

I would like to make the following submission to the Senate Select Committee on the Free Trade Agreement between Australia and the United States of America.

The main concern I have is the real possibility that the power of the Australian state to provide the services it chooses to its citizens may be challenged. The power of the state resides in its ability to act on behalf of its citizens. One example of my concern is the very real possibility of changes to the Pharmaceutical Benefits Scheme being forced on the government due to legal challenges from American pharmaceutical companies intent on removing “uncompetitive” restrictions to their markets. Both state and federal governments should have the ability to enact the laws they see fit (within constitutional limitations) for the benefit of citizens. Are we going to start hearing our governments say, “Sorry, we’d like to provide our citizens with that service, but we can’t because of the FTA”?

In particular, I hold grave concerns for the future of our television industry if local media content restrictions are whittled away, and also for the future of intellectual property rights. I am worried that the move for an FTA is based on assumptions of what will happen as opposed to rigorous academic, economic and political analysis. I have not seen any detailed economic analyses of the expected impacts on the various segments of Australian industry that would allow us to determine whether or not this is a good deal for Australia. Has the Howard government established a set of criteria by which the FTA can in the future be deemed to have been a success or a failure for Australia?

Nowhere have I seen any discussion on the effects the FTA will have on wages and regulation of working conditions. I am concerned that once the FTA is signed it could be used as an excuse to drive down our (already low) minimum award wages, and provide an excuse for employers pushing for work intensification. Australia’s industrial relations system has already been substantially deregulated, and it would be a sad day for Australian workers were the last vestiges of equity and decency to be stripped from the system in the name of competition. I do not want the bar staff at my local pub relying on tips to survive. We have enough citizens struggling with casual, low-wage employment. We cannot afford any decrease in regulation of wages and conditions if we do not want to end up with the accompanying social problems of crime, poverty and homelessness, very real problems in the US.

For the above reasons (and many more) I urge the Committee to recommend the rejection of the legislation enabling the Free Trade Agreement as the benefits seem to be limited to a number of corporations and industries at the expense of others, and as it compromises Australia’s overall independence and sovereignty.

Michael James McNally