

## UNION AID ABROAD-APHEDA SUBMISSION TO FOREIGN POLICY WHITE PAPER 2017

### 1. THE INTERNATIONAL SITUATION AND AUSTRALIA'S PLACE IN THE WORLD

Australia today stands at a cross roads, facing stark choices in how to respond to a multifaceted storm of global instability. Geopolitical shifts, the deepening crisis in the global economy and looming ecological collapse are unprecedented threats to Australia's prosperity, security, sustainability and way of life. To preserve an open, democratic and free society, Australia must respond to external challenges in ways that tackle rather than exacerbate inequality and poverty, both in Australia and abroad. The Australian government must act in accordance with the values of Australians and be defenders of human rights. We must be leaders in responding to the global emergency to address climate change, and not the target of international condemnation for our political failure to transition to a carbon-neutral energy future. Australia's foreign policy must be premised on making the world a safer place in which all can flourish. It should not be about the expansion of Australia's coal exports, retreat from multilateralism or the normalisation of human rights abuses while appeasing leaders of extremist regimes and nuclear powers threatening global security. In regards to foreign aid, Union Aid Abroad – APHEDA believes that the deployment of overseas aid programs should be well resourced and focused on poverty alleviation to assist social movements to reduce global inequality. It should support sustainable environmental, economic and social development goals and foster closer relations with our neighbours. Development aid should not be 'investment' used to subsidise the profits of Australian business at the expense of Australian taxpayers and the global poor.

#### 1.1. GLOBAL INEQUALITY AND WEALTH TRANSFER

Although inequality has been on the rise for decades, the last ten years has witnessed a rapid acceleration in wealth transfer from the world's poorest to the richest. In Australia, the trend to a more unequal society has mirrored the global trends. Recent analysis of Australian Bureau of Statistics (ABS) data reveals rising intergenerational inequity and a contraction of the middle class. Income among the richest 20% in society has risen rapidly while wage growth for the rest of society has ground to a near standstill.<sup>1</sup> Research undertaken by the Australian Council of Social Services (ACOSS) shows that inequality in Australia is higher than the OECD average.<sup>2</sup>

Economic crisis, accumulation of sovereign debt and policies of privatisation and austerity form a feedback loop that ensures a massive global wealth transfer to the benefit of the very rich at the expense of the poorest and most vulnerable in society. The global financial crisis of 2007-8 was created by the illegal and unscrupulous practices of banking institutions. Governments around the world mustered reserves to bail out 'too important to fail' financial institutions from collapse, implicitly subsidising the risk-taking activities of investors. In taking such emergency measures, the financial crisis quickly transformed into a debt crisis, as huge sovereign debts were accumulated.<sup>3</sup> Perversely, a significant proportion of US and European sovereign debt is owed to the very same financial institutions that benefited from the mobilisation of state resources in the aftermath of the

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<sup>1</sup> <http://www.news.com.au/national/income-inequality-means-were-no-longer-the-land-of-the-middle-class/news-story/90821b0b0b013babd29d2ac4c5dfd304>

<sup>2</sup> [http://www.acoss.org.au/wp-content/uploads/2015/06/Inequality\\_in\\_Australia\\_FINAL.pdf](http://www.acoss.org.au/wp-content/uploads/2015/06/Inequality_in_Australia_FINAL.pdf)

<sup>3</sup> <http://www.imf.org/external/pubs/ft/survey/so/2014/POL033114A.htm>

financial crisis.<sup>4</sup> The Australian Government’s response to the crisis in 2009 also led to indirect subsidies to the banking sector, insulating it from “competitive disadvantage” despite the secure position of the Australian financial sector at the time.<sup>5</sup> So-called “austerity” measures have also been introduced since 2010 across large parts of the developed world as governments reduced spending on health, education and social welfare. Such measures have been carried out under the premise that governments have no choice but to reduce government spending in order to pay off accumulated sovereign debts. Underfunding has whittled away government services. In turn, when these services struggle to continue to meet the needs of the community due to underfunding, governments have responded by enacting privatisations and contracting out to for profit providers thus eroding the rights of workers and citizens to universal and affordable access to government services.<sup>6</sup> Across both the developed and developing world, social services such as adequate healthcare, education, housing and transport are increasingly out of reach for many ordinary people.

Austerity policies are now widely acknowledged by most economists and even traditionally neoliberal institutions such as the International Monetary Fund (IMF), World Bank and World Trade Organisation (WTO) as a direct cause of economic harm: adversely affecting gross domestic product (GDP) growth, increasing levels of inequality and poverty, and leading to dispossession of millions of people across the world, fuelling increased involuntary migration flows.<sup>7</sup>

In the aftermath of the global financial crisis, the wealth of the super-rich has increased by an average of 11% each year. The OECD noted in 2013 that income inequality in the first three years of the financial crisis increased more than during the previous twelve years combined.<sup>8</sup> According to recent research undertaken by Oxfam, the rapid accumulation of wealth among the super-rich is closely tied to the economics of austerity and the increasing utilisation of tax havens for the purposes of avoidance. Oxfam found that while in 2009 there were 793 billionaires, with a combined wealth of \$2.4 trillion, by 2016 there were 1,810 global billionaires with a net worth estimated at \$6.5 trillion – equivalent to the combined wealth of 70% of the world’s poorest people. The wealthiest eight billionaires today own as much wealth as 3.6 billion people. The gender dimensions of this wealth transfer are also stark: while 89% of billionaires are men, women across the world are disproportionately exposed to poverty resulting from austerity and rising levels of inequality.<sup>9</sup>

Worldwide, a woman earns an average of \$76 for every \$100 paid to a man – but gender equality is not only about closing the pay gap. Gender inequality will not be solved simply by getting women into leadership roles in organisations. The disproportionate burden of unpaid care and domestic work; lack of political representation; and lack of access to reproductive and other health services for women all remain key issues of concern worldwide and demand complex solutions, including rethinking and reshaping traditional gender roles and responsibilities.

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<sup>4</sup> <https://www.forbes.com/sites/mikecollins/2015/07/14/the-big-bank-bailout/#5fbed37d2d83>;  
<https://www.theguardian.com/business/2013/jun/27/eu-agrees-banks-bail-in-deal>

<sup>5</sup> <http://www.treasury.gov.au/PublicationsAndMedia/Newsroom/Speeches/2009/Australias-response-to-the-global-financial-crisis>

<sup>6</sup> <https://www.theguardian.com/commentisfree/2016/may/24/austerity-cuts-privatising-george-osborne-britain-assets>

<sup>7</sup> <https://www.theguardian.com/business/ng-interactive/2015/apr/29/the-austerity-delusion>

<sup>8</sup> <https://www.ft.com/content/23610bc6-bcae-11e2-9519-00144feab7de>

<sup>9</sup> <http://policy-practice.oxfam.org.uk/publications/an-economy-for-the-99-its-time-to-build-a-human-economy-that-benefits-everyone-620170>, p. 4

The Department of Foreign Affairs and Trade (DFAT) has consistently emphasised that gender equality and women’s empowerment are central to its programming, most recently with the release of its gender strategy on International Women’s Day 2016. This focus on building women’s strength internationally and the recognition of women’s importance in peace-building and education is to be commended. We hope that it continues, with additional support for Australian and international organisations working to support women to lead fulfilling lives free from discrimination and violence. DFAT’s commitment to leading internationally on disability-inclusive development is also of vital significance. The May 2015 “Development for All 2015-2020” strategy is a valuable document to guide Australia’s development assistance supporting people living with disabilities over the next few years.

Tax havens are a major reason for the ongoing wealth concentration among the super-rich. Recent research undertaken by Oxfam Australia estimated that the tax dodging activities by multinationals utilising tax havens cost the Australian economy nearly \$6 billion in tax revenue each year, with a further \$3 billion lost each year as a result of Australian corporations dodging their tax obligations to developing countries.<sup>10</sup> The total amount of global wealth hidden in offshore tax havens is difficult to estimate, but indisputably large and growing. A conservative estimate is \$7.6 trillion, 8% of global household wealth.<sup>11</sup> Research undertaken by the Tax Justice Network research has suggested between \$21 trillion and \$32 trillion.<sup>12</sup>

## 1.2. ENVIRONMENTAL AND CLIMATE EMERGENCY

Climate change presents immediate and long-term threats for both Australia and the world. The early impacts of rising average temperatures and sea levels are already evident in Australia, Pacific, Asia and the Middle East. Rising sea levels are leading to loss of lands and livelihood for Pacific Islander communities, with losses of entire islands in the Solomon Islands.<sup>13</sup> Extreme and protracted heatwaves are affecting occupational health and productivity of workers, especially in countries like Australia and the Asian region, with reduced household income and GDP projected by the International Labour Organisation (ILO).<sup>14</sup> Water scarcity, disproportionately affecting the poor and exacerbated by privatisations of infrastructure, is a new global driver of inequality.<sup>15</sup> Food insecurity, rising food prices and food inequality for global poor, is driven by trade policies in agriculture and will be exacerbated as a result of projected reduction in crop yields due to climate change and depletion of fertility.<sup>16</sup> Communities across the world – and especially in Australia’s local region of the Pacific – are being displaced by climate change disasters, including cyclones, storms and rising sea levels leading to a loss of arable land; an estimated 157 million were displaced due to climate-related disasters in the last 7 years, 69% from the world’s poorest countries.<sup>17</sup> Climate change is

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<sup>10</sup> <https://www.oxfam.org.au/wp-content/uploads/2016/06/OXF003-Tax-Havens-Report-FA2-WEB.pdf>

<sup>11</sup> G. Zuchman. (2015). „The Hidden Wealth of Nations“. University of Chicago Press.  
<https://doi.org/10.7208/chicago/9780226245560.001.0001>

<sup>12</sup> <https://www.theguardian.com/business/2012/jul/21/offshore-wealth-global-economy-tax-havens>

<sup>13</sup> <https://www.theguardian.com/environment/2016/may/10/five-pacific-islands-lost-rising-seas-climate-change>

<sup>14</sup> [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---gip/documents/publication/wcms\\_476194.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---gip/documents/publication/wcms_476194.pdf)

<sup>15</sup> <http://www.unwater.org/topics/water-and-climate-change/en/>

<sup>16</sup> <https://www.theguardian.com/environment/2014/mar/31/climate-change-food-supply-un>

<sup>17</sup> <http://climatemigration.org.uk/>

therefore reshaping global migration and labour mobility – especially in the Pacific region due to impact of rising sea levels threatening the existence of entire island nations.<sup>18</sup>

The emergency calls for a coordinated global response. Yet, Australia continues to lead the world on climate change denial,<sup>19</sup> with a powerful mining lobby aggressively pushing for the expansion of new coal mines,<sup>20</sup> and the national debate dominated by political appeasement of these powerful business interests from both sides of parliament.<sup>21</sup> This is despite a consistently reconfirmed scientific consensus of the urgency of the situation and the despite the actions of powerful citizen coalitions pushing for a green transition in Australia. The Australian Council of Trade Unions emphasises the importance of Australia leading by example on its global commitments by remaining actively engaged negotiations at the international level and enacting strong and ambitious targets at a domestic level.<sup>22</sup>

In December 2016, world energy hit a turning point as the price of commercial wind and solar energy generation fell below the cost of coal, nuclear and gas. Recent technological innovation and economic shifts have positioned renewable as a cost-competitive, low-cost energy solution, leading to a boom in large-scale investment in wind and solar projects.<sup>23</sup> Across the world, including in the US, China and India, coal has lost its ‘social license’ with popular demand for clean energy continuing to grow, buoyed by an uptake of commercial green technology. Rapid and sudden progress has been made, with large-scale transitions to renewable energy, thanks to civil society acting on the urgency of the issue as well as booming private investment into the industry driven by the market forces: for the first time, clean energy is now outcompeting fossil fuels.

The Australian coal mining and unconventional gas industries have lobbied hard for large subsidies to open new coal plants and mines for coal export. As a public investment, new coal mines, plants and export facilities have lost all credibility. Australian mining and gas extractive industries not only jeopardises future food and water security, adversely affects the tourism industry, desecrates Aboriginal heritage and the environment, but it also economically unviable.<sup>24</sup> In this context, the Coalition government’s attacks on renewable energy sector represent an ideological attack on opponents of the coal mining lobby.

Fossil fuel corporations are using their growing wealth and power to assert an “extreme energy” agenda; this includes using far riskier energy extraction methods to get to difficult to reach and often highly polluting fossil fuels (tar oil, natural gas through hydraulic fracturing, surface coal mining, etc.). The extreme energy agenda has serious implications for communities, workers, the climate and the environment more broadly. Fossil fuel corporations are also using their wealth and power to oppose or delay efforts to address

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<sup>18</sup> APHEDA, (21 July 2016) ‘Temporary labour mobility in Australia and the Pacific Islands: A research paper by Union Aid Abroad’ (unpublished)

<sup>19</sup> <https://newmatilda.com/2016/07/04/australia-is-being-swamped-by-climate-change-deniers/>

<sup>20</sup> <http://www.tai.org.au/content/coal-moratorium-and-australian-economy>

<sup>21</sup> <http://theconversation.com/the-fossil-fuelled-political-economy-of-australian-elections-61394>

<sup>22</sup> <http://www.actu.org.au/our-work/actu-congress/actu-congress-2015/congress-policy-resolutions/a-fair-go-for-all-policies/environment-and-climate-change>

<sup>23</sup> <https://www.bloomberg.com/news/articles/2016-12-15/world-energy-hits-a-turning-point-solar-that-s-cheaper-than-wind>

<sup>24</sup> <https://theconversation.com/new-coal-plants-wouldnt-be-clean-and-would-cost-billions-in-taxpayer-subsidies-72362>

climate change and to create a more equitable, democratic and sustainable energy system that can protect workers' rights.<sup>25</sup>

### 1.3. SECURITY, HUMAN RIGHTS AND FASCISM

A stark warning about the situation of human rights worldwide was recently delivered by the UN High Commissioner for Human Rights, Prince Zeid bin Ra'ad Zeid al-Husseini. He warned that the failures of political leaders to respond to the Syrian refugee crisis, to threats posed by domestic far-right movements, to climate change and widening inequality has resulted in a "growing erosion of the carefully constructed system of human rights and rule of law". Al-Husseini warned that "fascism" is emerging as a threat to world peace, a movement no longer "confined to a secret underworld" but normalised as part of political discourse.<sup>26</sup>

In this context, it is vital for Australia to stand up and be counted when it comes to political conflicts in our region and around the world. Chief among these are the ongoing occupation of West Papua; the Rohingya crisis in Myanmar; the long-running Israel-Palestine conflict; and the Timor Sea Maritime Treaty.

#### **International political conflicts**

The people of West Papua have been enduring a brutal occupation by the Indonesian military for more than 40 years. Those who have campaigned for self-determination have suffered human rights abuses at the hands of Indonesian military officers, while the population endures a poverty rate three times the Indonesian average. The occupation is only likely to end through pressure on Indonesian authorities in Jakarta; yet successive Australian Governments have remained silent on this issue.

The Australian Government has the potential to play a significant diplomatic role in resolving the escalating crisis of the Rohingya people in Myanmar. A recent report by the United Nations High Commissioner for Human Rights included interviews with Rohingya refugees who described witnessing mass gang rape, brutal beatings, disappearances and killings, including of babies and young children. Australia has a history of diplomatic and political influence in the region and it should be used to pressure the Myanmar government to condemn the human rights abuses in Rakhine State being perpetrated by the military and immediately move to protect the Rohingya people.

A political solution to the conflict in Israel-Palestine is imperative, and the Australian Government should publicly support the rights of Israel and Palestine to live in peace within internationally defined and secure borders. Both peoples should turn away from violence and force as a way of achieving security and independence. Australia should support Israel to renounce state-terrorism against Palestinians, and all Palestinian organisations to renounce suicide bombings and actions against civilians in Israel as a means of ending military occupation and of winning independence and statehood. United Nations Resolutions (including UN Security Council Resolutions 242 and 338) must be respected. Israel must cease its decades of military occupation of Gaza, the West Bank and East Jerusalem, and return to live within its pre-1967 borders, in exchange for peace. The dispossession of Palestinians of their land in order to construct illegal settlements must cease.

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<sup>25</sup> <http://unionsforenergydemocracy.org/wp-content/uploads/2013/12/Resist-Reclaim-Restructure.pdf>

<sup>26</sup> <http://www.independent.co.uk/news/world/politics/united-nations-chilling-warning-rise-fascism-human-rights-prince-zeid-a7464861.html>

Finally, Australia is legally and morally obliged to abide by the ruling of the Permanent Court of Arbitration to draw the maritime boundary between Australia and Timor-Leste halfway between the two countries. International law is clear that the maritime boundary between Australia and Timor-Leste should lie halfway and that the resources that lie on the Timor side rightfully belong to Timor. When the average annual income for a Timorese worker is a mere \$5,446, compared to the average Australian income of \$42,450, Australia moreover has a moral obligation to negotiate the boundary in good faith. Timor deserves a fair go.

Australia faces a range of security threats, partially resulting from our own actions, including backing US extra-judicial military invasion and occupation in Iraq, subsequent deployment of US military personnel to Darwin and the continued support for the Five Eyes surveillance program.<sup>27</sup> Australia's military alliances bind Australia to Saudi Arabia, Israel, Turkey and Qatar, that are supportive of extremist groups, both directly and indirectly.

The global refugee crisis – from Palestine, to Iraq, Syria, Yemen – has been driven by the escalation of conflict in the Middle East. These conflicts are at least in part linked to the climate crisis and the stresses placed by degradation of food and water security.<sup>28</sup> The refugee crisis has demonstrated the weakening of international humanitarian law and paralysis of the multilateral system, and formed the backdrop to a rise in racist populism in Europe, Australia and the United State. Geopolitical power shifts are occurring in the context of a broader global entrenchment of authoritarian regimes across large parts of the world, including Putin in Russia, Erdogan in Turkey, Sisi in Egypt, Modi in India, Duterte in Philippines.

### **Our image abroad**

The work done by Australian development agencies in the Middle East is vital to advance Australia's interests and building peace and security in the region. As part of the Australian aid program, Union Aid Abroad – APHEDA has been involved for many years in projects with Palestinians and Palestinian refugees. We urge the Australian Government to continue to support these important projects, which have achieved so much and demonstrate Australia's support for the Middle East peace process.

In addition, Australia urgently needs to change its punitive immigration policies, which have had such a destructive effect on our image abroad since they were introduced in the 1990s. Immigration policy has hardened significantly over the past two decades, with a continued bipartisan approach to punitive refugee detention. In 2015 and 2016 Australia was condemned by the UN for its illegal policies,<sup>29</sup> and stands accused at the International Criminal Court in the Hague for crimes against humanity.<sup>30</sup> Australia's cruel refugee policies are an embarrassment to Australians both at home and abroad, undermining Australia's global reputation as a country that defends, rather than abuses, human rights.<sup>31</sup>

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<sup>27</sup> <http://edition.cnn.com/2017/02/02/asia/australia-us-relationship-trump-turnbull/>

<sup>28</sup> <https://www.scientificamerican.com/article/ominous-story-of-syria-climate-refugees/>

<sup>29</sup> <https://www.theguardian.com/law/2015/nov/10/un-countries-line-up-to-criticise-australias-human-rights-record>

[https://uploads.guim.co.uk/2016/05/17/CCPR-C-116-D-2233-2013-English-cln-auv\\_\(1\).pdf](https://uploads.guim.co.uk/2016/05/17/CCPR-C-116-D-2233-2013-English-cln-auv_(1).pdf)

<sup>30</sup> <https://www.theguardian.com/australia-news/2017/feb/13/international-criminal-court-told-australias-detention-regime-could-be-a-against-humanity>

<sup>31</sup> <https://www.theguardian.com/australia-news/2016/aug/17/close-the-bloody-camps-protesters-disrupt-malcolm-turnbull-speech>

#### 1.4. WORKERS' RIGHTS, TRADE UNIONS AND SAFETY AT WORK

One way for workers in developing countries to win their fair share of global economic growth and enable their families to lead lives of dignity, free from want, is to strengthen their ability to organise and bargain collectively. Recent research by the IMF shows that decline in unionisation correlates strongly with increased income inequality, even after controlling for other factors such as technological change, financial deregulation, and declining top marginal tax rates.<sup>32</sup> Trade unions help their members achieve living wages and in this way improve their living standards, end poverty and decrease inequality.

But the impact of trade unions is not limited to reducing income inequality. Labour rights are essential human rights, as recognised in Articles 23 & 24 of the UN Declaration of Human Rights. Trade unions are needed to defend and enhance these labour rights, especially in a globalised world economy where child labour, bonded labour, forced or slave labour, discrimination on race or gender, health and safety conditions in workplaces and poverty through low wages remain commonplace.

Union Aid Abroad - APHEDA is committed to having trade union development recognised and supported by the Australian Government within the official development assistance program as it is currently excluded. Support for the development of free, independent and democratic trade unions should be a key component of governance and human rights initiatives as it is in other developed countries such as the US, Sweden, Norway, Denmark, the Netherlands and Japan.

Unions are also important actors in civil society. Union Aid Abroad - APHEDA believes a diverse civil society is important for the development and maintenance of democratic rights, both nationally and internationally. Civil society includes all participatory organisations that aim to enhance the lives or wellbeing of their members or wider society and includes trade unions, churches, human rights organisations, groups assisting the most marginalised and other community organisations. The potential of trade unions to foster and support democracy was recently demonstrated in Tunisia; in 2015, the Union Générale Tunisienne du Travail (UGTT) co-won the Nobel Peace prize for its role supporting a peaceful transition to democracy.

Respect for the basic rights that underpin civil society is important. This includes an independent judiciary, a free media, a democratic voice, the right to an education and the other fundamental rights of people such as the right to assembly, freedom of expression and the right of workers to organise and to bargain collectively.

#### **Asbestos and Asbestos-Related Diseases in South East Asia**

Every day, hundreds of thousands of people in workplaces and communities around the world are exposed to deadly asbestos. Across South East Asia hundreds of thousands of tonnes of raw asbestos and asbestos-containing materials (ACMs) are imported from Kazakhstan, Russia, Brazil and China.

- Indonesia is ranked 10th in the world for asbestos consumption with total consumption of 123,268 tons in 2015. It ranks as one of the highest asbestos consuming countries in Asia, along with China and India.
- Cambodia's import of construction materials containing asbestos has steadily increased from 14,257t in 2005 to 63,124t in 2012.
- Vietnam imported 50,000 tons of chrysotile asbestos in 2016; 36 factories are using chrysotile asbestos to manufacture roof sheets for domestic use.

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<sup>32</sup> <https://www.imf.org/en/News/Articles/2015/09/28/04/53/soint071015a>

- Lao PDR imported 8,000 tons of chrysotile asbestos in 2013; 14 factories are producing asbestos-containing roof sheeting.

Despite rising imports of ACMs across the South East Asian region, information on the use of asbestos and knowledge about its fatal impact are almost non-existent among consumers, employers and governments. Few workers in the construction industry are aware of the harmful effects of asbestos exposure, and specialist doctors or departments able to diagnose and treat occupational diseases like mesothelioma are rare. The problem of the lack of credible information available is compounded by dishonest messages from the asbestos industry promoting the “safe use” of asbestos.

The prolonged latency period (typically 25 years) for asbestos-related diseases means the impact of asbestos use not yet felt in the ASEAN region. Without asbestos bans, ASEAN countries will soon find any economic development gains from the production of asbestos-related manufacturing and use will be overwhelmingly offset by the rising health costs of treatment and the burden of compensation to victims and their families.

### **Labour migration and temporary migration schemes**

Over the past two decades, Australia has undergone a prolonged ideological attack on the legitimacy of unions, the rights of workers to collectively organise and has undergone an erosion of established labour rights. Framed as “industrial reform”, the business lobby’s campaign to make Australia a more unequal, class-divided nation attacks has included the Workplace Relations Act of 1996, WorkChoices in 2005, the establishment of the ABCC and most recently, the decision to cut penalty rates for half a million workers employed in retail and hospitality. These attacks have impacted on the pay, working conditions and living standards of millions of Australian workers.

Pro-business gains at the expense of workers in Australia have coincided with expansion of temporary labour migration schemes. Restricted migration policies are nothing new in Australia. Widespread use of forced and indentured labour on sugar plantations throughout the 19<sup>th</sup> and early 20<sup>th</sup> century was superseded by the infamous “White Australia” immigration exclusions until their repeal in 1975. Today, as immigration visa schemes are developed alongside policies that weaken trade unions and degrade labour laws, and as temporary labour migration overtakes permanent migration, we are returning to a society of tiered and racialised labour characterised by systemic racism, indenture and exploitation of migrants.<sup>33</sup>

Labour migration is a global phenomenon, driven by integrated nature of globalised economy yet increasingly also by climate change, conflict and unrest, poverty and inequality. Australia’s approach to this situation has inspired dangerous global precedents, attracting support from UKIP in the UK and other right extremists in Europe who have proposed similar approaches to immigration. Yet, despite praising the approach, UKIP’s Nigel Farage had also described the harshness of Australia’s immigration policies as “tougher than we in Britain can perhaps stomach”.<sup>34</sup>

We are concerned that restrictive temporary migration regimes do not prevent labour exploitation; rather, they help facilitate it. Restrictions on the full exercise of labour rights are present across a number of visa categories, including international student, 416 (seasonal worker), 417 (working holiday) and 457 (skilled temporary work) visas. Temporary migration schemes are structured in a manner that often forces many migrant workers into precarious and unfair employment contracts.

This includes “bonded” arrangements where visas are dependent on the goodwill of an employer and workers face restrictions and barriers in changing employers. Due to fear of repercussions, many temporary migrant workers are effectively excluded from asserting or exercising their rights.<sup>35</sup> Working for as little as \$6 per hour, temporary migrants are also pushed into the informal economy where real rates of pay are dramatically below legal minimum rates. Systemic exploitation through “cash-in-hand” work is alarmingly common in certain large industries, especially hospitality, retail, cleaning, agriculture and construction. The Australian Taxation Office (ATO) has identified the informal economy as a major tax integrity risk, and has estimated it to account for between \$2 and \$3 billion in lost tax revenue annually.<sup>36</sup>

A viable global migration system is needed to cope with the ageing crisis in the developed world. Alongside Europe, Japan and US, Australia is experiencing an ageing population and care crisis due to growing dependency rates of elderly requiring care relative to the number of working age people. Demographics will be a long-term driver of mass migration from the Global South to meet shortages in the ageing societies, and the manner in which labour supply is managed will impact on people in both developing and developed economies. The escalating global care crisis is compounded by gender inequity, poor investment in health, education and early childhood development – hampering economic and social sustainability.<sup>37</sup>

## 2. RESPONDING TO THE CHALLENGES AND THREATS

Australia must respond to the challenges and threats through solidarity and goodwill, rather than through short-term self-interest. Australia’s foreign policy priorities should uphold the multilateral system and address real threats to Australia, including the crisis of spiralling inequality, the climate emergency, the humanitarian and refugee crisis and the threats to democracy and social stability arising from authoritarian political leaders. To effectively respond, Australia needs a shift in domestic and foreign policy priorities to redress inequality, address the climate emergency, provide leadership on migration and labour rights and revive the currently discredited overseas aid program to assist people rather than business.

### 2.1. REDRESSING DOMESTIC AND GLOBAL INEQUALITY

The Australian Government needs to abandon the logic of endless tax cuts and tax competition and take both unilateral and multilateral action to address loss of revenue resulting from tax evasion. Ensuring that corporations and individuals are adequately taxed, it must invest the proceeds into essential services domestically, and revive international aid to reduce inequality abroad.

#### **Recommendations:**

- Continue to emphasise gender equality and women’s empowerment, including support for Australian and international organisations working to support women to lead fulfilling lives free from discrimination and violence.
- Enact laws to force large corporations to publicly report their incomes, taxes paid, profits and employees in every country in which they operate.

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<sup>35</sup> APHEDA, (21 July 2016) ‘Temporary labour mobility in Australia and the Pacific Islands: A research paper by Union Aid Abroad’ (unpublished)

<sup>36</sup> <http://www.smh.com.au/business/workplace-relations/illegal-cashinhand-payments-in-australias-black-economy-on-the-rise-20161111-gsnaue.html>

- Adhere to the commitment to establish a public registry of ultimate beneficial owners of companies, foundations, trusts, and accounts that include all companies registered in, or operating in and from Australia. Public information of this nature will make it harder for multinationals to dodge tax, and provide developing country tax authorities with the necessary information to ensure companies comply with tax rules.
- Pursue multilateral actions to close tax havens, and adequately resource the ATO to pursue tax avoiders to recuperate lost tax revenues
- Increase taxes on Australian and foreign corporations, and restore a fair level of wealth and inheritance tax on the wealthiest citizens who have reaped the advantages of income and wealth growth at the expense of the vast majority of citizens
- Provide global leadership on addressing inequality by ensuring a fair social welfare system, reforming Centrelink and ending the victimisation of welfare recipients including the homeless and unemployed; reversing cuts and raising the Newstart allowance by at least \$50 per week, in line with recommendations from ACOSS and the corporate sector.<sup>38</sup>
- Provide global leadership on public sector investment for communities by increasing spending on social services, healthcare, education and welfare – investment in these areas is both beneficial to ordinary people, essential to economic prosperity, and yet too often framed solely in term of “costs” to taxpayers

## 2.2. ADDRESSING THE CLIMATE EMERGENCY

The Australian Government needs to respond to the global climate emergency. With our Pacific neighbours already losing lives and livelihoods to rising sea levels, and extreme weather events and heat impacts manifold across Asia and the Middle East, Australian domestic policy around fossil fuels is a foreign policy issue. Australia risks being left behind, politically and economically, with a legacy of dangerous and polluting infrastructure which will be redundant in the near future. Australia must phase out its dependence on coal-based energy systems and invest in a “just transition” for workers and communities in coal-dependent communities., Australia should review and phase out subsidies to a number of fossil fuel industries and invest instead in a large-scale energy transition to renewable energies including wind and solar.

### **Recommendations:**

- Reverse the decision to provide federal funding of up to \$1 billion for a railway to serve Adani’s proposed Queensland coal mine and redirect that funding towards supporting a clean energy economy.
- Develop a coordinated plan to deliver a Just Transition for coal-fired electricity workers and communities, as per the recommendations made by the ACTU to the recent Senate inquiry into the retirement of coal-fired power stations.<sup>39</sup>
- Create a national independent statutory authority to navigate the transition to a clean energy economy and ensure a Just Transition for workers and communities.
- Phase-out subsidies to the fossil fuels sector, including non-agricultural fuel tax credits, exploration and prospecting deductions for the mining industry, statutory effective life caps for the oil and gas sector and the concessional rate of excise levied on aviation gasoline and

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<sup>38</sup> [http://www.acoss.org.au/media\\_release/kpmg-repeats-its-call-for-an-increase-to-newstart/](http://www.acoss.org.au/media_release/kpmg-repeats-its-call-for-an-increase-to-newstart/)

<sup>39</sup>

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Environment\\_and\\_Communications/Coal\\_fired\\_power\\_stations](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Coal_fired_power_stations)

aviation turbine fuel, to generate \$7.7 billion in budget savings, as recommended by 50 civil society groups in March 2016.<sup>40</sup>

- Overhaul the petroleum rent resource tax (PRRT) and generate \$4 to \$6 billion in tax revenue from enforcing a 10% royalty tax on all offshore oil and gas projects in Australia, as recommended by Tax Justice Network Australia.<sup>41</sup>
- Reinvest revenue raised from ending fossil fuel dependence into renewable energy industry with a ‘just transition’ approach to mining-dependent communities,<sup>42</sup> including a fully financed green jobs reskilling program for mining professionals to transition to skilled employment in non-polluting industries.<sup>43</sup>
- Stop ideological attacks on the renewable energy sector, restore subsidies to Australian homeowners and energy consumers to incentivise transition to renewable energy.
- Reverse cuts to CSIRO funding, and invest in research into alternative energy technology, to restore Australia’s lead in innovation of green industry.

### 2.3. UPHOLDING DEMOCRACY, PEACE AND MULTILATERALISM

Australia has direct strategic interests, and participates in multilateral institutions, in three global regions:

- Pacific region: Pacific Island Forum
- South East Asia: ASEAN
- Indian Ocean: Pacific Forum

Defined objectives and strategies are needed for each region to inform engagement with our neighbours and multilateral processes. The consequences of geopolitical power shifts are still unfolding, with a changing view of the developing world and the Global South and what defines it. The impacts of Trump and Putin governments are still emerging, and consequently new roles of China. For this reason, the potential of conflict in the South China Sea to destabilise our region is an important security consideration for both Australia and our neighbours.

On four key political conflicts internationally, we believe the Australian Government should:

- Leverage its long-standing trade relationship with Indonesia to pressure the government on this issue and support West Papuans campaigning for their own self-determination.
- As per the Senate motion passed unanimously on 16 February 2017, that the Australian Government call on the Government of Myanmar to assert religious and ethnic equality of all people in Myanmar, including the persecuted Rohingya people in Rakhine State; and consider calling for a UN Commission of Inquiry into human rights abuses in Myanmar.
- Publicly support the rights of Israel and Palestine to live in peace within internationally defined and secure borders; vote in favour of United Nations General Assembly resolutions regarding the applicability of the Fourth Geneva Convention to Israeli settlements in the

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<sup>40</sup> <https://newmatilda.com/2016/04/26/govt-urged-to-pull-the-handbreak-on-fossil-fuel-industrys-7-7-billion-free-ride/>

<sup>41</sup> Tax Justice Network Australia, submission to PRRT review: <http://www.treasury.gov.au/ConsultationsandReviews/Reviews/2016/Review-of-the-Petroleum-Resource-Rent-Tax/Consultation/Submissions>

<sup>42</sup> <http://cfmeu.com.au/your-union/policies/climate-change>

<sup>43</sup>

[https://www.researchgate.net/publication/267551724\\_A\\_Just\\_Transition\\_to\\_a\\_clean\\_renewable\\_energy\\_economy\\_is\\_urgent\\_-\\_and\\_possible](https://www.researchgate.net/publication/267551724_A_Just_Transition_to_a_clean_renewable_energy_economy_is_urgent_-_and_possible)

Occupied Palestinian Territory; and state clearly that the dispossession of Palestinians of their land in order to construct illegal settlements must cease.

- Resolve fair and equitably treaty in the Timor Sea along internationally agreed boundaries – a key way to reduce Timor-Leste’s reliance on international aid.
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In order to begin to amend the damage done to Australia’s reputation abroad by more than two decades of punitive immigration policy, the Australian Government should:

- End the policy of mandatory detention for refugees, a policy that has degraded Australia’s international reputation on human rights for a quarter of a century.
  - Abolish expensive Border Force department and Operation Sovereign Borders
  - Close Nauru and Manus Island refugee detention centres and resettle refugees in Australia
  - Terminate corporate contracts to Serco and other contractors in the detention industry
- Invest \$3 billion in annual budget savings raised from abolishing militarised border protection policies to:
  - Increase Australia’s refugee intake and resettle refugees from the region – including those displaced by climate change – to Australia
  - Establish well-resourced international humanitarian aid offices for regional processing of asylum claims and resettling refugees in coordination with others
  - Involve local councils and citizens in decision making as to how resources could be spent in communities on resettlement, education and employment services in rural, regional and metropolitan communities
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Official Development Assistance plays an important strategic role. However, the credibility of Australia’s aid program has been eroded, as it is increasingly channelled into corporate subsidies and deployed in the form of ‘loans’, creating debt from which some countries can never be released. Australia (along with other world powers) must cease re-orienting aid as effective subsidy to national businesses, and instead approach aid as a form of solidarity.

#### **Recommendations:**

- Shift DFAT-related funding from war engagement to humanitarian and refugee needs
- Recognise the critical role of multilateral agencies and international humanitarian law in addressing gender equality, labour rights, poverty and inequality
- Negotiate trade deals that ensure fair trade practices – governments must ensure they maintain sovereignty in trade deals, including citizen access to affordable health care and labour rights
- Rebuild an ambitious overseas aid program with a focus on reduction of inequality and poverty alleviation, climate justice and building sustainable social movements
  - Direct aid funding to non-profit civil society and multi-lateral mechanisms
  - Launch inquiry into profiteering from contracts in the aid sector
  - Increase volume of aid to 0.7% of gross national income (GNI)
  - Develop a trade union development program
  - Place gender equality at the centre of development strategy
  - Ensure that all Australian aid infrastructure projects are asbestos free

#### **2.4. PROVIDING LEADERSHIP ON WORKERS’ RIGHTS AND FREEDOM OF MOVEMENT**

Union Aid Abroad – APHEDA believes the only way to protect Australian workers and their families from the health hazards of asbestos is to work towards a worldwide ban of asbestos. The Australian Government has an important role to play in supporting its trading partners in Asia and around the

world to develop their own country bans on asbestos as an interim strategy. Australia has the opportunity to lead the way in coordinating a strategic regional approach towards the banning of manufacture of products containing asbestos.

With this in mind, we urge the Australian Government to:

- Continue to support the Asbestos Safety and Eradication Agency (ASEA) to fulfil its stated strategic goal of Australia playing a leadership role in a global campaign aimed at securing a total worldwide ban in the production and trade of asbestos and asbestos-containing materials (ACMs).
- Continue its strong advocacy, especially to Asian country governments, to support the addition of asbestos to Annex III, the list of hazardous substances, at the eighth meeting of the Conference of the Parties to the Rotterdam Convention (RC COP-8) between 24 April and 6 May 2017.
- Undertake bilateral and regional advocacy, including at APEC and the ASEAN Forums and other relevant inter-governmental meetings.
- Ensure strong support for Australian Embassies worldwide to play a role at the country level, including preventing the use of ACMs in infrastructure and construction projects funded by the Australian aid program, following the lead of the Laos Australian Embassy which has banned the use of ACMs in DFAT-supported infrastructure projects in Laos.

Union Aid Abroad – APHEDA supports a well-designed labour mobility program as an effective mode of solidarity for our region to enable decent work and development for communities, especially for our Pacific neighbours who are some of the most aid-dependent nations in the world. Current policies set Australia on a trajectory of entrenched division according to immigration status, preventing migrant workers from exercising basic rights that other workers can access. We risk returning to a society characterised by exploitation of migrant workers, not universal labour rights, one of the entrenchment of the informal economy and irregular work, underpinned by erosion of labour standards for all workers.

Across the world, labour migration continues to shape the integrated global economy, as many developed countries enter a period of long-term contraction in their working age populations. Australia must show leadership and stand for a world in which the right to cross borders – whether out of economic necessity, climate change related displacement or fear of persecution – is accorded to all, not just the selected few. Millions of people in Australia and billions across the world stand for a better world defined by universal prosperity, equal rights and solidarity to neighbours.

#### **Recommendations:**

- Restore collective bargaining and strengthen the role of trade unions to rebuild a system of strong minimum wage laws and protection of workers, especially youth, migrants and women.
- Promote the role of trade unions internationally as a key institution that can contribute to the reduction of inequality<sup>44</sup>
- Reform exploitative immigration visa categories which allow employers to create a “second tier” labour system that is highly exploited, drives labour demand in the informal economy and undermines labour rights for all workers
- Develop an integrated policy for climate change induced mobility, incorporating existing temporary migration schemes, and introducing permanent migration pathways for Pacific Islanders forced to relocate as a consequence of climate change
- Support rights of workers in Australia and across the world to organise and defend their rights, seek equality and protect their health.

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<sup>44</sup> <https://www.imf.org/en/News/Articles/2015/09/28/04/53/soint071015a>

- Uphold UN Conventions that Australia is currently in breach, including the Geneva Convention, the Convention Against Torture and the International Covenant on Civil and Political Rights
- Reaffirm Australia's commitment to ILO Conventions to which it is a signatory, especially in regards to collective bargaining rights and the rights to organise, restore funding cuts to ILO programs.