

**AUSTRALIA TO NEW ZEALAND**  
20 – 30 July 2003

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## Introduction

### **Mr Jeremy Rockliff MHA – Delegation Leader**

Member of the Tasmanian House of Assembly, Shadow Minister for Primary Industries, Water and Environment, Shadow Minister for the Arts, Opposition Whip;

**Mr Dean Hersey**, Vice President of the Liberal Party of Australia (South Australian Division);

**Ms Katrina Flannery**, Office Manager/Media Adviser to the Federal Member for Flinders;

**Dr Sally Talbot**, Assistant State Secretary of the Australian Labor Party (Western Australian Branch);

**Mr Antony Sachs**, Adviser to Senator the Hon John Faulkner, Leader of the Opposition in the Senate;

**Mrs Leesa Vlahos**, Assistant State Secretary of the Australian Labor Party (South Australian Branch);

**Cr Tom Crouch**, Deputy Mayor, Mildura Rural City Council;

**Ms Debbie Lewis**, Australian Political Exchange Council Representative.

The second APEC delegation to New Zealand proved to be a highly successful visit and an ideal opportunity for delegates to gain a greater understanding of the economic, social and environmental values of New Zealand and the importance of a close working trans-Tasman relationship to both countries.

Our visit coincided with the twentieth anniversary of the signing of the Australia and New Zealand Closer Economic Relations Trade Agreement (CER) that has promoted economic integration between our two countries.

Prior to our departure we were given substantial briefings on important aspects of New Zealand. This overview assisted the delegation to better equip us for the diverse experiences to follow.

We gained a significant appreciation and holistic view of New Zealand as we travelled extensively visiting major political, population and tourism centres such as Wellington, Christchurch, Auckland and Queenstown.

The CER agreement has not weakened our rivalry on the sporting field as we also arrived during two major sporting fixtures between our two countries namely netball and rugby. As an interesting aspect to the psychology of New Zealanders we appreciated both the willingness of many to inform us of the timing of these two events as well as the results.

We were extremely fortunate to have such excellent access to influential members of parliament across the political spectrum as well as senior officials within the government bureaucracy.

As the delegation were all "students" of politics of one form or another the unicameral parliament and MMP electoral system of government was of particular fascination as we were treated to insightful briefings with all political parties elected under the progressive electoral system and vying for relevance within a conservative Westminster system of government.

## Official Engagements

The hospitality extended to delegates throughout their stay in New Zealand was, without exception, outstanding.

Three special occasions, however, stand out as highlights deserving of particular comment. The first was a breakfast meeting in the Ministerial Dining Room during which delegates were introduced to New Zealand alumni of the Australian Political Exchange programme who included Hon Chris Carter MP, Mr Lindsay Tisch MP, Mr Scott Simpson, Mr Sean Rota, Ms Jennie Michie, and Mr David Weinstein. Hon Ruth Dyson MP, Women's Affairs Minister, also joined delegates for the breakfast. With New Zealand being a relatively new addition to the exchange programme, delegates and alumni shared a sense of being groundbreakers as well as a commitment to maintain and strengthen contacts between our two countries.

The second occasion was the dinner in the Ministerial Dining Room at Parliament House at the start of our visit at which the Delegation were Guests of Honour of the Right Honourable Jonathan Hunt, Speaker of the Parliament of New Zealand. Superb wine and food accompanied a memorable evening of conversation during which delegates shared their first impressions of New Zealand and their expectations for the following ten days with the Speaker and his other guests who included Hon Peter Dunne MP, Mr David Benson-Pope MP, Mr Lindsay Tisch MP, Mr Gerry Brownlee MP, Hon Mark Burton MP, Mr John Carter MP and Ms Sarah Boyle.

Our farewell dinner hosted by Dame Catherine Tizard, former Governor-General of New Zealand, was an equally unforgettable occasion. Delegates joined Dame Cath and her guests—Mr Donald Trott, Mrs Jenny Fenwick and Mr Robert Fenwick—in the White Restaurant at the Hilton Hotel in Auckland. To spend our final evening in such august and enriching company was indeed a privilege and a most fitting finale to ten fascinating days.

## The New Zealand System of Government

The 2002 New Zealand election was their third election under the Mixed-Member Proportional ("MMP") system. In many ways, the result illustrated the change to the political landscape wrought by the radical reforms to their electoral system in the mid-1990's.

Labour Prime Minister Helen Clarke was returned to power in the 2002 general election and now leads a minority government in coalition, relying both on the left wing Progressive Coalition and the centrist United Future party for majorities on supply and confidence.

Delegates were fascinated by the centrifugal effect MMP had had on the major parties. The pluralism brought about by MMP in New Zealand and the implications for party organisation, election campaigns and the operation of the Parliament itself were clearly the major issue for ourselves (and the NZ political parties) to come to terms with. Whilst in Wellington, members of the delegation met with the leaders of all of the parties in the NZ parliament. Dialogue with the political leaders covered a broad spectrum of New Zealand and trans-Tasman issues, but emphasised the changes to the New Zealand political and party preselection systems brought about by the introduction of the MMP system of election to the Parliament. Further issues discussed included the changing focus of foreign and defence policy and perceptions of NZ's relationship with Australia.

All delegates found the meeting with Winston Peters' New Zealand First Party the most interesting and provocative. While some commentators have described Winston Peters

as being “like Pauline Hanson with brains”, delegates found NZ First to be a somewhat more complex and established party than One Nation. NZ First has three core policies; namely, cutting back immigration, zero tolerance of crime and stopping the so-called Maori industry. Posters of Winston Peters with three fingers in the air (symbolising his three policies) were prominent on billboards in major cities.

### ***The Mixed-Member Proportional system***

The reason New Zealand adopted MMP was emphasised to delegates many times. After growing disillusionment with the two party system and Governments imposing radical economic reforms without a mandate, in 1993 New Zealanders decided in a referendum to reform their electoral system and adopt the so-called Mixed Member Proportional system. As a result, the New Zealand parliament is now governed by one house of 120 members, elected using the MMP system.

Delegates spent time at the briefing in Canberra before leaving and with the NZ Electoral Commissioner in Wellington getting on top of this fundamental change to the NZ political system.

Under this system, each eligible voter has two votes: an electorate vote (a choice of which candidate will represent the voter in their local electorate) and a Party vote (theoretically, a vote for which Party will govern the nation).

In summary, candidates in electorates are elected according to a first-past-the-post system, so there is no preferential voting. Voters may only select one Party for their Party vote. The Party vote is then calculated using a proportional system. The Party vote determines how many seats each party will have in the parliament. For example, if the Labour Party won exactly 50% of the Party vote, it would be entitled to 60 seats. If the Party won 40 electorate seats, then individuals on the Party’s ‘list’ would fill the remaining 20 seats the Party is entitled to. The ‘list’ is a kind of ticket put forward by each party listing candidates, in numerical order, who will fill non-electorate seats in parliament.

So regardless of how many electorate seats a Party wins, its total representation in parliament is ultimately determined by the Party vote.

To prevent parties having a say that exceeds the level of their popular support, a Party must either win an electorate seat or 5% of the Party vote to be represented in parliament. Once either of these targets are achieved, the Party’s party vote is then used to calculate how many seats the party is entitled to in parliament.

For example, although Jim Anderton’s Progressive Coalition only won 1.75% of the Party vote in 2002, Jim Anderton won an electorate seat. This gives the Party the right to be represented in parliament. Their 1.75% of the Party vote entitled them to two seats (1.75% of 120), so one person was elected from the Party’s list to join Jim Anderton in parliament.

Under MMP there is, overall, a greater focus on minor parties, less influence and power invested in major parties, a wider variety of opinion and coverage and interest in that variety of opinion. Most importantly, MMP has resulted in the end of the absolute dominance that both major parties held in New Zealand politics.

The flip-side of weakening the major parties’ position has been a greater level of political instability. This was demonstrated clearly throughout the 2002 election, so much so that one the Labour Party’s key campaign messages was to ‘vote for stable Government.’

Arguably, MMP appears to have delivered the outcome that New Zealanders wished for when they voted for it in 1993 – it has removed the absolute strangle-hold that major parties held on the legislature and ensured that there is a larger level of representation for the increasingly diverse New Zealand electorate.

### ***What could Australia learn from the MMP system?***

Delegates felt that the problems New Zealanders had with their electoral system in the 1980s and early 1990s are, broadly speaking, not shared as acutely by Australia. Australia's bi-cameral system, with a proportionally elected Upper House, has denied major party Governments the absolute power enjoyed by past Governments in New Zealand. The Senate in Australia has served to give not only representation to minor parties, but also act as check against the major party dominated House of Representatives.

### ***Maori Electorate Seats***

Delegates found the next most striking feature of the New Zealand electoral system was the existence of Maori parliamentary seats.

New Zealand's parliament is the only legislature in the world that specifically includes indigenous people in the parliamentary process. Maori only seats have existed in New Zealand's parliamentary system since 1867, where they were fixed at four seats. Now, under MMP, Maori electorate seats reflect the growth of the Maori electorate roll and their number has grown to seven.

Maoris can choose to be on the General roll or the Maori roll. People on the Maori electoral roll elect the MPs for the designated Maori seats.

### ***Campaign Spending***

Delegates found one of the most interesting regulations affecting New Zealand elections was their campaign spending controls. These work on two levels, enforcing:

- A spending limit of NZ\$20,000 for each electorate seat campaign;
- Advertising spending limits for each Party – limits are decided for each Party individually by the Electoral Commission before each election.

New Zealand does not appear to have the same concerns as Australia in relation to related to fundraising and election campaign spending. This is probably due to the spending caps that have over time created a different political and campaigning culture.

### ***Election Day Regulations***

From the information and accounts given to delegates, Election Day is a significantly different experience for New Zealanders than Australians.

Firstly, while registering to vote is compulsory in NZ, having your name marked off the roll on polling day is not. So, while over 90% are enrolled in 2002 only 77% actually voted.

Secondly, disseminating any political material of any kind on polling day is prohibited. This includes handing out how-to-vote cards outside of polling booths.

Thirdly, ballot papers are remarkably simpler and easier to understand than in Australia. This is in large part a result of New Zealand's non-preferential system, where voters are only required to tick one box. Significantly, ballot papers not only print party names, but also Party logos.

## The Waitangi Tribunal

The Maori greeting, which welcomed delegates to the Waitangi Tribunal, set the scene for an extremely enlightening discussion about the practical implementation of the Treaty of Waitangi in contemporary New Zealand society. Unlike Australia, where the presumption of *terra nullius* was only overturned in 1992, New Zealand has had the basis of a native title system in place since 1840 when British settlers drew up an agreement with the Maori people about land ownership.

The Waitangi Tribunal was established in 1975 to provide the New Zealand Parliament with a way to resolve claims made by Maori in relation to the implementation of the Treaty of Waitangi.

Delegates were given a detailed briefing about the mechanisms for collecting evidence and preparing claims, the subjects of which range from flora and fauna to radio spectrum frequencies. The links between the Waitangi Tribunal and the Maori Land Court and the Office of Treaty Settlements were also explained. The extent to which the Waitangi Tribunal has become a repository for the collection of historical data was of particular interest to delegates.

Like Australian Aboriginals, Maori face complex challenges following their shift from rural to urban areas during the past 60 years. The need to alleviate some of the literacy and health problems of Maori children is one that Waitangi Tribunal officers clearly regard as pressing, and their passionate commitment to oversee the implementation of language and health programs addressing these disadvantages was very evident.

With our visit to New Zealand taking place at the same time as the Clark Labour-led Government was formulating a response to Maori claims to the foreshore and seabed, delegates left the Waitangi Tribunal well briefed about the complexity of the arguments they were to hear referred to repeatedly during their stay. The objective of the Maori greeting – to establish common ground on which to talk as one people – was well served by our discussions, with delegates gaining a unique insight into the practical applications of the Waitangi Tribunal's guiding principal: *'Kia puta ki te whai ao ki te ao mārama'*

('From the world of darkness moving into the world of light')

## Terrorism, Security and Defence

The New Zealand Government's decision in recent times to scrap their Air Force's combat wing and scale back plans for a third Anzac frigate, has been met with mixed feelings by the community. However the NZDF is very keen to dismiss the "Defence Bludger" tag that according to the "New Zealand Herald" (30/7/03) is "well-embedded across the Tasman". In fact they are very proud of their ability to "punch above their weight" regardless of their relatively small population and economic base. (NZ's GDP is 7.5 times less than Australia while its population is roughly one fifth.) And currently they rate 23 out of 191 countries presently contributing to overseas deployments.

With only 9,000 members in uniform (plus 2,000 civilians) the NZDF have been active in regional affairs and beyond with recent activity in Afghanistan and Iraq and are preparing to join an Australian-led mission to the Solomon Islands. Currently the NZDF are embarking on a Long Term Development Plan (LTDP), which will incorporate a cost efficient philosophy towards future developments.

Two of the main factors of this philosophy will be the purchase of multi-purpose vehicles and promoting closer interoperability between the NZDF and its Australian counterpart.

Defence does not appear to be as great an issue to the community as it is in Australia. They have no major defence industry and believe factors like their isolated geographical location keep military threats to their country to a minimum.

Since September 11, 2001 New Zealanders like Australians have changed their outlook on domestic security. The Prime Minister personally chairs the relevant committee while Richard Prebble leads a sub committee that is fed intelligence by the Government Security Bureau (GCSB) and the NZ Signals Intelligence Service. (SIS)

The government sees a need to educate the public that terrorist's threats are on going and that there is a real danger of complacency. They realize that their country could be used as a safe haven for terrorists (in recent years some 1500-2000 people a year have been flown in via people-smugglers) and are monitoring Islamic communities preaching extreme views.

However, the magnitude of apprehension associated with this matter still does not seem to be at the same level as Australia's. Parliament House "The Beehive" seems very open to traffic and a member of our party was able to gain access to the building, unaccompanied and without official identification, simply by verbally identifying himself and expressing a desire to use the facilities. Conversely the Australian High Commissioner could only gain access to his building after submitting to a retina scan. Furthermore, although metal detectors were in use at all airports, we were issued with metal knives and forks with our meal on the home flight from Auckland to Sydney.

### **The Role of the Reserve Bank In New Zealand**

The Minister for Finance appointed Dr Allan Bollard the Governor of the Reserve Bank on the recommendation of the Bank's Board of Directors in 2002. The APEC delegation enjoyed his frank answers to our questions during our visit to Wellington. The *Reserve Bank of New Zealand Act 1989* provides the Bank with statutory powers and obligations. As a result the Bank is not a conventional government department or state agency, although it is fully owned by the Government.

The Reserve Bank is charged with controlling inflation. It has autonomy in the way it achieves price stability and is also independent in relation to the management of overseas reserves, bank registrations, currency design and the investment of the Reserve Bank's assets. The current inflation target is 1 to 3 percent and a CPI with zero inflation.

New Zealand's economy in recent times has survived international instability via a strong housing sector driven by inbound immigration. The March 2003 economic quarter set growth at around 4.2 percent, however there are signs that economy is beginning to slow.

Potential threats and opportunities to the New Zealand economy in the future lie in:

- Value adding in forestry, fishing and education
- The USA free trade agreement with Australia and its impact on the well established Australia New Zealand relationship
- New Zealand's high dependency on agriculture. Agriculture represents 20 percent of the nation's export economy. A major animal disease outbreak would greatly affect the nation.
- A skills short fall with Pacific Islands and Samoan immigrants

## The Kiwibank Initiative

Kiwibank was opened to the New Zealand public in March 2002, and has since celebrated the opening of over 280 branches, making it by far already the largest network of any bank operating in New Zealand.

With 99% of New Zealand's banking system in foreign ownership, Kiwibank was launched by the Labour-Alliance Coalition Government, with \$A63 million start-up capital and is owned by NZ Post.

The State owned Kiwibank was strongly advocated by Alliance leader and Deputy Prime Minister, Minister for Economic, Industry and Regional Development, Jim Anderton, to curtail branch closures, high fees and profits heading offshore.

Although Kiwibank posted a loss of \$6.5 million in the first half of 2003, it is forecast to make a profit in 2004/05. It has captured 8% of the mortgage market (a figure expected to increase), and its number of customers has exceeded the bank's own targets.

The New Zealand government limited Kiwibank's operations to personal banking, so it does not provide a range of services, which other banks provide to primary, secondary and tertiary industries.

Some the features offered by Kiwibank include: not needing a deposit if a house is valued under \$100,000; consistent home loan interest rates at half a percentage point lower than the interest rates offered by major banks; a flat rate of 4.5% interest on children's savings accounts, and a wide range of other personal banking services. It is marketed as a 'no-frills' bank to people interested in lower banking fees and keeping profits within the country.

## New Zealand Industry

### *Dairy*

Agriculture accounts for around 19-20% of New Zealand's GDP. Dairying represents 23 percent of New Zealand's export revenue.

We were fortunate to visit a modern progressive dairy farm (Willsden Farm Ltd.) in the Canterbury plains 65 km from Christchurch, which provided us with an impression of a well educated and professional NZ farming community. The 412 ha farm stocks 1070 dairy cows producing an average of 433 kgMS /per cow/per year. The farming operation business targets aim to maintain a return on capital of greater than 10%.

We also visited the main factory site of Fonterra Co-operative Group Limited, NZ's leading multinational dairy company. It is owned by 13,000 New Zealand dairy farmers (with the help of 3.5 million New Zealand cows) and is the world's largest exporter of dairy products, exporting 93 percent of its production with the remaining product is consumed by New Zealand's small domestic market of 3.8 million people.

Fonterra's global supply chain encompasses its shareholders' farms in New Zealand through to customers and consumers in 140 countries. Collecting over 13 billion litres of milk a year, Fonterra manufacture and market over 1.8 million tonnes of dairy products annually, making it the world's leader in large-scale milk procurement, processing and management. At the Fonterra Te Rapa site near Hamilton at peak production 7.5 million litres of milk are handled each day.

Fonterra's ingredients business is the largest dairy ingredients operation in the world, manufacturing and marketing more than 1,000 ingredient products to the international food industry. New Zealand Milk Limited is Fonterra's consumer business and has some of the world's best-known dairy brands, including [Anchor](#), [Anlene](#), [Andec](#), [Annum](#), [Chesdale](#), [Fernleaf](#) and [Mainland](#).

## ***Wine***

The wine industry in New Zealand is in a growth phase. After small harvest in 2000 and 2001, the 2002 vintage of approximately 118 tonnes was a record for the industry. In 2002 over 23 million litres of wine was exported with an export value of over \$246 million. Industry forecasts are predicting a near trebling in volume to 60 million litres and a rise in export value to \$736 million by 2006.

The 2<sup>nd</sup> APEC delegation was fortunate to sample the wines of the Central Otago region in the South Island and northwest of Auckland where two extremely successful exports vineyards are based.

The Central Otago region is one of the most southern wine growing regions in the world with hot dry summers and cold dry winters. With over 100,000 visitors stopping annually to enjoy the Gibbston Valley Wines, the vineyard is not only a serious winemaking concern but also a major tourism attraction for nearby Queenstown. The vineyard is particularly well known for its 2001 International Wine Challenge (London) awarding winning Pinot Noir and also specializes in Pinot Gris, Pinot Blanc, alfresco dining and cheese making.

The Brajkovich family has run the Kumeu River Estate since its establishment in 1944 near Auckland. Oak barrels from France play a significant role in this family's range of wines. The vineyard is well known for its Chardonnay and increasingly for its Pinot Noir. Kumeu River wines are only bottled in screw top bottles and are exported to Australia, the USA, Asia and the UK.

## ***Horse Breeding***

Cambridge Stud on the North Island South of Auckland is the home of the world famous deceased stallion, Sir Tristram (1971 – 1997). Sir Tristram's success began what is today internationally recognised as the most successful privately owned thoroughbred breeding operation in Australasia. Between December to February, Cambridge Stud sells its yearlings producing around \$15 million in sales.

Cambridge Stud's current stallions are Zabeel, Keeper, Cape Cross and Stravinsky. Zabeel, is the son of the great Sir Tristram, and to date, has sired 23 Group One winners. He is currently valued at around \$40 million and fetches a service fee of \$200,000 without guarantee of progeny. The stallion has serviced 170 mares within a year.

Sir Patrick and Lady Hogan established Cambridge Stud in 1972. Sir Patrick, an astute stud master, chose Sir Tristram purely by his pedigree, which carried impeccable bloodlines and purchased the young stallion sight-unseen in 1975.

When Sir Tristram arrived at Cambridge Stud, a 20-week trip from France, Sir Patrick found himself with a horse that his agent could not recommend, that he could barely afford, that shareholders wanted out of and that his staff didn't want to handle. However, by 1980, Sir Tristram's yearlings were fetching high prices and showing enormous promise resulting from a Group One win by Sovereign Red; the first of many to come.

In all, Sir Tristram produced 44 Group One winners and re-wrote the record book.

## ***Tourism***

Tourism employs one in ten New Zealanders, accounts for between 5.5 percent and 6 percent of the nation's GDP and is the nation's second biggest export earner (14.3 percent). New Zealand relative geographic isolation means the country attracts less than 1 percent of global tourists.

With approximately 2 million visitors each year the industry is keen to attract independent international travellers who are keen to experience a mix of attractions. This type of traveller is environmentally and culturally aware and actively participates in the natural environment.

Tourism New Zealand on an annual budget of \$55 million markets the country globally as a tourism destination. New Zealand's tourism marketing strength is based on the islands natural clean green image and not upon events.

Tourism New Zealand has used the award winning campaign of "100% Pure New Zealand" since 1999 to publicize the nation's dramatic landscape, unique culture, friendly and passionate people and their adventurous spirit. Unlike Australia's Harbour Bridge, the Great Barrier Reef or Uluru, New Zealand currently does not have a set or singular iconic image to use in its marketing.

The recent SARS epidemic, Bali bombing and Iraq war has affected inbound international tourism from Asia. Conversely this has also resulted in an increase in Australians holidaying in New Zealand, as it perceived as a safe holiday destination. Australia is currently New Zealand's largest market with the USA, UK, Japan, Korea, Germany and Asia providing substantial visitor numbers.

New Zealand's unique government run public liability scheme has made it an extreme adventure sports centre. This system limits the amount that can be paid to a claimant to \$100,000 and features a no right to sue clause.

The Alpine region surrounding Queenstown in the lower South Island has become an extreme sports playground with activities held year round. Queenstown is directly accessible from Australia on international flights and it is easy to see why the township is popular with singles and families as a holiday destination. During our visit some our group enjoyed skiing, snow boarding, down hill lugging, jet boating rides and bungee jumping.

The area also hosts the historical gold mining town of Arrowtown, numerous great restaurants, cold climate vineyards, Milford Sound, the world class ski fields of the Remarkables and Coronet Peak, horse riding, numerous golf courses, white water rafting, parapetting (tandem paragliding), fishing in pristine alpine streams and lakes, "Lord of the Rings" site seeing tours and natural wilderness walks.

### ***Natural Resource Management***

The NZ economy relies heavily on agriculture and primary industry and the tourism sector and as such there is an obvious importance to manage the country's natural resources as the two sectors are intrinsically linked and rely on sustainable environmental outcomes.

We gained a sense of considerable environmental awareness across all facets of New Zealand culture from farming to tourism and local government. The *100% Pure New Zealand* marketing strategy adopted by Tourism New Zealand appears permeated across the spectrum.

Our visit to Lincoln University reinforced this as their curriculum focussed on Natural Resource Management as it specialises in commerce and business management, primary production, natural resources and environment, science, engineering and social science, tourism recreation and sport.

Lincoln University is one of eight government universities in New Zealand and is situated on the Canterbury plains approximately half an hour from Christchurch.

The Canterbury plains is a highly productive agricultural region with a great reliance on irrigation sourced from aquifers. One such research project conducted by the university was aimed at protecting the environment and water quality by measuring the concentration of nutrients from the top of the paddock through the soil profile and to

the water. This research will assist in the management of fertiliser applications, irrigation, grazing management and effluent inputs.

### **Local Government and the Christchurch City Council**

The City of Christchurch is located on the Eastern side of the South Island of New Zealand and boasts a population of approximately 320,000 people, being the largest centre on the South Island.

The prosperity of the region has traditionally had its foundation from farming practices that occur throughout the region. Sheep farming and the growing of crops have been the traditional uses of land but in the last few years, dairy farming has started to expand greatly in the area. Artesian Water is so clean; it is pumped directly to households without being treated.

Christchurch has a sister city relationship with Adelaide and fittingly is also known as the "Garden City".

Whilst in Christchurch the delegation was able to meet with representatives from the City Council to explore the political structure of New Zealand Council and discuss the issues that were affecting the area.

In attendance with the delegation was:

- Mayor - Garry Moore
- International Relations Co-ordinator - Dave Adamson
- Social & Economic Policy Analyst - Mary Richardson

The Council consisted of 24 members wholly elected for a 3-year term. The Council is split into 12 wards with 2 Councillors elected from each. The Council is currently looking to reduce its seats to 18.

Interestingly the Council has approximately \$900 million in trading assets plus further assets in Australia. It receives approximately \$130 million from its rate base and generates a further \$170 million from private ventures such as ownership in a power company (Orion – NZ), Jade Stadium, Red Bus Ltd and various other ventures. This gives them a total operating budget of \$300 million. Unlike most Australian Councils, the Council is not reliant on Government funding and only receives minor amounts.

The Mayor receives an allowance of \$137,000 whilst each individual councillor receives between \$50-60,000.

The Council is seen by the community to be conservative but many of its members have been involved in the labour party and bi-partisan groups based around the centre left. The impression was that the Council did not base its decisions on party politics but made its decision on consultation with its constituents.

### **Christchurch Community Plan**

The New Zealand government recently introduced changes to the Local Government Act that required Council's to have a Community Plan that addressed their long-term vision. The Christchurch Council has implemented a process to gather information from the community on its demographics profile. The Plan is to have 400 indicators, which reviewed council and government outcomes in all areas of service to the community. Council had collected a range of details from sectors including industry, community organisations, government bodies etc. that has enabled them to build a knowledge base of where they sit at this stage.

The Council will be addressing the key themes to emerge from the information including the challenges and opportunities throughout the area. Early indicators show that the city

has an ageing population (19% over 65 at 2020) and health and education is below acceptable standards.

The practice of creating a Community Plan has been a standard practice for the majority of Council's across Australia. The difference with the Community Plan being developed by the Christchurch Council is that it is taking a broader view and looking at all services that government and Council provide to the community and trying to address the gaps and shortfalls that exist.

This practise could be looked at by Council's throughout Australia with assistance and partnerships with Federal and State Departments.

Another interesting structural difference with the Council is that over top of the Council, sits Regional Council which acts in the same capacity as Australia's Environmental Protection Authority. This body includes members from local councils.

### ***Christchurch Art Gallery***

Christchurch Art Gallery Te Puna o Waiwhetu opened in May 2003 in the heart of the Christchurch's cultural precinct and in the two months following the Gallery's opening over 60,000 visitors have attended the Gallery. The new \$47.5 million facility features two floors of exhibition space, educational activity areas, an auditorium, a café and wine bar, retail outlets, a Sculpture Garden and underground parking.

The largest art institution in the South Island, the Gallery replaces the Robert McDougall Art Gallery (established 1932) as the home of one of New Zealand's most important public art collections. Through purchases, bequests and donations, the Gallery's Collection now totals over 5,500 items, including paintings, prints, drawings, sculpture, ceramics, textiles, glass, metalwork and photography.

### ***Christchurch Waste Water Treatment Plant***

The Christchurch waste water treatment plant is situated on the east side of Christchurch. It treats 150 million litres of raw domestic and industrial liquids through 1,400 km's of pipe each day, mainly from homes and businesses.

The assets of the treatment plant are owned and managed by the Christchurch City Council. The Council has produced Waste Treatment Plan to provide a strategy to manage the liquid waste pipeline assets in future years. It provides for replacements and expansion of the system to 15,000 extra households by the year 2010.

The waste treatment plant has recently introduced a number of innovative systems which includes:

Electronic data capture package for pipeline asset management. (PAMS)

This system enables the pipeline to be mapped on computer and provides a living inventory of what needs to be replaced or maintained in the system.

### ***HotRot Composting System***

The Christchurch waste water treatment plant has installed a system that separates all the heavy material from the waste water stream and feeds it into this new composting system. The HotRot system processes the material into high quality compost that is suitable for sale for horticultural uses. The system can process from 1 to 10 tonne per day and individual units can be used together to produce over 100 tonne per day if needed.

The Waste Water Treatment Plant has instigated some interesting initiatives that may have some application in Australia especially in regional Australia where waste water is problematic and compost is shipped in at a premium price.

### ***Waste Management – Recycling Plant***

Christchurch City Council has invested large capital funds into a Regional Recycling Centre that accepts all kerb side recycling products. The Centre sorts materials, packs and sells the recycled products.

The Council has two separate companies that are involved in the kerb side recycling business. "Kerbside City Water and Waste Unit" are contracted to collect the materials and deliver to the recycling centre where the "Recovered Materials Foundation (RMF)" sort, clean and sell the products.

RMF is an independent non-profit trust established by the City Council to develop sustainable and viable markets for waste. The RMF Board has two councillors as members and various other community and businesses members.

RMF also undertake research into products that can be created from recycled materials to value add to the selling process. Products that have been created include:

- Tiles made from recycled bottles
- Industrial rubber matting or carpet
- Plates and bottles made from potatoes skins
- Candle holders from bottles
- Sand used in sand blasting from crushed and grinded bottles

The Centre processes approximately 25,000 tonnes per year with the Council looking to reduce waste and recycle 60% of its refuse by 2010.

### **Conclusion**

The APEC Exchange to New Zealand was an opportunity of a lifetime for all individuals within the delegation.

The future benefits of educating and socialising with people working at the parliamentary or organisational level of politics is difficult to quantify initially but has enormous potential for both Australia and New Zealand.

The Exchange was an opportunity for a group of individuals from mixed political backgrounds to come together and represent Australia and interact with many New Zealanders at a senior political level and, as such, develop greater political maturity.

This became very relevant as we gained an understanding of a country whose electoral system virtually guarantees minority government and the necessity that flows for diverse political organisations to work cooperatively in government.

We were all extremely grateful for the courtesy and effort extended to us by all our hosts.

We were privileged by the access we had to political and cultural leaders that a great many New Zealanders may never experience.

We owe our sincere gratitude to Jim Blair, Visits Manager Department of Internal Affairs and Sean Rota, Private Secretary to the Speaker for their enormous generosity, spirit and hospitality that ensured an immensely enjoyable and educational experience.