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## **1. WTO Update**

There seems to be some movement in the Doha Negotiations at the WTO. The Director General, Pascal Lamy, has indicated that the plan is for senior officials to negotiate from 12th May, and then to have the Mini Ministerial in the week of 19th May. Whilst this looks like there is significant progress being made the real test will be if revised texts are issued on agriculture and manufacturing.

The agriculture talks are currently revolving around discussions in what has been referred to as the "Data Group". This group of 11 members is attempting to agree on a method for calculating the domestic consumption of sensitive products. This in turn will affect the tariff rate quotas for them. There are some comments that progress is being made, with talks concluding two weeks ago and the Chair now looking to issue a revised text soon.

There appears to have been little progress however on the manufacturing discussions. One negotiator is reported to have said: "There is no agreement on anything. As far as I know, the political distance is very big". But the negotiator went on to say that at a mini ministerial, manufacturing is technically easier to resolve than Agriculture. "People can say, this is not right. Bring us back a paper that looks more like this... and 10 mins later, you can have a different paper on the table. This is not possible in agriculture". Thus the technical progress in agriculture has been seen as the key to resolving the negotiating round.

Despite this latest push for the conclusion of the round there is still the major issue of President Bush not having the authority to sign onto any outcomes. The power that would have allowed the President to commit America to specific offers, Trade Provision Authority (TPA), has now expired with virtually no chance of a Democrat controlled Congress allowing that to be renewed before the Presidential elections. This throws any offers from the USA into question as they may be picked apart

through Congress, undermining what was originally offered. For many countries this casts a cloud of uncertainty around any US offers.

Brazil has announced that without the US TPA it will not negotiate beyond the guidelines of any agreement. That is, Brazil will not proceed to the “scheduling phase” - i.e. working out their exact commitments in specific products and their exact tariff cuts. (In the WTO, the guidelines which is what the negotiations in Agriculture and NAMA have been about, are not legally binding. What is legally binding are countries' liberalisation 'schedules' - the operationalisation of these guidelines).

On April 11 Australia's Trade Minister Simon Crean and his US counterpart Susan Schwab published a letter in the Wall Street Journal Online. The letter indicated that Australia and the US would not sign onto a Doha package unless it includes an “ambitious outcome on services that delivers commercially meaningful results”. It goes on to state that the Doha negotiations give countries a “once-in-a-generation opportunity to lock in services liberalisation”. Mr Crean and Ms Schwab once again repeated their view that services negotiations are one of the pillars of the Doha round, something developing countries continue to strongly disagree with.

AFTINET will continue to monitor the movements in the WTO.

(Thanks to Aileen Kwa for some of the information above).

## **2. Submissions needed for Review of Export Policy and Practices/FTAs**

On February 21 the Minister for Trade announced a review of Australia's export policies and programs that included a research project on the impact of Australia's free trade agreements (FTAs). Whilst the review is focussed predominantly on the commercial performance of Australia's exports this parallel research project will assess the impacts of Australia's FTAs. The review is a chance for the community to raise its concerns to the government about the impact of such agreements and input into the establishment of benchmarks for any future negotiations.

The Government has released an Issues Paper as a way to help guide submissions. Whilst mostly the questions aim at export performance there are some which can help raise awareness about the social and environmental impacts of FTAs as well as providing benchmarks for Australia's trade policy. These are:

- Have Australia's existing bilateral FTAs had an adverse or positive impact? Provide information and analysis to support your viewpoint.
- What outcomes can realistically be achieved through trade policies and programs and what are the most appropriate indicators of effectiveness?
- Should Australia support or initiate proposals aimed at reforming the WTO with the aim of improving its effectiveness? What areas should be the focus of Australia's efforts?
- Do free trade agreements support our trade interests, including by providing us with a useful platform for securing market access?
- What benchmarks/criteria should Australia apply to future FTA negotiations to ensure they maximise our national interests, including by fostering a strong multilateral trading system?

- What factors are influencing the future global trading environment and what are the future opportunities and challenges for Australian business?

We're calling on people and organisations to make a submission themselves to highlight the social and environmental impacts of Australia's trade agreements. Submissions need not be long or in depth.

Submissions need to be in by May 2. Email to [trade.review@dfat.gov.au](mailto:trade.review@dfat.gov.au) or post to:

Secretariat  
Review of Export Policies and Programs  
c/-Department of Foreign Affairs and Trade  
BARTON ACT 0221

### **3. AFTINET Letter to Minister Crean – No Visa 457 inclusion in trade agreements**

AFTINET sent the following letter to Minister Crean outlining our concerns about the inclusion of Visa 457 conditions in any GATS (Trade in Services) offers or in the China/Australia FTA.

We're calling on our members to demand that the Government to not include Visa 457 conditions in any trade agreements.

Send letters to:  
The Hon Simon Crean  
Minister for Trade  
PO Box 6022  
Parliament House  
Canberra  
ACT 2600

Or email: [s.crean.MP@aph.gov.au](mailto:s.crean.MP@aph.gov.au)

Dear Minister Crean

Thank you for the opportunity to meet with your advisor George Mina on April 4.

We gave him a number of briefing papers which summarized issues on trade policy of concern to the members of our network of 90 community organizations, and noted that your policy platform contains commitments for policy changes in some of these areas, especially the commitment to a more open and transparent trade policy process, including improved consultation with community organisations.

We raised concerns about the exploitation of temporary workers under the previous government's visa 457 regulations, especially the lack of protection of their basic rights, low pay and unacceptable working conditions, including poor health and safety conditions leading to injury and death in some cases. The fact that these workers are temporary, and that their visa applies only to employment with a particular employer, means that they are afraid they will be dismissed and deported if they complain, and are more vulnerable to exploitation than other workers.

Since that meeting, we were pleased to see that your government has kept its commitment to review the visa 457 conditions, with the announcement this week of a review by Industrial Relations Commissioner Barbara Deegan, to report to the Minister for Immigration and Citizenship by October 1, 2008.

The terms of reference of the review include:

- The employment conditions that apply to workers employed under the temporary skilled migration program;
- The adequacy of measures to protect 457 visa holders from exploitation;
- The health and safety protections and training requirements that apply in relation to temporary skilled workers;
- The English language requirements for the granting of temporary skilled migration workers' visas; and
- The opportunities for Labor Agreements to contribute to the integrity of the temporary skilled migration program.

We expressed our concerns about visa 457 to the previous government, and asked that the visa 457 arrangements not be included in any trade negotiations, specifically, in the GATS negotiations, nor in the Australia-China Free Trade Agreement negotiations.

Despite widespread publicity and community discussion of these issues, the previous government did include the current Visa 457 conditions in its GATS offer in the Doha round of negotiations. The Chinese government also asked in the China FTA negotiations that these arrangements be extended to unskilled workers, but the Howard Government refused to do so.

We are also aware that the New Zealand –China FTA includes provision for movement of temporary workers. New Zealand currently has a pilot program for temporary unskilled workers from the Pacific Islands, but this is a separate agreement and is not part of a trade agreement. It is surprising that such an arrangement has been included in a trade agreement before the pilot program has been evaluated. This seems at odds with the requirements of sound policy based on evidence of outcomes.

Since our meeting with your advisor we have learned that DFAT plans to include Visa 457 arrangements in the next GATS offer that may be made if the Doha negotiations resume in May 2008, and that new offers might be made in July 2008.

We are puzzled that this could be the case when the review of Visa 457 arrangements has only just been announced, and would not be completed until October. Again this seems to be at odds with evidence-based policy and open and transparent processes. We ask that no offers be made on Visa 457 arrangements in any trade agreement until the review is complete and has been considered by government.

Further, we question whether such arrangements should be part of trade agreements which operate under trade law that has no current jurisdiction to ensure that workers rights are protected. Workers are not commodities and the rules that govern trade in goods and services are not adequate to protect their rights.

The inclusion of such arrangements in trade agreements, which do not include any protections for basic rights, also means they are effectively 'locked in', and extremely difficult for future governments to change. If, for example, such arrangements were

included in the GATS, and a future government did make changes, Australia might have to compensate other trading partners or could be subject to legal action under the WTO disputes process, resulting in trade sanctions. Similar action could be taken under the disputes provisions of FTAs.

We advocate that any arrangements about the temporary movement of workers whose labour market position means they are vulnerable to exploitation, should not be part of trade agreements, but should be completely separate arrangements. This would enable such arrangements to include the range of safeguards that the terms of reference of the review indicate are necessary. It would also enable them to be changed as circumstances change.

We look forward to your response to these concerns.

Yours sincerely

Adam Wolfenden  
Trade Justice Campaigner

#### **4. IMF warns rising food prices raising risk of war**

AFP, WASHINGTON

<http://www.theindependent-bd.com/details.php?nid=79434>

April 13: Rising food prices could have terrible consequences for the world, including the risk of war, the IMF said today, calling for action to keep inflation in check.

"Food prices, if they go on like they are doing today ... the consequences will be terrible," International Monetary Fund managing director Dominique Strauss-Kahn said.

"Hundreds of thousands of people will be starving ... (leading) to disruption of the economic environment," Strauss-Kahn told a news conference at the close of the IMF spring meeting here. Development gains made in the past five or 10 years could be "totally destroyed," he said, warning that social unrest could even lead to war.

"As we know, learning from the past, those kinds of questions sometimes end in war," he said. If the world wanted to avoid "these terrible consequences," then rising prices had to be tackled. Skyrocketing prices on rice, wheat, corn and other staple foods like milk particularly hurt developing nations, where the bulk of income is spent on the bare necessities for survival.

Higher energy prices, too, are driving up the cost of food, as well as stoking broader inflation. In recent months, rising food costs have led to social unrest in several countries such as Haiti and Egypt. Thirty-seven countries currently face food crises, according to the Food and Agriculture Organisation.

Escalating inflation is complicating the already complex challenges of a global financial crisis battering the world economy, Strauss-Kahn said.

The 185-nation IMF called for a strong front to put the reeling world economy back on track.

"The global crisis has to be addressed with a global view and by strengthening the role of multilateral institutions," Tommaso Padoa-Schioppa, chair of the International

Monetary and Financial Committee (IMFC), the IMF's top policy-making body, told reporters in a briefing.

In a statement, the IMF said that "policymakers should continue to respond to the challenge of dealing with the financial crisis and supporting activity, while making sure that inflation is kept under control." The IMF stressed that "the challenges facing the world economy are of a global nature, requiring strong action and close cooperation among the membership."

Unlike the last IMF meeting in October, where internal reforms were high on the agenda, this time the multilateral institution faces a full-blown, and still unfolding, financial shock that began in August amid rising defaults on US high-risk subprime home loans. Tasked with maintaining global financial stability, the IMF, whose own finances are strained, insists its expertise and global range make it a key player in resolving what Strauss-Kahn earlier called the worst financial crisis since the Great Depression of the 1930s.

The IMF last week warned the global economy is slowing so rapidly it could slide effectively into recession this year and next. IMF policymakers also welcomed moves by central banks to provide liquidity support to ease strains in the credit markets.

The US Federal Reserve, the European Central Bank and others have pumped hundreds of billions of dollars into the money markets that seized up in the spreading subprime contagion.

The IMF also applauded Financial Stability Forum policy recommendations adopted Friday by the Group of Seven industrialised countries in the hope of improving transparency and resiliency in the financial markets within 100 days.

Regarding internal reforms, the IMF said it hoped governors would soon approve key voting and financial measures approved by the executive board.

It said it looked forward to approval of a reform of voting rights, long demanded by developing countries, by April 28, and a new income model that includes the sale of 403 tonnes of gold to raise cash, by May 5.

## **5. FTAs Update**

### China FTA

It appears that the trade talks between China and Australia may begin to see some movement again, with China indicating they may not be as resistant to Australian agricultural imports. The Agriculture Minister Tony Burke has commented that he had a "real sense of optimism" that there were going to be "real negotiations again". The Minister was in China with a delegation from the farming sector to discuss the capacity of Australia's agricultural exports to impact on the Chinese market.

### India/Australia Feasibility Study

AFTINET provided its submission to DFAT for the feasibility study and has organised a place on the public consultations on April 30. If others are interested in attending the public consultations they need to contact [india.ftastudy@dfat.gov.au](mailto:india.ftastudy@dfat.gov.au) to register a place at the consultation closest to you.

### ASEAN FTA

The Government reports that negotiations on the ASEAN/Australia FTA are moving into their final phase. Whilst there is still some disagreement about tariff guidelines the next round of negotiations will see another offering of market access requests.

There has been an agreement to include an Investor-State Disputes Settlement process.

The inclusion of the Economic Cooperation chapter is still somewhat ambiguous. This has been promoted as a way to build capacity in ASEAN countries and has seen 2 AusAid staff working on its contents. Currently negotiations are still discussing the projects that have been included in the chapter.

ASEAN has requested that movement of people be included in any agreement, however it is unclear if this is going to happen.

The next round of negotiations are due for April 20-24.

### **6. Community Rally Against NSW Energy Privatisation – May 3rd**

Join concerned workers and families who want to stop the NSW State Government trying to sell our electricity to a private company. Come and join the Rally outside the NSW ALP Conference

This is your last opportunity to let the government know that the people of NSW say NO! The people of NSW can't sit back and let the government go ahead as it will lead to: For more information go to [www.stoptheselloff.org.au](http://www.stoptheselloff.org.au)

WHERE : Darling Harbour, Convention Centre (near Olympic monument)

WHEN : 9:30 am Saturday 3 May 2008

The electricity anti-privatisation Rally will be followed by the:

#### **MAY DAY RALLY AND PROCESSION**

- Stop the Sell Off of public utilities
- Demand rights at work for all workers
- Demand social justice for workers around the world

Join us at the rally outside the ALP State Conference on 3rd May details overleaf

### **7. Temporary Foreign Workers: Economic Opportunity for Whom?**

A one day forum on “Temporary Foreign Workers: Economic Opportunity for Who?” will be held on 6th May at 280 Pitt Street, Sydney. The event will commence at 9.15 am and conclude at 3.15 pm.

The Minister for Immigration and Citizenship, the Hon Chris Evans MP will present the keynote address. Other contributors will include leading academics Bob Kinnaird and Dr Bob Birrell, as well as business, trade union and community leaders.

This forum promises a wide-ranging and topical discussion of issues around our temporary foreign labour programs, and is timely in light of the federal government's announcement about its inquiry into the 457 visa program.

The full program will be available shortly. For now, please put the 6th May in your diary and let your colleagues know about this event. There is no charge for this event, so please confirm your attendance as early as possible to secure a place.

This forum is the first event and launch of Catalyst Australia. Catalyst is a new progressive networking organisation that has a brief to impact positively on public policy debates.

For more information contact

Jo-anne Schofield | Executive Director

Catalyst Australia Inc. direct 02 9264 1134

e [jschofield@catalyst.asn.au](mailto:jschofield@catalyst.asn.au) | Level 4, 280 Pitt Street, Sydney 2000

## **8. Fair Trade Fiesta – May 6<sup>th</sup> Paddington Town Hall**

You are invited to the 2008 Fair Trade Fiesta to celebrate Fair Trade Fortnight in Sydney.

Last year the Fiesta was a phenomenal success with drummers, music, fantastic stalls, and great food by Kylie Kwong – and this year is even bigger! So don't miss out, mark it in your diary and send this to all your friends.

Please forward to friends and colleagues!!

- Savour delectable dishes made by Kylie Kwong using the finest organic & Fairtrade ingredients
- Meet 30 of the leading Australian entrepreneurs behind Fairtrade food, and Fairly Traded crafts that help communities in South America, Africa, Asia and the Pacific.

We can't wait to see you there!

\$15 entry includes all food, wine and a Fair Trade jute bag

When: Thursday 6th May 2008 6pm – 9pm

Where: Paddington Town Hall, Sydney (Corner Oatley Road and Oxford Street, Paddington)

RSVP to Natasha Lewis on [Natasha@fta.org.au](mailto:Natasha@fta.org.au)