



Introductory letter to the Incoming Minister for Trade

October 2020

Congratulations

Congratulations on your appointment as Minister for Trade. We look forward to working with you to make a real difference for people living in New Zealand.

About the PSA

The Public Service Association (PSA) Te Pūkenga Here Tikanga Mahi is New Zealand's largest union with nearly 77,000 members. We have included a leaflet with information about the PSA, its purpose, strategic goals, governance and membership. The PSA is an affiliated union to the Council of Trade Unions (CTU) Te Kauae Kaimahi.

We welcome the opportunity to work with you directly and via the CTU on ongoing trade negotiations such as the EU-NZ free trade agreement (FTA) negotiations; the UK-NZ FTA negotiations; negotiations for a "Pacific Alliance" FTA with Chile, Colombia, Mexico and Peru; the plurilateral E-Commerce agreement on the margins of the World Trade Organisation (WTO); and the monitoring of the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPPA).

PSA expectation for trade

The PSA supports a fair international trade regime which respects, protects and fulfils workers' rights and economic and environmental sustainability in NZ and internationally. In the context of New Zealand (NZ)/ Aotearoa it also needs to respect Te Tiriti o Waitangi.

The Trade for All Agenda and ongoing trade negotiations are an integral part of the government's wellbeing approach which means that trade serves the people, communities and their wellbeing. Trade policy must protect and promote: New Zealand's national interest and public services; New Zealanders' health and wellbeing; worker and union rights; gender equity; the rights of indigenous peoples; small and medium sized enterprise (SME) participation in national and international markets; inclusive regional economic growth, poverty reduction and sustainable job creation; traditional knowledge; and our environment, including minimising our contribution to climate change. Preserving the right of governments to regulate in the public interest, including for national land markets, our environment, taxation of multinational businesses and the provision of public services is a paramount condition in the PSA's vision for trade. In our vision the public good is not surrendered to private power but private power is subordinated to the public good.

Key priorities for trade

Insufficient rules on services can contribute to increased harmful private competition and impinge on NZ's ability to run public services in the public interest and reverse privatisations where they have already occurred. The PSA has a particular interest in the implications of trade agreements on state-

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owned enterprises, government procurement policy, government insurance cooperatives and the future of Pharmac. Government procurement rules increasingly prevent both central government and potentially local government from using their buying power to support economic development to increase economic opportunities, productivity and decent work. Trade rules shouldn't narrow NZ's options to tax multinational corporations whose business models avoid contributing to the revenue needed for our public and community services. The Investor-State Dispute Settlement (ISDS) which still exists in many of New Zealand's existing agreements should not be used in the future and ideally be removed from FTAs. Rejecting the ISDS paves the way to more progressive labour laws and practices which increase economic opportunities by making distribution of income and opportunities fairer.

For instance, the European Union (EU) as well as the UK are major financial, educational, and commercial services centres. The UK based services company Serco has been heavily involved in a number of roles in New Zealand. Serco's failure in prison privatisation here is well known. Serco has made negative headlines in the UK in June 2020. They were fined again for failures on a government contract just months before they secured a lucrative contract for the COVID-19 contact-tracing programme. Other service corporations with international interests are BUPA and Veolia. The UK's many privatised industries such as water, electricity and rail similarly may lead to strong interests in these areas in NZ. This can result in pressure to increase private provision of public and community services in NZ. If we do not protect our public and community services, we risk running services by overseas companies which we cannot influence, control and change. We also risk trading community organisations (such as iwi and other NGOs) with a vested interest in the community, for profit making companies which have a stronger interest in serving their shareholders rather than people living in New Zealand.