

**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: 29

Submittor: Queensland Nurses' Union (QNU)

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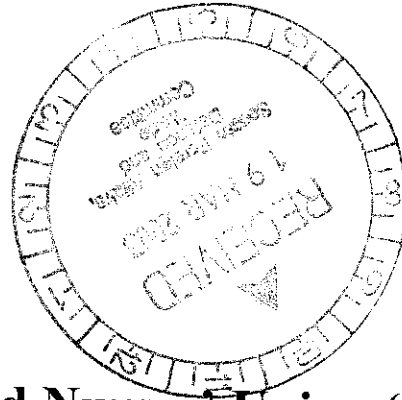
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Submission by the Queensland Nurses' Union (QNU)

**To Senate Foreign Affairs, Defence and Trade
Committee**

**Inquiry into the General Agreement on Trade in
Services and Australia/US Free Trade Agreement**

Submitted March 2003

Terms of reference for inquiry:

1. The relevant issues involved in the negotiation of the General Agreement on Trade in Services (GATS) in the Doha Development Round of the World Trade Organisation, including but not limited to:

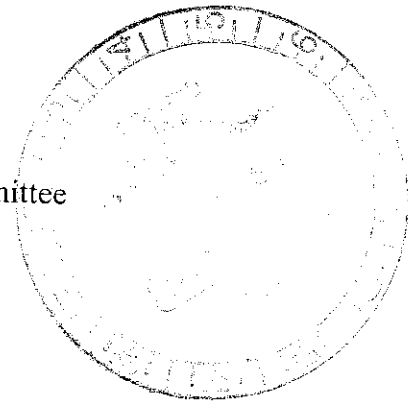
- (a) the economic, regional, social, cultural, environmental and policy impact of services trade liberalisation
- (b) Australia's goals and strategy for the negotiations, including the formulation of and response to requests, the transparency of the process and government accountability
- (c) the GATS negotiations in the context of the 'development' objectives of the Doha Round
- (d) the impact of the GATS on the provision of, and access to, public services provided by government, such as health, education and water
- (e) the impact of the GATS on the ability of all levels of government to regulate services and own public assets

2. The issues for Australia in the negotiation of a Free Trade Agreement with the United States of America including but not limited to:

- (a) the economic, regional, social, cultural, environmental and policy impact of such an agreement
- (b) Australia's goals and strategy for negotiations including the formulation of our mandate, the transparency of the process and government accountability
- (c) the impact on the Doha Development Round

14 March 2003

The Secretary
Senate Foreign Affairs, Defence and Trade References Committee
Suite S1.57
Parliament House
CANBERRA ACT 2600
or Email: fadt.sen@aph.gov.au



Dear Sir/Madam,

Thank you for the opportunity to provide a submission to this Senate Inquiry into the General Agreement on Trade in Services and the Australia/USA Free Trade Agreement.

The Queensland Nurses' Union (QNU) has been extremely concerned for some years now about the potential negative impact of trade liberalisation in a number of areas. We made a number of submissions to the Department of Foreign Affairs and Trade (DFAT) prior to and following the World Trade Organisation (WTO) Doha meeting in which we highlighted our key concerns about the WTO processes and undertakings, especially in the area of services. We also made a submission to DFAT on the potential Free Trade Agreement (FTA) between Australia and the USA. As you would be aware, our union has particular expertise and interest in the health area. Therefore many of our specific concerns are health related though others relate to service delivery in general and the role of government in this regard.

A key concern to the QNU is the level of understanding about the potential implications of trade liberalisation remains woefully inadequate, not just in the general community, but also amongst our elected representatives (at all levels of government) and most federal, state and local government bureaucrats. It is essential that this knowledge deficit be addressed as a matter of urgency.

Apart from this threshold issue of knowledge deficit, the QNU's broad areas of concern can be best categorised as falling under the headings of lack of openness and transparency, lack of accountability, the maintenance of standards, distributional issues, the ideology underpinning free-trade and the weakening of the role of government and self-determination.

Before addressing the Terms of Reference of this inquiry we will provide some relevant background information on our organisation.

About the QNU

The QNU is a registered industrial organisation in the state of Queensland. We have in excess of 30,000 members (and growing) and our membership is largely employed in the public, for-profit and not-for profit health sectors. A number are also employed in non-health environments. We cover registered nurses, enrolled nurses and assistants in nursing. The QNU is a member of the national nursing union, the Australian Nursing Federation (ANF),

and through the ANF is represented on the Australian Council of Trade Unions (ACTU). We are also affiliated to Queensland's peak union body, the Queensland Council of Unions (QCU). We support past and present submissions and public statements made by these bodies on the issues of free trade, globalisation and the WTO, especially the concerns expressed by the ACTU regarding the enforcement of international labour standards.

We have also endorsed the demands of the Alliance to Expose GATS (AEG), a Queensland based coalition of non-government organisations and individuals concerned about the potential negative impact of the General Agreement on Trade in Services (GATS). A copy of the AEG demands is enclosed for you information.

Terms of reference for the inquiry

Rather than address each of the terms of reference for the inquiry individually, we believe that it is appropriate for us to summarise our key areas of concern about trade liberalisation (whether this through GATS or a FTA between Australia and the USA) by highlighting our x broad areas of concern. In our view most of the same concerns are of relevance to both GATS and the proposed FTA with the USA, so it would be repetitive to address each of the terms of reference separately.

Concerns of the QNU

As stated earlier, the QNU's broad areas of concern can be best categorised as falling under the following headings:

1. How can standards be maintained under free trade?

It is our view that standards that are of particular importance to the trade union movement (such as labour standards, regulation of services, protection of human rights and environmental legislation) are not afforded adequate protection given the objectives of trade liberalisation (and GATS in particular). It is easy for such standards to be portrayed as "barriers to trade" that need to be removed. This is of extreme concern to the QNU.

Further trade liberalisation should cease until such time that it can be demonstrated that adherence to basic human rights, labour and environmental standards are a prerequisite in trade negotiations. The general level of understanding about the importance of such standards in ensuring a "fair trade" environment is currently unacceptable in our view. For example, the QNU is concerned that a relatively small number of corporations have seen fit to endorse the United Nations' Global Compact. (As at March 2003 a total of 696 companies were listed as participating in the Global Compact, eleven of these were Australian companies and 42 were USA based.) This compact represents a **minimum standard** for good global corporate citizenship. Given concern expressed in recent years by civil society on the trade liberalisation agenda, the United Nations has been promoting the concept of a Global Compact that would bring corporations together with UN agencies, labour and civil society to advance responsible corporate citizenship. The aim of this compact is to achieve a more sustainable and inclusive global economy through the support of nine principles in the areas of human rights, labour and the environment. These principles are outlined in the box below.

The Global Compact's nine principles in the areas of human rights, labour and the environment enjoy universal consensus being derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development

The nine principles are:

Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour Standards

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** eliminate discrimination in respect of employment and occupation.

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies

In our view, much more work needs to be done to promote support of and adherence to the principles outlined in Global Compact to address many of the current inadequacies of the current trade liberalisation agenda.

The QNU is also particularly concerned about the potential consequences for regulatory frameworks in a free trade environment. Regulatory frameworks that govern the practice of health professionals are central to the maintenance of appropriate standards of care in the health sector. We advised DFAT in previous submissions, that deregulation is currently occurring under a number of guises domestically in the health and aged care sectors and we are extremely concerned that this will be facilitated through further trade liberalisation. It is of concern, for example, that a number of requests made of Australia in the current round of GATS negotiations relate to the regulation of nursing and midwifery services. (Our understanding is that South Korea has made requests with regards to an "unnecessary" period of educational preparation for nurses and Switzerland has requested relaxation of recognition provisions set by nursing regulatory bodies for Swiss nurses and midwives wanting to work in Australia.)

It is appreciated that Australia is under no obligation to accede to such requests. However, it is of concern that the DFAT discussion paper on GATS released earlier this year gave no detail on the actual nature of the requests made or who made them or our government's initial

view on these matters. What assurances do we have that our interests will be protected by government if they do not see fit to make such basic information publicly available? Openness and transparency by government are central to the establishment of trust in them by the community. We believe that the community will not believe that the government will protect our interests until openness and transparency is established in trade negotiation processes. This is especially significant in health care given the protection that is afforded to the community through the regulation of the health professions.

We are particularly concerned about the issue of trade in services and how regulatory frameworks can also be portrayed as a barrier to free trade. Regulatory frameworks that govern the practice of health professions are central to the maintenance of appropriate standards of care in health. Domestically such regulatory frameworks are currently under threat through processes such as the National Competition Policy (NCP) legislative review processes. The Queensland *Nursing Act* for example is currently undergoing intense scrutiny via an NCP review. In our view the NCP agenda is merely the domestic manifestation of the ideological agenda underpinning the WTO – the facilitation of neo-liberal economic dogma.

The QNU also fears that the very nature of our universal health system is potentially under threat through trade liberalisation. We are concerned about the potential negative impact for our public health system (including the Pharmaceutical Benefits Scheme) if transnational health corporations are allowed free access to our health “market” should trade liberalisation occur via GATS or a FTA with the USA. Our concerns arise in part from the publicly expressed views of organisations such as the Coalition of Service Industries (CSI), a coalition of US service corporations and from the experience of countries such as Canada under the North American Free Trade Agreement (NAFTA).

CSI engages in considerable lobbying of US and other government representatives in trade liberalisation negotiations. (CSI also represents some of the largest Managed Health Care Corporations in the USA.) The CSI’s main aim is to decrease barriers to the trade in services and the delivery of services, i.e. open up foreign markets via international trade negotiations. In their 1998 submission to US trade representatives in preparation for the Seattle meeting, the CSI made specific comments about the health sector. Even though they admitted that there appears to be very little coverage of health care services in current agreements, they had some suggestions for change. To quote from a CSI submission made in the lead up to the Seattle negotiations:

“We believe we can make much progress in the negotiations to allow the opportunity for US businesses to expand into foreign health care markets. In the US competition has provided reductions in the cost of health care as well increased quality in the care that is being provided.” (our emphasis)

With respect to US negotiating objectives at Seattle, CSI recommend:

“Three general objectives are to encourage more privatization, to promote pro-competitive regulatory reform, and to obtain liberalization. Specific objectives are:

Transparent licensing of health care professionals and facilities, which do not place unnecessary or discriminatory burdens on US providers.

Obtain market access and national treatment commitments allowing provisions of all health care services cross border.

Allow majority foreign ownership of health care facilities.

Obtain a commitment for the cross border provision and transfer of health care information.

Seek inclusion of health care in WTO government procurement disciplines.

Strengthen international cooperation to promote pro-competitive reform across countries.

Negotiate Mutual Recognition Agreements (MRAs) for licensing of professionals and cooperative agreements on regulation of facilities.

Develop principles to guide regulators so as to minimize unnecessary costs on trade and investment in the health care sector.

Simplify regulations and provide transparency for the movement of personnel, both professionals and patients.”

Should lobbyists like the CSI be successful in their endeavours to “open up” the health care sector to free trade, we fear there are likely to be serious consequences for our Australian health system. A FTA with the USA aims to facilitate such trade “liberalisation” which could enable US trans-national health care operations to operate freely in Australia.

The QNU is extremely concerned that a US style “two-tiered” health system is already being facilitated in Australia through government policy initiatives such as the massive Commonwealth government subsidy for those with private health insurance. It is our belief that a shift towards a largely privatised US style health system could potentially be further fast tracked through a FTA with the USA or GATS negotiations. Australian and international health research indicates that privatisation of health services drives up health costs. A comparison of health expenditure as a proportion of GDP between Australia (a universal system that is complemented by a private system) and the USA (a largely privatised system with a residual “welfare” based public system) demonstrates this point. According to World Health Organisation (WHO) statistics in 2000 total health expenditure as a percentage of GDP in the USA was 13% of GDP (and still over 40 million US citizens have no form of health insurance, public or private) whereas in Australia in the same year the figure was 8.3%. Indeed, on every WHO “snapshot” health statistic Australia performed better than the USA as evidenced by the data below extracted from the WHO website:

Australia	USA
Total population: <u>19,338,000</u>	Total population: <u>285,925,000</u>
GDP per capita (Intl \$): <u>26,523</u>	GDP per capita (Intl \$): <u>34,637</u>
Life expectancy at birth m/f (years): <u>77.4/82.6</u>	Life expectancy at birth m/f (years): <u>74.3/79.5</u>
Healthy life expectancy at birth m/f (years): <u>70.1/73.2</u>	Healthy life expectancy at birth m/f (years): <u>66.4/68.8</u>
Child mortality m/f (per 1000): <u>7/5</u>	Child mortality m/f (per 1000): <u>9/7</u>
Adult mortality m/f (per 1000): <u>94/54</u>	Adult mortality m/f (per 1000): <u>144/83</u>
Total health expenditure per capita (Intl \$): <u>2,213</u>	Total health expenditure per capita (Intl \$): <u>4,499</u>
Total health expenditure as % of GDP: <u>8.3</u>	Total health expenditure as % of GDP: <u>13.0</u>

The QNU and the trade union movement generally are committed to preventing the further encroachment of US style health care into Australia. We are concerned that our governments currently appear to lack the ability and commitment to ensure that this does not occur through either GATS or a FTA with the USA and as such we fear for the future of Australia's universal health system. In our view there is little doubt for example that a lynchpin of Medicare, the Pharmaceutical Benefits Scheme (PBS) would be attacked if trade liberalisation in services were taken to its logical conclusion. Despite recent federal government rhetoric to the contrary, the PBS has been highly successful in managing the introduction of new drugs into this country, significantly containing costs and facilitating appropriate prescribing of drugs by imposing a rigorous efficacy assessment process before approving the listing of new drugs. (The success of the PBS is highlighted in a research 2001 report released by the Productivity Commission titled *International Pharmaceutical Price Differences*.)

Public confidence in key aspects of our universal health system such as the PBS is being undermined with constant assertions of "unsustainability" and the need for increased private involvement (though co-payments by individuals or promotion of private sector service provision) to address this alleged "crisis". Despite these constant assertions from some quarters there has been a failure of those running such agendas to produce concrete evidence that the private sector is more efficient than the public sector and that better health outcomes, cost containment or improved equity of access result from increased privatisation in health.

2. Lack of transparency of free trade processes

The QNU is extremely concerned about the lack of transparency of free trade processes. Despite some improvements in recent years in this regard, including improvements to DFAT consultation processes, significant work is still required. It is also the case that the consultation process needs to be a genuine one. (For there to be faith in consultation processes it must be evident that views expressed by the community have been adequately

considered and responded to/acted upon.) Far greater openness is required in our view. The QNU welcomes the Senate inquiry into GATS because we see this as an important vehicle for public scrutiny of this important issue.

Generally speaking, we believe our own current government is very reluctant to ensure openness and transparency in relation to trade negotiations. (The same can also be said for previous Labor governments who in the past have championed trade liberalisation.) It is of course appreciated that in any negotiation process there are times when it is not appropriate or desirable for details to be made publicly available. However, in relation to the commitments being sought of and by Australia in any trade liberalisation negotiations, there comes a time when the community must be fully informed of these commitments and the potential implications of these to facilitate an informed government decision. Surely this is the hallmark of open, responsive and accountable government?

The information released by DFAT thus far on both GATS and the proposed FTA with the USA is scant and it is impossible to make an informed judgement based on what has been publicly released. The level of detail provided in the DFAT discussion paper on GATS released earlier this year for example was limited to:

Extremely broad statements on the areas in which requests have been made of Australia (and no detail of which countries have made requests in those areas);

The list of WTO member countries that have submitted requests to Australia; and

The list of WTO member countries to which Australia has submitted requests.

In our opinion this level of detail is woefully inadequate.

The QNU is very concerned about the detail provided in this discussion paper relating to commitments sought of and by Australia. The information provided does nothing to facilitate genuine dialogue on the issues under consideration. As mentioned earlier, we are also concerned that the potential exists for nursing regulation to be undermined in the context of trade liberalisation. Vague reference is made to requests made of Australia in the area of nursing and midwifery services in the DFAT GATS discussion paper, but no detail is provided on the nature of these requests, which countries made them or the Australian government's initial response to these requests. (We are only aware of more details because of separate discussions on this matter.) It is also of extreme concern that no details are provided on requests made in areas that are health related such as the Workers Compensation and Compulsory Third Party Insurance areas (in the Financial Services section), professional services and environmental services such as water services. Yet again insufficient information is provided to make informed comment on these issues. We wish to place on record our concern about this given that we have a direct interest in these areas and many others covered by GATS.

We request that full details of the commitments sought of and by Australia in the current round of GATS negotiations and the government's view on or rationale for these be made publicly available as soon as possible. We also request full details of commitments sought of and by Australia in the FTA negotiations with the USA. No further trade liberalisation should take place until the community has had the opportunity to examine what is proposed and the implications of these proposals. We have made such requests in the past of DFAT and to date

have not yet received an adequate response to these requests. It is our hope that this Senate Inquiry can facilitate headway in this regard.

We are however concerned that there are no signs of a change of attitude by government about improving openness and transparency. For example, reports of the rejection by the Commonwealth Government of a Freedom of Information (FOI) request by Shadow Innovation, Industry and Trade Minister Craig Emerson regarding release of the requests of Australia that have been received from 22 countries under GATS are of extreme concern. If the Shadow Minister cannot access such information, what hope does the general community have to access meaningful information on such a critical issue? It is obvious to us that an attitudinal change is required with regards to disclosure of information by government.

Our advice to government with regard to disclosure of information on trade liberalisation negotiations is to favour maximum disclosure possible. Even when the government makes a decision that trade liberalisation in certain areas is not in the best interests of Australia, it is important that the community be advised of this and the rationale for the decision. The community would then have more faith in government decision making in relation to trade if e government were more open in this way, that is, advising us in detail of instances where the Australian government is indeed protecting our interests.

It is unhelpful and unacceptable for government representatives to state that all information that is able to be publicly released is available from the DFAT website (or WTO website in the case of GATS). Volumes of information may be available but how much of this is meaningful? (Indeed the volume of information available from the WTO, the complexity of issues and the dense language used combine to **work against** transparency and openness.) Let's face the reality – free trade agreements are a job creation scheme for lawyers and economists. In reality it is only so called “elites” or those few with a particular interest in the WTO agenda that are in any way engaged in the examination of the critically important issues at hand. Is it any wonder that the wider community has by and large not been engaged with the free trade debate so far? The inability (or unwillingness) of government to “translate” the complex issues inherent in trade liberalisation to facilitate a meaningful two-way dialogue with the community represents a significant failure of the democratic process in our view.

Another related area of concern to the QNU is that in recent years access to information via Freedom of Information (FOI) regimes in various Australian jurisdictions has been wound back significantly (eg recent changes to FOI legislation in Queensland). The US FOI regime is less restrictive than Australia's and in general there is a more firmly entrenched culture of openness in government in the USA. It is of concern that citizens in the US are likely to have better access to information about the negotiation of a FTA between Australia and the USA than Australian citizens will have from their government.

The QNU believes that this lack of transparency and engagement with the community are significant threshold issues of concern that must be addressed before any further negotiations take place on further trade liberalisation.

3. Lack of accountability for decisions taken

In our view adequate mechanisms do not currently exist to ensure appropriate accountability for decisions that are taken in the area of trade liberalisation.

Although welcomed, the public consultations held by the Australian government in recent times on trade matters (such as recent calls for submissions by DFAT) have in our view been inadequate. For example, the timeframe for submissions to DFAT on the GATS discussion paper released earlier this year was far too short –the timeframe of releasing a paper in the second week in January for comment by 24 February is unacceptable to the QNU as it does not allow for full consideration of the issues nor does it allow us sufficient time to consult with our members on this issue.

We have made numerous submissions to DFAT in the past on the issue of accountability. Of particular concern is the vagueness of the feedback provided to the Australian public following conclusion of trade negotiations and the lack of rigorous and comprehensive ongoing review mechanisms to assess the impact of trade liberalisation in the longer term. We find it difficult to even obtain detailed information on what commitments have been given by the Australian government to the WTO to date. There is confusion, for example, about the undertakings given to date in the area of health. Ascertaining relevant information is not helped by the fact that some issues of direct or indirect relevance to health are covered under GATS under various sub-headings including Health Related and Social Services, Business Services (for some health professions), Educational and Training Services, Environmental Services and Financial Services (for issues such as health insurance). Other health related issues are dealt with under TRIPS. On three occasions now we have requested of DFAT access to information in the following terms:

We seek clarification from DFAT of all specific commitments given to date by the Australian government to the WTO in the area of health. We also seek copies of any briefing papers or other materials utilised by the Australian government that informed their decision to give such commitments. It is our strong belief that materials that inform the Australian government's commitments given to the WTO, details of all commitments given and reasons for these must be made publicly available as a matter of course.

To date we have not been provided a response to our request.

The lack of detail provided by government on trade negotiation processes has been woefully inadequate to date. The DFAT Discussion Paper on GATS (2003) is a prime example of this inadequacy in our view.

There has been and continues to be a failure by the Australian government at all levels to analyse the impact that this ideologically driven agenda will have on standards both in general and specific terms. Government is in our view at serious risk of foregoing their sovereignty in the setting of domestic standards. Given that the liberalisation of the trade in services in particular represents “uncharted territory”, governments are at risk of giving commitments in the services area without full knowledge of the potential ramifications.

4. The ideology underpinning the WTO/free trade agenda

As we have stated above and in our past submissions on trade matters, the QNU believes that the WTO/free trade agenda is driven by a flawed neo-liberal economic ideology. This ideology is largely accepted uncritically by government and opposition politicians and government bureaucrats alike. Narrow economic values have assumed dominance at the expense of other values.

The Australian community and communities across the world are rejecting a narrow economically driven agenda and demanding that other values be given appropriate consideration by their governments. Global trade is a fact of modern life but we believe that “free trade” is neither “inevitable” nor desirable. We certainly would support our government pursuing a global “fair trade” agenda that is underpinned by a firm commitment to adherence to internationally recognised minimum human rights, labour and environmental standards. If the WTO and other trade negotiation processes could be reformed to be an open, accountable and transparent body then it may indeed be possible for it to facilitate global “fair trade”.

5. Distributional issues

Despite the rhetoric that free trade will benefit developed and developing countries and their citizens alike this has obviously not been the case to date. The benefits of trade liberalisation are not shared equally. In recent years the gap between rich and poor (both within and between countries) has continued to grow. The rhetoric is that we all benefit with the economic growth that results from trade liberalisation but the reality is quite different. There are big winners and big losers in free trade – the bigger you are (comparatively) the better outcome you are likely to achieve.

If we reflect upon the resources available to the WTO member countries in the actual negotiation processes alone (let alone the outcomes of the negotiations) the nature of the distributional issues becomes painfully and clearly apparent. How many trade negotiators and lawyers did the USA have at the Doha meeting and how many did Australia have? What level of resources did countries such as Ghana, Mozambique and Fiji have to support their negotiations? Does this exemplify a level playing field? What levels of resources are allocated to developing countries for day to day management of trade negotiations once the Ministerial meetings are over? We are sure that most of the budget of the foreign affairs department of a developing country would go towards translating documents alone. If Australia’s DFAT is struggling with resourcing the free trade negotiation process what hope would developing countries have?

Unions have first hand experience with negotiation processes and recognise immediately an unequal bargaining relationship and we see that Australia is in such a position with both the GATS negotiations and the Australia USA FTA negotiations. Trade liberalisation is predicated on exploiting opportunities that arise from this inequality. It is cold comfort that Australia is less powerful than the USA but more powerful than developing countries. To benefit from the relative disadvantage or lack of resources of another country as occurs in free trade negotiations is an abuse of power and morally bankrupt.

Exploiting such power imbalances as best we can is not good global citizenship and the QNU opposes our government acting in this manner. An example of this is Australian health and aged care corporations seeking trade liberalisation to enhance their activity in the Asia-Pacific region. By supporting the interests of Australian business in this area of trade the result could be to hinder the development of universal health systems in developing countries, an aim that Australia is bound to support through its commitment to World Health Organisation (WHO) processes and objectives. Australia's trade interests must never assume ascendancy over our support of universal human rights. Access to health care is a fundamental universal human right.

Distributional matters and the power relationships inherent in international trade negotiations were at the heart of the declarations made at the end of the WTO Doha meeting. Although these issues have been openly articulated it remains to be seen whether any concrete actions to address power imbalances will follow the words. We hope that the acknowledgments made at Doha were not made merely to appease public unease about the negative consequences of the unequal power relationships inherent in trade liberalisation.

It is therefore of great concern to note that the Director General of the WTO recently expressed concern about the failure of member governments "to meet the year-end deadlines for agreement in negotiations on special and differential treatment for developing countries and access to essential medicines for poor countries lacking capacity to manufacture such drugs themselves." It is our understanding that the position of the US government (in supporting the interests of US pharmaceutical companies) greatly contributed to the failure to reach agreement on this matter.

6. Weakening of the role of government in civil society

Perhaps the most disturbing aspect of the free trade agenda is the way in which the role and power of democratically elected governments are potentially undermined through trade liberalisation.

This threat to democracy posed by the GATS agenda was summed up in an article by Richard Janders titled *GATS: The End of Democracy?* (This was reproduced in part by the *Australian Financial Review* on 15 June 2001.)

"The GATS is now the spearhead of a highly organised corporate campaign to systematically sweep away government regulations that restrict corporate activities and stand in the way of corporate profits. It will effectively transfer the responsibility for balancing the public interest with commercial considerations from elected governments to appointed tribunals or WTO panels. It will place foreign commercial interests above the public interest. It will intrude into many domestic policy areas including environment, culture, natural resources, health care, education and social services."

What guarantees do we have that free trade agreements will not undermine democratic and accountable policy making in Australia as well as crucial environmental, labour, food safety and public health and safety laws? The government has failed to undertake and release an analysis of the impact of the trade liberalisation that has occurred to date prior to embarking

on further trade liberalisation. In our view they have failed to adequately engage the community on this important issue.

The Australian government should follow the example set by the Canadian government who paid considerable attention to the potential impact of trade liberalisation on public health services during the consultation process of the Canadian Commission on the Future of Health Care in Canada. An entire chapter (11) of the final report of this review was dedicated to this issue. This report titled *Building on Values: The Future of Health Care in Canada* (available online (<http://www.hc-sc.gc.ca/english/care/romanow/index.html>)). Various recommendations are contained in the report aim to ensure that Canada's public health system is protected in international trade negotiations. This commission of inquiry even produced specific publications on globalisation and health, one titled *Putting health first – Canadian health care reforms, trade treaties and foreign policy* (which is available online at http://www.hc-sc.gc.ca/english/care/romanow/pdfs/Healthfirst_e.pdf). A detailed background paper was also prepared for this inquiry titled *How will international free trade agreements affect Canadian health care?* This paper deals with the potential negative and positive impacts of agreements such as NAFTA and GATS on the delivery of health services in Canada. (This is available at http://www.hc-sc.gc.ca/english/care/romanow/pdfs/22_e.pdf)

The QNU believes that it would be most beneficial to undertake a review in Australia similar to that conducted in Canada. (There is a necessity for an inquiry into our health system as a stand alone issue given that similar problems and challenges also confront the Australian government in the health care area. In our view the framework adopted by the Canadian government for their inquiry into healthcare would also be appropriate to replicate for trade liberalisation matters.)

We are seeking firm commitments from our Commonwealth government that no further trade liberalisation will occur until it can be clearly demonstrated that all trade agreements entered into will not have a negative impact on the integrity of public health services and the right to universal access to free health services. We seek a similar commitment with regard to any other public services provided by government such as education, telecommunications and water services.

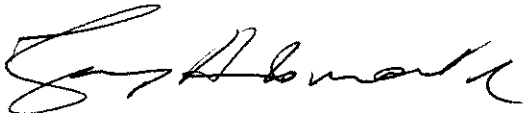
Conclusion

Like other Australian trade unions the QNU is extremely concerned about the current trade liberalisation agenda of the Australian government. We are not convinced by assurances given to date by Australian Trade Minister Mark Vaile and other government representatives that Australian sovereignty and interests will be protected. The catch all “guarantee” that “services supplied in the exercise of government authority” are somehow protected under GATS does not reassure the QNU. The Canadian examination of the likely implications of trade liberalisation for public health services concluded that safeguards are currently inadequate but can be tightened to ensure national sovereignty regarding the delivery (and even extension) of public health services. The government merely has to choose to show leadership in this regard. Australia can and must do much more to ensure that our public health and human rights obligations continue to be met if further trade liberalisation is to occur.

We thank you for the opportunity to provide a submission to this important inquiry.

Should you wish to discuss our submission further please do not hesitate to contact me (or in my absence QNU Project Officer Beth Mohle) by telephoning 07 3840 1444.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gay Hawksworth', written in a cursive style.

GAY HAWKSWORTH
Secretary

Demands – Alliance to Expose GATS (AEG)

We, the Alliance to Expose GATS, therefore make the following observations:

We reject the basic assumption underlying the liberalisation of trade in services, namely that past, present and future laws, rules, and regulations duly enacted in the public interest by all levels of government should be subject to GATS disciplines.

We note that the requirements of the GATS will severely restrict the ability of governments to regulate in the public interest.

We note that the presence of Article 1.3 (c) places our public services, including public health, public education and public broadcasting at risk of privatisation and commercialisation.

We note that the scheduling of dental services has put present and future dental programmes in jeopardy.

We, the Alliance to Expose GATS therefore make the following demands:

- *That the Howard government instruct the Department of Foreign Affairs and Trade to abstain from any further commitments on the GATS.*
- *That all political parties support a moratorium on all further negotiations on the GATS until:*
 - (a) there has been a full and open public debate on the GATS;*
 - (b) there has been a comprehensive assessment of the impact of our existing GATS commitments;*
 - (c) democratic control of all trade agreements has been returned to the Parliament.*
- *That all political parties affirm clearly and unequivocally that safeguarding Australia's public service sector will take precedence over free market agreements and securing market access for Australian exports.*
- *That all political parties support the incorporation of objectives such as equity, democracy and well-being, rather than only wealth, into trade agreements along with minimum standards in relation to human rights, labour conditions, democratic practice and environmental protection.*
- *Take steps to reverse Australia's commitment on liberalization of dental services and prevent its application.*
- *Support efforts to build a more balanced international economic order in which commercial interests no longer take precedence over human rights, environmental protection, and equity both between and within nations.*