

International Trade

AUSTRALIAN DEMOCRATS ACTION PLAN INTERNATIONAL TRADE TRADE & OVERSEAS DEVELOPMENT

The Australian Democrats are committed to promoting international trade and commercial policies which will foster the best possible conditions in which to develop and expand Australia's trade and enhance the full potential of our industries, skills and innovations.

Australia's trade and aid agencies should also be used to support the welfare of our Pacific neighbours and not to dominate or exploit a smaller trading partner.

Improving Australia's export performance should be one of the Government's key priorities. If it doesn't we will be faced with higher interest rates and a dangerously unbalanced economy.

Our Action Plan

“The Australian Democrats support fair trade – ethical trading that increases prosperity without exploitation or damaging the environment or basic human rights

**Senator Lyn Allison
Democrats Leader**

- support trade that is both fair and ethical
- support freezing further tariff reductions unless they are matched by our trading partners
- restore full funding to the Export Market Development Grants Scheme
- review business taxes to encourage longer term productive investment rather than short-term speculation
- increase the tax deductions for business research and development to 150%
- support significant public re-investment in education and training to address Australia's skills shortage
- continue to oppose free-trade agreements not in Australia's interests
- ensure corporate accountability in trade
- support a stronger role for the Parliament's involvement in treaty making

The Issues

Free trade vs fair trade

The Australian Democrats support fair trade – trade that that is both fair and ethical.

Free trade agreements are not very accurately named because in some aspects they do not free up trade at all. The agreement between the US and Australia, for



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example, actually constrains some areas of trade and competition, and sometimes in favour of US corporations. We have continually expressed our serious concerns about its impact on our PBS, media, intellectual property, foreign investment, quarantine standards, and the delivery of public services such as water and education. These agreements also lock Australia into commitments that will limit our ability to regulate in our own national interest in years to come.

Fair trade means any trade liberalisation commitments are made in line with those of our trading partners and that we are not unduly disadvantaged as a result of any trade deal. It also means recognising the global impact of trade.

Fair trade is about more than basic economic considerations. It is also about our social and labour standards, the preservation and improvement of our environment and our national cultural identity, and these must be taken into account in any trade decisions. And it is also about human rights, the environment, and labour and safety issues in the countries we establish businesses in.

We have been constantly critical of the Government's demonstrated preference for bilateral trade initiatives at the expense of a multilateral approach to negotiations, which in addition to diverting trade away from our other trading partners, limits Australia's role in ensuring that the international trade system improves opportunities for the developing world.

We advocate the need for an international system of rules for international trade. There needs to be transparency in international trade regimes. The World Trade Organisation needs reform to become more accountable, open and transparent – with clearly established rules and processes, and a publicly accountable dispute resolution process.

The Democrats believe that every trade agreement entered into by our Government should be referred to the Productivity Commission to conduct a National Interest Analysis according to a triple-bottom-line approach.

Free trade agreements

Negotiations are currently in progress with China and Malaysia. The horticulture and the textile, clothing and footwear industries all expressed strong concerns about the benefits of a free trade agreement with China at a recent Senate committee inquiry.

The Australian Democrats opposed the Australia-US Free Trade Agreement (AUSFTA) but it passed with ALP support. The overwhelming benefits that were promised for that Agreement are now proving not to be there.

We will continue to oppose those agreements that are not in Australia's interests, and will continue to work towards ensuring broader, more informed debate on trade matters and issues to do with bilateral agreements versus multilateral agreements.



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Corporate accountability in trade

This has also been in the spotlight recently with the Australian Wheat Board sales to Iraq. The AWB scandal has major ramifications for our long-term trading reputation. It has also highlighted the need for greater regulation of Australian companies operating overseas and we introduced our Corporate Code of Conduct Bill to ensure standards of governance and accountability that all Australian companies should be expected to incorporate into their overseas activities.

Live export trade – the continuing problems with this trade highlight the need for a rethink of this issue. The Government should stop propping up such a problematic, inhumane, and troubled industry and take steps to phase it out. If the Government is really concerned about the livelihood of farmers and jobs it should be doing more to expand the frozen carcass and processed meat trade. It makes much more economic sense to value-add to a product and create jobs here rather than having ship load after ship load of animals rejected and trade suspended due to the poor health of the animals.

Parliamentary approval of treaties

The Australian Democrats are concerned about the lack of public information on the progress of trade negotiations. The Government must be more forthcoming with detail of how proposed trade deals will affect Australia.

Wide-ranging trade agreements such as the Australia-US Free Trade Agreement and the General Agreement on Trade in Services (GATS) impact on every facet of our economic and social framework and the Australian Democrats believe Parliament should have a critical role to play in the trade agreement-making process – that is, to scrutinise, debate and vote on any such agreements that can so significantly affect our future.

Throughout the 1990s, the Australian Democrats agitated quite regularly for a much stronger role for the Parliament in the very large number of treaties that the Executive enters into. Our Parliamentary Approval of Treaties Bill was first introduced in 1995 and we will continue to pursue its aims.

We have also been instrumental in ensuring the Senate examines the detail of each trade agreement entered into by the Executive. We initiated committee inquiries into the GATS and the AUSFTA, and were part of the push to establish the Joint Standing Committee on Treaties and on which we are a permanent member.



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