



ANNUAL GENERAL MEETING 12 DECEMBER 2024

CHAIR'S REPORT

I am pleased to present my report on the work and activities of the New Zealand China Council for the financial year to 30 June 2024.

Operating context: change and complexity

The 12 months from 1 July 2023 to 30 June 2024 confirmed that the Covid pandemic would no longer disrupt the New Zealand-China relationship, notwithstanding its lingering public health 'tail'.

A series of high-level visits in both directions signalled a positive return towards the previous tempo of bilateral engagement. Following the election of a new coalition government in late 2023, New Zealand ministers Todd McLay and Simon Watts visited China. And Premier Li Qiang visited New Zealand in May 2024, preceded by Minister of Foreign Affairs Wang Yi and Chinese Communist Party Minister Liu Jianchao. The Premier's visit was a positive indication of China's commitment to engage bilaterally at a senior level. A New Zealand senior government visit to China next year will be a very useful reciprocal signal.

But it was also apparent in 2023-24 that China's economy, like those of many countries globally, would take some time to bounce back from the three years disrupted by the pandemic. Even before Covid, China had anticipated slowing rates of economic growth as it moved its focus from quantitative to qualitative targets. Its determination in 2024 to make necessary structural changes in areas like the property sector and local government debt have impacted on business and consumer confidence. China's continuing trade and political tensions with the United States, and to a lesser extent the European Union, were also a factor. But it was pleasing to see Australia's relationship with China begin to recover.

This period of economic evolution and uncertainty has impacted on many New Zealand exporters, as consumers in China elected to save rather than spend on high-quality imported products. We have seen something of a bifurcation amongst our exporters, between those with established China business willing to double down on continued potential upside and opportunity, and new market entrants concerned by slower growth, increased local competition and the spectre of geopolitical tensions. Nevertheless, for many "the next China is China" and it would be highly premature to write off future market resurgence.

New Zealand's overriding challenge in 2023-24 remained how to manage its most important bilateral relationship. There was robust public discussion in New Zealand of topics such as AUKUS, the South China Sea, Taiwan, China's position on Russia-Ukraine, political

interference and human rights reflecting the complexity of current regional and global issues and New Zealand's network of international relations.

In this light the Council continued to advocate for balanced management of New Zealand's relationship with China, in a way that manages differences and disagreements in an open and respectful way while also developing and pursuing cooperation where this can benefit our national interests. One need not be at the expense of the other. China will be a major contributor to regional and global affairs for the foreseeable future, and New Zealand will be well served by a sensible approach to resilient and nuanced bilateral engagement, with China and with others.

Council structure and governance

At our Annual General Meeting on 8 December 2023 the Council adopted a new constitution, a necessary prerequisite for our registration under the new Incorporated Societies Act 2022. The constitution's content in part reflected requirements of the Act, but we also took the opportunity to make some changes to Council governance. This included the introduction of three-year terms for all Council members. Since the AGM we have also re-classified some members as body corporate rather than Individual members, to enable them to nominate representatives to sit on the Council's executive committee – another requirement of the Act.

The Council's structure otherwise remains unchanged: a council of up to 30 members; an executive committee charged by the council with providing oversight and guidance to the executive team; and an executive team of three staff led by executive director Alistair Crozier. There were no staff changes in 2023-24.

Membership update

As at 30 June 2024 the Council comprised 27 members and 7 executive committee members (see annex). The following membership changes occurred in 2023-24:

Council

- Richard Pollock (New Zealand Māori Tourism, funded by Te Puni Kōkiri) joined the Council in December 2023;
- Deborah Geels represented the Ministry of Foreign Affairs and Trade (MFAT) in an acting capacity from the end of 2023 once its chief executive Chris Seed stepped down from MFAT and the Council, pending the appointment of a new chief executive;
- John Cochrane took up an *ex officio* seat on the Council as incoming Chair of the New Zealand China Trade Association, succeeding his NZCTA predecessor Martin Thomson;
- Andrew Holmes, incoming CEO of PwC New Zealand Ltd, joined in April 2024 succeeding his PwC predecessor Mark Averill;
- Nathan Flowerday similarly joined in April 2024 as the new chair of Zespri, replacing outgoing Zespri chair Bruce Cameron;
- Alexandra Badley joined the Council in December 2023 for a two-year term as a 'Next Generation' young leader, one of two NextGen positions reserved on the Council for emerging professionals with an interest in China.

Executive Committee

- In April 2024 Wendy Matthews joined the executive committee as Director of the North Asia Division of the Ministry of Foreign Affairs and Trade, replacing her predecessor Paula Wilson;
- ANZ Bank NZ Ltd Managing Director Institutional NZ Stuart McKinnon also joined in April 2024, succeeding Steve Boyce who has left his role at ANZ Bank.

I welcome all new members, and thank Martin Thomson, Mark Averill, Bruce Cameron, Paula Wilson and Steve Boyce for their valuable support and contributions to the Council during their tenures.

The Council's work programme

At our 2023 Annual General Meeting the Council approved a new [Strategic Plan](#) for 2024-27. The plan confirms the Council's mission "to be a cross-sector body for the New Zealand-China relationship, convening a diverse group of eminent members from New Zealand's public and private sectors to support and strengthen a balanced and resilient bilateral relationship". The plan identifies four key goals consistent with this mission, which the Council worked hard to advance in 2023-24 through the following key activities and projects:

1. *Engage constructively on the New Zealand-China relationship with the New Zealand government and non-government sectors, opinion leaders and other influential stakeholders*
 - Following the election of a National-led coalition government in 2023 we met as a full Council with **Prime Minister Luxon** in February 2024.
 - We also met Deputy Prime Minister and Minister of Foreign Affairs **Rt Hon Winston Peters** in May 2024, who used the opportunity to release a comprehensive speech on the bilateral relationship.
 - I met twice with Minister of Trade and Agriculture **Hon Todd McClay**.
 - Between us, I and the executive director participated in all of the **China Capable Public Service masterclass programmes** delivered by the Contemporary China Research Centre in Wellington in 2023-24.
2. *Inform New Zealanders about the bilateral relationship and catalyse longer term thinking*
 - We released two **new research reports**, on China's sustainable food landscape and roadmap (December 2023) and the value of New Zealand's imports from China (June 2024).

- I and the executive director met a number of New Zealand organisations at their request including **corporate boards and senior management teams** to discuss NZ-China issues.
- We also spoke at fora across New Zealand including the executive director at the **2024 China Business Summit** and my speeches to two branches of the **New Zealand Institute of International Affairs**.
- The Council released four **podcasts** on topics as diverse as NZ-China science and research engagement and China's key political meetings from a New Zealand perspective; as well as a number of **opinion pieces in New Zealand media** by me and the executive director.
- The executive director and I also gave **over 20 media interviews** to television, radio and print/online media, on aspects of the New Zealand-China relationship.

3. *Help to connect New Zealand and China by supporting two-way Track 1 and 2 visits and engagement, and remaining abreast of developments in China relevant to New Zealand interests*

- Our full Council had a meeting with **Chinese Premier Li Qiang** during his June 2024 visit to New Zealand.
- We held a roundtable with visiting **Vice Mayor of Shanghai Hua Yuan** (July 2023); and met senior local government delegations from **Chongqing** and **Sichuan**.
- Council members met **China's Ambassador to New Zealand H.E. Wang Xiaolong** for a lunch discussion in May 2024.
- The Council held our second Track 2 dialogue with a visiting delegation from the **Chinese People's Institute of Foreign Affairs** in May 2024.
- With the Asia New Zealand Foundation and Fran O'Sullivan we co-hosted co-founders of the **Center for China and Globalization (CCG)** Henry Wang and Mabel Miao in New Zealand in May 2024.

4. *Spearhead innovative initiatives that foster cooperation and bring benefit for the bilateral relationship*

- Our new **sustainable food working group** commissioned research on China's future directions in this area, followed by a 10-person study trip to China in April 2024 with a focus on government policy, local producer strategies and consumer trends.
- A 2023 **green airports and sea ports dialogue** co-hosted with a Chinese partner institute strengthened sectoral links and led to a visit by a delegation from the Chinese Civil Airports Association to New Zealand earlier this year.

The Year Ahead

The 2024-25 year is already well underway, with further bilateral and international developments including the outcome of the United States presidential election to digest. It will be another busy year of engagement for our Council, including:

- My visit with a Council delegation to Shanghai, Hangzhou and Beijing in November 2024, to support the Minister of Trade's visit, experience the 7th China International Import Expo (CIIE) and maintain relationships with our institutional partners;
- The release of two further research reports, on Te Ao Māori engagement with China and the New Zealand-China investment relationship;
- Continued support for bilateral high-level visits, including we hope a senior outbound visit from New Zealand in the first half of 2025;
- A continuation of our working groups focusing on sustainable food, the Southern Link hub concept linking Asia and Latin America via New Zealand, and climate change including a potential renewable energy sector study visit to China in 2025; and
- Strengthened engagement with young professionals through our NextGen China capacity-building programme.

Appreciation

I must once again express my gratitude to members of the New Zealand China Council and its executive committee for the time and energy they devote to the Council's work and activities. It remains critical that voices of such experience and mana continue to discuss the New Zealand-China relationship in the current evolving context described above.

I also thank the organisations that continue to provide funding support to the Council. This includes grants from the Ministry of Foreign Affairs and Trade and New Zealand Trade & Enterprise; annual subscription payments from members; and contributions from BusinessNZ and Beef+Lamb New Zealand through the New Zealand International Business Forum.

The Council also receives valuable 'contra' support in lieu of a subscription fee from PwC for financial management services, MinterEllisonRuddWatts for legal services and Air New Zealand for travel support.

The outcomes summarised would not have been possible without this collective support.



John McKinnon
Chair

MEMBERSHIP OF THE NEW ZEALAND CHINA COUNCIL (AS AT 30 JUNE 2024)

Council Members:

1. John McKinnon, Chair, NZ China Council
2. Alexandra Badley (NextGen member)
3. Andrew Holmes, CEO, PwC NZ
4. Andrew Poole, Chief Executive and Managing Partner, MinterEllisonRuddWatts
5. Anna Mowbray, Chief Operating Officer, ZURU
6. Antonia Watson, CEO, ANZ Bank NZ Ltd
7. Cleo Gilmour, (NextGen member)
8. Danny Chan, Director, UP Education
9. Deborah Geels, Deputy Secretary, Ministry of Foreign Affairs and Trade (*ACTING*)
10. Fran O'Sullivan, Managing Director, NZ INC.
11. Greg Foran, CEO, Air New Zealand
12. Heida Donegan, Barrister Sole, Princes Chambers
13. Jenny Too, National President, New Zealand Chinese Association
14. John Cochrane, Chair NZCTA, Managing Director Facticeon
15. Justin Watson, CEO, Christchurch International Airport
16. Kiri Nathan, Co-founder of Kiri Nathan Fashion
17. Mark Tanner, Founder and Managing Director, China Skinny
18. Nathan Flowerday, Chair, Zespri
19. Prof. Neil Quigley, Vice-Chancellor Waikato University
20. Paul Morgan, Chair of Wakatū Incorporation
21. Peter Chrisp, Chief Executive, New Zealand Trade & Enterprise
22. Peter McBride, Chair, Fonterra Co-operative Group
23. Ray Smith, Director-General, Ministry for Primary Industries
24. René de Monchy, CEO, Tourism NZ
25. Richard Pollock, Senior Policy Advisor, New Zealand Māori Tourism
26. Sir Richard Taylor, Co-founder, Weta Companies
27. Sirma Karapeeva, CEO, Meat Industry Association

Executive Committee Members:

1. John McKinnon, Chair
2. Andrew White, Regional Director China, NZTE
3. Luke Qin, individual member
4. Nathalie Reid, Senior Associate, MinterEllisonRuddWatts
5. Simon Tucker, Director Global Stakeholder Affairs, Fonterra
6. Stuart McKinnon, Managing Director Institutional NZ, ANZ Bank NZ Ltd
7. Wendy Matthews, Divisional Manager North Asia, MFAT