

Attachment A - Variance commentary information for 2020-21 provided by Strategic Finance

Output 1.2: Workforce Capability and Governance

Budget Statement B Page: 24	2020-21	2020-21	2021-22
	Original	Interim	Budget
	Budget	Outcome	
	\$'000	\$'000	\$'000
Total Cost	12 846	14 480	16 957
Variance \$		1 634	2 477
Variance %		13%	17%
Controlled Recurrent Payments	8 734	8 942	15 093
Variance \$		208	6 151
Variance %		2%	69%

Reconciliations

Total Cost

- The increase of \$1.634 million in total costs from the 2020-21 Budget to the interim outcome is mainly due to:
 - a higher demand for services across government, including additional policy work, the management of staff redeployments, the whole of government employee survey, and the engagement of new graduates as part of the expanded program (\$1.096 million);
 - higher than budgeted expenses associated with finance and human resources services received free of charge from Shared Services (\$0.402 million); and
 - a change in the notional allocation of corporate overhead across the Directorate.

This is partially offset by the deferral of expenditure from 2020-21 to 2021-22 associated with the *Expansion of ACT Public Service Graduate Program* (\$0.343 million).
- The increase of \$2.477 million in total costs from the 2020-21 interim outcome to the 2021-22 Budget is mainly due to:
 - the introduction of new initiatives (\$3.273 million), including:
 - Maintaining accountability and transparency of government* (\$1.778 million);
 - Improving and Upgrading government accommodation* (\$0.880 million); and
 - Implementing recommendations on the Secure Local Jobs Code* (\$0.615 million);
 - the impact of the transfer of Inspector funding from the ACT Integrity Commission (\$0.1 million).

This is partially offset by a lower expenditure profile associated with existing initiatives (\$0.375 million).

Controlled Recurrent Payments

3. The increase of \$0.208 million in controlled recurrent payments from the 2020-21 Budget to the interim outcome is mainly due to:

- a higher demand for services across government, including additional policy work, the management of staff redeployments, whole of government employee survey, and the engagement of new graduates as part of the expanded program (\$1.096 million); and
- a change in the notional allocation of corporate overhead across the Directorate.

This is partially offset by:

- the deferral of expenditure from 2020-21 to 2021-22 associated with the *Expansion of ACT Public Service Graduate Program* (\$0.343 million); and
- a higher cash balance at the beginning of the financial year resulting in less current year appropriation being used.

4. The increase of \$6.151 million in controlled recurrent payments from the 2020-21 interim outcome to the 2021-22 Budget is mainly due to:

- the introduction of new initiatives (\$6.115 million), including:
 - *Maintaining accountability and transparency of government*, which incorporates funds transferred from other agencies to enable a reduction in own source revenue (\$4.620 million);
 - *Improving and Upgrading government accommodation* (\$0.873 million); and
 - *Implementing recommendations on the Secure Local Jobs Code* (\$0.608 million).

CM22/12749

Portfolio/s: Chief Minister

Industrial Relations and Workplace Safety

Output 1.6 – Variances to Targets

Key Information

2021-22 Accountability Indicators (in the 2021-22 Budget Papers)

- The 2021-22 Accountability Indicators and year to date results for Workplace Safety and Industrial Relations are as follows:

	2021-22 Targets	2021-22 YTD Target	2021-22 YTD Result	Variance (%)	Note
Accountability Indicators					
a. Conduct an actuarial review of the ACT private sector Worker's Compensation Scheme	April 2022	N/A	N/A	0	
b. Maintain consultative work injury management fora within the ACT	4	2	2	0	
c. Provide policy advice on issues relating to industrial relations, injury management, work safety, and dangerous substances regulation	30	15	15	0	
d. Represent the ACT and coordinate activities arising from: national industrial relations, work safety and injury management forums	14	9	11	22%	1
Total cost					
Controlled recurrent payments					

Explanation of accountability indicators:

- This accountability indicator covers a review of the performance of the ACT workers' compensation scheme and consideration of the broader implications of these findings. This indicator is considered complete on reporting of actuarial review results to the Minister for Industrial Relations and Workplace Safety. The actuarial review will be completed in April 2022.
- This accountability indicator covers the secretariat role to the ACT Work Safety Council, supporting four meetings of the Council. The indicator is considered complete when Council meetings are held.
- This accountability indicator covers the preparation of briefing papers to the ACT Government on workers' compensation, industrial relations and work safety matters. This indicator is considered complete when submissions are lodged with the Executive.
- This accountability indicator covers representing the Territory at, and managing policy initiatives arising out of, national industrial relations and injury management forums, including SafeWork Australia and its policy sub committees and the national industrial relations senior officials group. This indicator is considered complete with attendance at meetings.

Explanation of material variances (+/-5%)

- Accountability indicator d. Variances of this degree are expected due to an increase in meetings/forums relating to impact of the COVID-19 pandemic.

INFORMATION BRIEF

- [Attachment A](#) outlines the variance commentary information for the 2020-21 Budget provided by Strategic Finance who can assist in answering technical financial questions.

Attachment A - Variance commentary information for 2020-21 provided by Strategic Finance

Output 1.6: Workforce Injury Management and Industrial Relations Policy and Output Class 9 (Output 9.1): Workforce Injury Management and Industrial Relations Policy (Discontinued)

Budget Statement B Page: 27, 40, 101	2020-21 Original Budget (Output 9.1) \$'000	2020-21 Interim Outcome (Output 9.1) \$'000	2021-22 Budget (Output 1.6) \$'000
Total Cost	12 823	12 665	13 564
Variance \$		(158)	899
Variance %		(1%)	7%
Controlled Recurrent Payments	8 795	6 867	9 191
Variance \$		(1 928)	2 324
Variance %		(22%)	34%

This output was formerly Output Class 5 (and Output 5.1) Workforce Injury Management and Industrial Relations Policy. It is now Output 1.6 Workforce Injury Management and Industrial Relations Policy.

Reconciliations

Total Cost

1. The decrease of \$0.158 million in total costs from the 2020-21 Budget to the interim outcome is immaterial.
2. The increase of \$0.899 million in total costs from the interim outcome to 2021-22 Budget is mainly due to the transfer of Healthier Work function from WorkSafe ACT (\$0.441 million) and a higher expenditure profile for existing initiatives.

Controlled Recurrent Payments

3. The decrease of \$1.928 million in controlled recurrent payments from the 2020-21 Budget to the interim outcome is mainly due to higher cash balance at the beginning of the year resulting in less current year appropriation being used.
4. The increase of \$2.324 million in controlled recurrent payments from the interim outcome to 2021-22 Budget is mainly due to the:
 - the transfer of Healthier Work function from WorkSafe ACT (\$0.429 million);
 - the impact of a higher funding profile for existing initiatives; and
 - the impact of higher cash balance at the beginning of the year resulting in less current year appropriation being used.

CM22/12760

Portfolio/s: Chief Minister

Industrial Relations and Workplace Safety

STAFFING WCAG WSIR**Talking points:**2020-21

- As at 30 June 2021, the staffing profile was as follows:

Entity	FTE	Headcount	2020-21 Budget FTE	Variance
WCAG	62.6	65	59.56	3.04
WSIR	65.5	68	65.9	-0.4
Total	128.1	133	125.46	2.64

- Key influencing factors in relation to the variance for **WCAG for 2020-21** are:
 - Additional staff more than anticipated in January 2021 (for the 2020-21 Budget). The additional staff are as follows:
 - PSU: 1 extra SOGC (Integrity Commission policy work); and
 - STO: 2 survey staff.
- Key influencing factors in relation to the variance for **WSIR** are:
 - Variance is immaterial and could be due to rounding of FTEs or unexpected changes to part-time hours.

2021-22 (in the Budget Papers)

- The FTE for 2021-22 is as follows:

Entity	FTE Interim Outcome 2020-21	2021-22 Budget FTE	FTE changes
WCAG	62.6	88.5	25.9
WSIR	65.5	65.9	0.4
Total	128.1	154.4	26.3

- Key influencing factors in relation to the FTE changes for **WCAG for 2021-22** are:
 - 7 FTE from new initiatives in the 2021-22 Budget:
 - Maintaining accountability and transparency of government: 1 x Executive 1.3 for the Professional Standards Unit/Public Sector Standards Commissioner

INFORMATION BRIEF

- Improving and upgrading government accommodation: 3 FTE (SOGA, SOGB and SOGC)
- Implementing recommendations on the Secure Local Jobs Code: 3 FTE staff (1.5 x SOGA, 0.8 x SOGB and 0.75 x ASO6)
- 1 x ASO5 for Secure Local Jobs Code
- 2 staff for the Strategy and Transformation Office (SOGC and ASO5)
- 1 FTE for the Professional Standards Unit (ASO6)
- 3 staff for Industrial Relations and Public Sector Employment (Executive Branch Manager, SOGC redeployment, ASO5 administrative support)
- 14 graduates (Youth Support Package) from February 2022 - June 2022 (5.83 FTE)
- 6 staff for Workforce Strategy and Capability:
 - Executive Leadership and Talent (funding obtained from directorates): 1 x SOGA, 1 x SOGB and 1 x SOGC;
 - Strategic Workforce Projects: 1 x SOGA, 1 x SOGC and 1 x ASO6.
- Key influencing factors in relation to the FTE changes for **WSIR** are:
 - Filling of long term vacancies within the injury management team and the transfer of the Healthier Work team from WorkSafe to WSIR.

CM22/13665

Portfolio/s: Chief Minister

Chief Minister

Learning and Development

Talking points:

Learning opportunities are available to all ACTPS staff. Training can be easily accessed through the Whole of Service (WoS) **ACT Gov Learn** system or through training offered by the staff member's directorate. There are also a number of centrally funded development programs managed on behalf of the ACTPS by WCAG.

Expenditure under the Whole of Government Panel of Training Providers

	2020-21
ACTPS Training Calendar	\$669,870
In-directorate expenditure	\$2,532,083
Total	\$3,201,954

Training offered through ACT Gov Learn:

	2020-21	2021-22 – 31 December 2021
Facilitated Courses Offered	554	327
Facilitated Courses Delivered ¹	254	147
Facilitated Courses Cancelled ²	309	180
Facilitated Courses Participants	1,810	2217
E-Learning Modules Available	37	45
E-Learning Modules Participants	5,820	6475

¹ Facilitated courses were delivered in a face to face setting or via virtual delivery.

² Courses were cancelled due to low registration numbers and/or change of delivery format from face to face to virtual delivery as a result of COVID restrictions.

Top Five Facilitated Courses in the 2021-22 financial year to 31 December 2021

- Best Practice Recruitment and Staff Selection
- Respect, Equity and Diversity - General Training
- Essential Writing (Plain English - Words that Work)
- Aboriginal and Torres Strait Islander Cultural Awareness Workshop
- Essential Writing Skills - Briefs & Reporting

SBS Inclusion E-learning

In the 2021-22 financial year ACTPS staff have had access to a number of eLearning programs developed by SBS which support ongoing learning and development about inclusion in the ACTPS.

Program Name	Module completions 2021-22 fy to 31 Decmeber 2021*
Core Inclusion Program (5 modules)	174
Aboriginal and Torres Strait Islander Awareness Program (1 module)	160
Disability Awareness Program (3 modules)	91
LGBTIQ+ Inclusions Program (3 modules)	63
Total Modules Completed	488

From 1 September 2021 only two* SBS programs will be available. These two modules are:

- **The Core Inclusion program** covers a range of topics including unconscious bias, assumptions, empathy and curiosity and intersectionality; and
- **The Aboriginal and Torres Strait Islander Awareness Program** covers cultural awareness, myth busting, family, and kinship, impacts of colonisation and Stolen Generations, working together and moving forward, celebrating success.

**This is due to funding.*

Background Information

- Expenditure under the Whole of Government Panel of Training Providers is incurred by directorates when training is booked either through the ACTPS Training Calendar or when a training provider is engaged from the panel to deliver In-Directorate training.
- The option for Directorates to source their own training allows training to be focussed on the capability and learning needs of that Directorate. It also gives the opportunity to work with providers to tailor the training to the Directorate's requirements/environment.

CM22/13556

Portfolio/s: Chief Minister

Chief Minister

ACTPS Workforce Gender Equity**Talking points:**

- The **ACTPS gender pay gap has reached an all-time low for the Service at 0.8%** (compared to 7.9% in the ACT labour force and 14.2% in the Australian labour force¹).
- The ACTPS Gender Pay Gap has steadily **trended down over the last 5 years** and counter to national trends, **overall workforce participation has remained stable over the pandemic**.



- However, the ACTPS **Gender Pay Gap varies significantly across workforce characteristics** and is **widest for women in casual employment (-15.2%), part-time employment (-8.7%) and Aboriginal and Torres Strait Islander women (-3.0%)**.
- Further analysis of data from the 2021 ACTPS Staff Survey is being undertaken to better understand workplace issues for different diversity groups. This analysis will be undertaken in the coming months.

Key Information

- As at 30 June 2021, 65% of the ACTPS were women. Women comprise 53% of the Senior Executive Service.
- In 2020-21, approximately 5 times more women worked part time than men (5495 women compared with 1328 men). However, the number of men now choosing to work part-time is steadily increasing year on year.

	2016-17	2017-18	2018-19	2019-20	2020-21
Women working part time in ACTPS	4430	4563	4771	5176	5495
Men working part time in ACTPS	878	933	988	1308	1328

- Our ACTPS workforce trends also reflect broader National trends where more women are engaged in casual work than men, putting them at increased risk of

¹ <https://www.wgea.gov.au/publications/australias-gender-pay-gap-statistics#gpg-by-state>

economic disadvantage. The ACT Government is taking targeted action on insecure work [see Secure Employment Framework BRF].

ACTPS Action on Gender Equity

The ACTPS are taking the following actions to further strengthen gender equity in the ACTPS workforce:

WCAG Commitment	Source & Description
1. Amend the Annual Report Directions in 2022–23 to require larger entities to report on gender action plans and gender impact assessments.	The Parliamentary Agreement of the 10 Legislative Assembly requires larger public service entities to have gender action plans, undertake gender impact assessment and publish their results.
2. Development of a Workforce Gender Equity Strategy.	ACT Government Response to the Respect@work Sexual Harassment: National Inquiry Report (the Report)
3. Set a 10% target for the proportion of women employed in the construction industry in the ACT and support the achievement of this target by setting a requirement through the ACT Government procurement policies including the Secure Local Jobs Code	ACT Women's Plan Second Action Plan 2020-22

- The ACT Government has been working towards the target of 50 per cent female representation on all ACT Government boards and committees.
 - As of January 2022, this target has been exceeded with women representing 55% of members on ACT Government boards and committees.

Additionally:

CSD Commitment/Activity	Source & Description
Office for Women are working on how gender impact can be considered as part of the Wellbeing Impact Assessments process in the future, partnering with CMTEDD (Policy & Cabinet).	ACT Women's Plan Second Action Plan 2020-22
Community Service Directorate (Office for Women) have developed a Gender Impact Analysis Tool. The tool is available to all ACT Government employees to assist staff apply a gender lens to the development of programs, policies, and services.	ACT Women's Plan Second Action Plan 2020-22

Public Sector Conduct and Gender

- The ACT Government recognises that gendered power imbalances in the workplace and across society is the key driver of sexual harassment. Other forms of discrimination or disadvantage intersect to compound the impact of sexual harassment.
- The ACTPS has robust systems of prevention, intervention and support for people experiencing any negative behaviour linked with their gender at work:
 - The Public Sector Standards Commissioner (PSSC) and Professional Standards Unit (PSU) contributes to better outcomes and the promotion of the high standards of workplace values and behaviours expected of ACT public sector employees.
 - In addition to overseeing and conducting investigations into misconduct matters, the PSSC and PSU seek to capture and share key messages arising from misconduct processes. This strategy is intended to assist the ACT Public Sector in employing best practices to reduce the incidences of misconduct and encourage the signature behaviours expected of public sector employees.
- All ACT public servants can access free e-learning through the ACT's online learning platform ACTGOV Learn. The training provides a basis for understanding inclusive behaviour at work through topics such as unconscious bias.
- Staff and their families can access free Employee Assistance Providers (EAP) to receive support from trained counsellors, including trauma support specialists.

COVID-19 impact for Women in the ACTPS Workforce

- Women in Australia have been significantly impacted throughout the pandemic and a disproportionate number of women saw an increase in unpaid work driven by home-schooling².
- In the 2021 ACTPS Staff Survey 52% of women said that time pressure was a main cause of work-related stress (compared with 49% men and 61% for other genders)
- 27% of women said that competing responsibilities (including caring responsibilities) were a main cause of workplace stress (compared with 22% for men and 21% for other genders).
- 68% of women indicated that they are satisfied with their work-life balance.

Using the Secure Local Jobs Code to enhance Gender Equity in the ACT construction industry

- The Secure Local Jobs Code ensures that ACT Government contracts are only awarded to businesses that meet the highest ethical and labour standards.

² <https://www.wgea.gov.au/publications/gendered-impact-of-covid-19>

- The ACT Government's use of Labour Relations, Training, and Workplace Equity Plans as part of the Secure Local Jobs Code also helps support achieving gender equity. Relevant tenders have additional obligations inserted within the procurement contract requiring businesses to develop and implement a Labour Relations, Training, and Workplace Equity Plan.
- These plans require the business to describe the strategies and processes they have in place to support diversity, equal opportunity, and for removing barriers to employing women. If a business fails to comply with agreed Labour Relations, Training, and Workplace Equity Plans then there can be consequences for contracts and the business may lose their Secure Local Jobs Code Certification.

Links with National Gender Equity Projects

- As part of **National Cabinet's** work on a **Nationally Consistent Reporting Framework for Measuring Progress of Women's Economic Security**, state and territory governments will join the Commonwealth Government's commitment to provide data on six Gender Equality Indicators to the Workplace Gender Equity Agency (WGEA). This Information will be used at a national level to inform continued efforts to reduce the gender pay gap.
 - WCAG and the Office for Women are working jointly to progress the ACT Government's contribution to this enhanced reporting scheme.

CM22/14315

Portfolio/s: Chief Minister

Chief Minister

COVID-Safe Re-Opening of Our Office Spaces**Talking points:**

- As the current public health and social measures are eased over the coming weeks, the ACT Government will progressively open up our office spaces, providing the opportunity for workers to once again utilise our office buildings.
- This will be carefully planned to ensure that the safety of workers and our community continues to be given the highest priority.
- For ACTPS office workers, the days of working 9-5, Monday to Friday in the office are gone. The ACT Government is committed to a contemporary, hybrid model of work that combines the benefits of flexibility with the opportunities our office buildings provide for co-location, collaboration and connectedness. We are listening to our people and the emerging research, and we know this is something employees around the world value.
- The experiences over the last two years have positioned the ACTPS to embrace hybrid working while continuing to deliver the high-quality services required of government.
- We have deliberately invested in the technology, facilities, employment conditions and workforce capability to enable our workforce to work in ways that best suit them, their teams and the work they do.
- Of course, many ACT Government employees have continued attending the workplace throughout the COVID-19 pandemic and its lockdowns, providing essential frontline health, education and other community services. In fact, only a relatively small sector of our workforce have been able to work from home throughout.
- In the weeks and months ahead as many of us become accustomed to the choice to utilise office spaces once again, we will support individuals and teams to take a flexible approach to working in the workplace, including at the various locations where there are ACT Government offices or facilities, and also working from home. Workers will be encouraged to consider what works best for them and their teams, in order to deliver the work they do.
- By fully embracing these flexible work arrangements we expect to see improved employee wellbeing, increased job satisfaction, and greater workforce diversity through better opportunities for workforce participation. We also hope to attract the very best talent – including those people who are looking for continued workplace flexibility and hybrid working arrangements, even on the other side of this pandemic.

INFORMATION BRIEF

- However, for now, as has been the priority during the pandemic, we will continue to ensure that our workers are safe.
- Public health directions are followed in all ACT Government workplaces and will continue as more people return to the workplace. Core measures in place across all ACT Government workplaces continue to be:
 - physical distancing (including spacing of office workstations, density limits in meeting rooms and maintaining 1.5m where possible)
 - methods of notifying those who have been in contact with a person during their infectious period in the workplace (previously ACT Health contact tracing through the Check in Canberra app) in all ACT Government workplaces
 - wearing of masks in our indoor workplaces
 - increased and targeted cleaning protocols
 - promoting hand and respiratory hygiene
 - reminding workers to get tested if they have symptoms and stay home when unwell.
- Approaches are in place to take action if someone who tests positive to COVID-19 has been in the workplace during their infectious period to assess the risk of exposure to others and to take prompt action to notify those affected and direct them to follow ACT Health advice.
- All these measures are in place to ensure the safety of our workers and the community who use our facilities and services.



CANBERRA'S INTERNATIONAL ENGAGEMENT STRATEGY

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MESSAGE FROM THE CHIEF MINISTER

It is with great pleasure that I present the second edition of *Canberra's International Engagement Strategy*.

Through the work of the Office of International Engagement, much has been achieved. Canberra is well on the way to realising our ambition to become a truly internationally engaged, world-leading city of the 21st century, as is expressed in our *2050 Vision for Canberra*. However, to compete on the world stage we must maintain our momentum.

Canberra is already a globally connected city and we have significant opportunities in front of us to continue to build on our unique advantages and grow our international profile. Building our profile and promoting Canberra as a place to invest, do business, visit and study is a crucial part of cementing our position as a city of global significance.

The ACT Government has a clear and sustained ambition to connect Canberra and the Canberra Region with places, markets and sectors where we have shared interests. A coordinated and focused approach to the way in which we engage internationally will enable us to open and diversify our knowledge-based economy, be a genuine player in the global contest for investment and talent and promote the many reasons to visit our city and the Region.

This renewed *Strategy* demonstrates a clear commitment to building enduring international relationships for the economic, cultural and social benefit of the ACT. It also provides the framework to inform the Government's approach to international program development and implementation, and provides clear direction and leadership to the business community in Canberra and the Canberra Region.

Andrew Barr MLA

Chief Minister of the Australian Capital Territory
December 2021





EXECUTIVE SUMMARY

Located amidst the natural beauty of Ngannawal Country, Canberra combines leading international business opportunities, world class arts and education sectors and a commitment to a smart and sustainable future. These unique attributes support an engaged and progressive population with an exceptional work-life balance.

Australia's leading city is dynamic and vibrant. The unique relationships between Canberra's government, science, research, arts, education and business sectors foster myriad innovation and economic opportunities. The Region's historic offering of agricultural, alpine, coastal experiences, alongside the city's growing and highly educated population, diverse knowledge-based industries, and high concentration of world-class research institutions, fully support Canberra's emergence as a globally recognised 21st century city.

This document is an update of the *Canberra's International Engagement Strategy*, first published in September 2016. The updated *Strategy* recognises two new and exciting Key Capability Areas – Arts, Culture and Creativity; and Agri-Technology and Food Sciences. Defence and cyber-security activities are now treated as two distinct industries. Broader export strategy and inbound investment opportunities are explored in greater detail, including a way forward in advancing the export potential of quality Canberra Region produce. We are adding the United Kingdom and the European Union as compelling places to engage even further. Profiles on Asian-Century countries of focus, namely India, Indonesia, Malaysia, Thailand, South Korea, Vietnam and the Pacific Region are included. Finally, the *Strategy* examines Canberra's way forward in developing existing and future relationships with other identified cities.

Canberra's ambition to be globally recognised and respected continues to be supported by our livability, inclusiveness,

knowledge creation and information and research translation. The path to achieving that ambition continues to have **four strategic directions**, which we will pursue on a whole-of-Government basis.

Firstly, attracting and retaining talented people. Beginning with a strong arts culture that drives innovation and creativity we will continue to draw in and retain people with the Science, Technology, Engineering, Arts and Maths (STEaM) skills to drive our productivity and economic growth.

Secondly, we are continuing to open and diversify our economy. Economic diversification and openness mean growing our Key Capability Areas, with Canberra becoming top-of-mind for location, ideas, study, investment and visitation. We will continue to grow and be the undisputed home of education and research – in other words, Australia's Knowledge Capital. Deepening our international connections economically, culturally and socially will further facilitate our diversification, our growth and our jobs.

Thirdly, we will continue to deliver the metropolitan infrastructure befitting a global city. For example, in 2019 the ACT Government successfully delivered the first stage of a two-stage Light Rail network, connecting major population areas, employment centres, social and cultural hubs across the ACT, and is developing the Acton Waterfront. These projects, combined with excellence in urban planning, will help deliver the urban core reflective of a global city. We are facilitating increased interactions in our city heart while maintaining the historic characteristics that make Canberra a great city today.

Finally, we are working across Government and with the local and international community to make the smart city a reality. As an example,

development of a wireless smart city backbone is completed, and it will support smart street lighting across the city and enable the build-out of leading-edge smart city infrastructure into the future. Broadly, in adopting the digital mindset the ACT Government will deliver more efficient, more effective citizen-centric government operations, and it will continue to engage with the business community on this journey.

Under the four strategic directions there are nine ambitions that will guide the action of the Office of International Engagement in the coordination of the ACT Government's international promotion and engagement activity.

Continuing to build our international profile and promote Canberra as a place to invest, do business, visit and study, is a crucial part of cementing our position as a city of global significance. The ACT Government, through the Office of International Engagement and Chief Minister, Treasury and Economic Development Directorate, developed and updated this *Strategy* in order to focus and coordinate Government efforts in markets that strongly align with the ACT's Key Capability Areas and provide opportunities to grow the ACT economy.

Canberra's International Engagement Strategy presents a framework for assessing whether Government resources should be directed towards a particular international market. In making such assessments consideration is given to:

- the level of alignment with the ACT's Key Capability Areas;
- economic indicators; and
- the broad strategic importance of the relationship to the ACT.

International Target Market Criteria

Alignment of Key Capability Areas



Education & Research



Tourism



Defence



Cyber Security



Renewable Energy



Innovation, ICT & e-Government



Space Industry



Health & Sports Science



Arts, Culture & Creativity



Agri-Technology & Food Sciences

Strategic Importance

- Transport links
- Formal government to government ties
- Existence / potential for education and research partnerships
- Overall alignment with ACT Government's strategic vision

Economic Indicators

- Two-way trade with Australia
- Foreign Direct Investment
- Current and potential economic growth
- Existence of Free Trade Agreements with Australia
- Source of international visitors
- Source of international students
- Gross and concentrated potential for commercial engagement

Applying these criteria, seven international priority markets and, within them, priority cities have been identified. These markets were:

- Singapore;
- China (Beijing, Guangzhou, Shenzhen);
- United States (Washington D.C., San Francisco, Seattle);
- New Zealand (Wellington);
- Japan (Tokyo);
- United Kingdom (London, Oxford, Cambridge); and
- European Union (Berlin, Amsterdam).

The above markets were chosen because they all have strong economic indicators signalling both capacity and willingness to engage in free trade agreements with Australia and established and strong government-to-government relationships. Direct international access to the Asian-hub of Singapore provides opportunities in certain key markets for both ACT businesses and our visitor economy that are crucial to the ACT's long-term economic expansion.

In 2016 the ACT Government identified cities within priority markets with which it intended to foster economic relationships to open further opportunities in the future. Going forward, we will focus engagement

efforts primarily on national-capital cities within our priority-market countries. We therefore present an updated prioritisation of cities with which we will continue to engage or commence engagement.

The Commissioner for International Engagement has been given oversight of the full spectrum of the ACT Government's international engagement and trade activities on a whole-of-government basis. Working across Government and, in particular, with the Economic Development Division (where expertise and delivery responsibility rests for visitation, investment facilitation, education and the arts), and in close collaboration with industry and research institutions, the Commissioner for International Engagement is developing programs and strategies in line with the CBR brand to grow Canberra's international reputation.

Finally, the *Strategy* outlines short-term goals for each of the identified priority markets as well as the Government's broad plan for realising its *2050 Vision* to be a globally recognised, international city: Canberra.

INTRODUCTION



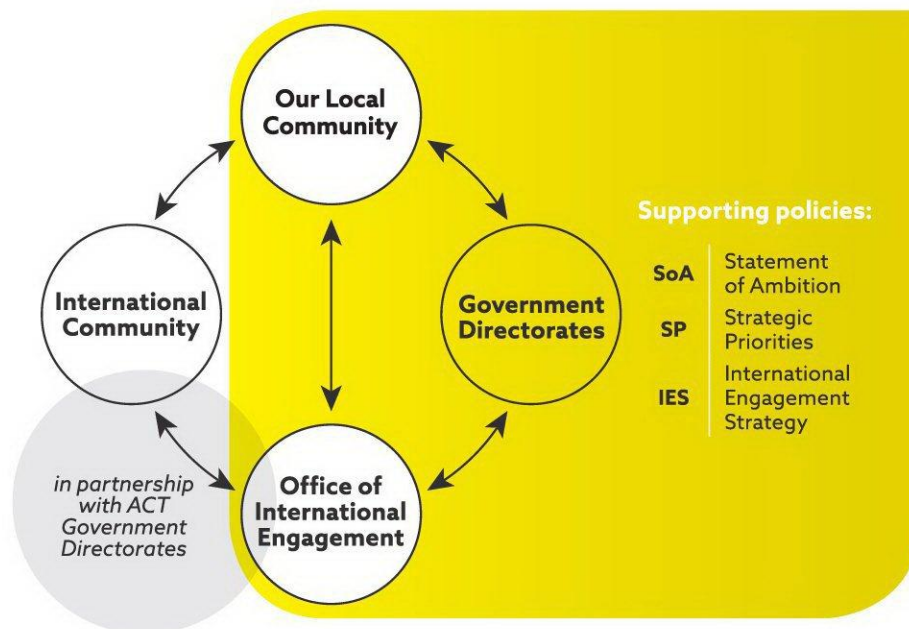
The ACT Government has a bold vision for Canberra: to be a world-leading city of the 21st Century. *Canberra: A Statement of Ambition* identifies four strategic directions to set the path toward our *2050 Vision*. *Canberra's International Engagement Strategy* describes this path of action, within an international context, to achieve the *2050 Vision* in line with the four strategic directions.

The Government has an economic plan to create a business environment to grow local enterprise, accelerate innovation to create wealth and jobs, and support business investment in future growth areas.

Central to this ambition is the internationalisation of Canberra's economy. The ability of Canberra-based businesses and research institutions to establish international connections is key to the ACT's future economic development. The ACT Government is helping to achieve this objective by promoting Canberra's knowledge-based service industries and investment opportunities in international markets with aligned interests. This is why the Government committed to developing a strategy to guide its international engagement efforts. The Office of International Engagement, established in August 2016 and led by the Commissioner for International Engagement, demonstrates the importance placed on building logical and enduring international relationships for the economic benefit of Canberra's economy, our people and the wellbeing of all.

Canberra – with its innovation programs and established strengths in high growth industries of the future – has limitless possibilities. To make the most of our potential it is important the Government direct its efforts toward international markets that have strongest strategic and commercial relevance to the ACT's economic landscape.

A MODEL OF STRATEGIC INTERNATIONAL ENGAGEMENT



Canberra is, primarily, a services city. Based on its knowledge-based economy, Canberra has significant strengths in growth areas of the future including Education and Research, Tourism, Innovation, ICT and e-Government, Defence, Cyber Security, Space Industry, Health and Sport Sciences, Renewable Energy, Arts Culture and Creativity, and Agri-Technology & Food Sciences. The growth of these areas is at the heart of the Government's innovation agenda. The strong connections between Canberra's academic, government and business communities provide attractive opportunities for international investment in these areas.

The International Engagement Strategy:

- Projects the ACT Government's 2050 Vision for a globally recognised and prestigious international city;
- Prioritises the international markets that are important for advancing economic growth in the ACT;

- Links the priority markets to key industry areas (Key Capability Areas), central to the economic diversification of Canberra;
- Provides the evidence base to inform export development and Foreign Direct Investment (FDI) programs;
- Provides a template for a coordinated approach to international engagement across Government; and
- Provides leadership to industry in market engagement.

With its agriculture- and tourism-based economy, the Canberra Region has significant strengths in producing premium foods, wines and spirits. The Commonwealth Government has funded \$35 million over 10 years for six cooperative research centres nationally, one of which is set to be located in the Canberra Region. The Government is working in partnership with Canberra Region businesses, ground-transportation companies and Canberra Airport to more easily bring these products to key Asian markets.

Canberra's International Engagement Strategy recognises that individual Key Capability Areas have their own strategies with specific actions to support the Government's economic diversification objectives. These strategies are outlined in: *Canberra Australia's Education Capital: an International Education Strategy for Canberra*; and *Tourism 2020: Growing the Visitor Economy 2014–20*. The *International Engagement Strategy* supercharges these individual strategies by targeting markets that are important for delivering the goals outlined in these individual strategies.

HELPING REALISE THE ACT'S AMBITIONS THROUGH INTERNATIONAL ENGAGEMENT

The ACT Government is fortunate to have several formal frameworks with other municipal governments in place that serve to strengthen our international ties both on a cultural and economic level.



Sister City relationships:

- Nara City, Japan;
- Beijing, China; and
- Wellington, New Zealand.



Memorandums of Understanding (MoU) of economic cooperation:

- Shenzhen, China; and
- Hangzhou, China.



Friendship agreements:

- Dili, Timor-Leste.

Also of significant importance are the relationships that have been established because of the strategic advantages that they present. For example, very strong government-to-government relationships have been established with Singapore. ACT Government trade missions to cities of strategic importance to the ACT are conducted to build stronger relationships with our chosen Key Capability Areas.

Whether framed by the backdrop of a formal relationship, or through a customised program of engagement, the ACT Government is building practical and meaningful links with priority international markets and cities for the benefit of Canberra-based businesses.

Image caption: The Aboriginal Memorial (1987–88) at the National Gallery of Australia consists of 200 hollow log coffins made by indigenous artists from central Arnhem Land.



The Office of International Engagement is driving the ACT Government's engagement in a variety of ways and managing specific programs, including:

- A targeted program of activities to grow our international reputation and prestige;
- Providing strategic leadership over the international inbound and outbound activities, including our city-to-city engagement;
- Defining and implementing a targeted program of ACT Government, Ministerial and industry trade missions to priority markets;
- Creating an inbound delegation facilitation program that qualifies enquiries, proactively targets inbound opportunity and manages program development and delivery for inbound delegation visits;
- Building relationships and liaising with Canberra's diplomatic community;
- Working with the Canberra Business Chamber to connect with International Business Councils and Chambers of Commerce to utilise their networks and market knowledge;
- Working with our Canberra Region partners to enhance tourism and export capability and capacity;
- Reinvigorating the ACT's formal government-to-government relationships with a view to raise awareness of the economic opportunities within Canberra's key capability areas;
- Making recommendations for ACT representation (either at an official level or through the Canberra business and research community) at international conferences and trade shows relevant to Canberra's Key Capability Areas;
- Leading engagement with the Australian Government, including Austrade and the Department of Foreign Affairs and Trade network, to promote ACT opportunities and leverage the incentives and support that are available;
- Ensuring that, at their core, all formal government-to-government arrangements support the growth and economic diversification of the ACT economy and align with the strategic intent of this strategy; and
- Ensuring future city-to-city relationships align with ACT Government priorities, share a common economic vision and be proactively resourced and managed to realise economic and cultural benefits for the city.

Requests for formal city-to-city relationships

As the international awareness of the Canberra brand increases, the ACT Government is likely to receive proposals from other cities for a variety of formal relationships. The ACT Government will consider such requests in view of its resources, in line with the following principles:

- Strategic national and city criteria outlined under International Target Market Criteria;
- The level of demonstrated commitment to a genuine and ongoing relationship with the ACT;
- Capacity of the ACT Government to commit to an ongoing relationship relative to existing relationship efforts;
- Significant humanitarian or cultural opportunity;
- Status as a national capital; and
- Community engagement and support.

2050 Vision for Canberra

TO BE RECOGNISED
AS ONE OF THE WORLD'S
GREAT INNOVATION,
CREATIVE AND ART
CITIES WHILE REMAINING
THE WORLD'S MOST
LIVEABLE CITY

The ACT Government's vision for Canberra is to be one of the world's most liveable and competitive cities and welcoming to all. This vision requires international action and global recognition.

We have strong foundations on which to grow our global recognition and prestige. We are already consistently counted as one of the world's most liveable cities. In a major study of regional wellbeing published in 2014, the OECD ranked Canberra number one. In this report Canberra scored highly across the criteria of: income, health, safety, accessibility of services, civic engagement, education, jobs, environment and a newly added criteria housing. In an October 2018 OECD report, Canberra still retained highly enviable rankings among the above factors and more. It was also ranked third place in Lonely Planet's "Best in Travel Top 10 Cities 2018."

But while Canberra's ranking for the well-being of its population is enviable, we still must work hard to make Canberra top-of-mind for ideas, investment, study and visitation in a competitive global landscape. Being top-of-mind will result in a dividend of economic growth and social sustainability.

Attract and retain talented people

Our capacity to attract and retain talented people to help make our city great starts with the ability to create vibrant places that attract knowledge workers and entrepreneurs. This begins with arts and culture. David Throsby, a cultural economist and Distinguished Professor of Economics at Macquarie University, finds that *"a logical sequence can be established, beginning with art and proceeding through artistic creativity, creativity in general, innovation, technological progress, competitive advantage, and other indicators of economic success."*¹ Artistic activities, and their influence on our business and academic activities – Science, Technology, Engineering, Arts and Maths (STeAM) – underpin our capacity to attract and retain people with compelling economic and cultural proposition.

Art and culture are the foundation of a vibrant city and city centre. The importance of a vibrant city, with increasing job opportunities, activity and people within global city centres, must be embodied in our urban vision for arts, transport, planning and architecture, now, and into the future.

Arts is embedded in our international engagement activities, in partnership with our significant national institutions: the National Gallery of Australia, National Museum of Australia, National Library of Australia, National Australian Archives, National Portrait Gallery, National Film and Sound Archive, Australian Parliament House, Canberra Museum and Gallery and the Australian War Memorial, as well a thriving national, regional and local art ecosystem. Our arts vision is a diverse and dynamic arts ecology which is valued locally, nationally and globally.

To be recognised globally we must be ranked globally as an innovation city – a creative city – an arts city of the future.

Innovation in science and technology comes, not only through training and educational institutions' expenditure on research and development, but through deep partnerships between the universities, government and industry.

Canberra, with its combination of world-renowned research institutions, the seat of Australian Government where major procurement and policy decisions are made, and coordination of industry, Government and networks, facilitated by the CBR Innovation Network (CBRIN), means Canberra is well positioned for leading innovation and collaboration. Canberra can lead Australia from being the lowest in ranking of 28 countries, measured by the OECD in 2017, for firms collaborating on innovation activities with government and or education providers, to become globally recognised. CBRIN is the method by which the ACT Government is supporting the innovation community to grow jobs and wealth for our people. Underpinning this partnership are well-supported businesses and universities whereby the Government sets the right economic environment such that the ACT is confident and business ready.

Canberra will be globally recognised for knowledge creation, innovation and research translation. We will be Australia's leading innovation jurisdiction.

1 D. Throsby, *The Economics of Cultural Policy*, Cambridge University Press, Cambridge, United Kingdom, 2010, pg.6

Continue to open and diversify our local economy

We must continue to 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. We will maintain our focus on our Key Capability Areas in our knowledge industries. Our focus on growing knowledge industries and innovative ecosystems aims to continue Canberra's high levels of productivity and income when compared globally.

To be attractive globally, we will continue to be an open and inclusive city. To support this, Canberra will be welcoming internationally, right from the arrival gate. Growth in our reputation and prestige will come with further work to expand our international connectivity, and with a rejuvenation of direct international connections from Canberra Airport.

Growth in our direct international flight connections to Canberra Airport.

We will continue to expand our multicultural linkages through our diplomatic community and cultural diversity, growing our inclusivity through Canberra events like the National Multi Cultural Festival and closer cultural awareness and shared experiences. We engage Aboriginal and Torres Strait Islander communities in international events, celebrating the oldest continuing culture on earth.² We will continue to lead initiatives that demonstrate our commitment to equality whether on ethnicity, religion, gender or sexuality such as through our Australian-first formal recognition of same-sex relationships in property rights.

In the Asian century, Canberra will become more culturally diverse with deeper engagement with Asian cultures and values.

Canberra's recognition as a city of the future with our foreign direct investment activities³ should deliver stronger levels of foreign investment. Foreign investment will facilitate higher levels of productivity through the application of world leading business practices. Further, the cultural linkages that come with the investment should not be undersold in their ability to foster further investment and productivity improvements, creating a virtuous cycle. The virtuous cycle begins with engagement. A strategic plan for ministerial, Government and industry engagement in our target markets and Asia will strengthen and diversify our economy.

The ACT will have a coordinated and targeted ministerial, Government and industry engagement program with our target markets.

² <http://www.australlangeographic.com.au/news/2011/09/dna-confirms-aboriginal-culture-one-of-earths-oldest/>

³ <http://www.fdiintelligence.com/Locations/Asia-Pacific/fDi-s-Asia-Pacific-Cities-of-the-Future-2015-16-the-winners>

Deliver better metropolitan infrastructure

We must use our integrated Government structure to deliver better metropolitan infrastructure that renews our inner precincts, strengthens our suburbs and provides new opportunities for all. Being an international city requires the infrastructure of a global city. As renowned global cities have their own urban reputation and character – we will grow and strengthen ours.

The ACT Government will facilitate the infrastructure for an international city with projects, including Stage 2 of the Light Rail Masterplan (where service for Stage 1 commenced 20 April 2019) and the Acton Waterfront. Canberra will pursue design excellence while respecting and building on our legacy as a planned city. We have an opportunity to renew our urban environment and become a network of diverse communities.

Our urban environment is changing. Globally recognised cities are changing. Increasing levels of agglomeration are driving increased interactions in the heart of cities, between suppliers and customers in a close-knit industry ecosystem. Our planning excellence will help facilitate Canberra having a globally recognised metropolitan infrastructure.

The ACT Government will ensure we have the infrastructure required to be an internationally competitive city for business, leisure and life.

Embrace the digital mindset and delivering smart city initiatives

We must continue to embrace the digital mindset. The digital mindset is to become second nature, enabling us to deliver integrated smart-city initiatives. The competitiveness of Canberra will be influenced by our capacity to take advantage of the digital revolutions that are disrupting industry, government and ways of life across the globe. A deep integration of digital skills and aptitudes in ACT schools, feeding into business and workplaces is essential in a knowledge-based economy. The ACT has globally competitive programs such as *Learn, Anywhere* and will look to enhance our STEaM capabilities through further programs.

The ACT Government is engaged with key stakeholders around smart city infrastructure and initiatives to continue to build upon our existing strengths and capabilities. The Government's CBRfree WiFi network, smart parking initiative, Access Canberra digital services, smart city wireless backbone, and the ACT Digital Account are representative of the strong base on which our global reputation will grow.

Canberra will be at the forefront of smart city technology creation, adoption and knowledge-sharing and recognised for this internationally.





CANBERRA'S COMPETITIVE ADVANTAGE

The ACT Government is focused on realising an economic strategic vision for Canberra that capitalises on its well-educated and productive labour force, world-class research and development, as well as its scientific, technological and artistic reputation.

Canberra is the seat of the Australian Government where major policy development and procurement decisions are made. Canberra is home to an extensive diplomatic community. These attributes, together with Canberra's strong, stable economy, business-friendly environment and enviable lifestyle, have led to its recognition as one of the Asia Pacific's premier cities of the future.

Opportunities exist to grow international visitation and awareness of the city across Asia and beyond.

The ACT Government will work towards boosting international investment in the Key Capability Areas in which Canberra already excels and that have potential for continued growth.

The following Key Capability Areas have the potential to advance ACT's international competitiveness in foreign markets.

Many aspects of our economy are mature. But innovation stands at the intersection of most sectors and they will therefore, over time, evolve, converge, and emerge. The ACT Government will be responsive to this continuous change in how it communicates its fundamental strengths and supports businesses in their international collaboration and exporting activity.



Education & Research



Tourism



Defence



Cyber Security



Renewable Energy



Innovation, ICT & e-Government



Space Industry



Health & Sports Science



Arts, Culture & Creativity



Agri-Technology & Food Sciences

KEY SECTORS OF THE ACT ECONOMY



Education and Research

Canberra prides itself on being the education, innovation and knowledge capital of Australia. It is home to six university campuses, including Australia's highest ranked tertiary education provider, the Australian National University (ANU),⁴ and the University of Canberra (UC), which is one of the most highly rated young universities in Australia.⁵

In 2018 Canberra's education and research sector contributed \$3.3 billion to the ACT's economy and employed approximately 20,000 FTE jobs. In recognition of the importance of this sector the ACT Government has adopted a strong economic development focus in its relationship with the sector. It is working with the sector to promote its Key Capability Areas by developing partnerships between industry and institutions.

A particularly important part of the sector is international education, which is Canberra's largest export earner, and represents around one-third of the economic contribution of Canberra's overall education and research sector. In fiscal year 2018–19, the delivery of education to international students generated around \$1,057 million. The ACT Government's international education strategy highlights the efforts the ACT Government is making to market and promote Canberra as an education destination of choice. It also emphasises the important role that strong educational and research institutions play in driving city development and sustainable growth, and the need for government involvement in development initiatives. The international focus will be on Asian markets recognising the existing and future potential of these markets to provide international students and researchers.



Tourism

Canberra's major attractions house objects and treasures that tell Australia's story. It is a city in a park where nature merges elegantly into urban spaces. Boutique precincts are emerging right across the city and are bursting with cafes, bars and restaurants.

Our iconic festivals are a drawcard, with Floriade, the Enlighten Festival and the Canberra Balloon Spectacular showing off the city at its very best. Dozens of cultural and sporting events provide entertainment year-round.

The Canberra Region offers a wide variety of distinct recreational and tourism experiences. Highlights include, whale watching, skiing, bushwalking, mountain-biking, hot air ballooning, Aboriginal history and culture, vibrant markets and world class restaurants. It is also home to pristine coastal beaches of the NSW south coast and more than 30 cellar doors within 30 minutes' drive of the city centre.

With both family-friendly and adventurous activities, unique opportunities to see Australian wildlife and an abundance of gastronomic delights, Canberra truly offers one good thing after another.

In the calendar year 2019 Canberra, visitor activity contributed \$2.43 billion in international and domestic day and overnight expenditure to the ACT economy. As an industry it is one of the largest private sector employers, employing approximately 16,800 people during 2018. Canberra benefits from:

- its unique destination positioning of having a diverse range of experiences located so close together;
- our national attractions and their major exhibitions;
- our vibrant and innovative suite of major and community events;

- a large international student population which also drives visitation from visiting friends and relatives (VFR);
- being a sought-after destination for conferences and events;
- its proven record in hosting major international events, such as matches for the AFC Asian Cup and ICC Cricket World Cup; and
- acting as a gateway for travel throughout the Canberra Region with visitor experiences in alpine, tablelands and coastal settings.

Growing Canberra's visitor economy has long been a focus for the ACT Government. This is demonstrated by its *Next Long Term Tourism Strategy, Toward 2030*, the repositioning of Canberra, and the successful efforts to establish direct international flights currently provided by two major carriers.

It is also demonstrated through the ACT Government's participation in the Tourism Partnership Framework for Canberra Region, encompassing the ACT and South East NSW regions. The Partnership has been developed to drive greater collaboration within the regions. The focus is continuing to foster a strategic approach that will build a joint tourism profile of the whole region. This also supports strengthening existing relationships and building new relationships with stakeholders across the Canberra Region.

⁴ QS Top Universities, 2019, *Top Universities in Australia 2019*, viewed 15 July 2019, <https://www.topuniversities.com/university-rankings-articles/world-university-rankings/top-universities-australia-2019>

⁵ Source: Canberra.com.au



Defence

Defence is one of Canberra's largest industry areas offering capabilities in a range of areas such as intelligence, surveillance, reconnaissance, defence-related cyber security, space and spatial science, professional services, simulations and training, ICT and systems integration. KPMG estimates the total economic contribution of the defence industry to the ACT economy and surrounding region in 2016 was \$4.3 billion in GSP (gross state product) and contributed to 25,300 jobs in defence and other sectors.

The ACT is a well-established and trusted partner in developing Australia's defence capability, skills and services. It is strongly positioned to both support and benefit from the planned \$200 billion investment in defence capability, to 2025–26, including a commitment to spend \$19 billion in areas related to cyber security, space and spatial and geo-spatial technologies.

One of the five priorities of the ACT Government's Defence Industry Strategy, *Established, Capable, Skilled: Growing the Defence Industry in the Canberra Region* is to attract investment to grow the local defence industry. Canberra is already home to a significant number of defence prime contractors such as Northrop Grumman, Lockheed Martin, Raytheon, Thales, IBM, BAE Systems, Airbus Defence and Space as well as Canberra's largest defence companies CEA Technologies, Aspen Medical and EOS.

In addition, Canberra has a thriving innovative SME ecosystem well-placed to support Defence and primes. The ACT Government will:

- advocate to strengthen relationships between Canberra Region businesses (including SMEs), defence prime contractors and Department of Defence;
- continue to promote Canberra as an attractive place to do business of the proximity to decision makers, existing capabilities and infrastructure; and
- work closely with the many global prime contractors already invested in Canberra to attract increased investment and identify new opportunities for SMEs and internationally.



Cyber Security

Canberra's credentials as 'Australia's Cyber Security Capital' are demonstrated by the strategic connections between the key national security and government agencies; established multinationals and defence primes; renowned higher education; and research institutions and innovative SMEs, all operating in a dynamic innovation ecosystem.

Australia's Cyber Security Strategy also places a focus on growth and innovation, with the establishment of the Cyber Security Industry Growth Centre (AustCyber) to grow an Australian cyber security ecosystem, export Australia's cyber security capability to the world and make Australia the leading centre for cyber education. The ACT Government has played an active role to facilitate the sector growth through the establishment of the Canberra Node of AustCyber to ensure that the Canberra cyber industry benefits from the Australian Government's commitment to grow the sector, with activities focused on increasing collaboration, addressing skills shortages and investment attraction.

Canberra has Australia's highest concentration of national security agencies, assets, prime contractors, and small-medium enterprises delivering cyber security capabilities to the public and private sectors. Significant cyber security facilities have been established in Canberra by Northrop Grumman, Lockheed Martin and IBM. ANU spin out company Quintessence Labs headquartered here is a leading quantum cryptography company that has been named by SINET as one of the 16 emerging cyber security companies in the world.

The Canberra Region's cyber businesses and researchers have a strong collaborative working relationship with an objective to grow the region's cyber industry. Canberra delivers a unique and connected network of higher education and research institutions, businesses and government agencies. Amongst other collaborators, Canberra hosts three of Australia's leading universities – ANU, UC, UNSW Canberra, and world-class research institutions including: the National Computational Infrastructure, the Southern Hemisphere's most integrated super computer and computational facility.



Renewable Energy

Canberra is becoming a world leader in clean energy innovation and as a testbed for new technologies. With national and international partners, we are making the ACT the destination for clean energy research, innovation and investment, and the development of high-value products and services.

The ACT has some of the most ambitious climate and energy targets in the world and has developed the *Renewable Energy Industry Development Strategy* to support this objective:

- 100 per cent renewable electricity in and from 2020; and
- Net zero emissions by 2045.

Our climate ambition, combined with our innovation and knowledge-based economy, has fuelled Canberra's renewable energy and clean tech industries, attracting over \$2 billion investment in large-scale wind and solar renewable infrastructure across Australia, and more than \$500 million over 20 years of inward investment into the Canberra Region.

Canberra is developing world-leading capabilities in:

- renewable energy asset management, with around 2GW of renewables, growing to an estimated 8GW by 2020, managed by leading renewables companies in Canberra's renewable energy precinct;
- smart, data-driven battery storage and research, including one of the world's largest distributed battery rollouts and a significant energy storage research program at the Australian National University;
- market-leading wind and solar resource analysis and forecasting technologies;
- zero emissions vehicles and clean fuels, including pioneering work in clean hydrogen; and
- innovative policy and project design.

In addition to allocating significant funding to support growth in renewable energy – including in education and training – the Government created a legislated feed-in tariff mechanism and reverse auction process that provides a high degree of investment certainty for project developers and financiers.

Canberra is among the few regions or cities in the world that have either achieved or set legislated 100 per cent targets for renewable electricity. At current renewable energy targets, the ACT holds a leading position on other cities and regions wanting to achieve 100 per cent renewable electricity in Australia. In the Asia Pacific Region Canberra is a beacon of both activity and achievement.

Canberra's networking opportunities with leading businesses, entrepreneurs, research institutions and political players are second to none. Coupled with a relatively low-cost operating environment, this translates to an export advantage for the ACT and a knowledge development and market advantage for businesses wanting to compete in this rapidly emerging global industry.



Innovation, ICT and e-Government

Canberra has a long history of technology achievements. For example, 2019 marks the 50th anniversary of the first images of Neil Armstrong's walk on the Moon that were received at the ACT's Honeysuckle Creek Tracking Station.

To this day, Canberra's ICT sector is one of its key competitive strengths. It provides essential services and expertise, as well as enabling technology, for the rest of Canberra's knowledge-based economy.

The ACT Government successfully advocated for the creation of the eGov Cluster which brings together Government agencies, industry and the research community to collaboratively advance Australian ICT innovation in the public sector. It is also supporting innovation in the ICT and e-Government industries through a range of initiatives such as the CBR Innovation Network.

Canberra has a well-established reputation as a national leader in ICT, digital research and development, and innovation. For example, the ANU has established the 3A Institute, and allied activity across UNSW Canberra and UC in artificial intelligence (AI) and related emerging sectors. There is considerable opportunity for Canberra to promote its strengths in the digital economy to international markets to attract investment, develop business-to-business connections, advance smart city solutions and R&D opportunities.

Above all, Canberra has a reputation for innovation. For example, our prioritization for innovation has enabled the testing of autonomous vehicles, product-delivery drones; and attracted the operation of rideshare services within up-to-date on-demand transport regulation, an Australian first.







Space Industry

Through the NASA-Canberra Deep Space Communication Complex Space Tracking Treaty, Canberra has had a direct and integral role in some of the biggest events in international space exploration, providing critical communication support from the first moon landing in 1969 to the Mars Phoenix landing. As as March 2021 the Canberra Deep Space Communication Complex is one of only three NASA Deep Space Network facilities in the world, which currently supports more than 32, active deep space missions. The estimated value to the ACT economy is approximately \$375 million over the initial life of the treaty.

In 2017, the Australian Government concluded a new Space Tracking Treaty⁶ with the United States which secures our position in international space exploration through to 2043.

Building on this expertise, the capability of the local industry is internationally renowned. Canberra's research and education institutions, innovative local SMEs, global exporters and multinational primes with large space programs, make a significant contribution to the global space industry.

The research and innovation needed to support Australia's growing space industry is being actively provided by Canberra's educational and research institutions. The ANU and UNSW Canberra are the most active higher-education and research institutions in space-related disciplines in Australia. Together, these two institutions

provide Australia's only end-to-end capability for conceptualisation, design, build, test and operations of Australia's next generation of satellites, through state-of-the-art facilities at ANU's National Space Test Facilities and UNSW Canberra's National Space Mission Design Facility. The UNSW in Canberra is currently investing \$10 million over five years in developing capability and capacity for regular in-orbit space research and technology development.

The Canberra Region provides expertise and capabilities in communication technologies and services, satellite ground stations, space situational awareness and debris monitoring, earth observation satellites and services, positional navigation and timing infrastructure, spatial technology and support services, research and development, and education and training. The Canberra Region Space Industry Capability Directory showcases companies based in the Canberra Region and is available at www.act.gov.au/space.

The ACT Government is committed to working with the space sector to help build a sustainable and globally significant industry. Between 2016 and 2018, the ACT Government invested \$1 million to support space projects that strengthen Canberra's space industry. A further \$9.75 million is being invested over three years in stimulus and innovative infrastructure projects for space and other Key Capability Areas under the Priority Investment Program.

⁶ Known as the NASA-Canberra Deep Space Communication Complex Space Tracking Treaty.



Health and Sports Science

Canberra has a wealth of knowledge and experience in the fields of health and sports science. As long-standing pillars of the ACT economy, they are set to become industries of focus as a result of research and development initiatives by the ACT's tertiary institutions.

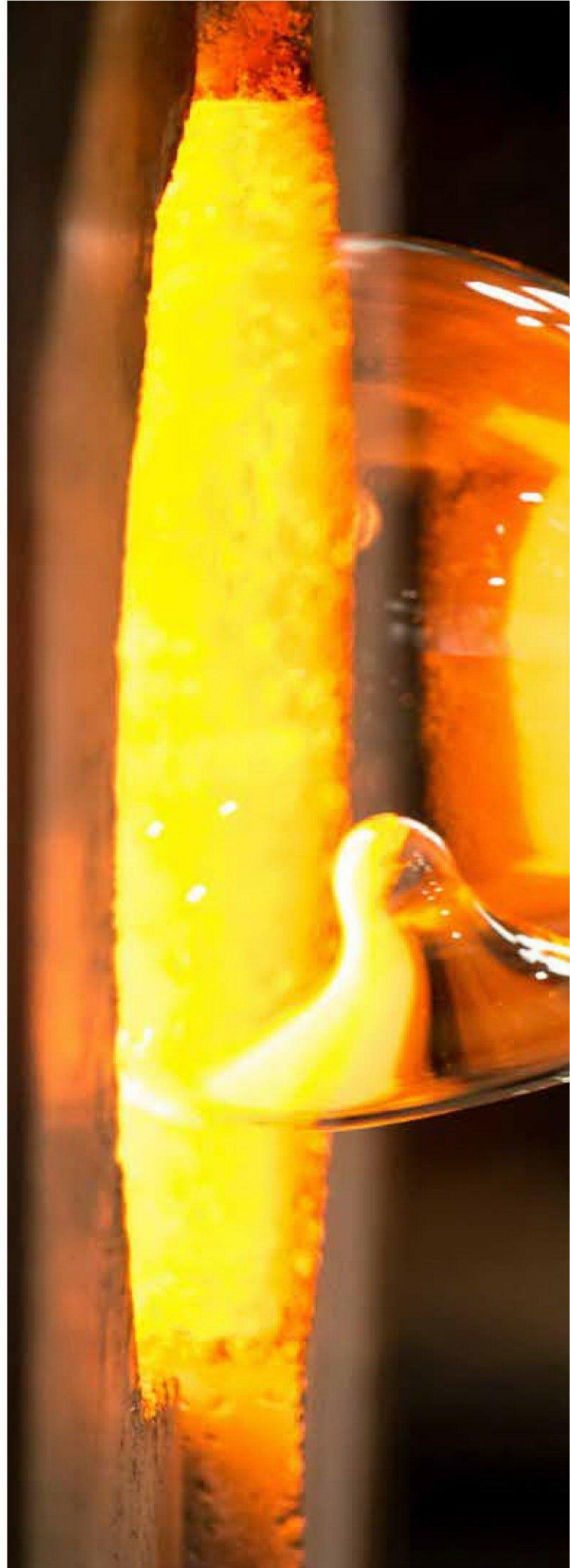
The ANU's John Curtin School of Medical Research is Australia's national medical research institute. It excels in ground-breaking, multi-disciplinary translational medical research. The ANU Centre for Research on Ageing, Health and Wellbeing hosts a node of the Australian Research Council's Centre of Excellence in Population Ageing Research.

Supported by the ACT Government, the University of Canberra (UC) continues to progress a Health Precinct development to collaborate with business, government and community organisations across areas such as health technology, health care delivery, health systems, e-health, biomedical and sport sciences.

UC also has a strategic plan to establish itself as Australia's leading university for sports education and research, building on the living legacy of the Canberra-based Australian Institute of Sport and Australian Sports Commission. Already, it is home to the Sport Common, a sophisticated facility for training in a variety of sports, and it is the home of the Brumbies, Canberra's Super Rugby international team and the Canberra Capitals Women's National Basketball League team.

Governments across the world – particularly in the Asia region – are facing public-health challenges arising from rapidly ageing populations. As an example, while only 7.6 per cent of Indonesia's population was over the age of 60 in 2010, this age group as a fraction of the total population is expected to rise to 16 per cent by 2035. This shift will have major implications for public-health service delivery internationally in the years to come.

With this global change in demographics come economic opportunities in the health and aged care sector. Canberra has a wealth of knowledge and experience in the Health and Sports Science sectors which the ACT Government will harness through the ongoing development of a Health Innovation cluster and Sports Technology cluster. Canberra is well positioned to promote this as a competitive advantage on the international stage for investment attraction, growing export value and R&D partnerships.





Arts, Culture and Creativity

Canberra proudly acknowledges the Traditional Custodians of the ACT and Region, the Ngunnawal people and their enduring and rich cultures as a vital foundation for cultural expression in the ACT and Region. With a dynamic population, the ACT has fast-growing Aboriginal and Torres Strait Islander communities, with an estimated growth rate of 2.8 to 3.1 per cent annually, respectively. The ACT Aboriginal and Torres Strait Islander population was 6,508, as at Census 2016.

Over 820,000 international tourists engaged with First Nations arts while in Australia in 2017, an increase of 41 per cent since 2013. Engagement through arts and cultural practice and its potential to create international connections for First Nations peoples is an area of interest and expansion for the ACT Government, with new investment in Aboriginal and Torres Strait Islander arts engagement. In 2019 the inaugural Canberra Wellington Indigenous Artists Exchange allowed for a creative exchange between two artists, fostering connections between the sister cities, their unique cultures and promoting Aboriginal and Torres Strait Islander Arts and Culture.

Canberra is an incubator for creative practices across the arts and creative industries.

Underpinned by high quality major tertiary organisations such as the Australian National University's Schools of Art and Design and School of Music, local artists contribute work of international significance with strengths in visual arts and crafts and music, as well as talented artists working across a range of art forms including dance, theatre, digital arts, film and literature.

Characterised by a vibrant mix of specialist local organisations and national institutions, Canberra's arts and cultural scenes contribute to an ideal environment for artists to live and work and visitor experiences ranging from blockbuster to boutique. Sophisticated local audiences enjoy intimate engagement with the city's world class artists in a range of activities across the continuum of practice, from the delivery of hands-on classes to major retrospectives, award-winning publications and world-class performance.

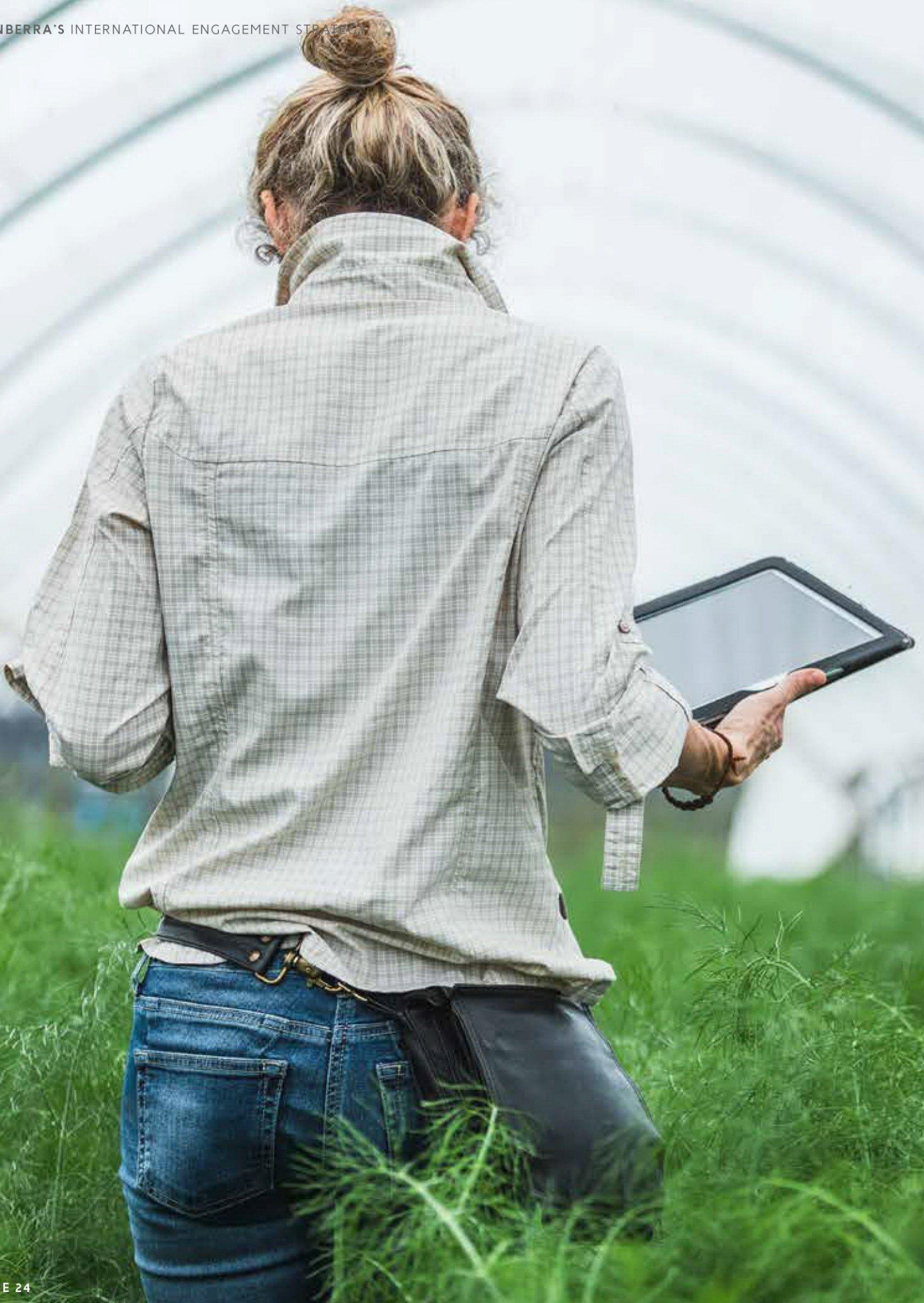
Arts and culture are key experience pillars for locals and visitors. Close to 729,000 domestic and some 170,000 international cultural tourists visited the ACT in the year to September 2017. This cultural offering benefits an engaged

population and liveable city, boasting among the highest levels of attendances and participation at arts events by audiences in Australia.

The value and progression of the sector is supported through strategy and actions found in *Canberra: Australia's Arts Capital: a statement of ambition for the arts 2021-2026*.

The ACT Government understands the integral role that artists play in their activation of Canberra as a creative city, in connecting its population and promoting a culture of engagement, of thinking and feeling. Local artists are supported by a wide range of ACT Government-funded organisations, facilities and venues in which to create their work and engage with audiences through performance or exhibition. One of these organisations is the Canberra Glassworks, the largest dedicated glassmaking facility in the Southern Hemisphere, attracting and retaining both local, national and international talent. Ongoing investment in arts and cultural infrastructure is a priority for the ACT Government with the development of the Kingston Arts Precinct celebrating visual arts organisations. The creation of a visual arts precinct at Kingston provides a mix of spaces where artists, resident organisations and creative businesses make, teach, exhibit, perform and sell their work. It will be a leading destination for exploring contemporary visual arts and culture in the ACT and will make visible to new audiences arts practice, activities and content from Canberra, the Region and beyond.

The ACT Government supports exciting opportunities for screen investment in the ACT through the activities of Screen Canberra, delivering commercially-focused screen industry development services and activities. The recent establishment of the \$5 million CBR Screen Fund will support the local ACT screen industry in its commercial enterprises and in developing Canberra stories and content for mainstream markets, as well as attracting international and interstate productions and film industry activity to Canberra. Screen Canberra has an MoU with Screen Wellington, through which film-related workshops have been conducted between the two cities, as well as working with Singapore. The city is also home to Australia's most awarded 3D animation, game design and visual FX educator, the Academy of Interactive Entertainment.





Agri-Technology and Food Sciences

Canberra has a proud legacy of achievement and innovations in plant sciences and agri-technology, from pioneering wheat breeding by William Farrer, to deeper understanding of crops, forests and the natural environment. CSIRO's Black Mountain facility and the adjoining ANU have been an epicentre of global research and development for both Australia's agricultural success and global development of agri-technology, plant sciences and food security.

The city is also home to Australian Government agencies such as the Department of Agriculture, Department of the Environment and Energy, Australian Centre for International Agricultural Research (ACIAR), Grains Research and Development Corporation (GRDC) and Food Innovation Australia Limited (FIAL).

ACT Government support for the sector includes funding for the Centre for Entrepreneurial Agri-Technology (CEAT) in collaboration with CSIRO and ANU. The CEAT is a pioneering hub for industry, entrepreneurs and researchers to translate research and development into real-world solutions for regional, Australian and global agri-technology and food security challenges. The ACT Government will continue to support the growth of this world-leading knowledge capability to boost both knowledge export and inward investment.

PRODUCT EXPORT STRATEGY

While services are the ACT's largest class of export, the ACT Government would like Canberra and Canberra Region products to realise their full potential through export out of Canberra and into international markets. Chief among products are premium foods from the Canberra Region.

As discussed in the Canberra Region section of this *Strategy* (page 30), a range of high-end products are produced in the Canberra Region, for which there will be a strong growing demand in key markets in Asia and globally.

Infrastructure is already in place to enable the export of a significant part of this potential export volume.

The ACT's export infrastructure has the capacity to facilitate greater export volumes over time. Canberra Airport is curfew-free and is unrestricted in its accommodation of greater daytime and overnight air traffic

volumes, including greater outbound and inbound freight capacity. Canberra Airport is also well connected to the Region by a road system capable of carrying freight vehicles of different sizes. Canberra Airport itself has freight-distribution facilities in place, and current zoning surrounding the Airport permits the potential expansion of such facilities.

Against this infrastructure backdrop, the ACT will pursue an ongoing strategy of: building international recognition of Canberra Region products; stimulating Regional-producer focus on exporting internationally; attracting additional inbound freight, in particular, e-commerce freight; and supporting the growth of ground logistics and freight-processing and freight-distribution infrastructure around the Airport district.



INBOUND INVESTMENTS

The ACT is a highly attractive jurisdiction for international institutions and individuals to invest in land and property, infrastructure, and sovereign bonds and businesses. Many of these potential investors are based in the countries we profile in this *International Engagement Strategy*.

The ACT economy is renowned for its superior strength relative to that of other Australian jurisdictions. Rating agency Standard & Poor's (S&P) notes the broad strength of the economy, including large and stable employers, a relatively affluent population, sound government financial management practices and a well-managed budget. Through this assessment, the ACT is one of only three Australian jurisdictions to hold a triple-A credit rating from S&P for Government unsecured debt; and, as of September 2020, among only 38 national, regional and local governments to hold a triple-A credit rating in the world.

These fundamentals are supported by a steadily diversifying economy, and our ten Key Capability Areas. The fact that 61 per cent of workers are employed by the private sector, across more than 30,000 businesses, runs against perceptions that the economy heavily dependent on the government sector.

In support of the strong and diversifying economy is an outstanding educational base: the ACT is home to the campuses of six universities, and so a continuous supply of highly educated workers is available for employment in our private and public institutions. Moreover, there are strong relationships between public agencies, private-sector firms and educational institutions across all these Key Capability Areas, which foster leading-edge sector innovation and growth. Finally, the ACT is also the supportive home for an innovative, new-enterprise economy. At the heart of this support is the CBRIN, which has helped more than 1,000 start-up and SMEs grow through their early years.

Central to ongoing trade missions led by the Chief Minister is the task of raising the profile of the Canberra Region as a premier destination for investing. Trade missions have been used to profile investment opportunities in land property and infrastructure, emerging enterprises and ACT Government-issued bonds.



Land and property

The ACT Government owns land, which it releases at scheduled points for development into residences, mixed-use commercial and industrial properties. It also owns properties that are no longer in use – investment opportunities known as ‘city renewables.’ Land available for larger-scale residential development can be sold in different sizes and locations.

Each year the ACT Government sets out a rolling four-year program for the release of land, to satisfy a range of projected community needs and align with several Government strategic priorities. For example, in the *Indicative land release program for 2019–20 to 2022–23*, the Government sets out a targeted release of land to support the construction of 16,000 residences (in single and multi-unit blocks), the release of almost 220,000m² of land for mixed-use activity, and 100,000m² of land for commercial use.

International investors should be attracted to the strong economic backdrop to this land acquisition and development: an exceptionally wealthy, stable, growing and increasingly diverse economy. The ACT is also much easier to conduct business with as state, territory and municipal functions are all undertaken in our jurisdiction.



Infrastructure – public and private

As the Canberra economy and population grows there will be a steady rise in the number of investment opportunities in both public and private infrastructure.

Light Rail, a new Canberra Theatre, a new City Centre Sports Stadium and a new convention centre are examples of additional potential infrastructure opportunities.

Broadly, Canberra is an attractive location for foreign entities to invest in infrastructure. Public-private partnerships (PPP) enable a familiar and flexible approach to financing and delivering significant, long-term projects that bear different levels of risk across their life cycles and were used in the Light Rail Stage 1 and Law Courts projects.

Restrictions on foreign entities are few, and the economy surrounding potential investments is strong and diversified. However, foreign investors have a more competitive edge in participating in public infrastructure if they commit to employment of local firms on a project. Unsolicited proposals for projects or to acquire Government assets or projects undergo a structured and transparent review process.

As tourism activity and the private sector expand so, too, will opportunities to invest in private tourism assets.



Venture capital

Venture capital investment is active in the ACT and is becoming more so as the Territory attracts more new-enterprise development. A prime example of successful funding is that of Instaclustr, an open source as-a-service company.

Emerging enterprises can participate in several organisations that assist them in their development. CBRIN is one example and has made two presentations to Singaporean investors on opportunities in the ACT.

The ACT Government is committed to making Canberra a more innovative city and, as part of that, supports a strong start-up ecosystem. Part of that ecosystem will be a more accessible pipeline of foreign capital, either facilitated directly through foreign capital providers, or through their appointed representatives.

Key existing partners in presenting opportunities are Austrade and higher education institutions (which have strong connections to capital providers and emerging enterprises). The Office of International Engagement and other ACT Government Directorates will also play an expanded role in facilitating the profiling of specific investment opportunities.



Direct investments

The Department of Foreign Affairs and Trade defines 'foreign direct investment' (FDI) as the acquisition of 10 per cent or more of voting stock of a company, or otherwise a level of acquisition of a firm's stock that enables a significant amount of control of a firm. FDI also occurs when a foreign investor establishes a new business in Australia.

As noted earlier, more than 30,000 firms operate in the ACT. Many of these firms are headquartered in the ACT, where management decisions about being acquired outright or controlled will be made. As at April 2019, almost \$27 billion of FDI was made in Australian information and communications companies.

FDI is an important means to enable the growth of business – not only through the capital itself, but also through the connections that capital brings, to new markets, partnerships and talent. Canberran businesses are likely to have better access to foreign direct investment where specific opportunities and higher awareness about the superior ACT economic environment, are made better known in key capital markets in Asia and beyond.



Investing in ACT Government-issued bonds

The Government's capital funding requirements are mainly achieved by the issuance of debt securities in wholesale capital markets in the form of Australian-dollar, fixed-rate medium-term notes (bonds).

The Australian Capital Territory is rated AAA/A-1+ (stable outlook) by Standard and Poor's. The ACT is the only sub-sovereign in the Asia Pacific to hold this high a rating. The rating is supported by the strong institutional framework, strong financial management, high-income economy, and exceptional liquidity.

ACT-issued bonds offer very strong relative value (carry yield) to AAA Australian Government and bonds and AAA Australian semi-government bonds.



Potential investors

In the countries and regions profiled in this *Strategy* there are a range of individual and institutional investors that should be attracted to investment opportunities in the ACT.

As described in this *Strategy*, the nations that are a focus each have sizeable and growing populations of individuals with significant net worth and investible capital. Some individual investors may gain familiarity with investment opportunities through visiting Canberra, either for business, tourism, or the visitation of family members studying here. Reaching these potential travellers may be made through linkages into key social networks, associations and institutions, such as our universities.

Significant pools of institutional capital exist in the nine Asian nations described in this *Strategy*. As an example of the investing power of institutional and individuals in Asia, the Malaysian Sovereign Wealth Fund had in 2017 invested \$22 billion in different types of Australian assets. Approaches to attracting investment from institutional investors differs significantly. Key success factors are delivering presentations that are responsive to the highly specialised needs of these investors and providing comprehensive background of current investment opportunities.

What we will do

- The Office of International Engagement will continue to deliver and expand international engagement showcase programs for export products and inbound investments; and
- Continue to highlight the ACT Government's land and property offerings.

CANBERRA AND THE REGION

Canberra will be a globally recognised city that builds in part on the Canberra Region's historic offering of agricultural, alpine and coastal experiences and its produce.

When considering international engagement, we utilise the Canberra Region Joint Organisation's (CRJO) definition of the Canberra Region. Covering a total land area of 91,403 km²,⁷ CRJO is made up of ten regional councils and three Associate Member areas including the ACT. At the 2016 census the population of the Region's 13 council areas was 811,843, growing annually by 1.2 per cent. Canberra and the broader Territory sit at the gateway to South-Eastern New South Wales, which forms much of the Region.⁸

The ACT Government is an associate member of the CRJO (including affiliates of the City of Wagga Wagga and East Gippsland Shire Council) while the Canberra Airport is an Affiliate Member.

The Region includes national parks, nature reserves, beaches, regional cities and state forests; it has a diverse topography stretching from the coast to the snowfields and the tablelands. It generates high-quality produce, including seafood, truffles, wine, apples, citrus, meat and dairy products. It is also a significant drawcard for tourists.

Tourism

From world-class restaurants and beaches to whale-watching, snow skiing, wine-tasting and everything in between, Canberra is well-placed to capitalise on an increased number of international tourists. Canberra is the ideal location for "fly-drive" holidays where tourists can fly into Canberra Airport and use the city as a base to explore the Region. The diversity of the Region means there are a multitude of tourism experiences within easy reach of the ACT. Canberra is arguably best known for its national cultural attractions such as Parliament House, the Australian War Memorial, and our galleries and museums, but the city is just the beginning of experiences available in the wider Region.

International visitors can visit three distinct physical regions.

Coast

The Canberra Region boasts some of the most pristine beaches in the world, including Hyams beach, which has some of the world's whitest sand. While the summer months (December–February) are the best for swimming and other ocean activities, Canberra Region beaches offer adventure all year round, and often the only local visitors sharing the beach will be kangaroos, wallabies, emus, goannas or seals.

Alpine

The combination of ski resorts in the winter and nature trails around the National Parks in the spring and summer offer international tourists a variety of year-round outdoor experiences. Home to white water rafting, hiking, fly fishing and skiing, there are also music festivals, art galleries, quaint villages and historical attractions for the curious traveller to explore and experience.

Tablelands

The Tablelands contain the very best of Australian country living and wide-open spaces. Visitors can enjoy fresh, high quality produce directly from the farm, or tour the many award-winning wineries. Rich in culture as well as produce, the Tablelands also contain heritage-listed, colonial style buildings and museums, and preserved areas of Aboriginal cultural significance.

Canberra hosts several annual events and festivals for all tastes including Floriade, the National Multicultural Festival, Summernats, Enlighten and the National Folk Festival, as well as several national sporting teams who play throughout the year. Regional festivals include Batlow Ciderfest, Collector Village Pumpkin Festival, the National Cherry Festival Young, Southern Highlands Piefest, Canberra Region Truffle Festival, Murrumbateman Moving Feast, and Snowtunes Jindabyne.

⁷ Includes land areas of three Associate Members of CRJO, including Wagga Wagga, ACT and East Gippsland. Land area excluding these members is 63,288 km²

⁸ Canberra Region Joint Organisation, 2019, *Strategic Plan 2019–2020 – Adopted 15 February 2019*, CRJO, Canberra, pp. 8–9.

Produce

High value low volume produce, including cool-climate wines, seafood, small goods, meat and high value produce such as truffles are a speciality of the Canberra Region.

Most countries identified in *Canberra's International Engagement Strategy* have significant and growing middle classes, helping fuel regular demand for these high-quality products. With export infrastructure already in place – and the potential to expand this infrastructure – Canberra is well-placed to capitalise on major food export opportunities.

The *ACT Planning Strategy 2018* recognises the enormous potential for freight flows out of the Canberra Region. Canberra Airport and the national highways into and out of the ACT provide for the distribution of freight to regional, national and international markets.

Infrastructure supporting freight activity

The Office of International Engagement is working with the CRJO, the Canberra Airport and logistics providers to stimulate greater exports, chiefly through the Canberra Airport.

The CRJO has identified exporters' access to the Canberra Airport as its number one strategic priority, while remaining priorities are focused on transport and freight links around the Region.⁹

There are several advantages to choosing Canberra Airport over other airports as an international air freight hub for import and export activity in the Region. Canberra Airport has no night-time curfew, no restrictions on flight volumes, significant runway capacity, land for development, and easy access to improved road infrastructure. In addition, Canberra is close enough to both Sydney and Melbourne for express goods to be delivered by road freight while still meeting the express-delivery service standards of major air freight operators. Significantly, Canberra Airport has better proximity and access to the produce of South-East New South Wales.¹⁰

Canberra Airport and the ACT Government continue to work with the major participants in the export process regarding the opportunity to develop further the hub for domestic and international overnight airfreight flows.

Canberra already has a good road network in place connecting the Canberra Airport to the Region, including the recently-duplicated Majura Parkway, linking the Airport to Federal Highway. The Hume, Barton, Monaro and Kings Highways are all designated heavy-vehicles routes and are regularly used to transport goods around the Region.

In March 2018, the NSW Government sold its 58 per cent share of the Snowy Hydro Scheme to the Federal Government for \$4.2 billion. It has been agreed that 100 per cent of this is to be invested in the regions. The NSW Government has developed clear guidelines for the use of these funds to ensure maximum impact for regional NSW. Of particular benefit to the Canberra Region is the commitment to focus on improved physical and transport connectivity.

The *NSW Future Transport Strategy 2056* identifies Canberra as one of three international gateway cities, which vitally connects local towns and regional cities, and enables them to become better place to do business, live and visit.¹¹

⁹ CRJO The transport and freight infrastructure prospectus – A vision for infrastructure across the Southern region. 11.11.18

¹⁰ Candence Economics, *Economic analysis of direct international air-freight operations on the act economy*. Page 3

¹¹ NSW Government, 2019, *Future Transport Strategy 2056*, 2019, Sydney, pg. 130.

See: https://future.transport.nsw.gov.au/sites/default/files/media/documents/2018/Future_Transport_2056_Strategy.pdf

IDENTIFYING PRIORITY MARKETS

Considerations in identifying priority markets

To draw meaningful value from international relationships, we must prioritise countries with whom we build these relationships. Therefore, we assess potential priority markets against:

- economic indicators;
- ease of doing business;
- free trade agreements; and
- the strategic importance of the relationship to the ACT.

Economic indicators

From an economic perspective, consideration is given to the level of two-way trade with Australia, the level of foreign direct investment, current and potential economic growth, and linkages between our Key Capability Areas and international target markets.

Significance of free trade agreements

The existence of free trade agreements (FTAs) with Australia is the primary measure of assessing the ease of doing business with a country. Austrade advice and the experiences of the Canberra business community also inform this criterion.

FTAs are fundamental to creating favourable export and investment environments. Although the scope of Australia's FTAs will vary between countries, there are certain elements that are particularly relevant for the purposes of conducting an assessment of a country's suitability as a priority international market. This includes the:

- extent that tariffs have been eliminated or reduced;
- existence of a national treatment obligation to prevent discrimination against Australian service and product providers in relation to their operations or products once in the market;
- existence of a market access obligation to reduce market access barriers.
- existence of protections for investors against discrimination; and
- the extent to which foreign government procurement markets can be accessed by Australian exporters of goods and services.

Strategic importance of relationships

Strategic factors include the existence of formal government-to-government ties with the ACT Government, education and research partnerships, aviation links, and overall alignment with ACT Government's strategic vision.

PRIORITY MARKETS

Against these parameters, the markets currently of greatest immediate priority to the ACT are Singapore, New Zealand, China, the United States (US), Japan, the United Kingdom (UK) and the European Union (EU), closely followed by India, Indonesia, Malaysia, the Republic of Korea, Thailand and Vietnam. The focus in these markets is on raising Canberra's profile to create a platform for future trade and investment, or the pursuit of opportunities that can be realised in the short term.

Immediate priority markets for ACT engagement

	Singapore	New Zealand	China	US	Japan	UK	EU
Established FTA	✓	✓	✓	✓	✓		
Rank as national two way trading partner with Australia (as at end of 2018-2019) ⁽¹⁾	6	7	1	4	3	8	2
Rank as source of investment to Australia, 2018 ⁽²⁾	7	14	6	2	5	3	1
Rank as destination of investment from Australia, 2018 ⁽³⁾	10	6	4	1	5	3	2
Rank of international visitors to Australia (year end, September 2019) ⁽⁴⁾	7	2	1	4	6	5	3
Rank of international visitors to the ACT (as at December 2019) ⁽⁵⁾	9	4	1	2	N/A	3	N/A
Rank of international students in the ACT (as at December 2018) ⁽⁶⁾	10	-	1	16	18	19	N/A

Sources:




- (1) Two-way trade data: DFAT (2020), *Trade and Investment at a Glance 2020*, May 2019, p 15. Data for fiscal year 2018-19; includes both good and services.
- (2), (3) Investment data: DFAT (2020), *Trade and Investment at a Glance 2020*, May 2019, p 41. Data for calendar year 2018; includes direct and portfolio investment.
- (4) Tourism Research Australia (2020), *International Travel by Country of Residence*. Data for year ending September 2019.
- (5) ACT Government, VisitCanberra (2020), *Tourism in the ACT - Year ending December 2019*, p 2.
- (6) ACT Government, Study Canberra (2021), International-student origin, by country. Data for 12 months, ending December 2018.

Notes:

- (1) EU28 data are pre-Brexit, and therefore include the UK and 27 other members. China trade data excludes Hong Kong SAR trade data.
- (2), (3) "Investment" includes portfolio investment (stock and bonds) and direct investment (including equity ownership of corporations greater than 10%).
EU28 data are pre-Brexit, and therefore include the UK and 27 other members.
"China" investment data include Hong Kong SAR investment data.
- (4) Data on visitors to Australia: The "EU" excludes the UK and Switzerland, and may contain non-EU-member countries.
- (5) China data include Hong Kong SAR data.
- (6) New Zealand students are classified as domestic students from a visa perspective and are therefore not ranked separately. China data include Hong Kong SAR.

N/A – Data not available.

KEY CAPABILITY AREA OPPORTUNITIES BY TARGET MARKET

	Singapore	New Zealand	China	US	Japan	UK	EU
 Education and Research	✓	✓	✓	✓	✓	✓	✓
 Tourism	✓	✓	✓	✓		✓	✓
 Defence	✓	✓		✓	✓	✓	✓
 Cyber Security	✓	✓		✓	✓	✓	✓
 Renewable Energy	✓	✓	✓	✓	✓	✓	✓
 Innovation, ICT and e-Government	✓		✓	✓	✓	✓	✓
 Space Industry	✓	✓		✓	✓	✓	✓
 Health and Sports Science	✓		✓	✓		✓	✓
 Arts, Culture and Creativity	✓	✓	✓	✓	✓	✓	✓
 Agri-Technology and Food Sciences	✓	✓	✓	✓	✓	✓	✓

WELCOMING
THE WORLD



SINGAPORE

Singapore is Australia's sixth largest export market for services and fourth largest foreign supplier of services. Foreign Direct Investment in Australia by Singapore amounted to over \$28 billion in 2018. From an ACT perspective, Canberra-based businesses have links with Singapore, which rate second (along with China) as the international market with which they engage the most. These factors are indicators of a market worthy of targeted, ongoing engagement.

A strategic priority is the re-establishment of direct connections to Singapore.

As is the case in the ACT, the services sector dominates Singapore's knowledge-based economy. There are opportunities related to all of the ACT's Key Capability Areas.

Australian and Singaporean businesses and investors have enjoyed an open market environment since the Singapore Australia Free Trade Agreement (SAFTA) entered into force in 2003 and was amended in 2017. The SAFTA helps create a favourable export and investment environment and supports commercial certainty through the removal of all tariffs, the national treatment obligation, the market access obligation, secure access to Singaporean Government procurement processes and strong investor protections.

In 2015 the Governments of Australia and Singapore decided to elevate the bilateral relationship, announcing a Comprehensive Strategic Partnership (CSP) between the two countries.¹²



¹² Joint declaration by the Prime Ministers of Australia and Singapore on a Comprehensive Strategic Partnership, 29 June 2015.

As part of that partnership, the Governments of Australia and Singapore agreed to upgrade the SAFTA and work toward establishing a Closer Economic Relationship by 2025, a move that will further expand economic integration between our two countries. This upgrade was entered into force on 1 December 2017. The amended SAFTA affords additional opportunities for Australia's services industries, with greater access for education, legal, financial and other professional service providers. It also reduces unnecessary red tape for Australian exporters.

The Australian-Singapore relationship is reaching new heights. There is a commitment under the CSP to expand cooperation not just in the economic field, but in areas such as defence and security, defence science and technology, and education. Long term, this can stimulate demand for ACT services and encourage investment in ACT Key Capability Areas.

Singapore supports a business and innovation-focused culture and is home to thousands of technology start-ups. Singapore is ranked the world's 8th¹³ most innovative country according to the Global Innovation Index, and has a government committed to innovation and entrepreneurship. For example, in response to the challenges presented by Singapore's rapidly ageing population (by 2030 one in five people will be aged 65 or older) the Singapore Government is setting aside up to \$200 million for a national innovation challenge for research related to ageing.

Singapore is identified as one of the 'Landing Pad' locations under the Australian Government's National Innovation and Science Agenda, providing a platform for Canberra businesses to access the market and scale their business. The ACT business community will also benefit from the presence of an ACT Business Development Manager.

Singapore-backed investments into ACT infrastructure are important. For example, Singapore Power International holds, via Jemena, a significant investment in ActewAGL Distribution Limited.

Singapore has a reputation for business-friendly regulatory policies and achieve a number two ranking for ease of doing business in the World Bank report *Doing Business 2019*.¹⁴ English is Singapore's official language of administration and commerce, further making Singapore an attractive business environment for ACT businesses and investors.

Links or connections to the ACT

- Canberra National Arboretum & the Singapore Botanic Gardens MoU; and
- National Zoo and Aquarium, the Wellington Zoo & the Singapore Wildlife Park MoU.

What we will do

The ACT Government will continue to focus on consolidating existing and growing new networks that support key sector growth. Priorities include:

- maintaining destination marketing partnerships with Tourism Australia and Singapore Airlines to drive inbound visitation;
- supporting international education partnerships through Study Canberra;
- leveraging the Australian Government's Singapore 'Landing Pad' to support entrepreneurship and growth of the innovation ecosystem;
- building relationships and driving investment opportunities linked to key capability areas of Space Industry, Cyber Security and Defence;
- re-establishing direct connections to Singapore;
- supporting regional freight opportunities and product exports to Singapore in partnership with the Canberra Region;
- working with Austrade to host an embedded trade and investment officer in Singapore to support investment attraction and export opportunity aligned with the ACT's priorities and interests; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and individual leads.

¹³ Source: "Global Innovation Index 2020 – Who Will Finance Innovation?" P. 6

¹⁴ Source: "World Bank – Ease of Doing Business 2019," p5

NEW ZEALAND

The foundation for Canberra's connection to New Zealand is its sister-city agreement with the city of Wellington, signed in July 2016.

Supported by the Trans-Tasman relationship, which for generations has enjoyed unparalleled cooperation across cultural, political, defence and economic spheres, the profound economic linkages that exist between us continue to make New Zealand a natural priority market for the ACT.

New Zealand is Australia's fourth¹⁵ largest export market for services and third largest foreign supplier of services. Foreign direct investment in Australia by New Zealand amounted to over \$5.6 billion in 2019.¹⁶

The trade relationship between Australia and New Zealand is one of the most liberal in the world. The Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) has been in operation since 1983 and makes all trade in goods between Australia and New Zealand duty-free, and trade in services free of restrictions with very limited exceptions. The trade relationship also benefits from a significant degree of regulatory harmonisation that removes a substantial amount of the 'behind the lines' barriers to the movement of goods and services, and reduces compliance costs to businesses. Australia and New

Zealand are working towards a Single Economic Market (SEM), a goal reaffirmed at the Australia-New Zealand Leaders' Meeting in 2017.

Although New Zealand's economy was historically driven by agriculture and tourism, the New Zealand Government has a policy effort on innovation to help support the growth of high-value, research and development-intensive businesses. There will continue to be substantial overlap with many ACT Key Capability Areas including ICT, Defence, Cyber Security, Space, Renewable Energy and Agri-Technology and Food Sciences. In 2016 the New Zealand Space Agency was formed to support New Zealand entrepreneurs¹⁷ operating in space-related activities. Development of New Zealand's space capabilities will also drive other high technology businesses that apply the associated high technologies.

The innovation-driven environment creates opportunities for ACT universities and research institutions to collaborate with their New Zealand counterparts. New Zealand has several Centres of Research Excellence. Many of these are relevant to our Key Capability Areas, for example, the MacDiarmid Institute for Advanced Materials and Nanotechnology, Centre for Quantum Science, the Maurice Wilkins Centre for Molecular Biodiscovery, Genetics Otago and MedTech.



15 Source: DFAT "Trade and Investment At A Glance," p14.

16 Source: DFAT "New Zealand Economic Fact Sheet" P.1 Data as of 2019 \$5.591 billion.

17 Most notably, Rocket Lab – a commercial space launch operator

The importance of fostering educational collaboration was recognised at a national level by the Australian and New Zealand Governments, which have agreed to develop a science and innovation agreement 'to help share cutting-edge ideas and build economies based on innovative human capital.'¹⁸

Many synergies exist between Canberra and Wellington – our populations, our public sector dominated economies, quality of life, and shared focus on innovation – provide fertile ground for enhanced cooperation across a range of areas over the long term. The stated commitment to pursue partnerships in tourism and events, and mutual exchange in smart city technologies and renewable energy is particularly pertinent to the ACT as they correspond with our Key Capability Areas.

New Zealand is ranked first for ease of doing business, in the World Bank report *Doing Business 2019*.

Links or connections to the ACT

- Canberra Wellington, sister-city agreement;
- National Arboretum Canberra & Wellington Botanic Gardens MoU;
- National Arboretum Canberra & Gisborne Eastwood Hill Arboretum;
- National Zoo and Aquarium & Wellington Zoo & Singapore Wildlife Reserves MoU;
- Zealandia & ACT Woodlands and Wetlands Trust MoU;
- Screen Canberra & Screen Wellington, MoU; and
- CBRIN & Wellington Regional Economic Development Agency (WREDA) MoU

What we will do

The ACT Government will continue to build relationships and MoUs across New Zealand. This will include:

- advocating and engaging in partnerships that drive awareness and conversion outcomes for the destination;
- building government-to-government collaboration and knowledge-sharing across economic, environmental and social priorities;
- jointly supporting innovation and technology start-up ecosystems;
- collaboration on opportunities to secure events, grow partnerships and increase participation in sport;
- leading mutual exchange regarding smart city technologies and implementation;
- leading mutual exchange of delegations that connect Wellington City Council and the ACT Government;
- supporting programs that build opportunities for Indigenous people from both countries;
- re-establishing direct connections to Wellington; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.

¹⁸ Joint Statement, Australia New Zealand Ministers' Meeting, 19 February 2016

CHINA



As the world's second largest economy with a population of 1.4 billion and a growing affluent consumer class, there is no questioning the benefit of engaging with China.

China is Australia's largest export market for services and eleventh largest foreign supplier of services. Foreign direct investment in Australia by China amounted to \$46 billion in 2019.¹⁹ China is equally important in the trade of goods with Australia. During 2019, China was Australia's top trading partner, with \$252 billion²⁰ worth of two-way trade in goods and services between the nations.

The national relevance of China is replicated in the ACT economy, with China as a leading international market. The establishment of appropriate logistics will unlock further export potential for goods, going forward (See section "The Canberra Region").

The China-Australia Free Trade Agreement (ChAFTA) entered into force in 2015. ChAFTA's duty free provisions,²¹ national treatment obligation and most-favoured nation treatment provision provides remarkable opportunities for Australia's goods and services exports to China, as well as investment inflows.

China's increased focus on innovation and its ever-growing middle class present ongoing opportunities across a range of ACT Key Capability Areas, most notably Innovation, ICT; Renewable Energy; Tourism; Agri-Technology and Food Sciences; and Arts, Culture and Creativity.

As China's service sector increases, there is a growing demand for research-and-development and consultancy services to complement the country's existing manufacturing industry. Canberra's science and technology expertise and cutting-edge research institutions make it well placed to market itself as a leading provider of innovation. China is investing heavily in research and development and is projected to surpass the United States in total research and development spending by 2024. Furthermore, the environment is one of the key themes of China's 13th and 14th Five Year Plans²² which, among other environmental initiatives, places an emphasis on the development of green industries. China is estimated to have spent US\$279 billion on R&D during 2017. Specifically, spending on R&D in renewable energy amounted to US\$2 billion in 2017.



¹⁹ Source: DFAT "China Economic Fact Sheet"

²⁰ Source: DFAT: "China Market Insights" P. 1

²¹ Under ChAFTA, more than 86% of Australian goods exports can now enter China duty free, rising to 94% in January 2019 and 96% in January 2020.

²² Source: Beijing Review – "Highlights of the 14th Five Year Plan." Viewed online 14 April 2021