



30<sup>th</sup> November 2022

## **Submission into the new Australian International Development Policy**

Page | 1

Public Services International (PSI) brings together more than more than 700 trade unions representing 30 million workers in 154 countries and territories. We are a global trade union federation dedicated to promoting quality public services in every part of the world. Our members, two-thirds of whom are women, work in social services, health care, municipal and community services, central government, and public utilities such as water and electricity. PSI represents public sector and private sector workers who work in public services.

Within the Oceania sub-region, PSI represents workers in Australia, Cook Islands, Fiji, New Zealand, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu. Our role includes the coordination of advocacy related to issues that affect our members and the communities in which they live.

We welcome the opportunity to make this submission into the consultation on the new International Development Policy.

*In response to the TOR PSI has the following recommendations for the Australian Government:*

### **1. Partner with Pacific Island public sector trade unions to strengthen capacity for inclusive sustainable development.**

- **A new program should be created using Official Development Assistance (ODA) that partners with Public Services International and public sector unions across Pacific Islands Countries (PICs).**

Strengthening the capacity of trade union movements in PICs is key to decreasing inequalities and supporting prosperity in the region. The COVID-19 pandemic is continuing to hamper inclusive sustainable development. The increasing and in some cases existential impacts of the climate crisis threatens the creation of decent work and inclusive development. Prosperity occurs through secure employment, the provision of living wages and universal access to essential public services such as healthcare and training. The International Monetary Fund has recognized that higher trade union density results in lower inequality.<sup>1</sup> The International Labor Organization has found collective bargaining agreements play a key role in reducing inequality and gender wage gaps.<sup>2</sup> Australia is

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<sup>1</sup> Florence Jaumotte and Carolina Osorio Buitron(2015), "Inequality and Labor Market Institutions," International Monetary Fund, [Accessed online 30/4/2020: <file:///C:/Users/treddington/Downloads/sdn1514pdf.pdf>].

<sup>2</sup> For example see; Jill Rubery and Mathew Johnson(2019), "Closing the Gender Pay Gap: What Role for Trade Unions?" International Labour Organization, [Accessed online 30/4/2020: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_dialogue/---actrav/documents/publication/wcms\\_684156.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_684156.pdf)].



critically placed to use a partnership model to strengthen the capacity of the democratic union movement across PICs.

Public sector trade unions in PICs provide a key development partner for the Australian government. Public sector trade union in PICs are foundational members of their respective union movements.

Page | 2

They are often the most established, have large memberships and advocate for universal social protection through the provision of quality public services for all. Despite this they often lack overall capacity and technical expertise. The PSI Oceania sub-region fosters strong networking and exchange between Australia, New Zealand, and Pacific Island public sector unions. From time to time, we are also able to offer focused capacity building workshops. For example, recently in partnership with Forsa and Irish Aid we ran a capacity building program for public sector unions from small island developing nations in conjunction with the ITUC world congress in Melbourne, Australia. This 5-day program looked at opportunities to strengthen transparency and accountability in public services as well as exploring how public sector unions could support a just transition for workers impacted by the climate crisis.

Pacific Island public sector unions have identified an opportunity for ongoing and consistent capacity building to strengthen in-country operations and impact. Australia is uniquely placed to create a new program using ODA to support this. In the Indo-Pacific region most of the ODA for democratic trade union development is focused on Asia so there is a key gap in PICs. There are already existing strong relationships between trade unions in PICs and Australia. PSI is well positioned to administer such partnerships. Trade union development is a key pillar of PSI's work globally. PSI partners with a range of mainly European agencies that administer ODA for trade union development and has strong internal capacity to meet standards, oversee project cycle, including monitoring and evaluation.

Some examples of PSI trade union development projects in the Indo-Pacific region include:

a. Recognition for South Asia Community Health Workers

Across India, Pakistan, Nepal and Bangladesh, maternal and child health indicators have dramatically increased since the introduction of community health services designed to deliver health services to rural, remote and low-income families. The women who deliver these vital health services (known as Lady Health Workers, Community Health Volunteers and Accredited Social Health Activists), who are mainly from marginalised castes and income groups, have not been recognised as workers entitled to a minimum wage or social protection. With support from PSI and funding from Sweden, Finland, the Netherlands and Ireland, these frontline women health workers have been able to unionise, organise and, in the case of Pakistan, been recognised as public health workers entitled to wages and security. In Nepal, the unions have won priority Covid-19 immunisation for workers and Covid-19 payments while also supporting a significant number of CHWs to successfully run-in local elections.

b. Energy sector workers engaging in social dialogue in Indonesia

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Public Services International is a Global Union Federation of more than 700 trade unions representing 30 million workers in 154 countries. We bring their voices to the UN, ILO, WHO and other regional and global organisations. We defend trade union and workers' rights and fight for universal access to quality public services.

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Since 2018, PSI has strengthened the capacity of energy sector unions in Indonesia through a development partnership with SASK Finland. The project has worked with other global unions federations to enable disparate and in some cases antagonistic unions to come together and create a joint platform for the benefit of the 100,000s of workers in the sector. The unions have received training in ILO core conventions including enterprise bargaining and social dialogue. This has enabled the unions, through their newly established joint platform to engage in a collective bargaining process, which is currently being finalised in 2022. This work has also enabled the introduction of the concept of Just Transition to the energy sector unions and plans to operationalise the concept in the Indonesian context.

## **2. Engage with Pacific Island public sector trade unions as a key party to further human rights and democracy in the region.**

- **Attacks on democratic institutions and trade union rights are increasing across the region. Australia can play a crucial role in engaging trade unions as a key party to further human rights and democracy. Indicators to measure progress on decent work and trade union rights should be imbedded in the international development program.**

Trade unions are a key component of civil society in PICs. They are vital to defending democratic institutions and advancing rights-based inclusive development. Pacific Island public sector unions advance wage justice, pay equity, occupational health and safety, universal quality public services, just transition, and transparency and accountability.

Across PICs threats to democracy, including freedom of expression and attacks on trade union rights are increasing. In Fiji under the Banaraman Administration, trade unions continue to face a repressive environment where freedom of association is attacked. Recently in the Solomon Islands the Sogavare Government used emergency powers under the pandemic to strip unions of rights. In Samoa the Mata'afa Administration continues to refuse to engage in social dialogue with the Public Service Association following allegation of political interference in the public service.

Australia must engage Pacific Island public sector unions as a key party through its international development program and coordinate meaningful participation of unions across DFAT's architecture. The international development program should include robust indicators on decent work and trade union rights.

## **3. Ensure that Australia's Official Development Assistance (ODA) to the region builds the quality public services and public administration needed for healthy democracy and sustainable development.**

- **Some of Australia's ODA has previously gone to privatising public services and has been channelled through Australian for-profit companies. This has damaged and reduced public services and can be seen more in the interest of Australia than the receiving country. Safeguards must be introduced to the international development program to ensure that ODA does not result in privatisation, outsourcing or corporatisation of public services.**



Quality public services are fundamental to the sustainable development of PICs. The ongoing impact of the COVID-19 pandemic, and looming existential threat posed by the climate crisis, exposes the unique vulnerabilities of PICs. Australia must re-orientate its approach and apply a public-goods model for its support and engagement within the region. Sustainable development is best served by coordinated and regulated services that are staffed by skilled and dedicated staff; publicly owned and managed services, quality public services, are best placed to achieve these goals. Strengthening the capacity of PICs to deliver quality public services, operated, and run by the state, must be central to Australia's new international development policy. The policy should introduce indicators to measure the degree to which public services are being strengthened and this should include engagement with public sector union representatives as well as service users as key parties. Safeguards must be introduced to ensure that ODA does not result in privatization, outsourcing or corporatization of public services.

Australia is obligated to provide a minimum of 0.7% of its Gross National Income in Official Development Assistance (ODA). Currently this falls well short. ODA arises from the international legal principle of solidarity and is essential in the development of a global partnership. ODA must adhere to the principle of country ownership and must not be used as a trade liberalization related bargaining chip. The support of nationally owned and generated public services is the best model for sustainable development. Australia must increase its ODA in line with its global obligation and make direct and reliable grants available to PICs government to strengthen the capacity of quality public services owned and operated by the state.

Under the previous Australian government there was a range of questionable practices across the region, where ODA appeared to benefit Australian for-profit companies and result in the privatization of public services. The case in Fiji of the privatisation of the Lautoka district hospital and the newly built Ba hospital provides a concerning example. Controversial Australian company Aspen Medical<sup>3</sup> secured a contract with the Fijian government in 2019 to privatize both hospitals. This agreement granted Aspen Medical a 23-year concessional term to run and operate the hospitals. The announcement was met by controversy from its inception, including public criticism and sustained delays even before the COVID-19 pandemic. The Lautoka hospital is a public hospital with 350 beds and a feeder hospital serving the greater district. Health workers and communities raised concerns around the impact this would have on access to critical health care and if privatization was appropriate in Fiji. In April 2022, over 3 years since the initial announcement, Aspen Medical commenced management of the two hospitals. It was revealed through senate estimates in 2021 that A\$ 1,386,500 of ODA to Fiji was spent on the project between 2016 and 2021. DFAT claimed that the aid money was directed to the International Finance Corporation to support the preparation and tender of the Public Private Partnership and Australia was not involved in selection process which saw the contract awarded to Aspen Medical.

Public sector worker migration to Australia from PICs is creating chronic worker shortages and negatively impacting the delivery of public services in PICs. Australia who is benefitting from this labour migration has an obligation to strengthen the delivery of quality public services in the sending

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<sup>3</sup> [Aspen Medical was given more than \\$1 billion in government PPE contracts despite no experience in large-scale procurement - ABC News](#)



countries. For example, the Fiji Nurses Association is reporting an unprecedented level of chronic nurse shortages due to migration to especially Australia. This is leaving the public health system in crisis, with often highly qualified nurses leaving for lower skilled jobs.<sup>4</sup> While it can be understood why workers seek better pay and conditions abroad, Australia has a responsibility to the PICs whose public sector workers it is benefiting from. An important starting point is for Australia to provide its fair share of ODA to strengthen quality public services, such as a public health system that is adequately resourced and recognizes its workforce through fair pay and safe conditions.

Page | 5

End of submission.

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<sup>4</sup> [Labour schemes drawing nurses from across Pacific to lower-qualified aged care jobs in Australia, New Zealand - ABC News](#)