

Concluding remarks

Keeping the momentum

- 7.1 The breadth of the CER and the vision of the SEM is a testament to the close relationship between Australia and New Zealand.
- 7.2 The committee did hear criticism of the CER process. Much of this related to the speed of implementation of agreements:
- . . . it certainly does need the political will on both sides to keep momentum and to ensure that the Australian and New Zealand presence in world best practice is evident. That is where, over the years, we have had some problems in focusing attention on CER.
- Our principal concern is in the delays in completing elements of the CER. There are matters outstanding under the services protocol.¹
- 7.3 Whilst the committee has not agreed with all of the criticism of the CER we believe that the momentum issues should be addressed by either the setting up of a CER Coordinating Secretariat/ Inter - Departmental Committee or, in the event either of these are found to be infeasible, this report itself will place a focus on and affect the momentum of the CER.

¹ Mr C Mackay, Executive Director, Australia New Zealand Business Council, *Evidence*, 12/05/06, p. 15.

A world class agreement: springboard to world trade

- 7.4 What came strongly out of the evidence was that ANZCERTA is a world class trade agreement. It is worth quoting some of the evidence to this effect:

The World Trade Organisation ('WTO') has described CER as the "world's most comprehensive, effective and multilaterally compatible free trade agreement."²

CER represents *the* model for other free trade agreements.³

- 7.5 CER provides a base from which further opportunities for global trade can be :

CER and the additional initiatives on Trans-Tasman integration are only to a degree about the Australian and NZ markets. In reality they are about creating a base for exporting goods and services to the international market. Together the Australian and NZ markets for most products are relatively small. In the international market the opportunities are much greater.⁴

CER has strengthened the trans- Tasman relationship, facilitated trade and investment, and stands ready as a platform for a regional, combined integration into larger regional economies and global networks.⁵

CER has created an 'Australasian market', giving New Zealand and Australian businesses a springboard to expand their exports to the rest of the world. Australia is the first offshore market for many New Zealand businesses and

2 Telstra Corporation Limited/TelstraClear Limited, *Submission 6, Vol 1*, p. 66.

3 New Zealand Australia Connections (NZAC) Research Centre, *submission 15, Vol 1*, p. 168.

4 Fonterra Cooperative Group, *Submission 2, Vol 1*, p. 8.

5 New Zealand Australia Connections (NZAC) Research Centre, *submission 15, Vol 1*, p. 168.

likewise, New Zealand provides a straightforward first market for many Australian companies.⁶

- 7.6 The economies such as China and India with cultural and business barriers that are often difficult to cross are particularly important to Australia and New Zealand. The close trans-Tasman business and trade relationship(s) that have been engendered by CER will, as outlined above, only serve to strengthen joint approaches to trade and investment in North and South Asia.⁷

More than trade: a cultural exchange

- 7.7 As well as being a world class trade agreement the CER provides more than trade benefits. The agreements that make up CER work towards cultural linkages and broaden the cultural exchange between the two countries.
- 7.8 Along these lines under the current protocols for the movement of professionals between the two countries, Australia and New Zealand have a healthy exchange of cinema and film professionals. Major films shot in New Zealand (e.g., *Lord of the Rings*, *King Kong* etc) have had significant Australian participation.⁸
- 7.9 Australia and New Zealand entered a film co-production Memorandum of Understanding (MOU) in 1994. The effect of this arrangement is that a film or television program approved as an official co-production is regarded as a national production of each of the co-producing countries and is therefore eligible to apply for any benefits or assistance available.⁹
- 7.10 These agreements help Australian producers and producers from other countries work creatively together and share the costs and risks of film production. An agreement can also assist to increase the output of high quality productions.¹⁰
- 7.11 Australia currently has eight film co-production agreements in place, six are treaties and two are MOU (having less than treaty status). As

6 NZ Government, *submission 9, Vol 1*, p. 98.

7 See comments by New Zealand Australia Connections (NZAC) Research Centre, *submission 15, Vol 1*, p. 169.

8 Department of Communications, IT and the Arts, *submission 22, Vol 2*, p.

9 Department of Communications, IT and the Arts, *submission 22, Vol 2*, p.

10 Department of Communications, IT and the Arts, *submission 22, Vol 2*, p.

of March 2006, 84 co-productions with a total budget of approximately \$808 million have gone into production.¹¹

- 7.12 Since the inception of the MOU with New Zealand, eight productions (four feature films and four mini-series) have been undertaken, representing a total budget of \$38.46 million.¹²
- 7.13 The Australian Government's refundable film tax offset (the offset) and New Zealand's Large Budget Screen Production Grant (the LBSPG) are almost identical programs aimed at attracting large-budget film and television productions to each country.
- 7.14 The National Gallery of Australia has developed the exhibition *Constable: Impressions of Land, Sea and Sky* in partnership with the Museum of New Zealand, Te Papa Tongarewa (Te Papa). Te Papa are the second venue for the exhibition and will share the international freight costs with the NGA. Depending on the success of this venture for both Australia and New Zealand, the NGA may seek to send other exhibitions to New Zealand.¹³
- 7.15 This is the first time that the Australian Government initiative, Art Indemnity Australia, and the New Zealand Government Indemnity Scheme have been used together to underwrite the tour of a single exhibition to both countries.¹⁴
- 7.16 A trade agreement reached between Australia and New Zealand over 20 years ago has grown to oversee complexities undreamt of at the time of original signing. The agreement can be enhanced by taking the disparate portfolio contact points and making their outcomes more accessible to each other. The recommendation for a Secretariat/Inter-Departmental Committee should go some way to doing this. Expansion of the agreement, particularly in the area of telecommunications, can be effected with closer Ministerial, official and business contacts. Where there has not been the expected level of contact the committee has made appropriate recommendations.
- 7.17 The Committee has been impressed and proud of the way in which the relationship between Australia and New Zealand has been managed by Ministers, Departmental officials and business leaders alike.

11 Department of Communications, IT and the Arts, *submission 22, Vol 2*, p.

12 Department of Communications, IT and the Arts, *submission 22, Vol 2*, p.

13 Department of Communications, IT and the Arts, *submission 22, Vol 2*, p.

14 Department of Communications, IT and the Arts, *submission 22, Vol 2*, p.

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December 2006.**

