

New Zealand China Council 2013/14 Chairman's Report

I am pleased to present the New Zealand China Council Chairman's Report for the 2013/14 financial year and to update the Council on recent developments.

The New Zealand China Relationship

The past 12 months have again seen significant developments in the relationship between New Zealand and China so it's worth highlighting some of the events and issues in the last year:

- China has become New Zealand's largest merchandise trading partner. This achievement also meant that we reached the New Zealand and China leaders' goal of NZ\$20 billion in bilateral merchandise trade a year early. In addition, New Zealand is now trading with a healthy balance of payments surplus.
- This was achieved despite China being an increasingly complex and challenging operating environment; in the World Bank Report, China ranked 91st in the Ease of Doing Business Survey and is set to fall to number 96.
- China is New Zealand's second largest source of inbound tourism, with numbers growing at 8% from the previous year and China remains the largest source of overseas students, with inbound student visa applications growing to record levels.
- The New Zealand government increased its commitment to resourcing in China considerably, including the progression of the new Embassy in Beijing, additional New Zealand staff now based in Beijing and Shanghai and the confirmation of a Consulate General in Chengdu, Western China.
- The year included considerable challenges with food safety and trade access issues, and while these issues did not in themselves result in a downturn in exports, they drew down on our positive working relationship and complicated access for New Zealand companies.
- Overall, the relationship remained strong with another well-received visit to China in February 2014 by the Prime Minister with a diary/food delegation.

New Zealand China Council

The New Zealand China Council has largely completed the establishment of its operating structure, including setting up a permanent office in October 2013 with NZCTA and Stephen Jacobi Consulting, completing the branding project and working through the registration process, tendering and appointing Sputnik PR as Mar/Coms partner and launching the NZ China Council website. In addition, an Executive Administrator was appointed in late January 2014. The Council was fully operational by the start of 2014.

Three Pillars

Early in the year, the Council committed to focusing on 'three pillars'; Language and Culture, Value from Investment and Dissemination of

Information. These became the key themes guiding Council activity throughout the 2013/14 year, which included:

- Presentations at more than 25 conferences and seminars throughout New Zealand and one in Australia
- A follow up visit to China in November 2013 with the Chairman and Cathy Quinn meeting with Chinese leaders, corporates and the New Zealand community
- Running the major event of the year, the China Business Forum in February 2014, in conjunction with ABAC, Business New Zealand and the APEC Chinese Business Council
- Running and hosting other events including the China Council Prime Ministerial breakfast, a post-Board networking event in Wellington and the China Heads of Mission Breakfast Briefing in Auckland.
- Sponsoring and participating in a range of other China events in New Zealand: The China Summit, ABAC/ACBC visit, China Symposium and Diverse Bananas
- Sponsoring the prize for the New Zealand Chinese Speaking Competition: China Bridge
- Hosting senior Chinese officials, including the Assistant Minister for Foreign Affairs, former Minister for Foreign Affairs and the Deputy Governor of the Bank of China
- Generating more than 20 editorial articles, OpEds and interviews through the partnership with Sputnik, in the main centers and also out into the regions.
- Following the launch of the website, gathering over 1,500 viewers, with more than 50 additional events, articles and announcements since the launch.
- In addition, the Council has continued to update the stats series, making this available widely to interested parties, especially media.
- The Council also worked in partnership with a wide range of organizations and agencies, well beyond those directly involved in the Council, so is now well integrated with “NZ Inc”.

Membership

Membership of the Council now stands at 18 on the Executive Board, plus 3 non-sitting and 16 on the Advisory Board, plus the Executive Director.

Changes to the Council include:

- From the Executive, the departure of Michael Stedman and the addition of Peter McBride, Chairman Zespri New Zealand and the involvement of the non-sitting IBF members of the Council, Graham Stuart, CEO Sealord, James Parsons, Chair Beef and Lamb New Zealand and Phil O’Rielly CEO Business New Zealand.
- On the Advisory, Daniel Harrison from Asia New Zealand Foundation and Mike Houlihan from Te Papa moved on and we were joined by Brent Robinson of Rakon, Sir Mark Solomon of Ngaitahu, Sir Stephen Tindal of Warehouse and Jordan Lee NZCTA Young Leaders.

(note: current membership list is attached)

The Year Ahead

The 2014/15 year will see a further increase in the number and range of activities, including the recently held NZ China Media Awards and the visit to New Zealand by Mary Boyd from The Economist. Later in the year the Council will participate and invest into the APEC CEO Summit and the likely visit to New Zealand by President Xi Jinping. We have already seen an increase in engagement with media, and later in the year, the winner of the inaugural Media Awards Liam Dann will travel to China. We are also planning on-going involvement, support and participation in a number of conferences, seminars and forums. The Three Pillars will continue to be the guiding focus, which will allow us to respond to opportunities and issues as they arise in dealing with China.

I would like to thank the New Zealand China Council for their support, participation and contribution to meetings, events and activities. In particular, to Cathy Quinn of Minter Ellison Rudd Watts for their considerable contribution of legal services and support to the Council; Christopher Luxon from Air New Zealand for getting us safely to all destinations, and Bruce Hassall from PwC for financial management services. I would also like to thank the above three Council members and David Green from ANZ who have also made their office facilities and staff available to the Council for events and meetings.

Thanks also to John Allen from the Ministry for Foreign Affairs and Trade for their on going funding commitment to the Council and in conjunction with Peter Chrisp from New Zealand Trade and Enterprise for providing additional funding for our Executive Administrator.

While still a relatively new organization, the NZ China Council is playing an increasingly valuable and proactive role, and making important contributions to the New Zealand China relationship. This would not have been possible without your financial support, but also your participation and commitment to the activities of the NZ China Council. Once again, thank you for your support and involvement.



Sir Don McKinnon
Chairman,
New Zealand China Council

New Zealand China Council (as at August 2014)

Executive Board

Sir Don McKinnon, Chairman, NZ China Council
Rt Hon. Dame Jenny Shipley, company Director
Sir Graeme Harrison, Chairman ANZCO Foods Ltd and IBF
Sir Peter Gluckman, Chief Science Advisor, Department of Prime Minister & Cabinet
Tim White, Chair NZCTA, CEO of ShapeShifter Technology
Arthur Loo, Partner Loo & Koo
John Allen, Secretary, Ministry of Foreign Affairs and Trade
John Wilson, Chairman, Fonterra Co-operative Group
Tony Browne, Chairman, NZ Contemporary China Research Centre
David Green Managing Director, Institutional, ANZ Bank
Bruce Hassall, Chief Executive, PwC
Cathy Quinn, Chair, Minter Ellison Rudd Watts
Christopher Luxon, Chief Executive, Air New Zealand
Peter Clark, Chief Executive, PF Olsen
Roy Crawford, Chair, Universities NZ and Vice Chancellor University of Waikato
Ngahiwi Tomoana, Chair Ngati Kahungunu
Peter Chrisp, Chief Executive, New Zealand Trade & Enterprise
Peter McBride, Chairman Zespri New Zealand
Graham Stuart - CEO Sealord
James Parsons – Chair Beef and Lamb New Zealand
Phil O'Rielly CEO Business New Zealand

Advisory Board

Danny Chan, Deputy Chair, ACG Colleges
Dave Bromwich, President, NZ China Friendship Society
Virginia Chong, National President, New Zealand Chinese Association
Charles Finny, Chair, Education NZ
Chief Executive, Museum of New Zealand
Raymond Huo, MP, Parliament
Steven Wong, Chairman, United Chinese Association
Dr Jian Yang, MP, Parliament
John McKinnon, Executive Director, Asia New Zealand Foundation
Fran O'Sullivan, Columnist, NZ Inc
John Penno, Chief Executive, Synlait
Peter Landon-Lane, Chair Science NZ and CEO Plant & Food
Brent Robinson, CEO Rakon
Sir Mark Solomon, Chairman Ngai Tahu
Sir Stephen Tindall, Chairman, Tindall Foundation
Jordan Lee, Chair, NZCTA Young Associates