



BULLETIN December 2013

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Thank you, happy holidays and see you in 2014

We would like to thank all our members and supporters for your support in 2013, and wish you a safe and happy Christmas and New Year holiday.

The TPP campaign has intensified over the last few months. There have been numerous public meetings and seminars, a [rally in Sydney](#) and over 30,000 Australians have signed social media petitions or sent email messages from AFTINET, Choice, 350.org, Avaaz and a community petition. There have also been numerous media reports and critical commentary from the ABC, the Sydney Morning Herald, The Age, Channel 7's Sunrise show and online media like Crikey, the Conversation and the Guardian.

This campaign and similar campaigns in other countries have made a difference. Governments did not meet the US-imposed deadline of finishing the TPP by the end of 2013.

Our campaigns on the TPP and the Korea-Australia free Trade Agreement will continue and intensify further in 2014, so we hope you come back refreshed and ready to [take action](#).

TPP Singapore talks fail to finish the deal as leaked documents show divisions over US agenda: Campaign continues in 2014

By Dr Patricia Randal

AFTINET's campaign and similar campaigns in other countries contributed to the pressure on governments which prevented them from agreeing to the US agenda and finishing the deal at the TPP Trade Ministers' talks held in Singapore on December 7-9.

The talks were even more secretive than usual and there was no time set aside for consultation with community groups. Despite this, and Peter Murphy and I from AFTINET and Dr. Deborah Gleeson from the Public Health Association travelled to Singapore to monitor the negotiations and do media work.

Together with community groups from other TPP countries we tried to speak to negotiators and organized media briefings. These briefings were well attended (partly because there was little information for the media from the official meeting) and resulted in good [media coverage](#) of our views.

The short [Ministerial statement](#) at the end of the talks only mentions "progress" with no details and that Ministers will meet again in January. The fact that no new deadline has been set for completing the deal means that the US heavy-handed pressure to meet deadlines for agreement in Singapore met some resistance, showing the influence of community campaigns in many TPP countries.

Leaked documents also had an influence on the talks. Two internal documents from an unidentified country in the Trans-Pacific Partnership Agreement negotiations were leaked to the [Huffington Post](#) on December 8. The documents are a [chart](#) outlining the positions of each of the twelve countries on many issues being discussed in Singapore, and an [account](#) of the state of negotiations at the end of the Salt Lake City round in late November.

These revealed that there are still divisions over US demands on investor rights to sue governments, higher prices for medicines and draconian copyright laws, all of which would increase corporate rights

at the expense of consumers. There is still no agreement about enforceable labour rights and environmental standards.

The documents also revealed that Australia has worked with Japan and the US on a revised version of the controversial annex which deals with government regulation of medicine prices, including Australia's Pharmaceutical Benefits Scheme, while most other countries are opposing it. This indicates possible concessions on the PBS by Australia, despite Trade Minister Robb's assurances to the contrary.

A specialised US trade journal, *The Washington Trade Daily*, also claimed during the talks that Australia, New Zealand and Canada have agreed to drop their objections to US proposals on longer and stronger patents on medicines, again contrary to Minister Robb's assurances. This would delay the availability of cheaper generic medicines and mean higher prices for medicines. We must exert maximum pressure on the Australian Government to oppose changes to the PBS and stronger patents which would mean higher prices for medicines.

Trade Minister Robb announced before the talks that Australia was prepared to agree to give investors the right to sue governments over Australian laws which they claimed harm their investment, on the condition that there were exceptions for public welfare, health and environmental laws and that the US would give increased market access in return. The leaked documents reveal the so-called exceptions may only be part of the preamble to the investment chapter and not legally enforceable. In any case, such exceptions have not been effective in agreement in which they have been included like the Central American Free Trade Agreement, under which governments have still been sued over environmental regulation. Many cases have also been won by investors over process rather than content. They have argued successfully that they have been denied "fair and equitable treatment" by government.

Trade Minister Robb has fallen into the trap of making concessions in the vain hope of more market access for Australian agricultural products to US markets. But it is clear that the US is delaying making any market access offers precisely to extract such concessions. Nor has Japan made market access offers on key agricultural products.

Moreover, the US Congress [has not even agreed](#) to Trade Promotion Authority for the TPP, which means the detail of the text can be amended by Congress. The same Congress which shut down the US government in October could unpick any deal.

We must maximise pressure on our government not to make these trade-offs on medicine patents, the PBS and the right of foreign investors to sue governments, and to release of the TPP text for before it is signed.

We are planning further activities in the New Year leading up to the meeting of TPP Ministers at the end of January and beyond. If agreement on major issues is reached at that meeting, the text of the agreement could be finalised in April to coincide with a visit by President Obama to the region. We are campaigning for its release before it is signed. If it is signed, the agreement will be tabled in Parliament for 20 sitting days and available for public discussion. The Joint Standing Committee on Treaties will review the agreement, but is unable to change the text. The Committee can make recommendations, but they are not binding on Cabinet.

Parliament cannot change the text of the agreement once it is signed, but it does vote on the implementing legislation, so there will be opportunities for further campaigning after April. See our website for further details of actions and events next year: www.atinet.org.au

TPP in the media

Leaked documents, public pressure and action in the senate have all led to a greater exposure of the TPP in the Australian and international media.

During negotiations in November, the *Sydney Morning Herald* and *The Age* today published the article '[US accused of war of attrition in Trade Talks](#)', by Peter Martin, quoting the Australian Fair Trade and Investment Network: "What is happening is not a negotiation," said Patricia Ranald... "The United States is dictating the terms and it seems the Australian Government is not prepared to join other governments which are resisting these demands".

On access to medicines and health, ABC's *The Business* aired a [short segment](#) on the TPP's potential impact on medicine prices and public health resources. Dr Deborah Gleeson also had a number of articles published on health issues including a [personal account](#) of her struggle to put health issues on the agenda of the TPP for Crikey, and a more general overview of the TPP titled '[What you need to know about the Trans Pacific Partnership](#)', which was published in *The Conversation*. Also in the *Conversation*, Brigitte Tenni published '[US concessions don't give Trans Pacific partners access to drugs](#)'.

Labor and the Greens have both been critical of aspects of the TPP, and the Shadow Minister for Trade and Investment, Penny Wong, published an article in the [Financial Review](#) titled 'TPP must not trade away Australia's national interest'. The Senate passed a motion requesting the release of the TPP text before it is signed, but the Coalition rejected it. Peter Martin wrote about the [secrecy surrounding the Trans-Pacific Partnership talks](#), quoting AFTINET and reporting that "the government has refused the Senate access to the secret text of the trade deal it is negotiating in Singapore, saying it will only be made public after it has been signed."

Trade Minister Robb [admitted](#) that he is ready to allow foreign investors the right to sue governments as part of the TPP. The announcement that he had agreed to this in the Korea-Australia agreement led to media citing concerns about ISDS in the [Sydney Morning Herald](#) and [The Guardian](#).

More leaked documents exposed the '[steep concessions](#)' made by Australia and other negotiating countries. Dr Patricia Ranald (AFTINET) and Dr Matthew Rimmer (ANU) were interviewed on [ABC radio PM](#) about the leaks, and Dr Ranald was also interviewed on [ABC National Drive](#).

Most recently, the *Sydney Morning Herald's* economics editor, Ross Gittins, published an extremely critical editorial titled '[Trans-Pacific Partnership with US should hold fears](#)'.

For a running collection of media articles, see [our website](#).

Campaign against inclusion of ISDS in the Korea-Australia agreement

By Dr Patricia Ranald

Australian Trade Minister Robb announced on December 5 that the main elements of the Korea-Australia free trade agreement had been settled between the two governments. The minister added that he had agreed to include investor rights to sue governments (Investor State Dispute Settlement or ISDS) as a trade-off for market access for agricultural products to the Korean market. The previous government has a policy against including ISDS in trade agreements.

Despite the Minister's public announcement, the text of the agreement is not publicly available. The detailed text is still being finalized, translated into Korean and subject to legal checks. This process will take place over December and January. The final text will be presented to Cabinet, most likely when Parliament sits from February 11, 2014. Cabinet will then make a decision about signing the text of the agreement. Only after this decision will the text be tabled in Parliament for 20 sitting days and available for public discussion. The Joint Standing Committee on Treaties will review the agreement, but is unable to change the text. The committee can make recommendations, but they are not binding on Cabinet. Parliament cannot change the text of the agreement once it is signed, but it does vote on the implementing legislation, so there will be opportunities for further campaigning.

Without the text, the only information available is the three-page summary from the Department of Foreign Affairs and Trade (DFAT). The Minister's claims cannot be checked against the text.

The Minister claims that the "public welfare, health and the environment" have been carved out from the Investor-State dispute clause (ISDS), and so there is no need to fear that Australian governments could be sued over health or environmental legislation. But such exceptions have not been effective in agreements in which they have been included like the Central American Free Trade Agreement, under which governments have still been sued over environmental regulation. Investors have pursued cases in other countries by claiming the **process** of developing the law did not include "fair and equitable" treatment for them.

The inclusion of ISDS is a dangerously short-sighted policy, which could have dire consequences for rural communities which want more government regulation of coal seam gas mining for environmental reasons. The US Lone Pine mining company is currently using an investor rights clause in the North American Free Trade Agreement to sue the Canadian Quebec government because it dared to conduct an environmental review of gas mining. [Fifty-four rural groups](#) have written to the Trade Minister expressing their strong opposition to investor rights so sue governments because their fear similar action could be taken here following NSW and Victorian Government state environmental reviews of coal seam gas mining. Many Australians have also been outraged by the current attempt of the Philip Morris tobacco company to sue the Australian government for damages over plain packaging legislation, using an investor state dispute clause in an obscure Hong Kong Australia investment agreement.

AFTINET opposes trading off the right of Australian governments to regulate by granting foreign investors special rights to sue governments in return for market access for agricultural products.

But even for those who accept the principle of this trade-off, there is little detailed information in the DFAT summary about the claimed market access benefits of the agreement. The summary says that agricultural industries will be the main winners from the agreement. Australian sugar exporters are claimed to benefit immediately from the removal of all Korean tariffs after the agreement comes into force.

However, other tariffs will be reduced at a snail's pace. Beef tariffs will be reduced to zero over a fifteen year period to 2030. Crude petroleum and natural gas tariffs will be reduced to zero over ten years, and the reduction period for cheese, wine and wheat is not specified. The Korean government succeeded exempting rice tariffs from the agreement, so Australian rice farmers will not get any increased access to the Korean market. Ruth Wade, the Executive Director of the Ricegrowers' Association said 'This is an FTA in name only'.

The DFAT summary admits that Australian manufacturing industry will lose from the agreement, with impacts on the motor vehicle industry, motor vehicle components, steel products and textiles,

clothing and footwear. Although details are not given, it appears commitments have been given to reduce Australian tariffs in these areas to zero. In the context of General Motors announcement to cease manufacturing in Australia, this is another body blow to Australian manufacturing industry

The claimed overall benefits to the Australian economy are based on a seven year old 2007 study by the Centre for International Economics, using a methodology assumes that all tariff and nontariff barriers between the two countries have been removed, but only after 15 years. The study assumes that there are no real-life costs like unemployment in manufacturing industries. It assumes that a middle-aged unemployed vehicle industry worker will be able to find work at Myers or MacDonald's. We know these assumptions do not fit with reality.

This study claims to analyse the benefits to the Australian economy as a whole when all tariffs reach zero after 15 years in 2030. The benefits are estimated to be a minuscule \$653 million added to Gross Domestic Product (GDP) on an annual basis, after 2030. Given that Australia's current GDP is valued at over 1,520,000 billion dollars, and that this figure will be much greater in 2030, the percentage increase in GDP will be so insignificant that it is hardly measurable, which is presumably why the study does not include it.

The only way the claims of exemptions for welfare, health and environment for ISDS and significant market access of this agreement can be tested is for the text of the agreement to be released before it is signed by Cabinet. This would enable public and parliamentary scrutiny before it is signed. The probable February timetable means we have more time to continue to campaign and to [send messages to Cabinet members](#) to oppose the inclusion of ISDS and to support the release of the text before it is signed. If you have not already done so, please go to our website, send a message and watch for other activities in 2014.

WTO meeting in Bali

The World Trade Organisation (WTO) met in Bali in December in and were able to announce a minor agreement. Peter Murphy has written an analysis of the outcome and what it means for trade. The article has been published on AFTINET's website titled '[WTO gets second chance at Bali](#)'.

AFTINET's AGM with guest speaker Vidalina Morales

AFTINET's Annual General Meeting was held last month and was attended by around 50 people. The guest speaker was Vidalina Morales from El Salvador, who spoke about a mining company suing her government because of a suspension of mining licences for environmental and health reasons.

This company has now been acquired by Australia-based Oceanagold, and her presentation to AFTINET was part of a speaking tour to campaign against the project and the international tribunal. AFTINET Campaigner Jemma Williams wrote an article about the issue for the [New Matilda](#) titled '[El Salvador fights Aussie Mine Takeover](#)'.

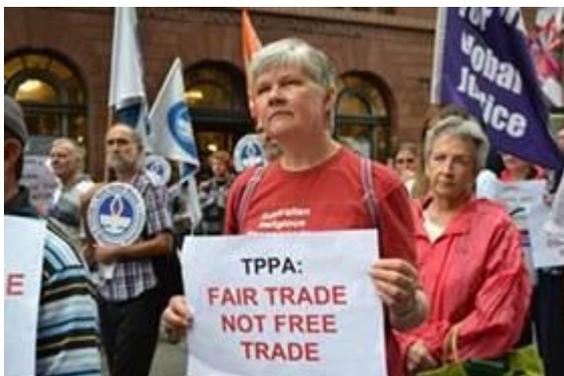
Rally for a Fair Deal or No Deal in Sydney

On Friday, November 29, AFTINET held a very successful rally in Martin Place calling for a fair deal or no deal in the Trans-Pacific Partnership. Despite the rain, the rally was attended by unions, community groups, members of the NSW legislative council and individuals.

We heard from some great speakers including Senator Doug Cameron and Senator Lee Rhiannon, as well as representatives from AFTINET, APHEDA, the Lock the Gate Alliance, the AMWU, the Media, Entertainment and Arts Alliance and the Pirate Party.

AFTINET has produced a short video from the rally which outlines many of the major concerns in the TPP. You can watch the video [here](#) and we encourage you to share the link with your networks: <http://www.youtube.com/watch?v=YErBuJBd6FI>

Some photos from the day:



More photos have been published on our [Facebook page](#).

Take Action!

With your support, we will continue to campaign strongly for a **fair deal** in all trade agreements in the New Year.

Here are some actions you can take:

- **Email key Cabinet ministers** to request that they do not agree to include the right for investors to sue governments in the Korea-Australia free trade agreement or the TPP
- **Sign the following petitions**
 - 350.org's global petition '[Say no to corporate power grabs](#)'
 - CHOICE's call to [Release the text](#)
 - Avaaz's petition '[Australia vs Big Tobacco](#)'
 - Community petition '[Please don't let foreign corporations sue Australia](#)'
- **Raise awareness in your community** - speak to your friends and family, share information via social media, contact your local MP, or organise an event
- **Make a donation to support the campaign** - You can [donate online via E-Give](#) or email campaign@aftinet.org.au for other options.

Leaders negotiating the TPP missed another deadline this month in Singapore, and that gives us more time to make sure our voices are heard. They will meet again in January make another attempt at coming up with a deal.