere.com.au/downloads/index.htm>, page 10.

Australian economy, and identify what barriers need to be removed by the other country in order for the claimed benefits to be achieved, and what social and economic costs will be borne by Australia as a result of domestic liberalization.

3.5 Labour migration and trade:

The ACTU does not know the details of the negotiations nor of the ASEAN FTA agreement in relation to labour migration or GATS Mode 4 related commitments, in either ASEAN-wide or country-specific schedules. In community consultations prior to the announcement of the FTA, Australian trade negotiators indicated that the Philippines wanted access for nurses to Australia. We are concerned that there already have been cases of overseas nurses facing serious exploitation in Australia.

The ACTU distinguishes between, for example, migration policy decisions about extending the period of validity of a work visa, from 12 months for business people, academics or consultants under existing visa categories or provisions, and the broader liberalization of work permit categories and provisions, that could provide right of access to the labour market in Australia.

No commitments on labour migration programs should be entered into without prior consultation with the ACTU and our relevant affiliated unions.

4. Opportunities to enhance regional economies:

The economic disparities within ASEAN mean that regional economic development faces many challenges. Indeed there is a deepening economic inequality at national and regional levels. In addressing poverty

alleviation and economic development challenges, these widening gaps need to be addressed.

Employment impact assessments (and broader social impact studies) and the development of industry policies are instruments for enhancing regional economic development and should be integrated with trade policies.

As noted in the section on FTAs, core labour standards are universal and must therefore be implemented everywhere. Other aspects of decent work, such as adequate social security and a minimum living wage, are relative to national circumstances, ie. to be determined in accordance with the economic capacity and level of development of the particular country.

Technical assistance is vital to implementing labour standards effectively in developing countries, and a more intense focus on developing modern and effective labour inspection systems should also be a high priority in enhancing regional economies. Strengthening trade unions, collective bargaining and labour inspection are complimentary.

4.1 The role of Union Aid Abroad - APHEDA

Support for vocational skills training and education within the Australian aid program should be expanded. The ACTU's humanitarian development agency, Union Aid Abroad - APHEDA has along history of delivery of these programs internationally, including in the ASEAN region.

The ACTU, though Union Aid Abroad – APHEDA has been working with the Vietnamese trade unions since 1989 on projects on information technology, English language, women workers' rights, HIV, occupational health and safety, environmental health and protection (both with the National institute for Labour Protection), and technical/vocational training. More recently

APHEDA has managed a tripartite pilot program in Corporate Social Responsibility (CSR) with enterprises supplying the retail sector in Finland. Labour has been the force driving Vietnam's growth in recent years, and unions are rapidly changing to meet the needs of workers in a market economy. Other APHEDA projects focus on labour migration and trafficking of women.

With the various Cambodian union federations, since 1991, APHEDA (often collaborating with ILO), has been providing training in English language, in core labour rights, in reproductive health and HIV, in occupational health and safety, and in organizing among women in the informal sectors.

Since Laos joined ASEAN, the Laos Federation of Trade Unions (LFTU) requested English language training and other capacity building programs as well as HIV and occupational health and safety, with a focus on the large dam construction sites and hospitality sector workers.

Union Aid Abroad – APHEDA has also worked in Indonesia in labour rights education and in Aceh in tsunami reconstruction efforts including vocational education. In the Philippines, programs have focused on occupational health and safety development, and workplace HIV/AIDS training and with migrant workers. On the Thai-Burma border programs have been with community based partners with refugees and migrant workers in vocational education skills training, community and occupational health and safety and HIV/AIDS education.

5. Opportunities to improve cultural links in ASEAN

Cultural awareness between Australia and the ASEAN region is very dependent on mainstream media portrayals of news and issues. Support for media development and outreach to region is very important. Capacity

building and training in information technology and media skills has been supported historically by the Australian Government, through the ABC, trade unions and NGOs. The opportunity to expand support for funding and technical relations in the region in media, the arts and other cultural fields are enormous. This can be delivered via an array of methods including training programs, expanded international media services such as Radio Australia and Australia Network as well as exchange programs.

Civil society links, including via so-called people to people links including trade unions, NGOs, academic and student and other community networks are multi-layered and significant sources of interactions in the region. Given the immense political, cultural and religious diversity of the region, these relations can inform a social, cultural and political understanding across countries.

The ACTU has been involved in hosting a national Civil Society Dialogue in Australia over recent years, involving a broad cross-section of civil society groups and addressing current concerns of national interest. This kind of fora could be expanded to engage leaders across the region.

Leadership programs for different sectors could also play an important role. The ASEAN Eminent Persons Group, referred to earlier in this submission is such a forum. The “Neighbours Program”, was established in 2003 with the intention to foster closer interaction between community-based national organisations to strengthen direct communication between community leaders in Australia and their counterparts in neighbouring countries. The ACTU has participated with trade union counterparts in Indonesia and Malaysia through exchanges and annual leaders’ visits. In addition to the trade union sector, the other representatives have been from the welfare sector (Australian Council of Social Service - ACOSS), environment

(Australian Conservation Foundation – ACF) and consumer rights with the Australian Consumers Association.

The initial objectives were to:

- develop closer, sustained interaction and cooperation between leaders of major Australian and Indonesian community organisations;
- stimulate and facilitate development by those organisations of cooperative activities on an ongoing basis;
- enhance sustainable development and social justice in both countries;
- strengthen mutual understanding and goodwill between the general communities of both countries.

This program could be further expanded and deepened to include other civil society leaders and other countries within the region.

Currently some 70,000 overseas students from ASEAN countries are studying in Australia. Education exports are a key Australian foreign exchange earner but the experience and exposure and long term relations so formed have enormous cultural benefit. An expansion of Australian education services and linkages has huge potential. Increasing support for Asian language development and Asian studies in Australian schools and tertiary institutions, and models of academic Centres of Excellence relevant to our relations in the region should be strongly encouraged and rebuilt.

The 2020 Summit outcomes are also of relevance in considering areas of Australian expertise and forwarding opportunities to improve broader cultural links with and within ASEAN.

6. Impact on Australia and ASEAN of global warming

The impact of global warming in the region, like elsewhere in the world, will have enormous social and economic impact. There are obvious challenges and opportunities for Australia to share new technologies and undertake joint research and development initiatives, and to support training and education for relevant vocational, workplace and transition and disaster preparedness skills and especially with environmental relevance.

Globally and within the region there is a massive potential for new jobs in green products and services. ASEAN government's need to pay more attention to the social and employment aspects of climate change, to put mechanisms in place to ensure 'greening' of existing workplaces and support for those whose livelihoods are affected by adjusting to a low-carbon regional and global economy.

The green jobs agenda¹⁷ requires investment in job creation and just transition, building the necessary skills, funding research and development, technology transfer from developed to poorer nations and, of critical importance, making sure that green jobs are decent jobs, where workers' fundamental rights are respected.

Green job creation can become an engine for economic development. In emerging economies and developing countries green jobs in renewable energy, energy efficiency, sustainable transportation, and organic agriculture for example will generate new opportunities for researchers, scientists and technicians, but the benefits need to reach a broad cross-

¹⁷ The Green Jobs Initiative is a joint initiative by the United Nations Environment Program (UNEP), the International Labour Organization (ILO), the International Employers Organization (IOE) and the International Trade Union Confederation (ITUC).

UNEP Website: http://www.unep.org/labour_environment/features/greenjobs.asp; ILO Website: <http://www.ilo.org/integration/greenjobs/index.htm>

section of the population who need them most: youth, women, farmers, rural populations and slum dwellers. Employment in industries such as recycling and waste management, biomass energy and construction tends to be precarious with low incomes. If green jobs are to be a bridge to a truly sustainable future, this needs to be addressed. Green jobs therefore need to comprise decent work.

Meaningful social dialogue between governments, workers and employers will be essential not only to ease tensions and lower the potential for civil conflict related to global warming, but to support better informed and more coherent environmental, economic and social policies.

Appendices:

Appendix A:

Ratification of ILO Core Convention by ASEAN member states

Appendix B:

ACTU Submission to the Review of Export Policies and Programmes, May 2008

Appendix C:

National Platform and Constitution of the Australian Labor Party

- Chapter 5, paragraphs 111 states (in relation to TCF tariffs)

Appendix A:

Ratification of ILO Core Convention by ASEAN Member States

Ratification of ILO Core Conventions by ASEAN member states

Country	Freedom of association and collective bargaining		Elimination of forced and compulsory labour		Elimination of discrimination in respect of employment and occupation		Abolition of child labour	
	Conv. 87	Conv. 98	Conv. 29	Conv. 105	Conv. 100	Conv. 111	Conv. 138	Conv. 182
Brunei Darussalam								
Cambodia	23/08/1999	23/08/1999	24/02/1969	23/08/1999	23/08/1999	23/08/1999	23/08/1999	08/08/2002
Indonesia	09/06/1998	15/07/1957	12/06/1950	07/06/1999	11/08/1958	07/06/1999	07/06/1999	28/03/2000
Lao People's Democratic Republic			23/01/1964				13/06/2005	13/06/2005
Malaysia		05/06/1961	11/11/1957	13/10/1958 Denounce 10/01/1990	09/09/1997		09/09/1997	10/11/2000
Myanmar	04/03/1955		04/03/1955					
Philippines	29/12/1953	29/12/1953	15/07/2005	17/11/1960	29/12/1953	17/11/1960	04/06/1998	28/11/2000
Singapore		25/10/1965	25/10/1965	25/10/1965 Denounce 19/04/1979	30/05/2002		07/11/2005	14/06/2001
Thailand			26/02/1969	02/12/1969	08/02/1999		11/05/2004	16/02/2001
Vietnam					07/10/1997	07/10/1997	24/06/2003	19/12/2000

Source: <http://www.ilo.org>

- Conv. 87 Freedom of Association and Protection of the Right to Organize 1948
- Conv. 98 Right to Organize and Collective Bargaining 1949
- Conv. 29 Forced Labour 1930
- Conv. 105 Abolition of Forced Labour 1957
- Conv. 100 Equal remuneration 1951
- Conv. 111 Discrimination (Employment and Occupation) 1958
- Conv. 138 Minimum Age Convention 1973
- Conv. 182 Elimination of the Worst Forms of Child Labour 1999

Developed by International Labour Organization
Last updated by FORUM-ASIA on 12 January 2007

Appendix B:

**ACTU Submission to the Review of
Export Policies and Programmes,
May 2008**

ACTU Submission to the Review of Export Policies and Programmes May 2008

In addition to the above there is some evidence that the three FTA's Australia has negotiated since 2002 (Singapore, Thailand and USA) have provided little in the way of additional benefits for Australian ETM exporters to these markets compared to the benefits for ETM importers into Australia from these countries. These outcomes are highlighted on the page opposite with reference to trade in automotive products between Australia and Thailand. While some of the surge in Thai auto imports is a result of importers resourcing from Thailand rather than Japan, this is little comfort to the Australian workers who make the Ford Territory.

Free Trade Agreements

(The following comment is an agreed position by the AMWU, NUW, AWU and FVIU in their submission to the Bracks panel's review of the automotive industry)

The impact of the FTAs must be examined. Since the commencement of the FTAs with Singapore, Thailand and the United States we have seen a serious deterioration in our trade balance with these nations. Our trade deficit (to October 2007) with the United States has increased by \$3.6 billion or 32%, with Thailand by \$2.8 billion or 177% and our trade surplus with Singapore has become a trade deficit with the turnaround equating to \$7.1 billion or 1,027%.

The National Institute of Economic and Industry Research (NIEIR) has undertaken a significant analysis of the impact of Free Trade Agreements on Australian industry. The full findings are found in the AMWU submission to the Mortimer Trade Review. The most pertinent point for this inquiry is the impact of the Thailand FTA in only its first 30 months of operation (to June 2007). NIEIR have found that the net gains to the Australian automotive sector, with the trade diversion effect included, of the Thai FTA are **minus** \$1.35 billion. That is, as a result of the first year and a half of operations of the Thai FTA, the Australian auto industry has been negatively impacted to the tune of one thousand, three hundred and fifty two million dollars.

The principal cause of this effect is the failure of the previous Federal Government to negotiate the removal of the non-tariff barriers Australian companies face when trying to export to Thailand. These non-tariff barriers can not be adequately included in the type of economic modelling used to justify FTAs. The impact of these barriers has been recognised by the President of Ford Australia, Bill Osborne, who stated that:

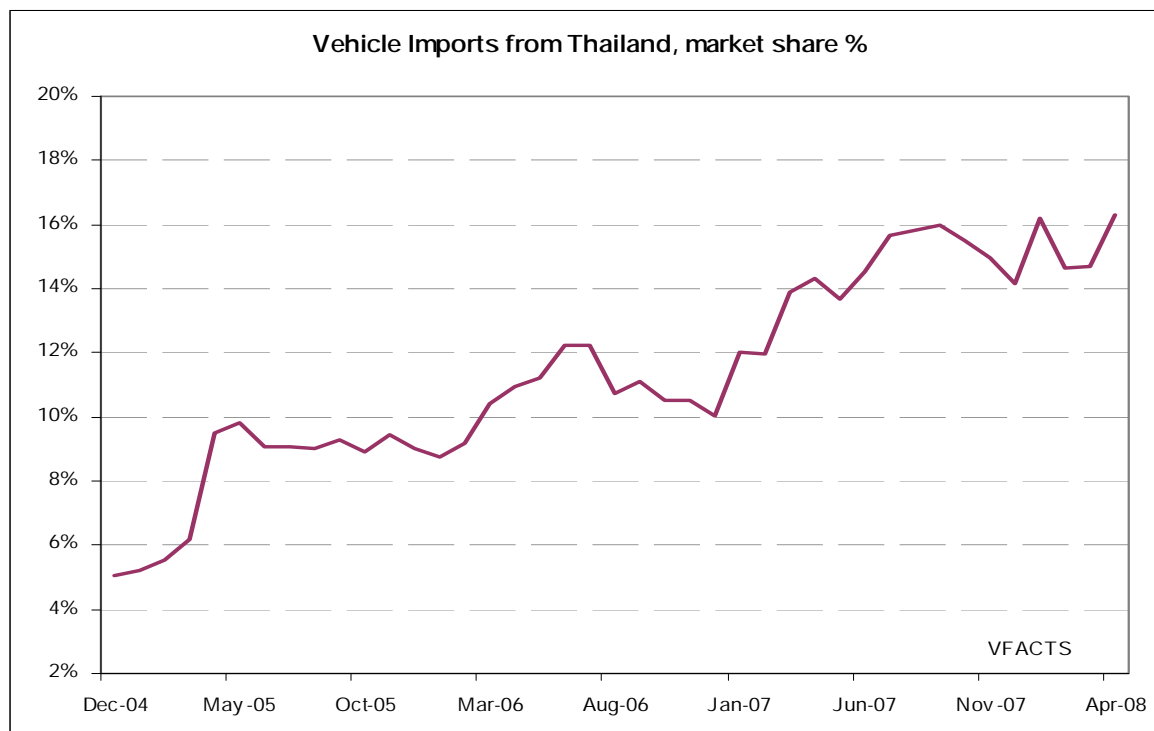
"... the Thai Government had violated the spirit of the agreement by increasing taxes on the type of cars Australia produces soon after the (FTA) deal was signed."^[1]

After the FTA was signed, Ford Australia had moved to export the Territory SUV to Thailand. Unfortunately, only 30 cars were exported before the plan was abandoned due to a change in the Thai tax structure. The tax change meant that the excise payable on the Territory changed from the standard 25% to 50% due to its engine size.^{1[2]}

The impact of these barriers have been recognised by Senator Carr, Minister for Industry, Innovation and Science, who stated that he was concerned about the operation of the FTA and noted that:

"Passenger vehicles imported from Thailand since the agreement was signed...have increased by 356 per cent, whereas we have no recognisable exports to Thailand."^[3] **The chart below graphically illustrates the exponential increase in passenger vehicle imports from Thailand.**

These are the real life effects that economic modellers can not predict and the panel should consider this carefully when examining the trading environment for the Australian automotive industry. The Unions remain opposed to FTAs that fail to deliver any benefits to Australian workers and we urge Government to remember these lessons before embarking on FTAs with China, Korea and Japan to name only three.



2.1 Services

The DFAT document for the Review of Export Policies and Programs notes that services exports in the period 2001-2007 grew at about half of their long term average and that Australia's share of global services markets has fallen from 1.41% in 1996 to 1.17% in 2006.ⁱ On the other hand, since 1999 trade in services has generated a consistent surplus. Moreover, DFAT's paper on Trade in services statistics - the Australian experience states that in 2006-07 exports of services accounted for 21% of total Australian exports. According to the same paper, in 2006 Australia's ratio of services trade to total trade was close to the OECD average of 21.1 %ⁱⁱ

A key issue in the context of Australia's persistent trade deficit is that of expanding the positive contribution of the services sector to Australia's trade outcome, and to do so in the absence of major liberalisation of trade in services under new free trade agreements, or of service trade surpluses with countries with which we already have free trade agreements.

In terms of key regions in 2006 -07 Australia exported \$8.6 billion to its largest services trading partner, the European Union, and imported \$9.6 billion.ⁱⁱⁱ There has been a deficit in services trade with the EU since 98-99. The same applies to services trade with ASEAN since 2003-04. The persistent deficit story in trade in services continues in the case of the North American continent, reflecting the size

of the US economy and the strength its services sector; the 2006-2007 regional trade deficit being A \$2192 m.^{iv}

On the other hand, services trade with East Asia, including ASEAN, has been in surplus since at least 2001. But the surplus narrowed considerably over the period 2004-06, from \$2802 million in 2003 to \$694m in 2004, \$700m in 2005, and \$1003m in 2006.^v Services trade with Oceania was also in surplus.

The previous government focused on bilateral free trade agreements as part of the solution to Australia's trade problem. CER with New Zealand is sometimes described as our oldest bilateral FTA but this is misleading for the purposes of a comparison with other FTAs as the former extends to economic and labour market integration and associated significant regulatory, product and professional standards harmonisation or mutual recognition.

The FTAs with Thailand and the US came into operation on 1 January 2005. Both had a surplus in services trade with Australia in 2003-04 and 2004-05. The surplus was \$110 m for 2003-04 and \$153m for 2004-05 in the case of Thailand, and \$1628m and \$1675m in the case of the US. The 2006-07 result for Thailand was a surplus of \$751m. For the US, it was \$2326m that financial year.^{vi}

It may be argued that the period since the operative dates of these FTAs is too short for making even preliminary conclusions. Further, the agreement with Thailand does not have the negative list structure for services sought by DFAT and the Howard Government, and contains quite limited services commitments.

However the FTA with Singapore came into effect on 28 July 2003 and therefore has been in operation for almost five years. The Agreement includes the Australian Government's preferred negative list structure for services liberalisation which requires liberalisation unless an exemption or limited exemption is specified in the Agreement for a particular service sector or measure restricting services trade.

The DFAT summary of gains under the Singapore Agreement for Australia's services providers highlights outcomes for financial, legal, education, environmental and professional services, and for conditions governing movement of people for business purposes. In 2002-03 total services trade between Australia and Singapore was \$4623m and Australia's deficit from this trade was \$191m. By 2006-07 total services trade between the two countries was \$7246m and the deficit was \$1336m.^{vii} In short the value of two-trade increased by 56.7% but there was a sevenfold increase in the deficit.

The ACTU acknowledges that there will be different views as to the explanation for this. For example, it could be argued that, like other FTAs, the agreement with Singapore failed to deliver comprehensive liberalisation of trade in services. But from the standpoint of considering the prospects for expanding the positive

contribution of Australia's services trade to the balance of trade, it is important to have regard to trade liberalisation agreements at the multilateral, regional and bilateral level as they exist, and are likely to continue to be negotiated, in the real world.

The adoption of such a perspective should also lead to an end to the modelling of prospective FTAs on the basis of comprehensive liberalisation of all sectors, and the consequent announcement and media of publicity of millions of dollars worth of gains to the Australian economy that do not, and were never going to, eventuate.

National governments in Australia and overseas will continue to protect particular service sectors, sub-sectors and firms for a variety of reasons. There are public policy considerations that apply to public goods services, such as health and education. The more pragmatic advocates of service liberalisation are sometimes willing to acknowledge this with respect to the refusal of governments to make comprehensive national treatment commitments in respect of commercial presence for certain services, and press instead for comprehensive commitments for market access. But a national government that has recently funded a new public tertiary institution in a particular area where demand is still uncertain or growing slowly may not want to give market access commitments that could lead to an Australian offshore campus being established in the same area.

The motives for maintaining current levels of protection, or simply the right to do so, do vary. Developing country governments, for example, may do so because they want to:

- boost the brand recognition of local firms by consumers,
- ensure the viability of small businesses,
- develop an export capability in existing locally owned firms,
- withhold liberalisation commitments until temporary mobility of labour is politically obtainable from OECD countries,
- avoid the reproduction in other sectors of the degree of vertical and horizontal integration achieved by foreign owned hospitality and tourism companies,
- foster new locally owned service industries and firms
- preserve a governance model that includes crony capitalist relations.

The key point is that, in developing strategies to expand services exports, more attention needs to be paid to models of significant export achievement in the absence of liberalisation commitments, and to domestic Australian constraints and services industry policy.

The export of education services is rightly hailed as a major success story. It did not occur due to commitments in FTAs to liberalise trade in such services.

The large number of overseas students studying in Australia tends to overshadow the success of Australian institutions in boosting export income by delivering education services abroad. The main way of delivering services offshore involved winning arrangements with existing local private colleges that increased both the range of programs offered and the capacity and standing of the private institutions.

Overseas governments with their own aspirations to widen and deepen the provision of tertiary education in their territory, and perhaps also to develop a local export capability, have been favourably disposed to these arrangements. Travel of Australian academics to deliver abroad also paved the way toward broadening the business model to include offshore campuses. These were established notwithstanding the absence of market access commitments to allow the institutions to enter, let alone permit full or majority Australian ownership. In the case of Malaysia the first offshore Australian campus, Monash Malaysia, was established on the basis of a 26% limit on foreign equity, which was removed many years later.

The Monash venture in Selangor inspired others to follow in Sarawak. The provincial government of Sarawak has been a partner, directly and indirectly through instrumentalities, in the Swinburne and Curtin university campuses in Kuching and Miri respectively.

The scale of the export of Australian tertiary education may not be reproducible in other service sectors. However, the key features of gaining export income while enhancing domestic capabilities in other countries, and working with local partners and governments - which also characterise the strategies of export oriented firms in other sectors - will remain relevant in a world where comprehensive services liberalisation commitments are the exception rather than the rule.

Ref:

http://www.dfat.gov.au/trade/export_review/submissions_received/AustralianCouncilofTradeUnions.pdf (pp. 20 -26)

ⁱ Department of Foreign Affairs and Trade, Review of Export Policies and Programs, Key Issues paper, p3.

ⁱⁱ DFAT, Trade in Services Statistics - the Australian Experience, extract form presentation to the 2007 China Trade in Services Congress and Second International Seminar on Trade in Services, 27 November 2007, p24 of presentation

ⁱⁱⁱ DFAT, Trade in Services Australia, 2006-7 p8

^{iv} As above, p36. Deficit calculated from figures reported in Table 8 for Canada, US and Mexico

^v DFAT, Australia's Trade with East Asia, 2006. Figures calculated from Table 1, p 10.

^{vi} Trade in Services Australia, 2006-7. Table 16.15, p 58 and Table 16.7, p 60

^{vii} As Above, Table 16.13, p 56

Appendix C:
National Platform and Constitution
of the Australian Labor Party
- Chapter 5, paragraphs 111
states (in relation to TCF tariffs)

'If Australia's trading partners have not made sufficient adjustments at all levels to bring them into line with their international obligations or if the negative social impact of further tariff reductions is too severe, the tariff will be frozen until such time as those issues are addressed.'

Chapter 5, paragraphs 111 and 112 of state:

"TCF tariffs will be held at current levels pending a review to be undertaken by a new Labor Government in 2008. Labor's TCF review will be undertaken by a review panel established by the Industry Minister and including both employer and union representatives. This review will be required to take into account the tariff and non-tariff barriers of our trading partners and the likely social impact of further tariff reductions on TCF workers, regional Australia and the broader community. If Australia's trading partners have not made sufficient adjustments at all levels to bring them into line with their international obligations or if the negative social impact of further tariff reductions is too severe, the tariff will be frozen until such time as those issues are addressed. Labor will also reform the administration of the TCF Structural Adjustment Package along the lines of the Labour Adjustment Program abolished by the Howard Government. Labor will ensure that this non means-tested program has an appropriate level of funding and better assists TCF workers to improve their English and language skills, engage in vocational training and find new employment in secure jobs."

In government, Labor will:

- pursue improved market access arrangements for Australian TCF exporters;
- continue funding of the Strategic Investment Program for the TCF sector at current levels, review the scheduled reductions from 2009

with a view to reversing the Government's planned reductions, and link funding to employment of Australian workers;

- establish an effective and resourced Australian TCF Industry Council to focus on creating employment and development in the TCF sector focusing on high-value exports; and
- implement federal legislation to complement State legislation that aims to end the exploitation of outworkers and ensure that they are employed under secure, safe and fair systems of work with enforceable rights and conditions of employment.'

The National Platform and Constitution of the Labor Party further states that Labor will:

- ensure and expand Australia's manufacturing sector
- support the TCF industry, which Labor recognises has the capacity to be world class
- secure existing employment levels, adherence to core labour standards, new jobs, investment, increased imports, skills development and research in the manufacturing sector
- strengthen anti-dumping measures
- reform industry assistance programs and link funding to continued Australian employment
- implement ethically procurement policies for government