

ANNUAL GENERAL MEETING 22 NOVEMBER 2018

CHAIRMAN'S REPORT

I am pleased to present my report for the 2017-18 financial year and to update the Council on developments.

The New Zealand China Relationship

Despite some disturbing geo-political developments in the last year, New Zealand's relationship with China continues to show resilience and strength, especially in expanding trade, tourism, education and people-to-people links. Prime Minister Jacinda Ardern has referred to China as "one of our most important and far reaching international relationships" and her Government has stepped up the momentum of high level visits with five Ministers visiting China this year. Other visits are in the pipeline and a large New Zealand delegation is expected to attend the China International Import Exposition (CIIE) in Shanghai in November.

At times, unedifying debate about the extent of foreign influence in New Zealand risks unfairly targeting New Zealanders of Chinese descent but has not detracted from the value which the relationship with China delivers in terms of cultural diversity, wealth creation and jobs.

The Council's Programme

The Council's programme in this last year continued to be guided by our Strategic Plan, which drives the Council's annual business plan and budget and enables effective governance and accountability. Key to our success in the past year have been the following initiatives:

Belt and Road Initiative (BRI) – A Strategic Pathway

The objective of the Council's project was to complement actions by the New Zealand Government arising from the Memorandum of Arrangement signed in March 2017 by "catalys(ing) deeper reflection about how New Zealand can most meaningfully participate in BRI. Such a reflection focused on what New Zealand can meaningfully and realistically offer to achieve broader BRI objectives based around New Zealand's comparative advantage."

Stage one of the project included commissioning PwC to prepare the report "[Belt and Road Initiative – A Strategic Pathway](#)", which was released at a launch event with around 100 people in attendance in Auckland on 1 May 2018.

Stage two of the project was to develop a dedicated page on the Council website, which serves as an online resource base for New Zealand stakeholders where they can access relevant information about BRI and commentary about BRI by the Council. It was launched

at the event on 1 May 2018 and is updated regularly. It is also accessible directly via www.beltandroad.co.nz.

Stage three of the project included outreach events with New Zealand stakeholders by implementing a series of roundtable discussions with interested parties in the main centres and around New Zealand. By the end of 17-18 financial year, outreach events had been held in Christchurch, where the focus was on the work of the nascent Christchurch China Forum, and Wellington, where the discussion had a particular focus on the creative sector and innovation. Planning was well underway for outreach to other parts of the country in the second half of 2018.

This project has served to highlight the Council's role as the relationship's primary advocate and allowed the Council to expand our activities in different parts of the country.

Perceptions of China Monitor: Survey 2018

The Council's [survey](#), undertaken in February 2018 and released later in the year, is the first to benchmark New Zealanders' attitudes towards the relationship with China specifically, including the relationship as a whole, trade, investment and culture. The survey revealed a pleasing level of support for the relationship but showed there is more work for the Council to do to ensure it is understood properly. The survey will be used to inform the Council's ongoing communications programme and as a baseline to identify trends that emerge over time.

Other initiatives

Over the past year our programme has included:

- Appointing a Council Representative based in Christchurch and expanding outreach in the South Island
- Maintaining an active media and communications strategy, including regular updating of the Council's [website](#) and posting on social media (LinkedIn, Twitter), as well as launching the Council's official Wechat account
- Arranging a fifth round of media awards and arranging the visit to China by supreme award winner, Gerald Hutchings May 2018 to learn about and report on New Zealand agri-business in the Chinese market
- Holding a number of events in New Zealand, including the "Belt and Road Forum" held in October 2017 to encourage discussion about BRI ahead of the formal launch of the Council's Belt and Road Report; the Council's inaugural "Next Generation Leadership event", which in November brought together an energetic group of younger New Zealanders including those of Chinese descent to develop a collective vision for the future of the relationship; and several events associated with the Council-sponsored visit by one of Australia's leading specialists on China, Rowan



Callick, who stressed the need to keep the conversation with China frank and constructive

- Welcoming a number of senior Chinese delegations to New Zealand and arranging visits by the Chairman and Executive Director to China
- Sponsoring a number of worthwhile organisations who do great work to enhance the relationship with China including Global Connect Canterbury, the NZ China Mayoral Forum and the NZCTA Young Associates “cloud internship” programme
- Supporting a number of cultural events and awards including the Chinese Language Week 2017 at which the Council released a series of language videos and the annual Chinese Speech Competition
- Maintaining regular engagement with relevant government agencies as well as the New Zealand Embassy and Consulates-General in China and cooperating actively with a wide range of supporting organisations, including MFAT, NZTE, NZIBF, NZCTA, Asia NZ Foundation, North Asia CAPE, NZCA, and Confucius Institutes, as well as the Chinese Government representatives in New Zealand.

Membership

Membership of the Council currently stands at 19 on the Executive Board and 18 on the Advisory Board. Changes to the Council membership in the last year included:

- From the Executive Board: the departure of James Parsons (Beef and Lamb NZ) and the appointment of John Loughlin (Meat Industry Association)
- From the Advisory Board: the departure of Peter Landon-Lane (Plant and Food Research) and the appointments of Helene Wong and Jennie Hu

I would like to express my sincere thanks to all the departing members for their contribution to the Council’s work and to congratulate and thank the new members for their service.

I am delighted that the consulting contract of Executive Director Stephen Jacobi was extended to end of 2019 and I thank Stephen for his continuing excellent work and leadership. Stephen is ably supported by the Council’s Associate Director Jane Yang and Executive Administrator Tania Tang. David Pine ably represents the Council in the South Island. The Council successfully moved offices in January 2018 to our new location at level 13, 51 Shortland St.

The Year Ahead

A number of activities are already in planning for 2018-19, including:

- continuing to build the BRI Strategic Pathway and holding further events around the country to develop deeper understanding of Belt and Road and how it can be leveraged to develop new momentum in the relationship
- holding a Gala Dinner to welcome the Chinese Ambassador H.E. Mme Wu Xi, to be held in August
- releasing reports on Chinese language teaching and learning and on investment
- continuing to use our expanding communications and social platform to inform New Zealanders about the importance of the relationship
- sponsoring and supporting events which enhance the trade and investment relationship and people to people links
- supporting Chinese Language Week, as well as working to improve the Chinese language study landscape
- continuing to welcome senior Chinese visitors and make Council visits to China.

In the next year, we plan also to review the Council's governance and structure to take account of developments in the relationship and to enhance our effectiveness and advocacy.

Appreciation

I would like to thank all Council members for your support, participation and contribution to meetings, events and activities. I express my appreciation to the Ministry of Foreign Affairs and Trade and NZTE for their on-going financial and other valuable support to the Council. We thank Christopher Luxon and Air New Zealand for the generous provision of travel funding which enables our regular visits to China.

We thank Chris Brown, Peter Graczer and the team at Sputnik for their valuable communications advice; Michael Tan and Stephen Zou at PwC for financial management services; and Cathy Quinn and colleagues at Minter Ellison for legal services.

Now in its sixth year the Council has established an effective platform for advocacy and a strong network of connections in both countries to assist the further growth and development of a relationship whose relevance and value to New Zealand can only increase in years to come.



Rt Hon Sir Don McKinnon
Chairman
New Zealand China Council

MEMBERSHIP OF THE NEW ZEALAND CHINA COUNCIL (AS AT 30 JUNE 2018)

Executive Board

Rt Hon Sir Don McKinnon, Chairman, NZ China Council
Rt Hon Dame Jenny Shipley, former Prime Minister of New Zealand
Mark Averill, CEO and Senior Partner, PwC
Brook Barrington, Secretary, Ministry of Foreign Affairs and Trade
Tony Browne, Chair, NZ Contemporary China Research Centre
Danny Chan, Deputy Chair, ACG Colleges
Peter Chrisp, Chief Executive, New Zealand Trade & Enterprise
Paul Goodwin, Managing Director, Institutional, ANZ Bank
Grant Guilford, Vice Chancellor, Victoria University of Wellington
Arthur Loo, Partner, Loo & Koo
John Loughlin, Chair, Meat Industry Association
Peter McBride, Chair, Zespri
Kerry Prendergast, Chair, Tourism NZ
Cathy Quinn, Partner, Minter Ellison Rudd Watts
Brian Stanley, Chair, Wood Council of New Zealand
Ngahiwi Tomoana, Chair, Ngati Kahungunu Inc
Martin Thomson, Chair NZCTA, Partner DLA Piper
Pania Tyson-Nathan, CEO, NZ Maori Tourism
John Wilson, Chair, Fonterra Co-operative Group

Advisory Board

Dave Bromwich, President, NZ China Friendship Society
Sam Brosnahan, Future Leaders representative
Mai Chen, Chair, Chen Palmer/NZ Asian Leaders
Naisi Chen, Future Leaders representative
Simon Draper, Executive Director, Asia New Zealand Foundation
Charles Finny, Chair, Education NZ
Meng Foon, National President, New Zealand Chinese Association
Jennie Hu, Founder International Artists' Residency
Raymond Huo MP, Labour Party
David Lei Wang, Chair, China Chamber of Commerce in New Zealand
Geraint Martin, CEO, Te Papa
Fran O'Sullivan, Columnist, NZ Inc
John Penno, Chief Executive, Synlait
Sam Ricketts, Managing Director and Head of Investment Banking, First New Zealand Capital
Andrew Sayers, Hong Kong New Zealand Business Council (HKNZBC)
Steven Wong, Chair, United Chinese Association
Helene Wong, Writer
Dr Jian Yang MP, National Party

NZIBF Contributors

Malcolm Bailey, Chair New Zealand International Business Forum (NZIBF)
Kirk Hope, CEO Business New Zealand
Andrew Morrison, Chair, Beef and Lamb NZ
Steve Yung, CEO Sealord