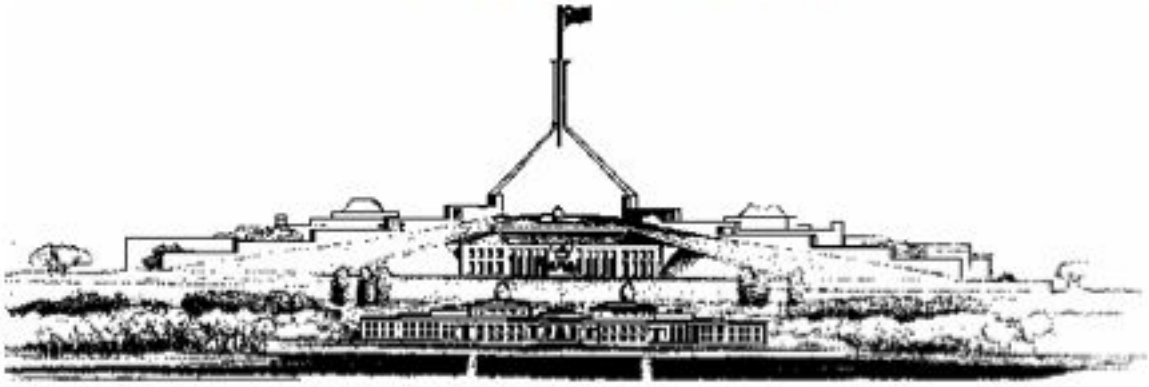
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

Federation Chamber

MINISTERIAL STATEMENTS

Trans-Pacific Partnership Agreement

SPEECH

Wednesday, 10 February 2016

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date	Wednesday, 10 February 2016	**Source**	House
Page	132	**Proof**	Yes
Questioner		**Responder**	
Speaker	Thomson, Kelvin, MP	**Question No.**	

Mr KELVIN THOMSON (Wills) (12:40): An economist and an ecologist are blown by a gust a wind off the top of a skyscraper and they are plummeting earthward. The ecologist is panicking, but the economist is resolutely calm. 'Why are you so calm?' asks the ecologist. 'Because demand will create a parachute' is the reply. Like the falling economist in the joke, we have not hit the ground and we may feel that we are doing fine, but if we were one of the hundreds of thousands of refugees who have left Africa and the Middle East in the past 12 months to embark on a perilous voyage across the Mediterranean, then the world would feel rather different.

For the past 30 years Australia has been undergoing an experiment and we have not been alone, many other countries have travelled the same path—free market liberalism. Its hallmarks have been globalisation, privatisation, deregulation, free movement of goods and free movement of people. Its advocates said it would strengthen the economy and make us 'more resilient to external shocks.' But far from making our economy more diverse and resilient, we have become narrow and vulnerable. We have much higher levels of unemployment than we did 30 years ago, we have much higher levels of youth unemployment, we have much worse long-term unemployment and we have serious problems of underemployment. We have much larger foreign debt and much larger budget deficits. The distribution of wealth between rich and poor is becoming less equal, and the social problems generated by frustrated ambition, drugs, crime, mental health problems and homelessness are on the rise too.

But the people who have dug us into this hole want us to keep digging. The Trans-Pacific Partnership is but the latest example. The Trans-Pacific Partnership contains investor state dispute settlement provisions, which allow foreign corporations to sue Australian governments in tribunals which have no independent judiciary, no precedents and no appeals. It commits to deliver up to three years' additional monopoly for biologic medicines, which will cost the PBS hundreds of millions of dollars each year. It locks in strong rights for copyright holders, but contains only weak labour rights and environmental standards which are unenforceable. It removes labour market testing for temporary migrant workers from five TPP countries, continuing the white-anting of labour market testing that we have seen with the Korea and China free trade deals—and this a recipe for more 7-Eleven-type rip-offs of students and other migrant workers.

When trade deals are signed, there is always much fanfare and triumphalism about how good they are going to be. For example, in 2004 John Howard said that the US trade free trade agreement would 'add enormous long-term benefits to the Australian economy.' But a decade later, the ANU academic, Shiro Armstrong, studied the agreement and concluded that all it had really done was to divert some trade from some other countries. Given all this, there should be an independent assessment of all the costs and all the benefits of the TPP before the parliament votes on it. That assessment should be carried out by the Productivity Commission. Bodies such as the ACCC, the Harper Competition Policy Review and public health experts and the like support this view.

I return to the question of labour market testing and the provisions of the TPP in this respect. Three months after releasing the TPP text, no Turnbull government minister has yet admitted publicly that it has, once again, negotiated away Australia's sovereign right to regulate key temporary visa programs in crucial areas. Australia has committed not to apply labour market testing or caps in the entire 457 visa program for all citizens of Canada, Peru, Malaysia, Brunei, Vietnam and Mexico—when El Chapo escapes again, you know where he will be making a beeline for—and for all foreign nationals who are employees of businesses in Canada, Peru and Mexico who transfer to an Australian branch of that business. On top of that, Australia has also made a standing offer to do the same for the three other TPP countries without a total 457 labour market testing exemption—that is to say: the USA, Peru and Singapore—if they provide access to limited categories of Australian businesspeople down the track.

The China free trade agreement concession not to apply labour market testing to installers and servicers of machinery and equipment on 400 visas has also been extended to eight TPP countries—Brunei Darussalam, Chile, Japan, New Zealand, Peru, Canada, Malaysia and Mexico.

The Australian Fair Trade and Investment Network has forwarded to members of parliament a letter signed by 59 community organisations representing millions of Australians who are gravely concerned about the Trans-Pacific Partnership text. They say that the TPP:

allows foreign corporations to sue governments over changes to domestic law in unfair international tribunals which have no independent judiciary, no precedents and no appeals. Cases against tobacco regulation can be excluded, but 'safeguards' for other health, environment, labour rights and public interest regulation are ineffective and will not prevent future cases. Governments could be sued for taking action against climate change, undermining the Paris climate agreement.

locks in stronger monopoly rights for pharmaceutical companies which will lead to higher prices for medicines. Australia's law on costly biologic medicines will not change immediately. But there is a commitment to deliver up to 3 years of additional monopoly for biologic medicines, which will cost the PBS hundreds of millions of dollars a year for each year of delay in availability of cheaper medicines.

locks in strong enforceable rights for copyright holders, which are mostly global corporations, which could prevent future governments from protecting consumer rights.

contains only weak labour rights and environmental standards which are not enforceable, and will not protect the rights of increased numbers of temporary migrant workers.

removes labour market testing for temporary migrant workers from 5 TPP countries. This will expose more of these workers to exploitation as seen in 7-Eleven stores and other industries without testing if Australian workers are available.

Many independent commentators have argued that the TPP reduces democratic rights for claimed economic benefits which will not be delivered. A recent World Bank study of the TPP reported in the Sydney Morning Herald shows negligible economic benefits for Australia, because it already has free trade agreements with the US and Japan, and all but three of the other TPP countries.

The letter also notes:

There is also strong opposition to the TPP in the U.S. Congress from both sides of politics, with demands from conservatives to change the text to gain even more rights for pharmaceutical and tobacco companies. It would be foolish for the Australian Parliament to endorse the TPP when it is unlikely to be passed by the U.S. Congress in 2016.

As well as those 59 organisations, I note specific concerns being expressed by the Tertiary Education Union, which has undertaken an analysis of the implications of the TPP with specific attention to its impacts on education and educational services in Australia. They point out that chapter 9, the investment chapter, has the effect of locking in and intensifying pressures of commercialisation and privatisation. They say:

This means, a for-profit VET provider owned from overseas could demand compensation from the Australian government if they changed laws which meant that they could not enrol domestic students or could not access public subsidies where those requirements would mean a loss of investment.

I think that those are very serious and legitimate concerns.

It is noteworthy that there is strong resistance to the TPP in the US itself, including from both Democrat presidential contenders. I see this as one element of a quite conspicuous uprising against the big end of town agenda, which includes the free movement of goods and the free movement of people. You can see clear strands of this in US politics in its support for the insurgents Donald Trump and Bernie Sanders. You can see it in the UK in the support for Jeremy Corbyn at one end of the spectrum and UKIP at the other. You can see it in the rise of populist antimigration, anti-European union parties in Europe.

I think corporate interests need to realise that continually pushing and fundamentally greedy globalist corporate agenda in opposition to the more democratic concept of nation states protecting the interests of their responsive citizens will generate nationalist pushback. To simply try to brush this aside as racist and xenophobic, as we saw in the debate over the China FTA, is a poor substitute for genuinely having regard to the impact of trade

agreements on the capacity of citizens to democratically determine what kind of country and what kind of world they want to live in.

Debate adjourned.

Federation Chamber adjourned at 12:50