

The Treasury

Report on Overseas Travel Hon Grant Robertson - Australia June 2022 Information Release

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Office of the Minister of Finance

Chair, Cabinet

REPORT ON OVERSEAS TRAVEL: HON GRANT ROBERTSON: AUSTRALIA JUNE 2022

Proposal

I propose that Cabinet note the report of my visit to Sydney, Australia from 9 June to 11 June 2022 to engage with business and investment stakeholders and meet with my Australian and New South Wales (NSW) Government counterparts.

Report

- 1 My visit to Sydney achieved its objectives of:
 - 1.1 supporting New Zealand's reconnection with Australia and the wider world following the COVID-19 pandemic;
 - 1.2 promoting New Zealand as a destination for high-quality and productive investment;
 - 1.3 highlighting New Zealand's post-pandemic economic credentials;
 - 1.4 strengthening New Zealand's relationship with the (recently elected) Australian Government and the NSW Government; and
 - 1.5 sharing policy experience with my Australian counterparts, including regarding the cost of infrastructure development, and supply chain constraints.
- 2 The key elements of my visit programme included: meetings with the Australian Treasurer, Hon Jim Chalmers; the NSW Minister for Infrastructure, Hon Rob Stokes; the Costco Managing Director for Australia and New Zealand; senior leaders from Fortescue Future Industries (FFI); a New Zealand Trade and Enterprise (NZTE) investment dinner; a business lunch hosted by the Trans-Tasman Business Circle; and an NZTE venture capital roundtable.
- 3 This visit was timely given our priority of reconnecting New Zealand with the world and building relationships with the recently elected Australian Government. The visit also reflected the importance of Australia to New Zealand's reconnecting initiative as our largest source of overseas investment, most important tourism market and second largest export destination.

- 4 My visit also coincided with the Prime Minister's visit to Sydney to meet her recently elected Australian counterpart, Prime Minister Anthony Albanese. Together, these engagements sent a clear message about the importance that New Zealand places on its relationship with the new Australian Government.
- 5 My meetings with Costco and Fortescue Future Industries enabled me to learn more about these businesses' intentions to transform New Zealand's supermarket, retail and green hydrogen production sectors respectively.
- 6 Looking ahead to the 40th anniversary of Closer Economic Relations (CER) next year, there was a strong theme throughout my visit of New Zealand and Australia working even more closely together to solve shared problems in areas such as climate change and infrastructure.
- 7 Feedback from my Australian federal and state government counterparts, and business stakeholders alike, confirm that there is a good appetite in Australia for more visits of this nature in the future.

NZTE Investment Dinner

- 8 The centrepiece of this visit was a dinner hosted by NZTE with over 60 high profile investors and prospective investors, where I expressed appreciation for the stakeholders' investment (or interest) in New Zealand; and worked to deepen NZTE's relationships with high net worth Australian investors.

Trans-Tasman Business Circle Lunch

- 9 The lunch was hosted by Chartered Accountants Australia and New Zealand and attended by around 50 Australian business leaders, where I had the opportunity to discuss New Zealand's post-pandemic reconnection, economic recovery, and efforts to address climate change and infrastructure challenges.
- 10 I received questions from the Australian business audience which were wide-ranging and demonstrated a particular interest in several areas, including: New Zealand's inflation and monetary policy outlook; the potential for closer cooperation between Australia and New Zealand to address skills shortages and supply chain constraints; New Zealand's preparation for the next pandemic; and my call for 2023 to be a year in which New Zealand and Australia reassert our shared values to the world, including with regard to the Pacific, climate change and the rules-based international trade system.

NZTE Venture Capital Roundtable

- 11 I met with leaders from four Australian Venture Capital (VC) firms which have invest, or are interested in investing, in New Zealand; Folklore Ventures, Jelix Ventures, Airtree Ventures and Partners for Growth funds.
- 12 Our discussion included the New Zealand start-up ecosystem and talent pool, the role of Australian Venture Capital in catalysing the growth of New Zealand businesses (particularly in the tech sector), and how New Zealand might attract more high-quality VC investment.

Costco

- 13 I met with Patrick Noone, Managing Director, Costco Australia, where he briefed me on Costco's plans to open its first New Zealand store in Auckland in August 2022, with up to two more New Zealand stores to follow.¹
- 14 [25]
- 15 I welcomed Costco's contribution to reducing the cost-of-living for New Zealand consumers and asked what more the New Zealand Government could do to facilitate its establishment in New Zealand.

Fortescue Future Industries

- 16 I met with senior representatives of Fortescue Future Industries (FFI), an Australian global green energy company committed to producing zero-carbon green hydrogen and green ammonia from fully renewable sources.
- 17 [25]
- 18 I note the relevance of FFI's green hydrogen interests to New Zealand's Coastal Shipping Strategy and encouraged them to speak to the Transport Minister, Hon Michael Wood, about this.

¹ Costco operates around 800 membership retail warehouses internationally. In Australia, its prices are up to 30 percent cheaper than other major retailers such as supermarkets and petrol stations).

Australian Treasurer, Hon Jim Chalmers

- 19 This was my first face-to-face meeting with Hon Jim Chalmers since he became the Australian Treasurer. We exchanged views on a range of current issues of common interest, including:
- 20 Australia's and New Zealand's respective responses to cost-of-living pressures and rising inflation, including New Zealand's experience of providing targeted and temporary relief measures.
- 21 The significance of 2023 as the 40th anniversary of CER: I raised the prospect of taking CER into areas not envisaged at the time of its signing, such as climate change, and coastal shipping.
- 22 Challenges facing Australia's and New Zealand's respective infrastructure programmes, including cost and availability of materials, skill shortages, [2]
- 23 We noted that the upcoming Australia New Zealand Leadership Forum (ANZLF) in Sydney, 7-8 July, provides an early opportunity for Trans-Tasman infrastructure ministers and officials to start this discussion.
- 24 The long-standing issues affecting New Zealanders in Australia, such as pathways to citizenship and deportations. [1], [2]
- 25 New Zealand's wellbeing budget approach, which the Treasurer and I will discuss further at our next Bilateral meeting.
- 26 [2]
- 27 [1], [2]

NSW Minister for Infrastructure, Hon Rob Stokes

- 28 I met with my NSW ministerial counterpart for Infrastructure, Hon Rob Stokes, where I discussed with him a range of current issues of common concern, including:

28.1 How to achieve better value for money from our significant infrastructure expenditure, including through procurement and project management.

28.2 The increasing tendency for contractors to submit legal claims against the government and how to manage this as a procurement risk.

28.3 [2]

28.4 [2]

28.5 The mutual benefit of enhanced New Zealand-Australia infrastructure collaboration, [2]

29 To kick-start this New Zealand/NSW infrastructure collaboration we noted that the ANZLF in July presents a potential for initial discussions between New Zealand and Australian infrastructure ministers and officials.

30 I also accepted Minister Stokes' invitation to speak to the NSW Infrastructure Cabinet Committee, [2]

Proactive release

31 I propose to release this paper proactively within 30 business days of its consideration by Cabinet.

Recommendation

32 I recommend that Cabinet note this report.

Authorised for lodgement

Hon Grant Robertson
Minister of Finance