

State Public Services Federation • Victorian Branch

Bilateral Investment Treaty Reform Coordinator Trade Law and Economic Security Division Department of Foreign Affairs and Trade John McEwen Crescent Barton ACT 0221 12 March 2025

via BITreformsubmissions@dfat.gov.au

**Dear Committee Secretary** 

## RE: Letter of Support for AFTINET Submission on Australia's bilateral investment treaties with Argentina, Pakistan and Türkiye

The Community and Public Sector Union (CPSU) Victoria provides this letter of support for the position outlined in AFTINET's submission to the above consultation.

CPSU opposes the use of Investor-State Dispute Settlement (ISDS) provisions in trade and investment agreements due to the special legal rights they provide corporations to seek compensation for regulation aimed at protecting workers' rights, population health and the environment.

The Australian government has a policy against ISDS provisions in new trade and investment agreements and to review it in existing agreements, recognising that ISDS clauses reduce government scope to regulate in the public interest.

The inconsistency of the ISDS system and its potential for manipulation is evidenced by claims from mining, fossil fuel and tobacco companies. These claims impose unnecessary costs on governments by challenging regulation, e.g., the issue of plain paper packaging on tobacco products, which in 2012 led to several countries mounting ISDS challenges via the World Trade Organisation and tobacco manufacturers instigating legal action against the Australian Government in the High Court.

The decisions made by ISDS international tribunals are presided over by arbiters rather than independent judges and lack consistency and impartiality due to processes where no precedents or appeals are possible. Tribunals also often fail to consider strong public interest reasons for regulation.



It is CPSU's position that trade agreements should not give individual foreign investors extra legal rights to sue governments. Examples of agreements that provide fair protections for investors without ISDS provisions include the Regional Comprehensive Economic Partnership of 14 Asia-Pacific countries and the Australia-UK Free Trade Agreement.

The Australian government should support the removal of ISDS from its agreements with Argentina, Pakistan and Türkiye and support international initiatives for coordinated withdrawal from ISDS arrangements in other trade and investment agreements.

Yours sincerely

