

Sister Cities Review

Tuesday, 10 May 2022

Council

Strategic Alignment - Strong Economies

Program Contact:

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Public

Approving Officer:

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EXECUTIVE SUMMARY

The City of Adelaide's existing sister city arrangements were reviewed as a result of Council's 13 July 2021 resolution [**Attachment A**]. This review assessed alignment with the City of Adelaide's Strategic Plan 2020 – 2024 and identified opportunities which could be investigated to further strengthen community, cultural, economic, and trade linkages with cities with which City of Adelaide (CoA) has existing relationships.

Possible opportunities were investigated by reviewing individual city strategic plans against the City of Adelaide's 2020-2024 Strategic Plan, the existing International Partnership Strategy [**Attachment C**], the Ernst & Young (EY) International Relations Review (EY Review) and a draft City of Adelaide International Engagement Plan [**Attachment B**]. South Australia's sister state relationships, and the City of Adelaide's existing involvement with multilateral partnerships were considered. Feedback was also sought from Department of Premier and Cabinet (DPC) and Department of Foreign Affairs and Trade (DFAT).

In-line with many other cities, universities, and the State Government, it is recommended that the CoA utilise Memoranda of Understanding (MoU) to provide time-bound and specific vehicles to pursue international partnerships and achieve outcomes, rather than establish additional sister or friendly cities.

Any future international relationships in addition to our existing arrangements will require their own investigations and scoping. The framework for assessing these arrangements will need to include clear metrics and Key Performance Indicators (KPIs) for measuring outcomes.

It is also important to note that the Commonwealth Government introduced the Foreign Arrangement Scheme, which came into effect in 2021. The CoA will need to register any future arrangements it investigates with the scheme.

Due to the impacts of the Covid-19 pandemic, Council may wish to continue to maintain its focus on the City, its residents, and its businesses, ensuring a healthy recovery for the City which has been disproportionately affected by the pandemic.

The current International Partnership Strategy requires that it be reviewed following Council elections. Additionally, elections at each level of government in 2022 further impacts CoA's approach and position regarding international relationships. It is recommended that any new initiatives or relationships be considered in the 2022-2026 term of Council.

RECOMMENDATION

THAT COUNCIL

1. Notes the strategic review of Council's existing Sister City and Friendly City relationships which has been undertaken as per Attachment A of Item 10.6 on the Agenda for the meeting of the Council held on 10 May 2022.
2. Notes the important role that Council's existing Sister City and Friendly City relationships play in fostering strong cultural and commercial ties which bring mutual benefit.

3. Notes that the relationships will be maintained with all of our existing Sister and Friendly Cities, with a renewed focus on Christchurch, Austin and Himeji, who have been actively engaging with the City of Adelaide in this review process, and that the existing Memoranda of Understanding (MoU) with Edinburgh and Jaipur will be maintained.
 4. Notes that any new international partnerships would take the form of an MoU, and would need to be individually assessed in detail, including key success metrics, and prior to entering into any such arrangements, and then registered through the Commonwealth Government's Foreign Arrangement Scheme.
 5. Notes that the Administration will review the framework used to assess possible initiatives and partnerships in a consistent manner, and report back to Council by December 2022 on a recommended framework to use when assessing those possible initiatives and partnerships.
 6. Notes that, taking in recommendations 4 and 5, a report will come to Council by March 2023 outlining:
 - 6.1. Possible MoU initiatives with the City of Austin, and;
 - 6.2. How the City of Adelaide might leverage the existing MoU with Edinburgh for further mutual benefit.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Each Sister City and Friendly City relationship has alignments spanning across: Strategic Alignment – Thriving Communities Strategic Alignment – Strong Economies Strategic Alignment – Dynamic City Culture Strategic Alignment – Environmental Leadership Strategic Alignment – Enabling Priorities
Policy	Not as a result of this report
Consultation	In producing this report, internal and external consultation was conducted informally. Any future arrangements will need to be registered through the Foreign Arrangements Scheme prior to entering into said arrangements.
Resource	Not as a result of this report There may be resource implications if any potential arrangements are investigated and / or established in the future.
Risk / Legal / Legislative	Not as a result of this report
Opportunities	This report seeks to highlight opportunities which are already present with our Sister and Friendly Cities and outlines potential future opportunities to strengthen international partnerships.
21/22 Budget Allocation	Not as a result of this report
Proposed 22/23 Budget Allocation	Not as a result of this report, however budget may be required if potential arrangements are investigated and / or established in the future.
Life of Project, Service, Initiative or (Expectancy of) Asset	Our Sister and Friendly City arrangements are indefinite, without a sunset clause. It is recommended that any future arrangements that Council wishes to pursue by way of Memorandum of Understandings would have defined start and end dates.
21/22 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report. However, the ongoing costs of potential future arrangements will need to be considered as part of the respective investigation(s).
Other Funding Sources	Not as a result of this report.

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DISCUSSION

Overview

1. Sister and Friendly City relationships are significant and important to fostering strong cultural and commercial ties which bring mutual benefit. Our Sister and Friendly Cities play an important role in facilitating a wide range of opportunities for each city to participate in international educational, community, cultural, technical, and business exchanges and support Adelaide's reputation as the world's third most liveable city.
2. Historically, these arrangements have been maintained, and brought benefit through delegation visits, information exchange and correspondence, cultural exchanges, support in times of need, and trade tours.
3. The City of Adelaide's (CoA) current International Partnership Strategy [Link 1 view [here](#)] was put in place in 2012, and the documents state that "This strategy... will be reviewed following Council elections."
 - 3.1. Following the 2018 election, a review of the City of Adelaide's international relations activities undertaken by Ernst & Young (EY). The EY review included extensive stakeholder engagement, considered the outcomes of the Joyce report, and incorporated Council Member feedback from a workshop in March 2019.
 - 3.2. A draft City of Adelaide International Engagement Plan (the Plan) [Link 2 view [here](#)] was subsequently developed based on the advice and findings from the EY review, which identified emerging opportunities and historical relationships.
 - 3.3. The Plan was brought into Council in 2020 but was delayed due to the emerging Covid-19 Pandemic situation (see paragraph 9).
 - 3.4. Following the direction of the International Partnership Strategy, it would be most appropriate for the new term of Council to consider and adopt the next iteration of the strategy and plan, updated to reflect, and respond to local and global priorities in a post-Covid context.

Previous EY Review

4. The EY review identified that the CoA's international activities should aim to specifically encourage growth in residents, businesses and increase city vibrancy. It recommended that the CoA should give priority to resourcing international programs and investment aimed at enabling future economic growth for the City of Adelaide and ensuring return on investment for ratepayers.
5. An investment assessment framework was developed to act as the primary decision-making mechanism to determine which international activities should take priority to maximise return on investment. It is recommended that this framework is updated (see paragraph 12.)
6. The EY review recognised the importance of maintaining long term relationships with Adelaide's sister and friendly cities and identified opportunities in engaging with partners in emerging regions, based on Adelaide's comparative advantages and the evolving geopolitical landscape, industry development, and State Government focus areas.
7. The draft City of Adelaide International Engagement Plan also identified seven factors of focus for international activity, aligned with Adelaide's strengths:
 - 7.1. Education and Training
 - 7.2. Tourism
 - 7.3. Food and Wine
 - 7.4. Renewable Energy
 - 7.5. Creative Industries
 - 7.6. Biomedical, Health and Wellbeing
 - 7.7. Defence and Space.
8. The draft Plan was designed to help guide the CoA's international engagement and ensure that our activities are aligned with the Council's Strategic Plan and aimed at enabling economic growth and maximising return on investment.
9. A report detailing the draft Plan was scheduled to be presented to Council in May 2020 but was deferred as additional work and consideration was required given the impacts arising from COVID-19, and the establishment of the Adelaide Economic Development Agency in January 2021.

- 9.1. This body of work was deferred while Council focused on recovery of the City and the organisation during the peak of the global pandemic.
- 9.2. Throughout the COVID-19 Pandemic, we have been in contact with each of our sister cities to connect, check-in, and share experiences and information where there was interest to do so.

Current Review

10. An internal review [**Attachment A**] has been conducted as a result of Council's resolution from 13 July 2021. Drawing on the International Partnership Strategy, the EY review, and the draft City of Adelaide International Engagement Plan, with new information provided by the Administration on developments since May 2020, Department of Foreign Affairs and Trade (DFAT), and Department of Premier and Cabinet (DPC), taking into consideration the new Foreign Arrangements Scheme which commenced 10 Dec 2020.
 - 10.1. DPC provided positive feedback on the alignment of City of Adelaide's current Sister and Friendly city relationships and the possible opportunities identified in the review, to South Australia's strategic priorities.
 - 10.2. DFAT highlighted no issues with either our current Sister and Friendly city arrangements, nor the possible opportunities which had been identified in the review.
11. An assessment of the strategic alignment between the City of Adelaide and each of our existing Sister and Friendly Cities has been undertaken, and potential areas identified for future investigation.
12. The framework suggested in the EY review and draft City of Adelaide International Engagement Plan needs updating to support our current position and altered approach within a Covid-19 world.

Future Opportunities

13. Adelaide, just like other capital cities around the world, has been disproportionately affected by the impacts of the Covid-19 pandemic and is focused on supporting City recovery. This recovery may take years, and it may be prudent to maintain the focus on the City, its residents, and its businesses, during this period and understand that other cities around the world, including current Sister and Friendly cities, may similarly be investing in local and immediate priorities for their communities.
14. Any future opportunities, which are investigated and proceed to the point of entering an arrangement, would need to be reported through the Commonwealth Government's Foreign Arrangements Scheme. The scheme considers;
 - 14.1. The Minister must be notified of a proposal to enter a non-core foreign arrangement. If the arrangement is entered into, the Minister must also be notified about that within 14 days.
 - 14.2. The Minister may make a declaration prohibiting a State/Territory entity from negotiating or entering a non-core arrangement if satisfied that the negotiation or arrangement:
 - 14.2.1. would adversely affect, or would be likely to adversely affect, Australia's foreign relations; or
 - 14.2.2. would be, or would be likely to be, inconsistent with Australia's foreign policy.
 - 14.3. If a non-core arrangement is entered into in contravention of a declaration, the Minister may make a further declaration that the arrangement is invalid and unenforceable, required to be terminated, or not in operation.
15. A range of possible future opportunities has been provided within the review:
 - 15.1. A list of possible opportunities has been identified for each of the Sister Cities.
 - 15.2. Key themes for opportunities developed for Friendly Cities.
 - 15.3. A broad list of areas of focus for future arrangements which are aligned to each of the Strategic Outcomes from the City of Adelaide's Strategic Plan.
 - 15.4. The review highlights South Australia's current Sister-State Arrangements. These arrangements represent established connections which may provide City of Adelaide with paths to pursue possible future opportunities, while strengthening those existing relationships.
 - 15.5. The review identifies five cities which have strong strategic alignment and/or past relationships which can be leveraged to take advantage of future opportunities more easily.
 - 15.6. Finally, the review highlights several Multilateral Partnerships of which the City of Adelaide is a member. These partnerships give us common-ground with many cities around the world which could then be investigated for strategic alignment and assessed against an appropriate framework.

Next Steps

16. Before seeking any new international relationships, we would need to review the framework by which Council evaluates potential relationships.
 - 16.1. Assess the suitability of current recommended framework which appears in both the EY review and draft City of Adelaide International Engagement Plan.
 - 16.2. The review suggests one possible alternate framework for assessing potential future opportunities, this could be investigated and assessed prior to implementation.
 - 16.3. Potential relationships will also need key success metrics and Key Performance Indicators (KPIs) to be developed, to ensure we have a way to assess those relationships, both as they develop, and after conclusion.
 - 16.4. This could be done as part of a review, update, and finalising the draft City of Adelaide International Engagement Plan.
17. After discussions with DPC, DFAT, and assessing other Capital Cities, there is a clear trend and preference towards agreements with a specific purpose, timeframe, and end-date. This leads us to recommend that future agreements take the form of Memoranda of Understanding (MoU). This will also enable each opportunity to be clearly investigated, assessed, and a report brought back to council on the next steps, budget implications, feasibility, and strategic alignment.
18. The International Promoters Program was established January 2020 but has been inactive since Covid-19 restrictions were put in place. This program will need to be reassessed as to whether it should be reinstated, expanded, or wrapped up.
19. Investigating other industries / sectors may provide further direction and uncover opportunities to strengthen existing connections. Existing international relationships exist such as; Department of Trade and Industry's (DTI) 14 global offices, Universities, specific industry connections, or organisations such as the Australian UAE Business Council,
20. Working within our existing connections represents a good opportunity to bring benefit to both cities, leveraging existing relationships, past work, and already established shared strategic alignment:
 - 20.1. There are opportunities which could be leveraged within our existing Sister City relationship with City of Austin along the shared strategic alignments of music, innovation and entrepreneurship, and fashion.
 - 20.2. The MoU with Edinburgh has potential to be leveraged to greater advantage, building on the strength of the connections and existing relationships built through staff exchanges and the strategic alignment.

DATA AND SUPPORTING INFORMATION

<https://www.foreignarrangements.gov.au/>

Link 1 – International Partnership Strategy 2012

Link 2 - Draft City of Adelaide International Engagement Plan

ATTACHMENTS

Attachment A – Sister Cities Review