

ACTIVITIES OF NATIONAL PARKS AS A SOURCE OF REVENUE FOR THEIR COMMUNES. CASE STUDY OF BABIA GÓRA NATIONAL PARK¹

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Abstract

The paper discusses the impact of Polish national parks on their respective communes' own revenue. It presents important changes that were introduced in 2010-2012 in the parks' legal situation and financing. It discusses financial relations between the parks and commune administrations (local government bodies), focusing on the impact of parks on the communes' own revenue. The example of Babia Góra National Park is used to present detailed issues.

The impact of national parks on finances of local government bodies depends largely on legal regulations in force, including in particular regulations governing the parks' legal form and funding, as well as those concerning local taxes, tax exemptions and reductions, and compensations of lost revenue for the communes. Local circumstances also play a key role. These include: relative area of the park in a commune, use pattern of protected areas, location of the park's head office, size of real properties and the type and form of their use, number of staff in the park, the park's activities, as well as its social and economic environment.

Keywords: national park, local government, local taxes, own revenue.

1. Introduction

In Poland's well developed system of protected areas, national parks play a key role. They cover areas of outstanding natural value, representing all of Poland's landscape zones. The total area of Poland's 23 national parks is 314.6 ha (1% of the country's area), of which 22.5% is under strict protection. Most

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national parks were created between 1947 and 1989 as a result of government decisions taken with no regard to the opinion of local communities or the social and economic consequences on the local level. National parks saved areas of significant natural value from degradation by rapid development of urban areas, industry and mass tourism infrastructure. At the same time, however, they met with negative reactions from local communities that were subjected to restrictions they often did not understand or accept. Those contradictions have been broadly discussed in literature, with a focus on obstacles hindering local development as a result of introducing legal protection in a given area.

Nowadays, following political and economic transformation that entailed a rejection of central state control and a shift of responsibility to local and regional government levels, as well as a development of market economy, national parks have become important in local economy and their relations with local government entities grew in significance. National parks, in their capacity as employers, land owners, business operators and taxpayers, have direct or indirect impact on their respective communes' financial standing. Those relations are largely influenced by current changes of national parks' legal situation and funding, as national parks have been transformed into State-owned legal persons and acquired far-reaching autonomy in terms of their organisation and funding.

This paper aims at identifying financial relations between national parks and their hosting communes and presenting changes in communes' own revenue from local taxes as a result of transformations of national parks' organisational and legal form in 2010-2012. The example of Babia Góra National Park is used to illustrate specific issues.

As its key objective, the paper seeks to verify the following hypothesis: the change of Polish national parks' organisational and legal form has not resulted in an increase of communes' budgetary revenue raised in local taxes and income tax paid by Babia Góra National Park in 2010-2012.

In the research we analysed the dynamics and structure of revenue from local taxes paid by Babia Góra National Park as a percentage of total revenue from each type of tax in the communes hosting the Park.

2. Legal and organisational basis of national parks' in Poland

Each national park in Poland operates in the public sector and its operation is governed by legal regulations. According to the Act of 16 April 2004 on Nature Conservation, a national park covers an area of not less than 1,000 ha, of particular natural, scientific, social, cultural and educational value, where the totality of nature and landscape assets is protected (*Ustawa...*, 2004a, Article 8). Each of Polish national parks is established, as a State-owned legal

person, by virtue of a separate legal act pursuant to Article 30(1) of the Public Finance Act².

In 2010-2012, legal basis and organisation forms of Polish national parks were modified considerably, which had an impact on the financing of their statutory activities. That evolution was initiated by the adoption of the Public Finance Act on 27 August 2009. One of its provisions excluded the so-called auxiliary holdings, hitherto associated with budgetary entities on the State or commune level, from the list of public finance sector entities (Filipowicz 2012, p. 294-297). In practice, as a result, auxiliary holdings ceased to exist altogether. Until the end of 2010, national parks operated, under the Public Finance Act of 2005 and the Nature Conservation Act of 2004, as State budget entities (*Ustawa...*, 2004a, Article 8 in its wording in force until 31 December 2011), supported by their associated auxiliary holdings, which carried out parts of the parks' statutory activities.

A State budget entity is a public finance sector entity which covers the entirety of its expenditure directly from the State budget and transfers its entire revenue to the State budget. This is known as the "gross-type" settlement of accounts (Borodo 2011, p. 34-35). In order for the national parks to operate legally and efficiently, but purely as public utility entities rather than commercial businesses, part of their statutory activities had to be outsourced to separate entities which could, for instance, collect entrance fees, sell licences, timber, etc. Those entities became known as "auxiliary holdings". In principle, they covered their expenditure from their own revenue and settled their accounts with the State budget according to the "net-type" method (Etel, Tyniewicki, 2012, p. 185). Specifically, they were required to transfer one-half of their profits to the State budget (*Ustawa...* 2005, Article 26). The use of the other half of the profit was left to the discretion of the national park manager.

Auxiliary holdings associated with State budget entities were designed to operate as quasi-businesses carrying out those activities that could be outsourced. In practice, the outsourcing of activities by national parks was purely formal, which was criticised by the Supreme Audit Office (Babczuk, Krawiec 2009, p. 17).

Auxiliary holdings operated until the end of 2010. Throughout 2011, national parks operated purely as State budget entities. They however struggled in organisation and administration terms. Following the closure of auxiliary holdings, no entity was made responsible for continuing their activities. That was especially relevant as the income of auxiliary holdings had been high enough to largely cover the costs of the parks' conservation effort.

² As of 1 January 2012, Article 8a of the Nature Conservation Act entered into force. According to that Article, each national park in Poland is a State-owned legal person. Until 31 December 2011, national parks were established by virtue of a regulation of the Council of Ministers.

According to the law, the scope of operation of State budget entities is restricted to public utility activities, whereas the auxiliary holdings had carried out tasks far beyond that scope.

2012 saw another change in the national parks' legal situation. Under the new Act of 18 August 2011 amending the Nature Conservation Act and certain other acts (*Ustawa...*, 2011), national parks were transformed from State budget entities into State-owned legal persons (as defined in Article 9(14) of the Public Finance Act of 27 August 2009). That change has allowed the parks to conduct business under the Business Freedom Act of 2 July 2004 (*Ustawa...*, 2004b) and to fund their statutory activity and administrative costs from their own funds and the revenue they raise.

Financial planning arrangements evolved to follow the legal and organisational modifications. In 2010, as national parks still operated as State budget entities with associated auxiliary holdings, each park drew up two financing plans, one for itself and the other for its auxiliary holding (Waryszak 2008, p. 20-22). In 2011, once the auxiliary holdings ceased to exist, national parks sought a new preferable solution to maintain liquidity. Each of them still drew up two financial plans for itself as a State budget entity: one concerned the park's own budgetary resources and the other was made to manage the special purpose reserve provided from the State budget to cover the expenditure on activities that had earlier been performed by the auxiliary holdings. In 2012, once national parks were transformed into State-owned legal persons under the Nature Conservation Act, each of them drew up a single financing plan.

National parks fund their operation from State budget subsidies, own funds (revenue from the park's own activities) and external funds. Significant revenue is raised on sale of services, goods and assets, and lease of property. Some parks raise much of their revenue from entry fees, licences granted, fees for entry of vehicles used by lessees of tourist facilities for their business, and fees for commercial use of the park's helicopter. The park manager may also introduce other fees, such as for commercial use of the park's grounds (e.g. for horse-drawn sled or carriage rides for guests), hosting sport events, shooting of films on location in the park etc. Other sources of own revenue include sale of publications, fees for photography and filming permits as well as permits for certain types of active tourism (rock climbing, bike tourism), fees for campfires, education services, proceeds (or share in proceeds) from coin-operated stationary binoculars or snack machines, rental of bicycles or horse-drawn carriages (Bebeka 1997, p. 61-62; Bołtromiuk 2010, p. 144). A significant part of the parks' own funds is raised from sale of timber, which can be considered a type of side activity. Parks also receive rent from lease of properties. They can also obtain external funds, such as from the National Fund for Environmental Protection and Water Management, the Provincial Fund for

Environmental Protection and Water Management, as well as donations from private commercial sponsors. Until 2012, for institutional reasons, national parks had very limited possibilities to apply for European Union funding. Those limitations were eased thanks to the change of the parks' legal and organisational form.

Those changes were made to introduce a more orderly structure of national and local government economy, including by eliminating the dual type of the parks' legal organisation and increasing transparency of their funding. They should also result in improved economic standing of the parks, due to their broader financial autonomy, including more opportunities to apply for external funding. That should stimulate the parks' managers to seek new funding sources and to use their funds more efficiently.

In relations with their hosting communes, the parks' changed legal status and organisation results in their different standing than before in terms of local taxes. That has required a new interpretation of tax regulations, including in relation to an exemption from corporate income tax (CIT) (a share of proceeds from CIT goes to the communes).

3. National parks' impact on the financial standing of their hosting communes

The significance of Polish national parks in local economy has not been subject of in-depth research and seems to be underestimated. One of the scarce studies on that subject was provided by A. Bołtromiuk, who presented the economic context of Białowieża National Park (Bołtromiuk 2010). The parks' influence is usually perceived as a restriction on the freedom of economic use of their respective areas, which results in social tensions (Królikowska 2007). Perceived benefits usually include promotion of the region among tourists (Zawilińska 2012). In foreign literature, economic significance of national parks is often presented, but their impact on their local surrounding is usually analysed in terms of visitors' spending (studies include: Huhtala 2007; Saayman, Saayman 2006; *Economic benefits of ...* 2009; *Economic Impact of ...* 2011). Tourists' spending is certainly of crucial economic importance in many Polish national parks as well, however most of that spending is not directly linked with the parks' operation.

In Poland, national parks include areas or parts of areas of 119 communes in 48 powiats (districts) in 12 voivodeships (provinces). Most parks cover areas of several communes each (ranging from two communes for Tuchola Forest NP to as many as 14 for Biebrza NP, which is Poland's largest). Communes hosting national parks are predominantly rural: 64% of them are rural-type communes and 26% are combined rural-urban type. Most parks are

located far from major cities (with the exception of Ojców NP, Kampinos NP and Wielkopolska NP) and in areas of relatively low population density (the average population density of communes hosting national parks is 58 persons per km²) (Zawilińska 2012).

Local taxes are a source of significant own revenue for communes, allowing them to make decisions independently, largely meet the needs of local community and improve the standard of their services. Local taxes are source of budget revenues for communes only. They include: real property tax, agricultural tax, forest tax, tax on means of transport, tax on inheritances and donations, “tax charter”, tax on civil law transactions and local residents self-taxation. Local taxes that are particularly relevant in the context of national parks’ operation are forest tax, agricultural tax and real property tax. Other taxes are either incidental or unrelated to the national parks’ operation. National parks also benefit from tax exemptions which decrease their respective communes’ revenue. Own revenue of communes related to national parks also include a share in proceeds from corporate income tax that the parks have been subject to since 2012.

A national park is usually the major land user in its hosting communes, being either the largest or one of the largest land users³. It therefore provides a significant share of local taxes for its communes. The payment of real property tax and the scope of taxation is regulated by the Local Taxes and Duties Act (*Ustawa...*, 1991, Articles 5 and 6). Real property tax exemptions are particularly relevant for national parks. Under the law, the full exemption covers lands under strict protection, active protection or landscape protection, as well as buildings and structures within national parks, permanently fixed to the ground, that directly serve nature conservation purposes (*Ustawa...* 1991, Article 7). In practice, tax returns submitted by national parks specify land plots, buildings and structures which serve nature conservation purposes. These exclude in particular facilities put up for rent.

In the context of real property tax obligation, auxiliary holdings, associated with State budget entities, could be of relevance in 2010. According to Article 3 of the Local Taxes and Duties Act, under the rules described above, auxiliary holdings were in principle not subject to real property tax. That was because each auxiliary holding, as an entity without legal personality, represented the State Treasury or a relevant local government body and concluded all its civil law transactions on their respective behalf. For that reason, any real properties, buildings or structures were not formally owned by the auxiliary holding but, respectively, by the State Treasury or the local government body. Under the regulations in force until the end of 2010, auxiliary holdings could be

³ In 10 communes, national park area accounts for more than one-half of the commune area (up to 86% covered by Kampinos NP in Izabelin Commune).

required to pay real property tax only if they were legally appointed perpetual administrators of property (Dolińska-Pierwoła 2007, p. 13-14).

The fact that national parks have been transformed into State-owned legal persons and allowed to conduct business has not in practice changed their situation as regards exemption from real property tax. That is because all lands located on protected areas as well as all buildings and structures serving nature conservation purposes within national parks and nature reserves are exempt from real property tax, irrespective of their owner and the type of the owner's activity.

The said exemption decreases tax revenue of communes hosting national parks, therefore those communes indirectly and partly bear the costs of the parks' operation. Where such tax exemptions and reductions have been introduced to meet objectives of national relevance, the State is legally obliged to fully compensate the communes for their lost revenue (*Opinia...* 2013, p. 6). Such compensations have been expressly provided for in Article 7(4) of the Local Taxes and Duties Act. Under that provision, local government bodies are entitled to a reimbursement of revenue lost due to exemption from real property tax of lands under strict protection, active protection or landscape protection, as well as buildings and structures within national parks and nature reserves, permanently fixed to the ground, that directly serve nature conservation purposes. Detailed procedures of that reimbursement are laid down in Minister of Finance Regulation of 28 May 2007 on the reimbursement of revenue lost by communes due to exemption from real property tax granted to national parks, nature reserves and businesses operating as research and development centres (*Rozporządzenie...*, 2007).

Pursuant to the Regulation, the reimbursement of lost revenue is made on the request of the commune, which must be submitted to the competent voivode (head of province) no later than 31 March of the year following the year for which reimbursement is sought. Upon approval of the request by the voivode, the commune obtains the reimbursement of the lost amount. However, grounds within national parks may also be exempt from real property tax under other provisions of the Local Taxes and Duties Act⁴ which do not allow communes to request compensation. It is also worth noting that commune authorities are entitled but not obliged to request compensation. Therefore, they might still lose the revenue on real property tax, for instance if they fail to make the request within the deadline.

National parks are also liable to pay forest tax to their competent local administration. The calculation of that tax is governed by Forest Tax Act of 30 October 2002. As forests account for 61% of the total area of national parks

⁴ Areas exempt from real property tax include e.g. wastelands, ecological areas, or areas covered with trees or shrubs, excluding those under commercial use (Article 7(1)(10)).

in Poland (*Ochrona środowiska* 2012), that tax is significant in the general scale of Polish national parks. Pursuant to the Act, the payable tax amounts are reduced by 50% for protected forests and forests within national parks and nature reserves. Furthermore, forests of a tree stand age of less than 40 years, forests included individually in the national heritage register and ecological areas are exempt from the tax (*Ustawa...* 2002, Article 4).

National parks are also required to pay agricultural tax on lands classified as agricultural lands in the land and building register. The tax is paid according to rates defined in the law. The Act does not provide for an exemption subjective for national parks, as well as any special exemptions in question due to the use of this form of protection (*Ustawa...* 1984). However, in the scale of national parks in general, agricultural tax is not significant. This is because agricultural lands account for small percentage (14%) of national parks' total area. Also, the rate of agricultural tax paid by national parks is usually low as a result of three factors that determine the calculation of reference area for taxation. Those factors are: classification of the host commune to a tax district; determination of land quality class; and determination of the type of agricultural use of the land.

National parks also transfer proceeds from local visitors' tax or health resort visitors' tax to their respective communes. These taxes are collected from individuals who spend more than 24 hours for therapy, tourism, leisure or education in localities which:

- have favourable climate or landscape characteristics and conditions that allow them to receive visitors for the purposes mentioned above;
- are located in areas legally recognised and protected as health resorts.

National parks are required to charge those taxes if they own their own accommodation facilities and provide accommodation to visitors (*Ustawa...* 1991, Article 17).

Local government budgets also receive a share of corporate income tax paid by national parks. In 2010, 2011 and 2012 the share of regional and local administration bodies of all levels in CIT revenue was 22.86% each year; the communes received 6.71% of the total per year (Jastrzębska 2012, p. 111). Legal and organisational status of national parks is highly relevant for their CIT obligations. In 2010 and 2011 national parks, operating as State budget entities, were exempt from CIT (*Ustawa...* 1992, Articles 6 and 27). In 2010, auxiliary holdings were required to pay the CIT. Some of those holdings, e.g. those associated with national parks, could benefit from an exemption laid down in Article 6(2) of the CIT act, provided that they used the amount saved thanks to the exemption on increasing its working capital or financing the

investments of the State budget entity up to the value of capital involved in the holding (Musiał 2010, p. 49).

Following national parks' transformation into State-owned legal persons in 2012, controversies emerged concerning the interpretation of CIT regulations. On 20 March 2012, the Head of Tax Chamber in Łódź, acting on behalf of the Minister of Finance and on request of a national park, issued an individual interpretation of the applicability of the exemption laid down in Article 17(1) (4) of the CIT Act, regulating environment protection (in its part concerning the objective of national parks' activities), to national parks. According to that interpretation, national parks, which have nature conservation defined as their main objective in their statutes, are exempt from CIT. This is because nature conservation is understood as a subtype of environment protection. However, that exemption may only be used if the revenue of the park's business is allocated to be spent on its statutory activities. It was also emphasised that the exemption does not depend on the type of revenue (except for the types listed in Article 17(1a) of the CIT Act) but depends strictly on the purpose that the revenue is to be used for⁵. Still, ambiguities in interpreting the said provisions had led some of the national parks to pay CIT in 2012.

Corporate income tax is calculated on the income, i.e. the difference between the revenue raised by the national park (for instance, on sale of timber or collection of various fees mentioned in Section 2) and costs inherent to the national park's operation. Such costs also include the payment of local taxes by the national park, which decrease the park's income and, consequently, the amount of CIT transferred to the communes as their budgetary revenue. For communes, the revenue that they are entitled to as their share in CIT paid by national parks is negligible, as national parks were exempted from CIT in 2010 and 2011 and had a right to be exempt in 2012, as mentioned above (though some parks still paid the CIT in that year due to ambiguous legal regulations). At present, the above mentioned interpretation issued by the Head of the Tax Chamber in Łódź clearly defines the entitlement to CIT exemption.

Each national park, as a business operator, clearly has an impact on the income of local government entities in its area and the local economy in general. The mere fact of establishing a national park, resulting in restrictions in spatial management, also has a significant impact for local economy and often results in the park being perceived by local communities as an obstacle to economic development. It might seem economically much more profitable in the short term (both for the local communities' budgets and broadly for the economy) if the same area could serve other purposes. Those relative benefits would however relate to the direct use value of the area and the revenue resulting therefrom. The balance of benefits and losses would shift upon assuming

⁵ Individual interpretation no. IPTPB3/423-37/12-2/PM of 20 March 2012.

a longer timeframe and broader perspective, taking into account indirect use values, option values and non-use values of the parks (Philips 1998; Famielec 1999, p. 85; Woś 1995, p. 280).

4. Babia Góra National Park as payer of local taxes and its impact on budget revenue of the hosting communes

Babia Góra National Park (BGNP, *Babiogórski Park Narodowy*) is one of Poland's oldest national parks. It was established in 1954 and covers the Babia Góra massif, the highest in the Outer Western Carpathian range (culminating at 1,725 m above sea level). Currently at 3,393.81 ha, it is one of Poland's smallest national parks. In terms of administration divisions, BGNP is located in the southern part of Małopolskie Voivodeship, covering parts of three communes: Zawoja (75.4% of BGNP's area and 19.8% of the commune's area), Lipnica Wielka (24.3% and 12.2%, respectively) and Jabłonka (0.4% and 0.1% respectively); cf. Table 1. The Park is surrounded by a buffer protection zone covering the area of 8,437 ha. Nearly all of BGNP's area (96%) is under the Park's usufruct. Most of the remaining land within the Park's boundaries, located mainly in Zawoja Commune, is owned by land and forest communities.

Table 1. Babia Góra National Park's land area in relation to its hosting communes

Commune	Commune area (ha)		BGNP area (ha)				Share of BGNP area in commune area	Share of BGNP forest area in commune's total forest area (%)
	total	of which:	total	of which:	Arable land	Other		
		Forests		Forests				
Jablonka	21,273	7,068	13	12	0	1	0.1	0.2
Lipnica Wielka	6,736	3,002	826	775	10	42	12.3	25.8
Zawoja	12,878	8,274	2,554	2,454	21	78	19.8	29.7
Total	40,887	18,344	3,392	3,240	31	121	8.3	17.7

Source: data from Central Statistical Office's (GUS) Local Data Bank and BGNP.

Forests dominate in BGNP, covering 95.3% of its area. Most of the remaining area is around the Babia Góra summit, above the upper limits of forests. Despite its small size, the Park is much visited: in 2013 the number of visitors was approximately 80 800, based on the numbers of entry tickets sold (*Analiza działalności...* 2013).

In 2012, BGNP's revenue was PLN 7.25 million, of which 29.1% was a subsidy from the State budget and 47.6% was raised as own revenue. The remainder was obtained under project funded by the European Union and the National Fund for Environmental Protection and Water Management. BGNP

has relatively high financial autonomy, chiefly thanks to high revenue on sale of timber, which accounted for 88.5% of own revenue in 2012.

BGNP's expenditure in 2012 was PLN 5.94 million. Around one-half of that amount (PLN 2.99 million) was spent on salaries and administration costs. A significant portion of the Park's expenses goes to operators located within the hosting communes or, as salaries, to local residents. As a taxpayer, BGNP has direct impact on the financial situation of local government entities. Due to the land use structure within the Park, the forest tax is the most significant element. Forests within BGNP account for as much as 30% of all forests within Zawoja Commune and 26% within Lipnica Wielka Commune (cf. Table 1). Pursuant to the Forest Tax Act of 2002, national parks pay a reduced rate of forest tax, equal to one-half of the normal rate (*Ustawa... 2002*).

Despite that reduction, proceeds from forest tax paid by BGNP accounted for 21% in 2010 and 2011, and 20% in 2012, of Zawoja Commune's total forest tax revenue. In Lipnica Wielka Commune, the corresponding percentage in the same period was between 18% and 19% (cf. Tables 2 and 3). The high increase of the tax amounts in those three years was due to an increase of the tax rate. From the communes' perspective, the protection of forest areas under the National Park and the resulting reduced tax rate causes a significant loss of income and is a source of deficit. However, the forest tax income for communes hosting BGNP would probably be similarly reduced even if the Park did not exist, as the forest areas would most probably enjoy a different type of protection, therefore the reduced tax rate would still apply to them.

As agricultural land covers a minor proportion of BGNP's area, the agricultural tax paid by the Park (only in Zawoja Commune) is negligible for the commune's finance (cf. Tables 2 and 3). On the other hand, real property tax revenue is significant. BGNP owns land, buildings and structures (including the head office, residential buildings, utility buildings, rain shelters), but most of them directly serve nature conservation and are thus exempt from tax. Tax is only paid on facilities not directly serving nature conservation, e.g. buildings put up for rent. In this context, there are disagreements between BGNP and the communes, concerning the calculation of tax due and possible exemptions, as it is difficult to identify clearly whether a building or structure serves the purpose of nature conservation directly or indirectly.

Unlike forest tax reduction, the exemption of national parks from real property tax does not reduce local governments' tax revenue in real terms, as the communes' lost revenue is reimbursed in full upon request by the commune, submitted to the voivode (under Article 7(4) of Local Taxes and Duties Act and the Minister of Finance Regulation of 28 May 2007 on the reimbursement of revenue lost by communes due to exemption from real property tax granted to national parks, nature reserves and businesses operating as research and

development centres). Zawoja Commune obtained such reimbursement in 2010-2012, while Lipnica Wielka Commune has not thus far requested the reimbursement.

Table 2. Local taxes due from Babia Góra National Park in 2010-2012

Tax type	Year	Jablonka	Lipnica Wielka	Zawoja	Total tax amount
		(PLN)			
Forest tax	2010	111	11,353	31,402	42,866
	2011	197	13,712	35,518	49,427
	2012	238	15,270	42,106	57,614
Agricultural tax	2010	0	0	132	132
	2011	0	0	146	146
	2012	0	0	287	287
Real property tax	2010	0	371	1,795	2,166
	2011	0	746	2,027	2,773
	2012	0	2,314	6,055	8369
Exemption from real property tax	2010	0	7,050	23,532	30,582
	2011	0	7,050	24,954	32,004
	2012	0	5,745	37,652	43,397

Source: data from BGNP and Lipnica Wielka and Zawoja Commune authorities.

Table 3. Proportion of local taxes due from Babia Góra National Park in the tax revenue of communes in 2010-2012.

Tax type	Year	Total revenue of commune under given tax			Proportion of revenue under given tax raised from BGNP in total revenue under that tax*		
		Lipnica Wielka	Zawoja	Total LW+Z**	Lipnica Wielka	Zawoja	Total LW+Z**
		(PLN)			w %		
Forest tax	2010	64,217.8	148,253.5	212,471.3	17.7	21.2	20.1
	2011	71,216.4	168,662.9	239,879.3	19.3	21.1	20.5
	2012	85,810.6	206,395.4	292,206	17.8	20.4	19.6
Agricultural tax	2010	7,839.1	18,404.7	26,243.8	0	0.7	0.5
	2011	19,579.9	20,757.1	40,337	0	0.7	0.4
	2012	39,703.1	40,523.9	80,227	0	0.7	0.4
Real property tax	2010	239,234.5	1,447,478.7	1,686,713.2	3.1	1.8	1.9
	2011	236,427.6	1,755,340.1	1,991,767.7	3.3	1.5	1.7
	2012	262,275.3	1,906,997.1	2,169,272.4	3.1	2.3	2.4

* For real property tax, the proportion includes the amount paid by BGNP and the amount of the tax exemption.

** LW+Z – the sum of revenue raised under the given tax in the relevant period in the communes Lipnica Wielka and Zawoja and the proportion of the combined amounts paid in tax by BGNP in the communes Lipnica Wielka and Zawoja in the total budget revenue of those communes under the given tax.

Source: data from Central Statistical Office's (GUS) Local Data Bank and BGNP.

In Jabłonka Commune, the only tax paid by BGNP is the forest tax, but its share in the commune's revenue is close to nil due to small areas of BGNP forests in the commune. For that reason, figures for Jabłonka Commune have been omitted in Table 3. In the other two communes, there is a visibly high proportion of forest tax paid by BGNP in the total forest tax revenue. The Park also brings significant income for the communes in its capacity as real property owner (Table 3).

5. Conclusion

National parks play an important role in the local economies and largely affect the revenue level of their respective local government entities. The size and nature of that impact depend both on local circumstances and the legal regulations in force. Local circumstances include in particular: the relative area of the national park within its hosting communes, use structure of protected areas, age of tree stands, location of the park's head office, the types of real properties owned by the park as well as their size and use, number of staff in the park, the types of its activities, as well as the park's social and economic environment (population potential, economic potential, functional structure of the commune's territory). Legal regulations which are relevant for the parks are in particular those governing their legal form and funding arrangements, as well as local taxes, tax reductions and exemptions available, and compensations offered to the communes for their lost revenue.

In terms of national parks' impact on the financial standing of communes, it is mostly negative in communes where the national park covers a significant proportion of the commune's area and includes mostly forests with tree stand older than 40 years. For those areas, the communes only receive one-half of the forest tax amounts that they would be entitled to if the forest was outside national park boundaries (provided that the forest was under protection as a nature reserve or protected forest or was not subject to tax exemption for another reason).

Real property tax payable by national parks also directly affects the communes' finance. National parks have numerous buildings and structures in their usage. Given that most parks are located in rural areas, often sparsely populated and not intensively developed, they probably provide a large proportion of real property tax revenues for their respective communes. Although most buildings and structures used by parks directly serve nature conservation and are therefore exempt from real property tax, the communes may request reimbursement of revenue thus lost from the provincial authorities, so formally they incur no losses.

Another tax of direct relevance for communes' finance is agricultural tax, however few parks contribute significant amounts under that tax. Most Polish national parks predominantly include forests, whereas arable lands, meadows and pastures only account for a minor proportion of their total areas. Furthermore, their classification into categories and tax districts often reduces the tax calculation base.

The changes introduced in national parks' legal form and organisation in 2010-2012 did not directly result in changes to the size of revenue raised by communes from local taxes. Each national park, as a State-owned legal person, is obliged to pay local taxes in the same amounts as if it was a State budget entity. The situation is different for communes' revenue under corporate income tax. National parks are subject to calculate their payable CIT as State-owned legal persons, but due to their statutory activity falling within the scope of environment protection, they are entitled to exemption from that tax.

As far as Babia Góra National Park is specifically concerned, its operation mostly benefits Zawoja Commune, hosting three-quarters of the Park's area, its head office and most of its buildings and structures. BGNP is a significant taxpayer for Zawoja Commune, where most of the Park's staff reside and where most of businesses with the strongest commercial links with the Park have their registered offices. Financial relations of BGNP with Lipnica Wielka Commune are far less strong, as the Park has less of its area in that commune, the Park's head office is located at a significant distance from the commune's boundaries and there are no direct public transport links between Lipnica Wielka and Zawoja. Other villages on the southern side of Babia Góra massif also have weak transport links with Zawoja, which is probably the factor behind the Park's limited significance for Jabłonka Commune. Due to the negligible proportion of BGNP area in the latter commune, the Park's role as a taxpayer in its revenue is marginal.

Among taxes paid by BGNP, the forest tax is the most relevant for the communes of Zawoja and Lipnica Wielka, as it accounts for approx. 20% of those communes' total forest tax revenue. The total nominal value of real property tax paid by the Park (taking also into account the reimbursement that the communes may request, equivalent to the Park's tax exemption) is similar to the amounts raised under forest tax. However, that amount accounts for a minor proportion of the communes' total revenue under real property tax. Interestingly, that proportion is lower in Zawoja Commune than in Lipnica Wielka Commune. That is because the population density is much higher in Zawoja and so is the number of buildings and businesses, which means that the commune's total revenue on real property tax is seven times higher than the corresponding amount in Lipnica Wielka Commune.

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POSSIBILITIES OF USING PUBLIC RELATIONS INSTRUMENTS BY A PUBLIC ORGANIZATION ON THE EXAMPLE OF THE OFFICE OF TOWN AND COMMUNE OF GŁUCHOŁAZY

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Abstract

The paper deals with the issues concerning the image management. Measures in this field can and ought to be taken up not only by private companies, but also by organizations of public administration. On the example of the Office of Town and Commune of Głucholazy the author scrutinizes kinds and possibilities of using public relations instruments. As a result, the consistency and efficiency of the image management system in the organization have been evaluated.

Keywords: *image management, public administration, commune, public relations. Instruments.*

1. Introduction

Organizations in public administration are interested in being able to influence the public and, as a result, operate effectively. Adequate image and strong identity are necessary not only to make an organization recognizable, but also to create a positive opinion about it among the society (Flieger, Flieger, 2011). It seems that more and more public organizations start to realize this fact and they become increasingly interested in using array of public relations instruments.

Public relations itself may be defined in various ways, however, one of the most general definitions has been proposed by the World Assembly of Public Relations Associations. According to the assembly, public relations is the art and social science of analyzing trends, predicting their consequences, counseling organizational leaders, and implementing planned programs of action, which will serve both the organization and the public interest. To make it simpler, it can be said that PR is a strategic communication process

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that builds mutually beneficial relationships between organizations and their publics. The aim of these actions is to create and sustain a positive image of an organization or its products (in case of public administration the product is services). The image itself ought to be understood as what people think of an organization, it is a set of impressions which do not necessarily have to reflect reality, in other words - objective assessment (Davis, 2007; Altkorn, 2004). It is created as a reaction to an array of incentives transmitted to a company's clients. The fact that image itself is subjective (Newsom, Scott, Vanslyke, 1989) is an extremely important feature, because it means that image can be influenced and changed, so the public opinion of an organization might be created freely by using appropriate instruments (Flieger, Flieger, 2011).

It appears that public relations instruments are very efficient, a lot of organizations start to realize that focusing on creating a strong, positive image brings considerable benefits in a long term (Flis, 2007). If customers *trust* an organization, they become loyal. In case of local administration, such as the office of commune, positive perception of the region might be a crucial factor which attracts potential inhabitants, tourists or investors (Maćkowska, 2005). If local administration is perceived as professional and helpful, these groups will be eager to become interested in living, visiting or locating their business in the area.

At this point it ought to be emphasized that the nature and identity of public offices differ considerably from private companies. It is enough to consider the foundations of any organization – its mission. Regarding a public administration organization, it focuses at securing safe and decent life conditions for citizens. What is more, *local* administration is expected to solve local problems in an emphatic and ethical way (Knecht, 2006). As a result, the assumptions which constitute the basis of undertaking measures in the field of PR in public organizations are quite different from the motivation of private businesses. Firstly, the hierarchy of objectives differs. In case of communes, the utmost goal is to present what matters the office copes with and, as a result, to build the atmosphere of social acceptance of their actions. However, the level of support and trust does not have any influence on the office's position in the administrative system, whereas in case of private organizations creating an image is just the way to secure financial stability. What is more, public organizations seem to be *obliged* to create image actively, especially in terms of informing about their actions and initiatives, especially that public offices are financed by tax payers. Regarding private companies, getting involved in any measures in the field of image management is once again conditioned by the possibility to increase profits. Thirdly, there is a profound difference regarding the initial public interest of both organizations. There is a strong

tendency among the public to monitor and judge the work of civil servants. In case of private businesses, such initial interest does not exist at all.

Another difference is that because of the statutory foundations public organizations do not have any real competition. Concerning private business, it is quite obvious that the competition is most often strong. Finally, there exists a very important difference concerning the consequences of mistakes in creating image. For the public office, the ultimate result of negative image is only the decrease in level of trust, whereas private companies may even go bankrupt (Giedrojc, 2004; Flieger, Flieger, 2011).

It seems vital to be conscious of the abovementioned differences, for it lets us understand considerably better the circumstances in which public offices operate and conditions which must be taken into account in order to create and manage their image more effectively.

Taking the abovementioned aspects into consideration, the author of the article decided to analyze possibilities of using public relations instruments by a public administration organization. The research has been carried out, together with Katarzyna Batog from General Tadeusz Kościuszko Military Academy of Land Forces, on the example of the Office of Town and Commune of Głuchołazy. As a result, the author made an attempt to determine whether the scrutinized office of commune is able to create a concise system of image management.

In order to achieve this objective, the author has put into scrutiny the documents, both internal and external, which constitute legal foundations for actions in the field of public relations, analyzed symptoms of the commune's public relations activities (both visual and non-visual factors), and carried out an interview with the person who is responsible for creating positive image of the Office of Town and Commune of Głuchołazy by implementing appropriate PR instruments.

2. Public relations instruments used by the Office of Town and Commune of Głuchołazy

Commune of Głuchołazy is a part of Nysa District (in Lower Silesia Province) and it covers the area of 160,7 square kilometers. It has a population of 26000 inhabitants. The Office of Commune of Głuchołazy constitutes a basic unit of a local administration system and its main objective is to organize public life on its territory (Ustawa o samorządzie gminnym [Act on Commune Self-Government], tekst jednolity Dz.U. z 2001 r. Nr 142, poz. 1591; Statut Gminy Głuchołazy [Statute of Głuchołazy Commune], Uchwała nr. 9/60/03 Rady Miejskiej w Głuchołazach z dnia 27 czerwca 2003 r [Resolution of Town Council of 27th June 2003]). Concerning the structure of the Office, it consists of

seventeen departments (Zarządzenie nr. 328-Pr.157/08 Burmistrza Głucholaz z dnia 12.06.2008 r [Resolution of Głucholazy Mayor of 12.06.2008]). The public relations tools used by the commune and analyzed in the paper are: client service, media relations, Corporate Identity, sponsoring, image crisis management, commune's own publications and internal communication.

Client service

Definitely the crucial instrument which is supposed to create a positive image of any organization is the way a client is taken care of by a personnel. At the beginning of the analysis of this instrument it is important to stress that the mayor of Głucholazy town has set the following ultimate objective for all the employees: recognizing and fulfilling all expectations and needs of the Office's clients. What seems especially interesting is the fact that this client has been divided into two categories – an active one and a passive one. The first sort is understood as a person who visits the Office in order to deal with some administrative matters. The latter ought to be perceived as the whole local community, other offices of public administration, cultural and political organizations, all sorts of societies, tourists visiting the commune, local entrepreneurs and also all the people employed in the Office.

There are a few basic elements which constitute a concise system of clients service in the Office of Town and Gmina Głucholazy. First of all, the Office has determined crucial standards regarding the way a client is taken care of:

- the most important people are *clients*,
- clients are not dependant of the Office,
- clients do not disturb the way the Office operates, but they are its crucial goal,
- clients are an *internal* part of the organization, not people from outside,
- each case ought to be treated with proper attention,
- the main objective is to fulfill clients needs,
- clients deserve full attention and kindness from personnel (ISO 9001:2009, <http://www.glucholazy.vel.pl>, access: 12.02.2014).

What is more, the Office has created different ways in which a client is able to contact the organization, has implemented the system of effective dealing with issued complaints and applications, has done regular research on client's satisfaction, and finally implemented methods of continuous improving personnel's skills in the field of client's service. Concerning the latter factor, the mayor of Głucholazy has put into practice the rule of employing only the clerks who fulfill formal demands stated in acts (Ustawa o pracownikach samorządowych z dnia 21 listopada 2008 r., Dz.U.2008.223.1458 [Act on

Territorial Self-Government Staff]). Thus, a clerk should possess appropriate education, skills and work experience. One of the essential conditions of professional service is possessing thorough knowledge in the field of legal regulations and procedures. Each procedure implemented in the Office stems from particular legal regulations and is dedicated to some particular service provided by the Office.

What is extremely important, in order to improve personnel's qualifications, the mayor has created a system thanks to which clerks can take part in trainings, workshops and seminars. The effects of such activities are controlled during systematic evaluation of the quality of their work.

Client service in the Office of Town and Commune of Głuchołazy to a vast extent is based on an effective information system between a clerk and a client. In order to build such a concise system the following measures have been taken up:

- clients may have an appointment with the mayor each week on Monday between 12 and 4 pm; they may also send an e-mail directly to the mayor,
- all personnel has been trained to be able to give a client complex information regarding all major aspects of Office's operations, structures and procedures,
- a system of information boards has been created, informing clients about current affairs, e.g. upcoming tenders,
- by the doors to each department there are plates which inform about names of workers, their position, main responsibilities and a person to contact in case of absence,
- the most important and popular documents (forms) have been put on the Office's webpage – they can be downloaded,
- the system of issuing and dealing with complaints and applications has been implemented (Zarządzenie Burmistrza z dnia 28 lutego 2012 r. [Mayor's Resolution of 28th February 2012]),
- by using headphones and a microphone connected with a personal computer, a client gains a possibility to contact the Office's Secretary on-line,
- on the webpage of Głuchołazy Bulletin of Public Information telephone numbers to all departments of Town Office have been publicized; the Bulletin also allows publicizing other information regarding Office's operations,
- in case there is such a need, the Office publishes brochures which inform clients about Office's operations.

In the context of providing professional service for clients it is important to emphasize that since the year 2010 the Office has been implementing and realizing a so-called Quality Policy, which is based on Quality Management

System (the system stems from the norm PN-EN ISO 9001:2009).¹ As a result, the mayor has accepted Book of Quality, which constitutes a most important document in which all elements of Quality Management System in the Town Office of Głuchołazy are listed and described, including Policy objectives, all quality procedures and processes and relations between them. What is especially important is the fact that all this information is easily available for all employees, who also have been trained in the field of quality issues. In this way the Book of Quality constitutes a base for all units to set appropriate objectives concerning quality.

Thus, crucial goals of Quality Policy include:

- dealing with the administrative matters initiated by clients as fast as it is possible, especially obeying deadlines which are stated in law regulations,
- constant trainings, both internal and external, for personnel, including supporting employees who study at universities,
- constant improvement of communication system, both internal and between the Office and its clients,
- defining management units which are responsible for improving quality of the services provided by the Office,
- securing resources which are needed to make Quality Management System function effectively,
- implementing so-called open information policy for both employees and clients by using IT systems (Polityka Jakości Urzędu Miejskiego w Głuchołazach, <http://www.gluchołazy.vel.pl>, access: 12.02.2014).

In order to monitor if clerks obey the rules and procedures concerning client service stated in Quality Policy, the Office has implemented a mechanism of checking client satisfaction by using a standard survey test for local administration offices, certified by Polish Chamber of Foreign Commerce.² Taking part in this program allows the Office of Town and Commune of Głuchołazy to compare client service quality standards with other offices which participate in this undertaking. As a result the Office gains objective, comparable information regarding the standard of service and at the same time sets fundamentals for further improvement in this field.

One of the groups of Office's clients who are especially important and welcome are tourists who come to the region. Service for this group has also been prepared professionally. Within Department of Promotion, Tourism and Sport there exists Tourist Information Center, which is donated by EU funds.

1 Implemented as a part of the project 'Sprawny Samorząd. Wdrażanie Usprawnień w Zarządzaniu jednostką samorządu terytorialnego w 10 Urzędach Gmin i 2 Starostwach Powiatowych z Terenu Województwa Opolskiego i Śląskiego' (Efficient local government. Implementing rationalizations in management of local administration organizations in 10 Commune Offices and 2 District Offices in Opolskie and Śląskie Provinces).

2 Implemented as a part of the sixth edition of the project 'Badanie Satysfakcji Klienta Urzędu z Wykorzystaniem Jednolitego Treściowo Kwestionariusza Ankietaowego' (Research on a client's satisfaction using a unified questionnaire).

The center operates from the beginning of May to the end of September and it provides service in following fields:

- giving tourist information about the region,
- informing about cultural and sport events,
- informing about regional system of communication,
- selling maps and other publications concerning the region,
- preparing presentations and taking part in fairs and international exhibitions,
- providing press service.

Moreover, in the center it is possible to use a multimedia computer, sponsored by a program realized by Regional Tourism Organization (Centrum Informacji Turystycznej w Głuchołazach, <http://www.gluchołazy.pl>, access: 21.02.2014).

Media relations

Apart from providing professional service for people who visit the Office of Town and Commune of, the second most important tool which is supposed to create positive image of the organization is relations with local media and the way the information about the organization and the region is presented in them. The Office ought to build concise system of information which enables creating a dialog with all the members of the public. Local media constitute one of the channels which seem to play extremely important role in making this process effective.

At the beginning of this analysis it should be stated that in the Office the position of spokesman has not been created. Contact with media is managed directly by the mayor or his deputy or a secretary. In some cases the media is contacted directly by a clerk who works in the department which is responsible for some particular case in question. Most often they are people who work for Department of Promotion, Tourism and Sport, Office of Town Council, Department of Municipal Administration, Investments and Architecture.

The message from the Office is passed on to various journalists from both press, television, radio and the Internet. On the official webpage of the city of Głuchołazy there can be found a list of official media patrons with which the city cooperates. However, the information about the Office is presented also by other media, all of which can be divided into three basic media channels. The first one is the press. It is represented by:

- *Nowa Trybuna Opolska* – newspaper from Opole region, published both in paper version and in the Internet (<http://www.nto.pl>, access: 20.02.2014),
- *Nowiny Nyskie* – regional weekly magazine (<http://www.nowiny.nyskie.com.pl/>, access: 20.02.2014),

- *Moje Życie Głucholaz* – a biweekly dealing with the matters directly connected with the town and commune of Głucholazy, it constitutes a medium which puts a lot of attention to local matters and the way local government operates.

The next channel is radio and television. The Office cooperates with four local radios, two of which are very much interested in local affairs and which, as a result, often host representatives of local government. They are Radio Głucholazy (<http://glucholazyonline.com.pl>, access: 20.02.2014) and Nysa FM (<http://www.nysa.fm>, access: 20.02.2014). Local matters are also often discussed and commented in a local TV station called TVP Opole (www.tvp.pl/opole, access: 21.02.2014).

The last and at the same time extremely important channel is the Internet. There are a few vital internet portals which are used to initiate and sustain a dialog between the Office and the public, and thus to create a positive image of the organization in question. The first one is [Glucholazy.pl](http://glucholazy.pl), which represents an official service of Town and Commune of Głucholazy. On the page a visitor may find all necessary information concerning:

- City Office itself – structure and management of the Office, contact to all departments, makeup and decisions of City Council, a link to Public Information Bulletin, information regarding the Office's Quality Policy, documents for clients to download,
- the whole commune of Głucholazy – addresses and contacts to all administration, cultural and education institutions, and to all companies and organizations which operate in the city, short history of the city, a list of all historical monuments, attractions, tourist routes, information concerning a bugle-call, a crest and a flag of the city, etc (<http://www.glucholazy.pl>, access: 22.02.2014).

Another portal, glucholazyonline.pl, constitutes unofficial service of Town and Commune of Głucholazy. What is especially interesting, apart from commenting the latest local political, cultural and sport events, it has created a chat which is dedicated to enabling local inhabitants to have a conversation with representatives of local political scene and with people working for Town Office. Moreover, the service publishes articles about local events and life in the region, written by inhabitants (<http://www.glucholazyonline.com.pl/>, access 22.02.2014).

Also Public Information Bulletin of the Town and Commune of Głucholazy is an important instrument of building positive image of the organization. The bulletin is run by one of the Office workers and it provides all information concerning the Office which is obligatory for a public organization, including: the Office internal regulations, Commune Status, description of projects financed by European Union funds, strategy and budget of gmina, unit about real estates, tenders and crisis management (Biuletyn Informacji Publicznej

Urzędu Miejskiego w Głucholazach, <http://gmina.glucholazy.sisco.info>, access: 23.02.2014).

Apart from the abovementioned portals, it is also worth to present a service run by a Culture Center in Głucholazy (<http://www.ckglucholazy.pl>, access: 23.02.2014), which publishes detailed information about cultural events. Moreover, on the web pages of Nysa FM radio (www.nysafm.pl, access: 23.02.2014) and Radio Opole (<http://www.radio.opole.pl/>, access: 23.02.2014) the news about the town and commune of Głucholazy is often published and commented.

Commune of Głucholazy also is a participant of a program financed by EU called '*e-office for Inhabitants of Opole Region*' (<http://www.glucholazy.pl>, access: 23.02.2014). The aim of the project is to build so-called information society in the region by enabling access to public services online. Some of the results of the project are supposed to be: shortening the time of dealing with administrative matters issued by the Office's clients, decreasing the number of visits in the Office, lowering administrative costs.

Apart from commenting daily events, typical information which is broadcast to media by the Office concerns informing public opinion about awards or honorable mentions received by the workers of the organization or citizens, about commune's successful undertakings which are valuable for local community and taking part in charity events or different sorts of fairs, such as MTP Tour Salon Poznań, MTT Glob Katowice, MTT Polagra, MTT Brno.

Corporate identity

The image of the scrutinized commune requires creating a concise system of visual identification, which should be understood as all signs, graphic elements and colors which are related to the character of commune, together with a concise strategy of using these tools. In case of the Office of Town and Commune of Głucholazy, this system includes following elements:

1) Symbols of commune:

- a crest – the crest of Commune of Głucholazy depicts a black billy goat's head with yellow bent horns, the head turned right, on a white background. A template of the crest is described in the status of Commune (Załącznik nr 2 do Statutu Gminy, <http://gmina.glucholazy.sisco.info>, access: 24.02.2014),
- a flag – official colors of Commune of Głucholazy are presented on a white-and-blue flag, with the crest located on the white part. A template of the flag is described in the status of Commune (Załącznik nr 3 do Statutu Gminy, <http://gmina.glucholazy.sisco.info>, access: 24.02.2014),

- a logotype – it ought to be understood as a graphic form which constitutes an interpretation of the name of commune and which allows unambiguous identification of a town. In case of the Town and Commune of Głucholązy, the logotype consists of only the abovementioned crest.
- 2) Organizational colors – the main colors used in all publications of the Office are blue, white, black and yellow. Prevailing color on the official web page of the city is blue. All the Office's documents must be printed in black.
- 3) Printed materials – the Office has a set of official templates of documents (application forms) which are used in the process of dealing with clients' matters. Thanks to the fact that they are standardized, it makes it easier and faster for a worker to receive all necessary information. What is important, templates of all application forms which might be useful for a client are available on the web page of the Office. Regarding business cards, official templates are used only by the mayor and his deputy, the rest of office workers use their private cards.
- 4) Dress code – the workers of the Office are required to be dressed in a classic, esthetic way, in adequate, subdued colors, without excessive decorations.
- 5) Interior design – subdued colors, places to sit and to fill in documents, the whole building is adapted to the needs of the disabled clients.
- 6) Plates, sign boards – they constitute a concise system of informing clients where they can find particular department or a person who will deal with their administrative matters. On the outside walls of the building there are boards informing about the character of the organization, inside there are information plates placed next to the doors to each room. Moreover, in the hall there is a big sign board which informs where exactly all departments are situated. This board plays an extremely important role in helping all visitors to find particular room easily and fast, right after they enter the building.
- 7) Design of promotion gadgets – the Commune of Głucholązy issues a considerable number of various products which are supposed to strengthen commune's image, including: mugs, calendars, maps, t-shirts, emblems, postcards. Naturally all of them present visual elements which are characteristic for the commune – logos, a crest, pictures etc.
- 8) Means of transportation – the Commune of Głucholązy possesses a few cars, all of which are in white color with the commune's symbols put on them.

Sponsoring

In case of the Commune of Głucholązy, it stresses the importance of measures which are connected with local tourism. Hence, the commune sponsors numerous cultural and sport events and activities, which make the region more attractive for tourists. Thus, the commune supports events concerning:

- 1) Promotion of healthy life style, organizing leisure activities, development of various interests and hobbies, for instance:
 - Days of Głucholązy – realized together with Czech partner as a trans-border cooperation,
 - Opawskie Mountains Holiday – an event to promote artistic and folk works,
 - Harvest Home,
 - International Tourist Songs Festival,
 - Czech Tourist Songs Festival,
 - International Interdisciplinary Creative Workshops,
 - International Music Workshops.
- 2) Promotion of sport – including events such as chess tournaments (XXIII International Chess Tournament for Opawskie Mountains Cup, <http://www.chessarbiter.com>, access: 12.03.2014; XII Individual Polish Championship in Chess for Uniform Services; VI Polish Championship in Chess for Politicians, www.glucholazy.pl, access: 12.03.2014), tennis tournaments (Commune Championship in Table Tennis, www.glucholazy.pl, access: 12.03.2014; Głucholązy Tennis Society, <http://www.gtt-glucholazy.pl>, access: 12.03.2014), cycling rallies (XXI Youth Cycling Rally „Witamy Wiosnę”, <http://glucholazyonline.com.pl>, access: 12.03.2014; Skoda Auto Grand Prix MTB – Głucholązy, www.glucholazy.pl, access: 12.03.2014; XVI National Cycling Rally „Zdobywamy Pradziada”, www.victoria-glucholazy.pl, access: 12.03.2014; Głucholązy Sports Club Victoria, <http://www.victoria-glucholazy.pl/>, access: 12.03.2014; National Cycling Marathon mini AUDAX, <http://portal.bikeworld.pl/>, access: 12.03.2014; Cykloopawy XC – MTB Głucholązy, <http://www.czasnarower.pl/>, access: 12.03.2014), basketball tournament (X National Girls Basketball Tournament for Mayor of Głucholązy Cup), beach volleyball tournament (VIII Grand Prix of Głucholązy in Beach Volleyball), jogging (III National Street Run for Uniform Services, <http://www.glucholazy.info>, access: 12.03.2014), etc.

Image crisis management

Image crisis should be understood as some unexpected happening which leads to sudden and substantial deterioration of the way an organization is perceived by the public (Flieger, 2013). For an organization it is absolutely crucial to be able to react very fast and send appropriate message to the public. The information is supposed to decrease indignation and recover positive image

(Mitroff, Pearson, 1998). To be able to do it efficiently, it is necessary for an organization to prepare to a potential crisis in advance by creating a concise system of procedures which are put into practice in case some negative event occurs (Larkin, Regester, 2005).

Regarding the Town Office of Głuchołazy, the research showed that the organization has not prepared adequate procedures in this field. Firstly, all the tasks of a spokesman, who is one of the crucial persons responsible for management during an image crisis, are done by the mayor or his deputy. They are responsible mostly for the process of identifying and analyzing signals and situations which may constitute a potential threat, which results in setting priorities and choosing appropriate strategy, and for realizing the strategy in order to either prevent a crisis situation or minimize its consequences. However, the abovementioned procedures do not include such vital elements as setting a crisis team, moreover, the organization also has not secured any funds which would allow effective implementation of the procedures.

Publications

It is vital to be aware of the fact that, in order to strengthen image, organizations of public administration can issue various written materials. They constitute a visual element of the message sent to the public. The Office of Głuchołazy is very active in this field, the most important measures include: issuing brochures and leaflets which are supposed to encourage visitors to stop and have a rest in Głuchołazy. This activity is supervised by the Department of Tourism and Physical Activity, which is responsible for all the promotional projects, such as taking part in tourism fairs, organization of promotional events, trainings, conferences, etc (Strategia Rozwoju Turystyki w Gminie Głuchołazy).³

Regarding the publications of the Głuchołazy Commune, the most important are the following:

- 1) Brochures presenting what the Office does, tourist attractions in the region, local companies, for instance:
 - ‘Revitalization of Urban Space in the Center of Głuchołazy’ – which describes and presents the results of modernization of those areas, at the same giving a short historical description,⁴
 - ‘Renovation and Adaptation of Destroyed Health Resorts within Polish-Czech Trans-border Cooperation’ – a publication which gives a thorough information about the project, its objectives and results, the history of health resorts in the region,⁵

³ Implemented as a part of the project ‘Tradycje i perspektywy rozwoju na pograniczu polsko-czeskim w rejonie Głuchołaz i Złatych Hor’ (Tradition and development perspectives on Polish-Czech borderland in the region of Głuchołazy and Zlate Hory), finance by Program Phare CBC JSPF 2001.

⁴ The project financed within Regional Operational Program for Opolskie Province for 2007-2013.

⁵ The project financed within Operating Program for Transborder Cooperation 2007-2013 The Czech Republic-Poland.

- ‘On Running Skis Through the Commune of Głuchołazy’ - a brochure issued by Department of Promotion and Tourism and Department of Development and Funds, describing the project co-financed by European funds, presenting local ski routes and planned winter events.⁶
- 2) Maps presenting local areas.
- 3) Posters presenting local sport and cultural events.

To sum up, publications of the Commune of Głuchołazy focus on promoting tourist advantages of the city and the region, and on presenting in what way the Office absorbs European funds in order to improve quality of life of the inhabitants.

Internal communication

One of the crucial elements which influence efficiency of client service is the way internal communication processes are organized and managed. The main objective of managing a communication system is to ensure effective channels between all units and departments, sharing information, consulting problems, informing supervisors about dysfunctions (Regulamin Organizacyjny Urzędu Miejskiego w Głuchołazach, p. 9). As a result, the organization is able to deal with clients' matters fast and without mistakes. In this way a positive image of the Office is built and strengthened.

Internal communication processes between workers are supported by following instruments:

- internal and external telephone system - which allows direct, free connections between all units in the Office,
- Intranet system (which is a result of taking part in a EU project),
- e-mail communication – it allows, among the other things, sending all necessary documentation to all units and workers,
- information boards – they inform about current events, organizational changes, etc.,
- reports prepared together by workers from different units,
- monthly meetings with the management – in order to inform workers about plans and upcoming events; it is also a possibility to discuss current problems,
- regular meetings between representatives of different units and departments,
- celebrations (holidays, jubilees),
- exhibitions,
- clubs and societies of workers (Statut Gminy Głuchołazy, <http://gmina.glucholazy.sisco.info/>, access: 6.02.2014).

⁶ The project ‘Na Nartach Biegowych po gminie Głuchołazy’ co-financed within Rural Development Program for 2007-2013.

Improvement of the internal communication quality, and - as a result – improvement of service provided by the Office, to a large extent was possible thanks to implementation of Quality Management System, which resulted in increase in effectiveness of workers, simplifying recruitments procedures, ensuring clear and concise division of responsibilities between the Office's workers.

3. Conclusion

Presented analysis has shown that the Office of Town and Commune of Głuchołazy has been able to use various instruments in order to create and manage the way it is perceived by the public. Since the office of commune is obliged to provide service for local community, it seems obvious that the client service becomes the crucial tool in this field. Direct contact between a client and an office worker constitutes this very special moment which mostly determines whether the organization is perceived in a positive way or not. However, it is not the only way to create the image. Of vital significance is also an effective communication system, both internal and external (Storbacka, Lehtinen, 2001; Yeshin, 1998). Thus, the analyzed office made an attempt to cooperate with local media and at the same time tries to build concise system of communication between all office's workers and departments.

Apart from the abovementioned basic instruments, the office in Głuchołazy is also active in exploiting other available public relations tools. The organization has an impressive array of promotional publications which cover all important projects and events taking place in the region. These activities are also supported by sponsoring.

What seems especially important, the Office of Town and Commune of Głuchołazy has possessed the ability to create concise *visual* concept of the PR message, which is an indispensable element which supports the non-visual content. Thus, the visual system consists of both precisely chosen colors, design of all publications and documents, flags, logos, and the interior design of the building.

However, although the scrutinized organization uses all available public relations instruments, the research enabled to reveal some flaws in the Office's image management system. The biggest problem seems to be the lack of concise procedures regarding image *crisis* management. Despite being conscious of the importance of being well prepared to a potential sudden and dramatic worsening of the way the Office is perceived by the public, very little has been done to create professional system in this field. The Office does not have a full-time spokesman, a crisis team has not been created, there are no adequate funds secured in the budget. As a result, in case real image problems

occur, it may be assumed that the Office will have serious difficulties in dealing with the situation efficiently.

Apart from that issue, it ought to be pointed out that there is a lack of an information desk. Partially, its potential tasks are done by the secretary - its workers are able to direct a client to a right department, inform about the structure and tasks of the Office, register submitted documents. However, these clerks are not always available, because they have also other responsibilities, at the same time in the secretary there are not any written materials (brochures, leaflets) which a client could take advantage of in case a clerk is not able to help.

The last problem is connected with cooperation with local media. Although news and information about the Office appear in all channels of the media regularly, it should be emphasized that in most cases it's the *media* who initiate the contact. The Office itself ought to be definitely more active in this field, trying to make media interested in the projects and events which seem most important from the organization point of view. In this way the Office would have better control of its image.

Nevertheless, it must be stressed that the Office of Town and Commune of Głuchołazy is well-aware of the necessity of creating and managing its image. Its benefits in a long term are undisputed. As a result of focusing on creating satisfaction of its clients, commune of Głuchołazy may count on loyal inhabitants, tourists and investors.

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