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File/Our Ref: 37.40
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21 February 2019

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Re: ASU Submission in response to Australia-EU FTA e-commerce (digital trade) chapter

The Australian Services Union (ASU) welcomes the opportunity to provide written comments on the EU's proposed e-commerce (digital trade) chapter.

The ASU is one of Australia's largest Unions, representing approximately 135,000 employees. ASU members work in a wide variety of industries and occupations including: Local and State government, Social and community services, Transport, Clerical and administrative, Call centres, Electricity and Water industry.

Digital trade has become a fundamental factor in the development of modern Australia. It concerns the economy as a whole, fostering employment, entrepreneurship, innovation and growth. At its best, it helps improve productivity as well as the quality of goods and services provided whilst benefiting workers and consumers alike.

Like any trade policy, digital trade should be measured through quality job creation, rising wages, economic security and quality of life. Digital trade should encourage innovation rather than oligopoly. Currently firms such as Google, Apple, Facebook, Uber and Amazon monopolise their power by crushing competition, avoiding taxes, undermining democracy and invading privacy.

Many concerned commentators believe these powerful tech corporations are trying to use existing goods agreements (such as e-commerce Free Trade Agreements) to advance their business interests.

Regulation of trade and services is an important issue that ensures domestic consumers and business (small and big) receive a fair and equitable share of the services that are available within a society.

It is important that government sets regulation that maximises the benefits and opportunities of the digital economy for the community.

The Australian Fair Trade and Investment Network (AFTINET) of which the Australian Services Union is a member has issued a warning that any e-commerce free trade deal would severely constrain the policy space of countries to develop their economies in the future¹.

¹ AFTINET (2019), "Rich countries plan exclusive e-commerce deal for global tech companies at Davos" [online] Accessed at: <http://aftinet.org.au/cms/node/1684>

The ASU believes the following issues need to be considered before any new FTA e-commerce deal is agreed to:

Consumer protection and privacy

Strong policies for consumer protection are needed around matters of privacy and data protection. Data privacy is a human right but recent revelations, such as Facebook's privacy problems, have given rise to some of the negative side effects of so much data being collected, transferred and used.

We must ensure that nothing in a trade deal diminishes the protection of personal data and privacy afforded to our citizens.

Taxation and anti-oligopoly markets

Steps need to be taken to decentralise the current digital economy structures and market power abusers. Newly created digital value must be used to support and protect small business providers, workers etc. that are threatened by current digital platforms.

Additionally powerful tech companies should be liable for tax contributions in jurisdictions in which they operate for profit. Any tax rules that allow large corporate providers to artificially reduce their taxable income or shift profits to low tax jurisdictions must be abolished.

Government should act at an international level to agree on international rules on taxation of digital companies, data flows, job creation, consumer protection and ensure meaningful transparency.

We also need to ensure Australia develops its own digitalisation agenda and does not simply copy, or worse, promote e-commerce rules that have been developed by powerful tech firms to open markets, secure data and constrain government regulation.

Any free trade deal needs to ensure Australian workers are given a fair go to raise living standards through economic and employment growth by ensuring fair wages, job security and fair conditions. In addition we oppose any trade agreement that allows foreign companies to get an unfair advantage or be out of touch with the Australian community and/or seek to take the profits from the provision of public services in Australia to their shareholders in other communities and other societies throughout the world. Profits from Australian public services should stay in Australia.

Yours faithfully



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