

Review of Adelaide Economic Development Agency

Tuesday, 13 December 2022
Council

Council Member
Councillor Giles

Public

Contact Officer:
Clare Mockler, Chief Executive
Officer

MOTION ON NOTICE

Councillor Giles will move a motion and seek a seconder for the matter shown below to facilitate consideration by the Council:

‘That Council

1. Notes the role of the Adelaide Economic Development Agency (AEDA) in assisting the Council in its program to address the impact on businesses in the city of the COVID Pandemic.
2. Requests the CEO coordinate an independent review of AEDA with a view to assessing the effectiveness of the Agency in relation to its objectives and make to recommendations for its future operation and any improvements including consideration of the relationship between the Agency, Council, and stakeholders. This review is to be conducted by an organisation or individual independent from the Agency with Business and Local Government knowledge and/experience. The review should include the following:
 - 2.1. Measure of effectiveness of AEDA in service provision to small businesses in the city of Adelaide by the Agency or Council contractors against the objects of the agency and compare this to the outcomes of the previous City of Adelaide Enterprise Adelaide unit.
 - 2.2. Assessment of any benefit or increased effectiveness of establishing the Agency under Section 42 subsidiary under the Local Government Act 1999 than if its decision-making had been undertaken by the City of Adelaide elected body.
 - 2.3. Identification of any cost and staff duplication identified in the KPMG report have been addressed and whether Council's administrative capacity has been impacted by the establishment of AEDA.
 - 2.4. Identification any duplication of effort or opportunities to partner with the State Government in the areas of business support and economic development of the City.
 - 2.5. Identification any governance issues that have arisen related to the performance of the Agency, its staff, or its Board or to the responsibilities of the elected body under the Local Government Act.
 - 2.6. Evaluation the extent of Rundle Mall trader satisfaction with the Agency's management of the Rundle Mall Precinct.
 - 2.7. Providing an assessment of the return on investment of AEDA against its own performance targets.
 - 2.8. Consultation with key stakeholders including small business, rundle street traders and precinct groups.
 - 2.9. Making recommendations as to whether the agency should continue in its current form.’

ADMINISTRATION COMMENT

1. Council at its meeting on 6 October 2020 resolved to establish the new Adelaide Economic Development Agency (AEDA) as a Section 42 Subsidiary of the City of Adelaide under the *Local Government Act 1999* (SA) (the Act).
2. This decision was informed by comprehensive stakeholder engagement and delivered on action 2.10 in Council's Strategic Plan 2020-2024, 'Implement a New City-Wide Business Model', to accelerate economic growth in the City.
3. The Adelaide Economic Development Agency (AEDA) commenced operation as a subsidiary of the City of Adelaide on 18 January 2021.
4. Clause 4.15.1 of the AEDA Charter states "The Board of the Agency will undertake an annual performance evaluation of the Agency."
5. AEDA reports quarterly to the Audit and Risk Committee and Council on progress against milestones and performance indicators as outlined in the annual AEDA Business Plan and Budget adopted by Council.
6. At its meeting on 21 November 2022, the AEDA Board unanimously agreed that it would be good business practice to engage an independent, external consultant to undertake an evaluation of AEDA's performance against its Objects and Purpose included in the AEDA Charter and its Business Plan and Budget. It was agreed that the outcome of the review be reported to the City of Adelaide's Audit and Risk Committee and Council.
7. If the Motion is adopted, an independent review will be commissioned and its scope will include the points raised in the Motion.

Should the motion be carried, the following implications of this motion should be considered. Note any costs provided are estimates only – no quotes or prices have been obtained:	
Public consultation	As part of the review, key stakeholders as outlined in the motion will be consulted
External consultant advice	An organisation or individual independent from AEDA with Business and Local Government knowledge experience will be engaged to undertake the review
Legal advice / litigation (eg contract breach)	An organisation or individual independent from AEDA with Business and Local Government knowledge experience will be engaged to undertake the review
Impacts on existing projects	Not applicable
Budget reallocation	The cost will be covered from within the 2022-23 for City of Adelaide / AEDA
Capital investment	Not applicable
Staff time in preparing the workshop / report requested in the motion	Approximately 50 hours in providing information and support
Other	Not applicable
Staff time in receiving and preparing this administration comment	To prepare this administration comment in response to the motion on notice took approximately 4.5 hours.