



Submission to The Joint Standing Committee on Treaties
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On behalf of the Underemployed People's Union of WA and the Australian National Organisation of Unemployed I wish to oppose the Australia-United States Free Trade Agreement (AUSFTA)

Economic globalisation is designed to benefit corporations at the expense of small businesses and urban centres at the expense of the regions. Nowhere is this more evident than in Agriculture. Many farmers have become bankrupt since the deregulation of the dairy industry this affects all businesses in country towns. When a bank closes businesses close, people especially the young, move to the city to look for work. Schools soon close and the whole rural community struggles to survive.

Australia is now on the brink of making even more serious mistakes. There are at least 30,000 jobs at risk and thousands more will go if the Australian Government signs the "Free" Trade Agreement with the US. Australia's already battered balance of trade suffers decline as the US service sector and other investors take their pick of what is left of our goods and services providers.

In his book "Small is Beautiful" first published in 1963 Dr Schumacher warned of future danger if economic policies did not consider the human costs, social capital must be factored into economic policy. *Unless the Government acknowledges social capital the crisis will become more acute in future.*

The impacts of economic globalisation have been magnified in Australia since the introduction of National Competition Policy in the mid 1990s, which, in effect, internalises the rules of "free" trade and the "free market" to the local economy including the Government and community sectors.

The "free" trade impetus is not just about trade in goods and services - it is also about access to corporate investment, even into the Government and community sectors. *Economic Globalisation is not about encouraging competition it is about privatisation and the move towards private monopolies. As global monopoly swallows up small and larger local businesses, it is evident that the trade push is not ruled solely by "market" rules but by the preferences of investors.*

Federal, state and local governments are being forced into predatory competition with each other in order to survive and that includes charging fees for service and higher up-front charges to reduce the ongoing costs of community service obligations.

As the profitable parts of Government operations are hived off to the private sector, the revenue stream, which in the past has enabled the public sector to serve the public interest, is reduced, leaving areas the "market" has no interest in.

Previously employed public sector workers are now re-employed at lower wages by private contractors. As the contractors compete for the jobs so the workers compete for the fewer jobs offered by contractors. At the lowest end of this competitive cycle workers end up with lower wages, longer hours and fear of falling out of favour with their employer.

Government competition policy dismisses the idea of co-operation. Competition policy also makes no attempt to consider the social impact or environmental or even the longer term economic implications of their policies. Co-operation is needed to moderate insidious competition that neglects safety in the workplace. Self-monitoring by industry has seen an increase in accidents as well as cut backs in maintenance. Conflict with unions is inevitable when workers' safety is at risk. Yet under the Free Trade Agreement this would be outlawed thus the rights and safety of Australian workers will be disadvantaged if the Government signed this agreement.

One common theme of economic globalisation has been to "deregulate" the labour force, a euphemism for de-unionisation. This process has been reinforced by the role the ACCC has sought to play in some prominent union disputes in recent years.

A direct result of the globalisation of the insurance industry has seen real choice reduced as smaller, local insurers have been swallowed by larger, overseas companies and the industry linked to more international events and risk scenarios, largely unrelated to the Australian market. Volunteer groups and public activities have been curtailed as a result. *But rather than deal with the predatory corporate behaviour which has created this situation, Governments at a State and Federal level have shifted the costs and risks back on to the community and small business sector, thus protecting and enhancing the profits of corporate insurers.*

This is what Globalisation is all about and the Free Trade Agreement is just a mere take over of the sovereignty of the citizens and culture of Australia. There is no Government commitment to create employment it appears that they are promoting unemployment by signing the Trade Treaty. This is not good for underemployed and unemployed people.

I urge the Government to reconsider the consequences of a Free Trade agreement. To most citizens it would mean even more unemployment poverty and social unrest.

Australia cannot afford to sign this agreement.
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