

The Newcastle University Student's Association thanks the Select Committee for an opportunity to comment on the Australian-US Free Trade Agreement. For some time now NUSA has been hearing expressions of concern from members of both NUSA and the local community regarding the FTA. This submission, however, will mainly focus on the possible implications in the education sector. While NUSA shares the concerns of others regarding compromises to quarantine law, GE labelling, E-Commerce, and cultural content content in media, these issues have already been adequately covered by numerous recent submissions to the Joint Standing Committee on Treaties inquiry.

NUSA welcomes the Senate's push to review the USFTA in a democratic and transparent manner. We are also encouraged by the recommendation for legislation regarding the parliamentary scrutiny of such agreements.¹ AS the Department of Foreign Affairs and Trade has stressed, access to the details of the agreement prior to signature is "a departure from Australia's normal practice".² Yet there is something askew with the idea that it is a privilege, not a right, for public and parliament to have influence over the outcome of trade agreement negotiations, when said agreement affects so much other than trade, infringing on the freedom of governments to administer, and citizens to live by, the law and policy of their own country.

Economic Concerns

The overall benefits of the FTA are unclear. One of the Australian Government's main objectives when approaching the FTA was the elimination of tariffs. While the removal of tariffs

¹ Foreign Affairs, Defence and Trade References Committee, *Voting on Trade. The General Agreement on Trade in Services and an Australian-US Free Trade Agreement* (November 2003), p. 40.

² <http://www.dfat.gov.au/trade/negotiations/us.html>

on US imports may be good for consumers, there is the question of the shortfall in the Treasury due to the loss of tariff revenue.³ As the RIS points out, over the next four financial years the Commonwealth Government will make a loss of \$1,460 million. NUSA is sceptical as to how the shortfall will be met, especially when in recent years the trend has been, both with federal budgets and legislative reforms, to sacrifice education and health funding for the sake of maintaining a surplus.

Intellectual Property

Universities currently pay around \$18,000,000 per year in order to photocopy or scan copyrighted material. The Council of Australian University Librarians anticipates that this price would rise if the restriction on material entering the public domain were to increase from fifty years (under Australian law) to seventy years (under US law).⁴ Since the Higher Education Support Act came into effect, virtually every university in Australia has increased HECS by 25%, in an effort to make up for loss of Government funding or minimise the deficits they have incurred in previous years, or both, as in Newcastle's case. Clearly any extra financial burden such as that which CAUL perceives is one that universities do not need.

PBS

Most students are on a low income and either receive Centrelink payments, work part-time or depend on the family for financial support. The majority of them enjoy the advantages of the Pharmaceutical Benefits Scheme. At this stage there is uncertainty as to how the demands of US

³ *Regulation Impact Statement (RIS). Australia-United States Free Trade Agreement.*

⁴ Council of Australian University Librarians submission to Joint Standing Committee on Treaties inquiry into the Australia-United States Free Trade Agreement.

pharmaceutical companies will affect the price of PBS listed drugs and the availability of generic medicine. This will depend on how well the Commonwealth Government can accommodate any price increases before it is deemed necessary to pass the cost on to the consumer. If the FTA were to affect the availability of cheap medicine by undermining PBS, students would be amongst the hardest hit, some simply opting to go without, compromising both their health and their academic performance.⁵

In closing, article 10.1.4 of the FTA has raised speculation that education, and other essential services, will be affected by cross-border trade restrictions.⁶ If this is the case, then it is a serious erosion of the Australian Government's right to regulate these services. Once again NUSA stresses that such erosions have no place in a trade agreement, and serious consideration should be given to the consequences.

⁵ Newcastle University Students Association, *Poverty Survey* (1998).

⁶ Fair Trade Agreement Information Network, "Ten Devils in the Detail" (April 2004).