

How will the AUSFTA affect community services?

This is the question that UnitingCare NSW.ACT has recently raised with the following ministers, and their counterparts in the Shadow Ministry.

The Minister for Family and Community Services Senator the Hon Kay Patterson

The Minister for Health and Ageing The Hon Tony Abbott MP

The Attorney-General The Hon Philip Ruddock MP

The Minister for Children and Youth Affairs The Hon Larry Anthony MP

The Minister for Employment Services The Hon Mal Brough MP

The Minister for Trade The Hon Mark Vaile MP

What are community services?

Community services cut across portfolios. By community services we mean services such as child protection, youth services, jobs network, telephone counseling services such as Lifeline, emergency financial aid, aged care in all its forms (such as residential care, nursing homes, and home and community care), child care, services for people with disability, accommodation services for people with special needs such as people with mental illness, community housing, tenants services, services for homeless people, drop-in centres, family and relationship counseling, mediation, credit-line, counseling for people with addictions such as alcohol or gambling, meals on wheels, play groups and other support services for parents, services for recent immigrants and for refugees and asylum seekers, prison welfare services, services for victims of family violence, and so on. Community services often help redress or prevent marginalisation and disadvantage. They are crucial to human wellbeing and a healthy community.

How are community services covered by the AUSFTA?

UnitingCare is a very large provider of community services. We believe that the AUSFTA could have a significant impact on this sector. This is because the commercial sector is becoming involved in community services. Obvious examples are the jobs network, aged care, and child care.

Since the free trade agreement with the United States is a negative list agreement, any area of policy that is not explicitly excluded is covered by the agreement. This means that community services provided by the commercial (for profit) and community (not for profit) sectors are covered, as are any services provided by government in competition with commercial providers.

It appears to us that the chapters in the FTA which are likely to affect community services include the chapters on cross-border trade in services, government procurement, transparency and investment.

Why is inclusion of community services problematic?

A representative of UnitingCare NSW.ACT has been involved in some of the meetings between DFAT and AFTINET (Australian Fair Trade and Investment Network), and raised the matter of community services in more than one discussion with them. DFAT officials seemed to say that community services were not really the target of free trade negotiations on services, which were more concerned with matters such as financial, legal, engineering and other mainstream services in the commercial sector. Yet now community services will be covered by this agreement.

The documentation on the free trade agreement does not include any Regulatory Impact Statement regarding community services, although it is an area where there is substantial government regulation and government procurement of services on behalf of service users. There can be no doubt that the various chapters listed above have the potential to significantly limit the ability of government to regulate this area unless it is listed as an exception. The costs will be born by the users of community services, community organisations and the government. Any such changes deserve careful consideration, not incidental coverage in an agreement not tailored to these types of services.

Any diminution in the ability of government to regulate community services would have implications for the quality of service available to service users, and for the costs incurred both by the government and service users. It is doubtful that international free trade in community services is the best way forward for the sector. Normal business practice of investing for short periods in a particular business and then moving to other investments is inappropriate in many community services, where people need a stable and secure situation such as long term accommodation.

What is the rest of the community sector saying?

We recognise that very few other agencies in the community sector have commented on this matter. We suggest that this is because the community sector, by its very nature, has never before needed to have knowledge of international trade law, and because the government has failed to analyse the implications and consult with the sector regarding the changes.

Conclusion

We urge that community services, no matter who provides them, be excluded from the Australia-United States of America free trade agreement, and from all other free trade agreements.

Action

Write or email the ministers listed earlier in this paper, and the ALP and minor parties, opposing community services being included in the free trade agreement with the USA.