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NEWS LETTER OF NEW ZEALAND SRI LANKA FOUNDATION INCORPORATED

New Zealand Sri Lanka Foundation Inc.P.O. Box 109419, New Market, Auckland 1149, New Zealand Email: nzsif@nzslf.com Web: www.nzslf.com

Message from President

We are at the end of another significant year for NZSLF with the AGM just around the corner. Just to re-cap the events and activities for the last three months. The New Zealand Sri Lanka Foundation organised an Autumn Day Out in April. This full day event was held at Okahu Bay in St. Heliers. Members, their families and friends gathered to play a game of cricket and dance their cares away to the baila music and entertainment that was provided. Kothu Rotti and Hopper stalls complemented the fun and proved to be very popular among the people who turned out on the day.



This event was attended by two prominent entertainers from Sri Lanka who were in Auckland that week namely, A.E Manoharan and Rajiv Sebastian. The community had the opportunity to network and socialise with them and take photos with the two stars. All in all it turned out to be a great day of fun which was complemented by absolutely great weather.

This event was followed by a joint community event in May where all Auckland based Sri Lankan community organisations worked together and hosted the Sri Lankan High commissioner to Australia and New Zealand HE Senaka Walgampaya. This

was the first time a joint event of this nature was organised in Auckland and hence marked a new approach to working together on common ground. The event was initiated by SL Honorary Consul in New Zealand Aruna Abeygoonsekera and the organisations responded positively. Over a hundred community members participated for this event which proved to be a great success.

This 2010 Winter Newsletter issue was prepared with the theme what models can Sri Lanka replicate especially from New Zealand & also from Australia. Three writers were invited to write on this theme related to their specialised fields. Hope this will be of some use to the readers.

The vision of the foundation is to unite all Sri Lankans under its banner as children of one proud nation. I am happy to see that we are living our vision each year; growing from strength to strength whilst shining the beacon of "peace and unity in diversity" to all Sri Lankans living in New Zealand. Many more events are being planned for the New Year and I hope that you will continue to support the voluntary committee members and be engaged with the foundation.

Kumar Velambalam

President:

Kumar Velambalam
(09) 522 7128

Vice President:

Mohammed Nalar
(09) 638 9376

Secretary:

Rachel Bandara
(09) 828 5933

Treasurer:

Niroshini Jayasekera
(09) 524 9811

Committee Members:

Ajith Sujeewa
(09) 524 9130

Jason Bandara
(09) 828 5933

Sydney Fernando
(09) 520 2304

Thusitha Perera
(09) 820 7357

Rohan Abeygunasekera
(09) 522 6730

Auditor:

Nihal Jayawickrema
(09) 579 1807

Calendar of Events:

Sat 31 Jul 2010 - AGM
(Annual General Meeting)
at St Pauls Methodist Church, St Vincent Ave
Remuera, from 4.30pm

Some Economic Policies for Sri Lanka

Sri Lanka is at the crossroads today. It has successfully completed the war which had for over three decades plagued the country and ravaged its economy. Political stability has been restored with a strong government, both of which are vital pre-requisites to attain economic growth. However, it is necessary to choose an appropriate economic model conducive to growth if the country wants to maintain this

stability and raise the standard of living of people.

Most people feel that the Singaporean model would be ideal, but to replicate the Singapore model is not easy as Singapore is a "city state", whereas Sri Lanka is a much larger nation both in size and population.

Having lived in New Zealand we are in a position to build a model based on

the New Zealand experience picking up the good aspects while jettisoning the failed policies, as it is not feasible to transplant one country's economic system in another.

Economically sound fiscal and monetary policies are essential ingredients for any country to achieve economic growth and raise the standard of living of people. During the

last nine years in New Zealand government expenditure had run out of control, and the country witnessed a near 100% increase in the number of public servants that led to an unnecessary drain on tax payer money. A similar situation prevails in Sri Lanka with a large public sector contributing very little in the way of productivity. It is important to reduce the size of the public sector and divert those scarce economic resources to the private sector which is the productive sector of any economy in any country.

It is well known that governments do not understand how to operate a business, and when governments injudiciously attempt to do this it inevitably leads to a non-optimal utilisation of a country's scarce economic resources. What is required in Sri Lanka is a greater use of the system of Public Private Partnerships (PPP) in order to command the necessary resources for investment, as well as to inject the required degree of efficiency in the operation of businesses which is what the current government in New Zealand is trying to do. A well developed infrastructure is a vital element to launch economic growth and PPP's would be the ideal way to go. Australia is a classic example of using this strategy in the last ten years while New Zealand lagged behind with government intervention in the economy increasing since 2000, but began to talk of the above strategy only in the early part of 2008 in the face of the colossal failure of their interventionist policies. If we were to choose a hilarious example from New Zealand, it would be the rather comical extension of the southern motorway from Papakura to Hamilton over a period of nine long years, while the M7 in Sydney was built and completed in the short span of a mere eight months!! Sri Lanka should pursue a policy of "laissez faire" government" (laissez faire) intervention

if rapid economic growth was to be achieved.

Another important aspect of fiscal policy is taxation, where policy should be designed to provide an incentive for people to work hard and also save as the latter is paramount to bring about investment in an economy. The modern trend in most countries in the world is to have low taxes based on progressivity or flat tax rates. An appropriate example would be Russia which clearly demonstrated after a 70 year period that socialism does not work, and have now implemented a flat tax rate of 13% which has in no small way contributed to rapid economic growth. There are many other countries such as Latvia, Estonia, and Poland etc who use a similar system of low tax rates yielding excellent results. When taxes are high, tax evasion becomes an industry and the people who prosper are only the practitioners of the dark arts of accountancy and law. The result is a diversion of resources to property investment rather than productive investment as was witnessed in New Zealand since the year 2000. Sri Lanka has to implement low tax rates while at the same time ensuring that the people in the business sector do not resort to tax avoidance as it has been the experience in New Zealand.

Singapore is another example of very low taxation which is the predominant reason for the excellent work ethic and high productivity amongst Singaporeans. The system of low taxes is the brainchild of Lee Kuan Yew who ironically was a communist during his early career, but soon realised that socialism is born out of envy and runs contrary to human nature. The world is replete with examples of many countries who have achieved economic growth through low taxation policies, and perhaps the worst example a country could follow would be New Zealand from 1999 to 2008 which can be attributed to the

doubtful honour of New Zealand leading the world into the Global recession of 2008.

A sound monetary policy is another requirement to create economic growth in any country. This policy area should be the exclusive preserve of an independent central bank with no government intervention as in countries such as New Zealand, Australia and other developed countries. In point of fact the New Zealand model will be the ideal to follow. This is perhaps another weak area in Sri Lanka where the central bank governor is not fully independent to implement monetary policy that is conducive to economic growth. Monetary policy should have as its main objective to keep inflation under control while at the same time not harmful to economic growth and employment. In most underdeveloped countries such as Sri Lanka there is a tendency for political interference in monetary policy resulting in what economists term "the political business cycle" which can have deleterious effects on the economy. Therefore Sri Lanka should emulate the model of New Zealand, Australia and other developed countries where the central bank implements monetary policies based only on sound economic premises.

In conclusion it is essential that economic policies that run contrary to human nature are deemed to fail. They should be designed in a manner that would incentivise people to work hard as well as save, which is the only way economic growth could be achieved. Sri Lanka today has been provided with a golden opportunity to move in the right direction now that peace has been restored after more than thirty years of civil disturbances and unrest.

Dr. Gamini Jayasuriya - He teaches Economics at Auckland University and has been doing so in several countries over 52 years.

Lessons for Sri Lanka on Integrated Water Resources Management

The challenge of the water manager of the 21st century is the realisation that water is a limited resource, which is renewable, which has to be managed on a sustainable-use basis. The present approaches to water management in some instances are unsustainable as well as inflexible. This inflexibility is a problem in a world rapidly changing. Water sector is undergoing changes in local regional and global level. This situation is challenged by criteria such as diminishing water demand in industrialised countries, rising water demand in developing countries, poor water quality, cost of providing water and the need for cost-efficient

solutions. Additional uncertainties such as climate change, global warming and economic recession play a major part in managing water.

Water managers of the previous era had their focus on physical infrastructure systems. They were meant to "build things". Today's water manager has to consider the environmental, social and economical factors that influence the physical infrastructure systems.

To deal with complexity and conflict in water management, skills that go

beyond the technical realms are certainly essential. Hydrology, ecology, water networks, interlocking water laws

and technical complexity all interfere with decision making. The approach known as Integrated Water Resources Management (IWRM) is recognised as the best way forward. Good water management must involve the water users and the understanding and involvement of other sectors.

According to Wikipedia, Integrated Water Resources Management (IWRM) has been defined by the

Technical Committee of the Global Water Partnership (GWP) as "a process which promotes the coordinated development and management of water, land and related resources, in order to maximize

the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems."

Operationally, IWRM approaches involve applying knowledge from various disciplines as well as the insights from diverse stakeholders to devise and implement efficient, equitable and sustainable solutions to water and development problems. As such, IWRM is a comprehensive, participatory planning and implementation tool for managing and developing water resources in a way that balances social and economic needs, and that ensures the protection of ecosystems for future generations.

Water's many different uses—for agriculture, for healthy ecosystems, for people and livelihoods—demands coordinated action. An IWRM approach is an open, flexible process, bringing together decision-makers across the various sectors that impact water resources, and bringing all stakeholders to the table to set policy and make sound, balanced decisions in response to specific water challenges faced.

It has been agreed to consider water as a 'finite and economic commodity taking into account of affordability and equity criteria', in order to emphasize on its scarcity in the —Dullin Statement”:

1. Fresh water is a finite and vulnerable resource, essential to

sustain life, development and the environment.

2. Water development and management should be based on a participatory approach, involving users, planners and policy makers at all levels.

3. Women play a central part in the provision, management and safeguarding of water.

4. Water has an economic value in all its competing uses and should be recognized as an economic good, taking into account of affordability and equity criteria.

—“Interdisciplinary approaches” to water management can be considered as one of the challenges to integration of water management. As it used to be, water industry management is not behind the scenes world of work. It involves technical systems, but also involves government meetings, public hearings, demands by the regulators, and lawsuits. To succeed in this world one needs to have technical skills as well as communication, political skills and wisdom.

Considering the challenges faced by a water manager it is of utmost importance to be prepared for the complexities of water management, by continuous education, professional development and training.

According to Mark Pascoe, CEO International Water Centre of Australia, —As Australians when we look at

ourselves we tend to look at the crisis we are in and feel we haven't been managing the resources in an integrated way. We are certainly not perfect at it, however we are managing water with our eye on the whole of-water cycle, in not only the biophysical dimension, but also in the human, social, cultural, economic and environmental dimensions”.

Australia is leading some of the thinking in the world about strategies incorporating water sensitive design explicitly in the urban water cycle.

Innovative approaches in water sensitive urban design are adopted by Melbourne Water and Brisbane Water.

The South East Queensland Healthy Waterways Partnership is an example of a unique integrated approach to waterways management whereby scientific research, community participation, policy and strategy development are done in parallel with each other.

One of the major fields of focus has been to increase women's involvement in drinking water and sanitation projects, especially in the developing countries. International Water Management Institute (IWMI), UNESCO and International Water and Sanitation Centre are some of the institutes that have undertaken research in this area.

Sriya Fernando, Brisbane

New Zealand Horticulture Model to Sri Lanka

My mother land is considered as a country dependant mainly upon agriculture and fortunately continuing in its historical trail. As a horticulturist at heart, I favour this trend as it opens up many pathways for the wellbeing of the future generations. However, challenges posed by internal factors and external factors due to globalization and open economic policies are directing the country's agriculture to move away from the self reliance. It is open to discussion whether these challenges are too strong to face or failure to understand and interpret them on time have made it hard to face the move.

New Zealand, my second mother land, may give a paradigm to this complex situation and may set some light for the wellbeing of the future farming generations in Sri Lanka. We all know that competitive export and import opportunities among countries have demanded to maintain the highest standard of quality and steady levels of production at an acceptable price in agricultural commodities. New Zealand has achieved the highest standards in all aspects in agriculture through hard

working people, excellent research contributions and firm and perfect government policies. Is SL capable of achieving these high standards with an acceptable price? Another critical issue at present in Sri Lanka is that the agriculture does not bring a consistent and viable economic gain to the farmer. How NZ is successful in this area? NZ kiwifruit industry model may be a good respond for this issue.

The kiwifruit is the edible berry of a cultivar group of the woody vine *Actinidia deliciosa*, a native to Southern China, named Chinese Gooseberries. In 1904 a few seeds were brought to NZ, renamed "kiwifruit" after New Zealand's national bird and commercial planting began in the 1940s. Presently kiwifruit is one of New Zealand's most important horticultural export earners. ZESPRI International, the global marketing subsidiary of Kiwifruit New Zealand is the world's largest marketer of kiwifruit. Total kiwifruit exports were worth \$825 million in 2009. Kiwifruit New Zealand is responsible for industry governance and onshore grower equity issues, inventory, quality and administration.

Along with ZESPRI International, NZ Government responds effectively to import export policies to maintain profitability of the industry. Conservation of natural resources of orchards has been achieved through multiple approaches; Integrated Fruit Production (IPF) system, Kiwi Green Programme, Organic Farming (Bio-Gro), and Bio Dynamic Farming (DEMETER) systems with strict standards and extensive certification systems.

Back to Sri Lanka, amazing fruits like pineapple, banana, annona and many others can be the Kiwifruit to Sri Lanka. In NZ, kiwifruit industry has been consolidated in the Bay of Plenty area; similarly Sri Lankan fruits may be consolidated into the best productive areas based on appropriate analysis. Kiwifruit growing in other areas; Northland, Auckland and Waikato regions have been reduced significantly leaving those resources for other industries. In SL also crops grown in national level uneconomical regions should be transferred for other crops. Though the number of pack-houses decreased in NZ during the

last 15 year, they grew in size and in advanced technologies. Fully computerized sorting and grading systems 100 percent guarantee the set standard. SL may need to improve small scale, scattered pack-houses with modern technology and adequate cold storage facilities. ZESPRI International, NZ is owned by kiwifruit growers and has the full authority of the industry; it is the right time for SL also to have similar grower consortiums with industry authority.

Each and every kiwifruit fruit going to international market has been branded

and has a guaranteed quality standard. This guarantee is given by the ZESPRI International, NZ. From anywhere in the world consumer can reach ZESPRI International, NZ and get the information about the orchard, its management, harvesting, packing and storage conditions relate to the fruit they buy. This may be one reason for the high consumer preference and confidence on NZ kiwifruits. In Sri Lanka who is responsible for the horticulture; fruit industry governance, grower equity issues, inventory, quality and administration? Can all these

issues be bundled into firm and perfect government policies supported by industry people? Just before ending, ZESPRI International used a Thai supermodel as its first "brand ambassador" and increased kiwifruit sales by 36 percent in extensively fruit growing Thailand! Is agriculture a modern day business in Sri Lanka?

Dr. Sydney Fernando, former Deputy Director of Agriculture Research, Department Of Agriculture, SL.

Special Announcement...

Dr Peter Vanniasingham was selected as a guest speaker at the annual scientific meeting to be held in Sri Lanka in August 2010 which is organised by the College of Surgeons

of Sri Lanka and the International Society of Surgery . A fellow speaker will be Dr Ian Civil the current President of the Royal Australian College of Surgeons. New Zealand Sri

Lanka Foundation congratulate Dr. Vanniasingham on this achievement and we are proud of him as New Zealand Sri Lankans.

Song of Hope Tinged with Sadness...

Australia, we give you our children - a migrant mother's song by Hiranthi Walpola

This is a song and not a poem, so please read it as such; It was written in a nostalgic mood in 1991. My gift to Australia are my two girls, now grown young women, who see themselves as members of one human family where irrelevant boundaries of race, religion and nationality are dissolved.

*My heart ever longs for that blessed land,
Of jewelled seas and sparkling sand;
Whispering jungles and hills clad with tea,
Sun filled days so happy and free
We left loving arms and voices so dear,
A beloved green isle with ways familiar;
Came to a brown land so wide and so bare;
It promised our children a future so fair.*

Chorus

*Australia, we give you our children,
More precious than rubies or gold.
Take them with pride, surround them with love,
Our children in your heart please hold.*

*The sweet voice of Lanka is calling to me
Its tender arms reach across the sea;
But our young ones future is here it seems,
This golden land will fulfil their dreams
"A fair go" and dignity they'll ask of you,
Equality, liberty and justice too;
Honour and glory they'll bring to you,
With strong young hearts they'll serve you true.*

*When my days are o'er and my spirit is free
I'll come to you Lanka, please wait for me.
Let peace reign forever in my homeland, I pray
As compassion and love forever holds sway.
Our children will cherish that land far away,
Nurture its heritage with pride everyday.
These brown limbed dark eyed children we say
Will be fair dinkum true blue Aussie one day.*

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Views expressed in articles are those of the contributing authors and may not necessarily reflect the views of the NZSLF

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