

To the Senate Inquiry into the Comprehensive Progressive Trans-Pacific Partnership (TPP-11).

SUBMISSION from New South Wales Retired Teachers' Association (5400 member), authorised at the general meeting 13/4/2018

The New South Wales Retired Teachers' Association wishes to outline the following points concerning the Comprehensive Progressive Trans-Pacific Partnership (CPTPP). As a result of our considering their impact, we earnestly urge you not to endorse the implementing legislation for the CPTPP.

1. The CPTPP will have an adverse effect on Australian democracy. The case of Bare Creek Mining suing the Peruvian Government over lost mining rights illustrates the issue. That was under the Canada-Peru Free Trade Agreement, two signatories to the CPTPP. In that case, the multi-national corporation wished to override national laws concerning consultation with indigenous land holders.

The CPTPP gives special rights to foreign (but not local) investors to bypass national courts and sue governments, in unfair international tribunals, over changes to domestic laws. These Investor-State Dispute Settlement Tribunals could rule on important national public issues such as medicine prices, environmental protection, protection of Indigenous land rights and minimum wage determinations. These greatly concern us, especially for the Australia we bequeath our grandchildren.

There are precedents for this viewpoint. Even the European Court of Justice has recently ruled that Investor-State Dispute Settlement provisions undermine national legal autonomy and is incompatible with EU law. The United States intends to withdraw from ISDS arrangements in the North American Free Trade Agreement, because they threaten to US domestic laws.

2. The CPTPP will have an adverse effect on the workers' rights of our children. Why is the labour rights chapter is not **fully enforceable**, in the same manner as the rest of the agreement? The CPTPP provides for more vulnerable temporary migrant workers. We have seen the exploitation of these visitors, especially by franchised companies. As well, there is no enforceable testing of business requests to establish if local workers are available. This is contrary to the government's own claims that it has reintroduced such testing.
3. The N.S.W. Retired Teachers' Association is vitally concerned with the Environment we are leaving to our descendants. Why is the environment chapter is not **fully enforceable** in the same manner as the rest of the agreement? Importantly, there is no mention of climate change, which would seem to be one of the fundamental issues for trans-Pacific nations.
4. The chapters on trade in services almost defy comprehension. If the purpose is to freeze regulation of public services at current levels, this could restrict future governments from responding to change and regulating essential services like TAFE, energy policy and climate change, financial services., local government, child care and aged care, and air transport services

Is this reflecting a neo-liberal belief that the market always achieves an optimal result, and all government regulation is unnecessary?

Events like the Global Financial Crisis demonstrated market failures. Australia's economic success in recent decades emerged from a "mixed economy". In our own field, the breakdown of the TAFE sector has resulted from unregulated private entrepreneurial service provision. There have been poorly provided courses, waste, loss of students; fees, fraud, and certification

that did not meet the requirements of industry. The decisions of governments concerning public services are a matter for continual national consideration, not external imposition.

- 5 Medical provision is intrinsically important to pensioners and superannuants. The N.S.W. R.T.A. views with concern the intellectual property chapter. This still reinforces existing monopolies on medicines and restricts the ability of governments to change such regulation in future, for example to **reduce** monopolies on medicines.
- 6 There are no definitive economic benefits for Australia. The World Bank analysis found that in 15 years the Agreement would have boosted the economy by 0.7%, or 0.05% per year. The Peterson Institute for International Economics suggests the eventual gain would be 0.5%, or less than half of one tenth of a per cent per year. Even the Coalition Government's modelling showed that even with the USA still in the former TPP, the employment generated by 2035 would only be 5434 jobs. Why has the Productivity Commission not been instructed to produce a cost-benefit analysis?

Australia already has free trade agreements with all but two of the other CPTPP countries, and without access to the US market, any economic benefits are likely to be even less than they were under the original deal.

As a result of the aggregated impact of these problems, the New South Wales Retired Teachers' Association earnestly urges you not to endorse the implementing legislation for the Comprehensive Progressive Trans-Pacific Partnership.

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New South Wales Retired Teachers' Association