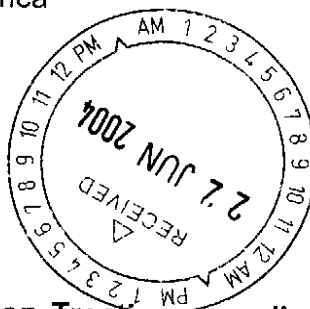


851/4

16 June 2004

Secretary  
Senate Select Committee on the Free Trade Agreement  
between Australia and the United States of America  
Suite S1.30.1  
The Senate  
Parliament House  
Canberra ACT 2600



Dear Secretary

**Submission to Senate Standing Committee on Treaties regarding  
the Australia US Free Trade Agreement (USFTA)**

UnionsWA, the State branch of the ACTU, is the peak union body in Western Australia, comprising registered unions throughout the State.

UnionsWA fully endorses the submissions already made to the Committee by the ACTU, the AMWU, the CPSU/CSA and the MEAA.

We are firmly of the view that ratification at this time would be premature and potentially damaging to Australia's best interests in a number of areas. While acknowledging that there are some areas of the agreement which, if effectively used, could provide opportunities for Australian industries, it is our very strong view that there are too many potential dangers in other areas which have the capacity to result in a net disadvantage to the Australian community as a whole.

Before the ratification of any agreement, we believe that it is incumbent upon Parliament to ensure that ratification will not undermine Australia's status as a sovereign nation, or impact on the capacity of present and future Governments to make policy decisions in the best interests of Australia and its citizens.

As far as the USFTA is concerned, the danger clearly lies in the fact that, once put into effect, the provisions of the agreement will be almost impossible to reverse, even if some of them should prove to be detrimental to Australia's best interests. It is for this reason that it would be totally inappropriate for ratification to be premised simply on unsubstantiated and unenforceable expressions of good intent. Until such time as firm guarantees can be achieved to protect the nation's best interests in those areas that are of concern, we firmly believe that it would be most reckless of the Parliament to endorse the agreement. To do so with the agreement as it currently stands clearly has the potential to dis-empower the nation's capacity, through the Government, to determine both economic and social policy directions as well as to further increase the power of the US Government and multinational corporations to manipulate Australia's economy to suit their own needs.



**UNIONSWA**

detecting the wrongs  
protecting your rights

**Address:**  
77-79 Stirling Street  
Perth 6000

PO Box 8351  
Perth Business Centre  
Perth 6849

**Telephone:**  
+61 8 9328 7877

**Facsimile:**  
+61 8 9328 8132

**Website:**  
[www.tlcwa.org.au](http://www.tlcwa.org.au)

**Email:**  
[unionswa@tlcwa.org.au](mailto:unionswa@tlcwa.org.au)

**Trades & Labour Council  
of Western Australia**  
State Branch of the ACTU

Please address all  
correspondence  
to the Secretary

The areas of particular concern to UnionsWA are dealt with in detail in the submissions by the ACTU and the other Unions noted above, however, the major issues can be summarised as follows:

### **Government Procurement Chapter (Chapter 15).**

We are most concerned that the provisions of Chapter 15 have the potential to seriously undermine the implementation of an effective policy at the State level designed to properly promote and protect local and regional purchasing arrangements which serve a vital social and economic role within the State's economy. These arrangements serve the purpose of ensuring that there is a capacity for businesses to develop and be maintained within the State and remote areas of it when simple reliance on cost alone might destroy the capacity to maintain such businesses. In the longer term, this would inevitably result in loss of employment and local expertise, less competition and eventually higher costs as a result. It is absolutely fundamental to the State's development that effective use is made of Government procurement to develop and enhance industry, skills development, and local expertise this being one of the most significant tools available to Government to ensure that the most productive use is made of taxpayers' dollars.

### **Impacts upon Australian industry.**

There appears to be significant potential for sectors of Australian industry to be adversely affected through the removal of tariffs over a relatively short period of time, and the restrictions to be placed on specific industry assistance provisions. This has the potential to severely impact on employment in the manufacturing sector in particular, without any certainty of any equivalent benefits accruing elsewhere.

### **The Pharmaceutical Benefits Scheme.**

Despite all the verbal assurances made by the Minister for Health, it still appears certain that the processes for the determination of prices for pharmaceuticals are likely to be placed under greatly increased pressure as a result of the provisions of the agreement. This is likely to eventually result in significant increases in the price of prescription drugs, or a very steep increase in the cost of administering the Pharmaceutical Benefits Scheme or indeed, a combination of the two. In either case, Australian taxpayers, particularly those suffering ill health, are likely to have to bear the brunt of such an increase.

### **Labour and Environmental Standards.**

As stated in the ACTU submission, there can be no justification for not supporting labour and environmental provisions, which do not reduce or restrict existing domestic standards. Indeed, such standards have been required in other agreements and it is somewhat telling that the Federal Government is not prepared to agree (and have written into the USFTA) to observe and abide by such international standards.

### **Investment Barriers**

We are most concerned that the lessening of barriers to US investment has significant potential to weaken the capacity of local industry to withstand

hostile advances from corporations whose interests may not be compatible with those of the nation. Although FIRB restrictions are often not enforced, they do provide a mechanism to protect the national interest in this area and should be retained for regulation where appropriate.

### **Services**

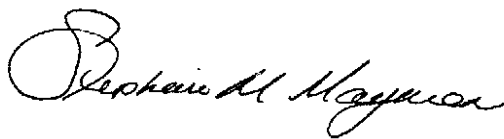
The proposals with respect to services have the potential to seriously undermine existing domestic areas of operation, and leave Australia badly exposed to foreign domination in certain areas. This has the potential to directly impact on two of Australia's most fundamental areas of service delivery – health and education. Any move that derogates from the nation's ability to determine its own directions in this regard is clearly something that needs to be resisted completely.

### **Restrictions on Australian content rules in new media.**

Overseas programming and propaganda already grossly influences Australia's media, and the agreement clearly seeks to further erode Australian content. In a nation continually struggling to maintain its identity in the global environment, to allow further US domination of our airwaves does little but ensure greater subservience to one of the world's dominant economies. If for no other reason, the agreement should be rejected on this factor alone.

In conclusion, we re-iterate our view that ratification of the agreement as it stands would seriously erode Australia's sovereignty, as well as destroying Australian jobs, and our capacity as a nation to determine our own future directions. Subservience to US economy and culture is implicit in this agreement and does nothing for our own attempts to build a nation based on our values and history.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Stephanie Mayman'.

**Stephanie Mayman**  
**Secretary**