

6. INTERNATIONAL RELATIONS CHARGING POLICY

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The purpose of this report is to recommend a policy for charging visiting delegations who request visits to the Council on fact-finding missions. Such a policy needs to clearly define the difference between fact finding missions, sister city visits, courtesy calls and obligations to Local Government New Zealand and Government visiting delegation programmes.

CONTEXT

Since the Christchurch City Council won the Bertelsmann Award in 1995 the number of delegations which request visits to the Council to learn first-hand of the way we manage our service provision has increased dramatically.

The majority of requests to visit the Christchurch City Council come directly to the International Relations Team, although some are also fielded directly by the unit concerned.

The Council confirmed some years ago, within the Annual Plan process, an agreed figure to be charged per visit. This charge no longer reflects the complexities of the visits nor the time that is required to develop a programme. Furthermore, no policy exists to ensure a consistent system of charging across the organisation.

THE PROPOSAL

The International Relations Team has developed and tested a charging format which takes into account the number of hours worked in the development of programmes and the actual costs incurred by business units of the Council in presenting the programmes. Under the charging format, programmes are tailored to the requirements of delegations, meaning the delegations receive good information and value for money.

The rationale for developing a more structured system of charging is that little benefit is derived for the community from the visits and therefore the ratepayers of Christchurch cannot be expected to meet the costs. The Auckland City Council developed a process some years ago for charging visiting delegations. While we have charged groups for some time, our charge-out rate has been substantially below the rate charged by the Auckland City Council.

Between 1 July 2002 and 10 April 2003, 58 delegations visited the Council. In addition to that there were 10 bookings that were cancelled, for a variety of reasons. Within those delegations, 801 people visited the Christchurch City Council and Council facilities. Revenue of \$13,135 was derived from the charges made to offset the costs of these visits. Units which have provided staff to meet the needs of the delegations have been reimbursed for their time from this revenue. Other non-charged visits have also taken place.

Visiting delegations come into Christchurch City Council via a number of avenues:

1. By direct contact from a local authority
2. Under the arrangements of a tour guide or travel agent
3. Under the auspices of a Memorandum of Understanding (MOU)
4. Through Sister City contacts
5. Through LGNZ, Japan Government Centre for Prefectures and Municipalities (CLAIR), Central Government, or Korea Local Authorities Foundation for International Relations (KLAFIR)
6. Immigration and business agents operating locally
7. Local international education institutions.

ISSUES FOR CONSIDERATION

Most delegations visit intent on seeking information, ideas or solutions to problems they face in their own communities. Some smaller delegations visit for a courtesy call. However, over time it has become evident that some travel agents encourage their clients to make use of the 'education service' provided by the Christchurch City Council to allow them a tax rebate opportunity within their own country. In such cases delegations are usually on what the travel industry refers to as 'incentive' visits. While their concentration period and often their interest in the subject matter is limited, the inclusion of a Council visit on their itinerary ensures their international travel is legitimate for tax purposes, in the eyes of their government.

The implementation of a charging policy for visiting delegations from cities with which we have signed Sister City Agreements or Memoranda of Understanding would not be appropriate. In recent times, the signing of MoUs has paved the way for an increasing number of delegations to visit at the request of the city with which we have formed a link. In the last five years the signing of MoUs with Chinese provincial areas has potentially paved the way for more and more delegations to visit the city on fact finding missions, which has cost implications for the Council. Careful consideration needs to be given to the wording of MoUs, the number that are signed and the rationale for signing them. All MoUs, both incoming and outgoing, should be endorsed by the Council prior to them being signed.

CONSULTATION

International Relations staff have consulted with the business units of Council (via team leaders), Canterbury Development Corporation and Christchurch and Canterbury Marketing Ltd on the issue of charging for visiting delegations. These groups have been involved in the past in assisting meeting the delegations' requests for information. There have also been other public agencies and private companies across the city which have assisted meeting delegations. Christchurch and Canterbury Marketing staff have some concerns over charging, and believe it would not usually be in their interests to charge. Canterbury Development Corporation are often called upon by International Relations staff to assist in the provision of information for visiting delegations. Their decision to charge would usually be in consultation with International Relations staff, and they would use the same charging policy as the Council.

PROCESS

Staff have experienced last minute requests for visits which have been virtually impossible to co-ordinate owing to a lack of available staff resources. To prevent such occurrences in the future, processes, including terms and conditions of visits, have been developed to ensure the best possible value for money can be achieved for visiting delegations.

RECOMMENDED CHARGES

The following charges (inclusive of GST) are proposed for visiting delegations:

- **STANDARD VISIT**
(Inclusions: General Council structure and organisation briefing) **\$120.00/hour**
minimum charge \$120.00
- **SITE VISIT**
(Inclusions: Visit to Refuse Station, Recycling Centre, Wastewater Treatment Plant or any other Council facilities. Escorted tours of the facility are taken by on-site staff and written information is provided for visitors to take away.) **\$180.00/hour**
minimum charge \$180.00
- **TECHNICAL VISIT**
(Inclusions: Briefing on the Council's technical services, Administrative Reforms, City Planning, Waste Management, Financial Planning. Presentations are by expert staff and include written information provision, room and equipment hire.) **\$250.00 /hour**
minimum charge
+ \$60.00 programme administration fee
- Hard Cover Souvenir Book **\$30.00**
- Morning/Afternoon Tea **\$3.75/person**

If the Council is required to provide transportation and interpretation services for visiting delegations the costs are on-charged.

Having consulted with other units of the Council which host visiting delegations, all units are comfortable with these charges, and the terms and conditions proposed for such visits. While not always possible, requests for visiting delegations are encouraged to be channelled through the International Relations section to ensure consistency of service provision.

CONCLUSION

Charging for visiting delegations is not new. The charges that have been made in the past have not nearly reflected the true costs of co-ordinating the needs of visiting delegations. The proposed charges will ensure that the costs of delegations coming into the city on fact-finding missions are not borne by ratepayers.

The confirmation of the recommended charges will ensure that we have a consistent charging regime across the Council for all delegations, excluding those of a sister city nature, under the auspices of a MoU, or by special arrangement through such organisations such as LGNZ, CLAIR, KLAFIR or central government.

The number and nature of future MoUs that the Council signs must be carefully considered to ensure that the Council is not bound to regular fact finding missions coming into the Council at a great cost to the city.

- Recommendation:**
1. That the charges outlined in the report be adopted as current charges for visiting delegations across the Council.
 2. That the Chief Executive Officer be delegated power to reduce or remit such charges where this is considered desirable or necessary in the case of particular visiting delegations.
 3. That sister city visits, visits under the auspices of MoUs and agreed visits requested by CLAIR, LGNZ, KLAFIR and central government not be charged.
 4. That where possible all future Memoranda of Understanding between Christchurch City Council and international cities, provinces, or other entities be formally approved by the Council, prior to being signed.