

AA Australian Heroic Sustainability



Submission on the: Possible Australian Participation in a Trans-Pacific Partnership Agreement

In June 2011, Australia had more than **2 million Small to Medium Enterprise (SME)** businesses. The greatest number of Australian businesses were in the construction industry (17%), followed by professional, scientific and technical services (12%) and rental, hiring and real estate services (11%). The vast majority (96%) of Australian businesses being small businesses, in June 2011 the ABS found that:

- Over two million businesses employed less than 20 staff (including 1.3 million businesses who did not employ any staff); and
- Over two million businesses had an annual turnover of less than \$2 million.

(<http://www.abs.gov.au/ausstats/abs@.nsf/mediareleasesbytitle/950EC94DB899312ECA2573B00017B8F4?OpenDocument>)

Small businesses thrive in Australia by providing competitive, innovative and sustainable solutions in an increasingly global marketplace.

We are concerned that this Trans Pacific Partnership (TPP) agreement will hurt small and medium sized Australian Businesses by handing unfair competitive advantages to only the largest multinational corporations. It allows new avenues for the world's largest corporations to unwind social and environmental legislation, reduces Australian SME legal and IP protections as well as removes local support programs that favour developing Australian SME businesses.

TPP also facilitates transnationals to continue to pursue questionable single issue agendas such as: suing Australian teenagers for sharing pop songs, banning popular folk medicines that compete with patent pharmaceuticals, removing bulk purchasing schemes to get pensioners a good price on their medicines, and removing barriers to use of controversial Genetic Engineering technologies in the food supply. According to the below report TPP is the complete opposite of the corporate sustainability movement of the last 10 years that has finally started to win back public and SME trust in the way large multinational organisations that operate in Australia.

Please post this submission and answer the below public domain assertions by posting the full text of the draft legislation on the DFAT website.

The following has the Source: tradewatch.org and marketoracle.co.uk

"On June 12, a leaked copy of the investment chapter for the Trans-Pacific Partnership (TPP) was made public. This copy was analyzed by Public Citizen's Global Trade Watch (tradewatch.org) and has been verified as authentic. This agreement has been negotiated IN SECRET for 2-1/2 years and no full draft text has ever been released until this leak. So why have the details of this negotiation been so secret? This agreement has been framed as a "free trade" agreement and yet out of 26 chapters only two have anything to do with trade. The other 24 chapters grant new corporate privileges and rights, while limiting governments and protective regulations. If implemented, this agreement will hard code corporate dominance over sovereign governments into international law that will supersede any federal, state, or local laws of any member country including Australia. This

document alone should set alarm bells ringing, but if one steps back and looks at the larger picture, the future ramifications look even more ominous. After completing this reading, see what your conclusions are. This video

http://www.democracynow.org/2012/6/14/breaking_08_pledge_leaked_trade_doc shows more fully understand the implications of the fine print in this agreement. As this article also shows, the long term risk of these sorts of agreements is greatly increased global corporate governance with an accompanying increase in police state complementary legislation. In this new system the role of elected governments would be to increasingly serve as subservient agents for the transnational corporations, while the armies, police, and courts would serve the interests of these transnational corporations. The status of the member states would be locked-in with no sunset clauses. Some of the provisions in the TPP document include real benefits for Australia, but in the fine print is the establishment of a parallel system of justice to be administered by 3 foreign attorneys with no conflict of interest limitations. This 3 attorney tribunal could order sovereign governments to use taxpayer money to pay these transnational corporations for any environmental or regulatory costs that these corporations expended to meet local standards. Many existing laws would need to be rewritten and no new regulatory laws could be passed. In fact over \$350 million of taxpayer money has already been paid out internationally to corporations under the NAFTA style deals, because of zoning laws, toxic bans, timber rules and other regulations. This corporate tribunal bears a resemblance to the private US Supreme Court 'approved binding arbitration' that corporations use to severely limit an SME's right to sue for damages. With binding arbitration we essentially have a "private corporate court system" outside of any government judicial system where the prosecuting corporations choose the arbitrators and pay for their services. This creates an apparent conflict of interest because the arbitrators know that if they do not rule favourably to the corporations in the majority of cases, they will not be hired back.

The kangaroo courts setup by this TPP agreement will have binding corporate guarantees with both trade and cash sanctions. This greatly disadvantages SME's in Australia who do not have the resources to pursue these types of avenues without bankrupting themselves. These cash sanctions would effectively transfer SME and taxpayer money to transnational corporate coffers. This TPP agreement is nothing less than a power grab by the largest corporations on the planet to establish a legal framework for global corporate government making all sovereign governments subject to international law enforced by corporations. Passage of this bill would essentially be corporate coup against all member states and Australians SME's."

Rather than the shallow spin posted on the DFAT website, please provide commentary on Triple Bottom Line (social, environmental, financial) risks to the SME economy, and how TPP could risk Australian social and environmental protections that make Australia a great place to live and do business.

Other risks are that governments have the potential to be forced to remove labour and environmental laws that support the Australian way of life. We do not see the sustainable way forward as making the Australian economy more competitive by allowing large industry to more freely implement world's worst practice, while attracting the worst possible sort of transnational investment that has poor environmental and social outcomes. We say no to TPP's chasing of colonial style investment with massive strings attached.

We truly believe it is not in the genuine interests of Australia's 2 million SMEs for this agreement to be signed.

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