



LANZBC 2019/2020 ANNUAL REPORT

Dear Members,

It is with mixed emotions that I present this Annual Report for the period 30 April 2019 to 29 April 2020.

On the one hand it has been a successful year for the Council, and on the other we have entered into a period of immense concern and uncertainty.

Your Board has worked hard over the last year to bring a range of events, contacts and information to you that have been designed to foster business links between New Zealand and Latin America. The membership base has also been strengthened and broadened over the last year to help ensure an ongoing wealth of knowledge and support available for businesses contemplating entering the region and those already doing business no matter how big or small.

Current Board members are:

- Justine Arroll (appointed June 2018)
- Shane Ball (appointed June 2018)
- James Dixon (first appointed April 2017, re-elected in 2019)
- Diana Hawker (ex-officio, Ministry of Foreign Affairs & Trade, appointed 2018)
- Brendan Mahar (ex-officio, New Zealand Trade & Enterprise, appointed 2011)
- Peter McMenemy (appointed April 2019)
- Simon O'Connor (appointed June 2018)
- Amro Stone (ex-officio, Education New Zealand, appointed April 2019)
- Juan-Luis Toledo (appointed June 2018)
- Rachel Williams (appointed June 2018)

We have welcomed Peter McMenemy to the Board and James Dixon was re-elected for a period of 3 years. Justine Arroll is currently on maternity leave from her role at Fonterra and has also stood down from her Board position until her scheduled return in mid-2020.

Since no Board members are required to resign this year as part of the director rotation process under the Council's constitution, and given the current extraordinary circumstances caused by the COVID-19 pandemic, the Board feels that any election process should be deferred until there is more certainty around business relationships between New Zealand and Latin America and global trade in general. The Board therefore envisages holding a Special General Meeting later in the year prior to which it will call for nominations for Director positions. Until that time, it is recommended that the current Board remains in place.

Executive Officer

In November last year Heather Kawan, who had been Executive Officer of the Council for over 5 years, left the council to take up a different role with more hours. We were sorry to see Heather leave and greatly appreciate the efforts she made. We were pleased to be able to secure the services of Cristián Cornejo, a Chilean communications and policy professional that has spent the last eight years of his career helping public institutions make the most of their international engagement. Cristián's previous experience as advocacy officer and policy advisor and his



knowledge of diplomatic circles and trade and political relations in the Latin American context will certainly be a valuable asset for the LANZBC Board.

To recap on the past 12 months:

Events

A range of events have been held including:

- A roundtable discussion with the Mayor of Manizales, Colombia.
- The 2019 Fielddays networking event.
- The Building the Southern Link conference.
- Chile's Apec Year: New Opportunities For Business speaker event
- Argentina And Asia: A Growing And Fruitful Relationship speaker event
- Trade for All flagship speaker event with Trade and Export Growth Minister David Parker
- Waikato Social Evening
- Christchurch Chapter Christmas Drinks
- Exporting Kiwi Culture speaker event

Newsletters

We receive positive feedback on the monthly newsletters but are always on the lookout for new items of interest. If you have news to share in relation to your business or see anything that you think other members will be interested in please let us know and we will include it.

Website

We highlighted last year that our website, while containing significant information, was becoming unreliable and needed to be re-built. We received a grant from MFAT for this and have now completed a full upgrade including the following enhancements:

- Upgraded the core website from Silverstripe 3.1 to 4.4 to facilitate new features, increased performance, and a longer support window for core updates going forward.
- Upgraded the hosting platform (both hardware and software) to facilitate increased performance, uptime, and security.
- Integrated a payment gateway to automate the membership and event registration processes. Before the update, these processes were performed manually.
- Installed a multilingual module to facilitate the creation of alternative language versions of the website; and
- Performed minor tweaks to existing mobile navigation and other styling elements of the site for better usability on mobile devices.

Membership

We have welcomed several new members in the last 12 months :

- Biz Latin Hub
- Chapman Tripp
- Gallagher Fuel Systems
- GHD
- La Pachamama
- LogTag Recorders
- Putumayo Foods
- Seequent

It is our members that fund our ability to put on events and provide our other services. Your support is



much appreciated.

Partners

We work with a range of partners who provide support and insights to the Council:

Government Agencies

Brendan Mahar from NZTE, Amro Stone from Education New Zealand and Diana Hawker from MFAT are our ex-officio Board members. These three individuals provide great links into the NZ government's activities in the region including the Pacific Alliance and CPTTP negotiations and international education sector, which is the country's fourth largest exporter.

Latin American Embassies

All the Embassies are keen to cooperate with the Council and support its activities by co-hosting and/or participating in events. We communicate regularly with Embassy personnel to make sure we are aware of delegations visiting, investments sought and the potential for sessions such as "doing business" webinars using in-country expertise. Each Latin American Ambassador is an Honorary Member of the Council and we welcome their participation in our events. On 19 July 2019, Shane Ball and Rachel Williams, in representation of the LANZBC, presented an original print by NZ artist Joe Michael to Captain Claudio Maldonado of the Chilean ship "Esmeralda" in Auckland.

Other Business Councils

The Council has continued to work with the New Zealand China Council in relation to the "Southern Link" initiative. We are also exploring collaboration with other institutions like the Latin American Chamber of Commerce in Singapore. In the context of the COVID-19 pandemic, we have partnered with the Australia-Latin America Business Council (ALABC) to provide our members with relevant and timely information and online events.

LANZBC Young Professionals Network

In November 2019, the Council and the Latin America Centre for Asia-Pacific Excellence (LatAm CAPE) began working in partnership to establish the LANZBC Young Professionals Network (YPN), a new business network for young professionals interested in deepening business, language and cultural links with Latin America. The YPN aims to equip the next generation of New Zealand leaders to engage with Latin America and will provide a peer network for young New Zealanders returning to the country after study and work experiences in the region.

The project's scheduled formal launch in March 2020 had to be postponed due to developments surrounding the Covid-19 virus outbreak and government advice on large gatherings, but the Council has continued its collaboration with the LatAm CAPE to establish the network with an interim committee working to set up communications and governance.

Finances

2019 was a strong year financially for the council. Subscription receipts were up together with funding for the website received, funding for the Young Professionals programme as well as increased revenue from events held.

The Council recorded a surplus of \$39,109 for the financial year ended 31 December 2019 compared with a small loss of \$3,024 in the prior year. As a result, the Council's Net equity position has increased from \$59,775 to \$98,884 for the 2019 year.

While membership revenue was slightly up compared to 2018, other income increased \$27,767 due to grants from MFAT to upgrade the LANZBC website and from the Latin American CAPE for the establishment of a LANZBC Young Professionals Network. These funds have all been allocated to their respective projects and will be expensed over 2020. We expect the Council's net equity position



to decline in 2020 to reflect this. Expenses reduced 29% from 2018, reflecting the change of Executive Officer at the end of the last year.

It is important to note the significant impact of Covid-19 on the Council's finances. We expect a material reduction in membership fees and event income in 2020. In particular, the high proportion of members being in education and tourism will likely translate into a reduction of membership income during 2020. Meanwhile, the inability to hold income earning events this year should translate into a 2020 financial loss with cash reserves expected to be used.

While the council does have reasonable cash reserves, finances continue to be a challenge. Events are normally (but not always) run on a break-even basis, and the Council has therefore introduced and has successfully launched a payment-on-registration system for our events.

The board has also elected to forgo an Audit for the 2019 year as it has deemed that there are sufficient checks and balances in place to maintain financial scrutiny and oversight. The Board has agreed that spending over 10% of membership revenue on annual audit fees was not the best use of members subscriptions.

Looking Forward

We are fortunate that 2019 was such a successful year for the Council. We have carried some cash reserves into 2020 that will enable us to weather the current Covid-19 storm. We would, of course, like to retain as many of you as possible as members during this difficult time. We understand that many of our member businesses, particularly those in the tourism and education sectors, have huge challenges just to continue to exist and that Council membership is not critical to retain. That is why we have been offering to waive the fees of members who have approached us with cancellation notices due to COVID-19. It is important to retain these organisations as members for when we move into a more business positive environment. If you are suffering financial hardship and wish to discuss this please contact our treasurer Peter McMenamin.

There is, of course, much more the Council can do to support you as members and provide the services you want. Your Board is committed to meeting these demands and realising the many opportunities that will arise to re-establish and enhance business links between New Zealand and Latin America over the coming year and beyond.

Best Regards
Simon O'Connor
President Latin America New Zealand Business Council
16 April 2020

