

**ANNUAL GENERAL MEETING
20 NOVEMBER 2013
CHAIRMAN'S REPORT**

I am pleased to report on the Council's activities for the past year. This is my tenth report as Chairman of the Council. The past year has been another one of significant progress in the NZ/US relationship which was confirmed at the fifth US NZ Partnership Forum which took place in Washington DC in May. As we meet in our AGM, chief negotiators for Trans Pacific Partnership (TPP) negotiations are meeting in Salt Lake City to accelerate what US Trade Representative Mike Froman has called TPP's "end game". Whether TPP will be completed by the end of the year, as is the wish of President Obama, Prime Minister Key and other TPP Leaders, remains to be seen but it will not be from lack of effort on the part of officials or encouragement from organisations like the NZ US Council and our allies in the United States and around the region.

US NZ Pacific Partnership Forum

The so-named "US NZ Pacific Partnership Forum" took place in Washington DC 19-21 May and once again gathered significant delegations from both sides to discuss the future of the relationship. The 2013 Forum somewhat broke the mould of previous events by broadening the focus and audience. However it shared the aspirations of its predecessors in seeking to focus the attention of US opinion makers on the enduring relevance of New Zealand to American interests not only in bilateral terms but also in the context of shared interests and values, as well as opportunities in the Asia Pacific region and more widely. Over 100 New Zealanders made the trip to Washington DC, including Minister McCully, Minister Groser, the Chairs of Fonterra, ANZCO Foods and the Plant and Food Crown Research Institute, the heads of four government departments, the Chief of the NZ Defence Force, senior level business representatives and 26 "Future Partners". The size of the delegation was in large part due to the generosity of the Government in its provision of an RNZAF Boeing to transport over 80 New Zealanders to Washington DC. The

Partnership Forum received positive feedback from participants and good media coverage in New Zealand. It was widely agreed the Forum had once again proved valuable in making a strong contribution to both the current and forward momentum of the relationship. We express our sincere thanks to the US NZ Council and its President Bill Maroni, and to Ambassador Moore and his team at the New Zealand Embassy for all that was done to make the 2013 Forum such a success.

Future Partners Programme

A feature of the last two Forum events has been the involvement of the next generation of leaders. This year with the support of Fulbright NZ and the US Embassy a group of 17 younger leaders from the United States and 26 from New Zealand were able to participate in the Washington event. The New Zealanders comprised 10 Fulbright alumni, 12 non-Fulbright applicants, and four students funded by the Te Putea Whakatupu Trust. The Council is grateful for the work and support of Mele Wendt and Kara Wood at Fulbright New Zealand in co-ordinating the selection process. The Council is pleased to co-operate again with Fulbright NZ and the US Embassy to organise a reunion gathering of 2011 and 2013 Future Partners delegates - 19 in total - being held concurrently with the AGM. We are delighted also to acknowledge the sponsorship of Sir Owen Glenn for this event. Sir Owen was at the Washington Forum and able to attest to the value of this initiative.

TPP Negotiations

In the past year the Council has continued its strong advocacy of the TPP negotiations working closely with its partners and allies in both countries and around the Asia Pacific region. In December 2012, at the time of the 15th round of TPP negotiations in Auckland, the Council was instrumental in launching along with other business organisations a new website www.tradeworks.org.nz which promotes the broader value of New Zealand's trade and investment as well as TPP and other negotiations. The Council co-ordinated with the NZ International Business Forum the release and publication in the NZ Herald of a letter supporting the negotiating process signed by 50 CEOs. Throughout the year the Council has maintained its regular press, public and social media commentary, kept in regular contact with New Zealand's Chief Negotiator and his colleagues and circulated information about the negotiation to partners in advance of each negotiating round. Strong business advocacy is vital to

ensure there is support at home for TPP at a time when those opposed to TPP are active through social media in portraying misleading impressions about the impact of the negotiation. Public concern heightens what appears to be an increasingly fragile bipartisan consensus on trade policy. The Council is very active on these matters and is without doubt the most consistent and authoritative pro-TPP voice outside government.

Council operations

As always I am grateful to colleagues for their support, interest in, and contribution to, the work of the Council. After many years Murray Jack, Chairman, Deloitte, has decided to step down from the Board – we thank him for his service. Phil de Joux has also joined the Board as Air New Zealand representative replacing John Whittaker. We continue to value the involvement of all members of our Advisory Board and thank the Ministry of Foreign Affairs and Trade for its continuing funding and advice and the Embassies in Wellington and Washington for their valuable assistance. As always we are deeply grateful for the efforts of our Executive Director Stephen Jacobi and Associate Director Suse Reynolds who work tirelessly in support of our organisation and without whom this year's Partnership Forum would not have been the success it was.

The Board is deeply grateful to the financial partners of the Council who ensure this organisation can have its voice heard on major issues. Funding is down this year for the first time in many years reflecting both the difficult financial times but also the sense amongst some that the Council's work in respect of strengthening the NZ/US relationship is largely complete, even if on TPP we still have work to do.

Future direction

The Council was founded over eleven years ago to make a material difference to the future of the NZ/US relationship. In that time much has been achieved. Today, due in no small part to our efforts, the relationship is at an all time high and the prize of a free trade agreement, through TPP, is now within our reach. This is an appropriate time to reflect on the future of the Council, whether our operating mandate remains relevant, and how we should structure ourselves for the next period. I will be talking about this further at the AGM and the Board is keen to hear our partners' views. A relationship as complex and important to New Zealand's current and future well-

being as that with the United States will always require nurture and advocacy. TPP, however, is as much an Asia Pacific negotiation as it is a negotiation with the United States. We need therefore to think carefully about what is the best platform to achieve the goals which have sustained the current Council since its inception and ensure that we are well positioned to respond to today's needs.

A handwritten signature in black ink, appearing to read 'Jim Bolger', with a stylized flourish at the end.

Rt Hon James Bolger ONZ

Chairman