

Agenda

Special Meeting (Corporate Strategy and Delivery Matters)

Tuesday, 18 February 2014

commencing at 9.00am

Council Chambers, Corner Currie and Bury Streets, Nambour

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1 DECLARATION OF OPENING

On establishing there is a quorum, the Chair will declare the meeting open.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE**3 OBLIGATIONS OF COUNCILLORS****3.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

3.2 DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

4 REPORTS DIRECT TO COUNCIL**4.1 CORPORATE STRATEGY AND DELIVERY****4.1.1 INTERNATIONAL RELATIONS POLICY AND 2014 SUNSHINE COAST INTERNATIONAL MISSIONS PROGRAM****File No:** ECM**Author:** Manager Strategy and Coordination
Corporate Strategy and Delivery Department**Appendices:** App A - International Relations Policy 21
App B - 2014 Sunshine Coast International Missions Program 37**PURPOSE**

This report proposes a policy framework for council's participation in international relations and engagements to underpin its efforts to support a number of the priorities in *Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013-2033*. The report also seeks endorsement of the 2014 International Missions Program to advance the region's access to new export development and investment markets.

EXECUTIVE SUMMARY

Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013-2033 ("the Strategy") has been developed to provide the blueprint for the region to realise its full potential as an active participant in the global economy. The Strategy seeks to advance the development of a new economy that is responsive to national and global demand, with high-value employment opportunities. All of the five key pathways in the Strategy are dependent on establishing and nurturing key relationships and partnerships globally to:

- Strengthen the region's economy
- Enable local business growth
- Create an environment that supports high-value and enduring employment and
- Deliver "game changer" projects of critical importance to the future prosperity of the community.

On 31 January 2013, Council adopted (OM13/11) the inaugural Sunshine Coast International Business Development Program. As a precursor to the Strategy, the International Business Development Program provided an initial platform from which council and the region can seek to improve business, industry and government connections with key international export and investment markets.

Since that time, council has progressed an array of opportunities to showcase the region's export and investment opportunities in international markets. As council moves to more actively participate in international relations and engagements in order to advance the region's economic objectives, it is considered there is a need to provide an organisational policy framework to underpin council's activities in three key areas, namely:

- International agreements
- Hosting international delegations and
- Participating in international missions.

The proposed International Relations Policy (“the Policy”) at **Appendix A** provides the foundation to support council’s participation in international relations. It is directed at maintaining and enhancing council’s international reputation and providing a robust and transparent framework for council’s relationships and engagement with international entities.

The Policy also provides for council to consider an annual program of international missions as a tool to facilitate:

- Greater international exposure and awareness of the region and its attributes as a destination for visitation, investment and industry development
- Opportunities to showcase the region’s products, services, expertise and investment opportunities to potential export and investment markets and/or
- Investment interest in specific council projects or activities of value to the region.

Participating in international missions is an important element in advancing some of council’s key priorities for the region, specifically:

- Stimulating economic growth and strength – new investment and enabling the growth of local businesses will in turn deliver more enduring employment opportunities for the residents of the Sunshine Coast. This enables people to remain in the region, raise their families here and contribute to the development of their community
- Securing investment capital so that the key infrastructure and facilities that the community needs now – and as it grows in the future – are delivered
- Establishing the profile of the region and its key projects so that high net-worth investors in major markets (like those of China and south-east Asia) are aware of these opportunities when deciding where to invest in Australia and
- Attracting more visitors to the region – given the underlying importance of tourism to the economy of the region and the goal of doubling international visitor numbers to the region by 2020.

The proposed 2014 Sunshine Coast International Missions Program at **Appendix B** identifies the following mix of five international missions that could be conducted in the 2014 calendar year:

- Three investment missions to key markets in Asia (in China and Japan) as key sources of investment capital for the type and scale of projects of particular significance to the region and
- Two trade and export missions, providing the opportunity for local businesses in identified, high-value sectors to present in key target markets of relevance to their products and services.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “International Relations Policy and 2014 Sunshine Coast International Missions Program”
- (b) approve the International Relations Policy (Appendix A)
- (c) approve the 2014 Sunshine Coast International Missions Program (Appendix B) and
- (d) approve the overseas travel identified in the 2014 Sunshine Coast International Missions program (Appendix B), with \$35,000 of cost to be met from the 2013/2014 budget for Strategy and Coordination and an amount of \$37,000 referred to the 2014/2015 budget process.

FINANCE AND RESOURCING

There is no direct financial impact associated with the adoption of the International Relations Policy.

The estimated travel and accommodation cost for council participants associated with the international missions proposed in the current financial year is \$35,000. The cost nominated is an estimate due primarily to the variability in international airfares and the fluctuating prices that can occur as discounted airfares are released. In making travel arrangements, every effort is made to secure the most competitive airfare available for the intended travel route.

In each case, the cost estimate includes the cost of councillor and council officer travel and accommodation, visas and on-ground transfers. Funds are available in the 2013-2014 budget for the Strategy and Coordination Branch to meet the costs associated with participating in the missions proposed for the current financial year.

Provision will need to be made in the 2014-2015 council budget for the estimated cost of \$37,000 associated with participating in the missions proposed for the latter half of the 2014 calendar year.

CORPORATE PLAN

Corporate Plan Theme: *Robust Economy*

Emerging Priority: 1.1 - A broad economic base

Strategy: 1.1.2 - Build alliances and partnerships to develop the economy of the region with businesses and government agencies

Corporate Plan Theme: *Innovation & Creativity*

Emerging Priority: 3.1 - Partnerships and alliances that drive innovation

Strategy: 3.1.1 - Foster partnerships with governments, business and the community to encourage innovation and sustainability

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.1 - Develop and implement a governance framework that provides transparent and accountable processes and enhances council's reputation

CONSULTATION

Internal Consultation

- Acting Manager, Economic Development
- Policy Coordinator, Governance Strategy and Policy
- Acting Manager, Community Planning and Strategy
- Manager, Social Policy
- Chief Legal Officer, Legal Services

All feedback provided by council officers has been considered and reflected in the International Relations Policy - where appropriate and consistent with the focus and intent of the objectives of the Policy.

There was a request that the focus of the Policy be broadened to incorporate cultural and community related activities and objectives. Resources are not available to support these objectives and therefore the changes sought have not been incorporated in the Policy.

The Policy does however, reflect that council will support associated cultural and community initiatives that facilitate the community's broader cultural awareness and appreciation where this better enables the achievement of economic outcomes for this region.

External Consultation

- Australian Sister Cities Association, which provided advice on, and examples of, existing international agreements.
- Trade and Investment Queensland on components of the International Missions Program and services available to support the implementation of the Policy.
- Gold Coast City Council officers on that council's approach to international export and investment missions, formation of its international missions program and assessment criteria for hosting international delegations.
- Brisbane City Council officers on that council's approach to managing International Relations and conducting international missions.

Community Engagement

Not applicable

PROPOSAL

Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013-2033 ("the Strategy") has been developed to provide the blueprint for the region to realise its full potential as an active participant in the global economy. The Strategy seeks to advance the development of a new economy that is responsive to national and global demand, with high-value employment opportunities.

On 31 January 2013, Council adopted (OM13/11) the inaugural Sunshine Coast International Business Development Program. As a precursor to the Strategy, the International Business Development Program provided an initial platform from which council and the region can seek to improve business, industry and government connections with key international export and investment markets.

All of the five key pathways in the Strategy are dependent on establishing and nurturing key relationships and partnerships globally to:

- Strengthen the region's economy
- Enable local business growth
- Create an environment that supports high-value and enduring employment and
- Deliver "game changer" projects of critical importance to the future prosperity of the community.

In particular, the Strategy recognises that to achieve a quantum shift in investment, employment, infrastructure provision and community prosperity, the region must adjust its focus to respond to the demands of external markets – nationally and internationally – in order to introduce new wealth and new, enduring careers. To do so, the region must continue to build awareness of the region and its attributes and forge and maintain relationships and connections in key international export and investment markets.

In doing so, the Sunshine Coast is competing with an increasing number of large local governments in Queensland and Australia – most notably Brisbane, the Gold Coast, and Cairns – in pitching to international markets and seeking to lure new investment and open new trading relationships for local business. Each of the above mentioned councils now have well established and resourced international mission programs linked to the priorities and objectives of their respective economic strategies and are successfully building international connections that over time, are generating new export markets for business and raising awareness of key investment opportunities in their respective regions.

To achieve comparable outcomes, the region needs to:

- Continue to maintain the momentum it has commenced generating since January 2013
- Provide a clear value proposition so that it has a compelling offer to potential investors – which the region can do with key projects of significance such as the expansion of the Sunshine Coast Airport and the development of the Maroochydore city centre
- Connect export-ready businesses offering "in demand" goods and services with relevant and reputable market opportunities and
- Focus its international efforts on a defined set of markets (both investment and trade) that represent the best prospects for success for the region.

In this context, the Strategy has already identified that in a global context, the high growth Asian markets offer potential opportunities for valuable and recurring trade and export in areas of established capability for the region. Specifically these opportunity areas include unique tourism experiences (particularly eco-tourism), niche food product and education services. The region also offers some particularly unique export opportunities into some Chinese markets in the areas of health and aged care services, clean technologies and high-end professional design and engineering services.

International Relations Policy

Since the adoption of the inaugural International Business Development Program on 31 January 2013, council has progressed an array of opportunities to showcase the region's export and investment opportunities in international markets. These include (but are not limited to):

- Developed new international business web content targeted at the Chinese market
- Published and translated new investment collateral
- Conducted two international missions to key investment markets in Mainland China, Hong Kong and Taiwan
- Hosted 10 visiting delegations in response to council's international missions to showcase potential export capabilities and key investment projects in this region
- Hosted familiarisation visits to the region and market briefings for the Queensland Government Trade and Investment Commissioners for Hong Kong, the Americas and the United Arab Emirates
- Hosted visits to the region by two significant investors (from China and Hong Kong) for commercial briefings on council's objectives for the Maroochydore city centre and the Sunshine Coast Airport
- Made initial representations to encourage the formation of a formal partnership between the University of the Sunshine Coast and Xiamen University (one of the leading universities in Mainland China)
- Established strong links with community and business leaders in the largest ethnic Chinese community in Queensland (Sunnybank) and secured a number of promotional opportunities for the Sunshine Coast through the Chinese community media
- Lead the development of a successful funding bid to the Queensland Government (in partnership with the Council of Mayors South East Queensland) to develop an investment framework for major projects of significance – which is proposed to be road tested in targeted Asian markets in the latter half of 2014
- Facilitated in-market connections in China for at least 11 Sunshine Coast businesses and organisations to pursue new export opportunities
- Assisted a local company and their joint venture partner to progress negotiations for a site in Xiamen for the development of a new enterprise and
- Established and conducted a series of export and investment forums for local business and property developers – with forum topics to date focussing on business migration and significant investor visas, pitching to international markets and preparing to export.

As council moves to more actively participate in international relations and engagements in order to advance the region's economic objectives, it is considered there is a need to provide an organisational policy framework to underpin council's activities in three key areas, namely:

- International agreements
- Hosting international delegations and
- Participating in international missions.

The proposed International Relations Policy (“the Policy”) at **Appendix A** provides the foundation to support council’s participation in international relations. It is directed at maintaining and enhancing council’s international reputation and providing a robust and transparent framework for council’s relationships and engagement with international entities.

The Policy reflects the learnings of council staff over the course of the last year as international activity has increased, as well as incorporating other practical measures based on the experiences of other local governments and Trade and Investment Queensland.

In particular, the proposed Policy:

- Puts beyond doubt that council – and no other entity - is responsible for establishing, negotiating and managing international agreements with other cities and municipalities on behalf of the Sunshine Coast local government area
- Provides that all international agreements, missions and delegations undertaken by council must contribute to the delivery of council’s Corporate Plan, the Sunshine Coast Regional Economic Development Strategy, the Sunshine Coast International Business Development Program and/or related objectives of another Council strategy that are clearly identified
- Seeks to maximise efficiencies, avoid duplication of effort and ensure the appropriate commitment and expenditure of Council resources in supporting international relationships and engagement and
- Provides an evidence-based rationale and criteria for considering participation in international agreements, hosting international delegations and participating in international missions.

The policy applies to all engagements with:

- Foreign governments, their agencies or affiliated organisations
- International business organisations and/or associations and
- Foreign commercial and not for profit entities.

International Agreements

Council currently has four international agreements – Xiamen (China), Tatebayashi (Japan), Fenland (United Kingdom) and Mont Dore (New Caledonia). The relationships with each of these cities were originally formed by the former Maroochy Shire Council, with the agreements with each city progressively updated over time. While none of the agreements are binding on council, a flaw in their construction is that they are not time limited and they do not require periodic review to assess and confirm whether the relationship continues to deliver value for both parties.

In the last year, council has been approached by other cities (one in China and one in Japan) to form new Sister City Agreements. Council is not presently looking to establish new Sister City Agreements (which are widely regarded as the highest form of relationship agreement between cities and municipalities) as it is seeking to gain greater utility and outcomes from its existing agreements.

That said, council should look to have a formal position which enables it to assess the value to the region of any potential formal relationship and have the mechanisms at its disposal to formalise a relationship at a level that is commensurate with the objectives that council may wish to pursue from the relationship. This is considered necessary so there is a robust basis for determining who the region forms a strategic relationship with, the basis of the relationship and the objectives to be pursued. In this context it should be borne in mind that formalised relationship agreements (Sister City and other agreements) are highly valued in many Asian countries and provide a particular avenue for gaining market access and investment leads.

The Policy identifies four types of agreements that council could contemplate and the circumstances under which each type of agreement would apply. The Policy requires time limitations on Agreements and a requirement for periodic review. Importantly, the Policy does not advocate to establish new international agreements – but provides the vehicle to consider future agreements that may be deemed of strategic value to the region. The Policy also introduces a review date for all existing agreements (of three years from the last date of execution) to enable council to assess whether there is value in continuing an existing relationship.

International missions and delegations

As indicated above, in the last year council has participated in two international missions and hosted 10 international delegations to the region. Based on the experiences from that time and consideration of the practices of other local governments, the Policy provides the parameters for participating in missions and hosting delegations so that council is adopting a targeted and focused approach to this area of international engagement.

The arrangements proposed in the Policy will enable council to:

- Transparently assess requests to host international delegations and proposed international missions within a framework that is targeted at supporting council's strategic economic objectives for the region
- Better manage requests to invite/host delegations - and the costs associated with such activities and
- Focus council's international engagement on locations and activities that are clearly of strategic value to the region.

To achieve these objectives, it is important that all international engagements (ie. missions and delegations) are managed through a single point in council. Given its responsibility for managing strategic relationships and advocacy arrangements for council, the Policy indicates that all engagements with international entities would be coordinated by the Strategy and Coordination Branch.

2014 Sunshine Coast International Missions Program

The Policy provides that an annual program of international missions will be developed and presented to council for consideration. Further, the Policy indicates that the annual program of international missions will reflect:

- Planned and known international missions proposed to be conducted across the nominated year
- The rationale for nominating a specific mission and the potential benefits to the region of participating in the proposed mission

- An indication of time frames in which the mission will likely take place
- Whether a council representative/s are to participate in or lead each proposed mission and
- The estimated travel and accommodation costs associated with the council representative/s participating in each proposed mission.

This is consistent with one of the actions for which council is responsible under the Strategy which is to establish an annual program of business and export missions – led by council – to grow awareness of the region’s products and services and investment opportunities.

Raising the profile of the region in key international markets and establishing relationships with potential investors and trading partners is critical to achieving a number of important objectives for this region. In this regard, it should be noted:

- Foreign investment is vitally important to stimulate economic growth and increase employment in the region’s key, high-value industries. These are the core elements of the Strategy and are essential if the region is to have a stronger and more resilient economy.
- If this region does not actively promote the investment and trade related opportunities it has to offer (and establish relationships in new markets), then investors will most likely make their investment decision in favour of other regions which are already aggressively marketing their credential and opportunities. Given the very low level of awareness of the Sunshine Coast (and its investment and export opportunities) in key markets in China and south east Asia (which are arguably the highest growth markets for Australia for investment and export), the Sunshine Coast is not in a position where it can simply rely on unsolicited investors and new export markets coming to this region because of a well-established international reputation. Of particular note is that Australia is a very attractive investment proposition for high net worth Chinese investors – but other regions like the Gold Coast, Brisbane and Cairns have already identified this and are actively pursuing investment leads and new export markets in China (as are many other regions elsewhere in Australia).
- Increasing employment opportunities associated with investment in capital projects and industry growth potentially leads to greater community prosperity and well-being. New employment means fewer residents will need to leave the region to secure enduring work and the Sunshine Coast will be able to better offer a range of post-school employment options for young people and adults with young families. This in turn has a cyclical effect – as more money circulates in the region’s economy and further investment – both from local and external sources – occurs.
- Stimulating foreign and direct investment and business attraction will enable the region to deliver some of the key infrastructure and facilities that have been identified as a priority for the community. For example, the development of the Maroochydore city centre and the expansion of the Sunshine Coast Airport will likely require private investment as part of their delivery. Foreign capital investment will potentially be a significant contributor - given the quantum of investment funds that will be required to fully deliver both of these projects.
- The region is committed to nearly doubling its exports over the next 20 years and doubling its international tourism numbers by 2020 – again, to strengthen the economy and provide more enduring employment opportunities for residents. Council is well placed – as a level of government – to introduce local businesses into other markets, to identify new trading partners and to gain access to avenues for promoting the Sunshine Coast. Particularly in Asia, the respect for government and government representatives

plays a significant role in gaining access to high-quality investors and leading businesses looking to form trading relationships with Australian businesses.

- Council is not duplicating the role of other tiers of government. No other level of government will specifically represent the interests of – or advocate strongly or explicitly for – investment in Sunshine Coast projects or trading opportunities for the region. This is not a criticism of other tiers of government – but acknowledges that Federal and State agencies (and their representatives) seek to promote either Queensland or Australia (depending on their jurisdiction) as an investment destination or source of goods and services – or promote specific projects in which that level of government has a material interest. The very clear advice from Trade and Investment Queensland and AUSTRADE is that it is the responsibility of individual regions to establish and grow their own profile in international markets and showcase their own investment and trade related opportunities.
- Securing significant capital investment or a new export contract is unlikely to occur over one meeting of short duration. Particularly in Asia – where a strong emphasis is placed on relationships – it is necessary to nurture and grow relationships and gain trust and confidence as a precursor to investment. The consistent professional advice from Trade Commissioners and other reputable representatives involved in investment and export markets in Asia is that it is essential to regularly follow up an initial visit to demonstrate respect and instil confidence in the opportunity that is being presented.

Taking these matters into consideration, the proposed 2014 Sunshine Coast International Missions Program at **Appendix B** identifies five international missions that could be conducted by the region in the 2014 calendar year. The program contains a mix of:

- Three investment missions to key markets in Asia (in China and Japan) as key sources of investment capital for the type and scale of projects of particular significance to the region – specifically the expansion of the Sunshine Coast Airport and the development of the Maroochydhore city centre and
- Two trade and export missions, providing the opportunity for local businesses in identified high-value sectors to present in key target markets of relevance to their products and services. For example, New Zealand has consistently been identified as the leading source market for international visitation to the region.

The proposed 2014 program provides targeted opportunities to pursue the following objectives highlighted in the Policy:

- To promote the region's export capabilities (goods and services) in high-value industries – notably education and research; tourism, sport and leisure; agri-business; health and well-being; aviation and aerospace; clean technologies; and knowledge industries and professional services
- To foster regional access to trade and export opportunities in new markets
- To profile the region as a competitive destination for visitation; business, property and infrastructure investment; and securing such investment
- To advance the region's learnings from international best practice and locations of excellence and
- To establish networks of significant business and other contacts.

In line with the proposed Policy, a report will be provided to council in January 2015 on the conduct of council's international relationships, missions and delegations for 2014. This report will accompany any proposals for the 2015 International Missions Program.

Legal

Council's Chief Legal Officer provided advice and direction on the development of this Policy and no significant legal issues have been identified.

This Policy specifically provides that the Chief Legal Officer will be responsible for:

- Ensuring international agreements limit council's legal liability and
- Ensuring international agreements comply with Queensland and Australian law.

In accordance with section 188 of the *Local Government Regulation 2012*, any international travel undertaken by a councillor or council officer as part of an international mission will be reported in council's annual report for the financial year in which the travel occurred.

Policy

The proposed Policy is consistent with existing council policy requirements and has been developed following the Policy Development Process guidelines.

The proposed Policy and the proposed 2014 Sunshine Coast International Missions Program have also been developed consistent with the *Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013-2033* and the Sunshine Coast International Business Development Program.

Risk

There are no significant risks associated with approving the proposed Policy. Indeed the Policy has been designed as a tool to better assess, manage and mitigate potential risks to council and its reputation as a result of its participation in international relations.

For example, to inform the assessment of risks associated with international agreements, the Policy provides a number of measures including mandatory consultation with Trade and Investment Queensland (and their in-market representatives) and the Department of Foreign Affairs and Trade and other relevant and credible sources to establish an understanding of the:

- Political climate of the international location
- Financial stability of the international entity
- Credibility and integrity of the international entity
- Reliability of information provided by the international entity and
- International reputation and safety of the location.

There is a risk of a negative public reaction to expenditure associated with participating in international missions. The pursuit of investment that will facilitate the delivery of key regional projects is necessary if the region is to improve its infrastructure mix, strengthen the regional economy and achieve a more sustainable and prosperous community. Similarly, facilitating access to new export markets for local business and industry is a legitimate activity for local government. These activities are carried out by many other large local governments in Queensland and Australia as a means to strengthen the local business environment, grow investment in local business and supply chains and generate new employment opportunities.

In this context, it is understood the Gold Coast City Council's annual global connections program involved 12 missions in the last financial year and was supported by a budget of more than \$600,000.

Council's commitment to an annual program of international missions has also been in the public domain since the launch on 24 September 2013 of the Regional Economic Development Strategy.

Previous Council Resolution

Council resolved on 31 January 2013 (OM13/11) as follows:

That Council:

- (a) receive and note the report titled "**Sunshine Coast International Business Development Program**";
- (b) note the Plan of Action activities in Appendix A for 2012-2013 will be delivered within the current budget allocation for trade and export development in the Economic Development Branch budget, with a portion of this budget likely to be carried over to 2013-2014 to facilitate completion of activities commenced in the current financial year;
- (c) note that the budget allocation for trade and export development was a one-off allocation approved as part of the development of the 2012-2013 council budget and that funding for the continuation of the Sunshine Coast International Business Development Program in the balance of the 2013-2014 year and subsequent financial years will need to be considered as part of deliberations on the 2013-2014 and subsequent budgets;
- (d) approve that the Mayor be authorised to travel to China in April 2013 to participate in a proposed Queensland Government Investment Mission and to visit Xiamen to support and target business investment opportunities for the region;
- (e) approve that Councillor McKay be authorised to travel to Xiamen, China in April 2013 as part of the visit by the Mayor to support and target business investment opportunities for the region;
- (f) approve that the cost of the overseas travel by the Mayor and Councillor McKay (inclusive of flights, accommodation, transfers and insurances) to be met from the existing budget allocation for trade and export development in the 2012-2013 Economic Development Branch budget; and
- (g) note that, subject to approval of (d) and (e) above, the Chief Executive Officer will approve one council officer to accompany the Mayor on the overseas visit to China.

Council resolved on 27 June 2013 (SM13/22) as follows:

That Council:

- (a) receive and note the report titled "**Key Investment and Business Development Events and Activities in Asia - September 2013**";
- (b) approve that the Mayor be authorised to undertake overseas travel to Taiwan, Xiamen and Hong Kong in September 2013 to participate in the Asia Pacific Cities Summit, the China International Fair for Investment and Trade and undertake specific investment meetings - with that part of the cost of the overseas travel that is not covered by other parties to be met from the 2013-2014 Economic Development Branch budget and
- (c) note that, subject to approval of (b) above, the Chief Executive Officer will approve one council officer to accompany the Mayor in travelling to Taiwan, Xiamen and Hong Kong in September 2013.

Council resolved on 19 September 2013 (OM13/191) as follows:

That Council:

- (a) receive and note the report titled "**Draft Economic Development Strategy**"

- (b) endorse the “Sunshine Coast – The Natural Advantage – Regional Economic Development Strategy 2013-2033” (Appendix A) and the associated Research Compendium (Appendix B)
- (c) approve the “Sunshine Coast – The Natural Advantage – Regional Economic Development Strategy 2013-2033” replacing the “Sunshine Coast Economic Development Strategy 2010-2014”
- (d) delegate authority to the Chief Executive Officer, in consultation with the Mayor, to make any minor amendments as required to finalise the “Sunshine Coast – The Natural Advantage – Regional Economic Development Strategy 2013-2033” for public release prior to the end of September 2013
- (e) approve the formation of a regional economic leadership board referred to in the “Sunshine Coast – The Natural Advantage – Regional Economic Development Strategy 2013-2033”, with its functions to include:
 - i. guiding the transitions to, and building the identity of, a new economy
 - ii. overseeing the progress of the Implementation Plan for the Strategy
 - iii. assessing progress in the delivery of the Strategy to ensure outcomes and performance measures are met
 - iv. providing key advice and intelligence to inform, guide and enable delivery of specific actions and
 - v. advocating the region’s competitive strengths to secure new investment
- (f) delegate authority to the Chief Executive Officer to develop with business and industry groups represented on the Sunshine Coast Economic Development Strategy Taskforce, an appropriate governance and operating model for the regional economic leadership board for further consideration by council.

Related Documentation

- *Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013–2033*
- Sunshine Coast Council Corporate Plan 2009-2014
- Sunshine Coast Export Survey Report, October 2012
- *Australia in the Asian Century*, 2012
- *Our Future World, Global Megatrends that will change the way we live* - CSIRO, 2012 revision
- *Queensland Trade and Investment Strategy 2011-2016*
- *China, Towards 2016*, Tourism and Events Queensland
- Civic Functions Guidelines
- Business Investment Policy
- Cultural Development Policy

Critical Dates

Given the lead times involved in the organisation of international missions and the growing number of requests for the region to host international delegations, an early decision on this report is sought so that appropriate logistical arrangements in line with the Policy can be implemented.

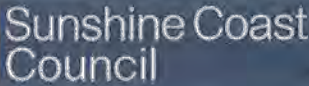
Implementation

Subject to council's endorsement of this report, the Policy will be operationalised immediately in respect of upcoming delegations and the missions proposed in the 2014 Sunshine Coast International Missions Program.

In line with the Policy, reviews of council's existing international agreements will be commenced on the following dates:

- Xiamen – immediately
- Tatebayashi – immediately
- Fenland – 1 August 2014
- Mont Dore – 1 March 2016

All details associated with overseas travel will be appropriately reported in council's Annual Report for the relevant financial year as required under section 188 of the *Local Government Regulation 2012*.

 Sunshine Coast Regional Council	
STRATEGIC POLICY International Relations	
Corporate Plan Reference:	1.1 A broad economic base 3.1 Partnerships and alliances that drive innovation 8.1 Ethical, accountable and transparent decision-making
Endorsed by Council on:	
Policy Owner and Department:	Manager Strategy and Coordination, Corporate Strategy and Delivery

POLICY PURPOSE

The International Relations Policy provides the foundation to support Council's participation in international relationships to pursue its strategic economic policy objectives.

The International Relations Policy is directed at maintaining and enhancing Council's national and international reputation and providing a robust and transparent framework for Council's relationships and engagement with international entities.

POLICY OUTCOME

Council has in place:

- An evidence based rationale and robust arrangements for international engagement
- Appropriate criteria to ensure any international agreements are outcomes focussed and targeted at appropriate international locations.
- A transparent evaluation process that ensures clear economic outcomes are progressed through international engagement.

POLICY SCOPE

This policy applies to all engagement with the following entities:

- Foreign governments, their agencies or affiliated organisations
- International business organisations and/or associations
- Foreign commercial and not for profit entities

This Policy is supported by guidelines contained in the following attachments:

- Attachment 1 - Establishing an International Agreement
- Attachment 2 - Agreement Types

STRATEGIC POLICY – INTERNATIONAL RELATIONS

POLICY STATEMENT

A key economic policy priority for the Sunshine Coast is to strengthen the region's economic foundations, support local business and create an environment that encourages investment and the establishment of enduring high value employment and career opportunities. To achieve significant change in terms of investment, infrastructure provision, employment and prosperity, the region needs to shift from a consumption-based economy to one that is outwardly focused, investment oriented and connected to global and emerging markets.

Research undertaken by Federal and State Governments and other respected institutions highlights the criticality of exploiting the potential of key growth markets globally as a plank to developing prosperity and facilitating delivery of major infrastructure.

The Sunshine Coast is well placed to capitalise on its strengths and the growing opportunities the region presents. Appropriate and targeted engagement with foreign governments, commercial and not for profit organisations is warranted in order to position the Sunshine Coast in key global markets that offer the best prospects for success for the region.

The primary vehicles through which Council can engage with international entities are:

- International agreements;
- Hosting international delegations; and
- Participating in international missions.

Sunshine Coast Council recognises the long-standing and underlying concept of goodwill that underpins international relationships. However, Council's priority is to seek tangible and quantifiable economic benefits for the region from its international agreements and engagement activities.

The key economic benefits that Council seeks to achieve from its international agreements and engagements include (but are not limited to):

- Promoting the region's export capabilities (goods and services) in high-value industries – notably education and research; tourism, sport and leisure; agri-business; health and well-being; aviation and aerospace; clean technologies; and knowledge industries and professional services.
- Fostering regional access to trade and export opportunities in new markets.
- Profiling the region as a competitive destination for visitation; business, property and infrastructure investment; and securing such investment.
- Advancing the region's learnings from international best practice and locations of excellence.
- Establishing networks of significant business and other contacts.

Council will support associated cultural and community initiatives that facilitate the community's broader cultural awareness and appreciation where this better enables the achievement of economic outcomes for this region.

GUIDING PRINCIPLES

Council's interactions, engagements and relationships with international entities will at all times:

1. contribute to achieving the outcomes of Council's Corporate Plan and regional strategies.
2. be underpinned by mutual respect, understanding and diplomacy.
3. be conducted in a manner which maintains and enhances Council's credibility and reputation.
4. support increased export, investment and business development opportunities for the region.

STRATEGIC POLICY – INTERNATIONAL RELATIONS

FRAMEWORK**Parameters relevant to all International Agreements, Delegations and Missions**

1. All international agreements, missions and delegations undertaken by Council must contribute to the delivery of Council's Corporate Plan, the Sunshine Coast Regional Economic Development Strategy, the Sunshine Coast International Business Development Program and/or related objectives of another Council strategy that are clearly identified at the time of obtaining authorisation of the proposed activity.
2. All international relationships and engagement must promote respect, encourage connections between the participating communities and seek to improve opportunities for knowledge and skills transfer.
3. Subject to the laws of the Parliament of the Commonwealth of Australia and the Parliament of the State of Queensland, Council is the only legal authority that can enter into a binding or non-binding international agreement with an entity on behalf of the Sunshine Coast local government area.
4. Preservation and enhancement of Council's reputation, standing and resources is of paramount importance in any engagement or relationship with international entities. Council will not engage in new international relationships or agreements – and reserves the right to terminate an existing international relationship or agreement – where it considers the relationship or agreement may be detrimental to (or undermine) Council's reputation, standing and/or resources.
5. As a general rule, Council does not authorise a third party to act as its intermediary or representative in engaging with international entities. A third party shall only act as an authorised representative of Council if that party has instructions in writing from the Chief Executive Officer approving their appointment as a representative of Council. Any instructions issued by the Chief Executive Officer in this regard must (at a minimum) specify the scope, extent of authority, duration and expectations associated with the appointment of the authorised representative.
6. To maximise efficiencies, avoid duplication of effort and ensure the appropriate commitment and expenditure of Council resources, all engagements with international entities relevant to this Policy will be coordinated by the Strategy and Coordination Branch.
7. Negotiation of a Sister City Agreement or Charter of Mutual Friendship Agreement must be authorised by resolution of Council. The execution of an authorised Sister City Agreement or Charter of Mutual Friendship Agreement shall only be undertaken by the Mayor on behalf of Council.
8. The negotiation and authorisation of a non-binding Strategic Partnership Agreement or Memorandum of Understanding shall only occur with the prior approval of the Chief Executive Officer in consultation with the Mayor and following a rigorous assessment of the need, benefits and risks associated with establishing an international agreement of this nature. The execution of an authorised Strategic Partnership Agreement or Memorandum of Understanding shall only be undertaken by the Mayor or Chief Executive Officer.
9. Council will:
 - consider proposed international agreements in the context of the work of other levels of government and other local governments to avoid duplication or any breach of protocol.
 - work with local industries, groups, institutions, organisations and other agencies to maximise benefits from developing international relationships.
 - where possible, look to adopt a flexible approach to new international relationships to maximise the prospect of achieving Council's strategic economic policy objectives. Ideally, all international relationships should be project based, have defined outcomes and specified time frames.
 - seek to maximise the utility and cost effectiveness of negotiating and maintaining international relationships through a range of tools such as electronic communications, video conferencing, and the services offered by State and Federal Government agencies.

STRATEGIC POLICY – INTERNATIONAL RELATIONS

10. In participating in international relationships, Council is not the agent or advocate of any individual Sunshine Coast business seeking international trade or investment opportunities.
11. Council is not – and shall not act as (or act on behalf of) - a migration agent.
12. All international agreements must have a nominated review date of between three and five years. If an existing international agreement does not contain a nominated review date, then the review date shall be three years from the date of the agreement.

Matters specific to International Agreements

International agreements may be used by Council as a tool to facilitate participation by an international entity in:

- furthering Council's strategic economic policy objectives; and/or
- key projects, relationships and/or partnerships that have economic and associated social and cultural benefits for the region.

There are four categories of international agreement that Council may consider in establishing a formal relationship with an international entity:

- Sister City Agreement
- Charter of Mutual Friendship Agreement
- Strategic Partnership Agreement
- Memorandum of Understanding

The appropriate international agreement suitable for a particular international relationship shall be determined following an assessment of the location, benefits and risks using the assessment criteria and tools in **Attachment 1** and with consideration of the characteristics of the proposed agreement as outlined in **Attachment 2**.

A Sister City Agreement or Charter of Mutual Friendship Agreement shall only be entered into between:

- Council; and
- a lawfully recognised local or provincial government (or the legal equivalent in the jurisdiction where the entity is based).

There are to be no third parties to a Sister City Agreement or Charter of Mutual Friendship Agreement.

Unless approved otherwise by resolution of Council in a specific instance, a Sister City Agreement shall only be considered where:

- there has been a Charter of Mutual Friendship Agreement, a Strategic Partnership Agreement or Memorandum of Understanding in place for at least two years and where there has been demonstrable benefit for the Sunshine Coast from having these agreements in place; and
- the agreement is with an international city or locality that adds value to, and enhances the standing of, the Sunshine Coast.

For a Charter of Mutual Friendship Agreement, a Strategic Partnership Agreement or Memorandum of Understanding, these agreements are only to be considered where:

- there is a clear economic benefit for the Sunshine Coast from having the agreement in place; and
- the agreement is with a reputable international entity that adds value to, and enhances the standing of, the Sunshine Coast.

STRATEGIC POLICY – INTERNATIONAL RELATIONS

Council is at no time obliged to:

- Enter into an international agreement – and Council always reserves the right not to consider an international agreement;
- Renew an existing international agreement;
- Provide hospitality or meet the costs of visiting delegations from a location with which it has an international agreement (other than where a Sister City Agreement is in place – see **Attachment 2**).

An international agreement:

- Other than a Sister-City Agreement, must be a non-binding agreement.
- Will have a limitation of liability clause.
- Must in no way attempt to limit or fetter Council's statutory or regulatory responsibilities – or Council's exercise of its statutory or regulatory responsibilities.
- Must not be open ended and must include a review clause of between three and five years as considered appropriate for the agreement being considered and the objectives that it seeks to fulfil.
- Other than for a Sister-City Agreement, unless authorised by the Chief Executive Officer, will not include obligations on Council to organise, host and/or support youth, student (adult or child) or cultural exchanges or visitor delegations (either inbound or outbound). Such exchanges can however, be organised, hosted and/or supported by appropriate organisations within the region (at their own expense) with an international entity with whom Council has an international agreement.

Matters specific to International Delegations

International delegations may be hosted by Council as a tool to facilitate:

- greater international exposure and awareness of the region and its attributes as a destination for visitation, investment and industry development;
- opportunities to showcase the region's products, services and expertise to potential export markets; and/or
- investor and/or participant interest in specific projects or activities of value to the region.

Council is under no obligation to consider a request to receive or host international delegations unless it is an agreed element of a Sister City Agreement or Charter of Mutual Friendship Agreement.

As a general rule, Council will not commit resources to hosting an international delegation where the delegates (or the delegation itself):

- are travelling to the region primarily for a holiday or for recreational purposes;
- are not travelling as members or representatives of an international entity;
- have not received a prior official invitation from the Mayor to visit the region;
- do not satisfy at least five of the assessment criteria nominated below.

Any requests for Council to host an international delegation must be notified in writing to the Mayor or the Chief Executive Officer. Requests to host an international delegation should clearly demonstrate the benefits that may reasonably be expected to accrue for Council, regional businesses and industries and/or the community.

The political climate, financial stability and international reputation of the location from where the delegation emanates shall be carefully considered when deciding whether to receive and host an international delegation.

The Manager, Strategy and Coordination Branch may approve the hosting of an international delegation where the delegation meets at least five of the following criteria:

1. Identifiable economic benefits may potentially develop as a result of hosting the delegation.
2. Provides an opportunity for the region to promote its competitive strengths and export capability.

STRATEGIC POLICY – INTERNATIONAL RELATIONS

3. Enhances business, industry and government connections.
4. Clear potential exists to establish new trade opportunities for Sunshine Coast businesses.
5. Provides an opportunity to promote the region as a competitive destination for visitation, business, property and infrastructure investment.
6. Is relevant to developing and generating investment in one of the seven high-value industries identified in the Sunshine Coast Regional Economic Development Strategy.
7. Facilitates the region's learnings from international best practice and locations of excellence.
8. The delegation (or the location or region it represents) has an existing international relationship with the Sunshine Coast Council.
9. The location or region that the delegation represents has a government structure and/or an allocated representative to maintain and further international relationships.
10. The visit to Australia by the delegation is notionally supported by Trade and Investment Queensland.

Matters specific to International Missions

Council may participate in or lead international missions as a tool to facilitate:

- greater international exposure and awareness of the region and its attributes as a destination for visitation, investment and industry development;
- opportunities to showcase the region's products, services, expertise and investment opportunities to potential export and investment markets; and/or
- investment and/or participant interest in specific Council projects or activities of value to the region.

The political climate, financial stability and international reputation of the mission destination(s) shall be carefully considered when deciding whether to participate in or lead an international mission.

An annual program of international missions will be developed and presented to Council for consideration. The annual program of international missions will reflect:

- planned and known international missions proposed to be conducted across the nominated year;
- the rationale for nominating a specific mission and the potential benefits to the region of participating in the proposed mission;
- an indication of time frames in which the mission will likely take place;
- whether a Council representative/s are proposed to participate in or lead each proposed mission; and
- the estimated travel and accommodation costs associated with the Council representative participating in each proposed mission.

The annual program of international missions that is presented for consideration by Council should also be accompanied by a report on Council's international relationships and engagement in the preceding year.

Where an opportunity arises for Council to participate in or lead an international mission that has not been previously identified in the annual program of missions endorsed by Council, the opportunity shall be assessed by the Manager, Strategy and Coordination Branch against the criteria nominated below and a recommendation made to the Chief Executive Officer for consideration.

Where the Chief Executive Officer determines that Council should participate in or lead an international mission that has not been previously identified in the annual program of missions endorsed by Council, the Chief Executive Officer may approve Council's participation in or leadership of the mission and:

- where the Council representative is to be a Council officer – approve the Council representative to take part in the mission; or
- where the Council representative is to be a Councillor – make a recommendation to Council in relation to Council's participation in the mission.

In assessing whether Council should participate in or lead a proposed international mission, the mission should meet at least five of the following assessment criteria:

STRATEGIC POLICY – INTERNATIONAL RELATIONS

1. Identifiable economic benefits may potentially develop as a result of participating in the mission.
2. Provides an opportunity for the region to promote its competitive strengths and export capability.
3. Enhances business, industry and government connections.
4. Clear potential exists to establish new trade opportunities for Sunshine Coast businesses.
5. Provides an opportunity to promote the region as a competitive destination for visitation and investment.
6. Is relevant to developing and generating investment in one of the seven high-value industries identified in the Sunshine Coast Regional Economic Development Strategy.
7. Facilitates the region's learnings from international best practice and locations of excellence.
8. The mission destination(s) has an existing international relationship with the Sunshine Coast Council.
9. The mission destination(s) has a government structure and/or an allocated representative to maintain and further international relationships.
10. The mission destination is located in a Tier 3 area nominated in **Attachment 1**.

Any international travel undertaken by a Councillor or Council officer as part of participating in an International Mission must be reported in Council's Annual Report for the relevant financial year.

ROLES AND RESPONSIBILITIES

Council is responsible for:

- Deciding whether to establish a Sister City Agreement or Charter of Mutual Friendship Agreement.
- Approving a Sister City Agreement or Charter of Mutual Friendship Agreement
- Authorising an annual program of international missions in which Council will participate or lead
- Authorising international travel by the Mayor and/or Councillors as part of participating in or leading an international mission.

The **Mayor** is responsible for:

- Issuing invitations to recommended international delegations to visit the Sunshine Coast.
- Executing approved international agreements.

The **Chief Executive Officer** is responsible for the operational aspects of this policy including:

- Managing expectations and ensuring advice is provided to Councillors on Council's international relations processes.
- Approving Council officer participation in an international mission that is assessed to be of value to the region under this Policy
- Approving council officer participation in an international mission that may be identified after the approval each year of Council's annual program of international missions.
- Authorisation of programs developed within or as a result of an international agreement.
- Ensuring commitments are delivered in relation to international delegations and missions.

The **Director, Corporate Strategy and Delivery** is responsible for:

- Ensuring all options in relation to international relationships and engagement are objectively explored.
- Approving the provision of hospitality and gifts for members of an international delegation.

The **Manager, Strategy and Coordination** is responsible for:

- Applying the guidelines, endorsed criteria and processes and overarching principles in this Policy to all international relationships and engagements progressed under this Policy
- Identification of benefits associated with international relationships and engagements
- Assessment and formulation of recommendations in relation to international agreements and missions.

STRATEGIC POLICY – INTERNATIONAL RELATIONS

- Approving Council hosting an international delegation.
- Maintaining a register of all international agreements and an appropriate record of all international engagements.
- Approving the provision of hospitality and gifts as part of Council's participation in an international mission.

The **Chief Legal Officer** is responsible for:

- Ensuring international agreements limit Council's legal liability.
- Ensuring international agreements comply with Queensland and Australian law.

To ensure the principles and accountability mechanisms in this Policy are appropriately activated, **Councillors and all staff** are responsible for advising the Manager, Strategy and Coordination of any request received by Council to:

- Initiate an international relationship
- host an inbound delegation
- participate in an international project, activity or program or
- issue a letter of invitation to a prospective international delegation
- participate in an international mission

MEASUREMENT OF SUCCESS

A report compiled by the Strategy and Coordination Branch will be presented to Council every year providing an assessment of Council's international relationships and engagement in the preceding year.

This policy will be reviewed after two years of the date of its adoption by Council to:

- ensure it remains consistent with the strategic and resource priorities of Council at that time; and
- apply any specific learnings from the development and management of international agreements, missions and delegations.

DEFINITIONS

For the purposes of this Policy:

International Agreement means a Sister City Agreement, a Charter of Mutual Friendship Agreement, a Strategic Partnership Agreement or a Memorandum of Understanding.

International Entities are:

- Foreign governments, their agencies or affiliated organisations
- International business organisations and/or associations
- Foreign commercial and not for profit entities

International Relationships and Engagement include (but are not limited to):

- Activities associated with negotiating, executing and maintaining an international agreement
- Activities associated with planning, organising and participating in an international mission
- Activities associated with planning, organising and hosting an international delegation.

An **international mission** involves a visitation by an authorised representative(s) of Council to an international destination to:

- Promote the region's export capabilities (goods and services) in high-value industries – notably education and research; tourism, sport and leisure; agri-business; health and well-being; aviation and aerospace; clean technologies; and knowledge industries and professional services.

STRATEGIC POLICY – INTERNATIONAL RELATIONS

- Foster regional access to trade and export opportunities in new markets.
- Profile the region as a competitive destination for visitation; business, property and infrastructure investment; and securing such investment.
- Advance the region's learnings from international best practice and locations of excellence.
- Establish networks of significant business and other contacts.

An **international delegation** involves an approved visit to the Sunshine Coast by an international entity or entities to:

- Investigate investment opportunities in the region;
- Investigate and/or negotiate trade and export relationships with business, industry and/or not for profit organisations in the region;
- Such other activity as may be approved by the Chief Executive Officer and stated in any official invitation from the Mayor to the international entity.

Culture is the way a community sees itself and shows itself to others. It's the way a community expresses its values that define it as a distinctive group; values that are to be celebrated, remembered and offered to future generations.

RELATED POLICIES AND ORGANISATIONS

Commonwealth of Australia Constitution Act 1900

Constitution of Queensland 2001

Parliament of Queensland Act 2001

Local Government Act 2009

Documents

Civic Functions Guidelines

Business Investment Policy

Cultural Development Policy

Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013 – 2033

Organisations

Trade and Investment Queensland

Department of State Development, Infrastructure and Planning

Austrade

Department of Foreign Affairs and Trade

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Eg. Create new Eg. Review			DD/MM/YYYY

STRATEGIC POLICY – INTERNATIONAL RELATIONS

International Relations Policy – Attachment 1**ESTABLISHING AN INTERNATIONAL AGREEMENT**

1. Requests to establish an international agreement with the Sunshine Coast Council and an international entity must be received in writing and addressed to the Mayor or Chief Executive Officer. Requests must clearly articulate the key purpose and benefits of establishing the proposed agreement.
2. Any request for a proposed international agreement will be assessed by the Strategy and Coordination Branch against the assessment criteria below.
3. Key to the evaluation process is the assessment of the risk to Council associated in establishing the proposed international relationship and accompanying agreement. To inform the assessment of this risk, Council officers will consult with Trade and Investment Queensland (and their in-market representatives) and the Department of Foreign Affairs and Trade and other relevant and credible sources to establish an understanding of the:
 - Political climate of the international location
 - Financial stability of the international entity
 - Credibility and integrity of the international entity
 - Reliability of information provided by the international entity
 - International reputation and safety of the location
4. In considering whether to proceed with a proposed international agreement, consultation may occur with industry, educational institutions, business representative and other relevant community groups to assess the potential value that may be realised from a proposed international agreement with the proponent.
5. Following assessment using the criteria identified below, the Strategy and Coordination Branch will make a recommendation (to either the Chief Executive Officer or Council depending on the form of agreement proposed) on whether an International Agreement should be developed and the appropriate agreement type.
6. As a general rule and subject to eligibility, an international entity will only be recommended for a Charter of Mutual Friendship Agreement (or a Sister City Agreement if a Charter of Mutual Friendship has been in existence for more than two years), if the entity achieves an assessment score of at least 30 points against the assessment criteria nominated below.
7. Council's Legal Services Branch will be consulted and engaged in the process of developing all international agreements to ensure legal liability is considered and statutory compliance is achieved.
8. Individual legal advice should be sought by the entities that form part of Council's international agreements. Council is not responsible for providing legal advice to other entities whom may be party to an international agreement.
9. If a party to an agreement poses a risk to, or may undermine, Council's reputation, standing and/or resources, no further consideration should be given to an international agreement with that party. The assessment of this risk shall include consideration of media reporting and other relevant considerations which influence the international reputation, standing and profile of the party (and the location of the party) seeking an international agreement with Council.

STRATEGIC POLICY – INTERNATIONAL RELATIONS

ASSESSMENT CRITERIA FOR INTERNATIONAL AGREEMENTS

CRITERIA	SCORE
<p>Does the location of the other party exhibit similar population, demographics and economic conditions to that of the Sunshine Coast?</p> <p>Score: Lesser conditions =1 point; Similar conditions = 2 points; Higher conditions = 3 points</p>	
<p>Does the location of the other party allow good access via ports, airport and rail facilities?</p> <p>Score: one of three facilities = 1 point; two of three facilities = 2 points; three of three facilities = 3 points</p>	
<p>Does the location of the other party share key industry sectors with the Sunshine Coast?</p> <p>Score: 6/7 of 7 Sunshine Coast nominated high value sectors = 3 points 4/5 of 7 Sunshine Coast nominated high value sectors = 2 points 2/3 of 7 Sunshine Coast nominated high value sectors = 1 points</p>	
<p>Does the location of the other party offer new trade and investment opportunities within key industry sectors?</p> <p>Score: Low = 1 point; Medium = 2 points; High = 3 points</p>	
<p>Does the location of the other party provide a stable and safe investment environment?</p> <p>Score: Low = 1 point; Medium = 2 points; High = 3 points</p>	
<p>Does the location of the other party offer opportunities for people to people engagement through business or industry associations?</p> <p>Score: Low = 1point; Medium = 2 points; high = 3 points</p>	
<p>Does the location of the other party have educational/academic institutions – Universities, colleges, research centres - of comparable scope to the Sunshine Coast?</p> <p>Score: Lower = 1 point; Comparable = 2 points; Higher = 3 points</p>	
<p>Does the location of the other party provide an opportunity for the Sunshine Coast to promote its competitive strengths?</p> <p>Score: Low = 1 point; Medium = 2 points; High = 3 points</p>	
<p>Does the location of the other party provide an opportunity to establish formal business, industry and government connections?</p> <p>Score: Low = 1 point; Medium = 2 points; Substantial = 3 points</p>	
<p>Does the location of the other party offer opportunities for cooperation in commercially applicable research?</p> <p>Score: Low = 1 point; Medium = 2 points; High = 3 points</p>	

STRATEGIC POLICY – INTERNATIONAL RELATIONS

<p>Stability of political climate of the location of the other party (e.g. democratic, scheduled elections; incidence of civil unrest; incidence of intervention in lawful governance; existence of a formal international governmental agreement with levels of government in Australia).</p> <p>Score: High risk = 1 point; Medium risk = 2 points; Low risk = 3 point;</p>	
<p>Does the location of the other party have a governance structure in place to oversee and maintain international relationships</p> <p>Score: No = 1 point; Developing = 2 points; Yes = 3 points</p>	
<p>What tier does the location of the other party achieve on the International Destination Priority matrix?</p> <p>Score: Tier 1 = 1 point; Tier 2 = 2 points; Tier 3 = 3 points</p>	

INTERNATIONAL DESTINATION MATRIX

Tier 1	Tier 2	Tier 3
Africa	United Kingdom	People's Republic of China
Oceanic Countries	European Union	Indonesia
South America	United States of America	New Zealand (tourism, sport & leisure and education and research)
Mexico	Canada	Eastern Europe (including Russia)
All other destinations	Mongolia	United Kingdom and European Union (tourism and education and research only)
	New Zealand	Hong Kong
	Taiwan	Singapore
	Thailand	Korea
	Vietnam	India
	Papua New Guinea (Education and Research only)	Japan
	United Arab Emirates	

STRATEGIC POLICY – INTERNATIONAL RELATIONS

International Relations Policy – Attachment 2

AGREEMENT TYPES

<p>Sister City Agreement</p>	<p>A Sister City Agreement is a longer-term partnership which takes place between the recognised government authorities of cities or regions in two different countries that generally share similar population and demographic profiles and economic interests.</p> <p>A Sister City Agreement is based on:</p> <ul style="list-style-type: none"> • Principles of mutual respect, cooperation, understanding and tolerance. • The alignment of vision and strategic direction set by both communities through their respective legislative and policy frameworks. • Collaboration, engagement and co-operation between the government and citizens of both communities. <p>These agreements should foster:</p> <ul style="list-style-type: none"> • Cooperation in areas of mutual economic strength. • The development of trade and investment related activity. • Cultural understanding and the exchange of information to stimulate economic development. • International perspectives on best practice local government <p>Formalities are limited to:</p> <ul style="list-style-type: none"> • The exchange of information and salutations via written and electronic communication. • The exchange of gifts when an official visit has been arranged by prior mutual agreement. • Hosting a Civic Function on the occasion of any official visit that includes the Mayor (on equivalent office holder) of the visiting Sister City. <p>Council will meet the accommodation and in-region transport costs for the Mayor (or equivalent office holder) and up to two official government staff participating in an authorised inbound delegation from a Sister City of the Sunshine Coast Council.</p> <p>A limited liability clause will be included in all Sister City agreements.</p>
<p>Application: A Sister City Agreement enables the highest level of engagement with an international entity and is executed only with a location where high value, long term economic outcomes are expected for the Sunshine Coast.</p>	

STRATEGIC POLICY – INTERNATIONAL RELATIONS

<p>Charter of Mutual Friendship</p>	<p>A Charter of Mutual Friendship Agreement is a formal government to government relationship entered into primarily for establishing friendly relations and promoting economic cooperation and understanding. It is based on:</p> <ul style="list-style-type: none"> • Principles of mutual respect, cooperation and local decision-making; • Achieving alignment of vision and strategic direction set by both communities through their respective legislative and policy frameworks; • Stimulating collaboration, engagement and co-operation between the government and citizens of both communities. <p>The Charter should:</p> <ul style="list-style-type: none"> • Encourage community-to-community connections in the areas of trade, business development, culture, education and training to foster understanding, respect and opportunities for knowledge and skill transfer – where no resource cost is allocated to Council. • Consider opportunities to exchange human and material resources and sharing of experiences and information where beneficial outcomes exist for both communities – where no resource cost is allocated to Council. • Provide appropriate public and private contacts to facilitate the introduction and establishment of relationships between economic and educational organisations within the two communities. <p>Formalities are limited to:</p> <ul style="list-style-type: none"> • The exchange of information and salutations via written and electronic communication; • The exchange of appropriate gifts when an official visit has been arranged by prior mutual agreement; and • Hosting a Civic Function on the occasion of any official visit that includes the Mayor of the visiting Friendship City. <p>The Chief Executive Officer will determine whether Council will meet the cost of in-region accommodation and transport for the Mayor and up to two government officials participating in a visiting delegation from a Friendship City.</p> <p>In making that determination, the Chief Executive Office will consider the significance of the relationship and the circumstances of the specific visit.</p> <p>A limited liability clause will be included in all Charter of Mutual Friendship agreements. A Charter of Mutual Friendship is to be a non-binding agreement.</p>
<p>Application: A Charter of Mutual Friendship should be executed as an initial government to government relationship agreement, potentially as a precursor to a Sister City Agreement. It enables both parties to engage formally, to explore the potential for sharing knowledge, opportunities and networks.</p>	

STRATEGIC POLICY – INTERNATIONAL RELATIONS

<p>Strategic Partnership Agreement</p>	<p>A Strategic Partnership Agreement is a formal Agreement involving the development of a specific activity, project or related group of activities that deliver a defined economic benefit.</p> <p>These agreements set out specific focus areas of the parties and establish an environment that encourages the sharing of information, resources, technology and research to advance a specific activity or project in high – value industries on projects of significance to the region.</p> <p>These agreements are based on:</p> <ul style="list-style-type: none"> • principles of mutual respect, cooperation and collaboration understanding and tolerance • a mutually compatible objective(s) for both communities collaboration, engagement and co-operation between the government and citizens of both communities <p>The agreement should foster:</p> <ul style="list-style-type: none"> • global competitiveness • strategic partnerships to advance a specific objective(s) • trade and investment activity • collaborative research • innovation <p>Formalities are generally restricted to:</p> <ul style="list-style-type: none"> • The exchange of information and salutations via written or electronic communication • At the discretion of the CEO, hosting a Civic Function on the occasion of an official visit depending on the significance of the relationship and specific project. • Official delegations and mmissions, both inbound and outbound • Hosting critical meetings associated with advancing the objectives of the agreement <p>A limited liability clause will be included in all Strategic Partnership Agreements. Strategic Partnership agreements are to be non-binding in nature.</p>
<p>Application: A Strategic Partnership Agreement is executed with the intent of activating a specific project or program where a commitment of resources may be required. It provides the framework within which to work and clearly states the role, responsibilities and the commitment of resources by each party. This type of agreement is used to formalise projects developed in specific industries where a mutual advantage has been identified.</p>	

STRATEGIC POLICY – INTERNATIONAL RELATIONS

<p>Memorandum of Understanding</p>	<p>A Memorandum of Understanding (MoU) is a document describing a bilateral or multilateral agreement between parties that articulates a coming together of ideas between the parties to pursue a common objective.</p> <p>An MoU provides a clear statement of intent and common line of action and focus on a particular subject, area of expertise or industry of mutual importance to the parties to the agreement.</p> <p>An MoU enables Council to work with the community and/or business networks and other levels of government to scope their roles and shared expectations. An MoU is based on:</p> <ul style="list-style-type: none">• principles of mutual respect, cooperation, and collaboration• mutually compatible objectives for both communities engagement and co-operation between the parties to the MoU <p>Formalities are generally restricted to:</p> <ul style="list-style-type: none">• The exchange of information and salutations via written or electronic communication• Hosting critical meetings associated with advancing the objective(s) of the MoU <p>A limited liability clause is to be included in all MoU agreements. MoU agreements are to be non-binding in nature.</p>
<p>Application: A Memorandum of Understanding is an entry point relationship agreement - commonly a precursor to all other International Agreement types endorsed by Council. It enables the establishment, growth and development of international relationships against a set of agreed goals to be achieved within defined parameters.</p>	

2014 SUNSHINE COAST INTERNATIONAL MISSIONS PROGRAM

Mission Description	Destination (s)	Objectives	Rationale	Scheduled Time Period	Council representative	Estimated cost for Council representatives
<p>INVESTMENT</p> <p>Sunshine Coast Investment Mission</p>	<ul style="list-style-type: none"> • Hong Kong • Macau • China • Japan 	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To profile the region as a competitive destination for business, property and infrastructure investment. • To generate investment and/or participant interest in specific Council projects (Maroochydore city centre and Sunshine Coast Airport). 	<p><u>Rationale:</u></p> <ul style="list-style-type: none"> • China is the fastest growing source of foreign and direct investment (FDI) into Australia, with the value of Chinese FDI into Australia increasing from \$0.55 billion at the close of 2006 to \$12.82 billion at the end of 2010. • Chinese investors have a clear appetite for Australian property investment in idyllic locations that would qualify for significant investor visa status. • Japan remains currently as the third largest source of FDI into Australia and an increased level of interest in off-shore investment is evident with Japanese investors over the last three years. • Hong Kong/Macau based investors generally have a high level of familiarity with the Australian market and many have previously invested in Australia. Hong Kong is also the base for significant financial investment in hotels and associated entertainment facilities. • The region needs to secure private investment in its game changer projects in order to achieve their delivery and not impose an enduring cost burden on the community. • Provides the opportunity to renew and follow up with investors met in previous mission and update them on the advancement of the region's key projects. 	<p>May 2014</p>	<ul style="list-style-type: none"> • Mayor • Council officer/s 	<p>\$20,000</p>

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<p>INVESTMENT</p> <p>Council of Mayors South East Queensland</p>	<ul style="list-style-type: none"> • Hong Kong • Singapore • China • Taiwan (to be confirmed) 	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To profile the region as a competitive destination for business, property and infrastructure investment. • To generate investment and/or participant interest in specific Council projects (Maroochydore city centre and Sunshine Coast Airport) • To road test the new investment framework for south east Queensland councils seeking investment in major projects of significance. 	<p><u>Rationale:</u></p> <ul style="list-style-type: none"> • China is the fastest growing source of foreign and direct investment (FDI) into Australia, with the value of Chinese FDI into Australia increasing from \$0.55 billion at the close of 2006 to \$12.82 billion at the end of 2010. • Chinese investors have a clear appetite for Australian property investment in idyllic locations that would qualify for significant investor visa status. • Singapore remains currently as the sixth largest source of FDI into Australia with extensive exposure to and experience in the Australian property market and commercial investments. • Hong Kong based investors generally have a high level of familiarity with the Australian market and many have previously invested in Australia. Hong Kong is also the base for significant financial investment in hotels and associated entertainment facilities. • The region needs to secure private investment in its game changer projects in order to achieve their delivery and not impose an enduring cost burden on the community. • Provides the opportunity renew and follow up with investors met in previous missions and update them on the advancement of the region's key projects. • Also provides the opportunity to present for the first time, a bundled investment proposition for SEQ in the lead up to the G20 Summit, when the focus of the world media and political leaders will be on Brisbane and south east Queensland. 	<p>September 2014 (to be confirmed)</p>	<ul style="list-style-type: none"> • Mayor • Council officer 	<p>\$15,000</p>

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<p>INVESTMENT</p> <p>Queensland Government Investment Mission</p>	<ul style="list-style-type: none"> China (cities to be confirmed) Hong Kong 	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> To profile the region as a competitive destination for business, property and infrastructure investment. To generate investment and/or participant interest in specific Council projects (Maroochydore city centre and Sunshine Coast Airport) and other significant private investment opportunities in the region. 	<p><u>Rationale:</u></p> <ul style="list-style-type: none"> China is the fastest growing source of foreign and direct investment (FDI) into Australia, with the value of Chinese FDI into Australia increasing from \$0.55 billion at the close of 2006 to \$12.82 billion at the end of 2010 Chinese investors have a clear appetite for Australian property investment in idyllic locations that would qualify for significant investor visa status The region needs to secure private investment in its game changer projects in order to achieve their delivery and not impose an enduring cost burden on the community. Provides the opportunity to continue to build the strategic relationship between Council and the region with the Queensland Government international market network and introduce local project proponents to potential sources of high net worth investment. 	<p>August 2014 (to be confirmed)</p>	<ul style="list-style-type: none"> Councillor* Council officer 	<p>\$15,000</p>

*Councillor attending will be determined by the Mayor and Chief Executive Officer in consultation with Councillors and dependent on portfolio responsibilities, availability and other commitments at that time

Mission Description	Destination (s)	Objectives	Rationale	Scheduled Time Period	Council representative	Estimated cost for Council representatives
TRADE AND EXPORT Sunshine Coast Export Mission – Education, Agriculture, Professional Services, Clean technologies	<ul style="list-style-type: none"> • Hong Kong • China 	<u>Objectives:</u> <ul style="list-style-type: none"> • To promote the region's export capabilities (goods and services) in high-value industries – notably: <ul style="list-style-type: none"> ➤ education and research; ➤ agribusiness; ➤ professional services; and ➤ clean technologies. • To foster regional access to trade and export opportunities in new markets. • To establish networks of significant business and other contacts. 	<u>Rationale:</u> <ul style="list-style-type: none"> • The top two service exports from Queensland are personal travel and education services - both of which are areas in which the region has an established capability. • China is one of the top 5 major export destinations for Queensland products and services. • The Queensland Trade and Investment Strategy indicates enrolments by Chinese students in Queensland have increased five-fold since 2002 - which sees China likely to become Queensland's largest international student market. • Key sectors of the Sunshine Coast that are growing in competitive strength - education, agriculture, clean technology and professional services – are in line with demand from emerging Asian economies, particularly China. • Council has a well-established relationship with the Xiamen Foreign Affairs Office which is well placed to facilitate introductions for Sunshine Coast businesses to potential buyers and importers in Xiamen (one of the largest cities in south-eastern China) • This mission provides the opportunity to follow up on an invitation from the Suzhou Municipal Government to visit that city (Anhui province) which is a city of over 10 million people and is looking to establish key trade relationships in education, agriculture and clean technologies with the Sunshine Coast. 	June 2014	<ul style="list-style-type: none"> • Councillor* • Council officer 	\$15,000

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TRADE AND EXPORT Sunshine Coast Export Mission – Tourism, Education, Health and Sport	<ul style="list-style-type: none"> New Zealand 	<u>Objectives:</u> <ul style="list-style-type: none"> To promote the region's export capabilities (goods and services) in high-value industries – notably: <ul style="list-style-type: none"> ➤ education and research; ➤ tourism, sport and leisure; and ➤ health and well-being. To foster regional access to trade and export opportunities in new markets. To establish networks of significant business and other contacts. 	<u>Rationale:</u> <ul style="list-style-type: none"> The region's second largest international visitor market is New Zealand. This mission provides the opportunity to reinforce the connections with Air New Zealand and tourism operators in-market to stimulate further visitation to the Sunshine Coast. New Zealand has strong sporting ties with Australia and Council has connections to the Chief Executive of High Performance Sport New Zealand that can be utilised to generate interest in sport training and competition on the Sunshine Coast. This also provides the opportunity to potentially generate linkages and potential supply contracts for education and allied health services based on the Sunshine Coast. 	October 2014	<ul style="list-style-type: none"> Councillor* Council officer 	\$7,000

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5 CONFIDENTIAL SESSION

5.1 CORPORATE STRATEGY AND DELIVERY

5.1.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - FUTURE ELECTRICITY SUPPLY ARRANGEMENTS

File No: Statutory Meetings

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This report is confidential in accordance with section 275 (e) (h) of the *Local Government Regulation 2012* as it contains information relating to contracts proposed to be made by it; AND other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

6 NEXT MEETING

Nil

7 MEETING CLOSURE