

**SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE
REFERENCES COMMITTEE**

**INQUIRY INTO GENERAL AGREEMENT ON TRADE IN
SERVICES AND AUSTRALIA/US FREE TRADE AGREEMENT**

SUBMISSION

Submission No: 147

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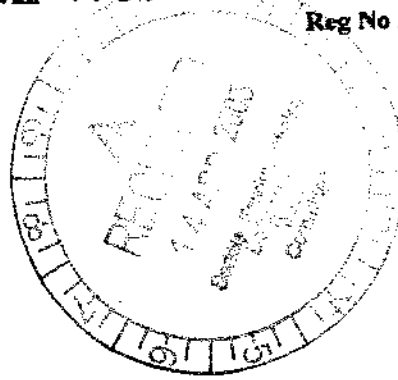
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TO: Senate Committee on GATS

FROM S.W.T.L.C.

ATT _____

SENDER Margaret

FAX # 02-62775818

DATE 14/4/03

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MESSAGE:

Attached is submission to Senate Committee on GATS.
 I have tried unsuccessfully Friday and today to email this.
 Will attempt to email again this afternoon.
 If further detail required phone 03-55234272.

Thank-you
 Margaret Brobender

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Senate Committee on GATS
Office of Trade
Parliament House
Canberra, ACT 2600

This submission has been prepared on behalf of the members and delegates of the South West Trades and Labour Council.

Initially I need to bring to the committees attention the difficulty encountered in obtaining reliable, comprehensive and non-biased information on GATS. The bulk of accessible information has originated from party political sources with an obvious bias that reflects the interests of the provider and consequently they have tended to contradict each other. This situation has made it very difficult to establish the validity of any specific points that we may wish to advance. The failure to locate specific information on the types of services and potential providers has also contributed to the ambiguity.

The consensus from Council delegates is that any Agreements that reduce government subsidies to rural areas will be detrimental. It is an accepted fact that the provision of services to country areas is costlier than to suburban areas. The majority of rural communities already have fewer and less specialised services than their metropolitan counter parts.

Health and Education.

Government statistics support the accepted reality that rural Australians suffer disadvantage in health and educational services. This has resulted in lower standards of living due to the lack of employment qualifications and poorer health resulting in an earlier death. This inequality would be severely increased if any steps were taken to erode or remove existing subsidies to country services. It is unrealistic to believe that any multi-national or foreign company that gained the right to operate such services (and indeed any services) would give consideration to the supply of services without the benefit of a substantial profit. It is equally unrealistic to expect that companies who tender to supply these services do so for any reason other than fiduciary ones. We can presume that the tendering of these services would result in a major population shift. Both state and Federal Governments have irrefutable evidence of elderly Australians already leaving townships where they have resided all their lives because they need long term medical therapists and specialists that they are unable to access from their rural residences. This move then dislocates them from life long support networks and creates additional medical conditions. Equally well documented is the shift and non-return of young people who move to cities for higher education that is unobtainable in or near their family homes. These scenarios would be greatly amplified if the cost of existing services were to be increased or relocated to areas with higher incomes and larger populations. The removal of these services from their existing locations would also result in the loss of skilled staff and infrastructure making it impossible for future Governments to address the deficiency.

Telecommunications

I cannot stress enough the importance of telecommunications for rural and regional centres in modern times a fully functioning and cost effective communication system is essential. The previous points concerning cost increases and loss of personnel and infrastructure also apply to telecommunications. Already all major government services are accessed via phone and are not located in rural areas especially services providing for specialist needs and minority groups, such as indigenous, hearing impaired and foreign language services attached to Government bodies including Centrelink. Control of our telecommunications by a foreign operator would, as with health and education, increase prices, and a service with usage as universal as telecommunications

needs to remain under the control and influence of the Government. The alternative would be that many low-income households would be forced to cancel their telephone services resulting in loss of social contact and the potential for life threatening disasters. (how do you dial 000 without a phone). With to-days technology all rural business is conducted by phone, fax or email. A reduction in services and/or increase in costs would result in business closures and re-locations.

Water

As with health and education it is realistic to presume that large corporations would find water an attractive and desirable commodity. Clearly in townships such as Bendigo and Castlemaine some private/public combinations of water services ownership are already accepted. The acceptance of wastewater, sewage, testing, analyses and construction of infrastructure private control is a disturbing factor and must impact on industries reliant on large quantities, such as irrigation and mining. This in turn will impact on the consumers of these final products. Water is a scarce commodity and treating it solely as a commercial asset is a perilous decision. We request that you support only those matters that are already irreversible.

People movement

The two areas that we have become familiar with in regard to GATS and people movement are

1. The requests to introduce foreign (Indian) chefs and
2. The use of foreign vessels, and therefore their crews within Australian waters for the transport of goods between local ports.

The matter of introducing foreign chefs is counter productive to employment and increasing skill levels for our existing workforce. Whilst it is accepted that there presently is a shortage of qualified chefs within Australia it is also evident that this shortage has created incentive for the employment of apprentices and recognition of prior learning and similar incentives for those who have been in the industry more than seven years without the opportunity to receive formal training or qualifications. This will within a very short time overcome the present shortage, however, the introduction of a foreign workforce will render these improved measures redundant along with the new school to TAFE programs that provide a stepping stone into the industry for school leavers and a pre-apprenticeship training. Anecdotal evidence is that these steps have been productive and will provide the Australian food industry with an ample supply of trained and qualified staff with expertise in all areas of the restaurant industry. The proposed introduction of a foreign workforce would jeopardise this.

The matter of foreign shipping working on domestic routes has similar disadvantages to local employment and training opportunities. The present system allows for a ticket to be issued should there be a requirement for this to occur but any opening up of this area will make the existing system redundant and allow for Australian jobs, and pay packets to disappear. It should be remembered that skills in this area are unlikely to be transferred to any other industry and that this is an industry that has in recent years already undergone extensive cutbacks. Domestic shipping companies and maintenance workers will also be adversely affected and it is realistic to foresee a reduction in health and safety standards that once introduced by foreign owners may for economic competitiveness be adopted by local operators.

Local government services

Our understanding of *Article 1 "measures by members"* is that this includes services presently supplied by local Government authorities. We would be opposed to any steps to transfer the existing local government services to any alternative body/bodies. Obvious services in this category include the provision and regulation of matters of environmental and health concerns. Examples of these are building permits, meals on wheels, waste disposal, assisted transport, and the overseeing of licensing requirements, cultural and sporting events and venues. Clearly the only corporate interest

in these areas would be a financial one and the increase in costs to the public or reduction in services would create hardship and safety issues. The affect on the development of local culture and recreation would be adverse and irreversible. Services to low income, aged and other disadvantaged groups are certain to be minimised and tailored to enhance profits. The need to maintain a high standard in areas of health services and building codes is obvious and not comparable with fiscal restraints that apply to private companies. The end result of competition in this (local government) area includes negative economic, social and cultural growth in addition to health and safety problems. Within this context of possible GATS implementation we believe that public policy on the funding and provision of essential services should remain the responsibility of government bodies.

As stated at the beginning of this submission we have struggled to find sufficient information to be fully comprehensive but it is realistic to surmise that the dominant arguments of loss of jobs and services due to increased costs is applicable to most services. It is a reality that the worlds largest economies whether they are corporate or nations have an unfair competitive advantage and will dominate and ultimately annihilate smaller competitors. Australia as a medium economy has the potential to forfeit our industry and skills and ultimately profits if we are not vigilant. Conversely need to be aware of our potential to damage fragile smaller economies. I encourage you to urge caution in relation to any changes to our existing service providers, especially any decrease in Government influence.

In closing, whilst acknowledging the recent participation of the ACTU, I draw your attention to the lack of consultation with unions about GATS despite the impact that these measure can have on Australia's workers. As the one body in this country that is focussed on the present circumstances, needs and repercussions of change on the workforce and their families this appears to be a significant omission.

Margaret Brabender
Assistant Secretary
South West Trades & Labour Council