



NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

**Submission of the
New Zealand Council of Trade Unions
Te Kauae Kaimahi**

to the

Education and Science Committee

on the

Advanced Technology Institute Bill

P O Box 6645

Wellington

1 October 2012

1. Introduction

- 1.1. This submission is made on behalf of the 39 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With 350,000 members, the CTU is the largest democratic organisation in New Zealand.
- 1.2. The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.
- 1.3. The CTU supports the aims of this bill in assisting commercialisation of research and the creation of the Advanced Technology Institute (ATI) as useful government actions in assisting New Zealand's economic development.
- 1.4. Our affiliate, the New Zealand Public Services Association, is also making a submission, which we support.

2. Concerns and recommendations

- 2.1. While commercialisation can be highly beneficial to the economy, the process can also carry risks of conflicts of interest within the ATI and between the institution and private beneficiaries of the knowledge created from public funding through the expertise of the institution's staff members. There is potential for corrupt practices, freeloading and unethical behaviour if not properly controlled. The bill does not deal with such issues, but we would expect that they should be dealt with as a matter of priority by the founding board of the organisation.
- 2.2. Economic development for the benefit of all New Zealanders should be the ultimate aim of this initiative. The Operating Principle in clause 14(1)(a) that the ATI must "aim to ensure that any activities it undertakes are for the net benefit of New Zealand" should be taken very seriously, both in this regard

and in considering conflicts of interest. Business growth and competitiveness are a means to an end, not an end in themselves. We **recommend** that this principle be elevated to be incorporated into the ATI's main objective (clause 12).

- 2.3. A related concern is that if commercialisation is handed to a predominantly overseas controlled business, the benefits will not remain in New Zealand. This should be an explicit consideration for commercialisation.
- 2.4. It is also important that the research function of the institution, currently residing in IRL, does not get lost in an emphasis on commercialisation. New Zealand must continue to research and develop new ideas to maintain and gain commercial advantage, but also maintain the knowledge of its scientists and technologists, retain an attractive environment to keep them in New Zealand and attract experts from overseas, and retain our ability to assess, adopt and adapt new findings from overseas. Some of these will not have direct commercial benefits, but are necessary to maintain our capability and capacity in these areas.
- 2.5. Finally, the ATI will incorporate some functions of NZTE. We point out that the New Zealand Trade and Enterprise Act 2003 contains provisions for much broader engagement with the community interested in economic development. Section 9 states:

9. Functions

- (1) The functions of NZTE are to—
 - (a) contribute to a supportive environment for sustainable economic development by—
 - (i) fostering collaborative networks and partnerships between central government, local government, industry, trade unions, regions, education and research organisations, potential investors, and individual enterprises; and
 - (ii) encouraging the development and delivery of economic development services by the private and non-government sector; and
 - (iii) co-ordinating the delivery of government economic development assistance to industry, regions, and individual businesses:
 - (b) provide a conduit for input and advice from industry, trade unions, local government, regions, education and research organisations,

potential investors, and individual enterprises on programmes to implement the Government's policies for economic, industry, and regional development:...

- 2.6. In particular we point out the recognition in these provisions of the interest of unions as representatives of employees, both in industries directly engaged in the economic development that NZTE assists, and in the wider economy.
- 2.7. We **recommend** that these provisions be mirrored in the ATI Bill.