

AFTINET Bulletin No. 41, 19 July 2002

If you would like to contribute to the Bulletin, please contact pranald@piac.asn.au. Our website is www.aftinet.org.au

Contents

- 1) Response to the Government Fact Sheet on GATS
- 2) Help needed to mail our response to politicians Friday July 26, 9.30 am level 1, 46-48 York St, Sydney 2000.
- 3) Report on AFTINET visits to politicians in NSW.

1) **Response to the Government Fact Sheet on GATS**

Our visits to politicians in NSW and elsewhere (see report by Vicki Brooke below) have prompted the government to send out a "fact sheet" to all MPs which tries to respond to our arguments. This shows we are having an impact!

Here is the response which we will send to politicians next week (see mailout working bee below). It is also attached in rtf format if you want to print it.

The Government has responded to widespread community representations to MPs about the current WTO negotiations Trade in Services (GATS) by distributing a "fact sheet". It makes a series of false or misleading claims. Most of these are based on misrepresentation of what GATS critics are saying or on denial of proposals that are being made in the negotiations. We answer the three major points below.

1. The government document denies that GATS can force member governments to open up service sectors to foreign competition or to provide foreign service suppliers with the same treatment as domestic suppliers

This is misleading because it confuses the choice which governments have to list services in the agreement with the obligations they face after services are included.

GATS has some rules which apply to all services, but many of its rules only apply to those services which governments agree to list in the agreement.

Once governments **do** list particular services to be included in the GATS, then they **are** obliged under the rules of GATS to open them up to foreign competition and to give the same treatment to foreign suppliers as to domestic suppliers, unless they make specific exceptions to these rules.

We have never claimed that Governments are "forced" to list particular services, but they may agree to do it in the course of the negotiations which take place behind closed doors. There is pressure to trade off services for gains in other areas like agriculture.

For example European Union Trade Commissioner Pascal Lamy visited Canberra and was quoted in the Australian Financial Review of 17/7/02. "Mr Lamy said the EU wanted Australia to lift restrictions on foreign ownership of Telstra and the sensitive water

distribution industry in return for any concessions from Europe on barriers to agricultural trade. " (p1)

Since most water services in Australia are publicly owned, this would mean privatisation of water services. An EU document leaked in April contained these demands and also asked for Australia Post to be privatised.

Most Australians, and even most Australian farmers, would not want to buy a reduction in European agricultural trade barriers with privatisation of essential water and postal services. These are some of the few public services still left in our communities and access to them is vital, especially for people in the bush.

We are calling for all Australian GATS requests to other countries and for Australia's responses to the requests from other countries to be made public so that the Australian government policy is clear and it not vulnerable to this kind of trade-off.

2) The government document claims that GATS affirms the right of government to regulate services and that it cannot reduce this right.

The GATS agreement does say in the preamble that governments have the right to regulate services. But in the current negotiations there are proposals to reduce that right by introducing new rules to say that regulation on licensing, qualifications and technical standards must be "least trade restrictive". This means they could be challenged by other governments under WTO rules on the grounds that they are a barrier to trade. Such challenges are heard by a panel of trade law experts which give little weight to the social or environmental reasons why many governments currently regulate services.

We oppose these changes to the GATS rules. The Australian government supported them in a paper it produced for the negotiations last year. If the government has now changed its mind, we call on it to publicly oppose such changes in the negotiations.

_ The document claims that GATS cannot undermine the prerogatives of governments to determine which services should be delivered by the public sector and which by the private sector.

This is again misleading, and ignores the changes that are being proposed in the negotiations. The current GATS agreement acknowledges a role for public services, and so far few public services have been included in the agreement. But the status of public services and whether they can be included is ambiguous even under the current rules. Public services are excluded except if they are supplied on a commercial basis or in competition with other services. Many public services have been commercialised in this way.

But there is a worse proposal being negotiated in the GATS rules Committee to define government funding as "subsidies" and then to apply "national treatment" and "equal access" for private and transnational corporations to government funding. This would mean compulsory competitive tendering for public funding of public hospitals, schools and other public services.

We oppose this proposal and ask the government to oppose it and to support publicly the clear exclusion of all public services from the GATS. We want:

- a review of the impact of the existing GATS agreement and full public discussion of the proposed changes
- all GATS negotiating requests and responses should be made public and publicly debated before governments make commitments
- no reductions in the ability of governments to regulate services
- clear exclusion of public services, cultural services and water services from the GATS agreement
- GATS and other trade agreements to be debated and ratified by parliament, not by Cabinet

See www.aftinet.org.au for more information.

2) WORKING BEE - Help needed to mail our response to politicians Friday 26 July, 9.30 am at PIAC, Level 1, 46-48 York St, Sydney 2000.

We are mailing out the response to all Federal and NSW MPs. If you can help, please come between 9.30 and 12.30 on Friday July 26.

3) REPORT ON AFTINET VISITS TO POLITICIANS IN NSW

By Vicki Brooke, volunteer organiser

The Visit to Politicians Campaign aims to voice our concerns to Federal, State and local politicians regarding Australia's position on GATS and to present a series of demands including making public our government's requests to other governments and their responses, supporting the exclusion of public services from GATS and submitting all GATS policies to full parliamentary debate and voting in Parliament before any commitments are made.

We sent several emails to AFTINET members in NSW asking whether they would be prepared to visit their local politicians to reinforce our concerns, and a number of people responded, as listed below. Further appointments are still being made with State and local politicians.

Thanks to all those who have so far participated in the visits. Most Federal members have not been aware of the issues, but have been interested. Most Opposition members have agreed raise the issue in the Party and/or in the parliament. Government Members have been more defensive of the policy, but some have agreed to raise the issue with the Minister. If you would like to be involved in a visit, please contact Vicki Brooke, vbroke@piac.asn.au

Summary of visits

Date	Politician	Party
11 June	John Murphy MP Federal Member for Lowe	ALP
12 June	Jennie George MP Federal Member for Throsby	ALP
	The Hon Dr Stephen Martin Federal Member for Cunningham	ALP

14 June	Peter King MP Federal Member for Wentworth	LIB
June	Tanya Plibersek MP Federal Member for Sydney	ALP
3 July	Jim Lloyd MP Federal Member for Robertson	LIB
10 July	Anthony Albanese MP Federal Member for Grayndler	ALP
11 July	Marie Andrews MP State Member for Peats	ALP
18 July	Peter Collins MP State Member for Willoughby	LIB

Appointments made, visits yet to take place

24 July	Virginia Judge Mayor of Strathfield, ALP endorsed state candidate	ALP
August 5	Aden Ridgeway, Democrats spokesperson on Trade	
12 August	The Hon Dr Brendan Nelson Federal Member for Bradfield	LIB
23 August	The Hon Joe Hockey Federal Member for North Sydney	LIB
No fixed date	David Campbell, MP for Keira	ALP

Information packs sent

5 June	Laurie Brereton MP Federal Member for Kingsford Smith	ALP
June	Laurie Ferguson MP Federal Member for Reid	ALP