



Joint Standing Committee on Treaties (closing date July 24)
Parliament House
Canberra ACT 2600
email: jsct@aph.gov.au

Senate Foreign Affairs, Defence and Trade Committee (closing date August 28)
Parliament House
Canberra ACT 2600
email: fadt.sen@aph.gov.au

11th July 2015

Dear Committee Secretariats

**Submission by Viet Labor on
China Australia Free Trade Agreement**

Thank you for the opportunity, and please find attached our Submission.

Sincerely

Trung Doan
Secretary - Viet Labor



Submission by Viet Labor on China Australia Free Trade Agreement

Chinese workers have not yet arrived under the China Australia Free Trade Agreement, but thousands have already been in Vietnam for some years. Viet Labor, with affiliates in Vietnam and in Australia, is familiar with what is happening there. Based on Vietnam's experience, which we believe is relevant to Australia, we submit that there will be social and regulatory problems.

AUSTRALIANS WILL RESENT LOST JOB OPPORTUNITIES

There is widespread discontent among local Vietnamese unskilled and skilled workers that foreigners get jobs for which they are capable but not allowed to apply, leading to sentiments of being discriminated against in one's own country.

Chinese workers are taking manual labor jobs from Vietnamese at a power plant in the south central province of Binh Thuan.

Thanh Nien News, 01 April 2014¹

Vietnamese mechanical engineering companies have almost no chance to join in billion-dollar projects on their home soil if the Chinese contractors have won tender for them .. While other international contractors have allowed Vietnamese firms to be in charge of several parts of a project, it is not the case for the Chinese companies.

TuoiTreNews, 12 April 2014²

We believe that Australians will also feel this sentiment.

ENCLAVE, AND SOCIAL TENSIONS

The Agreement says Chinese investors can bring in Chinese workers for large projects. For practical reasons, it is very likely that these workers will live in compounds. This will be a little society in itself, and every society has its own norms - about workplace safety, workers' rights, crime, etc.

Here again, Vietnam's experience is negative. Locals complain that Chinese workers form their own Chinese enclaves within Vietnam's borders. If you go in there and you speak your national language, you are a stranger.

Illegal Chinese workers at a hydropower plant project in central Vietnam's Quang Nam Province have disturbed the peace by attacking local residents .. [Ta Poo] Commune officials..said the commune has been far less peaceful since work at the plant began in mid-2010. .. Last June a Vietnamese and a Chinese had to be hospitalized after a brawl which began after a Chinese interpreter falsely translated what had been said by Vietnamese workers at a pub, angering the Chinese.

Thanh Nien News, 18 June 2013³

That is Vietnam, but Australia is a multicultural society, so, can a similar resentment be expected here? Yes, we believe so. Migrants come to Australia to stay, therefore to them strangers next door will become their

¹ <http://tnn.epi.vn/society/chinese-workers-flood-power-plant-in-central-vietnam-25014.html>

² <http://tuoitrenews.vn/business/18976/tenderwinning-chinese-firms-leave-little-work-for-home-players-in-vietnam-projects>

³ <http://www.thanhniennews.com/society/chinese-workers-upsetting-balance-at-central-vietnam-commune-2114.html>



neighbors. Guest workers come here to work and live in their own compounds, to them stranger Australians outside their compounds are and will remain strangers.

Wherever there is a mixture of locals and Chinese, there can be tension. Two of Viet Labor's people are serving 9 and 7 years because they helped workers organised a strike to demand the right to form unions⁴, as well as to protest Chinese-speaking supervisors scolding Vietnamese workers: Do as you are told, or lose your job and be whores on the street.

DIFFICULT TO MAINTAIN STANDARDS

In Vietnam, Chinese workers' wages are higher, so their consumption pushes up prices. Locals say they pay tourists prices while having no jobs or jobs that pay local wages. In Australia, the problem is opposite but no less serious: Lower standards for Chinese workers (wages, conditions, workers' rights, workplace safety,...) will create downwards pressure on Australians.

The Australian government could in theory maintain standards, but it is not always feasible to maintain standards mainly because - as explained above - the workers will likely live in their own little society with its own norms and with little information transfer to the outside.

For example:

- Workplace safety standards: If workplace safety inspectors visit sites to enforce safety rules, they will be surrounded by people who regard them as foreigners and who live in a small society with its own workplace safety norms. After the inspectors leave, it is unlikely that norms will change.
- Labor standards: If some workers do unpaid overtime, if most supervisors are listed as construction workers and paid as such, if most tradesmen are listed and paid as unskilled laborers, if some of the wages are paid as underhand cash to evade tax, etc., how would Australian regulators know?

COMPANIES AND SHAREHOLDERS BENEFIT, WORKERS AND SOCIETY SUFFER

Of course, the un-elected and corrupt regime ruling Vietnam cannot be compared to the elected government of Australia. But where corrupt Vietnamese officials let Chinese investors grease their hands, there is something inequitable about this Agreement.

The reason Australian trade officials give this power to big Chinese companies is so that big Australian companies get similar benefits in return. So, over there Australian companies (some are foreign-owned) get the benefits to profit their managers and shareholders. And over here Australian workers lose their job opportunities and face social issues. This is not give and take, but it is workers give, shareholders take; Australia gives, companies take.

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⁴ <http://survey.ituc-csi.org/Verdict-of-three-workers-rights.html>