

AUSFTA Submission No: ..... 96 .....
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**From:** Annie Nielsen & Phil Bradley [annie\_nielsen@cia.com.au]  
**Sent:** Tuesday, 13 April 2004 11:58 PM  
**To:** Committee, Treaties (REPS)  
**Cc:** Murphy, Shayne (Senator); Bartlett, Andrew (Senator); Brown, Bob (Senator); Hutchins, Steve (Senator); Payne, Marise (Senator); Ferguson, Laurie (MP); Cameron, Ross (MP)  
**Subject:** JSCT Submission on the Australia US Free Trade Agreement (USFTA)  
**Importance:** High

The Secretary,  
 Joint Standing Committee on Treaties,  
 R1-109, Parliament House,  
 Canberra ACT 2600.

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BY:.....

Dear Sir,

We would like to raise the following concerns we have regarding the USFTA:

**1. Democratic Process**

We find it unconscionable that the Federal Government could consider signing such a momentous agreement without first having a full and open debate in Parliament about all the likely impacts of a USFTA proposal, after having widely publicised these impacts in the light of the recommendations of both current Parliamentary inquiries.

**2. Public Services**

The USFTA's services section exempts public services, but these are defined as services not supplied on a commercial basis nor in competition with other service suppliers. However, some components of public service provision are now exposed to commercial influences.

It is of concern that TAFE for example may be exposed to competitive tendering by overseas companies on a lowest bid basis with insufficient attention being given to the quality of provision, access and equity, Occupational Health & Safety and professional teacher qualifications of the training deliverer. The trend towards reducing the degree of exclusion from trade agreements of tertiary education services generally, and public tertiary education in particular, is another concern. The Singapore agreement formally liberalised education services beyond the level set by Australia's GATS commitments, and USFTA unfortunately goes a step further.

We are worried that if this trend continues, the next step in the current round of GATS negotiations could be the removal of the limitation that Australia's commitments are confined to private higher education services. The nature of the provision of education is such that it lends itself much more effectively and efficiently to models of cooperation, rather than of competition, which if continuing to be based on blindly reducing costs, is a model doomed to fail the people of Australia.

Furthermore, we oppose the proposal that regulation of essential services may be challenged as a barrier to trade.

**3. Foreign Investment**

We think it is disgraceful that the threshold for Foreign Investment Review Board to review most investment in existing businesses has been lifted from \$50 million to \$800 million! US investment in new businesses in areas not listed as reservations will not be reviewed at all. The US government has we understand estimated that if these rules had applied over the last three years, nearly 90% of US investment in Australia would not have been reviewed. This is totally unacceptable to me and I believe also to the Australian public.

**4. Copyright Payments**

We strongly oppose the extension of the period of payments from 50 to 70 years as another impost on education in terms of increasing costs of learning resources and as a consequence, reduced access to these for the less well off.

#### **5. Trade Law Tribunal**

The likelihood of the USA challenging our laws and seeking compensation because of our "unfairly" restricting trade, is a serious problem for Australia. Such a dispute process would heavily advantage the USA at our cost!

#### **6. PBS Scheme Threat**

The proposed right of legal challenge, if applied to PBS provisions, has a high probability of dramatically increasing the cost of medicines to the exorbitant levels now charged in the USA, where millions of people cannot afford medicines essential for their well being. Is this also to be Australia's future under the USFTA??

We have many other concerns, but lack of time prevents us from detailing them.

We trust that your Committee pays serious attention to the concerns that we, and many of our friends, share, including those above.

Yours sincerely,  
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