

ITEM 1.1 - SISTER CITY REVIEW OUTCOME (Cont.)

#1 MBRC Sister City Relationships Review - Recommendations report



MBRC Sister City Relationships Review

Recommendations Report.

27 May 2021

PREPARED FOR

Moreton Bay Regional Council, Economic Development

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Executive Summary.

Purpose of this review.

Alphacrane Intercultural Specialists was engaged to review Moreton Bay Regional Council's (MBRC) existing Sister City Relationships and provide recommendations on:

- **Whether to continue** with the region's exiting Sister City Relationships (Winton Sister City Relationship and Sanyo-Onoda Sister City Relationship)
- **Opportunities for new Sister City Relationships**
- **Ways to fully leverage** the relationships to gain meaningful outcomes
- **Ongoing management** of the relationships, including resource requirement.

Key considerations for Council.

- **Stakeholder sentiment: Key findings from stakeholder surveys and interviews.**
 - There is **minimal awareness** about what the current Sister City arrangements are supposed to achieve, therefore it is **difficult to gauge whether these relationships are meeting objectives.**
 - There is **fondness for the historic bond between Winton and Moreton Bay Region**, and eagerness to continue relationship.
 - There is scepticism over **whether the existing relationships could generate reciprocal economic returns of significance.** Nevertheless, there was acknowledgement of the significant civic and cultural ties with both Winton and Sanyo-Onoda.
- **Key findings from best practice research: Top 4 Factors of Success.**
 - **Partner selection.** Need for a robust, transparent partner selection process and onboarding framework to set expectations and tangible outcomes.
 - **Stakeholder buy-in.** This requires marketing the value of the Sister City Relationship to all stakeholders, and involvement of delivery partners in all aspects (from strategy through to management and delivery).

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- **Resourcing.** First consideration: the importance of establishing an advisory committee with high Cultural Intelligence and a focus on quality outcomes. Second consideration: Need to allocate adequate funding for ongoing annual engagement with each Sister City (each year Council to either host inbound or participate in outbound delegations) and funding for project-specific activities (e.g. for sponsoring events and activities that maximise economic returns for the Moreton Bay Region).
- **Planning.** Well-conceived business plan(s) with adequate resourcing.
- **Opportunity to reclassify relationships in line with realistic expectations and anticipated outcomes.**
 - Currently, both relationships (Winton and Sanyo-Onoda) are classified as Sister City Relationships.
 - Whilst there are no universally-agreed definitions of international city-to-city relationships, there are general categories used by Australian local governments to differentiate their city-to-city relationships:
 1. **Sister City Relationships:** These are more formal than Friendship Cities and tend to have broad-reaching objectives that are more economic and commercial in focus (Melissa Gibbs, 2015).
 2. **Friendship City Relationships:** Friendship Cities (also known as Partner Cities) tend to be less formal than Sister Cities. Friendship relationships often have one fairly well defined aim to the relationship (Sister Cities Australia, 2020) rather than multiple, broader-reaching objectives typically set for Sister City Relationships.
- **Foreign Arrangements Scheme.**
 - As of 10 March 2021, states and territories and their entities must notify the Minister for Foreign Affairs of their prospective foreign arrangements (Department of Foreign Affairs and Trade, 2021)
 - The Foreign Arrangements Scheme overseen by the Department of Foreign Affairs and Trade recently commenced on 10 December 2020.
 - Its purpose is to ensure that arrangements between state or territory governments (and their entities) and foreign entities do not adversely affect Australia's foreign relations and are not inconsistent with Australia's foreign policy.

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- The Scheme covers states and territories, and state and territory governments, departments and agencies (core state/territory entities), **local governments**, and Australian public universities.

Summary of Key Recommendations for Council.

Recommendation 1.

Use our proposed “Prioritisation Matrix for Sister Cities” framework to evaluate future relationships / requests.



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Recommendation 2.

Continue Moreton Bay Region's existing relationships with Winton and Sanyo-Onoda (Japan) and reclassify both to Friendship City status.

- Given the predominantly civic and cultural nature of the Winton and Sanyo-Onoda relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising civic and cultural returns for the Moreton Bay Region.

Recommendation 3.

Do not pursue the potential Sister City Relationship opportunities with Miyakonojo (Japan) and Taipei (Taiwan) without first considering alternative, more strategic Sister City opportunities.

Recommendation 4.

Be prepared to commit an annual budget allocation of minimum \$30K per Sister City to fund recurrent activities required to maintain the relationship (e.g. travel and delegation hosting costs).

Recommendation 5.

Be prepared to commit an annual project-specific budget allocation in the realm of up to \$50K per Sister City Relationship over and above recurrent funding (e.g. for sponsoring events and activities that maximise economic returns for the Moreton Bay Region).

- Budget allocation would vary year-to-year and from city-to-city.
- Each Sister City sub-committee could be encouraged to seek additional co-funding sources (e.g. through government grants) for larger projects.

Recommendation 6.

Be prepared to establish a Sister Cities Committee, supported by sub-committees for each Sister City Relationship.

- An annual budget allocation of \$10K per year would contribute to the basic operational costs of running the Sister Cities Committee and sub-committees.

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Recommendation 7.

Given the predominantly economic nature of Sister City Relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising economic returns for the Moreton Bay Region.

- *Recommended long-term resourcing once several new Sister City Relationships are established:* Appoint 1 x FTE manager to oversee international relations initiatives and 1 or 2 x FTE officers to coordinate international relations initiatives. The associated costs range from \$72K to \$190K. These recommendations are based on the existing resourcing arrangements of comparable local governments - Gold Coast and Sunshine Coast.
- *Recommended interim resourcing prior to the establishment of a sizeable number of Sister City Relationships:* Utilise existing staff to cover the roles of early stage or maintenance-mode Sister City Relationships. The associated cost is 0.3 x FTE (\$24K). Backfilling of the officer's role would be required during busier periods e.g. in the lead-up to an overseas delegation.
- *Outsourcing options:* Outsource specific elements to suitably qualified consultants.

Examples of activities that could be outsourced:

- Annual cultural intelligence market research and reporting for each Sister City Relationship. Cost will vary according to scope, but for comparative purposes, our research found councils allocating up to \$70K for agencies to conduct market research. However, we estimate annual market research and reporting could be achieved at a cost in the realm of \$10-15K per Sister City.
- Project management
- Facilitation for Sister City Committee meetings
- Event planning and management for inbound and outbound delegations.

Recommendation 8.

Given the predominantly civic and cultural nature of Friendship City Relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising civic and cultural returns for the Moreton Bay Region.

- Resourcing requirements would need to be assessed against the nature of the individual relationship, the value of the relationship to MBRC departmental objectives, and the achievability of maximising civic, cultural (or other) returns for the Moreton Bay Region.

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Recommendation 9.

Provide Cultural Intelligence Briefings in the lead-up to inbound and outbound delegations.

- Engage a specialist to deliver Cultural Intelligence Briefings for Council elected representatives, Council staff, committee members and delegates.
- A budget allocation of up to \$4,000 per delegation should allow for country-specific executive coaching for delegation leaders (typically the mayor and accompanying elected representatives and/or CEO) plus a 2-hour briefing to the broader group of delegates and council staff.

Recommendation 10.

Adopt best-practice processes for establishing, maintaining and nurturing Sister City Relationships to ensure transparency and quality of outcomes that all stakeholders can be proud of.

Indicative Budget Requirements.

Budget item.	No. of Sister City Relationships: 1	No. of Sister City Relationships: 2	No. of Sister City Relationships: 3	No. of Sister City Relationships: 4	No. of Sister City Relationships: 5
Recurrent activities required to maintain the relationship (e.g. travel & delegation hosting costs)	\$ 30,000	\$ 60,000	\$ 90,000	\$ 120,000	\$ 150,000
Project-specific activities & events (will vary year-to-year and may be eligible for government grant co-funding)	\$ 50,000	\$ 100,000	\$ 150,000	\$ 200,000	\$ 250,000
Operational costs to support Sister Cities Committee & sub-committees	\$ 3,000	\$ 6,000	\$ 10,000	\$ 10,000	\$ 10,000
Council staff	\$ 24,000	\$ 24,000	\$ 72,000	\$ 96,000	\$ 190,000
	0.3 FTE	0.3 FTE	1 FTE	1 FTE	2 FTEs
Executive coaching for delegation leaders plus a briefing to the broader group of delegates and council staff	\$ 4,000	\$ 8,000	\$ 12,000	\$ 16,000	\$ 20,000
Total	\$ 111,000	\$ 198,000	\$ 334,000	\$ 442,000	\$ 620,000

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1 Purpose of this report.

Purpose of this report.

The purpose of this report is to:

- Summarise our key project findings from the *MBRC Review of Sister City Relationships*.
- Provide impartial and external expert advice for the internal consideration of Moreton Bay Regional Council (MBRC) in respect to Council's Sister City Relationships.

Note: A copy of our Preliminary Report containing additional information from the earlier phases of this project is available upon request from MBRC's Economic Development Team.

The Preliminary report (dated 29 March 2021) includes:

- Desktop research, including Australian case studies
- Stakeholder survey results and data
- Transcripts from post-survey follow-up interviews
- Transcripts from Subject Matter Expert interviews

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2 About the project.

Council’s brief.

The brief provided by MBRC is summarised below.

Review MBRC’s existing sister city relationships and provide recommendations on:

1. Whether to continue with the exiting sister city relationships
2. Opportunities for new sister city relationships
3. Ways to fully leverage the relationships to gain meaningful outcomes
4. Ongoing management of the relationships, including resource requirements

Key Considerations.

Alignment with the REDS

BIGGER
\$40 billion economy

BOLDER
100,000 new jobs

BRIGHTER
Top 10 Regional Innovation Hub

Existing relationships

Winton (Australia)

Sanyo-Onoda (Japan)

Expressions of Interest from other cities:

Taipei (Taiwan)

Miyakonojo (Japan)

Our methodology.

Our methodology in response to Council’s brief is summarised below.



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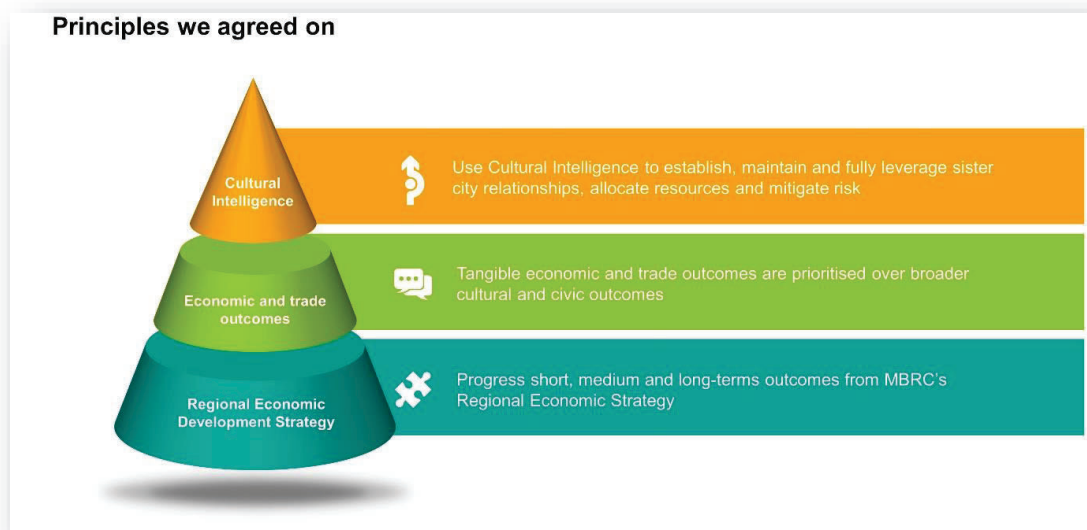


Principles adopted for this project.

From the outset, it was agreed that the nature of this project requires a more nuanced approach than just performing an economic analysis of Council's Sister City Relationships.

We applied principles grounded in economic opportunity but finessed with Cultural Intelligence. From our prior experience in Sister City Relationships and international trade, we believe this nuanced approach helps mitigate cross-cultural pitfalls councils often experience when establishing and maintaining productive international Sister City Relationships.

The principles we applied to this project are summarised below.



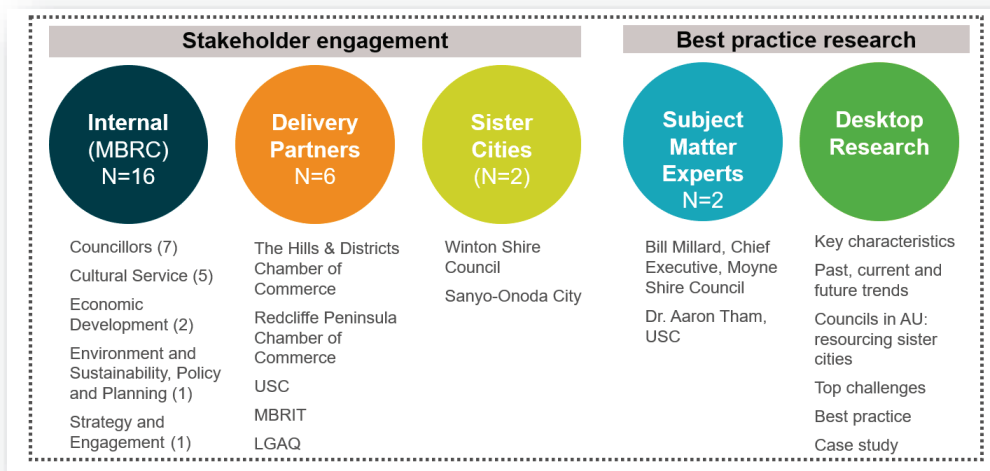
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3 Key findings from Task 01: Review of existing relationships.

How we conducted the review.



Through a combination of stakeholder surveys and follow-up interviews, desktop research and interviews with Subject Matter Experts, we were able to form a wholistic view of Council’s current Sister City arrangements.

The key findings are summarised in the following tables. (Note: for further detail please refer to our Preliminary Report, available upon request from MBRC’s Economic Development Team).

Key findings from stakeholder engagement.

- 1. Minimal awareness** about what the current sister city arrangements are supposed to achieve, therefore **difficult to gauge** whether these relationships are meeting objectives.
- 2. Fondness for the historic bond between Winton and Moreton Bay Region**, and eagerness to continue relationship.
- 3. Scepticism** over whether the existing relationships could generate **reciprocal economic returns** of any significance (however, there was acknowledgement of the significant civic and cultural ties with both Winton and Sanyo-Onoda)

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Key findings from best practice research.

Factors of success

- 1. Partner selection.** Robust, transparent partner selection process and onboarding framework to set expectations and tangible outcomes.
- 2. Stakeholder buy-in.** Marketing the value of the sister city relationship to all stakeholders, and involvement of delivery partners in all aspects (from strategy through to management and delivery).
- 3. Resourcing.** Quality and cultural intelligence of committee members. Funding for annual engagement (e.g. delegations).
- 4. Planning.** Well-conceived business plan with adequate resourcing.

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4 Key findings from Task 2: Develop a framework to evaluate future relationships / requests.

How we conducted Task 2.

- **Step 1:** Developed a proposed Prioritisation Matrix for evaluating and prioritising Sister City Relationship opportunities.
- **Step 2:** Assessed the two existing sister cities (Winton and Sanyo-Onoda) using the Prioritisation Matrix.
- **Step 3:** Assessed the two cities that have expressed an Expression of Interest to partner with MBRC i.e. Miyakonojo (Japan) and Taipei (Taiwan)

Our proposed Prioritisation Matrix.

- The proposed Prioritisation Matrix helps assess the strategic opportunity of any existing or potential Sister City Relationships in relation to other Sister City Relationships, enabling Council to prioritise its focus and resourcing.



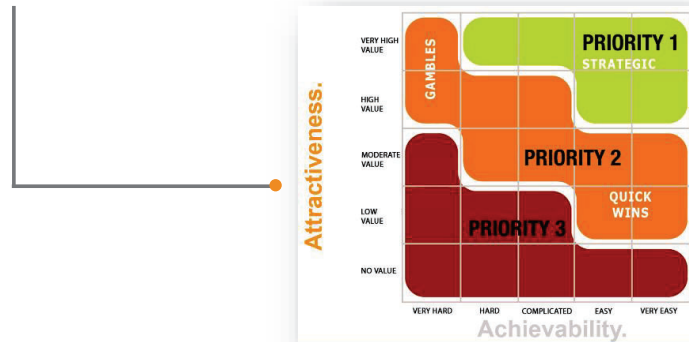
- Each relationship is assessed according to “attractiveness” and “achievability” criteria and categorised from Priority 1 through to Priority 3.
- **Note:** The intent of the matrix is to visualise relativity i.e. how one relationship should be prioritised *relative to other relationships*. Therefore, a Priority 3 relationship is not necessarily unimportant; it simply means that relative to other relationships, the priority for Council is lower than a Priority 2 relationship.

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“Attractiveness” Criteria.




“Attractiveness” Criteria Part [A]. Alignment with the Regional Economic Development Strategy (REDS)



BIGGER
\$40 billion economy



BOLDER
100,000 new jobs



BRIGHTER
Top 10 Regional Innovation Hub



Advanced manufacturing



Food and agribusiness



Knowledge, innovation and entrepreneurship



Tourism, sport and major events

“Attractiveness” Criteria Part [B]. Alignment with Best Practice*

*Note: For further detail please refer to our Preliminary Report, available upon request from MBRC’s Economic Development Team).

- Tangible economic and trade outcomes are prioritised over broader cultural and civic outcomes
- Ability for Council to demonstrate value for money
- Flexible and practical, creating mutual benefits for business
- Ability to maximise the benefits of international relationships e.g. activation of tourism outcomes

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A guide to interpreting the “Attractiveness” Criteria.

VERY HIGH VALUE could mean:

- Sister City Relationship is very important, clearly aligned to one or more of the “attractiveness” criteria (measurable impact), and delivers a very high value to our Council

HIGH VALUE could mean:

- Sister City is clearly aligned to one or more of the “attractiveness” criteria (measurable impact) and delivers significant value to our Council

MODERATE VALUE could mean:

- Sister City generally aligns with one or more of the “attractiveness” criteria (measurable impact) but value to our Council is negligible

LOW VALUE could mean:

- Sister City generally aligns with one or more of the “attractiveness” criteria but doesn’t add value to our Council

NO VALUE could mean:

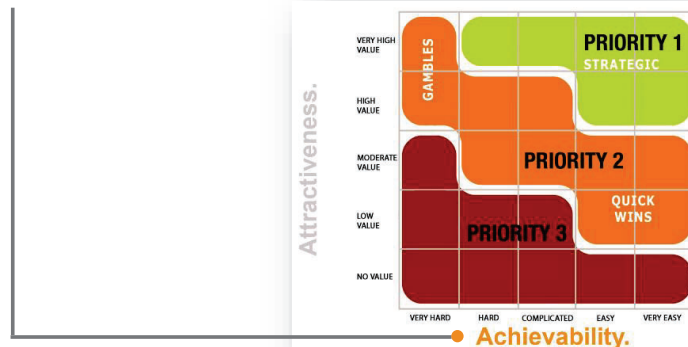
- Sister City does not align with any of the “attractiveness” criteria, nor does it add value to our Council

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“Achievability” Criteria.



- Existing relationships or connections
- Availability and capabilities of both financial and non-financial resources (human, technology, infrastructure etc) to keep the relationship active
- Ongoing, active two-way communication with the Sister City including annual meet-ups
- Continuous support from leaders of both cities
- Spirit of reciprocity and willingness of both parties to invest in the relationship
- Support of council, key delivery partners and community e.g. with an active community-based committee structure
- Local communities understand the value of the relationship
- Short, medium and long-term perspective to generating socio-economic benefits (2yrs / 4yrs / 6yrs and beyond)
- Ability to manage strategic risk, especially cultural differences and cultural expectations around how to build and maintain relations
- Regular performance reviews, with mechanisms to end a relationship if it becomes inactive

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A guide to interpreting the “Achievability” Criteria.

VERY EASY could mean:

- Resources are readily available, the Sister City Relationship requires little effort, no risk and/or stakeholders will be highly supportive of the relationship

EASY could mean:

- It wouldn't take much effort to secure resources and/or stakeholders support, or to manage risks associated with the Sister City Relationship

COMPLICATED could mean:

- Significant effort would be required to secure resources, stakeholder support, or overcome risks associated with the Sister City Relationship

HARD could mean:

- Although not prohibitive, a lot of effort would be required to secure resources, stakeholder support, or overcome risks associated with the Sister City Relationship

VERY HARD could mean:

- Sister City Relationship is unlikely to secure sufficient resources and/or stakeholder support, or the relationship poses an unacceptable risk to Council

Recommendation 1.

Use our proposed “Prioritisation Matrix for Sister Cities” framework to evaluate future relationships / requests.

This recommendation takes into account best practice findings, particularly in relation to partner selection (need for a robust, transparent partner selection process and onboarding framework to set expectations and tangible outcomes).

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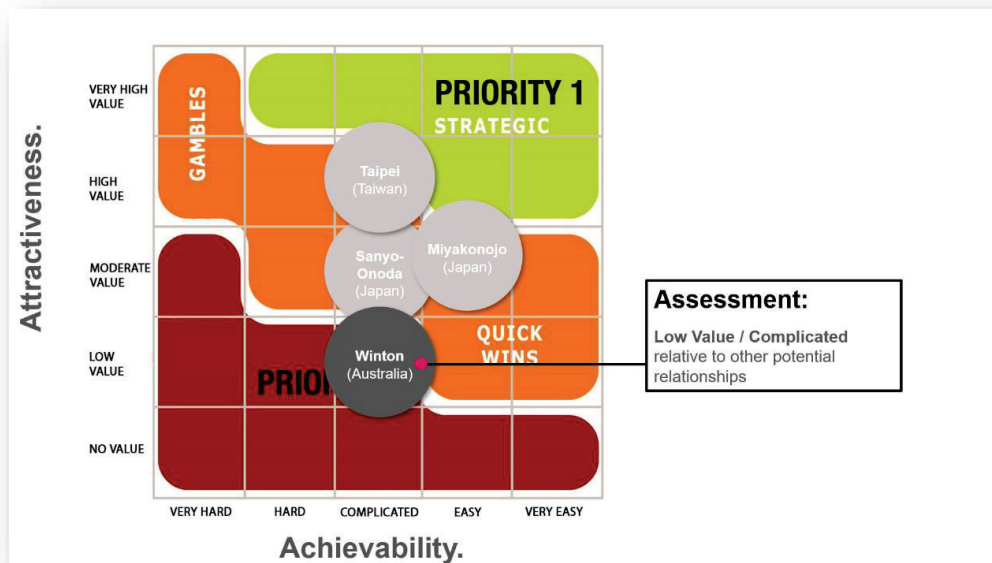
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How the four cities ranked: Summary.



How Winton ranked.



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Opportunities with Winton to progress MBRC's economic growth targets outlined in the REDS are quite limited compared with other potential Sister City Relationships.

- Instead, the nature of the Moreton Bay Region - Winton relationship aligns more closely with a *Friendship City* arrangement, building on the civic and cultural outcomes already well established between these two cities.
- Continuing the relationship under the current *Sister City* arrangement would require a much more productive economic exchange and a stronger emphasis on the priority industries outlined in the REDS (i.e. advanced manufacturing; food & agribusiness; knowledge, innovation & entrepreneurship; tourism, sport & major events). However, this would be difficult to achieve given the significant differences between the Moreton Bay Region and Winton economies.
- Nevertheless, there are several economic opportunities that could still be progressed for mutual benefit (e.g. cross-destination promotion targeted at Qld's drive tourism market) regardless of whether the relationship is categorised as a *Sister City* or *Friendship City*.

Strategic / long-term opportunities: civic and cultural

Tangible outcomes (short and long term): cultural exchanges (arts), student exchanges, sharing of resources for community programs

Ongoing management of relationships: Given the predominantly civic and cultural nature of the Winton relationship, MBRC's internal management of this partnership is best vested in whichever department has the greatest expertise in maximising civic and cultural returns for the Moreton Bay Region.

In-Scope potential for a Sister City Relationship.

- Cultural exchanges (arts)
- Festivals & events (music, film, equestrian)
- Student exchanges (schools)

Out-of-Scope potential for a Sister City Relationship.

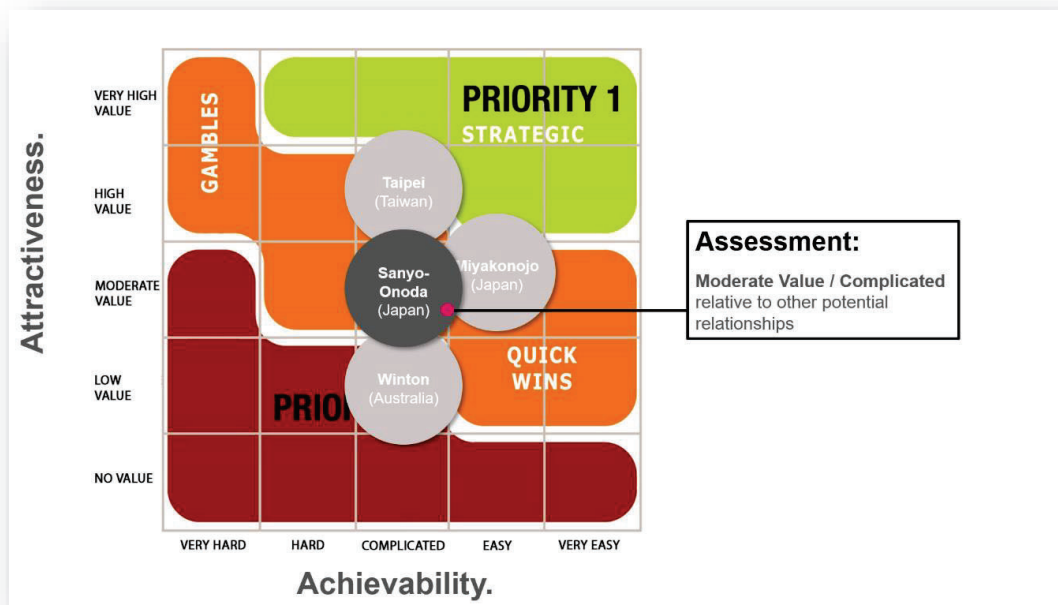
- Major contribution to MBRC's economic growth targets outlined in the REDS

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How Sanyo-Onoda ranked.



Opportunities with Sanyo-Onoda to progress MBRC’s economic growth targets outlined in the REDS are quite limited compared with other potential Sister City Relationships.

- Instead, the nature of the Moreton Bay Region – Sanyo-Onoda relationship aligns more closely with a *Friendship City Relationship* arrangement, building on the civic and cultural outcomes already established between these two cities.
- Continuing the relationship under the current *Sister City* arrangement would require a much more productive economic exchange and a stronger emphasis on the priority industries outlined in the REDS (i.e. advanced manufacturing; food & agribusiness; knowledge, innovation & entrepreneurship; tourism, sport & major events). However, this would be difficult to achieve given the significant differences between the Moreton Bay Region and Sanyo-Onoda economies.

Strategic / long-term opportunities: establishing a *Sister City network* with larger Japanese cities, building on existing ties with Sanyo-Onoda

Tangible outcomes (short and long term): cultural exchanges (sports & arts), student exchanges (schools, vocational education, university)

Ongoing management of relationships: Given the predominantly civic and cultural nature of the Sanyo-Onoda relationship, MBRC’s internal management of this partnership is best vested in whichever

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department has the greatest expertise in maximising civic and cultural returns for the Moreton Bay Region.

In-Scope potential for a Sister City Relationship.

- Cultural exchanges (sports & arts)
- Student exchanges (schools, Vocational Education & Training, university)

Out-of-Scope potential for a Sister City Relationship.

- Major contribution to MBRC's economic growth targets outlined in the REDS

Recommendation 2.

Continue Moreton Bay Region's existing relationships with Winton and Sanyo-Onoda (Japan) and reclassify both to "Friendship City" status.

Given the predominantly civic and cultural nature of the Winton and Sanyo-Onoda relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising civic and cultural returns for the Moreton Bay Region.

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How Miyakonojo ranked.



Opportunities with Miyakonojo to progress MBRC’s economic growth targets outlined in the REDS are moderate compared with other potential Sister City Relationships.

- Council’s efforts are best placed investigating alternative, more strategic Sister City opportunities before spending considerable effort in establishing a relationship with Miyakonojo.

Strategic / long-term opportunities: Priority industries identified in the REDS; namely sustainable energy and food production

Tangible outcomes (medium and long term): Tourism opportunities due to future airline connectivity between Kyushu and Brisbane.

- The island of Kyushu - on which Miyakonojo is located - is one of the fastest growing regions in Japan.
- Miyakonojo could help Moreton Bay access these growing markets (i.e. to larger cities in Kyushu)
- May be quite easy to grow sports tourism from Miyakonojo.
- Increased demand in Japan for Australian beef provides an opportunity for Moreton Bay Region to grow its meat processing capabilities.

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In-Scope potential for a Sister City Relationship.

- Sustainable energy
- Food production
- Sports tourism e.g. capitalising on FIFA Women’s World Cup 2023 to provide training / hosting. Kyushu has 3 professional soccer teams in the Japan Professional Football League.
- Student exchange (schools)
- E-sports (e.g. game design, coding etc) leveraging cross-cultural assets of both regions e.g. Pokémon and Bluey)

How Taipei ranked.



Opportunities with Taipei to progress MBRC’s economic growth targets outlined in the REDS are high value, but complicated compared with other potential Sister City Relationships.

- Although the idea of forming a relationship was initiated by Taipei, our assessment ranked this potential relationship as “complicated” primarily for the reason that we may struggle to compete for Taipei’s attention. Here are some reasons for this:
 - Taipei is the nation’s capital city, and with a population of 2.6 million (or 6.6 million including New Taipei) it is much larger than the Moreton Bay Region

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- Taipei already has 56 Sister City Relationships (including one with the Gold Coast, AU), 5 partner city relationships, and 6 Friendship City Relationships (including one with Perth, AU)
- South-East Queensland already has Sister City Relationships with two major Taiwanese cities (Taipei-Gold Coast, and Kaohsiung-Brisbane). Rather than competing with Brisbane and the Gold Coast, it would be more strategic and complimentary for Moreton Bay Region to “round out” SEQ’s Taiwan connection by establishing a relationship with Taichung.

Strategic / long-term opportunities: International education, tourism, food (both export & import,) IT, fintech, advanced manufacturing, maritime, wealth management (AU as alternative to CN), investment, real estate (multiple sectors including commercial, residential, agriculture), health, medical and pharmaceuticals, smart city capabilities, crisis management / disaster management

Tangible outcomes (short and long term): As above, plus investment and knowledge exchange in COVID-related health

Recommendation 3.

Do not pursue the potential Sister City Relationship opportunities with Miyakonojo (Japan) and Taipei (Taiwan) without first considering alternative, more strategic Sister City opportunities.

This recommendation takes into account that other potential opportunities (such as new relationships with Bandung in Indonesia, and Taichung in Taiwan) are likely to be more strategic for the Moreton Bay Region, taking into consideration the Regional Economic Development Strategy (REDS).

In other words, the mutual benefits from relationships with alternative cities such as Bandung and Taichung are likely to offer higher value and/or are easier to achieve compared with the mutual benefit we would expect from a relationship with either Miyakonojo or Taipei.

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5 Key findings from Task 3: Identify opportunities for new Sister City Relationships.

How we conducted Task 3.

Step 1: Collaborated with Dr Aaron Tham (University of the Sunshine Coast) to identify a list of eight international cities that could potentially be a good fit with MBRC’s growth aspirations, scale, character, and economic makeup.

- In addition to each of these cities being aligned with Moreton Bay Region’s REDS targets, these eight cities were also identified because they do not currently have many (or any) Sister City Relationships with Australia.

1. Bandung, Indonesia
2. Haiphong, Vietnam
3. Fukuoka, Japan
4. Taichung, Taiwan
5. Incheon, South Korea
6. Bangalore, India
7. Nantong, China
8. Istanbul, Turkey

Step 2: Shortlisted the top three cities from the original list.

Step 3: Assessed the three shortlisted cities using the Prioritisation Matrix.

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How the cities ranked: Summary.



- Two potential sister cities - Bandung (Indonesia) and Taichung (Taiwan) - both ranked “Priority 1 – Strategic” using the Prioritisation Matrix.
- The assessment for both Bandung and Taichung (i.e. their positions on the matrix) was Very High Value / Easy.

Why Bandung was ranked “Priority 1 – Strategic”

- It is an established Smart City – their capabilities are world-class
- Comparable mindset with the Moreton Bay Region: Within the context of Indonesia, Bandung is an emerging second-tier city with strong aspirations for economic growth and located close to the capital city (Jakarta).
 - The mindset typically associated with government and industry leaders of second tier cities is that they tend to be more competitive, innovative and entrepreneurial, are less risk averse and are more open to collaboration. These are all qualities that would bode well for a Moreton Bay Region Sister City Relationship.
- Student city – opportunities for international education

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- Other potential areas for collaboration and investment: aviation technology, telecommunications, vehicle manufacturing and heavy industry.
- Bandung is also part of the world airplane and helicopter industrial cluster and hosts three major state-owned companies in defence, railways and aviation.

Why Taichung was ranked “Priority 1 – Strategic”

- It is an established Smart City – their capabilities are world-class
 - Taichung holds a majority of Taiwan’s industry sectors, and this is where smart-city technology is shining.
 - Automated production lines, precision machinery and motion-sensing technology are used widespread across Taiwan, especially in Taichung.
- Comparable mindset with the Moreton Bay Region: Within the context of Taiwan, Taichung is the second-largest city with a strong appetite for economic growth.
- Taichung currently has no Sister City Relationships with Australian cities, which bodes well for Moreton Bay Region
- Potential areas for collaboration and investment: International education, tourism, food (both export & import,) IT, fintech, advanced manufacturing, maritime, wealth management (AU as alternative to CN), investment, real estate (multiple sectors including commercial, residential, agriculture), health, medical and pharmaceuticals, smart city capabilities, crisis management / disaster management, investment and knowledge exchange in COVID-related health

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6 Key findings from Task 4: Leveraging and resourcing Sister City Relationships.

How we conducted Task 4.

Step 1: Reviewed the best practice findings, Australian case studies and advice previously gathered during the first phase of this project (Task 1).

Step 2: Conducted additional interviews and research to find out how City of Gold Coast and Sunshine Coast Council resource their Sister City Relationships.

Resourcing MBRC's Sister City Relationships.

Note: the following recommendations are specifically for Sister City Relationships, not Friendship City Relationships. Friendship Cities are considered a different category and out-of-scope for this project which focusses on strategic alignment with the REDS.

- **Annual budget allocation of minimum \$30K per Sister City to fund recurrent activities required to maintain the relationship.**
 - Only applicable once a new international Sister City Relationship is confirmed, assuming that the existing relationships with Winton and Sanyo-Onoda are recategorised from Sister City to Friendship City status.
 - Recurrent funding covers annual face-to-face engagement with the sister cities (e.g. Council to either host inbound delegations or participate in outbound delegations).

Recommendation 4.

Be prepared to commit an annual budget allocation of minimum \$30K per Sister City to fund recurrent activities required to maintain the relationship (e.g. travel and delegation hosting costs).

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- **Annual project-specific budget allocation** over and above recurrent funding described above.

Examples:

- market activation of a Moreton Bay Region tourism campaign in a Sister City
- participation in the Asia Pacific Cities Summit; participation in World Expo 2025 (Osaka, Japan)
- sponsoring trade and investment events

Notes:

Budget allocation would vary year-to-year and from city-to-city.

Example:

- Sister City Relationship “A” might require \$50K per year over 3 years to achieve a strategic economic outcome, whereas Sister City “B” might be a long-term strategic relationship in maintenance mode with no project-specific budget allocation required until market conditions change.

Each Sister City sub-committee could be encouraged to seek additional co-funding sources (e.g. through government grants) for larger projects.

Recommendation 5.

Be prepared to commit an annual project-specific budget allocation in the realm of up to \$50K per Sister City Relationship over and above recurrent funding (e.g. for sponsoring events and activities that maximise economic returns for the Moreton Bay Region).

Budget allocation would vary year-to-year and from city-to-city. Each Sister City sub-committee could be encouraged to seek additional co-funding sources (e.g. through government grants) for larger projects.

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- **Establish a Sister Cities Committee**, supported by sub-committees for each Sister City Relationship.
 - Only applicable once a new international Sister City Relationship is confirmed, assuming that the existing relationships with Winton and Sanyo-Onoda are recategorised from Sister City to Friendship City status.
 - Committees are advisory in nature.
 - Chaired by MBRC officials with engagement from the Mayor or elected representative.
 - Membership by appointment on a voluntary basis through an expression of interest process.
 - Each committee is responsible for identifying co-funding opportunities and overseeing the writing of competitive funding applications.
 - An annual budget allocation of \$10K per year would contribute to basic operational costs of running the Sister Cities Committee and sub-committees.

Recommendation 6.

Be prepared to establish a Sister Cities Committee, supported by sub-committees for each Sister City Relationship.

An annual budget allocation of \$10K per year would contribute to the basic operational costs of running the Sister Cities Committee and sub-committees.

- **Council's internal allocation of roles and responsibilities.**

Given the predominantly economic nature of Sister City Relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising economic returns for the Moreton Bay Region.

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- **Recommended long-term resourcing** when several new Sister City Relationships are established: Appoint **1 x FTE manager** to oversee international relations initiatives and **1 or 2 x FTE officers** to coordinate international relations initiatives. The associated costs range from \$72K to \$190K. These recommendations are based on the existing resourcing arrangements of comparable local governments - Gold Coast and Sunshine Coast.
- **Recommended interim resourcing** prior to the establishment of a sizeable number of Sister City Relationships: Utilise existing staff to cover the roles of early stage or maintenance-mode Sister City Relationships. The associated cost is 0.3 x FTE (\$24K). Backfilling of the officer's role would be required during busier periods e.g. in the lead-up to an overseas delegation.
- **Outsourcing options:** Outsource specific elements to suitably qualified consultants.

Examples of activities that could be outsourced:

- Annual cultural intelligence market research and reporting for each Sister City Relationship. Cost will vary according to scope, but for comparative purposes, our research found councils allocating up to \$70K for agencies to conduct market research. However, we estimate annual market research and reporting could be achieved at a cost in the realm of \$10-15K per Sister City.
- Project management
- Facilitation for Sister City Committee meetings
- Event planning and management for inbound and outbound delegations.

Recommendation 7.

Given the predominantly economic nature of Sister City Relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising economic returns for the Moreton Bay Region.

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- **Friendship City Relationships:** Given the predominantly civic and cultural nature of Friendship City Relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising civic and cultural returns for the Moreton Bay Region.
 - Resourcing requirements would need to be assessed against the nature of the individual relationship, the value of the relationship to MBRC departmental objectives, and the achievability of maximising civic, cultural (or other) returns for the Moreton Bay Region.

Recommendation 8.

Given the predominantly civic and cultural nature of Friendship City Relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising civic and cultural returns for the Moreton Bay Region.

- **Provide Cultural Intelligence Briefings in the lead-up to inbound and outbound delegations.**
 - Engage a specialist to deliver Cultural Intelligence Briefings for Council elected representatives, Council staff, committee members and delegates.
 - For comparative purposes, our research found that country-specific full day programs cost up to \$10K (delivered to a group of councils) and country-specific executive coaching for delegation leaders (typically the mayor and accompanying elected representatives and/or CEO) for shorter 2-hour sessions costs around \$1,000.
 - We estimate the cost of a 2-hour briefing to a group of delegates and council staff would be in the vicinity of \$2,000 to \$3,000.

Recommendation 9.

Provide Cultural Intelligence Briefings in the lead-up to inbound and outbound delegations.

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Internal processes for establishing, maintaining and nurturing Sister City Relationships.

- **Adopt best-practice processes to ensure transparency and quality of outcomes that all stakeholders can be proud of.**

This process is summarised below:

- Evaluate new Sister City opportunities
- Qualify interested locations (i.e. new Sister City partners)
- Formalise new Sister City arrangements
- Establish a management and governance structure
- Onboard internal and external stakeholders
- Demonstrate transparency for the Moreton Bay community and achieve buy-in
- Activate new Sister City partnership(s)
- Set and review targets including tangible outcomes (short and long-term)
- Relationship management including setting and managing expectations
- Identify and mitigate risk
- Address under-performance (or non-performance)
- Ensure continual process improvement
- Plan an exit strategy
- Manage social impact.

Recommendation 10.

Adopt best-practice processes to ensure transparency and quality of outcomes that all stakeholders can be proud of.

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#2 Recommendations analysis

Recommendation	Consultant's Recommendation	Officer's recommendation	Officer's Comments
1	Use the proposed "Prioritisation Matrix for Sister Cities" framework to evaluate future relationships / requests.	Supported	The Prioritisation Matrix presents a strategic and objective process through which Council can best determine the highest and best use of its resources to favourably engage in Sister City Relationships.
2	Continue Moreton Bay Region's existing relationships with Winton and Sanyo-Onoda (Japan) and reclassify both to Friendship City status.	Supported	This is supported due to the social and cultural benefits from these relationships, and the changed definition of a "Sister City" which has associated commercial and economic outcomes.
3	Do not pursue the potential Sister City Relationship opportunities with Miyakonojo (Japan) and Taipei (Taiwan) without first considering alternative sister city opportunities.	Supported	Supported given that no assessments of these or other cities has been conducted to date.
4	Annual budget allocation of minimum \$30K per Sister City to fund recurrent activities required to maintain the relationship (e.g. travel and delegation hosting costs).	Supported	Supported to ensure that the staff resources are sufficient to successfully achieve projects and outcomes from Sister City relationships. Budget requests will come to Council for consideration of funding requirements.
5	Be prepared to commit an annual project-specific budget allocation in the realm of up to \$50K per Sister City Relationship over and above recurrent funding (e.g. for sponsoring events and activities that maximise economic returns for the Moreton Bay Region).	Supported	Supported, when required, to ensure that resources are adequately provided to ensure successful outcomes from Sister City relationships. Budget requests will come to Council for consideration of funding requirements.
6	Be prepared to establish a Sister Cities Committee, supported by sub-committees for each Sister City Relationship.	Not Supported	Not Supported at this time. Council officer experience and ability in this area should suffice to manage the number of relationships that Council currently maintains. To be considered at such a time that Council enters into a significant number of (>5) Sister City Relationships. REDS Task Force will also assist in decision making relevant to Sister City Relationships.
7	Given the predominantly economic nature of Sister City Relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising economic returns for the Moreton Bay Region.	Supported	Supported to ensure that the cities classified as "Sister Cities" can leverage the most appropriate Council resources to suit their needs and the value of the relationship.

ITEM 1.1 - SISTER CITY REVIEW OUTCOME (Cont.)

	<ul style="list-style-type: none"> Recommended long-term resourcing once several new Sister City Relationships are established: Appoint 1 x FTE manager to oversee international relations initiatives and 1 or 2 x FTE officers to coordinate international relations initiatives. 	Supported	Supported, when required/in the longer-term, to ensure that the staff resources are sufficient to successfully achieve projects and outcomes from Sister City relationships. Budget and staffing requests will come to Council for consideration of funding requirements when appropriate/required.
	<ul style="list-style-type: none"> Recommended interim resourcing prior to the establishment of a sizeable number of Sister City Relationships: Utilise existing staff to cover the roles of early stage or maintenance-mode Sister City Relationships. 	Supported	Current staff within the Economic Development Department will be able to cover early stage or maintenance-mode Sister City/Friendship City Relationships.
	<ul style="list-style-type: none"> Outsourcing options: Outsource specific elements to suitably qualified consultants. 	Not Supported	Not Supported at this time. Council officer experience and ability in this area should suffice to manage the number of relationships that Council currently maintains. To be considered at such a time that Council enters into a significant number of (>5) Sister City Relationships or short-term situations where staff resources are insufficient to cover operations.
8	Given the predominantly civic and cultural nature of Friendship City Relationships, MBRC's internal management of these partnerships should be vested in whichever department has the greatest expertise in maximising civic and cultural returns for the Moreton Bay Region.	Supported	Supported to ensure that the cities classified as "Friendship Cities" can leverage the most appropriate Council resources to suit their needs and the value of the relationship noting the Economic Development Department will continue to manage existing relationships.
9	Provide Cultural Intelligence Briefings in the lead-up to inbound and outbound delegations.	Not Supported at this time	Cultural Intelligence briefings to be considered on a case-by-case basis. Council officer experience and ability in this area should suffice, noting that additional time and emphasis should be placed on the importance of Cultural Intelligence Briefing for future incoming and outgoing missions and hosting. Alternatively, Austrade and TIQ support and expertise can be leveraged for providing succinct and effective training for officers and delegates, including opportunities for in-country briefings.
10	Adopt best-practice processes for establishing, maintaining and nurturing Sister City Relationships to ensure transparency and quality of outcomes that all stakeholders can be proud of.	Supported	To make the best impact of the Sister City Relationships established, and leverage and respect the relationships already in place, best-practice processes should be front of mind.