

**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: 19

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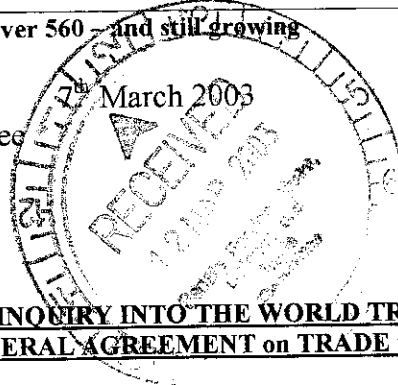
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BATHURST CPSA is a non-sectarian non-party political organisation caring for the welfare of its pensioner and self-funded retirees membership.

CURRENT BATHURST MEMBERSHIP: Over 560 - and still growing

The Secretary
Senate Foreign Affairs,
Defence and Trade References Committee
Suite S1.57, Parliament House
CANBERRA ACT 2600



Dear Sir,

SENATE COMMITTEE INQUIRY INTO THE WORLD TRADE ORGANISATION'S
GENERAL AGREEMENT on TRADE in SERVICES

This submission is written from a regional and rural Australian point of view.

Although Australia does not have a Bill of Rights, the **Australian Constitution** was drawn up at the time of Federation setting out the protocol and responsibilities of governments to provide good and fair governance for the Australian people, listing the services the States and Federal governments are to provide. Most of these services are listed in Chapter 1, Part V – 51.

“**The Parliament** shall, subject to this Constitution, have power to make laws for the peace, order and good government of the Commonwealth with respect to: E.g.

- (v) **Postal, telegraphic, telephonic, and other like services:**
 - (vi) **The naval and military defence of the Commonwealth and of the several States, and the control of the forces to execute and maintain the laws of the Commonwealth:**
 - (vii) **Astronomical and meteorological observations:**
 - (viii) **Quarantine:**
 - (ix) **Fisheries in Australian waters beyond territorial limits:**
 - (xviii) **Copyrights, patents of inventions and designs, and trade marks.**
 - (xxiii) **Invalid and old-age pensions:**
 - (xxiiiA) **The provision of maternity allowances, widow’s pensions, child endowment, unemployment, pharmaceutical, sickness and hospital benefits, medical and dental services..... benefits to students.**
 - (xxiv) **The service and execution throughout the Commonwealth of the civil and criminal process.....**
 - (xxxiii) **The acquisition, with the consent of a State, of any railways of the State on terms arranged between the Commonwealth and the State;**
- (Chapter IV -100) The Commonwealth shall not by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.”**
(Refer to the Australian Constitution for the full range of services).

The only way the Australian Constitution can be changed is by:

“The proposed law for the alteration thereof must be passed by an absolute majority of each house of the Parliament” followed by a successful referendum of all qualified voters in all States and Territories.

However, it is not made clear in the Constitution whether the provision of services has to be kept in government hands. The status of services needs to be tested in the High Court and/or State Supreme Courts before any disposal of services is attempted. Any attempt to trade or sell could be interpreted as violating the constitution, especially if foreign entrepreneurs or governments were to take over the services.

Foreign companies operating under different laws to Australia and owning or influencing the provision of services in Australia have been seen to over-ride Australian laws at different levels of government, and therefore Australia's democratic process. E.g. the roll out of cables for pay TV, installation of mobile telephone towers over which governments had no power. As has been seen overseas in a number of countries, such as USA, Canada, India and others, Multinational companies, by over-riding local laws, have committed many grave and lasting environmental nuclear or toxic catastrophes, the effects of which will last long beyond ours and our children's lifetimes.

Australians must retain the ability, through the three tiers of government, to be in control of how and where developments will take place, always with the interests and good health of the Australian people and Australia's special environment the ultimate arbiter. The wishes of the Australian people must always be paramount and reflected in the powers of planning and development at local and state government levels. This "right" should never be under any consideration for negotiation with anyone, let alone foreign interests.

Without government power to make laws for the "peace, order and good government of the Commonwealth" and multinational companies allowed to do as they please, the world will be reduced to the law of the jungle and constant war.

Democracy, the Constitution and the role of the nation's government should never be negotiated for trade, commerce or any other reason, particularly involving a foreign power.

To trade Australian services could see an influx of foreign cheap "illegal" workers / immigrants, amongst whom there could be criminals and/or terrorists over which the government would have little or no control over their entry. Workers' conditions would reduce them to poverty and slavery. This would be in contravention of the Constitution (Chapter 11, Part V (xxvii – xxviii))

Posts, telegraph, and telephones.

The services listed in the Constitution, which include Postal, Telecommunications, "and other like services" such as the ABC radio and television services, other media and those perhaps not yet invented should remain the property of Australian people.

The Federal Government is already possibly in breach of the Constitution by selling part of Telstra.

The Telstra privatisation "mess" has seen country services decline, with a huge loss of jobs and technical know-how, which will never be replaced. The effect of this is a dumbing-down of the workforce and lack of employment in country areas. This in turn has led to a population shift to large cities to look for work. Large cities are now feeling the effects of over-population and the strain on inadequate infrastructure.

Naval and Military defence.

With the later addition of Airforce. All defence services should be supplied by government departments from within each service, in the interests of operational conformity, safety and security reasons. Already outsourcing of some defence services takes place which could lead to infiltration and sabotage of Australia's defence by unfriendly agents, criminals or terrorists.

Health Pharmaceuticals and dental care.

It is every Australian's basic right, no matter how poor, to be able to access health, pharmaceutical and dental services by means of a government public health system. These public health services must never be traded for private ownership, although there is room for both systems to operate side by side. The Australian public health system has always been regarded as one of the best in the world and there is no reason now to compromise its standard of care by trading the whole of it or individual services within the system.

Outsourcing of public hospital supplies such as laundry and sterilizing services has seen the loss of control by individual hospitals to monitor standards and prevent invasive germs and infectious diseases.

Hospital supplies, laundry, sterilized supplies, pharmaceutical & other stores, pathology, meals and transport (all these depend on transport and security of oil supplies for delivery). This has been done without transparency or public accountability. One by one these have been partitioned off from public hospitals by government policy and appear to be ready for "trade in services" under WTO trade agreements, which have obviously been put in place already.

Outsourcing of hospital services has had the effect of stripping jobs from regional and rural areas and "dumbing-down" the country workforce, making the country a less attractive place for anyone to live.

Other countries, such as the USA could do well to emulate the example Australia has set in the provision of universal public health care for its citizens rather than impose its influence on Australia.

The Australian government may have possibly already contravened the Constitution by withdrawing funding for public dental care, which was specifically named in the Constitution and should be part of the general health service. This has left the disadvantaged to suffer long term ill health and pain.

Education.

There has been a gradual withdrawal of federal government funding from public education at all levels with an increase in funding for private institutions.

This foreshadows what could happen if terms of Free Trade Agreements allow foreign investors to claim rights to invest in services subsidised by government.

Of great concern is the lack of government funding for Universities to provide training for people in all sections of health as professionals and specialists. A consequence of this is the inability of regional and rural areas to attract nurses, doctors, specialists, dentists, pharmacists, pathologists, radiologists, physiotherapists etc.

On the other hand there is an over supply of psychologists and people in the legal profession.

Since the down turn in manufacturing and industry, there has been a loss of TAFE trained skills requiring manual dexterity as well as knowledge. This has led to massive job losses for those with manual skills. The increase in petty crime and use of illegal drugs has largely been caused by unemployment.

Quarantine.

As an island country it is vital to the survival and prosperity of Australian agricultural industries, trade and revenue that the government remains firmly in control of quarantine services at all levels and at all points of entry and exit to the country. None of its services should be traded or downgraded.

Recent incidences of overseas "Mad Cow" and "Foot and Mouth" diseases highlight the necessity for Australia to retain absolute control of its quarantine services and to apply its policies stringently.

The Australian government made an unwise decision to allow Genetically Modified crop trials to take place in Australia, with foreign grain and chemical companies now imposing their

right to enforce growth of these crops for the food chain. The safety of the effect of GMO crops on the environment and human and animal health has not been proved. Most overseas countries and Australia's trading partners have rejected these crops, so this could well destroy Australia's grain trade and demonstrates the need for Australia to take care of its own needs and interests.

Australian farmers are strongly in favour of "free trade", however free trade in agriculture could work in reverse if foreign growers, manufacturers etc. over-produce and "dump" their products in smaller economies.

As all other leading countries subsidise their farmers with government payments, Australia should do the same and give farmers a fairer chance at competing on world markets.

The Australian Constitution sets out the means for a **fair trade** by the use of duties, excise and bounties.

Floating of the world's currencies including the Australian dollar in place of linking them to the gold standard has created a worldwide gambling facility in foreign currencies without real substance. This in turn has put unreal pressures on countries, especially those that are smaller and poorer

Deregulation of the banking system: The people's bank was sold. Deregulation was promoted as providing more and better competitive services. **The reality:** There was little competition and services were more expensive. Services were withdrawn from both city and country, with job losses and resultant lack of personal service, branch closures, with banks becoming street vendors from ATM machines. The loss of employment from country towns has contributed to their slow death and the over-growth of capital cities. Most "competitive" bank services are mere copies of what other banks are doing, with expensive fees and charges.

Rationalisation of industries: has seen a similar effect on factories and manufacturing to either make them more competitive on world markets or close down or move to another country where human labour is exploited at cheap rates. The question arises, will free trade mean that workers will be brought into the country as cheap labour? This will cause loss of jobs for Australian workers, dumbing down of the work force with loss of Australian trade skills and an exodus of country people to major over-populated cities looking for work.

Outsourcing workers and services: using contracted labour and/or equipment to provide services to similar or related industries. **The reality:** This has seen the introduction of casual and shared work and robs workers of security and permanency of employment and conditions. This in turn prevents workers from forward planning in their lives, providing for their own and family security, making major purchases and accessing loans.

Loss of work security and low wages will cause loss of purchasing power and will eventually impact on the profitability of companies.

Corporatisation of public utilities: such as water and electricity is seen as gradually removing them from local and state government control to structuring them in preparation for sale to the private sector. **The reality:** loss of service, dependability and supply to the public with accompanying increased costs. Once again costs increased and staff were retrenched.

Up to the present time, both federal political parties have been unquestioningly compliant with WTO and IMF demands for changes to be made in the way Australia conducts its business and operates its financial institutions. Treaties have already been signed in our name without transparency, public discussion or reference to Parliament. This has been a deliberate undermining of the democratic process in Australia.

In all operations, the worship of money has put "the bottom line" ahead of all social, cultural and environmental obligations, putting our nation under stress at the changes being

made. Good government is about "peace and order" to achieve a happy, productive civilised society.

The general public, after some years of watching the WTO and IMF at work throughout the world, is now in a better position to judge the benefits or defects of this new trade and monetary framework now being imposed (negotiated) on Australia.

It is of great concern to Australians that the World Trade Organisation negotiations, such as the General Agreement on Trade in Services are conducted in such secrecy, without referral to parliament or open to public discussion. There is little mention of it in the Australian press or other media. It is of great concern to Australians that the majority of the media is owned by a duopoly. The question arises, why have not the media journalists probed this issue?

Bathurst Combined Pensioners & Superannuants Association rejects any trade or negotiation which threatens to destroy Australian democracy, culture, environment or services to our society.

Yours faithfully,



Margaret Mauro
Vice President, Bathurst CPSA