

March 2022

# CANBERRA ECONOMIC ADVISORY GROUP

## Summary of considerations

### **ABOUT CEAG**

The Canberra Economic Advisory Group (CEAG) was established in February 2021 to advise the Chief Minister on ways to build a stronger and more resilient economy, and to create local jobs as part of the ACT's post COVID-19 recovery. There are thirteen members of the CEAG with eleven members being appointed by the Chief Minister. The CEAG was tasked with looking at longer-term considerations for the ACT, including advice on the currency of the 2016 Statement of Ambition and potential areas of future focus.

The membership of CEAG was:

- Mr Andrew Barr (Chair)
- Ms Kathy Leigh (Deputy Chair)
- Mr Stephen Bartos
- Ms Hala Batainah
- Ms Renee Leon
- Ms Jane Madden
- Ms Cherelle Murphy
- Prof Paddy Nixon
- Ms Zoe Piper
- Dr Michael Schaper
- Prof Helen Sullivan
- Mr Alan Tse
- Mr Nick Tyrrell

CEAG was assisted by Mr Tim Williams, Publicani Publishing and contributor to the 2016 Statement of Ambition. Members extend their thanks to Mr Williams for his thoughtful and thought-provoking analysis and discussions.

## OVERVIEW

CEAG acknowledged the challenges facing the ACT economy and the number of opportunities that Canberra could capitalize on as the worst of COVID passes and economic expansion and recovery commences.

CEAG noted that the 2016 Statement of Ambition drove positive change in economic development, and the basic approach remained relevant. CEAG identified a range of areas to be strengthened and for further attention.

In summary, CEAG recommended:

- The ACT put a renewed focus on the Wellbeing Framework and Index as key to driving ACT actions, policies and investments for Canberra, to measuring performance and to promoting the assets and attractions of Canberra for talent, investment and indeed families seeking a model livable city.
- The themes outlined Directions of Travel in the 2016 Statement of Ambition be retained, but with digital and smart city mindset given greater focus and a stronger emphasis on workforce and investment attraction.
- New opportunities and challenges be incorporated in a 2022 edition of the Statement based on recent developments and trends but specifically also arising from COVID-19, in particular the strengths of Canberra being a connected city based on 'nearbyhoods' that may be attractive for people wanting to relocate from other capital cities.
- While noting the importance of focusing on key industry sectors since the 2016 Statement of Ambition, the approach should be more sector agnostic into the future, with the focus on to the types of businesses we want to encourage in Canberra.
- While the focus of a revised statement of ambition should remain as an economic document, 'wellbeing' is a defining feature of the ACT and could be used to frame the economic strategy, as well as being a mission in its own right.
- The 'Directions of Travel' should be evolved to more of a 'Mission-led' approach to shaping the next phase of Canberra's future and focusing on truly transformative and comprehensive initiatives of most significance to the communities and businesses of the ACT.

## CURRENCY OF THE 2016 STATEMENT OF AMBITION

### Directions of travel

CEAG generally agree the concepts articulated in ‘Directions of Travel’ in the 2016 Statement of Ambition retain currency. However, members recommend they be reframed to provide greater clarity of purpose and be a more action oriented.

Direction of Travel	CEAG Recommendation
<b>We must attract and retain talented people that can help make our city great</b>	Workforce attraction needs to have a much stronger focus, given that lack of appropriate skills has been identified as a major limiting factor to sustained economic growth. There should be a renewed focus on marketing Canberra.
<b>We must continue to be open and diversify our local economy, building on the strong position we have as one of Australia’s first and most dynamic knowledge-based cities.</b>	Retain and develop further, particularly focusing on investment facilitation and being more sector agnostic in relation to key capability. The focus should shift to curation of innovation ecosystems, and it should be upgraded to a Mission. There should be more explicit focus on encouraging entrepreneurship and SME growth.
<b>We must use our integrated government to deliver better metropolitan infrastructure that helps to renew our inner precincts, strengthen our suburbs and provide new opportunities.</b>	Noting that this was a particular strength for Canberra, this concept should be retained and developed further, focusing on Canberra’s unique structure as a connected city of ‘nearbyhoods’.
<b>We must embrace the digital mindset and deliver integrated smart city initiatives.</b>	This Direction of Travel was considered the least progressed but was agreed to be a critical centerpiece for the ACT achieving any of its ambitions. The focus on this ‘direction of travel’ should be increased and upgraded to a Mission, as an objective in itself or as a key enabler of ACT ‘ambitions’.

CEAG advised that there may be confusion of continued use of ‘direction of travel’ in the next edition if the concept of ‘missions’ is adopted.

### Target sectors

CEAG agreed the focus on Key Capability Areas (like space, cyber security, renewable energy and defence industries) in the 2016 Statement of Ambition drove a significant shift in the narrative and direction of the ACT economy. However, the general view was that the economy has moved on and has evolved into a much more sophisticated ecosystem that is less defined by industry sector, but by connections, type of business and shared objectives and outcomes.

There was a strong view that a major focus on ‘target industries’ undermines the innovation, creativity and success within other locally important industries. There was also a view

expressed that picking industries to focus on could impede innovation and diversification, given breakthrough ideas frequently happen at the intersection between different domains. It was also acknowledged that over time, sector boundaries have become increasingly blurry, and continuing to reference sectors going forward could be artificial.

CEAG, therefore, cautioned against a focus on specific sectors and instead focus on more sector agnostic approaches based on:

- the creation of a mindset and ecosystems in which innovation more generally will thrive.
- the characteristics of businesses that ACT wants to encourage (e.g. sustainable, ethical etc).
- an understanding of the non or cross sectoral skills required for 'jobs of the future'; and
- being a curator of key innovation and business eco systems and precincts in Canberra, and that this should be a Key Mission going forward.

Nevertheless, members considered there is still a role for highlighting key sectors, as long as it is done so to create the mindset and ecosystems in which innovation more generally will thrive.

## **A NEW MISSION-LED APPROACH**

CEAG strongly supported the concept of 'Missions' as part of the next Statement of Ambition. Their strong view is that the missions should involve public-private-community collaboration to achieve shared goals and solve shared problems of a significant scale. CEAG strongly advised against missions being positioned as government-only objectives.

CEAG believed that missions should be bold, activating innovation across sectors, across actors and across disciplines. They should also enable bottom-up solutions and experimentation. Missions should trigger the imagination and ambition of a range of participants in that process, bringing different actors (public, private, community sector, tertiary education and research) together around ambitious common goals.

Missions should be designed to bring together the triple objectives of smart innovation-led growth, inclusion and sustainability and helping to deal effectively with strategic challenges by making them concrete, measurable, and achievable. CEAG stressed that accountability for performance comes from having more measurable goals, and transparent data on performance and implementation.

CEAG recommended the missions be presented as being of equal importance, without any perception of ranking.

CEAG agreed that the language of the missions should not be broad and have 'cut-through' with the readers, with language to which everyday Canberrans can relate. The missions need to be clear about exactly what needs to be achieved, which should be a stretch beyond current settings.

CEAG discussed a range of themes that should be pursued in developing missions.

## **Theme 1: Zero-Carbon Canberra**

CEAG noted that the ACT's credentials relating to renewable energy and sustainability is a key strength, with objectives best achieved by linking it to broader systems architecture (ie the key networks to be de-carbonised).

This should be an exemplar Mission requiring ACT Government leadership and cross government coordination but also public-private-community collaboration so as to leverage maximum benefit.

This theme should be positioned as part of place-making principles of a rebalanced city with its localised/decentralised infrastructure/networks.

CEAG encouraged adoption of a goal to achieve below zero carbon emissions, to be a point of difference and position Canberra as a global leader in climate change mitigation.

## **Theme 2: Wellbeing**

CEAG agreed that wellbeing is a significant driver for Canberra's economic strategy given the expectation that people will be looking for different lifestyles and opportunities following their experiences during the pandemic. The commitment to wellbeing, and the Wellbeing Framework, was seen as a major competitive advantage both domestically and internationally.

While not all elements of the Wellbeing Framework are directly related to economic outcomes, its totality was viewed as important to promoting Canberra as an attractive place to live, work and visit and as a basis for attracting new sources of investment.

CEAG noted that one of Canberra's wellbeing advantages was that there was time to do more things because it was relatively easy to get around and that perhaps more could be made of this when communicating 'why Canberra' and in designing government services (to give Canberrans back more time in their day). Members strongly recommended that this element be explicitly captured in the next edition of the Statement of Ambition.

## **Theme 3: Digital mindset**

CEAG noted the relative lack of progress in relation to the digital ambitions contained in the 2016 Statement of Ambition and advises that it must be central to the next Statement if Canberra is to deliver on its ambitions.

CEAG noted that this is not just a government mission, but one requiring public-private-community collaboration to deliver on the desired outcomes.

The potential for Canberra to be a 'paper-free city' was raised as a possible inclusion in any missions.

CEAG noted that a 'digital mindset' is more than information technology and is integral to the delivery of any mission. Consideration should be given to whether it is a stand-alone mission or embedded in other missions.

#### **Theme 4: Entrepreneurship and innovation**

CEAG agreed there should be a specific focus on supporting Canberra's SME and business ecosystems, promoting cross sectoral cooperation and curating existing and emerging business ecosystems and innovation precincts in an era of economic transition.

A 'curation' mission is viewed by CEAG a key enabler of a post COVID recovery in Canberra, and it could be applied across the public and private sectors.

This approach will require a change to government's traditional role of direct service provision and require innovation of and in itself by government. For example, CEAG members identified an increasing role for government as a 'concierge' for investment and workforce attraction.

Within the broader narrative of this theme, CEAG acknowledged there would be scope for content about the high-value innovation and talent attraction sectors to support and grow, albeit not exclusively.

CEAG cautioned against language that implies innovation is tech-focused and conflated entrepreneurship with technology based firms, instead focusing on broadscale capability across all sectors and business types.