Australian
Manufacturing
Workers' Union
NATIONAL OFFICE AMWU

20th April, 2018

Ms Lyn Beverley the Committee Secretary
Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Via Email: fadt.sen@aph.gov.au

Dear Ms Beverley,

Re: Submission of the Australian Manufacturing Workers Union on the Trans Pacific Partnership (TPP) Agreement

The Australian Manufacturing Workers' Union (AMWU) represents over 70,000 workers in every city and region across Australia.

The AMWU welcomes the opportunity to make this brief submission to the Senate Committee inquiry into the Trans-Pacific Partnership (TPP-11) agreement.

In doing so, the AMWU endorses the ACTU submission to the Committee entitled "Profit Over People."

The AMWU would make the following points:

1. Labour provisions: Despite the opposition of many Australians, TPP-11 has provisions for companies to bring in unlimited numbers of temporary migrant workers from Vietnam, Malaysia, Japan, Canada, Mexico and Chile. Such workers can be brought in without companies having to advertise the jobs locally, let alone engage in formal labour market testing. There will be no requirement to see if there are any Australian workers available to do the work. This is contrary to the government's own claims that it has reintroduced such testing. These visas can be provided to workers in 435 occupations. No other country has offered anything like this large number of occupations for entry by Australian workers. We already have labour market testing exemptions in existing FTAs with China, South Korea, Thailand, New Zealand and Singapore. This will just add more exploitable workers to the pool of 1.4 million people who currently possess temporary work visa rights in Australia.

2. The economy and jobs: The Turnbull Government has promoted the TPP-11 as a great deal that will benefit jobs and the economy. However independent economic research shows otherwise. A Tufts University report shows that Australia is likely to lose some 39,000 jobs in the energy products, primary commodities, manufacturing and services industries. World Bank modelling of the former TPP-12 shows that it will increase Australia's GDP by just 0.7% by 2030 – less than one half of one tenth of 1 per cent each year over the next 15 years. Similar results are predicted by the Peterson Institute for International Economics – a supporter of the TPP – which forecast a total boost to Australia's GDP of a mere 0.5% over

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the next decade to 2025-6. The low growth rates for TPP11 are likely to be similar to the TPP12 modelling and potentially less.

3. Investor State Dispute Settlement: Judicial, social and commercial concerns about ISDS are notorious, with no less a person that former Australian High Court Chief Justice Robert French expressing grave concerns about the procedures and practices of ISDS. The TPP-11 gives special rights to foreign investors to bypass national courts and sue governments for millions of dollars in these unfair tribunals over changes to domestic laws, even if those laws are in the public interest. Global companies have recently sued governments over medicine prices, protection of the environment, protection of Indigenous land rights and even a rise in the minimum wage. Notoriously Phillip Morris sued the Australian government over cigarette plain packaging laws; whilst the Government was successful the cost was excessive. The Canadian Government has been sued by 35 companies utilising ISDS over a range of issues.

4. Threat to essential services: The TPP-11 chapters on trade in services freeze regulation of services at current levels. This restricts future governments from responding to change and regulating essential services like vocational education, energy and financial services, even in the face of demonstrated market failure. Hence reform to the current mess that is our VET system, further regulation of the banks (as revealed daily by the current Royal Commission) and addressing the failures of privatization of energy services could be threatened.

5. The agreement making process and our democracy: As has been argued by the AMWU, ACTU and many other organisations including AFTINET, the TPP and all other finalised trade agreements should be subject to independent assessment of their costs and benefits before parliament is asked to ratify them. The TPP- 11, in common with all other trade agreements to which Australia is a signatory, was conducted with a lack of transparency throughout the negotiations. It has likewise been entered into and signed without genuine public input, let alone debate. Parliament will only have the chance to vote on the implementing legislation and not the whole agreement. This is a shameful abuse of the processes of the Parliament as well as an abrogation of the responsibility to open government.

We urge the Senate Committee enquiry to continue to push for reform in the treaty-making process, including a more democratic and open process for meaningful civil society and trade union engagement and parliamentary scrutiny throughout trade negotiations.

The AMWU also seeks that the Senate Committee sponsor a full public inquiry before making a final recommendation to the Parliament.

Yours sincerely

Andrew Dettmer
AMWU NATIONAL PRESIDENT