

OPEN

MINUTE ITEM

ATTACHMENTS

**Ordinary meeting of the
Governance Committee**

**Thursday 20 August 2015
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

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TPP Free Zone Legislation

Whereas the TransPacific Partnership (TPP) is being negotiated between the US and 12 or more Pacific Rim countries by the NZ Trade Representative in secret without any consultation with our local government; and

Whereas, the text is being drafted with transnational corporations which will benefit greatly from its rules;

Whereas, the TPP text has not been made available to the public or even to our local officials;

Whereas the TPP would have direct, potentially undesirable consequences for our municipality, its people, its local businesses, and its ecological systems;

Whereas the Investment Chapter of the TPP, which was leaked in 2012, would allow foreign corporations to sue the NZ over any law or regulation violating TPP rules which could take away their “right” to future profits and therefore potentially rob our municipality of needed protections for our people, local businesses and environment;

Whereas TPP financial rules would prevent regulation of risky financial products such as “interest rate swaps” thereby threatening the financial stability of our government and more broadly the stability of our overall economy;

Whereas NZ food safety rules could be challenged by foreign corporations as “illegal trade barriers” if higher than standards in other TPP countries thus threatening the health of our residents;

Whereas the TPP would provide large pharmaceutical firms with new rights and powers to increase medicine prices and limit access to cheaper generic drugs which would impact our residents;

Whereas NZ would agree to waive “Buy NZ” or “Buy Local” requirements aimed at enhancing our local economy and creating local jobs;

Whereas, we would have no right or ability to represent our interests before the foreign tribunals which would have the authority to hear cases brought by corporations under the TPP; and

Whereas such rulings might require taxpayer compensation which could impact the financial health of our municipality and its residents;

Therefore the City Council of Nelson hereby declares as a matter of law that Nelson is a TPP-Free Zone where we will not recognize the secretly negotiated rules laid down without our consent nor any decisions by any secret tribunals which would in any way diminish our ability to act in the best interest of our residents and our local businesses and to protect our ecological systems.

Further, we will convey our ordinance to our MP, to the PM, and to Trade Representative Grosser, with our demand that all text be made public and that all further negotiations cease.

And finally, if despite the harm to our community and our nation, Cabinet approves the TPP, we will take all necessary measures to ensure that this ordinance is enforced.

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9 May 2013

Hon Tim Groser
Minister of Trade
Parliament Buildings
Wellington

Dear Minister

Trans-Pacific Partnership and Free Trade Agreements

I would like you to give the following objectives due consideration when negotiating the terms of the Trans-Pacific Partnership and Free Trade Agreements to the following:

- i. Continue to allow the Nelson Council and other councils, if they so choose, to adopt procurement policies that provide for a degree of local preference; to choose whether particular services or facilities are provided in house, by council controlled organisations (CCOs) or by contracting out; or to require higher health and safety, environmental protection, employment rights and conditions, community participation, animal protection or human rights standards than national or international minimum standards.
- ii. Maintain good diplomatic and trade relations and partnerships for Nelson and New Zealand with other major trading partners not included in the agreement, including with China.
- iii. Provide substantially increased access for our agriculture exports, particularly those from the Nelson region into the US market;
- iv. Do not undermine PHARMAC, raise the cost of medical treatments and medicines or threaten public health measures, such as tobacco control;
- v. Do not give overseas investors or suppliers any greater rights than domestic investors and suppliers, such as through introducing Investor-State Dispute Settlement, or reduce our ability to control overseas investment or finance;
- vi. Do not expand intellectual property rights and enforcement in excess of current law;
- vii. Do not weaken our public services, require privatisation, hinder reversal of

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Motion.Motion

privatisations, or increase the commercialisation of government or of Nelson Council or other local government organisations;

- viii. Do not reduce our flexibility to support local economic and industry development and encourage good employment and environmental practices and initiatives like Council Cadetships, COMET and the Mayor's Taskforce for Jobs which enable marginalised young people to develop their skills and transition into meaningful employment;
- ix. Contain enforceable labour clauses requiring adherence to core International Labour Organisation conventions and preventing reduction of labour rights for trade or investment advantage;
- x. Contain enforceable environmental clauses preventing reduction of environmental standards for trade or investment advantage;
- xi. Allow general exceptions to protect human rights, the environment, the Treaty of Waitangi, and New Zealand's economic and financial stability;
- xii. Negotiate with real public consultation including regular public releases of drafts of the test of the agreement, and ratification being conditional on a full social, environmental and economic impact assessment including public submissions.

Yours sincerely

Aldo Miccio
Mayor of Nelson



Office of Hon Tim Groser

Minister of Trade
Minister for Climate Change Issues
Associate Minister of Foreign Affairs

16 SEP 2013

Aldo Miccio
Mayor of Nelson
Nelson City Council
PO Box 645
Nelson
NEW ZEALAND

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20 SEP 2013
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Dear Mr Miccio

Thank you for your letter on 9 May 2013 regarding the Trans-Pacific Partnership (TPP) negotiations.

New Zealand's goal in TPP is to reduce the barriers our exporters face and improve their competitiveness in the Asia-Pacific region. TPP will contribute to our stronger economic performance so that we can generate more jobs and higher incomes for New Zealanders.

Broad objectives for the TPP were agreed in Honolulu in 2011, with members committing to achieving a high quality, comprehensive, 21st century agreement. The Honolulu objectives include duty free access to goods markets as well as lifting restrictions on services, investment and procurement across all TPP parties. The 12 TPP parties are committed to achieving these outcomes. Please see attached a copy of the Honolulu statement for your information.

The New Zealand Government will not accept an outcome that prevents it from regulating in the public interest or for public purposes. New Zealand's existing agreements were also carefully negotiated to ensure that legitimate government regulation was not restricted. We have achieved this through approaches which substantively clarify the scope of obligations, create exceptions and reservations for important areas of regulation, and provide procedures for the resolution of disputes. This approach demonstrates that it is possible to negotiate agreements that maximise the net benefit to New Zealand without making unacceptable policy

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Public Forum

compromises. In TPP, we will likewise hold out for a similar outcome and result. We have also made it clear we will not negotiate away the fundamentals of the New Zealand public health system, including PHARMAC.

Maintaining diplomatic and trade relationships with non-TPP parties remains an important focus for the Government. New Zealand currently has FTAs with a number of non-TPP parties including China, Hong Kong, Thailand and the ASEAN countries collectively. Earlier this year an Economic Cooperation Agreement was also signed with Chinese Taipei. FTA Negotiations are also under way with India, Korea and RCEP members.

The Ministry of Foreign Affairs and Trade has a website to keep the public informed. It can be found at www.mfat.govt.nz/tpptalk. Please feel free to visit this site if you wish to find out more about the issues under negotiation, such as environmental issues, intellectual property, and investor state dispute settlement.

Yours sincerely



Tim Groser
Minister of Trade

Jeffrey Sachs' 38 minute address to the Philadelphia Federal Reserve in 2013:
You Tube: search Jeffrey Sachs Philadelphia Fed

<https://youtu.be/hCCr-uiqtAY>

Dr. Jeffrey Sachs attended [Harvard College](#), where he received his [BA](#) *summa cum laude* in 1976. He went on to receive his [MA](#) and [Ph.D.](#) in [economics](#) from Harvard and was invited to join the [Harvard Society of Fellows](#) while still a Harvard graduate student. In 1980 he joined the Harvard faculty as an assistant professor and was promoted to associate professor in 1982. A year later, at the age of 28, Sachs became a full professor of economics with tenure at Harvard.

During the next 19 years at Harvard, he became the **Galen L. Stone Professor of International Trade**, director of the [Harvard Institute for International Development](#) at the [Kennedy School of Government](#) (1995–99), and director of the Center for International Development (1999–2002).

In 2002 Sachs became director of the Earth Institute of Columbia University. His classes are taught at the [School of International and Public Affairs](#) and the [Mailman School of Public Health](#), and his course "Challenges of Sustainable Development" is taught at the undergraduate level.

In his capacity as director of the [Earth Institute](#), he leads a university-wide organization of more than 850 professionals from natural science and social science disciplines, in support of sustainable development. He is known as one of the world's leading experts on economic development and the fight against poverty. He is special adviser to [United Nations Secretary-General Ban Ki-Moon](#) on the [Millennium Development Goals](#), having held the same position under former UN Secretary-General [Kofi Annan](#).