



# TRANS-PACIFIC partnership **LABOUR AND ENVIRONMENT**

## FACT SHEET

### ➔ Overview

The Trans-Pacific Partnership (TPP) includes chapters on trade and labour, and trade and environment matters. Underpinning both chapters is a general understanding that trade agreements should reinforce and not undermine fundamental labour rights and environmental laws, and that labour and environmental rules should not be used as barriers to trade.

TPP's labour and environment outcomes are the most comprehensive New Zealand has achieved in a Free Trade Agreement. TPP will promote sustainable development and higher standards of environmental and labour protection in the TPP region.

Key outcomes for New Zealand include commitments by Parties to adopt and enforce strong domestic labour and environmental laws, and obligations to address forced and child labour, the illegal take of and trade in wild flora and fauna, subsidies for overfished fish stocks, and illegal, unreported and unregulated (IUU) fishing.

These commitments are consistent with New Zealand's existing domestic legal settings and international legal commitments.

## → Key features

### Trade and labour

The chapter's obligations are intended to protect and enforce labour rights, improve working conditions and living standards, strengthen cooperation on labour issues and enhance labour capability of the TPP Parties.

Key outcomes include:

- Each Party will reaffirm their obligations as members of the International Labour Organization (ILO). The Parties also agree to adopt and maintain in their laws and practice the internationally recognised labour rights stated in the 1998 ILO *Declaration on Fundamental Principles and Rights at Work*<sup>1</sup>, including prohibitions on child labour.
- An obligation to adopt and maintain laws and practice governing 'acceptable conditions of work'. This relates to minimum wages, hours of work, and occupational safety and health as determined by each Party.
- Recognition that labour standards should not be used for protectionist trade purposes, and that it is inappropriate to encourage trade or investment by weakening or reducing labour protections. Parties will commit to not waive or derogate from the laws that implement these protections in a manner affecting trade or investment between TPP Parties.
- Labour laws related to the fundamental rights, as well as 'acceptable conditions of work' must be effectively enforced. A failure to enforce these laws cannot be excused on the grounds of resource allocation.
- A commitment to discourage, through initiatives Parties consider appropriate, the importation of goods from other sources produced by forced or compulsory labour, including forced or compulsory child labour.

- A series of procedural guarantees to ensure that workers and employers have access to fair, equitable, and transparent labour tribunals for the enforcement of their labour rights.
- The chapter provides for cooperation amongst the Parties on agreed matters of common interest. Stakeholders shall be consulted and, as appropriate, involved in cooperative activities.

Specific institutional mechanisms are established under the chapter to assist in its functioning. A Labour Council of senior governmental representatives will also be established to discuss matters of common interest and consider activities under the chapter, including being able to receive public submissions on issues covered by the chapter.

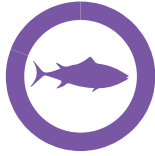
The Labour chapter has two mechanisms for addressing issues between the Parties. A Party may request a labour dialogue with another Party on any matter arising under the chapter. Outcomes may include the development and implementation of action plans or cooperative programmes. They may also include capacity building to encourage or assist Parties to identify and address labour matters.

Otherwise, all obligations in the chapter are subject to the same dispute settlement chapter that applies to the broader TPP Agreement. However, the chapter has specific procedures for labour consultation that must be used before the dispute settlement provisions of TPP are employed.



**TPP will strengthen labour standards and conditions of work in the region, and address issues such as child and forced labour.**

<sup>1</sup> These are freedom of association, the promotion of collective bargaining, non-discrimination in employment, and the elimination of forced labour and abolition of child labour.



TPP will help address the illegal trade of protected wildlife, illegal, unreported and unregulated (IUU) fishing, and fish subsidies that contribute to overfishing.

## Trade and environment

TPP includes two key general commitments that will underpin mutually supportive trade and environmental policies:

- TPP Parties will not fail to effectively enforce their environmental laws in a manner affecting trade or investment.
- TPP Parties will not waive or otherwise derogate from such laws in a manner that weakens or reduces the protections afforded in those laws in order to encourage trade or investment.

The Environment chapter reinforces this through provisions whereby the Parties reaffirm their commitments to implement the multilateral environmental agreements to which they are a party.

The chapter includes specific obligations in relation to three multilateral environmental agreements which all TPP Parties have already ratified: the Montreal Protocol on Substances that Deplete the Ozone Layer, the International Convention for the Prevention of Pollution from Ships (MARPOL), and the UN Convention on Trade in Endangered Species (CITES).

The chapter reinforces a number of other international commitments that TPP countries have made that have a particular trade and environment dimension. These include:

- The conservation and sustainable use of biodiversity, and sharing the benefits arising from the utilisation of genetic resources.
- Mechanisms to reduce carbon emissions.
- The conservation and sustainable management of marine fisheries
- Liberalising trade in environmental goods and services.

The chapter breaks new ground in relation to several issues:

- It includes an obligation that requires each Party to adopt measures to address the trade within its territory of any wild flora and fauna taken or traded in violation of that Party's law or any other relevant and applicable law, subject to the right of each Party to exercise discretion in relation to the investigation of suspected violations and the allocation of enforcement resources.
- The chapter includes disciplines and transparency requirements in relation to fish subsidies that contribute to overfishing and overcapacity and illegal, unreported and unregulated (IUU) fishing.
- The Parties have agreed to encourage the development and use of flexible voluntary mechanisms to protect natural resources and the environment, recognising that such development or use should be transparent and not create unnecessary barriers to trade. The aim is to support and guide private sector use of such mechanisms in ways that are consistent with both environmental and trade objectives.

All the commitments in the Environment chapter are subject to the dispute settlement chapter. As in the Labour chapter, there are specific procedures requiring consultation that must be used before the dispute settlement provisions of TPP are employed.

Specific institutional mechanisms are also established under the chapter to assist in its implementation. The chapter provides for cooperation between the Parties on agreed matters of common interest. Stakeholders are to be consulted and, as appropriate, involved in cooperative activities.