

**ANNUAL GENERAL MEETING  
13 NOVEMBER 2014  
CHAIRMAN'S REPORT**

I am pleased to report on the Council's activities for the past year. This is my eleventh and last report as Chairman of the Council.

It has been a privilege to have been at the helm of this organization for the last decade. The relationship between our two countries is quite different today from that in 2003. In my mind the relationship between New Zealand and the US began to recalibrate in 1995 when I met with President Clinton and his senior colleagues at the White House. This was the first meeting between the country's leaders following the rift created by the anti-nuclear policy in the early eighties.

The Council itself was established in January 2002 and a formal launch took place in Auckland on 24 April 2002. As recounted in one of my earlier reports, this followed the holding of a conference in December the previous year. The conference met under the theme "Creating Coalitions of Interest" and developed sufficient momentum to bring the Council into being.

In the course of our work the relationship between the two countries has moved from being referred to as "very very very close friends" to "the new normal". Exchanges of people and information across all spheres of the relationship, and particularly at senior levels in diplomacy and defence, are commonplace and collegial.

## **State of the Relationship**

What a powerful statement the New Year image of Prime Minister John Key and President Obama golfing in Hawaii made; a very clear testament to the state of the relationship between the two countries.

In May the two men met again during the Prime Minister's formal visit to Washington DC. Bilateral meetings in one or other's capitals are still rare and unique opportunities but there are no longer any undertones of "unfinished business". This was a meeting where both leaders sought to promote outcomes in a range of areas from trade, to security and defence, science and research and broader foreign policy such as New Zealand's bid for a UN Security Council seat. Our subsequent success in securing a Security Council seat provides a compelling platform for the next Partnership Forum.

## **NZUS Partnership Forum**

The steady progress made in the warming and 'normalising' of the relationship has been helped in no small part by the Partnership Forum process devised by the NZUS Council and its Washington counterpart. Without doubt, the success of the Partnership Forums is one of the highlights of my tenure.

Planning for the sixth Forum has begun. I have no doubt it will continue to be a terrific event and a fixture in the bilateral relationship for a number of years to come. The Forum provides a unique opportunity to discuss issues of mutual interest in a trusted and relatively informal setting.

This year's Forum is likely to be smaller and more focused than that held in Washington DC last year. Naturally trade and business relations will remain on the agenda. An exchange of views on other geo-political trends such as climate change, digital and new media, the role of the fast growing developing nations in Asia and Latin America and the implications of ongoing areas of conflict around the globe are also likely to feature.

## **Future Partners Programme**

It has been a privilege to be associated with the wonderful young people who have been selected to represent their peers as “Future Partners”. I have no doubt this programme will have an enduring legacy. The enthusiasm reflected in last year’s reunion of the 2011 and 2013 alumni gives me great confidence that these young people will be powerful champions for the relationship in coming years. I extend my best wishes to Rachel Harris and Toby Jordan the current Future Partner representatives.

## **Trade and TPP**

In previous years this report has always included a section on progress towards the conclusion of a Trans Pacific Partnership agreement. The advocacy role for TPP has now been passed to the NZ International Business Forum (NZIBF). The NZUS Council will continue to comment where the NZUS perspective is relevant.

One of the primary goals of the Council at its inception was the pursuit of a free trade agreement with the United States. Those who have been associated with the Council since it was founded will recall what a seminal moment it was when, in November 2009, the US announced it would join the TPP negotiations.

Today the TPP includes 12 countries. There have been nineteen formal rounds of negotiation, numerous Ministerials and dozens of side meetings including hundreds of officials as the participants seek to conclude a “comprehensive 21<sup>st</sup> century agreement”.

Of late progress has been slow despite statements that the “end game” is near. A series of Ministerial meetings concluded in Australia at the end of last month with a statement that progress had been made on market access and rules issues but with officials being charged to make further progress before the APEC meetings this week in China. Nonetheless it is clear major

obstacles remain. Agricultural market access still forms one of the key sticking points, particularly between Japan and the US. What is needed now is courageous political leadership to break negotiating deadlocks.

## **Council Operations**

In December last year a paper was circulated with options for consideration in the light of the progress made in the NZUS relationship and the continuing development of the TPP. A process to determine the future direction of the Council was ably led by Stephen Jacobi, who resigned as Executive Director at the conclusion of this work at the end of March.

At the Council meeting in February feedback from members was considered and a joint session with the NZIBF Board held. Both entities agreed to align their operations where possible but that they should remain separately constituted, governed and funded.

A further Council meeting in mid-March took a number of decisions to give effect to a new direction. It was agreed the continuing Council would be governed by a smaller group of people including:

- A chair elected by the members as presently,
- Two members appointed ex-officio from government agencies (MFAT and NZTE),
- Two members from those business organizations which wished to maintain their membership at “foundation partner” level,
- Up to three members appointed by the NZIBF according to the level of funding received from that organization, and
- An ex-officio representative from the NZ Chambers to recognize the Auckland Chamber’s role in providing accounting and administrative support services to the Council.

The Council further agreed that the lead role for the TPP, as alluded to above, would be transferred to the NZIBF.

As a consequence of this new set up, three long serving Council members resigned - Fiona Cooper Clarke, Bill Falconer and Mike Hearn. I would like to warmly acknowledge their contribution and thank them for their commitment and work.

It is with genuine gratitude that I also acknowledge the role Stephen Jacobi played as the Executive Director of the Council for almost a decade. His energy, intellect, warmth and professionalism were hallmarks of his tenure and these qualities were instrumental in enabling the NZUS Council to have the impact it did on the relationship. The organizational skills and relationship building required to deliver the Partnership Forums so successfully cannot be underestimated.

At the March meeting I also confirmed I would vacate the office of Chair as soon as a successor could be identified. We are indeed fortunate to have secured Hon Simon Power for the role and I wish him every success. I would also like to welcome Fiona Cooper Clarke back to the organization as Executive Director. Fiona is uniquely qualified to progress the Council's work and we are lucky to have someone of her caliber.

### **Future Direction**

In my report last year I noted that the relationship is at an all time high. I am enormously proud of the work the Council has done over the last twelve years to contribute to level of normality and warmth in our dealings today. I am quite convinced that with the higher levels of trust, respect and openness that exist there is a solid platform for cooperation to deliver pragmatic outcomes across all areas of our relationship in the future not just in trade and investment, but also defence and security and in humanitarian, science and research and cultural endeavours.