



**State Public Services Federation
Group**

CPSU-SPSF Submission

**To the Department of Foreign Affairs and Trade
Review of a Possible Australia/Republic of
Korea FTA**

30 January 2009

David Carey
Federal Secretary
CPSU-SPSF Federal Office
Level 4, 160 Clarence Street
Sydney NSW 2000
T: 02 9299 5655
F: 02 9299 7181
Email: dcarey@spsf.asn.au
Web: www.cpsu-spsf.asn.au

Summary of the SPSF group position on international trade

The SPSF group supports the development of trading relationships with all countries and recognises the need for regulation of trade through the negotiation of international rules. We support the principle of **multilateral** trade negotiations provided these are conducted within a framework which is transparent, provides protection to weaker countries and is founded upon respect for democracy, human rights and environmental protection.

We believe that the following principles should underpin Australia's trading relations and agreements:

- Trade agreements should not undermine human rights and environmental protection, based on United Nations and International Labour Organisation standards;
- Trade agreements should not undermine the ability of governments to regulate in the public interest;
- Trade agreements should allow developing countries the flexibility to make laws and policies which will allow them to direct their own development;
- Trade negotiations should be undertaken through an open, democratic and transparent process which allows effective public consultation to take place;
- Australia's trade negotiations with developing countries should be consistent with Australia's development goals;
- Before trade negotiations begin, comprehensive studies of the likely impacts should be undertaken and made public for debate and consultation. The issues studied should include the impacts on:
 - human rights and labour conditions
 - employment
 - environment
 - particular demographic groups, particular regions and particular industries
 - the ability of governments to regulate in the public interest
 - the ability of developing countries to direct their development.

Key Issues

The SPSF group welcomes the opportunity to contribute to the Department of Foreign Affairs and Trade *Review of a Possible Australia/Republic of Korea Free Trade Agreement*. We refer also to our submission of 1 May 2008 to the Department's *Review of Export Policies and Programs* last year. Key issues of concern for us are:

- Process
- Labour rights
- Exclusion of Public Services

Process

The CPSU-SPSF group agrees with the recommendations for legislative change made in the Senate Foreign Affairs, Defence and Trade Committee report, specifically that:

- a) *Prior to making offers for further market liberalisation under any WTO Agreements, or commencing negotiations for bilateral or regional free trade agreements, the government shall table in both Houses of Parliament a*

document setting out its priorities and objectives, including comprehensive information about the economic, regional, social, cultural, regulatory and environmental impacts which are expected to arise.

- b) These documents shall be referred to the Joint Standing Committee on Foreign Affairs, Defence and Trade for examination by public hearing and report to the Parliament within 90 days.*
- c) Both Houses of Parliament will then consider the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade, and then vote on whether to endorse the government's proposal or not.*
- d) Once parliament has endorsed the proposal, negotiations may begin.*
- e) Once the negotiation process is complete, the government shall then table in parliament a package including the proposed treaty together with any legislation required to implement the treaty domestically.*
- f) The treaty and the implementing legislation are then voted on as a package, in an 'up or down' vote, i.e. on the basis that the package is either accepted or rejected in its entirety.¹*

Furthermore, the CPSU-SPSF group supports the Australian Labor Party policy platform regarding increased transparency in the process of trade agreement negotiations.

- Prior to commencing negotiations for bilateral or regional free trade agreements, a document will be tabled in both Houses setting out the Labor Government's priorities and objectives, including independent assessments of the costs and benefits of any proposals that may be negotiated. This assessment should consider the economic, regional, social, cultural, regulatory and environmental impacts which are expected to arise; and*
- Once the negotiation proposal is complete, a package will be tabled including the proposed treaty together with any legislation required to implement the treaty domestically.²*

The CPSU-SPSF group recommends that the Government set out the principles and objectives that will guide the consultation process for the Free Trade Agreement (FTA) and that it will conduct regular consultations with unions, community organisations and any other relevant groups which may be affected by the agreement.

The CPSU-SPSF group recommends that the Government establish parliamentary review processes which give Parliament the responsibility of granting negotiating authority for the proposed FTA and that Parliament should vote on the agreement as a whole and not only on the implementing legislation.

Labour Rights

The CPSU-SPSF group believes it is fundamental that any parties to a trade agreement abide by international standards on Human, Labour and Indigenous Rights and Environmental Sustainability as defined by the United Nations (UN) and the International Labour Organisation (ILO).

Australia must not enter into any trade relationships which support countries violating human rights. The CPSU-SPSF group is concerned about compliance with the ILO

¹ Voting on Trade: The General Agreement on Trade in Services and an Australia-US Free Trade Agreement The Senate Foreign Affairs, Defence and Trade References Committee, November 2003 Recommendation 2 pp xv - xvi

² Australian Labor Party National Platform and Constitution 2007, Chapter 3, paragraph 26 page 22

Declaration on Fundamental Principles and Rights at Work and the unwillingness of some countries to enforce even their own labour laws.

All FTAs should uphold the core labour standards set by the ILO:

- *the right of workers and employers to freedom of association and the effective right to collective bargaining,*
- *the elimination of all forms of forced or compulsory labour,*
- *the effective abolition of child labour, and*
- *the elimination of discrimination in respect of employment and occupation.*³

We are concerned about some of the issues identified as "General Impediments" in a recent feasibility study relating to ROK labour laws:

*Labour laws can also affect FDI, with limitations on a firm's ability to lay-off workers, and a complex wage structure and retirement system.*⁴

We do not believe it appropriate for our foreign trade policy to identify the rights and entitlements of workers as "general impediments".

Exclusion of Public Services

The CPSU-SPSF group believes that public services must be unequivocally exempted from all trade agreements and governments should face no restrictions on their rights to regulate services in the public interest.

We do not agree with the GATS definition of public services:

*A service supplied in the exercise of governmental authority ... which means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.*⁵

This definition does not allow for the fact that in Australia, and in other countries, public and private services are provided side by side, including education, health, water, prisons, telecommunications and energy.

As we have stated in previous submissions, our members - who provide these public services - have observed the effect in the last decade of the increasing imposition of private sector and competitive models of public service delivery. This has resulted in an overall decline in the quality of those services and in the levels of employment of people providing these services and in many cases increases in costs to the user.

Our recent experience includes but is not limited to the introduction of private competition to public sector services in rail, road, gas and electricity, corrective services, aged care and childcare.

Public services should be clearly and unambiguously exempted from FTAs and there should be no restrictions on the right of governments to regulate services in the public interest. If services are included, the FTA should employ a positive list (rather

³ ILO Declaration on Fundamental Principles and Rights at Work 86th Session, Geneva, June 1998

⁴ Australia Korea FTA Joint Feasibility Study, A Joint Study by ITS Global and the Korean Institute for International Economic Policy 17 April 2008 p 90 of 187

⁵ General Agreement on Trade in Services, Article I.3

than a negative list) to denote which services will be included in an Agreement.

CPSU-SPSF GROUP – Background Information

The CPSU is one of the largest public sector unions in Australia with more than 180,000 members. There are two "**Groups**" in the Union: the **SPSF Group** and the **PSU Group**.

The State Public Services Federation (SPSF Group) primarily represents employees of State Governments such as State Government Administration, Education, Agriculture and Natural Resources, or their agencies like Universities, Electricity Authorities, Roads and Traffic or Water Resources bodies.

The PSU Group's members are generally employed by the Commonwealth Government or its agencies, such as Tax, CentreLink, Defence, Immigration, and a significant number of private Telecommunications and Call Centre operators.

State Branches

The five State registered Public Sector Unions and Branches of the SPSF Group are:

- Public Service Association of NSW
- Public Service Association of South Australia
- Civil Service Association of Western Australia
- State Public Services Federation Tasmania
- Queensland Public Sector Union of Employees

These unions are registered under relevant State industrial relations laws. They are known as "**associated bodies**".

In **Victoria**, there is a Branch of the Federal Union known as the **CPSU SPSF Group Victorian Branch**.

Although most industrial relations legislation is state based, our union members are members of both their state union (as listed above) and the state branch of our Federal Union.

In Victoria, industrial relations take place under Commonwealth industrial relations law, the Workplace Relations Act.

What we do

Wages, salaries and conditions of work of members of the Associated bodies are mostly regulated by State awards and agreements made by judges or commissioners in State Industrial relations tribunals.

Employees and Union members in **Universities** and in the **Victorian Public Sector** are covered by the Federal AIRC.

The Federal Union looks after nationwide industrial issues for Universities and also industrial matters that span more than one State.

It handles industrial relations between other Federal unions and deals with other Peak Bodies, like the ACTU, on behalf of the rest of our Union Branches and the "Associated Bodies".

Also, it coordinates any issues that interest more than one Branch. These can include training standards, rights of women members, health and safety and so on.

Union policy on issues relevant to all the State Branches is made by the **Federal Council**, the SPSF Group committee of management under the Workplace Relations Act.

There is also a **Federal Executive** that manages the affairs of the union in between meetings of Federal Council.

The CPSU **National Officers Committee (NOC)** deals with issues that affect both the PSU Group and the SPSF Group. The senior officers of each Group, like the SPSF Group State Secretaries, or the PSU Group National Executive members make up the National Officers Committee.

David Carey is the Federal Secretary of the SPSF Group within the union and is also one of two Joint National Secretaries of the CPSU. He is a member of the ACTU Executive representing the CPSU.

Stephen Jones is the National Secretary of the PSU Group and the other Joint National Secretary of the CPSU.

In the CPSU-SPSF Group, each of the State Branches has a **Branch Executive and Council** elected by the Union Members in each State.

Some States also have an additional State union Executive and Council also to run the affairs of their **State** registered union.

Contact Information

David Carey
Federal Secretary
CPSU-SPSF Federal Office
Level 4, 160 Clarence Street
Sydney NSW 2000
T: 02 9299 5655
F: 02 9299 7181
Web: www.cpsu-spsf.asn.au
Email: dcarey@spsf.asn.au