

Report on Dunedin-Shanghai Sister City Relationship

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1 Introduction

1.1 Purpose

The purpose of this report is to gather information on current and past activities of the Dunedin-Shanghai Sister City relationship, providing information for a strategic plan to be formulated.

1.2 Scope

This report includes objectives of the sister city relationship, past activities, achievements, constraints, expectations, as well as suggestions that were made during the interviews. Other useful information has also been captured for use when developing the strategic plan. Research on sister cities was done as a basis for comparison.

1.3 Method

Interviews were done with people representing the 6 areas of activity; namely, economic, cultural, sports, education, civic and tourism. References have also been made to relevant websites, newspaper articles, reports and research journals in preparing this report.

1.4 Limitations

As the report is written based on interviews, without further confirmation, there might not be agreement on all the information provided. Feedback on omissions or errors in capturing the information can be provided, and this will be used to provide a revised version of the report.

1.5 Assumptions

It has been assumed that a strategic plan will be developed following this study, and the research study will provide input in terms of stakeholder feedback, as well as research findings on sister city relationships.

2 Background

The Dunedin-Shanghai sister city relationship was formalised in October 1994. This relationship reflects the influence of early Chinese settlement in Dunedin, and while cultivating the cultural aspects, it also provides a formalised link to China to enhance economic opportunities. The Dunedin Shanghai Association (DSA) is an incorporated society that plays a role in facilitating various activities and links to counterparts in Shanghai. The objectives of this relationship were both cultural and economic, covering education, culture, sports, and businesses.

3 Role and Activities of Sectors

3.1 Civic

Upon requests for Dunedin to be Shanghai's sister city, Mr Richard Walls (then mayor of Dunedin), Mr Murray Douglas (then Chief Executive Officer of Dunedin) and Dr James Ng made a trip to Shanghai, together with a delegation from the Otago Chamber of Commerce that was already scheduled to make a trip. Upon their return, a recommendation to enter into a sister city agreement was made to the Dunedin City Council. After a period of evaluation and meetings, the Dunedin-Shanghai Sister City relationship was formalised in October 1994.

The **Dunedin City Council** (DCC) is the owner of the sister city relationship. Major events, including the Mayor's visit with delegates from the various sectors are coordinated by the DCC. Regular face-to-face visits have been one of the reasons for the good relationship between the respective officials. The DCC maintains relevant links, to provide the appropriate introductions to organisations that want to establish or advance themselves in Shanghai. At the early stages, Shanghai was interested in the way Dunedin handled the environment, legal systems, internal fraud and debts among other things.

Representatives from the various sectors make up the delegation to present a strong Dunedin presence during the mayoral visits. The mayoral level meetings command a level of representation from Shanghai that will normally not happen at other business meetings. While there are functional events that the delegates attend while being part of the mayoral delegation, they typically will also have their own plans during these trips.

The single largest initiative that forms a bond between Dunedin and Shanghai is the Dunedin Chinese Garden. Dunedin participated in the Shanghai World Expo 2010, working together with other mayors to present a pan-Otago approach. In 2011, the trip was planned around the Te Ao Maori exhibition held in the Shanghai Museum. It was organised by the Otago Museum.

The sister city relationship was instrumental in Dunedin being selected to host the 2013 Global Botanic Gardens Congress, with Shanghai having supported Dunedin

The **Dunedin Shanghai Association** (DSA) plays a facilitator role in enhancing the sister city relationship, and it involves people working on a voluntary basis. DSA has education, sports, business and cultural sub-committees. It also has its own website and newsletter.

3.2 Cultural

In 1995, the **Chinese Splendour Exhibition** had art works that were principally from Shanghai, exhibited at the Dunedin Art Gallery for about three months. Relationships were built with curators from the Shanghai Museum who were here at that time. This was important in the early planning for the Chinese Garden, as the Shanghai museum had an interest in Chinese gardens. The period of planning kept communications open between Dunedin and Shanghai during a time when there was a lack of formal delegations from Dunedin to Shanghai. From an initial proposal in 1998, the **Dunedin Chinese Garden** was opened to the public in 2008. It was pre-fabricated and assembled in Shanghai, then dismantled and brought to Dunedin and reconstructed. The construction of this garden formed a key foundation to the development of the sister city relationship.

The **Otago Museum** has been actively interacting with the Shanghai Museum for 15 years, through exhibition contracts for specific projects. It has since forged a close relationship which was formalised in 2010. There was an exhibition by the Shanghai museum that was hosted by the Otago Museum in 2008. In July 2011, the Otago Museum held the Te Ao Maori exhibition at the Shanghai Museum in China. This relationship enables a cultural exchange between the two museums and communities. This relationship enables both museums to run such exhibitions incurring only cost.

The **Botanic Gardens** has had staff exchanges with the Shanghai Botanic Gardens. The Director has been invited to present papers at international conferences in China through Shanghai.

The **Settlers Museum** will also be having staff exchanges with the Shanghai Museum of Science & Technology.

3.3 Education

University of Otago has established relationships in Shanghai and other places in China, with a focus that is more on research and student exchange than student recruitment.

One of the key outcomes of the sister city relationship is the formalising of relationship with the Shanghai Education Commission. Meetings in the presence of the Mayor together with the University of Otago and Otago Polytechnic are high profile, enabling meeting of people who will typically not be covered in a normal trip, and also drives a wide-reaching relationship. Being part of the official delegation to Shanghai shows the cooperation of Dunedin organisations in supporting the city, and how seriously it takes this sister city relationship.

Recently, 10 Dunedin students were offered scholarships to a summer school in Shanghai. Both the University of Otago and Otago Polytechnic have their own plans and the mayoral delegation visit is one of many visits that they make.

The **Faculty of Law from the University of Otago** has built on a project with the correction systems in Shanghai since 7 years ago. What started as a one-off project has since evolved to cover a wider area. The quality of content has been acknowledged by the Shanghai representatives, and the relationship has increased in strength and recognition.

The **Otago Polytechnic** has an internationalisation strategy to prepare their graduates to work in a global context. Their vision is to establish Dunedin as an education city and destination, not just student recruitment; and for Dunedin to be a portal through which students from Shanghai enter New Zealand, even if Dunedin is not where they will stay.

Relationships have been established with Shanghai University of Engineering and Science, Shanghai Institute of Foreign Trade and another is about to be established with the Shanghai Institute of Technology. There is also intent to share staff and students, joint curriculum development, good articulation between some institutions in Shanghai and Otago Polytechnic.

There are student and staff exchanges with Shanghai institutions, creating a richer experience for New Zealand students. Students are charged fees as for local students in Shanghai. Similar arrangements are extended for students from Shanghai studying at the Otago Polytechnic. 14 Otago Polytechnic students were funded by the Shanghai government for a cultural exchange in Shanghai. Otago Polytechnic has funded a full scholarship for one staff of the Shanghai University of Engineering and Science to complete the masters program in Dunedin.

Columba College and **John McGlashan College** have sister school relationships with the Datong High School in Shanghai.

3.4 Sports

Sport Otago facilitates the sports activities for the sister city relationship.

Basketball Otago has established links with Shanghai through age-grade basketball teams attending a tournament, and through a Special Olympics team of athletes with disabilities (AWDs) travelling to China in recent years. There have been past links with China through coaching exchanges in table tennis. There are Dunedin schools that have travelled to Shanghai and also teams from Shanghai that have travelled to Dunedin. Coaches from Shanghai have been to Dunedin for diving and archery.

Sports activities also trigger cultural exchange as well as economic benefits.

3.5 Economic

The **Otago Chamber of Commerce** offers a range of services to businesses to help promote business growth. The relationship with the Shanghai Chamber of International Commerce was formalised in 1994, soon after the formalisation of the sister city relationship. This included establishing friendly relations; promotion of mutual trade, investment, and technology transfers; information exchange; providing information on business development opportunities; facilitation of opportunities for cooperation; organising and exchanging visits of trade missions; and organising workshops, seminars and activities promoting development of growth of the sister cities business relation.

The Chamber has actively supported the mayoral delegation visits, at the same time strengthening its relationship with the relevant parties in Shanghai, and participating in functions of other sectors, as relevant. This has enabled the Chamber to be able to assist local businesses to be introduced to the right parties in Shanghai. This has an advantage of businesses not having to spend time and money to develop such relationships.

Both sister cities have an interest in the food and beverage sector, and this will potentially follow through with a trade mission.

The **New Zealand Trade and Enterprise** (NZTE) is the New Zealand Government's national economic development agency; and helps local businesses to connect with international trade and investment opportunities. NZTE has an office in Dunedin and Shanghai, and acts as an information flow conduit. The office in Shanghai is aware of the local information and helps during Dunedin visits to Shanghai.

There are Dunedin businesses that have been successful in entering the Shanghai market. Some of them were established earlier, and were involved in the sister city activities when it first started. Among those interviewed are

- **Alan Davies International Ltd**
- **Aotea Jones Group Ltd**
- **Ellis Fibre Ltd**
- **Taimex Trading Ltd**

It is important to note that businesses must do the necessary research, due diligence and strategising as would apply to any business venture. They also have access to the Otago Chamber of Commerce and NZTE to assist in the businesses establishing themselves in China. The sister city relationship is one more “door opener”, but one that can open doors

that may not be possible through other channels. It is a step that can be used to speed up access to the right parties in Shanghai.

Of the companies interviewed, **DCB International Ltd** is one company that has benefited from the sister city relationship.

Natural History New Zealand has been able to establish itself in China without the assistance from the sister city relationship.

It is challenging for businesses to research requirements in Shanghai, develop a relationship and set up business in Shanghai. The initial cost is typically not affordable by small businesses. Even if the sister city relationship can help “open doors”, without sufficient content, visits and focus; it will be difficult for small businesses to establish themselves in Shanghai.

3.6 Tourism

Tourism Dunedin has been part of sister city delegations, but not in the last few years. They work more with Tourism New Zealand, and were part of a travel training event in November last year, when they met with travel agents in a few cities. They have signed up for another such event in November 2011. The sister city relationship is highlighted when talking of Dunedin to potential tourists.

4 Activities Planned Between Shanghai and Dunedin

4.1 Otago Museum

| | Activity | Timeframe |
|---|---|----------------------|
| Shanghai Science and Technology Museum | Staff member from SSTM to intern at Otago Museum | Late 2011/early 2012 |
| | Staff member from Otago Museum to intern at SSTM | 2012 |
| Guangdong Science Centre | Joint project/staff exchange to be considered following signing of MoU and Exchange Agreement | 2012 |
| Shanghai Museum | Special exhibition from Shanghai Museum to be shown at Otago Museum | Approx late 2013 |
| | Special exhibition from Otago Museum to be shown at Shanghai Museum | Approx late 2015 |

4.2 Sports

Following are the opportunities in sports activities that are in discussion.

| | Activity | Timeframe |
|----------------------|--|------------------|
| Basketball | Opportunity for links between Basketball Otago and the Shanghai Basketball organisation to establish exchanges of playing personnel and team tours. | |
| Icesports | Potential for ice-based sports as part of New Zealand Winter games. Teams from Shanghai to visit Dunedin to train, to compete and link into snow and ice sports facilities of Central Otago. | |
| Table Tennis | Opportunity for table tennis teams from Shanghai to train, compete and provide demonstration matches in Dunedin; and for Dunedin-based players to benefit from competition in Shanghai. | |
| Triathlon | Triathlon Otago can host athletes as part of Otago Triathlon High Performance Academy based in Dunedin. | |
| School Sports | A number of Dunedin schools interested in further developing sporting links with schools in Shanghai; the sports being football, basketball, and badminton. | |
| Sport Science | Opportunities for engaging in sport innovation and technology at New Zealand's National School of Physical Education | |

4.3 Otago Polytechnic

| | Activity | Timeframe |
|---|--|--|
| Shanghai University of Engineering Science | Student exhibitions from Shanghai University of Engineering Science to Otago Polytechnic. This includes students and staff visiting the Otago Polytechnic exhibition | November 2011 |
| | Otago Polytechnic staff and students participating in the Shanghai Fashion week | April 2012 |
| | The development of a credit bearing 1 or 2 semester programme in Art or Fashion | November 2012 |
| | The development of a 6 month staff exchange | May 2012 |
| Shanghai Institute of Technology | Delegation visit to Otago Polytechnic. Interested in Horticulture, Art, and Design, | 14 to 16 September 2011 |
| Shanghai Institute of Foreign Trade | Fourteen Otago Polytechnic students hosted by the Shanghai Institute of Foreign Exchange. Programme repeated in 2012. | June to July 2011 June to July 2012 |
| | The development of a short term study tour along with credit bearing opportunities for 2+1 programmes | 2013 |
| Zhabei District Foreign Affairs office | Explore possible relationships with Xingjian Vocational College re vocational education strategies | April 2012 ongoing |

4.4 Otago Chamber of Commerce

| | Activity | Timeframe |
|-----------------------|--|------------------|
| CCPIT Shanghai | Facilitate matching of Food & Beverage companies. | May 2012 |
| | Arrange attendance at Food & Beverage Expo | May 2012 |
| | Support inbound delegations from Shanghai. | Ongoing |
| | Provide information to business entering Shanghai/China market. | Ongoing |
| | Source trading partners | Ongoing |
| | Offer to host a Shanghai staff member in Dunedin for set time e.g. 3 months to work with local businesses. | 2013 and after |
| NZ Ngauranga | Support NZ Ngauranga Ltd at November Food & Beverage Expo in Shanghai. | November 2011 |

CCPIT: China Council for the Promotion of International Trade

4.5 Dunedin City Council (DCC)

| | Activity | Timeframe |
|--|---|-------------------|
| Yu Yuan Garden | DCC Chinese Garden has invited the Yu Yuan Garden Director to visit the Dunedin Chinese Garden to provide advice on management and garden maintenance. | October 2011 |
| Shanghai Sports Stadium | DCC Community & Recreation Services have invited representatives from Shanghai Sports Stadium to attend the New Zealand Recreation Association conference that will be held at the Forsyth Barr Stadium in Dunedin. | November 2011 |
| Shanghai Museum of Science and Technology | Staff exchange between Shanghai Museum of Science and Technology with Otago Museum and also Otago Settlers Museum. | Late 2011 or 2012 |
| Athletics | Masters Games are seeking to gain athletics from Shanghai to partake in the Masters Games events. | February 2012 |

5 Expectations of the Sister City Relationship

The Dunedin-Shanghai Sister City Relationship is expected to promote both cultural and economic ties between Dunedin and Shanghai. To restrict activities to only Dunedin and Shanghai organisations will constraint the degree of success for both New Zealand and China.

Such a relationship spans over many organisations with DCC as the owner, DSA, Otago Chamber of Commerce, New Zealand Trade and Enterprise, and other organisations representing the cultural, educational, sports, tourism and economic sectors. To achieve the most benefits, representatives from the various sectors need to get together to brainstorm what this relationship needs to achieve, and from there to develop a strategic plan to set short and long term plans, and related key performance indicators (KPIs).

All key relationships in Shanghai that are significant for Dunedin stakeholders should be listed and appropriate Dunedin personnel assigned to develop and maintain the relationships. This must also take into consideration successors of both Dunedin and Shanghai personnel. In addition, previous relationships still held in high regard should be identified to be called on when required.

Delegation visits must have a plan and objectives to be achieved as part of the mayoral visit. Individuals from representative organisations need to be informed in a timely manner to enable them to book the dates. Planning meetings should be held before the trip to discuss objectives to be achieved, and to provide organisations an opportunity to present their requirements as well. Post trip debriefing and results review must be done to measure the success rate against planned objectives.

A calendar with activities involving Shanghai will help organisations to find potential for co-working on aspects of mutual interest. A website with information on sister city success stories, activities, contacts and useful tips will be useful for organisations interested in Shanghai. Setting up Facebook will allow interaction with interested parties.

6 Recommendations

Recommendations presented here are based on information provided during the interviews, and research findings, which are included in the Appendix. More interview findings have been grouped under observations, suggestions, strengths and weaknesses, which are also included in the Appendix.

- a. Proceed with a strategic planning exercise as intended. The planning will be different from one that will be done for a “for profit” organisation as the sister city relationship is non-profitable and making it a success needs the corporation of many organisations.
- b. View of relationship be extended beyond Dunedin-Shanghai to New Zealand-China to gain a greater benefit from the sister city relationship.
- c. At a detail level, as part of the strategic plan, to include
 - A planning calendar that can form the basis of interaction between organisations that might be looking at working together and in planning for delegation visits.
 - Have a website that captures sister city success stories, activities, and information that will be useful for organisations planning to establish their presence in China.
 - Develop a maintenance plan for the relationships of key players in Shanghai and their equivalent counterparts in Dunedin. Include a succession plan; and people who have been involved in the sister city relationship in the past, and still have effective relationships with Shanghai officials.
- d. Perform study on the aggregation of small businesses as a way of making it feasible for small businesses that on their own will have difficulty succeeding.

Strategic plans can only be effective if they are acted on. The role of the person managing and tracking the progress is crucial to ensure its success.

7 Conclusion

The DCC working together with other stakeholders has developed a strong relationship with Shanghai. Many organisations have successfully established themselves in China, with some of them having benefited from the sister city relationship. There are more benefits that can be achieved through this relationship. This can be done by developing a strategic plan to work towards and measure against. It needs the concerted effort of all stakeholders, and a central focus to track and manage the progress.

8 Appendix

8.1 Research Findings

While sister cities were initially formed to develop cultural ties and friendship in the post-war era, these now also include economic benefits. China is a major trading partner of New Zealand, and the New Zealand-China Free Trade Agreement (FTA) was signed in 2008. However, the Chinese market is complex and a good understanding of their culture, formal networks and “guanxi” is required and sister city relationships are an effective means of achieving the “guanxi” that is required for the advancement of businesses. The need for cities to step up to an international scale is necessary and sister cities are key for this. Cultural understandings that develop over time are important, as they help to reduce risks that are part of economic activities.

8.2 Observations

In the various discussions, there were certain observations that should be taken into consideration in developing the strategic plan:

- a. Relationship building needs face-to-face contact to initially develop the relationship and then to maintain it. Depending on the nature of the organisation, this can vary from one to more times a year.
- b. Commitment of time and money together with focused content are necessary to succeed.
- c. Benefits are generally more long term.
- d. All activities are self-funded by the respective organisations.

Looking at gaining benefits from the relationship only as related to Dunedin and Shanghai places a constraint on what can be achieved. Dunedin has to be seen as reflective of New Zealand and Shanghai as that of China.

Organisations must have strong content (products or services), their own strategies and plans to establish themselves in Shanghai, just as would be the case wherever they intent to set up business. The sister city relationship acts as a door-opener to the relevant people that will make a difference. In addition to the sister city relationship, there exist organisations like New Zealand Trade & Enterprise, Otago Chamber of Commerce, and the other organisations that have successfully established themselves in China (not just in Shanghai). Other organisations that were identified during the interviews were KEA (Kiwi Expat Association) and the alumni network.

8.3 Suggestions

While a firm sister city relationship has been established, it is necessary to maintain this as key players change, and also to ensure that both culturally and economically Dunedin can derive as much benefits as possible. Here are some recommendations based on feedback from the interviews:

- a. A more proactive approach is required to draw up a strategic plan. This can be initiated by bringing together organisations that have been successful in Shanghai, to brainstorm and produce a list of opportunities in the different sectors. From this to draw up the long and short term plans, related action plans and key performance indicators.
- b. Identify key players in Shanghai and the areas that they impact. Develop a relationship map to the respective “equivalents” in Dunedin. Develop a relationship maintenance plan.
- c. Plan for delegation trips with objectives to be met. Follow up with a debriefing after the trip.
- d. A planning calendar so that stakeholders are aware of other events that could potentially be helpful to other stakeholders.
- e. Website containing sister city related events and information that will build awareness of the activities and benefits.
- f. Set up Facebook page.
- g. Small businesses to form clusters to make it more affordable to set up business in Shanghai.
- h. Can we reciprocate student scholarships that have been given by the Shanghai government?
- i. Publicity: Build up the Dunedin brand.
- j. More schools and children to experience a different culture.

8.4 Strengths, Weaknesses and Opportunities

8.4.1 Strengths

- Due to a growing group of wealthy people with disposable income in China, there is an increase in the interest in western food.
- New Zealand’s food, wine, dairy products and fruits are known for their flavour and health qualities. Niche businesses possibilities.
- There are New Zealand businesses that have been well established in China, and therefore, a wealth of experience that can be tapped upon.
- The Dunedin Shanghai association consists of volunteers who work on their own time to help develop the relationship.

- Organisations in Dunedin that have successfully established themselves in China work with the DCC to together represent Dunedin in the delegations
- Mayor's presence at events with attendees from Shanghai is highly valued
- Chinese Garden
- Dunedin is an education hub and has untapped potential in educational

8.4.2 Weaknesses

- There are language and cultural differences to be overcome.
- Developing relationships requires time and multiple visits to China, which make it costly.
- While there have been successful outcomes due to the relationship, the benefits are difficult to measure.
- Not all stakeholders are aware early enough, of the official sister city delegation trip to Shanghai.
- Insufficient planning and objective setting for official sister city delegation trips to Shanghai.
- Some people see the trips as junket.

8.4.3 Opportunities

- Chinese Heritage Trail

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