



# AUSTRALIAN CIVIC TRUST INCORPORATED

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15<sup>th</sup> May 2008

Chair of the Review Panel  
Review of Export Policies and Programs  
c/- Department of Foreign Affairs and Trade  
BARTON ACT 0221

Dear Mr David Mortimer AO

The Australian Civic Trust Inc (ACT), which commenced with a major public launch in 1969, is a prominent organisation in Australia that champions civic issues in the urban, environmental and social fields. ACT argues that Australia's World Trade Organization (WTO) agreements and free trade agreements (FTAs) should include broader participation and analysis across the entire community, including in local government areas.

The ACT petitions the Federal Government for:

- **increased local government and community participation in Australia's WTO agreements and FTAs,**
- **broader services and goods opportunities for Australian trade development,**
- **continued protection of regional Australia from the possible importation of international agricultural diseases, toxins and contamination,**
- **structural adjustment funding and safeguards for local industry,**
- **improved WTO agreement and FTA intellectual property protection and arbitration systems for small business,**
- **acceptable labour standards and human rights conditions in foreign countries through WTO agreements and FTAs,**
- **enhanced protection of the environment through WTO agreements and FTAs,**
- **fast-tracked 'special circumstance' immigration and business immigration to meet the needs of regional Australia, and**
- **increased transparency in Australia's WTO negotiations and FTA negotiations, and scrutiny of pre-legislated final outcomes.**

Australia's WTO agreements and FTAs impact in a range of public and business spheres, and can no longer claim to be the sole realm of big business.

## **Complexity of WTO Agreements and FTAs**

The number of FTAs under consideration has proliferated in Australia since the turn of the 21<sup>st</sup> Century. Australia has since negotiated and concluded three FTAs, and now has nine FTAs under negotiation and consideration. However, Australia, for example, is still to reap the \$6 billion in benefits that the Australia-United States Free Trade Agreement (AUSFTA) was touted would bring. The United States, however, experienced good export growth in its trade with Australia, in the first year of the AUSFTA's operation (United States Factsheet, DFAT). FTA lists are complex and expanding, and increasingly so, and include broad traditionally non-trade topics such as labour and environmental standards.

## **Local Government Area Participation**

The ACT believes that a new approach to developing Australia's WTO agreements (despite the Doha Round stalling) and FTAs is required. The Council of Australian Governments (COAG) Treaties Council was a dismal failure, having only met once since its inception in 1996. The establishment of the COAG Council on International Trade presents an exciting opportunity for Australian international trade. However, the ACT believes that, to be successful, the new Council should meet at least every time that COAG sits, and should include Australian local government participation and allow interested persons and associations to be observers at the meetings.

A sub-national model of treaty making inclusiveness is found in the United Kingdom, where national treaty making is divided among the United Kingdom and its sub-nationals of Scotland, Wales and Northern Ireland through a series of concordats. ACT submits that Australia's WTO and FTA consultations should also extend to include local government participation.

## **Services and Goods Liberalisation**

ACT asks that services trade liberalisation receives equal treatment to goods trade liberalisation in Australia's WTO agreements and FTAs, and that Australian exporters are provided with real opportunities for trade development.

## **Sanitary, Phytosanitary and Customs Procedures**

Australia's WTO agreements and FTAs must ensure that Australia's strict sanitary and phytosanitary measures, and customs procedures are maintained, to ensure that regional Australian agricultural product remains disease and contamination free. This measure is designed to protect our regional economies, particularly as Australia is negotiating an increasing number of FTAs with developing and underdeveloped countries.

## **Structural Adjustment and Safeguards**

A key concern is that WTO and FTA agreements can impact on local government areas in a negative fashion. An example of this is the damaging inflow of cars under the Thailand-Australia FTA, which probably contributed to job losses in Australia's automotive industry. It is important that the Federal Government provide a budget for structural adjustment as a result of WTO agreements or FTAs that in future negatively impact on local government areas. Australia, furthermore, should adopt a safeguards chapter or equivalent, in all of its WTO agreements and FTAs to ensure local Australian industry is not decimated when these agreements come into force, or that provision is made to assist Australian industry to adjust.

## **Intellectual Property**

Intellectual property rights for Australian small business should be protected in WTO (Trade-Related Aspects of Intellectual Property Rights) agreements and all of Australia's future FTAs. Small business should be able to access cost effective means to protect its intellectual property, rather than having to resort to foreign courts in developing or underdeveloped countries. This could present a means of circumventing weak contractual enforcement in legal systems in other countries, through innovative treaty lawmaking.

## **Labour Standards and Human Rights**

Australia should also use WTO agreements and FTAs to promote International Labour Organization standards among all its FTA partners, particularly in developing and underdeveloped countries. Child labour, especially, should be completely abolished through trade agreements. Similarly, an emphasis should be on the protection of basic human rights in foreign countries, for example, through freedom of association and the right to a fair trial. Capacity building might be a means for Australia to make a difference here.

## **Environmental Protection**

Protecting the environment and natural resources are a feature of Australia's recent FTAs. However, it is clear the environment chapters in Australia's existing FTAs can be improved. In future, it is in Australia's interests to set pollution reduction targets in its WTO agreements and FTAs. Such detailed targets could go beyond the scope of the Kyoto Protocol. Environmental damage overseas costs Australian business, through the depletion of resources, changing weather patterns, flow-on environmental damage to Australian land, health impacts and imported food safety issues. Unsafe genetically modified food from foreign countries, when imported, could negatively impact on Australia's wellbeing, diet, and general health. While reducing greenhouse gas emissions and reducing the use of finite natural resources is critical, protecting Australian waters from over-fishing, pollution and other contamination, and species loss and damage to our ecosystems is of significant importance, and often has environmental impacts far from the source of the harm.

## **Immigration**

Australia should consider including immigration policies in WTO agreements and FTAs that celebrate culture and difference, and create trade development opportunities, which are sensitive to Australia's regional labour market demand, regional skill shortages, and overseas persecution. Preference should be given to help bolster regional Australia's labour force.

## **Transparency**

WTO agreement and FTA negotiations and outcomes should be made more transparent. It is no longer appropriate for Australia to negotiate its FTAs in secret. The outcomes of these agreements eventually become public. Therefore, there should be at least two months of parliamentary and public scrutiny of Australia's WTO agreements and FTAs before they are implemented in Australia. Local government areas, involving interested associations and persons, should also be allowed two months to scrutinise the text of Australia's pre-implemented, negotiated outcomes. This would help remedy our crippling democratic deficit in Australia.

The ACT asks the Federal Government to give serious consideration to endorsing all the recommendations in this submission, and thereby vastly improve Australia's trade negotiation and participation agenda. We look forward to viewing the outcomes from the Review of Australia's Export Policies and Programs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Hiles', written in a cursive style.

**Mr Darian Hiles**  
**Chairman**  
**Australian Civic Trust Inc**

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**Mr Rowan Beh**  
**General Counsel**  
**Australian Civic Trust Inc**