



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

28 January 2020

**Ministry of Foreign Affairs and Trade**  
**195 Lambton Quay**  
**Private Bag 18 901**  
**Wellington 6160**

Via email: [tradeforall@mfat.govt.nz](mailto:tradeforall@mfat.govt.nz)

Dear Sir or Madam

## Submission on Report of the Trade for All Advisory Board

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to provide a submission to the Ministry of Foreign Affairs and Trade (the Ministry) on the above report. We have focused our feedback on the recommendations where we consider we can add the most value. Appendix A provides our detailed submission and Appendix B provides more information about CA ANZ. We also draw your attention to [our earlier \(October 2018\) submission on the proposal to develop a Trade for All process](#).

### Key Points:

- We consider either the United Nation's Sustainable Development Goals (SDGs) or the Treasury's Living Standards Framework as preferable alternatives to a 'triple bottom line' approach, as these alternatives provide a more appropriate range of multi-capital objectives for incorporation in trade policy.
- We recommend that time is spent determining the most appropriate criteria in the context of New Zealand's policy environment, bearing in mind the criteria used overseas, for developing a simple and aligned approach. For completeness, this includes reviews of the existing investment, arbitration and taxation regimes, as well as efforts being made in social and environmental frameworks.
- Regardless of the objectives determined, we agree that the objectives should themselves be subject to a wider consideration of obligations under Te Tiriti o Waitangi.
- We encourage the Government to work with businesses in each sector to determine how best to meet the interests of businesses both in the short and long terms. Given the pace of technological change, we recommend the Government consider how this change influences education and training, as well as cybersecurity infrastructure.

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Should you have any questions about the matters discussed in this submission or wish to discuss them further, please contact Karen McWilliams via email at [karen.mcwilliams@charteredaccountantsanz.com](mailto:karen.mcwilliams@charteredaccountantsanz.com) or phone (612) 8078 5451.

Yours sincerely,



**Peter Vial FCA**  
**Group Executive**  
**New Zealand & the Pacific**



**Karen McWilliams FCA**  
**Business Reform Leader**  
**Advocacy & Professional Standing**

# Appendix A

## Measures to Address Public Confidence and Trust and Modernise Trade Policy

We agree with recommendation [1] that the existing trade policy framework needs to be updated to better incorporate the United Nation's Sustainable Development Goals (SDGs).

While the report includes this recommendation specifically with respect to the climate emergency, the SDGs are much broader, focusing on a variety of global challenges not limited to poverty, inequality, climate change, environmental degradation, peace and justice. As such, the framework that is designed should be structured similarly, with a balanced focus on the different facets impacting trade policy. In addition, the framework should be structured to allow for future goals to be included to the extent that these are identified (i.e. the 'anticipatory governance' approach referred to in the report).

The SDGs can represent a basic blueprint for policy objectives. More time spent creating and developing a new set of frameworks could detract from capacity available to ensure that the SDGs are being achieved with respect to New Zealand's existing trade arrangements. To the extent necessary, we also agree that New Zealand should not be locked into any fixed negotiation positions until the framework is finalised and a position established.

From a business perspective, with globalisation leading to longer and more complex supply chains, opportunities for slavery-like activities, including forced labour and human trafficking, have grown. Businesses have a moral and ethical obligation to combat slavery in their supply chains, hence the importance of the SDGs in trade policy.

With respect to recommendations [7] and [8], we agree that both the investment and arbitration regimes need to be reviewed more closely to incentivise continual investment and address any unintended consequences. However, balance is needed between changing policy to better reflect intended aims and creating business uncertainty.

With reference to the listed considerations under this section, we recommend that the impacts under the existing New Zealand tax system be added to the list, given that efforts are also being made in this area to balance incentivising trade without substantial base erosion.

## Improving Policy and Foresight through Better Valuation, Assessments, Engagement and Inclusion

### Better Processes for Evaluation and Assessment

We agree with recommendations [9] to [11] that free trade agreements should be assessed against more than just economic objectives. However, any additional objectives should not be unnecessarily complicated. Further, the phrase 'triple bottom line' is no longer typically considered broad enough to cover the range of objectives necessary in policy making. We note 'multi-capital' may be more appropriate and is more aligned to the approach used in Treasury's Living Standards Framework.

The SDGs and the Treasury Living Standards Framework (as referred to in recommendation [9]) provide a suitable range of multi-capital objectives but requiring both to be considered may involve the repetition of considerations. We recommend that time is spent determining the most appropriate criteria in the context of New Zealand's policy environment as well as existing criteria being used elsewhere to develop a simple and aligned approach.

Regardless of the objectives determined, we agree that the objectives should themselves be subject to a wider consideration of obligations under Te Tiriti o Waitangi.

## Better Engagement

We agree with comments made throughout recommendations [12] to [18] that raising awareness of trade policy among the public will require both ongoing effort and multiple channels. We also recommend that effort is also made to raise awareness specifically amongst the business community, particularly given the potential benefits that could be presented by changes to trade policy.

## Better Inclusion

As noted throughout recommendations [19] to [24], we agree that inclusion of all people will be an ongoing challenge which will need to be continually assessed and addressed, and note that this aligns with the gender equality and reduced inequality aspects of the SDGs. We have no further specific comments with respect to this section.

## Aligning Trade Policy with Improving Productivity and Sustainability

As noted above, we consider reference to a multi-capitals approach to be more appropriate than ‘triple bottom line’.

## Taking Te Ao Māori to the World

We applaud the Paper’s recognition of the unique contribution to New Zealand’s place in the world and to trade made by Te Ao Māori. We support the focus on strengthening the Māori-Crown partnership and the Government’s capability to reflect Te Ao Māori offshore. We support the focus on the Government meeting its obligations under Te Tiriti o Waitangi.

## Education

We strongly agree with recommendation [40] that the focus for international education exports must be on sustainable growth via quality and enhanced value. Recent quality issues within the sector, although confined to a small number of providers, risk damaging the reputation of the sector as a whole. As an economically significant export, issues in this sector must continue to be addressed collaboratively by government agencies in partnership with education providers. We agree that a concerted NZ Inc. approach is warranted, and that alumni represent a significant opportunity in this regard. We agree that it is challenging to establish New Zealand education firms offshore, and welcome further research into how online platforms and offshore provision can be improved per recommendation [43].

## Creative Industries, Tourism (considered jointly by CA ANZ)

We are pleased to see specific references to services industries as we consider trade policy needs to be developed in a way that embraces the growth opportunities in these industries rather than maintaining the historical focus on commodities.

## Technology

We support recommendations [47] and [48]. We note that digital technology has significantly changed what gets traded, how trade occurs and the direction of trade. Trade has already been revolutionised by the internet; for example, nearly 45% of online spending in New Zealand is directed to an international retailer. As our 2017 paper: [The Future of Trade](#) notes, online platforms will play an increasingly important role in facilitating trade.

We recommend the Government considers how the trade facilitation infrastructure needs of business will change in the future, how these needs can be best met and how cybersecurity can be enhanced. We also recommend the Government considers the consequences of global value chains and the increasing use of online platforms for taxation revenue.

## **SMEs and Regions (considered jointly by CA ANZ)**

In the survey we undertook and published in [The Future of Trade](#), businesses indicated that they would prefer small changes in trade policy to wholesale shifts. As such, we encourage the Government to work with businesses to better understand the barriers to trade in each sector and trading partner.

## **Infrastructure**

We have no further comments with respect to this section beyond our comments made above under the Education and Technology sections.

# Appendix B

## About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 125,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live. Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations. We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.