

**ED017: LINYI CHINA – ALBANY BUSINESS DELEGATION VISIT-
VERSION TWO**

Proponent : City of Albany
Attachments : Signed Linyi Agreement & Linyi Itinerary
Report Prepared by : Manager Tourism Development Services (M Bird)
Responsible Officer(s): : Executive Director Community Services (C Woods)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014-2018:
 - a. **Key Theme: 1.** Smart Prosperous and Growing.
 - b. **Strategic Objective: 1.1** To foster links between education, training and employment that support economic development.
 - c. **Strategic Objective 1.2** To strengthen our region's economic base.
 - d. **Strategic Objective 1.3** To develop and promote Albany as a unique and sought after destination.
 - e. **Strategic Initiatives:**
 - 1.1.1 Learning City
 - 1.2.2. Economic Diversity
 - 1.3.2. Tourism Destination

In Brief:

- A government and business delegation from Albany and the Great Southern region led by the City of Albany Mayor recently visited Linyi, China and were hosted by the Linyi Municipal People's Government.

RECOMMENDATION

**ED017: COMMITTEE RECOMMENDATION
VOTING REQUIREMENT: SIMPLE MAJORITY**

THAT Council:

1. **NOTE** the Report.
2. **ENDORSE** the agreement for the establishment of friendly and cooperative relationships between Albany and Linyi.
3. **Ask the Albany Chamber of Commerce and Industry to take the lead in the development of any further business opportunities arising from the relationship.**

ED017: COMMITTEE RECOMMENDATION

MOVED: MAYOR WELLINGTON
SECONDED: COUNCILLOR SUTTON

THAT Council:

1. NOTE the Report.
2. ENDORSE the agreement for the establishment of friendly and cooperative relationships between Albany and Linyi.

CARRIED 8-0

ED017: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council:

1. NOTE the Report.
2. ENDORSE the agreement for the establishment of friendly and cooperative relationships between Albany and Linyi.

BACKGROUND

2. A Linyi delegation of government and business representatives visited Albany mid December 2013 and invited a reciprocal visit from Albany and Great Southern region representatives.
3. Council approved a reciprocal visit at the February 2014 Ordinary Council Meeting with a preliminary travel budget of \$5,305 per delegate with a maximum of 10 representatives.
4. The Albany delegation was lead by Mayor Dennis Wellington and the Manager of Tourism Development Services and included representation from the Albany Chamber of Commerce and Industry, Business Development Manager Albany Port Authority; , Acting Principal Great Southern Grammar; and the, Operations Manager CBH Group.
5. The delegation departed Perth on Sunday 13 July and returned Sunday 20 July.
6. Linyi is situated in the south east of Shandong, China being adjacent to the Yellow Sea. It exercises jurisdiction over three districts, nine counties and three development zones including two national development zones.
7. Linyi is a strong commercial and trading city within China and looking to establish international economic partnerships. It has a strong focus upon agriculture, education and trade including 60,000 college students and 96,000 vocational technical college students.
8. Linyi has a population of 10.82m and covers a total area of 17,200 square kilometres. Albany and the Great Southern region have a population of 60,000 and covers some 39,000 square kilometres.

DISCUSSION

9. The delegation visited 3 major cities within the Shandong province including Linyi, Laiwu and Jinan, some 2 hours drive from one another. Combined these 3 cities have a population comparable to that of Australia.
10. A copy of the Linyi itinerary is attached. Average travel and hosting cost per delegate was \$4,298 paid by each organisation and tour planning was centrally coordinated by the City of Albany.
11. During the visit the City of Albany and Linyi Municipal People's Government signed an agreement for the establishment of friendly cooperative relationships. The key principles include;
 - i. Both sides agree to formally start a co-operative relationship between the two cities.
 - ii. A system of mutual visit and meetings between the leaders shall be established and liaison departments shall be appointed by both sides respectively to facilitate consultations on the matters of common concern.
 - iii. Both sides shall actively promote economic and trade cooperation in accordance with the principles of mutual benefit and enhance the cooperation between the enterprises of both cities in the fields of trade, investment, technology and environmental protection.
 - iv. Both sides shall carry forward the exchanges of culture, education, science and technology to enhance mutual understanding and friendship.



Figure 1 – signing ceremony Albany and Linyi



Figure 2 – signing ceremony Albany and Linyi

12. An effective international relations program implemented by the City of Albany should deliver benefits to a wide cross section of the community. This program requires leadership and a commitment of resources to achieve the desired objectives and outcomes from the relationship. These can be summarised as;
 - a. Economic – partnerships between international cities can decrease barriers to international trade and enable valuable export market opportunities for local businesses. It can stimulate new investment into the region. Educational and cultural outcomes can also generate economic outcomes.
 - b. Cultural – international relationships create opportunities for increased diversity in cultural events and activities that are available to the community to experience which serve to break down cultural barriers.
 - c. Educational – international partnerships create new markets for local educational institutions to service the growing global demand for quality secondary and tertiary education with English language focus.
13. A number of opportunities were investigated during the visit including potential Linyi investment in infrastructure required within Albany and the Great Southern region including an abattoir facility, hotel development sites, and port facilities. Potential trade opportunities surrounding Great Southern grain, seafood, milk, tree plantations, tourism, education and wine exports were discussed.
14. Since the delegation returned from Linyi officers have received a Chinese business group visit to the region with interest in an order for immediate shipments of frozen beef and cherries from this region. Further we have received formal interest in the Waterfront Hotel site and have arranged an introductory meeting with Chinese investors and project manager Landcorp on the 6th of October.
15. The City of Albany has shown leadership in establishing a relationship with Linyi and should now support local stakeholders within industry and business, educational and cultural sectors to further develop these opportunities.

16. Summary of officer observations;

- i. Albany and the South Coast region offers a premium product positioning within the Chinese market. This encompasses tourism, wine and food produce. Australia generally is highly regarded for quality and superior food standards within the China marketplace.
- ii. Albany's natural environment is also a major attraction with clean fresh air and sparsely populated beaches in direct contrast to what the Chinese visitor typically experiences. See image below taken from local newspaper during visit.



Figure 3 - newspaper article China Daily, 14 July 2014

- iii. There are a number of trade and investment opportunities to explore with potential Chinese business groups and individuals. The reality is that what Albany and the Great Southern region have to offer is largely unknown to these groups and creating mechanisms for exchange of information and creating relationships are important first steps in developing trade and investment opportunities that should benefit the Albany region.

17. All Albany delegates reported the visit successful and a worthwhile investment.

GOVERNMENT & PUBLIC CONSULTATION

18. This initiative has the support of the Albany Chamber of Commerce and Industry and local businesses.

19. The Community Strategic Plan involved widespread community consultation in late 2012 and early 2013. The community identified a number of economic priorities under the theme of Smart Prosperous and Growing and this initiative satisfies these three main objectives.

STATUTORY IMPLICATIONS

20. Nil

POLICY IMPLICATIONS

21. Nil

RISK IDENTIFICATION & MITIGATION

22. The risk identification and categorisation relies on the City's [Enterprise Risk Management Framework](#).

| Risk | Likelihood | Consequence | Risk Analysis | Mitigation |
|---|-----------------|-----------------|---------------|--|
| <i>Business Community/ Reputation and Financial: If Council does not support an active follow up to this cultural exchange, potential trading and investment opportunities could be lost.</i> | <i>Possible</i> | <i>Moderate</i> | <i>Medium</i> | <i>In accordance with the Council adopted Economic and Development Strategy, Council endorses the Executives Recommendation to provide ongoing engagement and support of activities that promote education, business and investment opportunities.</i> |

FINANCIAL IMPLICATIONS

23. The cost of coordinating the tour planning was borne by the City of Albany.
24. The financial implications from the delegation visit were \$4,298 per delegate paid by each organisation.
25. Cost to the City of Albany in total was \$11,402 comprising two delegates (\$8,596), City gift (\$300), and marketing collateral into Chinese language (\$5,326). Chinese language marketing collateral has an ongoing use for destination marketing so this cost should not be fully apportioned against Linyi visit.

LEGAL IMPLICATIONS

26. Nil

ENVIRONMENTAL CONSIDERATIONS

27. Nil

ALTERNATE OPTIONS

28. The purpose of this report is to communicate results of the recent visit. Council may choose not to support further progression of this opportunity.

SUMMARY CONCLUSION

29. The City of Albany showed leadership in developing this relationship with the City of Linyi. The Albany and Great Southern delegation visit to Linyi is considered an important first step in developing a relationship that should progress economic, trade, educational and cultural cooperation and exchange that are mutually beneficial to both cities.
30. The visit and relationships developed have already resulted in increased Chinese interest in the Albany region for trade and investment.

31. That the Officer recommendation be supported based on the identified value and potential economic, educational and cultural benefits to the Albany community.

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| Consulted References | : | Information Office of Linyi Municipal People's Government |
| File Number (Name of Ward) | : | ED.INR.6 (All Wards) |
| Previous Reference | : | Nil |