

Australian Political Exchange Council
Delegation to the United States of America
17 April to 28 April 2007

Executive Summary

In April 2007, APEC sent a delegation of young political leaders to the United States of America. The delegation was hosted by the American Council of Young Political Leaders (ACYPL).

The delegation included:

Australian Labor Party

Jaye Radisich MLA
Member for Swan Hills
Parliamentary Secretary for
Energy; Industry; Resources & Energy

Sean Kennedy
Manager, Corporate Relations
Leighton Holdings Ltd

Josh Murray
Deputy Chief of Staff
Office of Premier of NSW

National Party

Brad Henderson
State Director
National Party of Queensland

Liberal Party of Australia

Zed Seselja MLA
Member for Molonglo
Shadow Minister

Damian Mantach
State Director
Liberal Party of Tasmania

Holly Byrne
Adviser
Minister for Immigration and
Citizenship

Chris Swan
Adviser
Minister for Immigration and
Citizenship

The delegation visited Washington DC, Louisville (Kentucky), Frankfort (Kentucky), Seattle (Washington), and Olympia (Washington). It also had an unscheduled six hour stop in Los Angeles due to a flight delay.

Delegates were warmly welcomed by staff and alumni of the American Council of Young Political Leaders (ACYPL). Our hosts organised an efficient and varied program which gave delegates an opportunity to learn about some of the political, economic and cultural realities in the United States.

Meetings were conducted with federal, state and local lawmakers, bureaucrats, lobbyists, fundraisers and party volunteers. Apart from visits with various officials and representatives of the business sector, delegates had the opportunity to sample some of the culinary and cultural delights of the United States, including a seafood not known to Australians, the “geoduck,” (pronounced goo-ee-duck).

The three regions visited provided delegates with a snapshot of United States political and cultural life, and demonstrated some of the diversity which exists within the United States. From the fast paced and politics focussed lifestyle in Washington DC, to the warm southern hospitality of Kentucky and the cosmopolitan and professional Seattle, the delegation was able to gain an insight into this great and diverse nation.

Some of the highlights of the visit included: meetings with members of the United States Congress; the 'Thunder over Louisville' fireworks spectacular; meeting with the Republican National Committee; an afternoon at the races at Keeneland; visits to the headquarters of Boeing and Microsoft; and, a meeting with the Governor of Washington State.

Money in Politics

The enormous importance of fundraising in politics was clear to all delegates. While campaign finance laws are framed with the intention of constraining the quantum of fundraising, the amounts raised by candidates, at all levels, clearly exceeds that of their counterparts in Australia. This characteristic of politics was illustrated particularly in meetings with Republican fundraiser Mr Scott Douglas, and with Congressman Geoff Davis.

Mr Douglas gave delegates a frank assessment of the quantum of funds which candidates need to raise to be competitive, while Congressman Davis provided an example of a Representative who has been very successful at raising campaign funds.

During the delegation's visit to 3M, executives of that company openly described their production of "scorecards" for elected representatives. The company is quite direct in advising representatives whether or not they voted "correctly" on bills and policies of interest to the company. Further to that, a link could be drawn between candidates voting patterns and the corporate funding obtained.

Frequency of Elections / Levels of Government

Whereas the pressure in Australia over recent years has been to increase the length of electoral cycles to four years, terms for congressmen and state level representatives appear firmly established at just two years.

The devolved nature of government in the United States became apparent to the delegation during its time in both Kentucky and Washington State. Local government in the United States has responsibility for areas such as prisons and the police force, in contrast to the situation in Australia. Kentucky State has 120 separate counties or local government areas. This provides localised representation, but also appears to create some inefficiencies.

A clear difference between the political systems of Australia and the United States was the election of members of the judiciary and for positions such as that of Auditor-General. With the doctrine of Separation of Powers firmly enshrined in the Australian political system, it was difficult to understand how the American system could ensure the independence of independent office holders such as judges, when they come to office via popular election (which necessarily involves fundraising and campaigning).

Different Roles for Party Organisations

Two competing pictures of party politics emerged during the visit. Although the two-party system is perhaps more formally entrenched in the United States than Australia, with voters registering as either Republican or Democrat, there is less centralised party control both of voting by elected representatives in legislatures and in the conduct of electoral contests. This is reflected in the way that electoral laws and party affiliations often intersect.

The delegation heard, for instance, that in many states when citizens registered to vote, they registered as either Democrat, Republican or Independent. On the other hand, the energy and resources of individual candidates appears to be more important than that of the party organisations themselves. Party organisations, therefore, appear to have less control than their equivalents in Australia.

Washington DC

The visit to Washington DC was a highlight of the trip for many of the participants. The delegation acknowledges the considerable opportunities for high-level meetings that were arranged by ACYPL whilst in the capital and are grateful for the access and insight into American politics which these enabled.

The program started with a comparison between the political systems operating in Australia and the United States. All delegation members were impressed by the professionalism and dedication of the people we met, whether they were an elected representative, a lobbyist or a professional fundraiser.

Each meeting and social event deepened delegates' appreciation of the conduct of politics in the political centre of the United States. Outlines of some key meetings follow.

Mr Glyn Davis, Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs. Mr Davis was our first official meeting on the trip and immediately set a very high standard in his open and frank assessment of American politics. The conversation focussed on the American–Australian relationship with delegation members keen to get a stronger grasp on United States' perceptions of Australia and the value of the relationship to the United States. Another point of conversation was the American reaction to climate change, also a prominent issue in Australia.

Mr Bill McCulla, Australian Desk Officer, Bureau of East Asian Politics.

The meeting with Mr McCulla continued the themes discussed with Mr Glyn Davis, with more concentration on emerging issues and threats in the East Asian region and the role that Australia may play in handling these, including the emergence of Islamic fundamentalists and the political response within Indonesia.

Mr Gary Quinlan, Deputy Chief of Mission, Embassy of Australia.

The delegation was fortunate to visit the Australian Embassy as guests of the Deputy Chief of Mission and a number of senior staff. Discussion centred on the Embassy's role in furthering Australian national interests in Washington DC.

The Hon Geoff Davis, The Hon Brian Baird, The Hon Ben Chandler III, The Hon Cathy McMorris Rodgers.

The opportunity to visit the Capitol Building and meet with Representatives from the Republican and Democratic parties was keenly anticipated by all delegates.

The delegation gained fascinating insights into their individual campaign experience, as well as the execution of their duties in the Congress, within their constituencies and their respective political parties.

One of the more interesting sides to United States politics was the lack of complete unity within the Republican and Democrat Parties, as compared to the Australian system whereby Party unity on issues is regarded as a requirement for political success.

All Representatives were questioned over the upcoming Presidential campaign and their views on who would win their respective Party nominations and the course the campaign may take. Naturally, the Representatives provided an assessment of the Bush presidency and their perception of its impact on the United States. Key issues confronting the Bush presidency, including climate change and Iraq, are presently significant public policy issues in the Australian political environment.

Mr Paul Ryan & Mr Trevor Potter, The Campaign Legal Center.

Political campaigning and fundraising go hand in hand, however the United States' experience has taken the relationship to new levels. The visit to The Campaign Legal Center, the organisation responsible for monitoring campaign finance, was fascinating to the Australian political operatives. Mr Ryan and Mr Potter provided a fantastic overview of how candidates and political parties raise funds in the United States and how finance laws have been used to maintain a level of integrity in the system.

The Hon Mike Johanns, Secretary, United States Department of Agriculture.

The delegation was fortunate to be granted a meeting with a member of the Bush Presidency Cabinet. Through this meeting, the delegation gained some insight into the workings of the Cabinet Government in the United States, including the management of a Department employing over 110,000 people with an annual budget of \$90-\$100 billion.

A particularly valuable aspect of the discussion was that concerning the Australia-United States Free Trade Agreement and its impact upon the United States and Australian primary industry sectors. Delegates flagged the benefits to be gained from continued trade liberalisation between our two countries.

Mr Rob Quartel, Chairman & CEO, Freightdesk Technologies

Mr Rob Quartel was very kind to host the delegation and a number of other guests for dinner at his home in Georgetown. Mr Quartel is an alumni of ACYPL and has retained an active interest in the exchange program. Whilst the evening was relaxed and informal, Mr Quartel rightly highlighted the immense value that an opportunity to travel abroad to study a political system and build connections and networks can provide.

Mr Bruce Kieloch, President, Kieloch Consulting

Another informal function the delegation had was at the home of Mr Bruce Kieloch who runs a consultancy specialising in assisting Democrat Representatives, Senators and candidates to raise funds for their campaigns. Mr Kieloch had a number of his staff and clients present, providing a great opportunity for delegates to gain a better understanding of Democrat campaign strategies.

Mr Gary J LaPaille, mCapital Management

Mr LaPaille was our very hospitable host for a dinner in Washington DC, where large quantities of meat were consumed at an Argentinean restaurant as we learned how his Chicago-based lobbying company conducts its affairs in Washington DC.

Mr Wayne Valis, Chairman, Valis & Keelen

Our meetings with Mr Tom Beddow and separately with Mr Wayne Valis helped the delegation to further appreciate the process of political lobbying in Washington DC. Mr Beddow provided an overview of his company's approach in promoting the 3M Company's activity and achieving both individual and collective support from members of Congress. Delegates were surprised and impressed by the size of the 3M Company and gained a useful appreciation of this company's interaction with the law-making process.

The meeting with Mr Valis was more informal, but very informative. All delegates were impressed by his experience, having worked closely with four former Presidents, and his perception of how the upcoming Presidential race will play out. Having the opportunity to meet with Mr Valis and hear his recollections, insights and knowledge of how Washington works and how the White House used to work, was one of the highlight visits in Washington DC.

Mr Scott Douglas, President, 3Dog Consulting & Ms Michele Raines, Vice President of the Committee on Arrangements for the 2008 Republican National Convention (RNC).

The meeting with Mr Scott Douglas and Ms Michele Raines was, for the party organisation delegates particularly, a highlight meeting in Washington DC. Mr Douglas is a chief fundraiser for the Republican Party, while Ms Raines worked for Vice President Dick Cheney prior to her current role with the RNC. Both Mr Douglas and Ms Raines spoke candidly on Republican campaign strategies and logistics. Delegation members found this meeting to be very refreshing and many picked up on ideas and techniques that may be utilised in Australia. The delegates' only complaint about this meeting was that it could not go longer.

Commonwealth of Kentucky

“Y’all going have yourselves a real good time.”

Congressman Benjamin Chandler III

The delegation’s first encounter with Kentucky politics was meetings with Congressmen Ben Chandler III (D) and Jeff Davis (R) in their Congressional offices in the Capitol Building.

The delegation also toured the historically significant office of Senate Minority Leader Mitch McConnell (R), organised by his assistant Ms Mary Scarlet, also from Kentucky.

Both Congressmen displayed huge enthusiasm for Kentucky and our visit.

Activities and Meetings

The delegation arrived in Louisville on the night of the annual ‘Thunder over Louisville’ celebration. As the largest display of fireworks in North America, ‘Thunder’ marks the beginning of Kentucky Derby celebrations.

The delegation also travelled to Lexington to attend a race day at Keeneland Race Track. The 1.5 hour drive from Lexington and Louisville took us through bluegrass country, the region where 38 per cent of the world’s thoroughbred race horses are bred.

The delegation met with Mr Jerry Abramson, Mayor of Louisville and observed a Cabinet meeting.

The delegation travelled to Frankfort, Kentucky State capital, and toured the Capitol Building, the Kentucky Museum and Library. The delegation met with Mr Trey Grayson, Secretary of State, Ms Crit Luallen, Auditor of Public Accounts, Mr Tony Lindauer, State Property Auditor, Mr Steve Pence, Lieutenant Governor (R), and the Hon Joni Jenkins, State Legislator (D).

Government in Kentucky

Following Washington DC, with its enormous concentration of governmental and political machinery – and perhaps the world’s greatest ever centre of political power – the delegation’s visit to Kentucky was revealing of the depth and pervasiveness of politics and government in the communities where most Americans live.

Kentucky’s legislative branch consists of a bicameral body known as the Kentucky General Assembly. The Senate is considered the Upper House and has 38 members and the House of Representatives has 100 members. These positions are elected on a part time basis with minimal support in terms of staff and resources. Legislative sessions convene on the first Tuesday after the first Monday in January. In even-numbered years, sessions may not last more than 60 legislative days, and cannot extend beyond 15 April. In odd-numbered years, sessions may not last more than 30 legislative days, and cannot extend beyond 30 March.

The executive branch is headed by the Governor and Lieutenant Governor who are elected for four year terms.

Kentucky's governmental structure is testament to Americans' suspicion of the concentration of power, a characteristic embedded in their political culture since the days of the Founding Fathers. (During the pre-delegation briefing, in response to a suggestion that the United States appears to an outsider as over-governed, United States Ambassador to Australia, HE Mr Robert D McCallum Jr, had identified the key contribution of the authors of the Federalist Papers to defining the American polity.)

Kentuckians identify themselves with the county in which they live, not the town or city, and the adage that 'all politics is local' could not ring more truly than it does in Kentucky.

Despite a population of just over four million, the Commonwealth of Kentucky is comprised of 120 counties. Each county typically has an elected County Attorney, Clerk, Sheriff, Jailer, Coroner, Public Auditor, Magistrates and Property Valuation Administrators. Considering law and order alone, the potential inefficiencies of a community numbered in perhaps the thousands electing Magistrates, a County Sheriff, operating a courthouse and a county jail would perhaps not be lost on even the most enthusiastic local government activist in Australia.

Members of the delegation were intrigued by the extent to which government services are decentralised and asked the Secretary of State and other officials if amalgamation of counties was under consideration. It was abundantly clear from responses given by the Lieutenant Governor and other officials that, while the amalgamation of local counties might be more efficient, Kennett-style local government rationalisation, as conducted in Victoria in the 1990s, was not considered politically achievable.

Gubernatorial Primary

The delegation was fortunate to be visiting Kentucky a month before the Gubernatorial primary was held. The current Governor of Kentucky is Republican Ernie Fletcher, elected in 2003 as Kentucky's first Republican Governor in over 30 years. Governor Fletcher's term has been marred with controversy, as a little over a year ago he was under indictment on three misdemeanour charges of rigging state hiring to favour loyalists. Fletcher declined to appear before a grand jury, invoking his Fifth Amendment right against self-incrimination, and issued a blanket pardon that nullified charges against nine state workers. Governor Fletcher was challenged by two opponents. The Democrats had six candidates running in the primary.

The absence of centralised party control of these campaigns was clear, with individuals seeking election on their own terms and engaging in very public conflict, potentially to the detriment of the party to which they are affiliated.

State Development in Kentucky

Leaving aside the development of a secret recipe for chicken by Colonel Harland Sanders in 1932, Kentucky has two iconic industries – thoroughbreds and bourbon. As the world's greatest centre of thoroughbred breeding and – arguably – home to the greatest bourbon, Kentuckians have harnessed the twin natural advantages of a limestone rich geology and an abundance of groundwater for these quite different purposes.

The strength of both industries has a common underpinning: as water filters through the natural limestone, it is enriched by calcium and other minerals. The water is perfect for distilling bourbon and its cousin, sour mash, because it is iron-free and the calcium and other minerals in the water impact on the fermentation of bourbon, resulting in a deep and rich flavour. The limestone-filtered water is also essential for building horse flesh: calcium helps build strong bones and other nutrients develop the muscles.

Although doubtlessly the importance of the thoroughbred and bourbon distilling industries to the economy are appreciated by government representatives and officials, there has clearly been a concerted effort to broaden both the economic base and the image of the state.

The automotive industry is clearly viewed as strategically important for the Kentucky State economy. Having been home to the production of Corvette sports cars for General Motors at its Bowling Green plant since 1981, Kentucky now also boasts one of the largest Toyota manufacturing plants in the United States. The Georgetown plant, which has been operating since 1998, is Toyota's first and wholly-owned manufacturing facility in North America and the company's largest outside Japan. The plant now produces up to 500,000 passenger sedans including the Camry each year, as well as four cylinder and V6 engines. Hybrid vehicle production began in late 2006. The plant employs 7,000 people directly, with significant flow on effects for Kentucky employment.

Toyota is the most productive auto manufacturer in the United States and has this year become the world's largest motor vehicle manufacturer, surpassing for the first time General Motors. Officials whom the delegation met in Frankfort were keen to point out the importance of having such a strategic industry located in their state. Officials indicated that the competition amongst states to secure the establishment of the Toyota plant in the 1980s required intensive lobbying, the development of appropriate incentives as well as the consideration of local community environmental concerns. The latter has meant that the Georgetown plant has become a 'zero landfill facility'.

The delegation learnt in Louisville that the local administration was in a concerted effort to market the city as more than just the Derby and bourbon. To a degree the city officials were attempting to differentiate itself from the broader image of Kentucky with its 'Unbridled Spirit' tag. Although the final form of a marketing strategy was yet to be decided, themes including quality of life and opportunity were being developed with a view to attracting both residents and businesses to the city. Again the competitive aspect of local politics was demonstrated, with a clear view that Louisville is in direct competition with Nashville, Atlanta, St Louis and other similar sized cities with bigger profiles. Members of the Mayor's Cabinet were also interested in pursuing sister-city relationships, potentially in Australia.

Washington State

Washington State follows the Pacific North West coast of the United States and has a population of around 6.3 million. The state has a strong mixed economy with abundant natural resources, as well as high tech manufacturing, with the headquarters of both Microsoft and Boeing outside Seattle, both companies which the delegation visited.

Washington State is also home to Starbucks Coffee and its subsidiary Seattle's Best Coffee, Nintendo, T-Mobile, Amazon.com, Kenworth vehicles, the Nordstrom retail group, Real Networks (creator of Realplayer), REI outdoor goods, Costco wholesaling, Weyerhaeuser timber, and the media, investment and property giant Vulcan, Inc – showing the diversity of its major organisations.

The delegation visited from the evening of Monday 24 April through to Saturday 27 April. During this time, the delegation visited Seattle and the State Capitol, Olympia, and were generously hosted by Mr Michael Eklund-Grayum, Director of Government Relations at the Washington State Department of Natural Resources.

Delegates commented on how the geography of Washington State, in particular Seattle, reminded them of home. Comparisons were made to Sydney's working harbour, Melbourne's urban environment (and weather) and the development of Hobart.

People & Economy

The lifestyle and physical beauty of Seattle, along with strong local universities attract a capable young workforce for the substantial base of iconic global companies and support industries. However, the ability to source additional skilled labour to match the growth in demand for high tech products is an ongoing challenge for companies such as Microsoft. Microsoft has a permanently exhausted skilled-migrant visa allocation, annually filling its H1B visa intake within one day. The backlog of applicants would take years to work through.

The United States H1B visa entitles a high-skilled employee to work in the United States for one year, however their spouse cannot work. At the end of the 12 months they can apply for a Green Card.

As a result, Microsoft has set up major operations in Cambridge, Beijing and India – to widen its recruitment pool. It's yet to be seen if companies like the software giant can make additional use of the Australian Government's new E3 visa, which allows up to 10,000 additional Australians the opportunity to work in the United States.

The delegation was hosted to a fascinating tour of the Microsoft home of the future and office of the future, which provided an insight into the emerging opportunities arising from the integration of computer technology into future building and industrial design.

The tour of the Boeing factory also provided an overview of the scale of the facilities and the increasing efficiency and globalisation of aircraft manufacturing. Boeing's new 787 Dreamliner can be produced at a rate of one every three days, with major components including sections of fuselage and the wings sourced from around the globe. Boeing has recently adopted a constantly rolling production line, the idea originating from Toyota, where the massive aircraft frames move slightly every thirty seconds, and the aircraft is completed as it moves towards and through the hangar doors. As well as within the United States, major components for the company's latest products are sourced from Japan, Italy and Australia. The company representative indicated that orders for aircraft can be contingent upon Boeing agreeing to source components from manufacturers within the airline's home base.

Washington State is also home to a number of indigenous Indian tribes. The delegation was hosted by representatives of the Muckleshoot tribe, which included a visit to the Tillicum Village on Blake Island. The tribe has traditional resource-based businesses protected by treaty rights and state and federal legislation, but have also diversified into casino management, generating significant funds to reinvest into their community. The tribe, whose total population is around 3600, elects its own democratic council to manage a wide range of service delivery functions on the reservation. The balance of maintaining tribal cultural integrity, relatively speaking, and growing the economic base of the tribe was an ongoing challenge for the elected council.

There is a strong environmental movement, although there is no distinct 'green' party in elected office. The delegation was given a thorough overview of natural resource management practices and the co-operative models of engagement between landowners, indigenous tribes, corporations and government. A highlight of the trip was also an examination of the locally famous mounds, known to some as 'Swanny Hills,' a geological curiosity of unknown provenance, with competing theories of ancient groundhog citadels, glacial thawing and intersecting seismic events.

The delegation was treated to an example of the local seafood delicacies, including the exotic geoduck (pronounced goo-ee duck), which is, in fact, nothing like a duck at all but instead a distant and estranged relative of the clam – weighing up to 15 kilograms and living for around 150 years.

The seafood industry in Washington State has a strong export focus but faces similar challenges to the Australian industry, including those of sustainable resource management, pollution and predator control.

Politics

The delegation met with senior members of the legislature, the executive, city administrations and the judiciary whilst in Seattle and Olympia.

Washington State has traditionally had a heavy democratic leaning at the national level, however recently has had a number of close political contests within the state. The 2004 gubernatorial election saw current Governor Christine Gregoire (D) elected by the narrowest margin of just 133 votes after two recounts.

The delegation met Governor Gregoire and witnessed a Bill signing ceremony. This event, televised and covered by a large number of media outlets, sees the Governor sign each of the assented Bills into law, in the presence of those responsible for bringing them forward. Present on this occasion were community, business, environmental and other interest groups – who met the Governor, received a special commemorative pen and then posed for photographs with the Governor.

The delegation also met with Secretary of State, the Hon Sam Reed (R), who oversaw the gubernatorial recount and gave the delegation an insight into the role of the Secretary of State, who oversees a range of administrative and record keeping agencies. As a counterpoint to this presentation, the delegation was generously hosted by Ms Laura Ruderman on our final day in Seattle. Ms Ruderman had contested the Secretary of State election against Mr Reed and gave a Democrat's perspective on the gubernatorial race.

The delegation also met with Mr Dwight Pelz, Chair of the State Democratic Party, who gave an overview of the election process from a party administrative point of view. The official party organisation grows and shrinks in election cycles, with a focus on fundraising and grassroots organising to encourage people to vote. The constant theme heard by the delegation on the value of incumbency and the need for significant fundraising to successfully win a contested ballot was re-enforced by Mr Pelz.

Mr Pelz also clarified the involvement of the central party offices in any campaign. The delegation had been curious about the role of the 'party machines' in races that are often contested by seven representatives of the one party.

In particular, delegates questioned the amount of time, money and energy that is invested in running against other members of one's own party during the publicly-funded primary elections – and the ability to continue on to effectively fight the opposition party at a general election.

Mr Pelz, like other party representatives we met, reassured us that party officials do play a role in individual district contests and primaries, to ensure the best candidates succeed where possible.

However Mr Pelz also confirmed another significant difference between United States and Australian politics. According to Mr Pelz, Americans would not tolerate abandoning their system where passionate and very public contests take place just to secure the candidacy – before they even think about fighting an opponent for the seat.

Mr Pelz suggested that the party would face greater vilification from the community and media for taking the choice of candidate away from the public, than they would for endorsing a bad candidate.

In Olympia, the delegation was also given a tour of the Supreme Court by Chief Justice the Hon Gerry Alexander, who has served as Chief Justice since 2001. The delegation questioned the Chief Justice on the merits of the election of judicial officials and the issues raised for the integrity of the judicial process.

The Chief Justice gave generously of his time in explaining the decision making system within the court, as well as the extent to which candidates for judicial office are scrutinised for their decisions whilst on the bench.

The delegation was also hosted by State Representative Joe McDermott (D) who conducted a tour of the Capitol building in Olympia and explained the party caucus system. Representative McDermott also outlined the local legislative requirements on elected officials to conduct public business in an open and transparent manner, which requires the advertisement of meetings, making them open to the public and also televising a wide range of official ceremonies and decision making processes down to board meeting level.

A flick through the dozens of free to air television channels available in Washington finds several versions of C-SPAN and community channels telecasting legislative sessions, committee debate, and even meetings of the local School Board Superintendents. Washington State has reportedly one of the lowest levels of insomnia in the world as a consequence.

It should be noted that while Representative McDermott describes himself as a full-time representative, he is only required for Parliamentary sessions for a few months each year. In 2007, the 105 day Washington session concluded on 22 April, just days before our visit. Representative McDermott also conducts tours of Seattle's intricate underground tunnels and a subterranean streetscape created by different stages of development over the decades as a private activity.

The delegation also met the Mayor of Seattle and councillors from the City of Seattle and the nearby King County. Seattle council has approximately 10,000 employees and is overseeing an upgrade of local public transport. One of the priority issues for the council is more accessible public housing with current starting housing prices around \$450,000.

Seattle is currently undergoing a major urban renewal project with a number of unproductive open spaces, parks and buildings being redeveloped for modern alternative lifestyle uses by a philanthropic local entrepreneur.

Washington State has no state income tax, but raises revenue through a range of corporate taxes. The ability of individual jurisdictions to set their own tax base provides more flexibility to adjust to local economic conditions than in Australia where the states' taxing powers have been progressively eroded. Differential tax regimes amongst states also provide major corporations significant bargaining power as to where they will locate and allows a certain degree of tax arbitrage between jurisdictions.

The delegation thanks the Australian Political Exchange Council for providing us with the opportunity to participate in this unique, cross-party international experience. Providing young political leaders with the opportunity to bolster our own knowledge about one of Australia's closest allies, the United States of America, is potentially a very useful one. It is hoped that, in time, the relationships formed on this delegation and others like it, will serve our country well in future international relations.

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