

RISKY BUSINESS

Secret trade talks have put education on the negotiating table. As Danielle Townsend reports, this has far-reaching consequences for our public education system.

AT A GLANCE

■ The Government is negotiating the General Agreement on Trade in Services in secret

■ If education is included in the final agreement—which would be binding on all future governments—there are dire consequences for public education

■ The AEU calls for education to be excluded from GATS

THE AEU'S POSITION

The AEU is calling on the Government to take the following action:

- do not include public services in the GATS
- stop negotiating in secret and make public the requests and responses that are now being considered

Public and social services are under grave threat as a result of the Federal Government's current negotiations on the General Agreement on Trade in Services (GATS). The extent of this threat remains unclear, however, as the Government is holding the talks in secret. One thing is certain: GATS spells trouble for public education.

This new round of trade negotiations follows the 1995 signing of the GATS by all members of the World Trade Organisation. This agreement aims to open up the trade of services between countries, in much the same way as has occurred with the trade of goods since the 1940s.

All signatories, including Australia, are now renegotiating their agreements. While 'public services' are theoretically not part of the agreement, there is a real danger that education, as well as health, water and postal services, will be included. "The GATS makes it clear that it does apply where a public service is provided in competition with private providers," says AEU Federal Secretary Rob Durbridge.

"Due to the high level of state-supported private education providers in Australia it would be difficult to argue that public education does not exist in competition," he says.

"The effect of GATS could be to allow international education providers to demand that the Government stop providing public education," says Durbridge. "The Government might also be required to provide to international, profit-making providers the same level of subsidy that they provide to other private church and religious organisations in Australia."

Quality and regulations at risk

Regulations and standards would also be in jeopardy. Under GATS, a government must allow free and open access to international companies to trade in the agreed services within its country. It would be difficult to maintain regulations that could be considered to hinder free and open trade.

In education, such regulations include teacher qualifications, use of locally approved curriculum standards and access and equity considerations.

"Quality is a key issue," says Durbridge. "Governments would be prohibited from regulating in the way they do now because it would be deemed to be an unwarranted restriction

on trade rather than an essential component of quality."

Dr Patricia Ranald from the Public Interest Advocacy Centre, convenor of the Australian Fair Trade and Investment Network (AFTINET) agrees. "In the negotiations which are going on now, there are proposals to effectively reduce that right to regulate services by applying this strict test that the WTO has, which says that regulation should be least trade restrictive."

The scenario could arise whereby the Australian Government would be unable to regulate the way its educational services were run if those regulations were challenged by other governments as being too restrictive.

Arguably one of the most frightening aspects of the GATS is that agreements and negotiations cannot be reversed by future governments. The objective of that is to ensure that companies are not disadvantaged by any change in a government's policy. Once a government has included a service in the GATS it is likely to be very difficult to alter without providing weighty compensation.

"The only way to get around a commitment is not to make one," says Ted Murphy, Assistant Secretary of the National Tertiary Education Union.

HOW YOU CAN PROTECT PUBLIC EDUCATION

- Find out more about GATS and inform your students and community.
- Read the AEU's submission on GATS and the US FTA at www.aeufederal.org.au/Publications/index2.html
- Visit the Australian Fair Trade and Investment Network website at www.aftinet.org.au
- Write to the Prime Minister, John Howard, and the Minister for Trade, Mark Vaile, telling them you want them to keep public services out of GATS and make the negotiations public. Postal address: House of Representatives, Parliament House, Canberra, ACT 2600. Prime Minister's e-mail: you can e-mail the Prime Minister via his website at www.pm.gov.au, Mark Vaile's e-mail: mark.vaile.mp@aph.gov.au

"Governments would be prohibited from regulating... because it would be deemed to be an unwarranted restriction on trade..." ROB DURBRIDGE



Influence negotiations

The way GATS negotiations proceed is for governments of other countries to make requests for increased access to trade in services within Australia, which the Government must then respond to. The deadline for Australia to respond to the first round of requests was 31 March 2003 with final agreement to be reached by 2005.

Under pressure, the Department of Foreign Affairs and Trade has released a discussion paper that summarises the requests that have been made of Australia without providing any details. "Several countries have asked for comprehensive free trade in education, including public funding for schools and tertiary institutions established in Australia by transnational corporations," says Murphy.

The summary says that requests have been made in all areas of education including primary and secondary education services. But the discussion paper is inadequate, says Ranald. "There is not enough detail and the Government has only allowed one month for submissions in response. This is not adequate consultation," she says.

The AEU has prepared a submission to the Government protesting about the inclusion of education in any GATS agreement (see: www.aeufederal.org.au). But there is still time to influence the course of negotiations (see box, left). "It's not too late," says Ranald, "because the current negotiations go on to 2004 and they're not due to be finalised until 2005."

The ALP, Democrats and the Greens have agreed to hold a Senate inquiry into GATS and the proposed Australia/US Free Trade Agreement. "What we've succeeded in doing is getting the ALP, the Democrats and the Greens to agree to those three demands that we're putting up: no public services in GATS, no reduction of the right of governments to regulate, and that the negotiations should be made transparent and accountable," says Ranald.

The risk is that if public services such as education, health, water and postal services are included in GATS they will no longer be at the service of the Australian people. "Our fundamental position is that public education should not be a market commodity in the way that traded goods are," says Durbridge. Ranald agrees. "Public education is a social good, not a commercial good." ■ **DANIELLE TOWNSEND** is a freelance writer.