



30 APR 2018

Max Brown  
fyi-request-7536-b9400f6e@requests.fyi.org.nz

Dear Max Brown

Thank you for your email of 29 March 2018 in which you request information regarding the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) agreement under the Official Information Act 1982 (the Act). The below provides answers to the specific questions in your request, which is reproduced in full in the attached Annex.

*"In regards to CPTPP, I need to know once this agreement comes into force if I will still have the right to go bankrupt. How do the new financial services and laws involved in CPTPP relate to this issue."*

New Zealand's trade agreements do not affect the ability of New Zealanders to apply for bankruptcy and the Government will not have to make any changes to its financial laws or regulations as a result of CPTPP. In addition, CPTPP includes a "prudential exception" which provides broad discretion to the New Zealand Government to regulate its financial sectors in the interests of stability.

*"...600000 jobs will be created with this agreement. If so what sort of jobs will be available here in NZ. Will foreign companies be able to fly labourers into the country and pay them less than minimum wage?"*

To clarify, the 600,000 figure you mention is not the number of new jobs created through CPTPP. According to research undertaken by the Ministry of Foreign Affairs and Trade, as of March 2017, 623,000 New Zealand workers (approximately one in four) derived their livelihoods from producing goods and services for export. This group includes workers producing goods and services that are exported directly, plus workers producing goods and services that are (ultimately) exported through other firms.

On your question about foreign companies, and whether they will be able to fly labourers into New Zealand and pay them less than the minimum wage, the CPTPP does not contain a general requirement to allow foreign workers to enter New Zealand. New Zealand has made commitments to allow entry to specific categories of service suppliers from some CPTPP partners. This does not prevent New Zealand from imposing certain requirements on visa applicants. I also note that complying with health and safety legislation is a responsibility for all workplaces in New Zealand.

*"I hope to God our healthcare system will be protected David? If this is true then what advice do you have for me?"*

With regard to the New Zealand healthcare system, the CPTPP fully protects New Zealand's right to regulate in the public interest through a number of exceptions and reservations in the CPTPP, including through Annex II of New Zealand's Services and Investment Schedule. The funding and operation of the public health system, including Pharmac's ability to negotiate the best price for medicines, has been fully protected.

*"Will the cost of living reduce? Rentals are so expensive."*

While we cannot control all the factors behind rising living costs, such as global market trends, I believe the Government has strong trade and fiscal policies which are a suitable response to the challenge of rising costs and which support sustainable and inclusive economic growth.

In terms of trade policy, New Zealand maintains low tariffs; it is a member of the World Trade Organization and is already party to nine free trade agreements. This approach reduces the cost of imported goods, makes our economy more resilient and supports our export sector. If CPTPP comes into force, we will further eliminate tariffs on goods from Japan, Canada, Mexico and Peru. Ensuring that trade benefits everyone will also be a focus of the consultations I recently announced which are aimed at creating a progressive Trade for All Agenda.

Also note that the New Zealand Government has announced plans to restrict overseas buyers of New Zealand homes. A legislative process will be completed before CPTPP enters into force.

In terms of fiscal policy, I believe measures announced in the Government's 100-day plan, together with the Provincial Growth Fund, will help to ensure that the benefits of economic growth can be felt by a broad cross-section of New Zealand society, including through measures in the 100-day plan aimed at addressing housing issues.

I hope this information is helpful to you.

You have the right under section 28(3) of the Act to seek a review of this response by the Ombudsman.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Parker', with a large, stylized flourish at the end.

Hon David Parker  
Minister for Trade and Export Growth

**Annex: Original Request received 29 March 2018**

*"I am writing this letter in regards to the CPTPP agreement. So there has been a lot of controversy surrounding this agreement which is understandable. However the reason I want this OIA request relates to financial services.*

*So me and my partner could be putting a deposit down on a house soon in next couple of years. I would like to wait till there is a down turn in the housing market which is so over inflated. Still if a big economic crash happens we could lose our kiwi savers, not to mention the fact the banks might not lend any more money.*

*In regards to CPTPP, I need to know once this agreement comes into force if I will still have the right to go bankrupt. How do the new financial services and laws involved in CPTPP relate to this issue.*

*Also I here 600000 jobs will be created with this agreement. If so what sort of jobs will be available here in NZ. Will foreign companies be able to fly labourers into the country and pay them less than minimum wage? That would be unacceptable as NZ is one of the most expensive places to live in the world. Without a minimum wage and a healthcare system NZ would be like a third world country. I hope to God our healthcare system will be protected David? If this is true then what advice do you have for me? Will the cost of living reduce? Rentals are so expensive.*

*See I would rather focus on something positive about this agreement and how to make use of anything positive it has to offer the average person. Please answer all of my questions especially about public health and the financial services.*

*You look like you are a good man deep down when I see you on television, spoke to you in a dream actually funny enough! Please try to protect NZ David."*