



Urban Renaissance

**CANBERRA:
A SUSTAINABLE FUTURE**



OECD



TERRITORIAL DEVELOPMENT

Urban Renaissance

CANBERRA

A Sustainable Future



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PREFACE

**Address by Sir William Deane,
Governor-General of The Commonwealth of Australia**

**on the occasion of
the opening of the Future Canberra Conference**

Canberra, Thursday, 10 May 2001

I acknowledge the traditional custodians, the Ngunnawal people, upon whose ancestral land we are gathered.

It was on this day, 10th May, in 1901 that Lord Hopetoun delivered the first Governor-General's opening speech in the first Session of the first Parliament of the Commonwealth. In accordance with Westminster tradition, the Governor-General outlined the legislative programme of the young Nation's first Government including the introduction of a Bill to regulate the Public Service of the Federation. He continued:

“Steps have already been taken to cope with the difficult matter of selecting the federal territory, within which the capital of the Commonwealth is to be built Ö [and] Ö which, it is hoped, will be of a size ample for all public requirements, and of which the climate, accessibility, and natural beauty will give promise of a seat of Government worthy of the new nation.”

Today, exactly 100 years later, as we gather for this Centenary of Federation Canberra Future Conference, it is appropriate that we look back to celebrate the achievements of the past as well as forward to identify and face the challenges of the future. In these opening comments I propose to share with you some personal reflections about some aspects of that past.

First of all, a generalisation. It is that our first Commonwealth Government's hopes for a future capital of the Commonwealth seem to me to have, by and large, been spectacularly fulfilled. The Australian Capital Territory is a place of great natural beauty. The city which has been erected as our country's National Capital is one of the world's great planned cities. In itself, it is the symbol of our Federation and of our democracy.

Many individuals have contributed to the development of Canberra. But one stands out above all others as the individual whose vision, intelligence and imaginative capacity did most to shape this city. That person is, of course, Walter Burley Griffin. It is appropriate that, at the commencement of this Conference, something should be said about him for it is largely upon his planning that Canberra Future, as well as Canberra Present, will stand.

Walter Burley Griffin was an associate of the great American pioneer of modern architecture, Frank Lloyd Wright. In 1911 he married the gifted architect and draughtswoman, Marion Mahoney. In 1912, Griffin's plan, complemented by Marion's wonderful perspective drawings, won the international design competition for the new Australian Federal Capital.

The design was a truly remarkable one. As the National Capital's Chief Town Planner for almost 20 years, the late Peter Harrison, wrote: "*On paper anyone could understand it; on the site it was hard to forget*".

But that apparent simplicity hid the complexity of extraordinary ideas. There were the basic geometrical forms: the triangle, with the capital -- now the Parliament -- the Civic Centre and the defence headquarters at its three points. There was the bisecting cruciform, inspired by the plan for Washington. At either end of the north -- south axis stand the Parliament and the Australian War Memorial. Part of the axis is Anzac Parade. The east-west axis is formed by the Lake that now bears Burley Griffin's name. That Lake, formed by the damming of the Molonglo River that flowed through the Canberra plain, was not filled until some 50 often troubled years after the design was first accepted. But when it was, as the architect Robin Boyd, observed, it brought the whole design to life "*and the faith of many friends of Canberra ... was justified*".

In my view, what distinguished the plan above all else were Griffin's remarkable instinct for both space and the protection of the natural environment: the way the city sits within -- and, viewed from above in the daytime, largely disappears or merges in -- the surrounding hills and the landscape. The whole concept of Canberra as the garden city is very much at one with Griffin's vision in those regards. We owe and will continue to owe him much.

I must confess that, in my enthusiasm for Canberra, I speak not so much as Governor-General or as a temporary resident of “Yarralumla” facing eviction but rather as one who has known and loved this city for as long as I can remember.

My parents with their young family reluctantly moved to Canberra from Melbourne in 1933 when I was two years old as a consequence of the transfer of the Patents Office. That was a mere 20 years after Burley Griffin had arrived on the Canberra sheep paddocks to supervise the construction of his winning design for the new National Capital. They had been difficult years in terms of politics and personalities, of war, of stop and start, of Griffin's own tragic departure and of the appointment of the Federal Capital Commission to oversee the construction and opening of the new Parliament House in 1927. The Commission was very capable but, perhaps reflecting the wishes of the government of the time, was somewhat inclined towards controlling people's lives. It was, for instance, only in 1928 that a prohibition on the sale of alcohol -- “stagger juice” as King O'Malley called it -- was removed.

At the time my family arrived in Canberra, Griffin's city still lay lightly, as a kind of sketch plan, on the landscape. And the Commission had been replaced in 1930 by an Advisory Council which consisted of the Permanent Heads of the Public Service departments responsible for Canberra and three elected representatives. It was, of course, advisory only to the Minister, who was quite able to -- and frequently did -- ignore its advice. The Council remained in existence, with some changes to its title and constitution, until 1985. It is one of those ironies that so puzzle and delight historians that for well over the first half century of its life, the National Capital of our robust Australian democracy itself lacked even the forms of any effective local representative government. Indeed, it had not been until 1949 that the residents of the ACT. had any representation at all in the Commonwealth Parliament Ö and then only on a restricted voting basis until 1966.

Time precludes me from tracing the various steps leading up to the introduction of the current system of self-government. It is now a matter of history that the first general elections for a representative ACT Legislative Assembly took place in March 1989. Those who were living here at the time still recall the ballot paper, almost one-metre wide. The Australian Electoral Commission has generously lent me this copy. It lists no less than 117 candidates for the 17 seats. The parties include the “Sun-ripened Tomato Party”, “Party Party Party” and “Surprise Party”.

It took almost two months after Election Day to determine the results of the election. At least four people were returned on ostensible platforms of abolishing self-government. Fortunately, for both our nation and its capital city, it did not happen. Fortunately also, and without implying any view at all about the qualities or abilities of any particular government or member of the Legislature, representative government in the Territory has progressed so well in the years since that first election and is now so well established that it would be inconceivable for there to be any serious prospect of its abolition.

So it is that you come to this Canberra Future Conference with a Canberra Present largely based upon and reflecting, the vision of Walter Burley Griffin and enjoying full representative government. As well as being the National Capital, the city is increasingly emerging as a significant economic centre and transport hub. It is a Canberra Present of which, I believe, all Australians can and should be proud. That is not, of course, to say that Canberra Present cannot be improved. Your Conference's title implicitly invites you to identify existing deficiencies and the best ways of addressing them. More importantly, it invites you to look up from solving existing problems and to focus upon what might be: upon not only the actual but also the ideal; upon questions of what future change could and should mean -- not only for the local communities but for the nation. In other words, the title invites you to be not only practical but also imaginative and even visionary.

Finally, ladies and gentlemen, let me congratulate all responsible for the planning, financing and organising of this Conference. I add my welcome to Canberra to all who have come from other places. I wish you well in your discussions and deliberations and trust that your participation in the Conference will be both stimulating and rewarding.

And now, with great pleasure, I declare Canberra Future -- the Conference -- officially open.¹

NOTE

1. The permission of Government House to publish this address is gratefully acknowledged.

FOREWORD

With this review of Canberra, the Urban Renaissance review extends its scope into new topics. The first two reviews were of Belfast and Krakow. This review of Canberra is the first of a city outside Europe. Others will follow in Japan and North America. In contrast with the European cities, cities in America and the Asia-Pacific region are much younger. No city, no matter how well planned, can take its future for granted. Canberra, one of the paradigmatic cities for planning in the 20th century, was however settled as a capital city with the expectation that employment would be predominantly in the public sector. The city was laid out, furthermore, on a land-use model, which assumed that people would live and work in the same sub-centre, would travel economically by car from one part of the city to another, and would primarily live in single-family houses. These assumptions have been overturned by recent trends, causing people in Canberra to reconsider what it is they value in their city. With a record of several important consultation and planning exercises to its credit, the government of the Australia Capital Territory has a solid basis for taking decisions to guide Canberra toward a more sustainable future.

Canberra in the 1990s was lucky in that the restructuring of the public sector, which led to an expansion of private sector employment, took place at a time when the Australian economy was expanding. Until then, Canberra, as the national capital, had the luxury that it did not have to create and compete for jobs in the same way as the other capital cities of states. Now and henceforth, however, the economic basis of Canberra will more closely resemble that of other major cities. But by virtue of being the capital, with a highly educated population, several universities, many international students and visitors, and a well-maintained environment, Canberra has some unique assets and opportunities on which to build its economic development strategy.

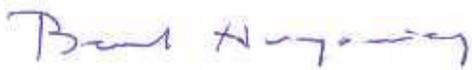
This will involve change, but the choice was never one between the status quo and change; rather, between change that will equip Canberra to enhance its assets, and change which could weaken the city's ability to nurture what is unique about it. Among its under-valued parts is the commercial centre known as Civic, which the OECD review examines to consider its potential role in a strategy for more sustainable transport, for innovation and the formation of

new small businesses, for tourism and cultural activities, and for housing. The objective is not to replace Canberra's distinctive polycentric structure, but to strengthen that structure by re-developing the space at its centre, which is now weak and has the potential to be very dynamic and attractive.

Now that three evaluations are complete some key policy lessons are emerging. Firstly, a strategic framework, which is holistic and which has been realised through broad consultation is essential and yet many cities around the world do not have this in place. Secondly, social, economic and environmental factors must be simultaneously addressed -- social exclusion can only really be tackled at city level when this happens. Thirdly, evaluating local assets reinforced with a realistic understanding of place based strengths and weaknesses facilitates more appropriate policy responses which in turn contributes to a more competitive urban economy; many cities do not have this knowledge sufficiently advanced. Fourthly, horizontal and vertical co-ordination between all territorial levels of government is an important foundation for both economic and social stability. Policymakers must address issues holistically and avoid sectoral domination. And finally, cities are complex structures which require imaginative thinking which goes beyond traditional political cycles. Policy must be able to address the short, medium and long term in order to be truly effective.

The evaluation benefited from the full support of the Australian Capital Territory Government (ACT), Brendan Smith, MLA, Deputy Chief Minister and Minister for Urban Services, Lincoln Hawkins, Angharad Dean and Samantha Stewart of the Department of Planning and Land Management. Debra Mountford (OECD Administrator) prepared the report under the supervision of Josef Konvitz (Head of Division) and in collaboration with Greg Clark (UK) and Austan Librach (US) who served as outside experts on the evaluation team.

This report has been discussed and approved by the Working Party on Territorial Policy in Urban Areas, 9 July 2001; it was subsequently discussed by the Territorial Development Policy Committee (TDPC), 10-11 July 2001 and published under the authority of the Secretary-General.



Bernard Hugonnier,
Director,
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EXECUTIVE SUMMARY

The review of trends, policies and countries' performance is a basic OECD function, at the heart of the 'trade' of the OECD. National and regional reviews show how important a sound basis for urban development is in an overall pattern of territorial development. Eighty per cent of the population of OECD Member countries lives in cities. No region can succeed if its urban elements are weak and dysfunctional. Understanding cities, discovering their strengths and weaknesses and helping them develop appropriate policy tools to compete in a global economy are an integral part of developing these policy areas. Urban issues are raised in national and regional reviews, but rarely in sufficient detail to examine the important role that cities have in realising sustainable development. A sustainable city is able to maximise its competitiveness in a globalising economy; strengthen social cohesion; sustain quality, diversity and the character of place; reconcile partnership and leadership; achieve flexibility in decision-making; create better city-regional linkages; empower communities; and manage urban growth better both at the centre and periphery of urban areas. A more sustainable pattern of growth based on improvements in the quality of life and in productivity gets the best out of the advantages of the concentration of so many activities in such a complex setting as a city. A more productive urban environment is one that favours the development of human capital, which is of such central importance in the more flexible knowledge-based economy. The urban environments favourable to the creative activities of the new economy depend considerably on local cultures and social values.

The Urban Renaissance Analytical Framework defines the 'renaissance city' and establishes the key focus points of each evaluation. The studies focus on efforts in cities to reconcile the environmental, economic and social objectives of territorial development, with particular attention paid to *visions of the future; the impact of land use and the importance of the city core;*

the importance of integrative policy frameworks and governance. The “urban renaissance” city has:

- a vision for the future based on broad public consultation;
- a strategic plan to guide development, including urban regeneration at the centre and growth management on the periphery of the functional region;
- made a clear analysis of how environmental, economic and social issues are linked, and is adopting policies to address the threats to sustainable development;
- identified its territorial assets which are to be maintained and enhanced, and is committed to maintaining and developing infrastructures to make best use of territorial assets;
- identified the obstacles to implementing better policies to address congestion and pollution, the re-use of brownfield sites, the integration of distressed urban areas, the needs of an ageing population, the problems of long-term unemployed, as well as the obstacles to taking advantage of ICT, the new economy, the promotion of small and medium enterprises, etc.;
- recognised the importance of the “learning city-region” concept, and facilitates effective organisational learning to develop high levels of innovative capacity;
- identified the national policies and programmes with both a positive and negative impact on its development;
- clarified the roles and responsibilities of national and regional government, and the allocation of resources, and adopted the metropolitan governance principles;
- developed partnerships with other cities and regions, and local partnerships with civil society.

The renaissance of cities is being realised through imaginative and innovative policies and projects with a focus on the contribution of cities to economic growth, social cohesion and the quality of life. Each study considers these points and the recommendations are shaped to be directly relevant to the broader policy aims of the OECD and the needs of the city under consideration.

The evaluations make explicit recommendations grounded in an understanding of local opportunities and constraints and set against examples of what has been achieved in other countries.

In the context of the broader policy goals of the Series, Canberra represents an important example of a planned city of the 20th Century with few liabilities. Canberra is making considerable progress toward the goal of being a “renaissance city”. The 1990s brought about some major challenges for Canberra, namely: self-government; major restructuring in the Australian Public Service and a shift to growth in the private sector; and the emergence of sustainable development on the global policy agenda. Each of these was exogenous, representing a challenge to the city’s established path of development. In this respect, Canberra has much in common with industrial cities which have had to cope with external drivers of change affecting the city’s main economic activity and thus faces many of the challenges of cities elsewhere. Pressures globally and locally to realise a more sustainable pattern of urban development mean that complacency is not an option. Canberra is tackling unresolved issues through mutually reinforcing strategies which will ensure that a creative, dynamic and inclusive city succeeds in the 21st Century. Richly endowed with visionary planning and design, Canberra is a brave and bold urban experiment that befits its role as the national capital of a young, ambitious, and successful country. To what extent has the city to change in order to be a model of sustainable development in the 21st Century relevant to the rest of the world?

Canberra can be as important a model for urban development in the 21st Century as it has been in the 20th if it can take advantage of its inherent strengths, create new assets that take advantage of its role as a national capital, and maintain the high quality of its environment and public services while making progress toward sustainability. Now that more than half its employment comes from the private sector, Canberra must compete with other cities, but it has some unique advantages, including a strong planning culture, a government that is flexible and innovative in an institutional framework that is only a little more than a decade old, a well-educated population, and an environment rich in amenities. There is an opportunity for Canberra to be “cutting edge” -- and the process of strategic planning which this report seeks to promote should push the boundaries of traditional thinking which often reflects more static and fragmented ways of handling spatial, economic and social aspects of urban development. Innovation in Canberra should be in accord with its own tradition as a place, which was innovative when it was planned.

Specific issues under consideration in the Canberra study are:

1. The shift to “new economy” jobs and firms in the private sector, and a more sustainable pattern of transport and housing, with an emphasis on adaptive reuse and modernisation of the city centre -- the area known as Civic.
2. Enhancing co-ordination with the Commonwealth on an overall strategy for Canberra, thereby maximising the opportunities presented by two governments having jurisdiction within the Australian Capital Territory (ACT) to realise shared goals.
3. Consideration of sub-themes with an economic development focus, which include the potential role of universities in an inner Canberra strategy, and the continued development of key growth engines of the city.
4. How the strategic planning process in Canberra which is related to sustainability, land use and measures to realise the city’s potential, can be improved, and how outcomes can be implemented.
5. Community Engagement -- the best way to develop Future Canberra and its vision with the city’s social partners and civil society.

In 1996, the ACT government deemed that in order “*To be a successful national capital and provide a continuing quality of life to its residents into the 21st Century, Canberra needs to undergo a major transformation. This will impact on every facet of the city, its citizens and business community, and will ripple into the surrounding region*” (Australian Capital Territory - ACT, 1996). In 2001, this remains true. More than a decade on from the start of self-government, it is clear that the responsibilities this brings have been seized upon with enthusiasm and commitment. It has been a period of incredible change for the city. As a city whose reason for being was government, the decision in the mid 1990s to downsize government services sent shock waves through the city -- its base, which had since its origins been the foundation of its stability and the reason for its strength, was threatened. The economy suffered, as would be expected in a largely mono-functional city; an economic downturn followed. Canberra embarked upon a new direction, to create an economy less dependant upon the public sector. Experience has taught that economic diversity is an essential element of a robust, sustainable society. Reliance upon a single sector is not an option. The public sector will remain an important element of the economy in Canberra; indeed its synergy

with the private sector as a purchaser of goods and services will ensure that Canberra maintains a stable economic base. A more sustainable future is dependent amongst other things, upon endogenous development and high value-added knowledge based industries. Realising a sustainable future is a high priority for the ACT. Meeting the challenges of the future through planning which guides change is a task consistent with Canberra's heritage as a planned city.

Some of the key findings, which have led to specific recommendations and contribute to the broader Series are:

- Pro-active efforts throughout the 1990s to develop the private sector in the city as the public sector was facing massive downsizing have yielded positive results. The private sector now dominates the economy and the ACT is currently the fastest growing economy in Australia. Innovation and education are key economic drivers in the city and are guiding future economic development strategies. The logic of this is appropriate, as the city is able to draw on and benefit from its existing resource base. The public sector will remain important in the city and will continue to contribute to economic growth and stability. The city is well positioned to take advantage of current economic and social trends. The key challenges it faces with respect to economic development concern maximising existing opportunities and establishing effective partnerships, which are operable within a longer term Canberra strategy.
- The ACT does not have a Strategic Plan which will require further consideration by both the ACT and the Commonwealth governments. However, over the last decade the ACT has sought to maintain the strong and competent tradition of planning for which it is famous. The numerous strategies and policy documents, which guide the ACT at present, are consistently of a high technical quality and are developed through detailed research and analysis. Each process has involved a high degree of professional, political and community participation for which the end result is legible and to a certain degree based on consensus. The ACT now recognises the need for a strategic plan which should seek to improve transport; increase private sector employment, integrate low-income people through the provision of affordable housing and strengthen links between the city and the university. In addition, it should have clear recommendations

for implementation which identify policy conflicts, and institutional and governance responsibilities.

- The synergy between a vital town of city centre and the prosperity of the city as a whole is widely recognised. The importance of Civic was apparent in original hierarchical town centre structure. The question is how the core, Civic, can be strengthened to produce a more sustainable overall outcome. This is consistent with the logic of territorial development based on more efficient land use and the valorisation of the strengths and assets of places, and on strategies to release their potential. Strategies for Civic should reaffirm Civic as Canberra's pre-eminent business centre; allow and encourage the widest possible range of uses; encourage innovative design solutions; develop an ACT cultural identity; link Civic more positively to an enriched range of nearby national capital uses; build on the existing asset base; reduce the dependence on the car; and encourage increased use of public transport.

Overall, the evaluation draws out transferable lessons from which others can learn. Some of them are positive, such as recent environmental legislation, planning and design guidelines and democratic participation in planning and governmental processes. On a more negative note transport issues, partnerships between business and universities, policy implementation and the absence of a strategy appropriate for the 21st Century are important challenges which Canberra and cities throughout OECD countries must address. The evaluation through consideration of the strengths and weaknesses of the city contributes to an improved understanding of cities and articulates some of the policy tools necessary for them to compete in the global economy.

OECD will engage ACT in a follow-up of this exercise in 12-18 months and as such three priority action areas have been identified, they are:

- *Develop the strategy and vision.* A sustainable Canberra needs a strategic vision based on an assessment of its strengths and weaknesses, and informed by an understanding of the principles and objectives of sustainable development. Future Canberra should be seen as the starting point from which the new, shared strategic vision for Canberra can emerge. Maximising the benefits from existing 'whole of government' principles and concerted efforts to engage social partners and civil society is imperative. The strategy must be robust and durable; it should be long-term in

aspiration and capable of responding in a flexible and transparent context.

- *Realise the potential of Civic.* A strategic vision for a sustainable Canberra can be implemented if resources are directed towards creating a market for the renewal and improvement of the city. Civic has been identified as a priority and an opportunity for Canberra. Developing appropriate mechanisms to implement the goals articulated in strategy documents for Civic is essential to ensure that it becomes a civic centre appropriate for the 21st Century.
- *Endogenous growth.* A sustainable Canberra will be dependent upon accelerating a diverse culture of entrepreneurship. The city is in a strong position to do this and the Innovation Framework is an important opportunity. It must however, become the dynamic strategy for growth that it seeks to be and will require ongoing monitoring and development to deliver optimal outcomes.

ANALYTICAL FRAMEWORK

Cities and territorial policy

The Urban Renaissance studies focus on efforts in cities to reconcile the environmental, economic and social objectives of territorial development, with particular attention paid to:

- Visions of the future that are intrinsic to strategies for the medium term to help each city achieve its potential.
- Urban space especially in the core areas of cities, how land is used and the nature of the problems to be overcome if optimal environmental, social and economic benefits are realised.
- Multi-sectoral policymaking, to enabling cities to realise a more policy integrative framework and an assessment of solutions implemented in recent years.
- Governance.

Sustainable urban land use, an issue complicated by the rate of change, density and the complexity of life in cities, is crucial to reducing disparities, promoting endogenous development and enhancing the quality of life. These are not separate and independent objectives, nor do they involve trade-offs, meaning that progress on one must be compromised in order to make progress on the other. Rather, they call attention to the interdependencies among the economic, social and environmental aspects of cities. The regeneration of urban cores or the central areas of cities put these issues into sharp focus.

National and regional reviews show how important a sound basis for urban development is in an overall pattern of territorial development. Eighty per cent of the populations of OECD Member countries live in cities. No region can succeed if its urban elements are weak and dysfunctional. The

added value of territorial development policy at the national level depends in part on how regions and cities reach their potential. A better balance between urban and rural development is an objective of territorial development policy; the political importance of the issue of urban sprawl shows that spatial policy in general and land use in particular are critical to the success of efforts to address the impact of sectoral policy on territorial development, and to realise the benefits of an integrated strategy based on a vision of the future of places. Urban issues are raised in national and regional reviews, but rarely in sufficient detail to examine the potential effects of urban regeneration, and the implications for policy. The national, regional and urban renaissance studies therefore are complementary exercises. Cities are key components in a territorial development strategy. Understanding cities, discovering their strengths and weaknesses and helping them develop appropriate policy tools to compete in a global economy are an integral part of developing these policy areas.

Problems and causes

Urban policies in the 1970s and 1980s failed to keep pace with urban change, and economic growth on its own since 1992 has not been enough to alleviate all the problems found in cities. The range of urban problems includes the formation of distressed urban areas, housing and public services poorly adapted to different categories of the population, congestion, deteriorating infrastructure, mono-functional districts that are difficult to adapt to new purposes, brownfields left over from declining industries, growth on greenfields on the periphery, and institutional structures that are inadequate given the scale and complexity of modern urban areas. But even cities recognised for their liveability and attractiveness, and where social and economic problems are limited in scale, cannot take their future for granted. The Urban Renaissance is not just a phenomenon of older industrial cities that are experiencing economic restructuring; it is about how the assets and strengths of cities are used to guide development toward a more sustainable future.

There is no ideal urban form or size. In the past, rapid population growth raised questions about whether very large cities are sustainable in social and environmental terms. Questions about very large cities are still pressing in developing countries, where the number of mega-cities and the percentage of the total population living in cities are both rising dramatically. Rapid urban growth remains an issue in some OECD Member countries such as Turkey and Mexico. However, for the most part, Member countries have shifted their concern to the growth in the physical area covered by cities, rather than their population size.

The phenomenon of urban population deconcentration, which has most often resulted from a mix of market and policy forces, has a range of unintended consequences: in many existing cities urban infrastructures may be under-utilised, raising questions about their competitiveness and cohesion in the future; many communities on the urban periphery are often unprepared to face the consequences of increasing density and complexity, often with congestion pressures on overburdened infrastructures; and the increased environmental impact of lower densities can be measured in terms of deteriorating air quality, rising noise levels, the loss of open space, the vulnerability of natural and man-made amenities, and pressure on water supplies and water quality. If current trends continue, many of the negative effects of urban development are expected to worsen, compromising sustainability.

Due to the redistribution of people and activities throughout a city and its suburbs, questions are being asked about the wider functions of the central or core areas of cities in social and economic processes. On the one hand, centres have a unique capacity to concentrate people at high levels of density; on the other, they risk becoming mono-functional districts, which are frequented only for several hours of the day. Often, centres highlight unique natural, historic and cultural assets which define a trajectory for economic development; but directing investment to support these assets can raise important strategic issues about setting priorities within the urban region as a whole. There is a theoretical discussion of city centres which extends back to work on agglomeration effects, and to sociological inquiries and studies of land prices from the early decades of the 20th Century, but which has not been re-invigorated in recent years by the new economic geography. In the meantime, social commentary and urban design studies focusing on the “edge city” phenomenon and other post-industrial patterns of urban development have highlighted many of the environmental and social shortcomings of recent construction.

Urban “brownfields” or previously developed sites, often located at or near the city centre, represent a major opportunity for cities where ‘smart growth’ policies can counteract the negative impacts of urban sprawl and realise a more environmentally sound, economically viable and socially equitable urban function. The growing number of brownfield sites in urban regions is a result of shifts from industrial and manufacturing processes to service and knowledge-based economies with different technological needs, changing employment patterns and skills requirements. When old industrial activities become obsolete, the presence of derelict land has a negative impact on communities and investment alike. The ageing of post-war commercial and retail centres which inadequately respond to changing city function results in an increased number of derelict and abandoned buildings and land parcels in urban

areas (sometimes central, sometimes suburban). Physical degradation, contamination or the perceived risk of it, and a lack of maintenance or modernisation all compromise reuse and depress demand for these sites.

The problems of urban regeneration and brownfields raise issues of policy coherence. The practice of permitting greenfield development whilst attempting to redress the serious environmental, economic and social problems in urban cores is contradictory; the inflexibility of policy and legislation often inhibits redevelopment. Failure to renew brownfields often affects the environmental quality of the surrounding area, and when compounded with spatial patterns of social distress, the presence of brownfields helps to explain why certain disadvantaged social categories are at much greater risk of exposure to contaminants. In the end, this can create a negative spiral of mutually reinforcing processes which eventually lowers the vitality of the city as a whole as firms and people relocate to greenfield sites, where the risks of contamination are minimal or non-existent, and the costs lower. Brownfield sites have become a persistent problem, which cannot be alleviated by the normal process of modernising and expanding the built environment of cities.

Solutions and their implementation

Whether a city is new or old, or growing slowly or rapidly, matters less than whether local and national governments can develop and implement policies appropriate to the needs of cities, and to the opportunities they offer. The range of recent urban innovations is impressive, including a massive expansion of education and research opportunities, a high concentration of “new economy” firms, economic development strategies to exploit historic and cultural assets, the regeneration of brownfields, long term plans to improve urban infrastructures, “smart growth” policies to limit greenfield development, and integrative approaches to the problems of social distress. A formidable set of tools to address critical issues is taking shape, particularly concerning town centre management; central business districts; new public spaces; realising supply chains; accessing private finance for urban infrastructure; tackling social exclusion and the effective re-use of brownfield sites. Practical measures, which take a medium term strategy and are grounded in a vision of the city for the future, have recognised added value. But innovation as a problem solving process is uneven throughout Member Countries; international exchange is more relevant than ever. Solutions to environmental problems and efforts to improve the physical characteristics of urban space are often the first steps in a broader strategy, which includes economic and social objectives.

The spatial shape and structure of cities is a theme of growing policy relevance because how urban space changes over time has an impact on how well cities function. But the agglomeration effects of cities, which relate to their spatial shape and structure, remain difficult to analyse. Whilst 'what goes where' remains important, the most advanced spatial planning strategies today call for greater flexibility and adaptability in the built environment, objectives which fit uncomfortably into traditional land use planning with its emphasis on functional and fixed zoning.

As countries raise the priority of sustainable development objectives, new strategies have to be considered. Current trends towards decentralisation and stakeholder participation in the democratic process add a new dimension in shaping the urban environment. The holistic approaches pursued through OECD Member countries are consistent with efforts to promote sustainable development following the 1992 Rio and 1996 Istanbul Summits, and with the implementation of Agenda 21. Integrated cross-sectoral strategies as have been advocated by OECD and others will be essential. The 1990s were the decade when the concept of sustainable development became embedded in policy objectives, particularly in the domain of urban policy. Smart Growth initiatives and brownfield programmes in the United States are being used to combat urban sprawl, improve the quality of life in urban areas and facilitate the economic growth of cities; the Vibrant City Concept and Careful Urban Renewal programmes in Germany; the Compact City concept in the Netherlands; brownfield targets and Urban Villages in the United Kingdom and urban consolidation in Australia highlight 'individual' responses to similar global concepts. The decades to come provide the opportunity to measure the impact of many of the pilot projects and innovative strategies which have emerged over the last decades.

As cities move towards the new economy employment, skills and training issues become of the utmost importance and require effective strategies to ensure that the city is inclusive and socially and economically equitable. Too often the spiralling cycle of decline that emerges when traditional industrial and manufacturing bases diminish leaves large sections of the urban population locked into long-term unemployment. The resulting economic, social, and environmental deprivation, although geographically concentrated, has negative spillover effects throughout the city as a whole. Education and human capital can be improved at the urban level through the strategies of the "Learning City-Region" (OECD 2000a). Successful regeneration happens when holistic strategies which pursue economic, social and environmental goals are implemented. These concerns were recently raised at the G8 Labour Ministers Conference (Turin, 10-11 November 2000) and resulted in the endorsement of comprehensive approaches to structural reforms, which facilitate policies for a

socially inclusive society. Introducing specific measures at the territorial level to address disparities was also supported. The communiqué following the meeting of G8 Environment Ministers (Otsu, 7-9 April 2000) stated that “*Urban sustainable development will represent a major policy challenge for this century. Combating unsustainable trends in urban development including environmental pollution, urban sprawl and greenfield development through integrated policy approaches will contribute to a higher quality of life of citizens.*”

In the past, the problems of supplying and managing cities provoked major investments in transport facilities, agriculture, preventive health and sanitation, and energy, and inspired such major industries as fire insurance and telephony. Territorial development policies that reinforce the problem-solving capacities of cities contribute to sustainable economic development, creating jobs based on the goods and services that improve cities, reducing disparities, nurturing places where people and the economy can both flourish, and adding value by expanding the capacity for growth.

Governance

Innovations to improve cities however have been sporadic, not systematic. More than most territorial units, cities have a high latent capacity for initiative. But for all those cities, which exercise that capacity, many -- perhaps most -- do not. National policies are increasingly important, not only to provide better framework conditions for local initiatives, but also and especially to take better account of the many different sectoral and macroeconomic policies and instruments which have a territorial impact. The resources to solve urban problems are not only material; they include elements of social capital, flexible and visionary institutions, and the creative and imaginative work of people in both the public and private sectors, many of which depend on a combination of national and local conditions. Leadership is vital to overcoming a fatalistic attitude that sees change in cities as largely negative, and to building public-private partnerships, and involving of associations and the civic sector, as well as that of socially responsible firms. The criteria of success are increasingly reflected in the multi-sectoral and dynamic strategies based on a vision of the kind of territory that people want for the future, a vision which is now focused on realising sustainable development and encouraging local endogenous development. Important lessons for policy can be learned from many of the practical steps taken, often with encouragement at the national level, for urban redevelopment at the city centre.

Programmes and projects, even for the comparatively small areas of an urban core, frequently involve vertical co-ordination between different levels of government, horizontal co-ordination across jurisdictional boundaries within a single urban area, public-private partnerships, and considerable efforts at public consultation. The principles and guidelines for metropolitan governance are directly relevant to this process, and should be implemented in any city with aspirations for an urban renaissance (see OECD 2001a).

The urban renaissance

The renaissance of cities is being realised through imaginative and innovative policies and projects with a focus on the contribution of cities to economic growth, social cohesion and the quality of life.

An “urban renaissance” city has:

- a vision for the future based on broad public consultation;
- a strategic plan to guide development, including urban regeneration at the centre and growth management on the periphery of the functional region;
- made a clear analysis of how environmental, economic and social issues are linked, and is adopting policies to address the threats to sustainable development;
- identified its territorial assets which are to be maintained and enhanced, and is committed to maintaining and developing infrastructures to make best use of territorial assets;
- identified the obstacles to implementing better policies to address congestion and pollution, the re-use of brownfield sites, the integration of distressed urban areas, the needs of an ageing population, the problems of long-term unemployed, as well as the obstacles to taking advantage of ICT, the new economy, the promotion of small and medium enterprises, etc.;
- recognised the importance of the “learning city-region” concept, and facilitates effective organisational learning to develop high levels of innovative capacity;

- identified the national policies and programmes with both a positive and negative impact on its development;
- clarified the roles and responsibilities of national and regional government, and the allocation of resources, and adopted the metropolitan governance principles;
- developed partnerships with other cities and regions, and local partnerships with civil society;
- set benchmarks to measure progress.

PART I

CHALLENGES TO MEET CANBERRA'S POTENTIAL

The urban renaissance in Canberra

In the context of the broader policy goals of the Urban Renaissance Series, Canberra represents an important example of a planned city of the 20th Century with few of the liabilities of older industrial cities. The polycentric character of the city, which developed primarily in the second half of the 20th Century, has provided a legacy for the future. The development of the Australian national capital has been realised through the application of idealistic planning models based on achieving a high quality of life. Investment by government over many decades has resulted in a robust, well endowed, asset-rich city. It is well positioned to take advantage of current economic and social trends.

The 1990s brought about some major challenges for Canberra, namely: self-government (a Federal decision); major restructuring in the Australian Public Service; and the emergence of sustainable development on the global policy agenda. Each of these was exogenous, representing a challenge to the city's established path of development. In this respect, Canberra has much in common with industrial cities which have had to cope with external drivers of change affecting the city's main economic activity and thus faces many of the challenges of cities elsewhere. Pressures globally and locally to realise a more sustainable pattern of urban development mean that complacency is not an option. Canberra is tackling unresolved issues through mutually reinforcing strategies which will ensure that a creative, dynamic and inclusive city succeeds in the 21st Century. Richly endowed with visionary planning and design, Canberra is a brave and bold urban experiment that befits its role as the national capital of a young, ambitious, and successful country. To what extent has the city to change in order to be a model of sustainable development in the 21st Century relevant to the rest of the world?

Policies for territorial development imply that the kind of places we will have in the future will be shaped by medium term strategies affecting their endowment, including infrastructure, social cohesion, environmental quality, education, civil society and entrepreneurship. Cities need to be prepared in order to respond effectively to uncertain and rapid changes; territories must be adaptable. A strategy based on cross-sectoral integration to manage a city better can help territories be the agents of change, not its victims and can be guided toward a balance among economic, social and environmental objectives is as important for Canberra as it is for cities elsewhere. This approach requires governments to adopt more forward-looking strategies grounded in a vision of a more desirable future.

The economic growth and prosperity of cities are crucial factors to their well being, frequently determining social and environmental outcomes. In the case of Canberra, a pro-active effort to build the city's economy as a mix of public and private sectors -- essential to the city's sustainability -- will affect the current spatial pattern, introducing new demands and opportunities to which flexible responses can be made. Although the future of competitive, sustainable cities cannot be known, this is not an argument for maintaining the status quo; rather more flexible spatial planning strategies are needed that can introduce options and variety in existing cities. It is the capacity of cities to absorb change at low social and environmental cost that matters. Countries are adopting more mixed-use strategies to regenerate cities and inhibit outward growth. Inward investment must be complemented by efforts to promote endogenous development and local entrepreneurship; mixed employment strategies will reduce the sharp divides and contrasts apparent in many cities. Cities will become more competitive by maximising their individual potential whilst simultaneously benefiting from closer integration with other cities throughout the world. The difficulty in Canberra is no different in this respect than that faced in other cities where a pro-active strategy is envisaged: how to get from the city as it is to the city as it could be. This report is about unlocking that potential.

This study is not an evaluation of the whole city, nor is it a historical retrospective. The history of Canberra is well documented elsewhere. Its purpose in a local context is to contribute to the broader policy debate taking place in the city about how to adjust to a new economic trajectory while maintaining what is excellent in the city's environment. Locally, nationally and internationally the evaluation will make a positive contribution to urban policy making. Current debate in the city is overarched by the Future Canberra project,

which seeks to articulate a vision for the future and to contribute to the sustainable renewal of the city. Issues under consideration therefore are:

- The shift to “new economy” jobs and firms in the private sector, and a more sustainable pattern of transport and housing, with an emphasis on adaptive reuse and modernisation of the city centre -- the area known as Civic. Civic is the central business district of Canberra, originally conceived as the municipal centre of Canberra, but its current condition is not reflective of the high level of public realm in Canberra as a whole. The redevelopment of Civic will strengthen the existing sub-centres in other parts of Canberra. The existing sub-centres in Canberra grew up because of growth in the public sector and internalised assumptions about the relationship between transport, work and housing which may not be consistent with economic and social trends today. *A Strategic Plan for the rebuilding of Civic is one of the key elements to realising more sustainable transport and housing and a more inclusive use of public space, to reducing pressures on the periphery, and to promoting economic growth in the city.*
- Enhancing co-ordination with the Commonwealth on an overall strategy for Canberra, thereby maximising the opportunities presented by two governments having jurisdiction within the Australian Capital Territory (ACT) to realise shared goals. The issue of Canberra’s identity as both a city in its own right and as a national capital will require open consultation processes. *A comprehensive citywide strategy which effectively responds to the challenges of the 21st Century must take account of Canberra’s local, national and international roles.*
- Consideration of sub-themes with an economic development focus, which include the potential role of universities in an inner Canberra strategy, and the continued development of key growth engines of the city. *The continued growth of the private sector in the ACT is an important factor but it is closely linked to the strong public sector influence on the economy. Future policy solutions must respond to the needs of all sectors.*
- How the strategic planning process in Canberra which is related to sustainability, land use and measures to realise the city’s potential, can be improved, and how outcomes can be implemented. Civic has been highlighted in several ACT policy papers and plans as an

area to be improved; the economic opportunities available to Canberra can help investment here. *The planning process offers the city the opportunity to pursue environmental, social and economic goals coherently and effectively, and to prepare the next generation of Canberrans for civic leadership.*

- Community Engagement -- the best way to develop Future Canberra and its vision with the city's social partners and civil society.

Regrettably, many other issues of specific interest to Canberrans will not be covered. This project is not a comprehensive investigation; it is a case study and evaluation which is part of a more strategic policy process within OECD about cross-sectoral, integrative strategies for the renaissance of cities with a focus on spatial development for sustainability.

Canberra: an overview

The Australian Federation was established in 1901. Canberra, the National Capital was born out of the Federation. Walter Burley Griffin won an international competition for the design of Australia's National Capital, announced in 1911. At the heart of Griffin's plan was the use of topography as an integral design feature and as a setting; a symbolic hierarchy of land uses designed to reflect the order and functions of democratic government; a geometric plan with the central triangle formed by grand avenues terminating at Capital Hill which would become the symbolic centre of the nation complemented with a system of urban centres. The open space system, the hills, and grand avenues accentuate natural axes and become both the symbolic and functional base for the Capital. The city that Griffin envisaged would accommodate some 75 000 people -- the city today has a population of over 300 000. The City Beautiful, Garden City and New Town planning movements have largely shaped the Canberra of the 21st Century. As the city developed into a polycentric distribution of urban functions, it became a model of idealised planning widely respected throughout the world and about which much has been written.

"I have planned a city not like any other city in the world. I have planned an ideal city". (Walter Burley Griffin, in Fisher, 1984).

The Griffin Plan formed the framework for the development of the city throughout the 20th Century. In 1925, the Federal Capital Commission took responsibility for the planning and development of Canberra. Parliament House

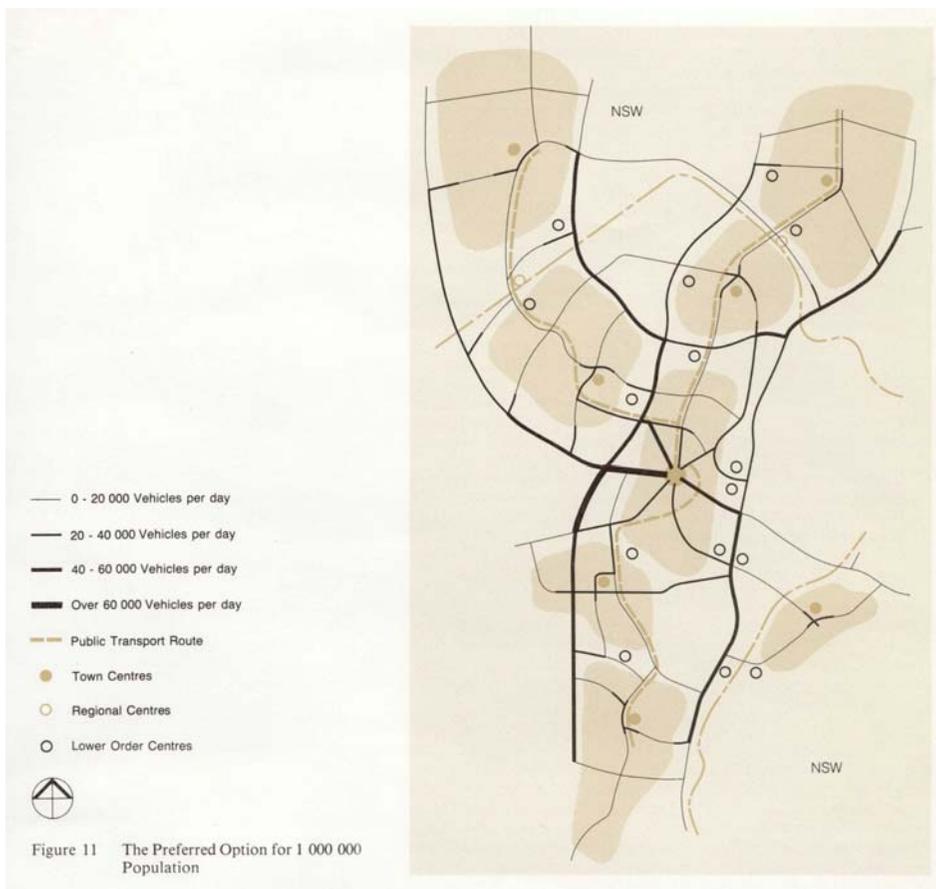
was opened in 1927 and the transfer of public servants to Canberra commenced. Two world wars and an economic depression affected the initial stages of development. However, the National Capital Development Commission was established in 1957 and given the responsibility for the planning of the national capital with four main tasks: *“to complete Canberra as the seat of government, to further its development as the administrative centre by providing facilities to permit further transfer of public servants from Melbourne, to give Canberra an atmosphere and individuality worthy of the National Capital, and to further the growth of the city as a place in which to live in comfort and dignity”*. This move pre-empted the most significant period of development faced by the city.

The original population forecast of 75 000 was reached in 1961. The city population was subsequently expected to rise to 250 000 and as such the Future Canberra Plan was prepared in 1965 to accommodate this growth. The Future Canberra Plan proposed to accommodate growth in three new districts (Woden, Belconnen and Majura). However, it soon became apparent that this was insufficient to meet growth rates and in 1967 Tomorrow’s Canberra -- the Y-Plan -- was prepared to guide the city through its most intensive period of growth. By 1967 the population had already reached 100 000 and doubled by 1977 to some 200 000. Population forecasts at the time, provoked by the rapid growth rate, considered a scenario whereby the population of Canberra might reach 1 000 000. The Y-Plan resulted in the development of separate urban districts in a linear arrangement in the form of a Y. Each new town was to have a population of 75 000 -- 120 000 with a centre having 10 000 -- 15 000 jobs. Central Canberra was to have 60 000 jobs when the population reached 500 000, and 90 000 jobs at 1 000 000. The urban districts were intended to be relatively self-contained, providing employment, retail, community facilities, and leisure and recreation opportunities for residents. The hills, ridges and major areas of open space separated each town centre from adjacent towns. The town centres were linked through a series of arterial roads through the central area, a public transport spine and a series of peripheral parkways. In the 1980s, growth rates eased and the 1984 Metropolitan Plan emerged, assuming a more realistic population forecast of 400 000. The Metropolitan Plan favoured a dispersed employment scenario, which restricted the central area to 64 000-69 000 jobs. The transport strategy of the Y-Plan was retained; an important element in shaping Canberra’s spatial structure.

The 1980s were the beginnings of a new era for Canberra. When a referendum was held in 1978 to introduce self-government into the ACT, Canberrans voted against its introduction. Nevertheless, a Commonwealth ACT (1988) introduced self-government in 1989. The functions of the NCDC were split between the ACT Government and the Commonwealth government when self-government came in 1989. The National Capital Planning

Authority (NCPA) was created in 1989, becoming the National Capital Authority (NCA) in 1997. Following self-government, the National Capital Plan (1990) and the Territory Plan (1993) have guided the planning of Canberra. The two plans pursue the broad principles of the 1984 Metropolitan Plan and emphasise the need to maintain the pattern of dispersed towns, the hierarchy of commercial centres and decentralised employment policy. The total resident population in 2000 was 310 800.

Map 1. The Y Plan for Canberra, 1967



Source: Australian Capital Territory Land Information Centre (2001).

The 'ideal city' which evolved throughout the 20th Century, however, may not be sufficiently sustainable in 21st Century terms. Can a highly decentralised polycentric city with a number of suburban town centre nodes sustain separate vibrant employment centres for most of the working population without significant inter-centre commuting? In the days when 90 per cent of local employment was either governmental or local services (retail, entertainment, etc.) this may have been somewhat possible, but as the city's economy becomes increasingly private sector dominated, and as households become increasingly two or three job-holding families, these ideas are increasingly outmoded. Locational choices for private sector firms will be based on competitive appraisal of the platform they offer for commercial success. Only in the most unusual circumstances will all the discerning '21st Century' members of the same family work and live in the same locations. The decentralised model that is Canberra which anticipated the trend toward deconcentration that has been characteristic of urban trends in recent years in the west was a reaction to environmental and social problems associated with greater density and concentration in the 19th and early 20th Centuries. It is important to recognise that this solution is in fact part of today's problem in terms of high energy use in transport, greenhouse gas emissions, water and land use. Suburbanisation and motorisation, weaken urban centres within the polycentric system and increase infrastructure costs in Canberra. In addition, suburbanisation can generate a tendency for affordable housing to be located on the periphery, thus accentuating the problems of the disadvantaged. Thus, the challenge for Canberra lies in maximising the strengths and advantages of the current urban form whilst controlling the disadvantages and costs.

Polycentric urban structures can be seen at two different scales: inter-regional (examples exist in Europe, Japan and the US but not in Canada or Australia), and intra-regional. Polycentric patterns which are intra-regional, at the level of the metropolitan area, are typically associated with outward growth at declining population densities, primary dependence on highways to gain speed for cars over distance, and dispersed office, retail and leisure centres. These phenomena are typically found in metropolitan areas 8 or 10 times larger in population than Canberra, but are exceptional in metropolitan areas of half a million or less. At the level of the single metropolitan area, the polycentric mega-city is often characterised by decline at the urban core with negative implications for economic innovation and investment, social cohesion and infrastructure. These trends can only be reversed at great cost sustained over many years. The advantages of polycentric structures are probably on balance more positive at the inter-regional level, when several urban areas are linked together, as in the Randstad Netherlands, or the English Midlands. A polycentric Canberra will continue for the foreseeable future, but if things

remain as they are, possibly at rising cost to the environment, and in lost economic opportunities.

Australia

With a population of over 19 million, Australia is a federal parliamentary state divided into six States and two main Territories. Under the Constitution of 1901, Parliament is composed of a House of Representatives (Lower House) and Senate (Upper House). The political party or coalition commanding a majority in the House of Representatives provides the Commonwealth (federal) Government, headed by the Prime Minister. The Cabinet is the major policy-making body. All State and Territory Parliaments have two chambers, except those of Queensland, the Australian Capital Territory (ACT) and the Northern Territory. The Federal Government until 1989 administered the ACT, when it was granted self-government. The Northern Territory has had self-government since 1978. Intergovernmental co-ordination takes place in the Council of Australian Governments, which is composed of the heads of the Commonwealth, State and Territory Governments, and the President of the Australian Local Government Association (ALGA). The council oversees the development of closer co-operation among Australian governments in areas of shared responsibility, notably microeconomic reform, regulation and the environment. In addition, 21 ministerial councils operate across all areas of government to improve co-operation and co-ordination among the Commonwealth, States and Territories and local government on sectoral issues. Australia's 730 or so local government councils vary in areas, population and budget. Local government responsibilities depend on the State jurisdiction, though they always include land use planning and management, and infrastructure and service provision. Most development decisions occur at local level. Councils are usually represented through their local government association in the ALGA, which is active in intergovernmental relations. Aborigines and Torres Strait islanders own about 14 per cent of Australia's territory under the traditional laws and customs of Aborigines and Torres Strait islanders. These include title to land, and hunting, fishing and gathering rights with the conditions that: traditional law continues to be observed; there has been a continuing connection to the land; and no Government Act has extinguished the title.

An integrated approach to planning and land management is taken throughout Australia and responsibility primarily rests with the six State, two Territory and local governments. At the Commonwealth level the Department of Agriculture, Fisheries and Forestry and the Department of the

Environment and Heritage are the main agencies responsible for environment and natural resource management.

Australian Capital Region

The Australian Capital Region, whilst not a formal administrative entity, covers the ACT and the South East of New South Wales (NSW) and Tumut Local Area. It comprises eight Statistical Areas and covers some 58 000 km². On June 1999 the region had an estimated resident population of 502 900. In 1994 the NSW and ACT governments created the Australian Capital Region Development Council, providing core funding to facilitate the sustainable economic, employment and investment development of the area. Agriculture, forestry and fishing have declined over recent years as property and service industries, construction and tourism have strengthened. The regional labour force in 1998-9 was 259 300 people. Some 17 300 people were unemployed -- the annual regional unemployment rate was 7 per cent. The 1996 Census revealed that 11 600 persons in the ACT labour force lived outside the Territory.

Table 1. Estimated resident population, Australian Capital Region

30 June

	ACT (No.)	Total No. of sub-region	% change from previous period	Total Australian Capital Region (No.)	% change from previous period
1994	301 486	359 347	1.1	489 536	1.1
1995	304 805	363 132	1.1	493 567	0.8
1996	308 251	367 049	1.1	498 588	1.0
1997	308 011	367 294	0.1	499 129	0.1
1998	308 057	367 699	0.1	499 627	0.1
1999	310 174	370 261	0.7	502 894	0.7
Change 1994-99	9 820	10 914	--	13 358	--
%	2.9	3.0	--	2.7	--

Source: Australian Capital Territory - ACT (2000a).

Territorial administration

The Federal Parliament passed the Australian Capital Territory (self-government) Act in 1988, which established self-government in the ACT. Self-government brought with it the creation of the Australian Capital Territory (ACT) and the National Capital Authority (NCA). The National Capital Authority is in effect the planning instrumentality for the Commonwealth Government. The ACT government is responsible for the governance of the Territory and the administration of statutory functions and service delivery throughout the city. The structure of government comprises the Chief Ministers Department; Education and Community Services; Health and Community Care; Justice and Community Safety; Treasury and Urban Services.¹

Canberra's government is only just twelve years old, and has not been built upon any strong tradition of effective local government in the ACT. The first decade has been characterised by political swings dependant upon consensus between parties rather than overall majorities. Political stability is dependent upon a working political majority, which can smooth over electoral and economic cycles. This is a general issue in territorial development throughout OECD Member countries. Jurisdictional and administrative boundaries do not coincide in most metropolitan regions with functional labour markets, and interfere with strategic planning on social, transport, and environmental, etc., matters. The OECD Principles of Metropolitan Governance in the Box 1 are of particular relevance. The Federal Government has made a decision to 'set Canberra free' from its origins as a city run by the Commonwealth, and the roles and responsibilities of both the Commonwealth and ACT governments are laid out in legislation. However, there are wider and longer-term issues that need to be reviewed jointly with Federal Government. These issues include:

- The long term role of Canberra vis-à-vis other major Australian cities which are playing on the international stage;
- the responsibility of both governments in land release and policy development, given their impact on urban infrastructure;
- the long term fiscal base of Canberra and the extent to which its comparatively low population and land base vis-à-vis other Australian States could prevent it from realising the infrastructure investment and other resource mobilisation required to remain competitive, and

- the maintenance and possible modification of Canberra’s landscape and other amenities in relation to a multi-sectoral approach to sustainability.

Box 1. OECD principles of metropolitan governance

There is no one model of metropolitan governance. It is clear that (in addition to the broad principles which underlie any adequate system of democratic government -- transparency, accountability, accessibility, representativeness, constitutionality, and protection of fundamental freedoms) a number of principles can also be applied in order to define the adequacy of systems of governance for metropolitan regions in the 21st Century.

- ***Cities for Citizens***: Cities should be developed, not only to meet the needs of the economy, but also to help fulfil the aspirations of people for a higher quality of life through measures that can also maintain and enhance the attractiveness and liveability of cities.
- ***Coherence in Policy***: The objectives and institutional frameworks of metropolitan governance should be adapted to and focused on key local problems such as economic development, affordable housing, congestion, sprawl, safety, environmental quality, and the regeneration of older areas, which should be tackled simultaneously, taking into account linkages and trade-offs.
- ***Co-ordination***: Metropolitan governance must reflect the potential and needs of the entire urban region. The roles and responsibilities of each level of government in respect of metropolitan areas should be clearly defined in order to facilitate policy coherence and cross-sectoral integration. Given the administrative fragmentation of metropolitan regions, co-ordination is also necessary among local authorities across jurisdictions, and between elected authorities and various regional boards or agencies with functional or sectoral responsibilities.
- ***Endogenous Development***: Rather than basing economic development mostly on attracting investment through financial and fiscal incentives, emphasis should be put on investment in infrastructures and human development to take best advantage of local resources. Metropolitan governance can help to set priorities, taking a coherent approach to development based on the strengths and opportunities of a region.
- ***Efficient financial management***: Metropolitan governance should allow for the costs of measures to be reflective of benefit received and assure complete transparency, accountability and monitoring. It should also guarantee that all parts of the urban region are considered in assessments of the appropriate level for and of the costs and benefits of, public services.

Box 1 (continued)

- ***Flexibility***: In order to adapt as necessary to economic and social trends, technological innovation, and spatial development, institutions have to be open to changes. A forward-looking, prospective approach is also indispensable to allow for flexibility as well as sound strategic planning.
- ***Particularity***: Except where the case for standardisation is justified, policies and institutions of government must be crafted to fit the unique circumstances of various parts of the country and to achieve the best cost efficiency of measures.
- ***Participation***: Given the growing diversity and size of metropolitan regions, governance must allow for, the participation of civil society social partners and all levels of government involved in the metropolitan area. New technologies and methods of communication can encourage and support more inter-active policy environments, bringing government closer to people.
- ***Social cohesion***: Metropolitan governance should promote a mix of population, non-segregated areas, accessibility and safety, and the development of opportunity, and facilitate the integration of distressed urban areas.
- ***Subsidiarity***: Services must be delivered by the most local level unless it has not sufficient scale to reasonably deliver them, or spillovers to other regions are important.
- ***Sustainability***: Economic, social and environmental objectives must be fully integrated and reconciled in the development policies of urban areas, as reflected in the concepts of the healthy city and the ecological city; in the context of the wider bio-region, this implies greater co-operation between urban and rural areas.

Source: OECD (2001a).

All land in Canberra, the nation's capital, is owned by the Commonwealth. Unlike other cities in Australia, Canberra does not have freehold ownership of land. Instead, there is a leasehold system. The Commonwealth ensured that the form of land tenure in the ACT would be different when it adopted the Seat of Government (Administration) Act 1910. Section 9 of the Act states "*no Crown land in the territory shall be sold or disposed of for any estate of freehold*". The ACT Government is responsible for managing Territory land. That is the land in the ACT, which has not been retained by the Commonwealth and declared National Land. National Land is located mostly in the Parliamentary Triangle. The ACT Government agency responsible for leasehold administration and planning is Planning and Land Management. (The NCA provides a means for managing the ceremonial and federal areas).

Planning and land management in the ACT

The National Capital Authority

The National Capital Authority's functions include Parliamentary uses; key Commonwealth Government policy departments; official residences of the Prime Minister and the Governor General; embassies, delegations and high commissions of foreign countries; major national institutions such as the High Court, Australian National Gallery and the like; and major national associations. The Commonwealth remains the owner of land in the Territory. Management of National Land in the Territory is a function shared by the Commonwealth Department of Finance and Administration and the National Capital Authority. Certain other Commonwealth agencies, such as the Department of Defence, also manage land on which their activities are located. Financing of the construction of Commonwealth facilities in the Territory is a responsibility shared among the many Commonwealth Departments and authorities. Maintenance and development of certain National Land is undertaken by the ACT Government on behalf of the Commonwealth, but is financed by the Commonwealth.

The Planning and Land Management Act established the National Capital Authority and its requirement to produce a National Capital Plan and a Territory planning authority to prepare and administer a Territory Plan. The Australian Capital Territory (Planning and Land Management) Act 1988 established the National Capital Planning Authority as a Commonwealth Government agency with the following functions:

1. To prepare and administer a National Capital Plan the object of which is *'to ensure that Canberra and the Territory are planned and developed in accordance with their national significance.'*²
2. To keep the National Capital Plan under constant review and to propose amendments to it when necessary.
3. On behalf of the Commonwealth, to commission works to be carried out in Designated Areas in accordance with the National Capital Plan where neither a Department of State of the Commonwealth nor any Commonwealth Authority has the responsibility to commission those works.

4. To recommend to the Minister the carrying out of works that it considers desirable to maintain or enhance the character of the National Capital.
5. To foster an awareness of Canberra as the National Capital.
6. With the approval of the Minister, to perform planning services for any person or body, whether within Australia or overseas.

The Australian Capital Territory The Australian Capital Territory (Planning and Land Management) Act 1988 provides that land used by or on behalf of the Commonwealth may be declared National Land, and managed by the Commonwealth. The remaining lands of the Territory are Territory Land and these lands are managed by the ACT Government on behalf of the Commonwealth. Urban Services is the government department, which has jurisdiction over planning matters. It is primarily responsible for Policy Co-ordination (road use and management, public transport policy, industry policy and regulation and infrastructure policy); Planning and Land Management (PALM); Environment ACT; ACTION (public transport) and Operations (information and planning services, City Operations and ACT forests). PALM is responsible for:

- Territory Planning (implementing the Planning and Land Management Act, 1988; the Territory Plan 1993 and numerous associated Acts and Regulations),
- the management of development activity (development application assessment and processes, lease and Land Act compliance, lease preparation and management, infrastructure management),
- land information(spatial infrastructure management),
- licensing and regulation (ACT building industry and buildings, electrical, plumbing and associated services and land surveyors etc.).

Demographics in the ACT

Throughout its history, Canberra has experienced population growth but its boom years were the late 1960s and 1970s. A slower pattern emerged from the 1980s, which has become an ongoing trend. Between 1996-8, the period of great change in the city as the Australian Public Service was

restructured Canberra experienced a historic low of 0 per cent growth in 1997 and 1998. Since 1998, recovery has been steady, in 1998 population growth of 0.1 per cent and 0.4 per cent in June 2000 was realised. Forecasts prepared by Demographics ACT project a continuance of this trend increasing to growth of around 1 per cent is from 2009. Growth from natural increase remains the major and most consistent component of population increase. However, in common with cities elsewhere the predominance of natural increase is forecast to diminish steadily due to continuing decreases in fertility and the ageing of the Canberra population. The current level of net interstate migration out of Canberra is forecast to improve. Population growth ranging from 2 200 persons per year in 2000-2001, to 2 000 persons in 2005-06, and 5 600 in 2014-15 is anticipated. Demographics ACT estimated the population of the ACT, growing to 315 700 in 2002, 355 900 in 2015 and 400 600 in 2026.

Table 2. Forecast population growth

June	Population	Natural Increase	Migration	Growth	Annual growth rate (%)
1998	308 100	2 800	-2 800	0	0.0
1999	309 300	2 900	-1 700	1 200	0.4
2000	301 800	2 600	-1 100	1 500	0.5
2001	313 000	2 700	-500	2 200	0.7
2002	315 200	2 600	-400	2 200	0.7
2003	317 700	2 500	-100	2 500	0.8
2004	320 500	2 300	300	2 800	0.9
2005	323 400	2 400	300	3 000	0.9
2006	326 300	2 300	300	2 900	0.9
2007	398 200	2 200	500	2 900	0.9
2008	332 100	2 100	600	2 900	0.9
2009	335 400	2 100	1 000	3 300	1.0

Source: Australian Capital Territory - ACT (1998).

Although Canberra has a relatively youthful population, in common with other OECD country experience, the population is ageing. The median age of the Canberra population is forecast to rise from 32.8 years in 2000, to 40.4 years in 2015. Ageing of the population in Canberra will be evident in the greater proportions of persons aged in the 50 to 60 years age group, and less in the younger age groups. In the five years to 1991, there was an annual increase of 1 400 people aged 18-25 years. This fell to 159 per annum for the five years to 1996. However, for the period from 2010, there will be zero growth (*i.e.* this age group, falling to 900 persons per annum for the period from 2010 to 2016. The number of people aged 50 to 60 years is forecast to increase by 2 800 per

annum to 2010. The number of persons aged 65 to 79 years to increase by 900 persons per annum and the number of people aged 80 years and over by 300 persons per year. The challenges and opportunities this presents are being considered cross-sectorally in the development of ACT public policy.

Dwelling and household forecasts

The number of households are projected to increase more than the increase in population because of the decrease in household size as young adults choose to live in smaller households. There will also be a shift in the growth of different household types. The number of couple families with children is projected to decrease, and there is likely to be a large increase in couple families without children. Between 2000-2010 the population of the ACT will grow by 29 000, employment will grow by 25 000 and there will be a need for between 16 000 and 25 000 new homes. In 2000, there were an estimated 119 000 occupied private dwellings in Canberra. In 1996, 95.7 per cent of the population lived in 106 686 private dwellings and 4.3 per cent (12 775) in 174 non-private structure. In 1996, 71 per cent of households were families of which 37 per cent of households were couples with children. By 2001, couples with children are estimated to fall to 34 per cent and forecasts for 2021 predict a further decrease to 26 per cent. Housing needs are changing to reflect changing demographics -- some 52 per cent of households are 1-2 persons and since 1993, demand has grown for accommodation in Central Canberra.

Table 3. Estimated resident population, ACT statistical subdivisions

	Area km ²	No.			Population density persons km ²	Change, %	
		1994	1998	1999		1994-99	1998-99
North Canberra	207	39 263	34 897	38 661	187	-0.3	0.4
Belconnen	130	86 005	84 401	84 264	649	-0.4	-0.2
Woden Valley	29	33 122	32 454	32 393	1 132	-0.4	-0.2
Weston Creek-Stromio	104	25 625	24 157	24 073	231	-1.2	-0.3
Tuggeranong	162	87 710	89 295	89 520	554	0.4	0.3
South Canberra	87	22 515	22 783	23 006	266	0.4	1.0
Gungahlin-Hall	91	6 891	16 145	17 927	198	21.1	11.0
ACT Balance	1 544	355	325	330	--	-1.4	1.5
Total ACT	2 352	301 486	308 057	310 173	132	0.6	0.7

Source: Australian Bureau of Statistics (2000).

The ACT Government through the Urban Development Programme (see Part II) aims to provide an additional 50 000 dwellings over and above those identified as a result of typical multi-factoral growth predictions between 2001-2026. Extensive analysis within the ACT has identified types of dwellings needed based on housing preferences and dwelling demand scenarios, land take scenarios and policies of the Territory Plan (1993). To meet this need the Urban Development Strategy 2001 states that an additional 50 000 dwellings will require between 2 000 and 3 305 hectares, depending on household type, housing preference scenario and dwelling density. There are 760 hectares of undeveloped land with residential zoning allocation in the established districts of the ACT, together with 3 195 hectares in the remainder of Gungahlin. The intention is to provide 25 per cent of the new homes needed over the next decade in Civic and Kingston Foreshores, which will imply population growth being concentrated closer to the centre of Canberra rather than on greenfield sites on the periphery. This is similar in strategy to what is being done in the United Kingdom, France, Germany, and smart growth in the United States, where the aim is to increase the percentage of development going on previously developed land rather than on greenfield sites. The changing demographics present opportunities for diversity in urban form that have been absent at earlier stages of the city's evolution and current policies and strategies are sensitive to this.

Table 4. Components to estimated resident population

	Natural increase (%)	Net overseas migration (%)	Net interstate migration (%)	ERP	Rate of growth ¹ (%)	
					ACT	Aust.
1993	1.2	-0.2	0.4	299 302	1.6	1.0
1994	1.1	-0.1	-0.1	301 486	0.7	1.1
1995	1.1	--	-0.2	304 805	1.1	1.2
1996	1.0	0.1	-0.2	308 251	1.1	1.3
1997	1.0	--	-1.0	308 011	-0.1	1.2
1998	0.9	--	-0.9	308 057	--	1.1
1999	1.0	0.1	-0.4	310 173	0.7	1.3

Differences between the total growth rate and the sum of the natural increase and net migration rates arise from the retrospective adjustments (which are made after each census) to compensate for intercensal discrepancies.

Source: Australian Bureau of Statistics (2000).

The city economy and labour market

Much of the twentieth century was focused on reinforcing the public sector as the economic base of the city. Years 1996-1997 marked the beginning of a new era for the city when decisions were taken at the Federal level to restructure the Australian Public Service. Considerable downsizing took place throughout Australia. In Canberra, this resulted in the loss of some 6 900 public sector jobs³ in just one year. The Office of Financial Management, Economic Policy and Research Unit of the ACT government studied the impact of the cutbacks in public sector employment during the reform period of the 1990s (Australian Capital Territory, 1999a). As the research considered a broader historical context (1983-98), the changes in the public sector should be quantified within the context of those occurring in the private sector. Thus, between the period 1986-96 public sector employment remained fairly static at around 72 000 workers whilst the private sector grew from approximately 56 000 to around 81 000.

In 1983, the public sector accounted for 60 per cent of employment in the ACT; by 1998, it had fallen to 44 per cent. At the national level public sector employment declined by 101 400 workers in 1997 and 10 600 in 1998. Of the 6 900 job losses in the ACT in 1997, 4 200 were Australian Public Service (APS) employees and 2 700 were classified as *other public*⁴. Redundancies in the ACT had been rising since the 1990s, to some 1 300 in 1996, peaking at 4 200 in 1997 and falling to 2 900 in 1998. Appointments to the public service were 3 900 in 1996, 2 400 in 1997 and 2 800 in 1998.

Reform of the public service not only saw the reduction in the actual numbers of employees but also the ongoing outsourcing and corporatisation/privatisation of public sector functions. The ACT classifies employees in privatised functions as private sector employees and those working in corporatised APS functions as other public workers. Thus, in the ACT, the reliance upon the public sector remains strong. Despite the changes in the Australian Public Service, government administration and defence continue to be the ACT's dominant industry, contributing 29.8 per cent to GSP (Gross State Product) compared to 4 per cent nationally. The public sector accounts for some 40 per cent of the workforce but a considerable number of private sector workers remain dependent upon public functions as the main source of revenue, a scenario seen elsewhere when large-scale public sector restructuring takes place.

Box 2. ACT economic principles

The focus of the ACT government's economic strategy (ACT Government, 2000-2001) has five key elements:

- ***Diversification of the economic base.*** The cutbacks in the Australian Public Service 1996-7 brought about the need to stimulate private sector employment in the city. Emphasis has been placed on working with outsourcing companies to ensure that outsourced jobs remain in Canberra, and at targeting those industry sectors with growth potential, including information technology, corporate services and light manufacturing.
- ***The ACT as a regional economic centre.*** Located in a region servicing a population of over half a million, the potential for economic growth is accepted. The Australian Capital Region Leaders Forum and the Australian Capital Region Development Council provided opportunities for Canberra to develop further within the regional economy. A fiscal system, which is consistent with the rest of the region, should be maintained to ensure that Canberra does not create investment disincentives.
- ***Sound financial management and service delivery.*** The major objectives are to ensure that the optimum mix of goods and services is delivered to residents and businesses; that these goods and services are provided in the most efficient manner, and provide best value for dollar for the community; and that the community and business to have confidence in the Government's management of the Territory.
- ***Creation of a sound business environment.*** Promoting existing business growth and facilitating new business development. A Regulatory Needs Analysis seeks to ensure that regulations are implemented only when 'there are no better alternatives' and that the resulting cost burden is kept to a minimum.
- ***Microeconomic reform and national competition policy.*** The aim is to make 'government business activities' commercially competitive which is considered improve efficiency, increase competition and value for the provision of government goods and services.

Source: Australian Capital Territory (2000).

The major structural changes which took place between 1996-8 inevitably led to a downturn in the ACT economy, but it is important to stress that recovery has been a more dynamic process than elsewhere, largely aided by the complimentary socio-economic factors which pertain to Canberra. Typical variables such as a slowdown in the construction industry, decreases in house prices, increases in rental vacancies were all apparent. Recovery has been swift and since 1998, the ACT has experienced an improvement in its economic performance. State Final Demand⁵ (SFD) during the period 1988-94 was more than twice the national average in the ACT at 5.4 per cent, compared to a national figure of 2.7 per cent. Between 1994-8 the rate was 1.7 per cent

compared to a national average of 5.0 per cent. In 1999-2000 SFD represented AUD 19.1 billion, an increase of AUD 2 billion on 1998-9. The rate of growth currently running at twice the national average at 12 per cent. The public sector remains the greatest contributor to SFD, for the period 1999-2000 it contributed some AUD 10.71 billion compared to the private sector contribution of AUD 8.35 billion. Public sector expenditure continues to increase at a faster rate than private sector, for the period 1998-9 to 1999-2000 the increase was more than 50 per cent that of private sector expenditure. Since 1995-6 public expenditure has increased by 42 per cent compared to 26 per cent in the private sector. During the period 1999-2000 public sector expenditure accounted for 56.2 per cent of SFD. The ACT is currently the fastest growing economy in Australia.

Table 5. Labour force status

Annual average

	ACT								
	In the labour force, per thousand						Australia, in %		
	Employed full time	Total employed	Total unemployed	Total in the labour force	Civilian population aged 15 and over	Unemploy. rate ^a	Participation rate ^b	Unemploy. rate ^b	Participation rate ^b
	Males								
1993-94	72.1	82.3	6.7	161.1	110.6	7.5	80.4	10.9	73.6
1994-95	71.4	81.7	6.8	159.9	111.2	7.7	79.5	9.1	73.8
1995-96	71.1	82.1	7.0	160.2	110.8	7.9	80.4	8.8	73.8
1996-97	69.2	79.9	7.3	156.4	111.6	8.4	78.2	8.8	73.4
1997-98	69.5	80.7	7.1	157.3	112.3	8.1	78.1	8.5	73.0
1998-99	68.9	81.7	6.2	156.8	113.9	7.0	77.2	7.8	72.8
	Females								
1993-94	44.4	70.3	5.4	120.1	115.6	7.1	65.5	10.0	52.2
1994-95	45.4	72.1	5.0	122.5	117.4	6.5	65.7	8.7	53.2
1995-96	45.1	74.2	5.6	124.9	119.7	7.1	66.7	8.0	53.8
1996-97	45.0	72.9	5.9	123.8	120.8	7.4	65.2	8.4	53.9
1997-98	46.6	73.2	5.4	125.2	120.9	6.9	65.1	8.0	53.6
1998-99	46.7	74.9	4.3	125.9	121.6	5.4	65.1	7.4	53.9
	Persons								
1993-94	116.5	152.6	12.1	281.2	226.2	7.3	72.8	10.5	62.8
1994-95	116.7	153.8	11.8	282.3	228.7	7.1	72.4	8.9	63.3
1995-96	116.2	156.3	12.6	285.1	230.4	7.5	73.3	8.4	63.7
1996-97	114.2	152.8	13.2	280.2	232.3	7.9	71.4	8.6	63.5
1997-98	116.1	153.9	12.5	282.5	233.2	7.5	71.4	8.3	63.1
1998-99	115.6	156.6	10.4	282.6	235.5	6.3	70.9	7.6	63.2

a) The number of unemployed expressed as a percentage of the labour force.

b) The labour force expressed as a percentage of the civilian population aged 15 years and over.

Source: Australian Bureau of Statistics (2000).

Between 1971-91, Canberra experienced employment growth of 4 000 persons per annum. Changes in the ACT economy resulted in a fall to less than 2 000 per annum from 1991. However, since 1997 the ACT has been experiencing greater increases in the numbers of people employed. For the period 1998-9 the ACT experienced employment growth, more than double the national average, 5.9 per cent compared to 2.4 per cent. This trend has continued: employment growth for 1999-2000 was at 3.8 per cent compared to 2.0 per cent nationally. Since 1997, this represents overall growth of 10.6 per cent compared to a national rate of 8.7 per cent. In terms of numbers of persons employed this equates to 171 220 at December 2000 which is a participation rate of 73.7 per cent, 10.2 per cent higher than the national average. At December 2000, unemployment in the ACT was 4.5 per cent (8 100 people) compared to 6.5 per cent nationally.

Table 6. Employment by industry¹

Industry	1997-98		1998-99	
	'000	%	'000	%
Agriculture, forestry and fishing	0.8	0.5	1.1	0.7
Mining	0.1	0.1	0.1	0.1
Manufacturing	4.5	2.9	3.2	2.0
Electricity, gas and water supply	0.6	0.5	0.9	0.6
Construction	8.5	5.5	7.1	4.5
Wholesale trade	4.8	3.1	4.0	2.5
Retail trade	21.6	14.0	22.0	13.9
Accommodation, cafes and restaurants	8.1	5.3	7.7	4.9
Transport and storage	4.7	3.0	4.4	2.8
Communication services	3.0	1.9	2.4	1.5
Finance and insurance	3.5	2.3	3.1	2.0
Property and business services	20.6	13.3	21.8	13.8
Government administration and defence	35.3	22.8	39.9	25.3
Education	12.6	8.2	14.8	9.4
Health and community services	12.0	7.8	11.5	7.3
Cultural and recreational services	6.6	4.3	6.6	4.2
Personal and other services	7.3	4.7	7.0	4.4
Total employed	154.8	100.0	157.9	100.0

1. Annual average, year ending August.

Source: Australian Bureau of Statistics (2000).

The dynamics of the labour market have changed along similar patterns to those seen throughout OECD countries, that is to say, an increase in part-time jobs, an increase in women in the workforce and a decrease in male participation. At December 2000, 126 400 (74%) of people in employment were in full-time positions and 44 800 (26%) in part-time. The most significant increases in employment over recent years has been in part-time positions, for 1999-2000 the increase was 6.7 per cent compared to full-time increases of 2.8 per cent. Since 1995, part-time employment has increased by 11.2 per cent and full-time by 7.8 per cent. In common with trends elsewhere females account for the highest proportion of part-time workers, some 69 per cent at December 2000 compared to 31 per cent of full-time workers. Females account for 48 per cent of the workforce in the ACT, some 4 per cent higher than the national average. The labour force statistics below trace patterns of employment and unemployment in the ACT and Australia since 1993.

Table 7. Industry contribution to GSP at factor cost¹, 1998-99

	ACT		Aust.	
	\$m	%	\$m	%
Agriculture	16	0.1	17 378	3.3
Mining	2	--	22 375	4.2
Manufacturing	187	1.7	70 908	13.4
Electricity, gas and water	235	2.1	12 960	2.5
Construction	680	6.0	34 708	6.6
Wholesale trade	232	2.1	29 283	5.5
Retail trade	528	4.7	31 650	6.0
Accommodation, cafes and restaurants	246	2.2	12 424	2.3
Transport and storage	366	3.2	28 371	5.4
Communication services	315	2.8	16 573	3.1
Finances and insurance	368	3.3	34 040	6.4
Property and business services	1 274	11.3	57 925	11.0
Government administration and defence	3 357	29.8	20 906	4.0
Education	673	6.0	23 989	4.5
Health and community services	618	5.5	32 427	6.1
Cultural and recreational services	326	2.9	10 325	2.0
Personal and other services	403	3.6	12 648	2.4
Ownership of dwellings	886	7.9	48 781	9.2
General government **	550	4.9	11 278	2.1
All industries	11 262	100.0	528 949	100.0

1. Industries may not add to total due to rounding differences.

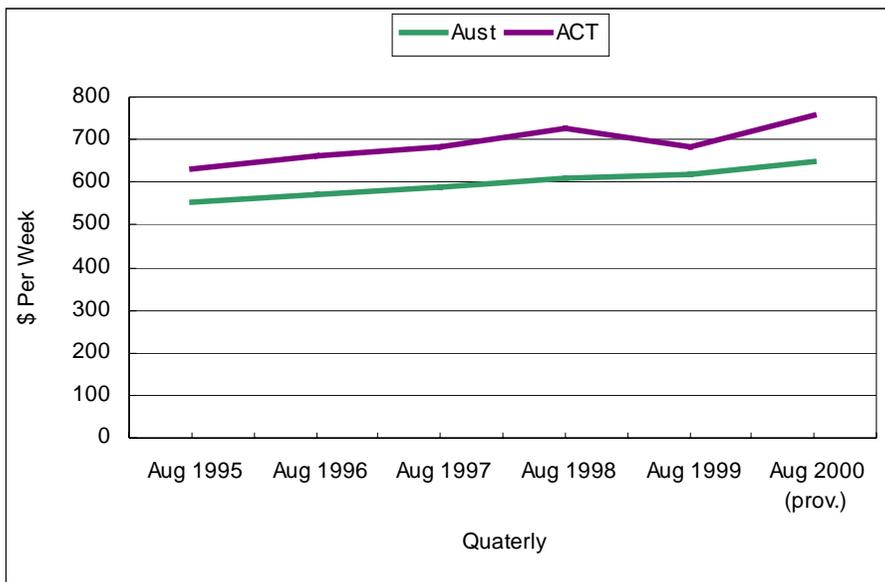
Source: Australian Bureau of Statistics (2000).

The dominant sectors in Canberra are government and defence, property and business and retail trade, accounting for more than 50 per cent of the overall job total. The most significant increases in recent years have been in the property and business services sector, which since 1994 has increased by some 50 per cent. Thus, the diversification of the ACT economy has taken place over the last decade. In 1992 the private sector provided some 50 per cent of total employment in the city -- 70 900 people, in 1995 52 per cent, 79 600 people, and in 1999 58 per cent, 90 400 people.

A further indicator of economic well being in the ACT is derived from the average disposable income of citizens. The table below highlights disparities throughout Australia.

Average earnings in the ACT are the highest in Australia and have historically been so due to factors such as high labour force participation, a large public sector and the highly educated workforce.

Figure 1. Average weekly earnings ACT and Australia, 1995-2000



Source: Australian Bureau of Statistics (2000).

Table 8. Gross household disposable income per capita, 1999-2000

	\$
New South Wales	23 009
Victoria	22 486
Queensland	19 899
South Australia	19 951
Western Australia	21 241
Tasmania	17 972
Northern Territory	21 751
Australian Capital Territory	29 364
Australia	21 904

Source: Australian Capital Territory (2000f).

Preparing for tomorrow's economy

Employment growth and new firm creation in the 1990s, which have enabled Canberra to cope with the sudden and dramatic loss of public sector jobs, benefited from favourable macro conditions and high levels locally of public expenditure. The future may not be so kind and Canberra must be mindful of the potential impact which large-scale shocks in the future could have when preparing economic development strategies. As the National Capital, Canberra did not have to compete with other cities for private sector jobs as the base of its economy; now it does. However, this appears to be a challenge, which the ACT is embracing and attempting to stimulate further in its approach to economic development.

Canberra has benefited from the long-term economic and social stability that the physical presence of government brought about. High levels of investment in the physical and social fabric of the city throughout its history have ensured that Canberra is in excellent shape to move into the 21st Century. The economic drivers in the city are mutually reinforcing and this looks set to continue. Information technology and services, and education are growth industries in the ACT, along with industries such as photonics, defence and biotechnology. The ACT government seeks to promote their continued growth over the next decade. In recent years the computer services industry has experienced more rapid growth than in any other State or Territory in Australia. The ACT is aware that the competitive advantage of Canberra as a business location has to be clearly articulated. Communicating the strengths of the city is to be a key aspect of realising this opportunity. The public sector will however remain an important component of the economy, and can reinforce the diversification of Canberra's economic base. In particular, given the quality of

public management in Australia, Canberra is uniquely positioned to tap into the growing global market for government services, including planning and management, as well as defence, science and the application of information technology to government services. The expertise shared between the public and private sectors contributes to a competitive knowledge-based economy.

Box 3. OECD conclusions on the value and role of the public sector

A 1991 OECD report, “Serving the Economy Better” noted that structural adjustment of the public sector is an essential element of the structural adjustment of the economy and was unequivocal about the vital role of the public sector in the economy:

“By producing public goods, providing other goods and services, redistributing income, setting macro-economic conditions and exercising regulatory authority, the infrastructure and framework conditions for the market economy are created”.

“The public sector, acting on behalf of political authorities, affects every part of the economy and society. Its effectiveness conditions, to a large extent, economic development and sustains political and social cohesion. The public sector is responsible for the legal and administrative environment in which private business activity takes place. It affects production decisions and costs through a myriad of regulatory controls, services, transfers, taxes and tax relief. It alters patterns of demand by redistributing income. It is a large purchaser in the private economy and thereby affects overall resource allocation. It influences national economic efficiency the rate of technological and organisational innovation, the direction and speed of structural adjustment and the cost to users of unpriced resources like the environment.”

Source: OECD (1991).

The public sector in Canberra presents an incredible opportunity on which it can build. It is unquestionably the economic and social spine of the city. Maximising the potential that it offers is an essential element of good governance and sound economic development. In the context of Asian and Pacific political and economic development, there is significant scope to build bigger international public sector markets for many of Canberra’s major strategic capabilities as well as for its many specialists and consultants. Building the role and markets of Canberra’s defence and scientific expertise is one opportunity. Equally, Canberra’s ability in long term public sector management may be able to attract wider markets. A strategy to develop these markets, build the ‘Australian Capital’ brand, and bring business to Canberra may be worthy of consideration. Developing leadership education that can create knowledge and familiarity with Canberra may be an important

dimension. A major Leadership School for the Public Sector could be the way forward, drawing upon Canberra's vast diplomatic community to create the markets.

Canberra's greatest asset and potential is of course its people. As articulated in the recent State of the Territory Report 2000 and the Innovation Framework, the ACT benefits from:

- a high standard of education, with total government expenditure per person above the national average,
- the highest retention rates in secondary education in the country, and
- the most educated population.

Educational attainment in the ACT is particularly high, with above average literacy and numeracy at all educational levels. In 1998, the ACT had the highest percentage of people aged 15-64 attending an educational institution, around 25 per cent compared to a national average of 17 per cent. This represents some 52 044 people; 75 per cent are in tertiary education and 25 per cent at schools. Fifty-one per cent of ACT residents had a post school qualification in 1998, considerably more than the national average. Nineteen ninety-six figures reveal that the figure is around 27 per cent for indigenous Canberrans, against a national figure of 14 per cent. These figures are important to acknowledge. It is widely accepted that consistent high levels of educational attainment in a population contribute to the overall economic and social well being of a city. In Canberra this is clearly demonstrated and is an asset, on which it can build and enhance its position. The positive impacts upon the economy are evident through the high levels of participation in the workforce and the low unemployment rate. Canberra of the 21st Century is reaping the rewards of decades of economic and social stability and effective public policy, which reinforced the creation of the national capital.

Universities and educational institutions play a crucial role in the economic, social and environmental development of cities and regions throughout OECD Member countries. This is particularly the case in the ACT, home to the Australian National University (ANU), the University of Canberra, the Canberra Institute of Technology, and the Australian Defence Force Academy together with campus presence of other Australian universities. As the national capital, Canberra is also home to major national research institutions such as the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

These institutions, together with the many others located in the city contribute to the economic and social well being of Canberra and have pivotal roles to play in its continued development. A strong awareness of this role and a desire to participate in the determining the future of Canberra already exists and numerous partnerships with the community, government and the private sector nurture this opportunity on an ongoing basis. An important example of cross-sectoral partnership has been the development of the high tech business incubator which a regional point of reference. Two key centres are located in the ACT and the emphasis will on nurturing local talent for the international market. The CSIRO, ANU, University of Canberra, the ACT Government and the Canberra Business Centre work in partnership and benefit from AUD 8 million of Commonwealth funding. Universities, innovation and partnership work in synergy in the ACT and most certainly have the institutional capacity to deliver the broad ranging benefits that high-technology industries can deliver to city and regional economies. The accepted dynamics of a highly educated population base, strong university presence and high quality of life amenities, which are necessary to develop a truly successful high-tech region, are all present in Canberra. Balancing inward investment with endogenous growth is an essential element of this and one that whilst very much in its developing stage is firmly on the agenda in the ACT. Refining and rationalising processes will be a necessary element of this growth but that is understood and will require ongoing co-operation with the ACT government and the business sector to develop and maintain the competitive advantage of the ACT. *Cities and Regions in the New Learning Economy* (OECD, 2000a) noted that,

“Knowledge is the central element of the emergent mode of production that has been called the ‘knowledge based’ or ‘learning economy’. Viewed from this perspective, knowledge is a crucial input into competitive economic activity ... However, knowledge in itself does not contribute to economic growth. Crucially, it has to be incorporated into the production of goods and services. Hence, educated and skilled individuals not only have to be produced (via the education and training system) but also their knowledge and skills have to be used.”

This project established a direct correlation between social capital and the development of the knowledge-based economy.

Box 4. Ten policy principles for creating learning cities and regions

Cities and regions seeking to improve their economic performance within a knowledge-based economy through the development of innovation-intensive activities are advised to:

1. Inputs to the learning process:

- Ensure that high quality and well resourced educational provision is in place, on which effective individual learning throughout people’s lives can be developed.
- Co-ordinate carefully the supply of skilled and knowledgeable individuals through education and training and the demand for them within the regional economy, so that the full benefits of individual learning may be reaped through its effects on organisational learning.
- Establish appropriate framework conditions for the improvement of organisational learning, both within firms and between firms and other organisations in networks of interaction, and demonstrate to firms the benefits of these forms of learning.
- Facilitate effective organisational learning not simply for a pre-selected set of conventionally defined “high-tech” sectors, but across all those industries and services within the regional economy that have the potential to develop high levels of innovative capacity.
- Identify very carefully the extent to which the resources currently available to the region (existing industries, educational provision, research facilities, positive social capital and so forth) constitute an impediment to economic development (“lock-in”) or may usefully contribute in developing innovative strategies for the future.
- Respond positively to emergent economic and social conditions, especially where this involves the “unlearning” of inappropriate practices and bodies of knowledge (including policy makers’ own) left over from the regional institutions of previous eras.

2. Mechanisms of the learning process:

- Pay close attention to mechanisms for co-ordinating policies across what have generally been separate departmental responsibilities (for industrial development, R&D, science and technology, education and training and so forth) and between different levels of governance (regional, national and supra-national).
- Develop strategies to foster appropriate forms of social capital as a key mechanism in promoting more effective organisational learning and innovation.
- Evaluate continuously the relationships between participation in individual learning, innovation and wider labour market changes, especially with respect to the social exclusion of groups within the regional population.
- Ensure that the regional strategy for learning and innovation is accorded legitimacy by the population of the region to be transformed.

Source: OECD (2000a).

These principles are essential elements of the knowledge economy "however what their highly complex task involves is determining the ways in which such principles should be applied, with explicit regard to the specific circumstances and available resources." This is an important point: in order for a process to be successful it should be developed locally and owned locally.

The role of universities and higher education institutions with respect to the broader economy is gaining importance throughout OECD countries. An important element of which concerns the changes taking place in the institutions themselves, particularly the move towards entrepreneurship. Clark describes the entrepreneurial university as one which:

"... actively seeks to innovate in how it goes about its business. It seeks to work out a substantial shift in organisational character to arrive at a more promising posture for the future. Entrepreneurial universities seek to become "stand-up" universities that are significant actors on their own terms. Institutional entrepreneurship can be seen as both process and outcome.

University transformation, for the most part, is not accidental or incidental. It does not happen because several innovative programs are established here and there within a university: the new approaches can be readily sealed off as minor enclaves. It does not happen because a solitary entrepreneur captures power and runs everything from the top-down: such cases are exceptions to the rule. Universities are too bottom-heavy, too resistant from the bottom-up, for tycoons to dominate very long. Rather, transformation occurs when a number of individuals come together in university basic units and across a university over a number of years to change, by means of organised initiative, how the institution is structured and oriented. Collective entrepreneurial action at these levels is at the heart of the transformation phenomenon. Acting from on-high, national and state systems of higher education are blunt instruments of significant change; acting from below, individual faculty members or administrators are limited in what they can do. However, groups, large and small -- central and departmental -- of faculty and administrators (and sometimes students) can fashion new structures, processes, and orientations whereby a university becomes biased toward adaptive change. Academic groups can also help insure that academic values will guide transformation, a point that will appear repeatedly in the institutional narratives. Effective collective entrepreneurship does not carry a university beyond the boundaries of academic legitimacy, setting off a down-market cycle of reputation,

resources, and development. Rather, it can provide resources and infrastructures that build capability beyond what a university would otherwise have, thereby allowing it to subsidise and enact an up-market climb in quality and reputation.” (OECD-CERI, 2000a)

Australia’s contribution to an OECD CERI conference on this subject in 2000 discussed in detail the issues facing Australian public universities and the policy responses of the Commonwealth Government. Gallagher (see OECD-CERI, 2000b) noted that Commonwealth policy has focused on strengthening the incentives for universities to develop research links to national innovation. The intent of policy is to strengthen the links between the work of universities and the market.

Although there has been a substantial increase in overseas science and technology linkages by the Australian higher education sector over the past fifteen years, these interactions are largely occurring within the academic community. To capitalise on the benefits that knowledge brings us, stronger connections need to be made between the producers of knowledge and the users of their research -- both internationally and domestically.

Building on a strengthened effort in basic research, this exchange of knowledge between researchers and the users of research must be a defining characteristic of Australia’s higher education research system. This will involve greater participation of users in determining priorities for funding and performing research. Strong links to the innovation system will provide for greater movement of researchers across the various research settings, able to take advantage of specialist knowledge regardless of whether it exists within institutions or in commercial settings. The linkages should also extend to the provision of research training, where students will learn skills in both academic and industrial environments.

The culture of university research also needs to better recognise and reward the partnerships made with other members of the national innovation system. By doing so, it should be more entrepreneurial; seeking out opportunities in new and emerging fields of research that will provide social, cultural and economic benefit. Australia’s researchers are well used to producing truly excellent work. An entrepreneurial approach is needed to harness the full cycle of benefits from their endeavours through commercialisation, where appropriate. This culture of entrepreneurship needs to be the context for the training of our research students, and indeed all students (Kemp, 1999).

The challenge for Australia's universities Gallagher said was 'to be academically respectable, globally competitive, locally relevant and nationally contributive'. A further emerges in the context of this report, which concerns extending these challenges to the ACT government and business community to facilitate this process in the ACT.

Economic development

The goal of urban economic development is to improve 'the standard of living and well being of the population' (MIT, 1992) and realising this goal is dependant upon developing effective strategies which synergise a complex range of interrelated factors such as human capital, local institutions, government support, timing and proximity to other cities. The strategy a city adopts and effectively pursues determines its future. Economic development is given high priority in the ACT government and thus the policies, strategies and specific dynamics of the city economy require consideration.

In the ACT, small businesses account for 97 per cent of private sector businesses and 54 per cent of private sector employment. Small and medium enterprises (SMEs) have taken on new importance throughout OECD economies and make up over 95 per cent of OECD enterprises and account for 60-70 per cent of total employment. SMEs are the most important growth source within the ACT. The implications for the built environment of the continued development of SMEs offers opportunities for more mixed use, compact redevelopment and conversion projects, all of which are associated with more sustainable patterns of development.

During 1998-99 there were 14 700 small businesses in the ACT, employing 49 300 people. Between 1990-99, there was a 98 per cent increase in the number of new businesses registered in the ACT. The ACT is promoting the continued evolution of a more diverse economy. 'Business Gateway' is the governmental interface with business providing a comprehensive range of services and information to promote business development in Canberra. A range of policy tools, incentives (both Territory and Federal) and training and business development schemes are operational. The ACT is proactively involved in promoting endogenous growth and inward investment into the city.

The development of knowledge based economies has implications beyond typical knowledge intensive services and is leading to the transformation of more traditional sectors. Fast growing sectors such as computer software and biotechnology whose value depends much on the knowledge embodied in patents and staff is important to investors and is

directly linked to the global market. The ACT has strengths in this area on which it can build further. As already highlighted academic and research institutions play an important role in the development of a successful knowledge economy. Stronger university and business links have proven successful around the world. In Massachusetts, for example, there are estimated to be over one thousand MIT-related companies, with worldwide sales on AUD 52 billion. The opportunity exists for Canberra but as articulated in the United Kingdom's White Paper Our Competitive Future: Building the Knowledge Driven Economy, 1998, "Success in the knowledge driven economy requires entrepreneurship from everybody in a position to innovate: in large and small firms, and in private, public and voluntary sectors." The ACT seeks to build a cross-sectoral co-operative approach through the various initiatives that it supports; retaining this as a principal policy goal over time will be important.

OECD defines knowledge-based industries and the various sub-sectors as:

- Knowledge-based industries: knowledge-based services and high-tech industries.
- Knowledge-based services: telecommunications; computer and information services; finance; insurance; royalties; other business services.
- High-technology industries: aerospace; computers and office equipment; radio, TV and communications equipment; pharmaceuticals.
- Medium to high-technology industries: professional goods; motor vehicles; electrical machines excluding communications equipment; chemical excluding drugs; other transport; non-electrical machinery.
- Medium to low-technology industries: rubber and plastic products; shipbuilding and repairing; other manufacturing; non-ferrous metals; non-metallic mineral products; metal products; petroleum refineries and products; ferrous metals.
- Low-technology industries: paper, products and printing; textiles, apparel and leather; food, beverages and tobacco; wood products and furniture.

Table 9. Number of businesses by industry and employee size¹, 1998-99

Industry Division	Non- employing businesses	Employee size		Total small business	Employee size			All busi- nesses
		1-4	5-19		20-99	100-199	200 or more	
Mining	—	—	—	—	—	—	—	—
Manufacturing	200	*200	*100	600	N/A.	—	—	600
Construction	1 100	*700	*100	2 000	N/A.	—	—	2 000
Wholesale and retail trade	1 000	1 000	700	2 700	*100	N/A.	—	2 800
Accommodation, cafes and restaurants	—	*100	*200	400	*100	N/A.	—	400
Transport and storage	200	*100	—	400	—	N/A.	—	400
Finance and insurance	100	200	100	400	—	—	—	400
Property and business services	1 500	*2 100	N/A.	4 200	N/A.	N/A.	N/A.	4 300
Education	300	100	N/A.	400	N/A.	—	—	400
Health and community services	500	*800	*300	1 700	*100	—	—	1 800
Cultural and recreational services	300	*200	N/A.	500	—	—	—	500
Personal and other services	600	600	*300	1 400	—	—	N/A.	1 500
Total	6 000	6 200	2 500	14 700	500	*100	—	15 200

1. Includes non-employing businesses and any new business since September 1998. Excludes agriculture, the government sector, and any businesses that have ceased since September 1998.

Source: Australian Bureau of Statistics (2000).

As national, regional and local governments globally seek to develop knowledge based economies understanding the developments of recent years is of prime importance. Learning appropriate lessons, drawing on public and private sector expertise to ensure that the appropriate path is being pursued to realise economic and social benefit is essential. The success of Seattle is an important point of reference for many cities developing as 'knowledge economies'. A study in 2000 sought to draw out the elements of success which

can be transferred not only to cities throughout the United States but to cities throughout the world. The report concludes that

"A high quality, innovative, and efficient local government can facilitate the development of high tech industries if it is also careful to understand trends in local industries and the needs these companies have with respect to their public sector partners. In addition, good land use planning may anticipate conflicts between older and newer land uses and find ways to accommodate various interests prior to the moment when a high tech firm or developer presents a building plan with a request for expedited approval. In a variety of ways, cities can create a healthy climate for high tech by stepping out beyond traditional roles on infrastructure, fostering and promoting research institutions, and encouraging world class education systems. Patience and persistence are also necessary virtues. Leaders in Seattle were talking about and planning for a high tech future at least 15 years ago, before Microsoft was a household name or subject of daily news stories, before the Internet began to transform work environments, and before the term "biotechnology" was widely known. The local university emerged as a strong research campus at least 40 years ago with strong public support. Staying the course is an essential characteristic of good public policy to encourage and sustain high tech."

"The latest wave of high tech development puts a unique importance on vibrant, aesthetically appealing urban settings with workable transportation systems and affordable neighbourhoods. This latest wave puts cities in an advantageous position vis-à-vis suburban locations, creating a favourable environment in which good public policy can meet company needs and satisfy many citizen aspirations for an improved quality of life. In that sense there is an historic opportunity that must be seized by city leaders, but with the proviso that patience is also going to be necessary."

An integral element of the knowledge driven economy is information and communication technology (ICT) which is an important factor of wealth creation and competitiveness enhancement globally. The sector is important and continuing to develop in Australia. The following table highlights the importance of ICT industries throughout OECD economies.

Box 5. Ten steps to a high-tech future

Ten key steps that urban area leaders can utilise in devising a high tech strategy for their city.

1. Understand high-tech firms in your region and your city's competitive advantages

The high-tech sector is not monolithic and regions specialise in different subsectors, each of which has distinct location requirements. Cities need to understand their region's specialisation and the dynamics of these specialised clusters of industries if they are to succeed in attracting and retaining firms because each cluster has a different growth trajectory and distinct needs in terms of workforce, siting, infrastructure, and tax policy. Publicly controlled resources may well be important factors across the spectrum of high tech industries, but each sector's distinct view of these factors needs to be well understood as public policies are being shaped and as implementation of policy goes forward.

2. Invest in human capital

Having a readily available and qualified workforce is one of the best investments that state and local governments can make. Local governments can support workforce training initiatives to provide the qualified workers local employers need. Urban areas that do a better job of gearing up engineering and scientific academic programs and attracting bright students into these fields offer a competitive advantage to growing high tech companies. Cities that do their best to hang on to talented workers when industries restructure will also create enduring competitive advantages. But what role do cities really play in the education arena? In every area city leaders play an important role in creating a favourable climate for educational institutions through zoning and transportation policy. Seattle's experience indicates that whether or not municipal government has a direct role in education, it has a leadership role ensuring that the common schools, community colleges, and universities have math, science, and IT programs of first rate quality, and these institutions can attract faculty and expand to meet probable needs of local companies and the demands of students for access to seats in relevant programmes.

3. Create a research and development presence

Advanced technology is the result of long term, high quality research programs that at some point bear fruit in terms of commercialisable technologies. Cities can facilitate and help to fund public/private ventures that establish and maintain leading edge research centres and educational institutions. In-kind contributions such as a gift of land may be possible as well as hard cash grants or contractually funded research. Tax policy may have some impact on the viability of non-profit or for-profit research institutions. In Seattle's case, municipal policy has helped to shape the two key institutions that have collectively spawned the 8 000 worker commercial biotechnology industry.

Box 5 (continued)

4. Invest in Physical Capital

Good infrastructure is important to high-tech firms as they carry out their business and as they recruit staff based in part on a high quality of life. Infrastructure that is critical to the direct operations of high tech companies includes water and electric power services as well as fire protection that is sensitive to key features of high tech industries. In Seattle, city government has been aggressive about making infrastructure information available to the high tech community.

5. Invest in quality of life

Cities can take steps to encourage a vibrant, diverse setting for cultural activities, eating and drinking, shopping, and entertainment. While hard to measure, the quality of life that firms seek for their employees depends on the availability of a wide range of sports, entertainment, artistic offerings; good restaurants; shopping facilities that are accessible, and an aesthetic quality that is appealing. Increasing urban neighbourhood and downtown vibrancy, healthiness and safety attracts high tech firms and their employees to city locations. Seattle's vibrant Downtown has become an attractive destination for young high tech workers as a place to live, work and play. To continue building on that vibrancy, the city is pursuing several policies and programs: expanded support for Business Improvement Areas; the creation of a new program to provide incentives for developers of office towers to also invest in new housing development; and the submission to voters of a levy to purchase land for open space and make improvements to existing parks.

6. Streamline permitting, planning, and other public services

High tech firms and workers approach public policy issues and processes from very different perspectives than older industries. Since knowledge workers can choose where they live and work, a city's competitive edge will be affected by how well it handles basic government services. City government can be a partner or major obstacle in resolving these issues. The predictability of a city's decision-making process is as important to high tech firms as the nature of the requirements themselves. Thus, cities should concentrate on creating replicable processes for getting complicated permitting issues resolved, especially when many departments implementing distinct pieces of legislation are involved in a case. The combination of economic development policies and land use policies implemented through zoning codes generates conflicts in some situations. Questions of historic character, height and density, and conversion of existing buildings are particularly relevant, as such environments appear attractive to high-tech software and creative content firms. Additional zoning decisions will be required to accommodate biotech labs and to integrate mixed uses such as retail, restaurants and housing to make high tech areas vibrant parts of the urban fabric.

Box 5 (continued)

7. Adapt other local laws

Local policies on tax and administrative issues need to be sensitive to the special needs and perspectives of tech firms. For example, the State of Washington has no provision for corporate income taxes at either a state or local level; however, both the state and municipalities can levy a gross receipts tax that has different rates for various industry classifications.

8. Provide venture and seed capital

Some cities have established special funds to invest in start ups, "smart buildings" and incubators. Other jurisdictions, including Seattle, face stringent legal constraints on investing in for-profit projects. While public entities in Washington State cannot establish venture capital funds, the local Chamber of Commerce has organised an "angel investor" network among local people with a high tech background and an interest in reinvesting some of the wealth they earned as early employees of Microsoft, McCaw Cellular, or other successful high tech companies.

9. Create support programmes for entrepreneurs

Many entrepreneurs leave a university or research laboratory with an idea for a product or service, but little or no business experience. Local support can help young entrepreneurs develop viable business plans and manage start up operations. City leaders can play a significant role in fostering organisations and venues that nurture entrepreneurs and help them become successful business owners. Public leadership can also encourage establishment of industry associations that can nurture their own.

10. Apply information technology in the public sector

There are multiple applications for IT in the public sector which can support technological development in the regional economy, competitive industries are built on a base of strong local demand from customers who know what they want and demand the best. Government can be part of that local base for the IT industries.

Source: Sommers et al. (2000)⁶.

The Commonwealth provides numerous grants to support research and development, the promotion of innovation and the development of small and medium enterprises. Within the Commonwealth Government, the Department of Industry, Science and Resources; the Aboriginal and Torres Strait Islander Commission; Austrade; the Australian Greenhouse Office; the Australian Research Council; Department of Agriculture, Fisheries and Forestry; Department of Communications, Information Technology and the Arts; Department of Defence; Department of Employment, Workplace Relations and

Small Businesses and the Department of Health and Aged Care provide a wealth of programmes, grants and incentives under the broad heading of ‘supporting innovation in firms’. For example, the Department of Industry, Science and Resources provides between 1998-99 and 2005-06 some AUD 1.6 billion (including AUD 535 million Innovation Action Plan funding announced in 2001) for research and development. A further AUD 221 million will be administered through the Innovation Investment Fund between 1998-2010.

Table 10. Employment in ICT industries, 1997

	Employment in ICT (thousands)	Share of ICT employment in total business sector (%)
Australia (1998-99)	195.6	2.6
Austria ¹	164.8	4.9
Belgium	130.4	4.3
Canada	429.9	4.6
Czech Republic ¹	152.0	3.3
Denmark	96.4	5.1
Finland	87.8	5.6
France	681.0	4.0
Germany ²	974.0	3.1
Hungary ¹	157.4	5.7
Iceland (1996)	4.3	4.2
Ireland ²	55.7	4.6
Italy	671.4	3.5
Japan ²	2060.0	3.4
Korea ²	462.4	2.5
Netherlands ²	199.0	3.8
New Zealand	31.2	2.1
Norway (1996)	73.9	5.3
Portugal ¹	94.3	2.7
Sweden	174.2	6.3
Switzerland (1998)	172.0	6.0
Turkey ²	99.6	0.5
United Kingdom	1111.6	4.8
United States	4521.1	3.9
G7	10449.1	3.8
European Union ³	4440.7	3.9
Total OECD ⁴	12800.1	3.6

1. Including all of Wholesale of machinery, equipment and supplies (ISIC 5150).

2. Excluding all of Wholesale of machinery, equipment and supplies (ISIC 5150).

3. Excluding Greece, Luxembourg and Spain.

4. Calculated for the 24 countries for which data are available.

Source: OECD (2000a).

A joint public private partnership to establish an IT&T Skills Exchange is underway. The Exchange, a privately incorporated body driven by industry needs, focused on providing just-in-time training, and complementing the public education and training infrastructure. The Australian Information Industry Association (AIIA) expects many benefits to the industry including leveraging the Government's AUD 5 million investment in seed funding for this body, as well as the possibility of contributing to course development by education suppliers. The body will also assist in skills definition and development needs by pooling resources of large IT firms. The *Ignite Careers* Website jointly managed by the Commonwealth, State and Territory Governments, and the Industry IT&T Taskforce, provides information on IT courses, financial assistance programmes, apprenticeships and careers. It also links to skill shortage lists compiled at a national and regional level by the Department of Employment, Workplace Relations and Small Business. A 'whole of government' approach is being taken.

The Information Technology and Telecommunications sector is particularly dynamic in the ACT. Two factors create a very unique scenario -- the Commonwealth Government contribute some two-thirds of the IT&T industry's output and it is the purchaser of some AUD 2 billion worth of products and services annually in the ACT. This means that high technology activities generate a turnover of over AUD 595 million of which IT accounts for 29 per cent. The industry recruits some 680 graduates annually. It is in this field that Canberra is able to combine its assets of a well-educated population (including the most computer literate population in Australia)⁷, a significant client base (the Commonwealth Government) and a significant academic presence (the University of Canberra -- some 10 000 students; the Australian National University -- 8 300 students and the Canberra Institute of Technology -- 19 854 students).

The ACT has recently published its Innovation Framework, which seeks to improve links between the private sector, academic institutions and the Government. This Framework will be reinforced by the Federal AUD 2.9 billion Innovation Strategy. The Strategy is a five year programme, which focuses on greater access to higher education, increased research and development grants and incentives to encourage entrepreneurship. Expenditure on R&D in the ACT was some AUD 32 million in 1998-9, a 16 per cent increase since 1996-7, which is impressive given that national expenditure between 1996-7 and 1998-9 *decreased* by 6 per cent. The ACT, in partnership with the private sector has established the Information Industries Development Board to further develop the IT&T sector and realise the maximum economic and social gains for the region. The initiative ensures that government works with its social partners to diffuse the opportunities throughout society.

Innovation is frequently dependent upon effective partnerships and the TransACT project in Canberra is an important example. In 1995, the ACTEW (ACT Electricity and Water -- a public utility) established a team to investigate using the company's electricity poles for broadband cabling. Both broad and narrowband cabling solutions were researched and in 1998 a trial began in an inner-Canberra suburb. A high capacity optic fibre architecture has been developed with the aim to ultimately provide homes and business in Canberra with a fully integrated communication service. In 2000, TransACT became a public liability company. Government, academia and the private sector worked in partnership on a project, which has significant local and global potential. Other important examples of innovation and partnership have been the Fresh Water Ecology Project between the Co-operative Research Centre and the University of Canberra. The works has resulted in Planning and Design Guidelines (2001) which are part of an integrated approach to water and land management in Canberra, a stormwater management strategy (1999) and an Environmental Water Sustainability Index for Urban Residential Blocks. Such work reaps immediate local benefits in terms of application and the pursuit of sustainable development and becomes an important international case study of transferable best practice. Similarly, the Transact project referred to in Part I is an important example of cross-sectoral innovation resulting in the development of a local company with a potential global market for broadband technology. ACTEW, the ANU and the University of Canberra were at the heart of this project. In order to facilitate more significant and longer terms rewards it will be important to develop a clear tri-partite relationship between the ACT government, academic and research institutions and the business community.

Numerous programmes supported by the ACT seek to encourage entrepreneurship and promote endogenous growth. Overall, the programmes appear to be consistent with economic development tools known to be effective. However, on going reviews and monitoring will be necessary to ensure that programmes respond to local needs and mechanisms to broaden the impact of individual programmes should be explored. The programmes a present affect relatively small numbers of people/businesses, as the table above indicates. It will be important for the future to ensure that all programmes yield maximum results. This will require the ACT to further develop partnerships with the business community, tertiary education institutions, vocational training providers and community groups. Each stakeholder has an important role to play in the ongoing diversification and development of the economy. The recent Innovation Framework, intended as a living document should be used to maximum effect to monitor progress and facilitate open debate as the effectiveness of the programmes and strategies supported by the ACT. Table 11 outlines some of the programmes of the ACT government; the Innovation Framework gives a more detailed and comprehensive listing.

Table 11. Examples of ACT programmes to support innovation

Programme	Description	Government Expenditure	Value of support per company	Companies reached per annum
ACT Research and Development Grants Scheme	Aimed particularly at SMEs and the commercialisation of R&D results from publicly funded institutions.	AUD 11 million (2000/1-2002/3)	Average AUD 100 000	50
ACT Small Business Growth	Promotes innovative management practices, products and services through subsidies and loans	At AUD 400 000 per annum		
	Business Improvement		Max. 50% or AUD7 500	40-50
	Strategic Support		Max. AUD 20 000	2-3
	Small Business Loans	Government guarantee capped at AUD 500 000 exposure	AUD 20 000 max. loan	23-30
Canberra Business Advisory Service	Provides small and micro-businesses support in the establishment, operation and development of their business in the Canberra Region. Includes support for indigenous business.	AUD 300 000 per annum	N/A	U/A
New Future in Small Business	Assists unemployed people to establish a small business.	AUD 205 000 (2000-1)		60-80 participants
Canberra Youth Business Initiative Programme	Assists unemployed 18-28 year olds to establish a small business.	AUD 24 800 (2000-1)	AUD 1 000-AUD 3 000 per participant	8-15 participants
ACT Business Incentives Scheme	Incentives to attract significant new business investment in the ACT through tax concessions, the provision of land, and training and workforce development.	AUD 6.5 million (1998-2000)	Variable	Variable

Source: Department of Industry, Science and Resources (2001).

Overall, enterprise development is progressing well, as there is no great shortage of space, finance, or support. However, the amount of effective entrepreneurs with sound business plans who are actually creating growth businesses needs to be assessed and closely monitored. This is can present difficulties in terms of public policy but by:

- helping to ensure that even more people consider starting a business,
- ensuring that people who have the potential to be successful entrepreneurs want to start their business in Canberra, and
- monitoring the programmes and strategies, the ACT will strengthen its position.

Box 6. OECD LEED good practice guidelines on business incubators

The following good practice guidelines have been established by OECD following substantive research into the development of business incubators throughout OECD Member Countries.

- Intervention should be justified by explicit reference to market failures and/or the provision of public goods. Market-enhancement, rather than displacement, should be aimed for.
- Sound feasibility work should be a pre-requisite for the receipt of public support. In each case, it should be shown that options other than incubation -- but which might achieve similar effects -- have been considered.
- A clear mission statement for each programme is essential. An explicit recognition of exactly what public funds are being employed for can help avoid displacement of private suppliers. It can also facilitate policy choices, programme management and the evaluation of public support. Realistic objectives, with a sufficiently long implementation period, are critical.
- Business development should take primacy over job creation. In the context of incubation, job creation is best attained through successful business outcomes. Broader initiatives to raise interest in entrepreneurship should complement incubation.
- When it is given, public support should come at the initial stages, not through the subsidy of operational costs. Without exposure to commercial disciplines, the incubator is unlikely to provide competitive services.

Box. 6 (continued)

- Local authorities and incubator sponsors should encourage local business and community support. They should also seek to link incubator initiatives with -- and if necessary create -- networks among firms as well as networks among firms and institutions.
- Aim to achieve scale. Greater scale opens possibilities for cost and risk reduction, as well as the leveraging of private finance.
- For small communities incubators should probably be treated with caution. If attempted, it may be advisable to embed the incubator in a larger umbrella organisation. So-called “virtual” incubators can be a cost-effective means of providing non-property-based services in areas with small numbers of potential tenants.
- Avoid the public purchase of incubator buildings. Rather, empower public authorities to guarantee the rents of a privately funded building, the public sector effectively granting sub-tenancies to resident enterprises. Regional and local authorities must assess whether public incentives might encourage the scaling-up of commercial industrial real estate activities, so that these can benefit from reduced risk and economies of scale and scope.
- As the success of incubation programmes often turns on the quality of management, encourage the development of professional training courses.
- Local and regional bodies sponsoring incubation programmes should ensure the establishment of a Board of directors embodying a spectrum of skills and experience.
- Aim for high quality accommodation to attract high quality entrants.
- Ensure that rigorous procedures for benchmarking and evaluation are integral to all publicly supported incubator schemes.
- The development of professional incubator associations should be encouraged in order to disseminate best practice, create benchmarks, and implement training. Associations can likewise be encouraged to create an accreditation programme.
- Commission longitudinal studies to assess the additionality achieved by business incubators, the cost-effectiveness of incubation as compared with measures to achieve similar goals, and the broader economic impacts.

Source: OECD (1999b)

An important trend in the knowledge driven economy is the emergence of ‘clusters’ whereby a critical mass of similar industries stimulates investment, growth, collaboration and competition. Porter (1990) identified that “nations do not succeed in isolated industries but in clusters on industries

connected through vertical and horizontal relationships". Adam Smith some two centuries earlier observed how the inter-relatedness of trade brings businesses together, the logic of this continues. Porter attributed the success on demand conditions, related and supplying industries, factor conditions and public policy. These themes can be expanded to include locational and spatial, economic and organisational, social and cultural and institutional factors -- the interplay of each being crucial over time. As clusters are of relevance to the ACT economy it will be important that economic development, through the Innovation Framework utilise the vast array of best practice and global knowledge in this field to realise maximum results.

Business incubators have developed over recent years throughout OECD Member Countries, Canberra is no exception. There are currently three such incubators in Canberra, which are housed in redundant school buildings. A consequence of the decentralised urban form means that the business incubators are not located near to similar industries. Whilst this may have been an appropriate first step, the strategic location of business incubators should be considered by the ACT. It may be of use to the ACT to use the good practice guidelines to evaluate performance over time. Not all of the Guidelines in Box 6 will be of relevance to the types of business incubators evolving in the ACT and some will already have been considered but it is important to create a coherent framework against which programmes can be assessed and monitored and of course applied elsewhere in the ACT. Business incubators may have relevance throughout other sectors; it is important that all of the programmes pursued by the ACT are mutually reinforcing and are monitored in a strategic way. Local economic development has been taking place at a dramatic pace over the past decade and the overall policy goal is to further this trend. The ongoing monitoring and benchmarking of initiatives and intervention is essential but will have greater impact as part of a broader economic development strategy which has measurable short, medium and long term goals.

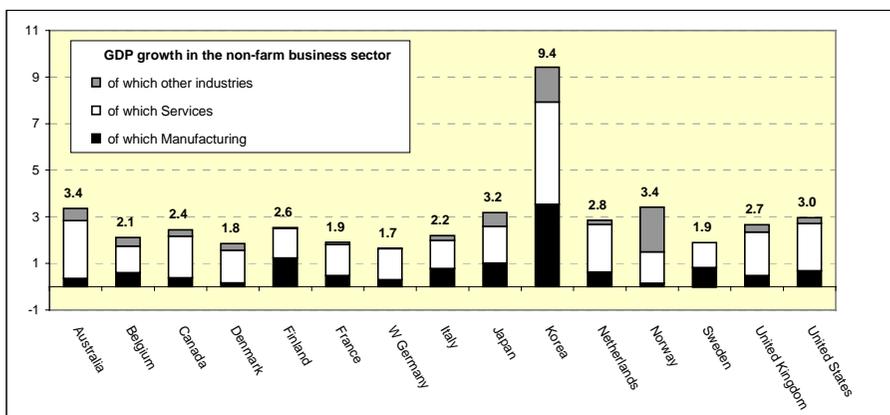
The growing share of services in the economies of OECD countries is a familiar phenomenon of post-war economic growth. Services have become more important in terms of employment, and increasingly also in total output. In terms of growth, their contribution is increasing. Between 1985 and 1997, around two-thirds of GDP growth in the OECD business sector resulted from growth in the services sector (Figure 2). Most employment growth was also in services. This is significant in Australia, but also a point of growing relevance within the ACT. The signs are that services will continue to be an important element of the ACT economy.

Access to the global economy depends on transportation and in Canberra this is particularly true. The role of airports in local and regional

economic development has gained importance over the last decade. John Kasarda (Director, Kenan Institute, University of North Carolina) highlights the connection between airport and the development of the new economy, as airports today not only serve as transport providers but as business parks supporting a variety of users. High tech companies, for example, are drawn to airports as technology workers travel by air 60-400 per cent more frequently than the general workforce does. Kasarda's work also highlights the importance of multi-modal connections, which ensure rapid access to transport facilities. This is relevant in Canberra in the context of the development of the Canberra airport and the contribution that it will make to the local and regional economy.

Figure 2. The contribution of services to GDP growth

Annual average growth rates over the period 1985-1997



Source: OECD (1999a).

Two important initiatives concerning Canberra airport and the development of the 'Very High Speed Train' Canberra-Sydney train link could have important implications for the economic development of the ACT and the sub-region. The longer term vision is of a multi-modal transport hub focused at the airport. Air services, Speedrail train services, bus and coach services, charters and freight services should operate in synergy. Speedrail is 'off the current political agenda' and not likely to go ahead in the short term; if it goes ahead a whole new scenario opens up for the economy and raises issues which

the ACT has been right in considering. In 1998 the Airport was privatised and purchased by a local consortium. A thorough economic evaluation carried out for the Australian Capital Region Development Council in 1998 projected significant growth potential. This was based on the expansion of the economic activity of the airport and implementation of the multi-modal strategy. There was a general consensus that growth of the airport would be enhanced by the development of the 'vhst'. There is the possibility that the airport could develop into another node of business activity. But it is most unlikely to do so with mixed use and residential housing, which is possible in Civic and elsewhere. Given the ease of transportation in Canberra, business does not need to locate immediately adjacent to the airport in order to respect time constraints for shipments.

Tourism, arts and culture and sports all contribute to the local economy. As the national capital Canberra has appeal beyond the ACT. This will continue to evolve, enhanced by major projects within the Parliamentary Zone and through the staging of major sporting events (along with numerous other initiatives). Business Gateway is marketing the quality of life attributes of Canberra, of which sports and culture play an important role. Continuing to develop the 'marketing' of Canberra will be important. In addition to IT&T, sports, the arts and culture offer the potential for economic growth playing an important role in the realising a more sustainable use of space and in enhancing social cohesion.

In 1999 over 4 million people visited Canberra of which 3.8 million (95%) were domestic visitors. Of these domestic visitors 39 per cent were on holiday, 28 per cent visited family or friends and 25 per cent were on business. Since 1995, international visitors have been in decline. A 1998 survey reveals that domestic visitors spent approximately AUD 956 million and international visitors AUD 115 million. This expenditure was enhanced by indirect added value benefits of AUD 898 million. Tourism in the ACT results in 14 000 private sector jobs. The 2000-1 Budget provides government funding of AUD 21.5 million administered through a variety of mechanisms and in support of broad ranging activities. This would reveal that more has to be done to attract international visitors to Canberra. The city's local, national and international roles should develop together and be mutually reinforcing.

Sports and the economy

The sports and recreation industries contribute significantly to the ACT economy. The ACT Academy of Sport (ACTAS), established in 1989 provides a range of services and programmes focused on realising sporting excellence. The services of ACTAS cover all aspects of quality sports development and played a crucial role in the contribution and economic benefits Canberra could derive from the 2000 Olympic Games. An ACT study determined that in 1995/96 demand for the sport and recreation industry's outputs directly and indirectly induced AUD 824 million of output in the ACT economy. ACT households were the major purchasers of the industry's outputs while exports accounted for 13 per cent or about AUD 70 million of the industry's sales. In 1995/96, the ACT output that was induced by demand for sport and recreation was AUD 256 million. In 1995/96, the sport and recreation industry induced AUD 241 million or over 2 per cent of the ACT's Gross State Product. In terms of Gross State Product the sport and recreation industry is larger than the public utility industry (electricity, gas and water) and comparable with the accommodation, cafes and restaurant industry, the wholesale trade industry, the manufacturing industry and the communication industry. Sport and recreation expenditure in the current budget is estimated at AUD 15.2 million.

The ACT sport and recreation industry has strong linkages with the rest of the ACT economy. ACT analysis of these linkages indicates that the sport and recreation industry generates significant economy wide increase in output from a given increase in demand. Given an initial increase in this industry's output of AUD 10 million, sport and recreation, through their direct and indirect linkages, would generate additional ACT output in the order of AUD 3 million to AUD 5.1 million. This surpasses the majority of other industries.

Canberra forged strong links with the Olympic bid recognising the potential gains for the city. In 1993-4 a sports minded public, growing sports infrastructure and a reputation as the centre of elite sport excellence in Australia provided a strong impetus for ensuring that the Olympic Games benefited the city. Key strategies focused on developing Canberra's domestic and international reputation as a premier centre for elite sport competition and training; to develop Canberra's sports industry and tourism opportunities; to support the development of national, Canberra and regional athletes and officials at the 2000 Olympic and Para-Olympic Games; and to strengthen the national capital links with the 2000 Olympics by securing and staging preliminary rounds of Olympic football competition.

The main achievements between 1994-2000 have been: the development of Canberra's major event staging capabilities demonstrated by the 1997 Australian Masters Games, the 2000 GMC 400 (V8 Supercar Race) and seven major preparation Olympic events in 2000. Project 2000 (established to co-ordinate and promote Canberra's role in the Olympic games) procurement and provision of commercial services for national teams pre Games training, equating to commercial provision of 4 500 bed nights and over AUD 1 million worth of sports training services. Project 2000 recommended that the ACT Government:

"...build on the learning from the Project 2000 experience and apply these to future projects, in particular: the effectiveness of a high level board structure to guide major events and projects that extends beyond the individual interests of the sport or other fields of endeavour involved; the value of a forward looking body for seeking out opportunities and networking with a cross section of interest; and the value of whole-of-government co-ordination, drive and responsiveness in the staging of major events."

The challenge for the ACT is to respond to this recommendation and develop sports and recreation policy within broader economic development perspectives, pursuing a 'whole of government' approach which should also incorporate a 'whole of community' strategy to reinforce local business and to contribute to social capital goals and would be citywide rather than centre specific.

ACTAS along with those involved with Project 2000 potentially have a role in future policy development to ensure that all available resources are maximised. Canberra has important attributes, which it should seek to develop -- building on existing competencies is a logical step forward. Specific know-how and expertise emerged from the experience of the Olympic Games -- capitalising on this event to prolong the benefits is appropriate. This includes safeguarding accrued institutional knowledge.

Arts and culture

Generally throughout Australia participation in and awareness of the arts is strong. Almost 82 per cent of Australians -- 11.7 million people are involved in some cultural activity. Australians spend AUD 9 billion annually on the arts and entertainment. The total value of goods and services in the arts and culture-related industries is AUD 19.3 billion -- 2.5 per cent of GDP. Public spending on the arts in Australia amounts to approximately, providing

AUD 3.1 billion annually: the Commonwealth Government provides 43 per cent; the States and Territories provide 38 per cent and Local Government provides 19 per cent. The importance of the arts and culture in the ACT is twofold and demands the close co-operation of both the National Capital Authority and the ACT government to ensure that Canberra fulfils its role as the National Capital and meets the needs of its residents. Canberra is home to important national institutions such as the National Library of Australia; the National Gallery; the Australian War Memorial; the National Museum; the Institute of Aboriginal and Torres Strait Islander Studies; the National Archives; the National Science and Technology Centre; Old Parliament House, the National Portrait Gallery and three important spaces of national significance -- Magna Carta Place; Commonwealth Place and Reconciliation Place (the latter two under construction). Canberra has symbolical and cultural relevance to all Australians. Arts and culture however also have an important local dimension for which the ACT is primarily responsible. As such it has an Arts Development Strategy for the ACT, entitled Arts Capital which asserts the following values:

- arts and culture are essential to a healthy community and reflect its diversity;
- all citizens have the right to participate in and have access to the arts and cultural experiences;
- government, business and community investment in the arts and cultural life of the community is an important economic and social investment;
- innovation and risk taking contribute to local, national and international arts development;
- artistic excellence is valued and recognised;
- the community acknowledges and values the work of practising professional artists;
- local and community arts, cultural events, heritage, traditional and indigenous art forms make valuable contributions to our society;
- arts facilities and resources are an important source of public and social infrastructure;
- art in public spaces increases the cultural experience and enjoyment of Canberra.

Despite high participation in the arts and recognition within government that arts and culture are an important aspect of economic and social

well-being for Canberra cultural funding (AUD 10.8 million in the Budget for 2000-1) in terms of per capita expenditure is only slightly above the national average of AUD 92 at AUD 98.6 per person. Budgetary priorities may not allow for significant increases but it is clear that an effective strategy is dependant upon subsidy and the ACT should develop an entrepreneurial approach to developing funding opportunities.

Public funding for the arts covers a variety of cultural activities throughout the community. The public arts programme which has been running for approximately five years, has supported a broad range of functional and site specific artwork in over twenty capital works projects. This is an important strategy which is in synergy with other policy goals and measures to increase awareness and relevance of the public realm and which has had successful results in other cities. The current Budget allocates AUD 350 000 and to date all works have been realised through public funding. This clearly sets limitations to the programme and mechanisms to encourage private sector funding either through 'planning gain' as in the United Kingdom or through sponsorship.

The National Capital Authority (NCA) does not manage key attractions per se but it does have jurisdiction over capital works. It also has responsibility for the management of some of the most symbolically important open spaces, which are more indicative of the role of the city as the national capital. The Parliamentary Zone, a crucial element in both the physical and historical meaning of Canberra also comes under its jurisdiction. This space, so fundamental in the original Burley Griffin Plan, has ongoing significance for Canberra and the whole of Australia. It is a point of reference within the city and as such impacts upon the future of areas such as Civic in a positive way. The two are not only physically connected across the lake but their respective meanings within the city are complementary.

Developing the arts and culture in Canberra will require ongoing co-operation and shared policy goals by the NCA and the ACT. The ACT and Commonwealth governments must establish common ground which can deliver a strategy for the arts which responds to the multi-dimensional role Canberra has to play in Australia. There appears to be consensus amongst the various 'arts' bodies that more needs to be done but what is not clear is the appropriate path to be pursued. Success is dependent upon local and national interests converging rather than competing. Budgetary priorities rarely permit the luxury of endowing the arts community with the resources that it would like but this is a common problem, Canberra does benefit from the fact that both Territory and Commonwealth governments are sensitised to the importance of the arts and provide some financial resources. Thus, mobilising private and public

initiatives in order to create a permanent funding process is important. Public bodies have to rely on all the private and public agents to mobilise the totality of the city and not only concentrate on big projects. The arts, culture and heritage have to be considered as an investment in the overall quality of life in Canberra which will reap multiple benefits for the city as a whole.

A future strategy will of course require a ‘whole of government’ approach particularly to ensure that environmental, heritage, planning and transport policies are mutually supporting and that potential conflicts can be resolved before any detrimental impact is experienced. Arts and culture is after all a broad domain which has many stakeholders. Cities such as Bilbao, Amsterdam and Bologna, for example, have recognised the role of culture as an important factor in economic competitiveness. The ACT Arts Development Strategy appears to share these aims; implementation, as always, will be the key.

Building and Construction Industry and the economy

The construction industry is an important contributor to the economy in the ACT. During the period 1998-9 the total value of building work approved increased by 33 per cent from the previous year. This translates to a 17 per cent increase in the private sector, equal to AUD 64.4 million and a 99 per cent increase in public sector approvals, equal to AUD 84.9 million. Public sector increases were primarily for education and residential development.

Table 12. Construction activity, value of building commenced

	Residential building (AUD millions)	Non-residential building	Engineering construction	Total construction
1991-92	379.2	248.0	189.7	816.9
1992-93	473.9	212.5	172.9	859.3
1993-94	448.0	308.1	167.5	923.6
1994-95	343.5	291.4	157.9	792.8
1995-96	287.4	332.8	145.2	765.4
1996-97	257.9	379.9	121.3	759.1
1997-98	196.9	341.0	147.8	685.7
1998-99	308.3	315.2	268.3	891.8

Source: Australian Bureau of Statistics (2000)

Housing

The 1996 figures reveal that of the 106 675 occupied private dwellings at the time of the census 35 per cent were owner occupied, 32 per cent were being purchased by the occupant and 25 per cent were rented. Average house prices for a three-bedroom house in the ACT in 1999 was AUD 184 000 which is the fourth most expensive compared to the other States and Territory. Similarly, rents for the same type of property averaged AUD 800 per month, the third highest in Australia.

ACT Housing is the government's provider and manager of public housing. This represents some 12 000 properties -- 10 per cent of ACT dwellings. The current property portfolio is valued at AUD 1 200 million. In 1998-9, ACT Housing implemented a rent cap, which restricts rents to one quarter of gross household income. The number of properties available for tenancing has continued to decrease from 12 427 in 1996-97 to 12 054 in 1999-2000. These properties include public housing, community housing, properties leased from the private sector, crisis accommodation and properties leased to community organisations. The ACT spent more than double the national average on public housing for tenants in 1998-99. The current budget estimates housing expenditure to be AUD 80.9 million, AUD 30.7 million will come from government subsidy and rental income provide the remainder. Despite this a Discussion Paper prepared in October 2000 by the ACT Council of Social Services (ACTCOSS) and ACT Shelter highlight the shortage of low-cost long-term housing in the ACT.

In common with other OECD countries the national and local policy emphasis has sought to decrease the public sector role as direct provider of housing. In the ACT the stock has been reduced through transfers to community housing and through the sale and redevelopment of existing stock. The Commonwealth Government favours community housing, arguing that it can better meet the needs of low-income people than public housing can. The Commonwealth prefers subsidy to tenants rather than actual provision. The private sector is increasingly expected to provide affordable housing, however ACTCOSS and ACT Shelter and private sector property developers in the ACT agree that there is no real policy or incentive structure to make this happen. ACTCOSS and ACT Shelter recommended in the Paper that government "stimulate the supply of low-cost rental properties through partnerships or other arrangements". Given that average private sector rents are the third highest when compared the other States and Territory this is an important issue for ACT to address. It would seem that affordable housing is needed for low and middle income citizens. A variety of mechanisms have been used in other OECD

countries to ensure that affordable housing is provided, particularly in Europe. In the United Kingdom, for example, planning policy established at the national level and implemented locally ensures that new development addresses affordable housing criteria on a percentage basis. Numerous other mechanisms exist to ensuring that delivery can be met, whether through land release or tax incentives. What is clear in the ACT is that the issue needs addressing and policy, fiscal and land opportunities should be explored. Particularly with respect to the land release programme, which strictly controls land supply in the ACT. The ACT government thus determines the ultimate affordability of housing in the city. However, policy conflicts emerge as the ACT government seeks to maximise revenue opportunities from land release, which increases the price of land for the private sector whilst pursuing Commonwealth government policy to provide more affordable housing through the private sector. A comprehensive approach which takes into account land release, public housing sales and planning decisions may be required.

Transport

Transport contributes 12 per cent to GSP in the ACT and its surrounding region. The Department of Urban Services is the principal road authority in the ACT, responsible for the planning, design, construction and maintenance of the road network of the Territory. There are 2 635 km of road in the ACT of which 2 616 km are maintained by the ACT and 19 km are maintained by the National Capital Authority on behalf of the Federal Government. Recent ABS data suggests that some 18 000 km of trips per car are made annually. The distance from north to south end of Canberra is the same as that from north to south of London. The Urban Services Budget 2000-1 states that road and stormwater expenditure for the current year will be AUD 97.9 million. This includes AUD 61.6 million for the non-cash item of depreciation, the actual budget allocation therefore is AUD 36.3 million. This figure includes all asset ownership and management functions -- not just maintenance. It covers the full range of assets managed by ACT Roads and Stormwater including roads, community paths, traffic facilities, traffic lights, streetlights, car parks, driveways, bridges, stormwater system, GPTs and dams. The recently prepared asset management plan identifies that the current level of maintenance funding is not sustainable, meaning that greater expenditure may be needed in the future.

Transport is allocated an additional AUD 60.7 million and Action Bus Service AUD 66.6 million, thus demonstrating the considerable budgetary burden the current road network places upon the ACT. In addition to this the Urban Development Programme highlights the considerable additional

highways expenditure which will take place to meet current development programmes. Is this best use of ACT resources on transport? What percentage of the costs of highway services are covered by taxes and fees paid by the residents of Canberra?

In 1998 some 220 602 vehicles were registered in the ACT, 88 per cent of which were passenger vehicles, equal to 543 vehicles per 1 000 population. Nineteen ninety-six figures reveal that 73 per cent of people employed in the ACT travelled to work as the driver of a car, 10 per cent were passengers. Only 1 per cent rode a motor scooter/bike and a small proportion walked or cycled. Around 7 per cent used buses to get to work. Public transport in the city is bus based and is likely to remain so. The bus system costs approximately AUD 70 million annually of which only AUD 18 million is recouped through fares. Only 25 per cent of Canberrans actually use public transport; principal users are students followed by concession holders.

Global trends which are affecting urban transport indicate that:

- Suburbanisation is continuing, often coupled with decreases in city centre populations.
- Car ownership is on the rise, with the exception of Sweden and Finland per person car ownership in the EU has increased in all countries since 1990. Car ownership on average in the EU is 0.41 cars/person. In Korea ownership has increased from 0.06 to 0.21 cars/person and in Denver it is 1.07 cars/person.
- Overall mobility is stable, the number of car trips continues to rise throughout OECD countries as does the distance travelled, walking and public transport are down and cycling is generally stable.
- The percentage of journeys to work out of all trips is declining.
- Public transport supply and demand is variable, in large cities it has improved during the 1990s but in small and medium-sized cities less positive trends are evident.
- Spatial structures at the metropolitan and neighbourhood levels affect the level of public transport demand.
- Environmental and safety indicators reveal that ozone is the most serious air pollutant in urban areas, road safety is improving but in general citizens perceive congestion to be getting worse.

Thus, the issues facing Canberra -- high car ownership and use, low usage of public transport and suburban development which demand greater reliance on the motor car -- are all evident. These problems are not unique to Canberra; in fact the transport 'scenario' faced by the city is reflected of that in many OECD countries and Canberrans are grappling with -- the same policy issues, conflicts and failures. OECD and ECMT consider transport to be an important policy area and have for some time sought to address issues of travel and sustainability.

In 1994 ECMT and OECD presented a report to Ministers on Urban Travel and Sustainable Development. The key policy objectives articulated were:

- integrated policy packages comprising a cross-sectoral mix of regulatory, pricing and technological measures which apply to both the supply and demand elements in urban land use and transport markers are needed, and
- successful implementation should aim to integrate land use planning and transport planning, manage private vehicle travel, maximise public transport use and promote walking and cycling in urban areas.

However, defining and implementing sustainable policy strategies for urban travel involves reconciling diverse interests of many actors, including: all levels of government, politicians, public sector transport and land use planning agencies, environmental organisations and pressures groups, private sector transport operators and service providers, developers and individual travellers, amongst others, which is complex and resource consuming. Thus in 1998 ECMT and OECD began a project on Implementing Strategies for Sustainable Urban Travel⁸, which is currently ending. The aim of the project is to better understand why integrated urban travel strategies are so difficult to implement and how countries can bridge the gap between policy recommendations and implementation.

Box 7. Urban travel and sustainable development: the ECMT/OECD strategy

This strategy proposes a flexible, integrated approach based on three reinforcing strands of good practice, innovations and pricing to encourage sustainable urban development by reducing vehicle-kilometres travelled and fuel consumption. All three strands work towards these same goals, but the more progressive policy elements -- those of Strands 2 and 3 -- are intended to bring cities closer to achieving a reduction in congestion and energy consumption, improved access, higher environmental standards, as well as a reduction in costs. The strategy includes policies aimed at different levels of government. It also tries to account for the different needs of cities of different sizes. The idea is that the three parts of this policy strategy should be applied together, to ensure that a comprehensive, long-term approach to urban sustainability is undertaken.

The report focuses on the impact of key policy tools, notably the:

- role of economic incentives and disincentives,
- role of land-use planning,
- potential of traffic management schemes,
- use of marketing, telematics and other innovations to improve public transport.

The main aspects of the ECMT/OECD policy approach are as follows:

- **Strand 1, Best Practice**, involves raising the effectiveness of current land-use planning and traffic management measures -- such as parking control and provision and encouragement of other means of transport -- to the level of those in the best-managed cities. This entails wider use of measures that have already been tried and tested in cities, along with the adoption of standards and targets pertaining to road safety, environmental quality and social welfare.
- According to the report (Implementing Strategies for Sustainable Urban Travel), cities that adopt only best practice measures will see rates of growth in congestion and car travel drop, but congestion would be only minimally impacted outside of city centres and car use would continue to grow.
- **Strand 2, Policy Innovations**, entails developing new policies to shape urban development into less car-dependent forms and applying congestion pricing to traffic management, the objective being to bring demand for car travel into balance with road capacity. The land use planning measures include those dealing with which types of settlements should expand and where new developments should locate.
- Integration of land use and public transport routes, roads, cycling paths and walkways is a principal aspect of these policies, as are tighter and more extensive speed limit controls on through roads and traffic calming in residential and school zones. The traffic management initiatives include congestion pricing, parking reductions in city centre areas, priority for buses, park and ride services and further investment in transit infrastructure.

Box 7 (continued)

- According to projections, as a result of this second group of measures, congestion and pollution would drop substantially, with the exception of noise, and safety levels would be improved. Dependence on cars would be reduced, as would growth of traffic in urban areas; however, overall traffic and CO₂ emissions would continue to grow.
- **Strand 3**, Sustainable Development, is comprised of repeated annual increases in motor fuel taxation to promote more economical vehicles, a shift in travel away from solo driving and greater use of environmentally friendly transport modes. This final aspect of the ECMT/OECD policy package holds what the report considers to be the key to reducing vehicle-kilometres travelled and quantity of fuel consumed: a progressively increasing fuel tax. The report concludes that a 7 per cent annual increase in real terms in the price of fuel over a 20-year time period would reduce vehicle kilometres-travelled to around two-thirds of the level forecast for this period and the amount of fuel used to approximately half of its projected level. According to the strategy, this strand is the only one of the three to bring CO₂ levels down to climate change targets established at Rio de Janeiro in 1992. If the price increase were applied along with the measures outlined in Strands 1 and 2, the report says that based on preliminary analysis and allowing for some uncertainty, vehicle-kilometres travelled would fall to approximately 85 per cent and fuel consumption to about 60 per cent of 1991 levels by 2015. Savings would come from an approximate 25 per cent reduction in car trip lengths, slower growth in car ownership, modal shifting from car to public transport, increased cycling and walking, limited improvements in fuel consumption from driver behaviour improvements and enhanced vehicle fuel efficiency due to advances in engine design.
- The fuel tax would also increase the effectiveness of land-use planning policies, increasing the costs of travel and thereby serving as an incentive for bringing jobs, homes and shopping closer together. Public transport systems, cycling paths and walkways would also see an increase in use because of the fuel tax.
- All three strands of the policy package are necessary to reduce car travel -- especially in cities -- to achieve sustainable urban development. Together, the strategy suggests, they could substantially reduce the environmental costs of travel in OECD and ECMT countries.

Source: OECD-ECMT (2001).

The project has identified the following key challenges to implementation of sustainable urban travel policies:

- Lack of a strategic national vision for urban travel. A long-term, national strategic vision for land use and urban travel -- developed in close collaboration with regional and municipal transport, land-use and environment agencies, and implemented, monitored and evaluated by appropriate levels of government -- is the necessary foundation for long-term improvements in urban travel.
- Poor policy integration and co-ordination. Sustainability requires that planning for transport, land-use and the environment no longer be undertaken in isolation one from the other; that policies targeting particular transport system elements and modes be considered as an ensemble, their relative impacts determining the “right” policy combination for the sustainable policy package.
- Inefficient or counterproductive institutional roles and procedures. Co-ordination and co-operation among different branches and levels of government, as well as efficient consultation and communication between government and the public can determine if policies are/are not implemented.
- Unsupportive legal or regulatory framework. Without clearly defined legal and regulatory rules and procedures, successful integration of land-use and transport policies, for example, or effective deregulation of public transport services is not possible. Sustainable urban travel strategies that propose policy actions such as these may require some degree of national regulatory reform or further legislation.
- Weaknesses in the pricing/fiscal framework. Weaknesses in the fiscal framework pose particular problems for transport and land-use planning integration. Competitive pressure among neighbouring towns and cities for fiscal revenue and employment opportunities can, for example, hinder efforts to discourage location of large businesses in fringe areas such as public transport financing.

- Misguided financial sources and streams. Examples of how financial streams are determinant in policy implementation are:
 - i. Channelling of revenues from pricing initiatives (*e.g.*, road or congestion pricing, parking fines, etc.) away from the immediate jurisdiction to central coffers or to untargeted funds can compromise incentives for reducing private car travel, confuse public perception of the rationale behind the measures and impede acceptance of what might otherwise be very effective schemes.
 - ii. Unbalanced allocation of funding (investments or other) among different travel modes -- often due to poor co-ordination among mode-specific planning agencies -- can create inefficiencies in financing of the urban transport system and misguided development of one mode (*e.g.*, light rail) to the detriment of another (*e.g.*, bus).
- Poor data quality and quantity. Sound and reliable data are the empirical basis for good policy.
- Public, lobby and press resistance to policies. Winning support for sustainable urban travel policies from the public -- including, lobby and interest groups, the press, and individual travellers -- is often a complex and politically delicate undertaking. Poor understanding of the rationale behind/ or benefits of certain measures can engender resistance from these segments of the public. This is often due to inadequate communication of policy strategies and insufficient or inefficient public involvement.

The above characteristics are of course general and Canberra may be doing well in some of these areas. Certainly the issue of integrating transport and land use planning is on the policy agenda, and a discussion paper has been circulated by the ACT. It would be useful for the ACT to establish a cross-sectoral task force to work through the issues to determine which are most problematic for the ACT and to highlight action required by the ACT and Commonwealth governments. An integral element of a future strategy will continue to support the redevelopment of Civic, leading to increased residential living, more mixed use, and more activities spread out across the day and the week, could help improve the overall viability of public transport, with benefits to the sub-centres. The task force may also wish to focus on the strategy outlined below to realise an effective implementation plan. ECMT and OECD have prepared guidelines for self-assessment, which will be helpful. (The

original frame of reference was for national governments they can be adapted for metropolitan areas criteria are appended to this report.

Environment

The natural environment of Canberra is of extraordinary quality. The diverse range of natural environments that make Australia unique surrounds the natural asset base on which the city has developed. The inheritance of these attributes has resulted in a strong sense of environmental awareness reinforced by policy measures at the Federal and Territory levels over the past decade. This high value landscape also brings with it high costs. The ACT has inherited an expensive legacy which in public spending terms is not likely to decrease because it requires continual maintenance and investment which must be budgeted.

The total area of the ACT is approximately 2 400 km² of which 60 per cent is hilly or mountainous. The ACT has the highest percentage of land management under conservation in Australia -- some 53 per cent of the total area, 126 683 hectares. The remainder of land is as follows: rural: 23 per cent, urban: 14 per cent, forestry: 10 per cent. Development is strictly controlled through the planning and land management structures, which operate in the ACT. Protected land is designated through the National Capital Plan (1990) and the Territory Plan (1993). Environmental protection, nature conservation and the preserving the landscape of the city are priorities of government and community alike. Air and water quality in the city is of a high standard, and levels of airborne particles have been low since 1995 and are lower than in Sydney, Brisbane and Adelaide. However, greenhouse gas emissions have been rising through the 1990s, and the ACT Greenhouse Strategy was released only in February 2000 (ACT, 2000). The most recent inventory indicates a very modest recent increase, with reduction in some sectors. This is attributed to increases in stationary energy consumption (electricity and gas) and transport fuel consumption. The ACT has an established goal to reduce emissions to 1990 standards by 2008 and to achieve a 20 per cent reduction by 2018.

Recognising the inherent scarcity of good quality water in inland Australia, and the position of Canberra as the largest population centre on the Murrumbidgee River, the ACT has legislation in place to ensure sustainable management of its water resources. The ACT's Water Resources Management Plan provides for the sustainable use of surface and ground water in the ACT. All water use apart from that provided for stock and domestic purposes must be licensed. Water is allocated on a long-term sustainable basis. The ACT's

Environmental Flow Guidelines ensure that there is sufficient water in all major water courses to sustain their riverine ecological processes.

Biodiversity conservation is an essential aspect of maintaining this unique environment. The pattern and term of rural land leases in the ACT has resulted in the preservation of numerous areas of natural habitat which now offer valuable refuge to a variety of rare and endangered species of flora and fauna -- particularly those associated with woodlands and grassy woodlands. The development of Canberra itself is constrained by the occurrence of these habitats, resulting for example in the relocation of a planned town centre and the setting aside of prime development land as nature reserve. The ACT takes a regional (or bio-regional) view of conservation when assessing the impact of possible developments on ecological communities.

The built and natural heritage of Canberra establishes an important base for the future: maintaining and enhancing important landscape and built areas especially in the public realm is essential. Marrying change and preservation is a difficult task for any city and undoubtedly can be a cause of local conflict. Canberra is more fortunate than most cities in that it has a fairly sophisticated system of heritage and environmental audits at its disposal to contribute to policy making. The heritage of the city and the subsequent quality of life that it contributes to for residents is of utmost importance to all sectors of Canberra society. However, maintaining and renewing the natural and man-made landscape of Canberra will take continual and unquestionably increasing resources. What exists is not self-maintaining but the product of investment and effort. The National Capital Authority, Environment ACT (including the Heritage Unit) and Urban Services all bear the cost and responsibility of this task. The cost implications for the NCA and the ACT for the future maintenance and replacement of the landscape need to be re-assessed and budgeted. The current Environment and Heritage Budget has total expenses of AUD 22.9 million of which AUD 15.4 million is required for land and conservation, AUD 5.6 million for environmental management and AUD 1.9 million for heritage. For example, in Civic alone routine maintenance of urban open space and horticulture at the current budgetary allowance is AUD 1.23 million. Over the last five years some AUD 10 million has been spent on new assets and the refurbishment of existing assets in addition to the routine maintenance budget. It is expected that a further AUD 15 million will be required over the next five years. (The ACT anticipates actually spending AUD 30 million over the next five years; the proposal is currently awaiting Cabinet approval). Canberra Urban Parks and Places is responsible for the maintenance and management of urban open space and horticulture. Each of the suburbs reveals a similar picture. Citywide this has considerable implications which need to be considered in order to maintain important aspects

of the Canberra environment. Funding for the future requires Commonwealth and ACT co-operation to protect and maintain this important aspect of the national capital.

Preserving and enhancing the heritage of Canberra is an important issue, which must be addressed through policy and funding. A recent assessment of the Garden City Principles of the city by A. Ward on behalf of ACT Heritage makes an important contribution to this process. The introduction of necessary legislation to protect and enhance the built environment and landscape of the city is considered necessary by many commentators. The ACT should consider an audit of what is required in the city in terms of policy and legislation and ensure that heritage works in synergy with planning and urban design strategies to ensure appropriate and defined outcomes.

The ACT has recently released a Draft Tree Management and Protection Policy document for which the main goal is ‘to maintain and enhance Canberra’s Garden City Heritage and bush capital character by the protection and sustainable management of its trees. The core objectives of the policy document are:

- to ensure that trees on public and private land are adequately protected through legislation, planning policies and education,
- to secure the future of Canberra’s landscape character through sound management of its urban forest,
- to foster through education an ethic of tree care in the general community, industry and custodians of significant trees,
- to promote the principle of ‘the right tree in the right place’ by provision of information, introduction of advances in tree management research and improved plant selection, and
- to ensure effective co-ordination of tree management and protection policies and practices across all ACT Government agencies.

The document also included a cost benefit analysis of the 700 000 trees on urban public land and determined that the accrued economic benefits to Canberra are likely to be more in the order of AUD 10 000 000 annually. But evidence for this conclusion, to be robust, would need further elaboration.

Sustainable development in the national context and in the ACT

The National Strategy for Ecologically Sustainable Development (NSED) was adopted in 1992, and provides the policy framework for the Commonwealth, State and Territory governments to promote ecologically sustainable development. The NSED commits Australian governments to ensure that land use decision making processes and land use allocations meet the overall goal of ecologically sustainable development and are based on a consideration of all land values, uses and flow effects. Its core objectives are:

- enhance individual community well being and welfare by following a path of economic development that safeguards the welfare of future generations,
- provide for equity within and between generations, and
- protect biological diversity and maintain essential ecological processes and life support systems.

An integrated approach to land use planning and management contributes to realising these aims.

Within the ACT there is a strong and clear commitment to sustainable development shared by citizens and government alike. The task before government is to establish appropriate policy measures, which will ensure that Canberra can meet the challenges that lie ahead and the goals that have been set. The ACT is the only State/Territory in Australia to have a Commissioner for the Environment established through legislation in 1993. The Commissioner is responsible for State of the Environment Reports, which make recommendations to which the ACT government responds through policy. The 1997 ACT Environment Protection Act reinforces the role of the Commission. Recommendations emerging from the Commissioner for the Environment through State of the Environment reporting have resulted in a series of benchmarking programmes, which have led to the more efficient pricing of goods and services.

Box 8. OECD environmental performance review: fostering sustainable development, 1998

“Australia has made considerable progress in developing a framework for the integration of environmental and economic policies. The 1992 National Strategy for Ecologically Sustainable Development, and the reports on its implementation, represent a nation-wide commitment to translate the concept of sustainable development into national objectives and policy directions. The participation of Commonwealth, State/Territory and local governments, together with non-governmental groups, in the preparation of the strategy and in reviewing its implementation has given the strategy broad-based recognition and credibility. More specific efforts towards ecologically sustainable development include the funds being made available under the Natural Heritage Trust and activities to integrate environmental considerations into federal and State/Territory sectoral policies. Examples are the National Forest Policy Statement, landcare programmes and water management policies. Success has been mixed in integrating environmental considerations into government-wide economic policies. Some progress is being made with “green procurement” by government institutions. Nevertheless, like other OECD countries, Australia is facing the challenge of translating the principles of sustainable development into economic decisions and practices.

In many cases, economic objectives take priority over environmental concerns, with most decision makers believing that the wealth created by economic activities will overcome environmental effects. In addition, process-oriented approaches often dominate, at the expense of a focus on environmental results. To respond to this imbalance, quantitative targets and timetables should be adopted, where appropriate, and peer reviews of the environmental performance of States and Territories would also be useful. Microeconomic reform has generated more efficient pricing of goods and services and an attendant improvement in resource use. Australian governments generally provide little in the way of direct or indirect subsidies to the private sector. The agricultural sector, in particular, receives a producer subsidy equivalent of 9 per cent, compared with 36 per cent for the OECD as a whole.”

Source: OECD (1998).

Before considering some of the important initiatives which have taken place in the ACT over recent years it is important to stress that a strong tradition of innovation and analysis underpins the approach taken by the ACT over the last decade. Furthermore, the ACT has set in motion pro-active policy mechanisms and statutory monitoring through the Commissioner for the Environment which together significantly contribute to a sustainable future. Environment ACT and Urban Services often working in partnership with other government agencies and research and academic institutions have an important contribution to make to international best practice. The following two strategies

are worth noting as they attempt to tackle issues which are of considerable importance throughout OECD countries, issues which pose some of the most difficult environmental challenges and which are crucial to sustainable development.

Box 9. Overarching strategic framework for sustainable development in Canberra⁹

- 1990 National Capital Plan
- 1992 National Strategy for Ecological Sustainable Development
- 1993 Territory Plan
- 1996 ACT No Waste by 2010 Strategy
- 1997 ACT Environment Protection Act
- 1998 ACT and Sub-Region Planning Strategy
- 1998 National Greenhouse Strategy
- 1999 ACT Greenhouse Strategy
- State of the Environment Reports
- Nature Conservation Strategy
- ACT Annual Budget

No Waste Strategy, 1996

In efforts to realise Ecologically Sustainable Development (ESD) the need to move away from landfills as the dominant waste disposal option has become ACT policy. The national target established by the 1991 Commonwealth Government National Waste Minimisation and Recycling Strategy was to halve waste by 2000. The ACT waste delivery to landfill sites decreased by 39 per cent from 415 798 tonnes in 1993-94 to 252 068 tonnes in 1995-96. The Waste Management Strategy, 1996, for Canberra aims to achieve no waste by 2010. The Strategy was strengthened by the introduction of commercial charges in 1993 and non-commercial charges in 1996 for waste management.

The ACT believes that improving current waste management practices will provide opportunities to develop new and innovative businesses with significant employment potential as well as establishing Canberra as a centre of excellence in sustainable resource management. The Strategy is based on partnership with community, government and industry groups to influence decisions for waste management, and with industry and research organisations to develop new waste management practices.

At the outset, priority actions were defined to be accomplished in the first two years. They included:

- Develop a waste inventory and identify the full costs of each type of waste.
- Set benchmarks to monitor performance towards achieving the 2010 target.
- Establish a resource exchange network to match wastes with resource requirements.
- Provide feedback to the community on progress toward achieving No Waste by 2010.
- Prepare a development and implementation plan to establish infrastructure for resource recovery, particularly in developing Resource Recovery Estates incorporating waste minimisation education centres.

Box 10. Environmental performance recommendations

Monitoring by the ACT was complimented by a review by the Commissioner for the Environment in 1999. The Review, carried out by independent auditors established 9 recommendations to ensure that the target of no waste by 2010 was realised. They were:

1. Clarify and publicise the Government's goals for the Strategy.
2. Ensure the actions identified for the first two years are completed -- in particular, identification of full costs of each type of waste and comprehensive benchmarking.
3. Develop a strong focus on initiatives to engender community commitment to achieving the goal of No Waste by 2010. This requires initiatives under "Information programs and community support" and "Public Recognition". This requires initiatives under "Information programs and community support" and "Public Recognition". As part of that focus, consider:
 - a wider distribution of annual progress reports -- for example, introduction of household distribution each year (as done in 1997),
 - ways to encourage and recognise community initiatives in waste management,
 - revitalisation of community interest and participation in achieving the no waste goal through: a booklet/guide such as was produced when recycling was introduced; a media campaign (television and radio); and strengthening the role of schools, and
 - continuing participation in events such as Floriade, Recycling Awareness Week, etc.
4. Ensure that development of infrastructure for Resource Recovery Estates and the National No Waste Education Centre is implemented and that the Resource Recovery Estates are managed in such a way that they do not replace landfills as repositories for waste.
5. Use an appropriate central structure in Government, or one that may cross agency or business unit boundaries to prioritise actions for implementation of the strategy to 2010. Before the end of 2000, an update of the strategy should be initiated to identify action plans to 2010. That update should ensure the inclusion of:
 - initiatives under the Broad Actions, "Community Commitment" and "Avoidance and Reduction" with commencement of their implementation as an urgent priority, during the current triennium,
 - other priority actions and a clear timeframe for their implementation,
 - a series of short-term targets to reduce specific waste streams based on the waste inventory (e.g. not less than a 30 per cent reduction of household waste over the next 3 years),
 - options for legislation to support the desired results,

Box 10 (continued)

- options for economic instruments, particularly incentives for best management practice,
 - introduction of innovative ways to achieve the goal of the strategy, and
 - at least two reviews of progress/the program between 2000 and 2008.
6. Use an appropriate central structure in Government, or one that may cross agency or business unit boundaries to identify and articulate the socio-economic and environmental consequences for the ACT of moving towards no waste to landfill by 2010.
 7. Use an appropriate central structure in Government, or one that may cross agency or business unit boundaries to ensure adequate and appropriate resources are provided to implement the no waste strategy in accordance with the demands of the operating environment.
 8. Initiate a whole of Government approach to achievement of the No Waste by 2010 Strategy and implement best practice waste management in all Government agencies/departments.
 9. Integrate efforts taken in the ACT with regional and national efforts, specifically:
 - take a leading role in implementation of the National Environment Protection (Used Packaging Materials) Measure as appropriate in the ACT, and in formulating national guidelines and codes of practice;
 - through appropriate inter-governmental avenues, pursue development of a national rating system, which will provide information on the environmental characteristics of a product, including by-products, energy consumed in production and use, packaging used and the potential for reuse and recycling of the product, by-products and packaging; and
 - formalise cross-border arrangements regarding waste minimisation.

Source: Australian Capital Territory - ACT (1999b).

The report “Next Steps in the No Waste Strategy” (ACT, 2000c), notes that as well as fulfilling original objectives resource recovery has more than doubled, and that waste to landfill reduced by 40 per cent since the launch of the Strategy. New priorities have been set for 2002, and further review processes, complimented by implementation strategies, will take place for the periods 2003-06 and 2007-10.

Box 11. Appraising environmental performance

Whether policy objectives and commitments are being met is the essence of appraising environmental performance. Environmental objectives may be more or less explicit and precise; they include: aims at general level (*e.g. preserving and improving environmental quality, achieving sustainable development*); qualitative goals at the intermediate level (*e.g. preserving the ozone layer, reducing acidity*); and quantitative and dated targets at a more specific level.

More precisely, performance refers to three main questions relating to the achievement of domestic objectives or the compliance with international commitments.

To what extent are the objectives achieved? A clear distinction needs to be made between intentions, actions and results, an emphasis on results being central to assessing performance.

Hierarchy of performance

- intentions
- actions
- results

Are the objectives ambitious or modest? In other words, how do these objectives relate to the country-specific context, *i.e.* to the past and current state of the environment, natural resource endowment, economic structure and development levels, and demographic trends? Are the objectives achieved in a durable and cost-effective way? Building on the answers to these questions, recommendations on how to improve performance in the future can be formulated.

Source: OECD (2000b).

The framework below is a useful reminder valid for all benchmarking activities not just environmental, underpinning a variety of monitoring activities with the three points: intentions, actions and results will prove valid.

In 2000 ACT Waste began research into the economic, environmental and social costs associated with waste management. The findings will be important not only to ensure appropriate service provision locally but will contribute to the broader international policy debate.

ACT Greenhouse Strategy, 2000

Australia's commitment is to limit the growth of its emissions to 8 per cent above 1990 levels by 2010. The ACT Greenhouse Strategy, 2000, will ensure that the ACT contributes fairly to Australian and international efforts to

reduce greenhouse gas emissions. The ACT Government has set a target of stabilising net greenhouse emissions attributable to the ACT at 1990 levels by 2008 and then reducing these emissions by a further 20 per cent by 2018. The ACT Government is the first state or territory government to set targets in Australia. In 1990, ACT greenhouse gas emissions were 3 900 Gg of carbon dioxide equivalent. Between 1990 and 1997, this figure increased by 9.2 per cent to 4 257 Gg. The principal emission sources in 1997 were electricity (53% of total emissions); transport (22%); waste (14%) and natural gas (8%). Emissions are to be reduced by 700 Gg by 2008 and 1 780 Gg by 2018 to achieve the target. The Strategy establishes targets and mechanisms for reducing emissions generated by the energy, residential, commercial, government, transport, waste management and land management sectors. The Strategy's focus is in providing additional measures, which reinforce existing Territory and national policies. The ACT Government has set itself the target of reducing the energy consumption of its buildings by 25 per cent; reducing emissions of its vehicle fleet by 15 per cent and purchasing accredited green power for a proportion of its electricity needs, to increase to 100 per cent all by 2008. The current Budget provides AUD 160 000 of new funding to Environment ACT for new greenhouse measures. In addition to this funding, the 2000-01 Budget also provided ongoing funding of AUD 340 000 for ongoing implementation of existing greenhouse measures and AUD 1 000 000 directly to ACT Housing for a public housing energy efficiency upgrade program that is part of the ACT Greenhouse Strategy. Measures for 2000-01 include increased mandatory energy ratings for new housing, government purchasing of green power and the introduction of Greenfleet and further energy reduction strategies for government buildings.

These OECD Guidelines are useful to consider in the context of Canberra. The ACT, through the Environment Commissioner, Environment ACT and other functions of Urban Services seeks to ensure that Canberra is developed in accordance with established criteria for realising sustainable development. Section B is of particular relevance and the ACT is implementing in some way the majority of the recommendations. The guidelines may facilitate the development of a sustainability audit in the city.

Box 12. Implementation for sustainable territorial development

A. Promote and implement national territorial development policies which fully integrate sustainable development as an objective

- Prepare a national policy framework for territorial development that includes the objective of enhancing sustainability.
- Establish environmental and social objectives at national level to be attained at regional and local levels.
- Identify those aspects of national policies for sustainability, which are better implemented at the national level, and those, which should be implemented by local and regional authorities.
- Identify obstacles at regional and local levels to the implementation of national sustainable development policies, and best practices in Member countries to overcome them.
- Identify and adjust national policies that have the unintended consequence of promoting unsustainable patterns of urban and rural development.
- Strengthen education in sustainability for professionals with responsibility for different aspects of territorial development by requiring study or internship as part of a certification process or as part of continuing professional education.
- Adapt and revise spatial planning and land use policies to promote more sustainable construction of buildings, the reuse of vacant land, and demand management of resources and transport.
- Re-examine subsidies and tax measures which encourage construction on greenfield land and discourage the renovation of existing properties.
- Governments can set an example by adopting a sustainability strategy for government buildings, including social and environmental factors in decisions about where they should be located, and design principles to promote an eco-cycle approach to the operation of buildings.

B. Promote regional and local initiatives for sustainable territorial development based on strategic assessments, visions and local action plans, cross-sectoral integration, and governance mechanisms to co-ordinate efforts horizontally.

- Give legal recognition to the objectives of sustainable development in local legislation.
- Assess local and regional trends to determine thresholds of critical change.
- Make strategic vision exercises a requirement of local and regional projects for sustainable development and key infrastructure projects and if need be, develop new institutions with a focus on strategic direction and co-ordination.
- Introduce environmental accounting at the sub-national level to track expenditure.

Box 12 (continued)

- Assess strengths and weaknesses of territories for endogenous development, and especially for employment opportunities using renewable resources and in the environment sector.
- Address market failures such as the under-provision of rural amenities and under-investment in urban regeneration.
- Promote the use of environmental management systems at the local level by public authorities and firms and especially those with a major impact on waste and water systems and on land use and transport.

C. Improve governance for sustainable territorial development

- Match resources and responsibilities at each level of government; to this end, local and regional authorities should be able to set fees and impose taxes that correspond to their priorities and conditions.
- Empower local and regional levels of government to devise solutions, strengthen community capacity-building, planning systems, and information systems.
- Enable local and regional governments to set priorities and targets.
- Develop and implement metropolitan-wide plans or contracts across municipal borders to integrate distressed areas, to improve sustainable transport especially in car-dependent suburban areas, and to reinforce public services and infrastructure in areas of high environmental or social risk; avoid relaxation of environmental standards in the competition for investment.

Source: OECD (2001b).

Where is Canberra in 2001?

In 1996 the ACT government deemed that in order “*To be a successful national capital and provide a continuing quality of life to its residents into the 21st Century, Canberra needs to undergo a major transformation. This will impact on every facet of the city, its citizens and business community, and will ripple into the surrounding region.*” (ACT, 1996). In 2001 the remains true.

More than a decade on from the start of self-government, it is clear that the responsibilities this brings have been seized upon with enthusiasm and commitment. It has been a period of incredible change for the city. As a city whose reason for being was government, the decision in the mid 1990s to downsize government services sent shock waves through the city -- its base, which had since its origins been the foundation of its stability and the reason for

its strength, was threatened. The economy suffered, as would be expected in a largely mono-functional city; an economic downturn followed. Canberra embarked upon a new direction, to create an economy less dependant upon the public sector. Experience has taught that economic diversity is an essential element of a robust, sustainable society. Reliance upon a single sector is not an option. The public sector will remain an important element of the economy in Canberra; indeed its synergy with the private sector as a purchaser of goods and services will ensure that Canberra maintains a stable economic base. A more sustainable future is dependent amongst other things, upon endogenous development and high value-added knowledge based industries. This has implications for the spatial organisation of the city and the design of specific areas, including and perhaps especially in Civic.

As the 21st Century begins, Canberra benefits from an urban form which has incredible commitment from the community to preserve and enhance. For decades, Canberrans have reaped social, economic and environmental benefits from thoughtful and holistic approaches to urban planning. The inheritance of the legacy is taken seriously. Whilst the temptation may be to maintain the status quo, the majority of Canberrans know that this is not an option. Citizens and government alike understand the need to take Canberra to its next stage, a stage which is reliant upon a shared vision of the future which safeguards Canberra's uniqueness and ensures that the 'ideal' city continues to highlight the importance of urban form nationally and internationally.

Maximising land opportunities in appropriate locations is one of the key tools the city has. This should lead to a strategy to improve Civic that also reinforces the strengths of the sub-centres, in tandem. Canberra has the flexibility for transformation that was built into its original plan. It can easily accommodate improved public transport if development patterns and densities warrant the change. Canberra has also concerned itself with its natural setting and the protection of that setting in terms of environmental degradation and the management of urban resources. Environmental protection in Canberra incorporates state-of-the-art storm water management and within its open space/forest setting the protection of natural bio-diversity. The fundamental components of a strategic vision have been forged and the superstructure is well in place to assure that Canberra's environmental assets will be maintained, and will remain assets that can attract investment. As will be explained later, considerable analysis has taken place over recent years to make this happen.

City centres are important, which is why the Urban Renaissance studies focus on their contribution to wider processes of economic development, social integration and environmental improvements. In Belfast, the restoration of the Lagan River was the first in a series of steps to give the city a neutral

civic centre it had lacked, one which could sustain new uses for the river banks, attracting investment in the city and people to public spaces. In Krakow, the maintenance of the historic centre could become the basis for a wide strategy to correct land-use misallocation from the Communist era, to retain a strong base for public transport, and to guide investment for knowledge-based development given the city's regional and international influence in culture and higher education. New (Belfast) or old (Krakow), a city centre supports the complexity and diversity that enable cities to adapt and change, while preserving what is essential to their identity. Civic can provide the “critical mass” that Canberra lacks if it is to take advantage of the opportunity for economic development based on the private sector.

Map 2. View of Canberra



Source: Australian Capital Territory Land Information Centre (2001).

Without more development at the centre, a polycentric Canberra will continue to exist, but possibly at the expense of more development in peripheral areas (including across the ACT border in New South Wales), making the delivery of public services more complicated, including a strategy to address environmental issues which are so important in Canberra. Polycentric cities

with phenomena similar to Canberra -- outward growth at low or declining population densities, primary dependence on cars for speed over distance, and dispersed office, retail and leisure centres -- are usually found in metropolitan areas 8 or 10 times larger than Canberra, but often in combination with such negative trends as a widening spatial -- social fracture, deteriorating levels of air quality, and higher infrastructure costs. Historically, the advantages in the form of networks, contacts and accessibility that benefit firms in urban areas (agglomeration effects) are found in city centres, which partly explains why successful centres are more easily -- and frequently -- renewed than suburbs. There is a return to living in city centres which is apparent in the United States, Canada, and Europe and which is both a symptom of and factor in the revitalisation of urban economics. In some cities, the rate of growth in and near the centre is faster than on the periphery, a reversal of post-war trends. This is a basic point: development of a city centre which can remain adaptable over time benefits other parts of the city, producing a more sustainable outcome overall.

Civic could improve the competitiveness of Canberra at a time when its future is dependent on the growth of the private sector. The agglomeration imperatives of firms and investors are such that the private sector-based urban economy of this century is likely to be more centralising than the public sector based urban economy of the last century. In the past, in order to support the urban form of Canberra, government and public institutions dispersed throughout the city. As the city moves to an economy based on the private sector such control will weaken. Locational decisions made by the private sector are more focused on company needs and requirements. As Alfred Marshall noted a century ago, and as current research on the new economy confirms, the exchange of knowledge, information and skills among workers is a feature of urban agglomerations which firms value. Centralising small firms which rely on each other for many services, and benefit from the lifestyle of an urban district which functions around the clock, all week long is important (the scattered location of business incubators is symptomatic of the potential negative effects of the dispersed spatial pattern of Canberra on private sector development).

It has long been recognised that Civic is an opportunity for the city, and throughout the 1990s serious attempts have been made to bring about change. Gradually this is happening. What more can be done and what lessons other cities can offer? The key issues identified in Part I -- the growth of private sector employment, the importance of the arts, sports and education, and changing demographics -- all draw attention to the potential positive impact of a redeveloped Civic on Canberra.

NOTES

1. At the time of the evaluation, 2000.
2. Matters of national significance in the planning and development of Canberra and the Territory include: *a)* The pre-eminence of the role of Canberra and the Territory as the National Capital. *b)* Preservation and enhancement of the landscape features which give the National Capital its character and setting. *c)* Respect for the key elements of Walter Burley Griffin's formally adopted plan for Canberra. *d)* Creation, preservation and enhancement of fitting sites, approaches and backdrops for national institutions and ceremonies as well as National Capital Uses. *e)* The development of a city which both respects environmental values and reflects national concerns with the sustainability of Australia's urban areas.
3. See Australian Capital Territory, 1999*a*. The report highlights that simultaneous to this decline in public sector employment was an increase in private sector employment of 3 600 workers.
4. 'Other Public' is a generic term used to describe workers who are public sector employees but are not employed under the Public Service Act (1922); this includes staff employed by Telstra, the Commonwealth Bank, universities, etc.
5. State Final Demand is a measure of economic output analogous to Gross Domestic Product but including the value of net interstate and international trade and changes in the value of stocks.
6. A discussion paper prepared for The Brookings Institution Centre on Urban and Metropolitan Affairs, Washington, D.C. (see Sommers *et al.*, 2000)
7. In 1998, home computer usage in ACT was 66 per cent compared to 46 per cent nationally. Twenty-seven per cent of ACT homes has Internet access compared to a national average of 16 per cent. Figures from 1998 reveal that 78 per cent of adults in the ACT accessed computers compared to a national average of 61 per cent. Professional and domestic Internet access is considerably higher than national figures, some 30 per cent for professional use and 23 per cent domestic; the national average is 14 per cent.
8. The project was comprised of three principal elements: a series of thematic workshops, a survey of over 160 cities and a series of national policy reviews.
9. A non-exhaustive list outlining the impacting strategic framework.

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PART II

STRATEGIC PLANNING FOR CANBERRA'S SUSTAINABLE URBAN DEVELOPMENT

A sustainable city is able to maximise its competitiveness in a globalising economy; strengthen social cohesion; sustain quality, diversity and the character of place; reconcile partnership and leadership; achieve flexibility in decision making; create better city-regional linkages; empower communities; and manage urban growth better both at the centre and periphery of urban areas. A more sustainable pattern of growth based on improvements in the quality of life and in productivity gets the best out of the advantages of the concentration of so many activities in such a complex setting as a city. A more productive urban environment is one that favours the development of human capital, which is of such central importance in the more flexible knowledge-based economy. The urban environments favourable to the creative activities of the new economy depend considerably on local cultures and social values.

The Canberra territory is unusual in that it has a physical land plan that provides for a succession of town centres linked by road and road-based public transport systems. It is a plan that focuses on the location of monumental civic uses for a national capital in balance with both its natural setting and the physical relationships among those civic uses. It evokes the idea of a Garden City in the physical sense as an Ebenezer Howard style of development to balance -- not to smother -- the energetic forces inherent in urbanisation. The attractiveness of the residential neighbourhoods and sub-centres of Canberra give rise to considerable satisfaction with the city as it is. There are other factors, which tend to reinforce stability. In *Sociable Cities* (1998) Peter Hall

and Colin Ward raise some crucial factors which imply that the status quo is likely to last a long time:

- that cities are unlikely to receive additional financial resources,
- that the revival of urban living will require a broad strategy of renewal -- social, economic and educational just as much as physical,
- that the majority of households will continue to prefer suburban or semi-rural areas,
- severe fiscal restraints on the use of the car will not be introduced,
- people will continue to favour car travel, and
- there will be local resistance to excessive intensification (p. 120).

This suggests that the city of tomorrow will closely resemble the city of today. Meanwhile, the consumption of space is increasing at that same time as economic production uses fewer natural resources.

Hall and Ward may be realistic, but the status quo is not what a sustainable city is. The OECD defines an ecological city, not as a city without environmental and social problems, but as a city with a strategy to solve problems. From this perspective, a healthy city without a strategy is not an ecological city, but a city trying to leverage change in the face of considerable difficulties is an ecological city.

Realising a sustainable future is a high priority for the ACT. Meeting the challenges of the future through planning which guides change is a task consistent with Canberra's heritage as a planned city. However, because urban development often appears as a residual, the product of social and economic trends over which cities have little control it is important to assert that it can also be shaped in the light of what cities can become, so that cities can take advantage of social and economic trends to realise more of their goals. Over the last decade the ACT has made considerable efforts to ensure that many relevant policy areas respond to the adoption of the principles of ESD. As well as adapting applicable legislative and policy frameworks considerable effort has been made to develop relevant and innovative strategies to facilitate better implementation at the local level. The ACT considers that *“a sustainable approach to urban development requires a collaborative approach between government, business and community to improving economic opportunities;*

working towards an equitable, co-operative society; and respecting ecological systems through reduced pollution of the land, water and the air. Community wellbeing and health outcomes are also inextricably linked to the physical environment and the social and economic conditions. They are a concern for every sector of society.” Many of the appropriate policy objectives have already been articulated in the ACT policy documents, but additional measures -- and particularly a strategic plan for Civic that can generate bipartisan support and leadership from many stakeholders are needed. Canberra is uniquely positioned to show that strategic planning is consistent with public participation, strong professional guidance and private sector investment.

The past decade has resulted in a series of mutually supporting ‘rolling’ plans and strategies collectively make-up a Canberra wide strategy. The current process of Future Canberra is in effect building on the past decade to develop a forward looking strategic vision and framework. This reflects an important stage of Canberra’s history, for it is a time for the city to reflect on what it has realised, both throughout its history and since self-government. This strategic framework has to be sufficiently robust to implement effectively the many important policy and strategies -- in a sense, the tool kit which Canberra has already developed and which this co-operative exercise with the OECD should serve to enhance. Hence some of the recommendations which come later in this report.

Because urban policy has to address economic and social trends that are difficult to predict, a broad strategic approach based on economic, social and environmental fundamentals is necessary. The OECD report *Urban Policy in Germany: Towards Sustainable Urban Development* (1998) notes that:

“The challenge therefore lies in developing policies which can help cities respond to the dynamic and unpredictable nature of social, economic and technological change. As a result, plans need to be open to revision at shorter intervals, and to take account of a wider range of variables. Given this context of uncertainty, planning needs to create options for the future (consistent with the principle of reversibility in planning), so that people can better adapt their cities tomorrow, as new needs, new problems and new opportunities arise. (In general, mixed land-use patterns, a choice of transport modes, cityscapes that are safe and intelligible, and building designs that can be adapted to different needs, are all aspects of the built environment that favour renewability and adaptability.) In the final analysis, adaptability is more a characteristic of cities than of suburbs, and this could increasingly be the case, as cities become "information-rich" in a knowledge-based economy. But it is one, which can be increased or

diminished over time. What is needed is not a new planning system or changes in the formal regulations, but a more flexible and forward-looking spatial planning and urban policy which is better adapted to changes taking place in the economy.” (p. 91)

This is relevant to Canberra, which is in the process of reviewing and refining its planning policies and principles. It is important that the city develop in an adaptable manner, and planning is a critical policy tool. The Urban Development Programme certainly appears to be re-examining issues which will affect the future of the city. Where and how people will live and work is at the forefront of urban policy throughout OECD countries and international exchange has an important role to play here. The urban development strategy for the city advocates “*maximising the level of housing accommodated within established areas, subject to the community’s housing preferences; and the encouraging, wherever possible, the location of employment in Civic and the town centres.*” This raises a particularly important point: it will be very difficult to balance sustainable development goals in the future with community desires without a strategy to nurture widespread acceptance of urban intensification within the community.

Spatial planning context

Strategic Framework:

- 1998 Australian Capital Territory (Planning and Land Management) Act
- 1990 National Capital Plan
- 1991 Land (Planning and Environment) Act
- 1993 Territory Plan
- ACT Annual Budgets
- 1998 ACT and Sub-region Planning Strategy
- 1999 Environmental and Biodiversity Conservation Act
- Urban Development Programme
- PALM Integrated Land Use and Transport Planning Discussion Paper

Self government required the establishment of a system of planning and land management which could respond to the ACT's dual role as both the National Capital and a city in its own right. Since the introduction of self-government in 1989, the planning and development of the ACT has been the responsibility of both the Commonwealth and the ACT Governments. Representing these two governments are separate planning authorities: the National Capital Authority (NCA), the Commonwealth body having the responsibility of preparing and administering a National Capital Plan; and the ACT Planning Authority which is the Territory authority required to prepare and administer the Territory Plan.

The legal framework for this arrangement is set out in the Commonwealth's Australian Capital Territory (Planning and Land Management) Act 1988 (the Planning and Land Management Act) establishing the National Capital Authority and its requirement to produce a National Capital Plan. In response to this Commonwealth requirement, the ACT Government introduced, the Land (Planning and Environment) Act 1991 (the Land Act). The Territory Plan came into effect in 1993.

Land tenure in the ACT is by public leasehold and the Commonwealth Government is the owner of all land in the Territory. In the ACT a lease is for a specified purpose; a specified period, usually 99 years; includes covenants and conditions with which the lessee must comply; and is subject to the payment of land rent or a premium. The public leasehold system evolved at the outset to avoid speculation in undeveloped land, allow unearned increments in land value to be retained the Australian people, defray the expenses of establishing the National Capital, and ensure orderly planned development by lease purpose clauses. The Australian Capital Territory (Planning and Land Management) Act, (1988) which determined that land in the ACT is either national or territory and that Territory land is managed on behalf of the Commonwealth by the ACT government.

The ACT through Planning and Land Management (PALM) is required to prepare and administer the Territory Plan. This was provided for by the Commonwealth's Australian Capital Territory (Planning and Land Management) Act 1988 (the Planning and Land Management Act). The ACT Government introduced, the Land (Planning and Environment) Act 1991 (the Land Act) from which the original Territory Plan emerged in 1993. The stated objective of the Territory Plan is "*to ensure, in a manner not inconsistent with the National Capital Plan, the planning and development of the Territory to provide the people of the Territory with an attractive, safe and efficient environment in which to live and work and have their recreation.*" The Act requires the Territory Plan to define the planning principles and policies for

giving effect to the object of the National Capital Plan and provides that it may include the detailed conditions of planning, design and development of land and the priorities in carrying out such planning, design and development. The Territory Plan does not apply to land included within Designated Areas of the National Capital Plan. The Territory Plan is a dynamic document, subject to review and revision, the implementation is undertaken by PALM.

The National Capital Plan 1990

The National Capital Plan establishes the overarching planning framework for Canberra and determines the division of responsibility between the National Capital Authority and the Australian Capital Territory. Together with the Territory Plan, it replaced the 1984 Metropolitan Plan for Canberra as part of the self-government process.

The National Capital Plan describes the broad pattern of land use to be adopted in the development of Canberra and the Territory. The National Capital Plan adopts seven major categories of land use and sets out planning policies, including a range of permitted uses. General themes of the National Capital Plan also cover such matters as national and arterial Roads, location of Commonwealth employment, heritage issues and other relevant matters. At a more detailed level, the National Capital Plan identifies areas that have the special characteristics of the National Capital -- Designated Areas -- and sets out detailed conditions for their planning, design and development. The Designated Areas are Lake Burley Griffin and its Foreshores; the Parliamentary Zone; the balance of a Central National Area adjoining the lake and the Zone, and extending from the foot of Black Mountain to the airport; the Inner Hills which form the setting of the Central National Area; the main avenues and approach routes between the ACT border and the Central National Area. The Designated Areas can include National and Territory land.

The major concentration of employment throughout the 1990s were to be in Civic, in Parkes and Barton, in Russell, and in related areas such as Constitution Avenue. In terms of broad land use policy, the National Capital Plan envisages Civic as being the dominant centre for business activity, retailing, commerce, culture, entertainment and recreation, and for those government activities, ACT or Commonwealth, whose purpose is to meet the

needs of the ACT community. Additional areas for urban expansion, if required, are identified through reviews of Canberra's long-term urban development options. Key guidelines include:

- The maximum possible concentration of future urban development within the boundaries of the Territory, compared with alternatives such as extensive urban development outside the Territory boundaries.
- Alternative possible scenarios for the location of various types of employment within the Territory and beyond, strategies which maximise the potential for the use of public transport for major trip purposes.
- Strategies which minimise the volumes of traffic and hence the need for major road infrastructure in the vicinity of the National Triangle.
- Strategies which maximise economic returns on capital invested in infrastructure and facilities to date, and/or which minimise Commonwealth and Territory outlays for future urban expansion.

The Territory Plan 1993

The Territory Plan prepared by the ACT establishes key principles for the development of the city, which are sustainable development, an efficient, healthy and liveable city; economic vitality, community well being; and environmental quality. The main goals of the plan are:

- to accommodate growth and demographic change up to a population level of approximately 400 000, and to provide a wide range of lifestyles and housing opportunities,
- to facilitate growth and diversification of the Territory's economy, and expanded employment opportunities,
- to promote the conservation of natural resources; energy efficient urban development; and cost effective provision of infrastructure and services,

- to maintain and enhance the quality of life, safety, health and well being of the people, and secure access to employment, housing community services and recreational opportunities,
- to conserve and enhance the valued features of the Territory’s built, social and cultural environment,
- to promote ecologically sustainable development, protect biodiversity, and provide high standards of environmental amenity, urban design and landscape,
- to support Canberra’s role as a major regional centre and ensure the planning complements that of the surrounding shires in New South Wales, and
- to encourage appropriate public participation.

The Territory Plan consists of the Territory Plan Map (the Map) and the Written Statement, which sets out the principles and policies for the development Canberra. The Written Statement consists of four parts:

- Part A -- General Principles and Policies -- establishes the strategic context of the plan and general sectoral policies.
- Part B -- Land Use Policies.
- Part C -- Other policies.
- Part D -- Appendices (definition of terms, heritage register, etc.).

Within a legislative context the Territory Plan is required to be consistent with the National Capital Plan and the Land Act. The Territory Plan provides comprehensive policies on all areas for all areas of Canberra. It is operational within the macro and micro context of the city. Typical of any plan process, the Territory Plan is updated and revised to reflect the changing demands of the city and to accommodate new policy directions of the ACT.

Guided by the principles of the *National Greenhouse Strategy* (ACT, 1998a), the ACT has identified the following key attributes which will result in a more sustainable Canberra: Promotion of development near public transport systems which incorporate higher density and commercial densities and appropriate mixed uses; and development of town centres -- advocated are regional retailing and office centres and other substantial trip attracting land

uses such as educational institutions and medical facilities, as part of appropriate mixed use environment located on major transport routes.

Another important event took place in 1995 when the ACT and Commonwealth Governments announced that an ACT Strategic Plan would be prepared by a joint ACT and National Capital Authority (NCA) taskforce. As well as being the first important collaborative event between the two governments the venture highlighted the broad awareness of the need for a long-term Strategic Plan for Canberra across both governments, and as a result of the extensive process of consultation across all sectors of the community. The aim for the resulting plan was to integrate social, environmental, urban and economic strategies into a whole of government position. The resulting document comprised four parts, *The shape we're in; Strategies for a viable, sustainable future; Managing the city's physical growth and change, and Implementation.*(ACT, 1995a) The plan established strategies for the future development of Canberra over a 10-15 year period. The process captured imagination and support Canberra wide. The Strategy noted that the statutory planning tools (the National Capital Plan, NCPA 1990, The Territory Plan, ACT 1993 and the Metropolitan Plan NCDC 1984)¹ had established mutually supporting principles: urban growth being accommodated in separate districts or towns, in a linear arrangement in the form of a Y²; a hierarchy of commercial centres, with Civic being predominant and each town having a town centre or focal point; large volume traffic being carried on peripheral parkways; industrial estates being located on the fringe; hills and ridges being left free of development, to act as a backdrop and to separate and define towns; and rural areas being reserved as a land bank for future urban areas.

The resulting document was adopted by the ACT Government as a strategy document but it was not supported by the Commonwealth. The experience of this event highlights the need to ensure that the outcomes of Future Canberra are implemented and that the broad consensus support which appears to exist for a Canberra strategy is capitalised upon to commence the process.

Both the National Capital Plan and the Territory Plan are revised on an ongoing basis as and when amendments are necessary to reflect policy changes. Whilst it is important that plans are 'living' documents which are able to respond to changing circumstances, the long-term appropriateness of continual amendments rather than creating a new plan may require consideration. Clarity and efficiency are important for all parties; for example, lots of small changes may indicate the need to reconsider the Territory Plan. Furthermore, the regulatory framework established through the Territory Plan has resulted in a planning process which could be inhibiting to all parties

-- government, community and business. In the absence of an integrative master plan or ACT Strategy managing the planning process may militate against realising outcomes. Not only does the ACT need to reconsider the long-term effects of amending a plan rather than completely reviewing it but the consultation process and right of appeal appears an area in need of urgent consideration. The current process seems to be inadequate for all parties.

The ACT and Sub Region Planning Strategy 1998

A long-term planning strategy through to 2021 and beyond has been adopted by the Commonwealth, New South Wales and the ACT governments and councils within the sub-region. The region includes the whole of the ACT and part of the South East Region of New South Wales. Planning, development and environmental management in the region are subject to inter-related Commonwealth, State/Territory and Local Government policies. The strategy provides an agreed policy framework with ecologically sustainable development an integral concept.

Land is recognised as a fundamental regional resource. The region is endowed with quality natural resources, which ultimately underpin the overall quality of life experienced by residents. The metropolitan population of Canberra and Queanbeyan is estimated to rise to between 420 000 and 438 000 by 2023. Estimates at the time the Strategy was prepared stated that a population of 430 000 and 18 000 dwellings could be accommodated by existing urban areas. Key issues are articulated in the document related to resources, settlement and activity patterns, infrastructure, services and government policy. The strategy proposes:

- development of a regionally consistent approach for ecological surveys and management of natural and cultural resources;
- the adoption of total catchment management practices to protect water quality;
- the identification of river and wildlife corridors;
- a wide range of rural activities with rural residential development around settlement nodes;
- effective provision of infrastructure and services integration of land uses with transport; and
- development of a community planning framework and regional linkages.

The Strategy facilitates formalised cross-boarder co-ordination on planning issues enabling policies and plans to be developed, reviewed or revised in accordance with agreed outcomes. This is important in the regional context whereby the planning responsibilities lie with the Commonwealth, New South Wales and ACT governments and five local councils. The Strategy is supported by the Australian Capital Region Leaders Forum whose focus is economic, social and environmental issues of relevance to the Australian Capital Region and the Australian Capital Region Development Council, a joint NSW and ACT Government initiative whose focus is regional economic development.

The Urban Development Programme 1999-2009

To complement the Territory Plan, the ACT government established the Urban Development Programme in its 1997-8 budget as a mechanism for co-ordinating environmental and land use planning, infrastructure design and the programming of urban services. *The Urban Development Program 1999-2009* (Urban Development Coordination Group, 1999) is an urban management mechanism for co-ordinating environmental and land use planning, infrastructure design and the programming of the provision of urban services. The comprehensive analysis within the document focuses on key issues facing Canberra over the next decade and is based on background assessments reports prepared for the Urban Development Co-ordination Group focusing on population, residential, employment, commercial land, transport and infrastructure needs faced by the city over the decade to come.

To attract and meet business needs, the Urban Development Programme supports Civic revitalisation, ensures land is readily available for development at commercial centres and industrial areas, upgrades heavy vehicle route bridges and the provision of road infrastructure and additional bus routes necessary for the development of the Airport and very high speed train. Employment growth will be directed towards Civic and Gungahlin. The revitalisation of Civic will reinforce this approach and the ACT recognises the need to ensure that major development locates in Civic and identifies the need for strategies, which will ensure sustainable employment growth.

Managing Urban Change in Canberra: The Urban Development Programme, 2000

The report is a comprehensive and clear analysis of the urban issues facing a Canberra of the 21st Century, focusing on residential and employment locations as major considerations of an urban development strategy. The goal is

to maximise “ *the level of housing accommodated within established areas, subject to the community’s housing preference, and the encouraging, wherever possible, the location of employment in Civic and the town centres.*” The logic is that by reinforcing existing urban areas as places to live and work, environmental and economic gains will be realised. The report also notes that “*The major challenge for the strategy is the community acceptance of additional housing opportunities in established areas. Additional housing in Civic and Kingston Foreshores will be uncontroversial but development in areas such as north Watson, east O’Malley and adjacent to Lake Ginninderra is likely to meet opposition from some members of the community. Consequently the merits of the proposed strategy need to be rigorously documented and communicated to the community.*”

The report further articulates the need for a new direction, a break with previous planning strategies focused on accommodating jobs to the people through a network of low density of new towns with populations of 60 000 to 100 000. This is important, as it contributes to creating the foundation for a future Canberra strategy. The Urban Development Programme and its various components are a valuable resource on which the ACT can build. They unquestionably will make an important contribution to the development of a Canberra Strategy, should the ACT decide to pursue one. It is important to stress that this project, along with various other initiatives which have emerged over the last decade provide Canberra with a strong policy framework on which it can build. With this in mind and building on pre-existing traditions in Canberra, public participation is accepted as an essential element to realising a sustainable city. Canberrans are one of the strongest assets the city has and the established trend in the ACT is to encourage a partnership approach that builds on existing capacity.

Innovation in planning

“Future Canberra” is the latest in a series of planning initiatives which have evolved throughout the 1990s, leading implicitly to establish a vision appropriate for the 21st Century.

The catalyst for the Future Canberra project is the celebration of 100 years of Federation. The ACT states the project aims to be:

- a celebration of Canberra’s unique character and community;
- a celebration of 100 years of planning and development of Australia’s federal capital;

- a renewal of national and international recognition of Canberra as one of the great planned cities of the world, and
- to foster and generate community participation in development strategies.

An inclusive process of community consultation and workshops have emerged from which a vision for the future of Canberra can be articulated. The focus of the process has very much been on ‘inclusion’, the concerns and aspirations of all sectors of the community have been sought which will be further developed during the May seminar. However, as will be stated in the recommendations of this contributory report Future Canberra should be seen as the catalyst for defining the future and mark the beginning of a robust and dynamic process to define the long term vision for Canberra. The Future Canberra process, along with other key planning events and analysis which have taken place throughout its history and particularly since self-government, provide the ACT with a sound basis from which a strategy for the future can emerge. The key tasks that lie ahead are: articulating the vision; preparing the strategy, which will include unifying the many important live strategies and projects and, perhaps most importantly, committing to a long term and measurable process of implementation.

Jerrabomberra, 1994

Although this planning exercise concerned a geographical area outside of the remit of this report this project is worth consideration for several reasons. Firstly, from a local and national perspective this project demonstrated an important example of cohesion at the governmental level and a commitment to sustainable urban development. Secondly, the entries themselves are important reference points, which have relevance for the future. And, the contribution that the process made to defining from an international perspective what an ‘ecological city’ is and how the emerging principles can contribute to more sustainable urban environments through OECD countries.

The project formed part of the OECD’s Ecological City Project for which the objectives were to:

- describe the factors in urban development and economic change favourable to the adoption of ecologically sound integrative strategies;

- clarify the meaning of sustainability for cities and the methods by which it can be pursued;
- make recommendations concerning specific aspects of urban policy and administration that affect the integration of environmental issues;
- analyse case studies so that practical steps to improve environmental conditions and to implement integrative strategies in cities can be identified; and
- clarify the roles of local and central government.

In the local context the aim of this project was to consider options for the urban expansion of the Australian National Capital based on principles on ecologically sustainable development. Jerrabomberra is a site located between Canberra and Queanbeyan and had been identified as a site for possible urban expansion in the region. A national ideas competition was held in 1994, as a search for ideas rather than a final physical plan for the site. A criterion of the competition brief was for entrants to develop concepts for achieving an urban development, which would satisfy principles of ESD. Thirty-two entries were received, in which several hundred people participated, mainly in teams. The following key points emerged from a synthetic overview of the submissions:

- Sustainability is essentially about a self-learning, dynamic society, which is genuinely responsible for its own destiny.
- Broad based community support and involvement is essential.
- Community consultation has to be a genuine process.
- ESD development requires specific administrative arrangements.
- An integrative approach is paramount to create a community, which relates responsibly to the land.
- Regulations which prohibit innovative ways of managing the natural environment will need to be modified.
- Urban areas must be viewed and managed as part of a total catchment.

- Governments will be required to financially underwrite the risk factors associated with ESD. Public private partnerships are a possibility.
- Simplification of procedural decision-making requirements would be necessary.
- The most ecologically sustainable solution is to take no more land around the fringe of Canberra but to work with what is already urbanised.

Whilst development did not proceed due to ecological constraints, the foundations laid through this process remain relevant today. The ACT has at its disposal a wealth of knowledge and know-how, of which this project is one example. Assimilating what Canberra knows into what Canberra can do and can realise is a transitional process for which the local capacity to deliver exists.

To conclude, the ACT over the last decade has sought to maintain the strong and competent tradition of planning for which it is famous. The numerous strategies and policy documents which guide the ACT at present are consistently of a high technical quality and are developed through detailed research and analysis. Each process has involved a high degree of professional, political and community participation for which the end result is legible and to a certain degree based on consensus. However, the ACT is not complacent and there is a general realisation that the current framework is insufficient to take the city forward to its next stage of development. These documents also reflect the dynamic optimism of this young government. Politicians and professional alike approach the management of the national capital with the respect that it deserves, understanding that they have a special inheritance which they are managing for future generations. This could be why the ACT sees the planning of the city to be an integral part of the challenge of ensuring a sustainable future.

Civic

Civic is the central business district of Canberra. It was conceived as the municipal centre of Canberra and today houses the ACT Legislative Assembly, Canberra Museum and Gallery and other key elements of municipal life.

"While Canberra is known as the national capital and seat of Federal politics, Civic is the place to visualise and interpret a local Canberra identity. It is a place where both locals and visitors can enjoy being part of a vibrant community; absorbing the hum of daily life and taking part in the many locally focussed activities.

Civic is dominated by the rhythms of the office and retail worker. It also functions as the local centre for the surrounding residential suburbs and the equivalent of the town centre for the inner north Canberra community. This community includes a large proportion of aged and low-income people and both student and professional households.

Civic has a distinctive character as a city centre featuring a valuable network of pedestrian spaces hinging around the spine of City Walk. This provides a variety of opportunities for outdoor living, with cafes and other uses spilling into the public places. Civic sits near the shore of Lake Burley Griffin with views to Mount Ainslie and Black Mountain and within easy distance of Commonwealth Park, Haig Park and Canberra Nature Park. There is potential to better link these spaces into the heart of the city."(ACT, 1997)

Civic lies at the heart of Central Canberra, and yet has not developed into a centre of the same vivacity and dynamism, which is evident in other centres. The local centres such as Manuka and Kingston have long since developed as organic urban areas with a richness that comes from large resident populations. Civic is different. Two world wars, a depression, the rapid growth of areas such as Kingston, the decision by the Federal Government to locate services in other areas such as Russel, Barton and Symonston have all exacerbated its condition. The 1960s was its boom period, but resulted in what are now considered to be sub-standard buildings and an inefficient urban form which focused on commercial development rather than pursuing a mixed-use strategy to realise a balance of people and jobs. Although, whilst the National Capital Development Commission sought to reinforce Civic it also pursued the Y-plan and Town Centre policies which continued to draw away from Civic,

and limited its growth. Improving Civic is a stated aim of both the ACT and the NCA.

Table 13. Legislative and policy framework impacting upon Civic

Legislative	ACT Strategies and Policies	Civic Specific
The Land Act	Minister for Urban Services Directive (Quality Development and Sustainability).	Civic Environmental Management Plan (ACT, 2001a)
The National Capital Plan		Civic Public Realm (ACT, 2000)
The Territory Plan	ACT Greenhouse Strategy	
Environment Protection Act	Healthy Cities Strategic Plan (Draft)	"Creating Our City: An Implementation Strategy" (ACT, 1999) and "Our City: A vital, accessible and sustainable Civic" (ACT, 1998b)
Performance measures (State of the Territory & State of the Environment Report)	Integrated Land Use and Transport Planning in the ACT.	
	Canberra 2000 Bicycle Strategy	A Vision for Canberra's City Centre (Civic Precinct Management Group, 1997)
	ACT Employment Strategy	
	No Waste by 2010 Strategy	Transport Review 1997 (ACTION, 1997)
	Arts Capital	The Role of Urban Design in Crime Prevention and Community Safety (ACT, 1995b)
		Imagining Civic-Urban Design Forum (ACT, 1996)
		"Civic Revealed: A Community Profile" (Cleary & Geleris, 1996).

Source: ACT (2001a); OECD-CERI (2000).

The synergy between a vital town of city centre and the prosperity of the city as a whole is widely recognised. Civic can be developed into a vibrant robust town centre without weakening existing town centres. The importance of Civic was apparent in original hierarchical town centre structure. Strategies for Civic should reaffirm Civic as Canberra's pre-eminent business centre; allow and encourage the widest possible range of uses; encourage innovative design

solutions; develop an ACT cultural identity; link Civic more positively to an enriched range of nearby national capital uses; build on the existing asset base; reduce the dependence on the car; and encourage increased use of public transport. All of these objectives are firmly embedded in policy and have been acknowledged for over a decade as a necessary part of the evolution of Canberra, even if implementation is difficult.

The result of ongoing efforts has resulted in some of the inherent problems of the major development period being redressed. Streetscapes have been improved, and safety enhanced; a sustained awareness of the importance of Civic underpins an ongoing belief in its ability to become the dynamic environment that Canberra so desires it to be. Civic accommodates primary community, arts and cultural facilities. It accommodates the largest concentration of institutions and venues for education, research and conferences.

Creating Our City is crucial to realising the potential of Civic. The key goals identified for Civic are to:

- create an economically, culturally and ecologically sustainable centre for residents and visitors;
- create a focus of city government and commerce promoting the Territory and the ACT region;
- reflect the cultural, social and intellectual life and history of the city, its residents and institutions;
- improve the accessibility and legibility of Civic, with high levels of amenity and safety for all residents and visitors;
- maintain a quality public realm with a network of places throughout the city that is recognised and used as public space by the whole of the community, and
- encourage and promote excellence in the design of the public spaces and individual buildings to establish high quality urban design for the city.

Since the ‘Our City’ discussion paper in 1998, the original strategic themes have been refined, and broad objectives for implementation defined. Many of the programmes are underway or will begin in the near future. A five-year programme of complimentary strategies is also underway. However,

further consideration is required to facilitate economic development based on the private sector, technological and social change and as to how Civic can be redeveloped in light of these opportunities.

The *Principles* established in *Our City* have been endorsed as the Government's strategic framework to guide the revitalisation of Civic. The Environmental Management Plan identifies the commitments that will shape and drive the performance and methods of environmental management. It establishes a framework for setting and reviewing objectives, targets and indicators. This plan recognises that the management of Civic's environment is not just the task of the government. Environmental sustainability is the sum of countless individual actions and the product of partnerships of different levels of government, of business and industry, of city workers, residents and visitors. The table below indicates current and potential land use scenarios outlined in the *Our City Strategy*. Current land uses reveal that Civic has enormous potential to redress current imbalances. The changes highlighted as potential land uses are fairly conservative. The most significant changes proposed are creating more residential accommodation in the CBD, (an increase of 7%) and reductions in the amount of surface car parking from 27 per cent to 20 per cent and of commercial office space from 25 per cent to 20 per cent. Thus in current circumstances car parking remains one of the main land uses in this important part of Canberra. This is not sustainable and the ACT is aware of this. Pro-actively designating car parking sites as development sites, according to the ACT, could ultimately reduce surface car parking in Civic to as little as 4 per cent of overall land use -- realising this goal will dramatically change Civic for the better. What additional mechanisms are necessary to expedite changes in Civic? How relevant would it be to declare Civic a Town Improvement Zone or Business Improvement District, what could be the benefits to the community, government and business?

Civic at present accommodates 30.6 per cent of the total office stock in Canberra, 10.4 per cent of retail floorspace and yet provides 16 per cent of employment. However, despite some of the main cultural facilities being located in Civic and its proximity to the Parliamentary Zone and Lake Burley Griffin only 16 per cent of hotel rooms are located in Civic. Creating a better balance of uses in Civic must become a priority and should be considered as part of a longer-term citywide strategy. Reductions in office space could go further as there is currently an over supply of commercial office space in the central business district and along Northbourne Avenue. Reasons for the current oversupply are attributed to the age of the buildings with the accommodation offered not meeting current government and private sector standards and decisions by the Commonwealth government to relocate out of Civic. The total vacancy factor in all grades in Civic decreased from 15.4 per

cent in January 1998 to 8.3 per cent in January 2001.³ The Table 15 explains the vacancies by type of office. The movement of demand between Civic and elsewhere is affected by Federal Government decisions on location and availability. In June 2000 the metropolitan office stock was 1.4 million square metres of which 450 000 were in Civic.

Table 14. Land use in Civic, 1998

	Existing Land Use (%)	Potential Land Use (%)
Residential non CBD	8	8
Residential CBD	1	7
Accommodation	4	6
Retail	7	8
Cultural	4	6
Entertainment	6	7
Administration	8	8
Service Trades	9	9
Other	1	1
Parking	27	20
Office/commercial	25	20

Source: ACT (1998).

Table 15. Total vacancy factor in Civic

In percentage, January 1998 to January 2001

Period	All Grades	Grade A	Grade B	Grade C	Grade D
January 1998	15.4	11.3	19.1	22.9	0.0
July 1998	13.9	9.6	8.5	26.7	26.7
January 1999	13.0	10.8	8.6	21.6	28.0
July 1999	10.7	5.1	7.8	18.2	31.0
January 2000	7.7	3.2	5.1	14.5	24.6
July 2000	6.1	4.0	1.9	13.5	23.6
January 2001	8.3	1.7	8.8	11.0	22.1

Source: ACT (2001b).

Box 13. City centres: changes needed for future sustainability

Checklist for monitoring progress

The Town and Country Planning Association in the United Kingdom developed a checklist concerning changes needed in city centres to realise sustainability, some of the points covered have already been addressed by ACT policy, but the checklist serves as useful reminder:

1. More attractive for living as well as working.
2. Less dependence on long journeys to work.
3. Increased amount of affordable housing relative to total employment.
4. Selective decentralisation of employment.
5. Improved quality of housing, through, for example, reduction of excessive densities and redesigning for more 'defensible space'.
6. Greener, with more natural features, especially trees and water.
7. Augmenting local open spaces to meet shortages.
8. Exclusion of non-essential road vehicles.
9. Improves access by high quality public transport.
10. Reduced car parking with priority for essential users.
11. Progressive reduction in road congestion and traffic delays.
12. Greater self-sufficiency of local areas for daily servicing.
13. Increasing the provision of more continuous and attractive cycling and pedestrian routes.
14. Increasing pedestrian only and pedestrian priority areas.
15. Better energy efficiency standards in all buildings; greater use of solar gain.
16. Reduced consumption of fossil fuels; more use of CHP.
17. Reduction of total waste stream and greater percentage recycled.

Source: www.tcpa.org.uk

High vacancy rates in lower grade office space are a matter of serious concerns; the future viability of this type of space needs to be considered. Grade A office rents in Civic are AUD 284 compared to AUD 264 elsewhere. Civic has much to offer and the demand for higher-grade office space is clear. Responding to the over supply of lower grade office space is important, such vacancy rates are in no ones interest. It may be appropriate to consider adaptive re-use, community facilities or business start-ups. Furthermore, the potential for more residential conversion should be explored. This has been successful in Civic to a point but efforts should be concentrated on attracting long-term residents rather than transient residents living in serviced hotel style apartments. Residential accommodation in Civic needs to be more diverse, reflecting demographic and social changes such as more 1 and 2-person households, an adult student population, ageing population, etc. To date none of the increased residential accommodation has been in the form of affordable housing. This is an issue and potentially at conflict with other policy aims for Civic. A mixed use, multi-dimensional urban centre requires diversity in all areas, and that particularly includes social diversity. Civic has to reflect this and be an inclusive urban centre.

More mixed-use land patterns in Civic, more amenities for work and lifestyles stretching over a 24-hour day and 7-day week, more spaces conducive to interaction outdoors, more offices attractive to young entrepreneurs -- a Civic with those features can make a vital contribution to Canberra's economic development. A definite trend is emerging which reveals that cities are rediscovering their comparative and competitive advantage. An accumulation of factors such as demographics (young professional marrying and having families later, 'empty nesters' reassessing their accommodation and living needs, for example); reductions in crime; labour market dynamics which have seen firms locate in central areas; the ability to provide '24-hour' entertainment opportunities are bringing people back and into city centres. In the United States, for example, central city populations between 1998-2010 are projected to increase by 300 per cent in Houston, over 200 per cent in Cleveland and over 100 per cent in Memphis, Seattle and Miami (see *The Economist*, 1999). A recent US Department of Housing and Urban Development Study indicates that in many medium size cities compared to Canberra, the process of urban redevelopment is focused on the city centre. If the development of Civic is not brought forward successfully now, then development will occur on scattered sites, compromising other efforts to find synergy between the private sector and the university, to improve transport, and to enhance social cohesion. The ACT Land Release Programme will have an important impact on both the pace of change in Civic and the realisation of a more balanced mixed-use urban form. For the period 2001-02 the ACT government proposes to release land to accommodate 1 800 residential

dwelling and 15 commercial sites throughout the city. An additional 500 redevelopment/dual occupancy approval has been granted. Land release is determined by market conditions and linked to business incentives and development programmes. The implications in Civic for this land release programme will result in the release of a site known as Section 6 targeted for mixed use development which has capacity for 150 new dwellings in 2001-02 and Section 61 in 2003-4 which has a similar capacity. Development on Section 56 is about to commence which will be mixed use. The sale of Commonwealth land in West Civic will result in the long term in more residential accommodation.

It is clear that Civic has been a matter of concern for a long period. In many ways it is an anomaly that a city such as Canberra has this problem. There is a genuine awareness that resolving the problem of Civic is part of realising a more sustainable urban form for the city. The physical nature of Civic has changed over recent years. Sound application of urban design principles to improve the street-scape, modifications to bus routes; increased safety awareness, public art in public spaces and the encouragement of what is generally termed street-life are all having positive effects. The 'Our City' programme is making considerable advances, with a clear programme of commitments to bring about change, and the potential for growth in the private sector, in conjunction with demographic and social trends, highlight the opportunity for Civic. Do the changes go far enough? Over the past decade there has been a strong commitment to the process of preparing strategies and plans to revitalise the urban centre of Civic. Implementation remains the most crucial stage of any programme or process, and on this point a strategic plan for Civic that could receive multi-party support would be an important step forward. A strategic plan will give property owners, investors and citizens a better understanding of what the future of Civic will be and greater confidence that it will be realised. Thus, mechanisms for implementation need to be considered.

One of the problems that cities are dealing with in their economic/environmental strategies and re-development, is the fragmentation of powers, assets, resources, and opportunities across a very wide range of public, private, and civic institutions. This is also often mirrored by fragmented ownership of land and sites, and lack of co-ordination both within and between public and private sectors. Whilst diversity is generally a good thing in most realms of life, a fragmented allocation of parts of the toolbox needed to achieve sustainable urban redevelopment is no help to anyone. The success of Civic, and other urban spaces with which its future prosperity is interdependent is linked to the effective and speedy delivery of change. Experience tells us that this requires intervention of some kind. In order to deal with high levels of

uncertainty and fast changing market-oriented mechanisms, and to be ‘business-like’, ‘customer facing’, and strategic/upstream, cities often find that the creation of new ‘arms length’ agency to deliver urban and economic development and this has been the preferred option to deliver the Kingston Foreshore development. Development Agencies can generally achieve three things well:

- They can make strategic interventions in various aspects of the local economy by assembling assets and tools in a new formation.
- They can integrate otherwise disparate activities in one place to make them more efficient and easily accessed, especially by business.
- They can promote and market places and opportunities better, often in a more focused way.

However, the development agency approach is only an option it is by no means the only way to tackle the issues raised by the important central location and a more detailed audit of the particular problems is a necessary first step. In Civic much of the groundwork has been done. In fact, it would be feasible to draw on established principles of success to create a Civic specific model, which is capable of bringing about change in the area. There are several cities around the world which have achieved co-ordination by:

- creating a stronger partnership to lead and scrutinise the work of different entities;
- giving several organisations a single business plan to deliver;
- making all public funding dependent upon joint working;
- forcing co-location of entities in the same building.

To bring about comprehensive change in Civic within the short term, the ACT must find a mode for implementation, which will be acceptable and effective.

Sustainability and strategic plans

The ACT does not have a Strategic Plan which integrates individual components of what could be described as the current strategic framework for the city. This is both a serious point of contention amongst the many actors involved in the city and a point which will require further consideration by both the ACT and the Commonwealth governments. However, this actually presents the opportunity to pursue a strategic planning process, which goes beyond statutory land use functions and traditional approaches. Planning policy has an increasingly important role to play in realising sustainable development. Integrating sustainability into the planning process is an ongoing priority of the ACT government, just as it is throughout Australia. OECD in its first ever international analysis of Spatial Planning Systems (OECD, 2001) provides a framework for the operationalisation of sustainability in spatial planning.

Canberra is pursuing these recommendations at some level on each of the implementation tools. An option for the future may be to be "scored" against the list of policy themes to develop a sense of where they are compared to an international standard, and where they might focus efforts for future progress. Similarly relevant for consideration are what has been termed by the UK Town and Country Planning Association as 'ten general rules of conduct for sustainable development':

- Rule 1: Fundamental changes in attitudes.
- Rule 2: Facilitating innovation and replicating best practice.
- Rule 3: Establishing sustainability indices and setting targets.
- Rule 4: Maximising scope for initiative at all levels.
- Rule 5: Redefining 'growth' in terms of 'quality of life'.
- Rule 6: Redefining 'costs' and 'profitability'.
- Rule 7: Longer term planning and building horizons.
- Rule 8: Continuity of policy and frameworks for decision making.
- Rule 9: Environmental standards, capacity limits, and impact assessments.
- Rule 10: Diversification finance for long term survival.

These ‘rules’ are compatible with the recommendations within this report and serve as useful reference point for Canberra and cities elsewhere, where the local scenario may be different but the policy context is not.

Sustainability and integrated territorial policies require strategic plans based on a vision of the future of places. Strategic plans relevant to the 21st Century need to be dynamic and multi-sectoral and evolve from a vision of the kind of territory that people want for the future. Sustainable development, endogenous development and globalisation demand a new, broader planning agenda. The ACT inherited a strong culture of plan making which had evolved over the previous century to guide the growth of the city. At the outset Canberra emerged from a vision, a forward-looking vision based on principles which valued people within the context of place. That tradition has continued and the last decade has established a strategic planning framework for Canberra which is: dynamic, in that it continues to evolve and respond to new priorities; inclusive, in that it evolves within a highly articulated culture of consultation and needs based assessments; and forward-looking, in response to the vision for Canberra, in its local, regional and national context. Since the mid-1990s the ACT has invested considerable resources in meaningful planning exercises and this approach makes an important contribution to the exchange of international best practices. Other cities can undoubtedly benefit from the lessons learned from these exercises, in terms of both process and outcomes.

An effective strategic plan takes a long-term perspective and combines economic and social with spatial objectives. It is not a land use plan directly but one which assumes that the way space is organised, has social, economic and environmental impacts. It should have measurable goals, which are not solely confined to land-use. In the case of Canberra a plan should, amongst other things seek to improve transport; increase private sector employment, integrate low-income people through the provision of affordable housing and strengthen links between the city and the university. And it should have clear recommendations for implementation which identify policy conflicts, and institutional and governance responsibilities.

Table 16. The operationalisation of sustainability in spatial planning

Planning policy themes (examples)	
Urban containment and concentration	Prevention of urban sprawl to minimise transformation of rural land, and fragmentation of urban services, often linked to increased densities and reuse of vacant urban land.
Durability and adaptability in the built environment	Increasing the quality of the built environment to minimise energy use, promote neighbourhood identity and historical continuity, opportunities for walking, etc.
Mixed use development	Promoting diversity of land uses within neighbourhoods and properties, making more efficient use of the land resource, and the abandonment of crude zoning.
Reducing the need to travel	Linking work, home and other activities within reach of each other, self-contained communities, and sustainability supporting infrastructure.
Creation of open space and water networks	Protection and enhancement of important environments, promoting flows through linking green spaces and open water.
Overarching strategy	A strategic perspective is needed which takes a very long-term horizon, shifts the orientation of the system to sustainability goals, and sets targets for environmental quality.
Policy integration	Establishing horizontal integration amongst sectors and vertical integration of levels of planning to establish commitment to common policies across government.
State of the environment information	Improved knowledge about environmental states, trends and impacts, promotion of consistency in the application of environmental information, and support for research.

Table 16 (continued)

Planning policy themes (examples)	
Demand management	Attention to environmental limits and carrying capacities of specific territorial areas, so that development is constrained by supply and environmental capacity, not simply demand led.
Self-sufficiency	Emphasis on self-sufficiency, and responsibility for the management of natural resources for each territorial unit, starting at the local level.
Evaluation of environmental impacts	Ensuring that the environmental implications of development are considered in decision making through environmental assessment and sustainability appraisal methods.
Monitoring of environmental impacts	Ensuring that the performance of planning policy and implementation and the state of the environment are monitored through the use of indicators.
Participation	Enabling the involvement and empowerment of stakeholders in policy formulation and implementation to generate ownership and meet special needs.
Capacity building	Ensuring that regional and local institutions had resources and skills to address sustainability, and the promotion of inter-professional working.

Source: OECD (2001)

Strategic Plans are important from a territorial perspective, and have been discussed in two OECD seminars in 1999 and 2000. The Canberra scenario of a city operating in the absence of a Strategic Plan is not unique. Prof. Healey (OECD, 2001) in a comment deserves to be quoted at length, attributes this trend to

“...a combination of public investment constraints, and a property development sector which went from slack conditions to boom and

then bust, the attempt to force development activity into the shapes demanded by often out-dated spatial development plans seemed too great. The “market” was often assumed to be a better reflector of what the qualities of a “good city” might be for the 21st Century. Or the shaping of new “pieces of city” was left to the imagination of designers of grands projets or the energy of urban regeneration teams. Rather than focus on strategies and plans, the emphasis in the planning field turned to the promotion of projects, and to a focus on land use regulation. This shift could be justified by an attitude of ‘responding to initiative’ or ‘facilitating creative solutions’ in a situation where urban and regional dynamics and their spatial dimensions were not well understood.

However, this experience of “strategy-less” planning is now seen to have been counterproductive. Projects competed with each other and undermined each other’s viability. Regulation without territorial strategy could lose sight of the adverse consequences of the cumulative impact of separate regulatory decisions on place quality. This has re-enforced the search for a new strategic focus in spatial development policy systems. Thus “planning” systems are themselves under pressure to change just as the wider forces outlined in the previous section focus more attention on the spatiality of urban and regional development. This creates a “positive moment” for spatial planning. But to meet this opportunity, the new experimentation with spatial development strategy needs to be inspired by new conceptions of “place quality” and new understandings of urban and regional dynamics. Efforts are also needed to connect new policy concepts to the tools available through which policy can have an influence.

But this re-thinking raises complex challenges. One challenge is to re-consider the focus and contents of such strategies, their framing ideas and specific agendas. Traditionally, spatial development plans focused on where to put development projects. Now there is more pressure to consider how to produce and sustain place qualities in an integrated way.

A second challenge is to create new processes through which strategies are produced. This involves constructing new policy relations for strategy development. Traditionally, spatial development plans were produced by technical teams in interaction with a few key politicians. Now there is pressure for more collaborative processes, involving a much wider range of interests.

This is related to a third challenge, which is to develop new ideas about how a strategy relates to the ongoing flow of action. Traditionally, it was expected that the plan would determine the location of investment decisions and the principles embodied in land use regulations. Now it is recognised that such simple linear relations between policy and action are neither appropriate nor realistic, given the multiplicity of actions and actors upon which territorial development depends. Spatial development strategies should be as much about releasing the capacities of these actors to imagine and realise how to improve territorial qualities as about determining what projects the public sector should pursue and what rules should limit what others are able to do. Such strategies achieve their influence by their persuasive, mobilising and framing qualities, suggesting the importance of interactive policy relations rather than linear ones.”

The most successful cities and regions have found that the usual decision making and governance processes do not work so well for long range strategic planning and visioning. A culture of needing to ‘defend our policies’, or ‘push our priorities through’ is less helpful in such processes. This is one area where opening up the franchise to create a different kind of (more) consensual leadership is key. Creating an exciting long-term vision and strategy for the city itself will demand commitment to a small number of truly significant long term projects that can anchor the vision into a programme of work. These should be ambitious projects that will be central to delivering the vision. Many of the issues that Canberra is facing are only resolvable in the context of a detailed long-range vision of what the city should be. Without this, many of the policy issues will never get fully addressed; debates will focus on immediate priorities/opportunities/imperatives (e.g. whether V8 motor racing is a good thing, whether wine is an industry with real growth potential in the ACT, what the ‘proper’ design standards are for a particular site, what the consequences are of uncoordinated land release mechanisms, etc.) Future Canberra must be catalyst to unite broad ranging policy debates in the city.

The Future Canberra process is the beginning of a new period for the city. It is dependant upon effective and dynamic leadership which can champion a long-term vision for the city, a group which is bipartisan and consensual, capable of achieving some identity and focus which is beyond the ACT Government of the day. The foundations for this are clearly in place in the city. Already, governments have experience of political coalitions and dialogues exist with community and business groups. The ACT’s commitment to a Government -- Community Compact which is currently being developed will make an important contribution to the process, as will Future Canberra, Social Capital and the numerous other consultative processes associated with all

aspects of government service delivery. Links between government and business are also in place. However, all of the elements are just that; more is required to link existing processes and develop them to their maximum potential, which may require new ways of thinking. The Future Canberra process requires detailed scenario based exercises to fully develop the vision that Canberra needs. It is likely to generate debate around some detailed possible future scenarios for Canberra looking at potential long-term trends combined with a review of strengths, weaknesses, opportunities, threats, triggers, constraints, etc. The purpose is to use long-term scenario development in order to enlarge the perspective of all involved, and to establish a new basis for building strategic conversation.

In order for future visioning and strategic planning to work for cities, it is necessary to find a way of creating a broad leadership franchise that anchors the long-term objectives into most corners of the community. This kind of activity is unlike most of the things that people engage in through their daily political and commercial lives, full of options, requiring considered judgement, priority setting and the need to manage risk. Everyone has a stake in the medium and long terms, but no individual has responsibility for it. Current leaders in any community are unlikely to be those who will still be the leaders in 20 or 30 years time when the investments and interventions made now come to fruition. It is highly likely that there will be several swings in political dominance and calculus at all levels and that the economy, demography, and the environment will look very different by then. Thus, a long-term multi-party compact becomes a pre-requisite to such a process in a city such as Canberra where there is no tradition of majority governance.

The need to promote a changing urban form in Canberra leads to consideration of issues of density, urban infill and quality of life factors, the role of universities and higher education, affordable housing and transport, all of which are relevant to the future of Canberra. Consideration of these issues is essential in promoting a more sustainable future. It is in this domain that approaches taken in other OECD member countries have greatest relevance, particularly when addressing issues which have the potential to provoke local resistance which in turn can negatively impact upon realising optimum end goals.

Box 14. Sustainability performance areas

Sustainability Performance Areas as outlined below may be a useful tool for the ACT to consider, having relevance to Civic and other parts of the city.

The concept of the Sustainability Performance Area (SPA) is one of the original ideas to emerge from the Project on the Ecological City. SPAs can be created in cities to implement environmental strategies and policies more rapidly. One of the problems affecting the introduction of better policies relates to the lack of a programme at the next highest level of government: neighbourhoods wait for cities to act, and cities wait for states or national governments. SPAs could help cities and neighbourhoods to overcome many of the obstacles that block or retard local initiatives. SPAs would not replace the need for broader policy action. Sustainability is necessary for all urban areas.

The first step in implementing Sustainability Performance Areas would be taken by the local community, to make an environmental audit (where we are), and to develop an environmental plan (where we want to go, what to change, what to maintain). This plan would have to show how local businesses would contribute to the attainment of goals and targets. The advantage to business is that it can combine its efforts with those of the community to meet overall targets or goals. The emphasis of the SPA should be on performance, or results, and on cross-sectoral, integrative policies.

The second step would be taken by the city or regional authority, which would evaluate the overall goals and the steps proposed to meet them. When a municipal or regional environmental plan already exists, the community plan would have to be consistent with it. But if a plan for the larger conurbation does not yet exist, the smaller unit would be able to proceed with its plan.

The third step would be taken when a Sustainability Performance Area is declared. This zone could be as small as a few blocks or as large as an entire district. The public authorities would establish an integrated administrative structure for the SPA to co-ordinate policies on land use, transport, energy, safety, etc.; special job-training programmes and school curricula could be introduced.

The SPA would benefit from a relaxation of regulations (to foster and allow the introduction of innovative standards and technologies), and from tax credits (to encourage investment by property owners). In addition, one-off bonuses or credits could be offered to public or private agencies that meet a demand for service in the SPA (the public transport authority, the water authority, etc.). The advantages of the SPA include: reducing uncertainty and enhancing co-ordination in policy, thereby favouring investment; promoting local demand for innovation; reducing the need for big, centralised spending programmes; and contributing to a greater variety of examples and experiments in cities at large. The benefits, grants and incentives for the SPA should only apply for a relatively short period (3-5 years), to foster a series of planned changes and investments. At the end of this period there must be an evaluation.

Box 14 (continued)

Sustainability Performance Areas would differ fundamentally from economic enterprise zones for urban economic development that already exist in several OECD countries. Typically, enterprise zones are created for cities with unusually high levels of unemployment and negative investment, often concentrated in particular areas (waterfronts or factory districts which no longer have an economic base). Companies investing in such areas may be relieved of taxes on capital gains for several years; duty-free export zones may be established on these sites; businesses may also benefit from relaxed planning or labour laws. Such concessions represent a top-down strategy to local economic development, which often fail to build a solid base for future economic growth.

Sustainability Performance Areas would instead correspond to local demand, and represent bottom-up strategies; they integrate districts into larger ecological and economic systems; and they call upon local capital and labour. Enterprise zones are limited to places already burdened with many disadvantages. Sustainability Performance Areas could be far more numerous: they do not correspond to the areas with the worst problems, but to areas with a plan. The SPA is not an enterprise zone renamed but a new kind of approach that is mindful of the mistakes of the past.

Sustainability Performance Areas can be created in cities to implement environmental strategies more rapidly, and to encourage experimentation with innovations. A Sustainability Performance Area should be:

- a) area-based;
- b) targeted against specific outcomes or goals over limited time period;
- c) open to a high degree of community and private-sector participation;
- d) a holistic, integrated management approach on the part of the public sector;
- e) an opportunity to adapt and modify existing planning standards and environmental regulations and to introduce new methods and instruments.

Source: OECD (1996).

Urban design and the Urban Quality Review

Urban design is playing an increasingly important role in improving urban centres, which is indispensable to attract people and business back to centres. Well-designed street patterns with appropriate density and access to public transport not only improve the efficiency of transport but also enhance safety and ensure a genuine sense of place. Quality design, planning and infrastructure contribute not only to economic efficiency and public safety, but a

sense of well being that translates into a positive image of a place. Realising the appropriate balance of policies and aesthetic direction ensures that all new development contributes to improving the quality of the urban environment and does not become tomorrow's problem. Similarly, adapting existing urban environments at the street-scale can achieve more equitable, safe and accessible urban environments. This in turn has to be matched by a development sector, which appreciates that creating a quality urban environment has benefits as well as costs. Broadly speaking the acceptance and understanding of the need for quality urban design is recognised in Canberra. A combination of factors, from the heritage and origins of the city, to the high standard of professionals responsible for the city to the active participation of a well educated, passionate community combine together to produce a positive outcome. Over the past decade Urban Services, PALM and the NCA have pursued strategies which reinforce principles of quality urban design. (Initiatives to upgrade precincts and improve safety through urban design have had positive impacts on the use of public space throughout the city.)

In 2000 an Urban Services Ministerial directive required that all development applications be assessed against sustainability and design quality criteria. PALM established the design criteria focusing on urban quality objectives and urban design principles. The objectives require that development enhance urban quality by:

- demonstrating design excellence in urban design and architecture;
- distributing benefits widely in the population;
- producing environmental benefits;
- responding to local features and needs;
- relevant to present and future -- purposeful innovation;
- allowing for continuing adaptation and change, and
- forging connections with the past.

Urban design principles seek to improve the built form of Canberra citywide. It is widely accepted that Canberra has an exceptional landscape but its built form is not of the same standard. Thus, the goal is to promote a built form, which enhances the landscape quality. In carrying out the first review assessment was made focusing on character, continuity and enclosure, quality of the public domain, landscape, ease of movement, legibility, adaptability, diversity and sustainability. Quality indicators seek to ensure that new buildings relate within their broader context.

To reinforce this priority the ACT Government is to commence the trial implementation of new assessment tools to implement the Ministerial Direction on High Quality Design and Sustainability that focuses not particularly on territorial issues but rather on, what might be called "site" issues. These include materials and waste, energy efficiency and ecosystem (landscape, gardens and tree retention) and the like. In November 2000 the draft Canberra Sustainability Index and the High Quality Design Guidelines trials were initiated. In early 2001, the Index and Guidelines will be considered for adoption as part of the mandatory residential development requirements to promote higher quality and more sustainable outcomes. During the trial the application of rewards and incentives to further encourage applicants to address high quality design and sustainability issues will be reviewed. Additional assessment criteria and tools targeting commercial, industrial and other, non-residential assessment types is proposed. The outcomes of these initiatives will be important to ensure that future development in the city is both sustainable and of a quality, which contributes to the high value landscape and urban design which already, exists in Canberra.

The introduction in 2000 of the Urban Quality Review process is an important tool for PALM and will enable it to enhance standards throughout the city. Quality design and architecture should be an aim for the city as a whole. It is a useful signal to the private sector that standards are being established against which key developments will be assessed. Initiatives such as this complement planning policy but also contribute internationally to raising awareness of design issues in the development process. It is similarly necessary for centres such as Civic, which lack a strong architectural identity. Design issues are not just a matter of aesthetics, as if that were a luxury: they have the potential to engage public opinion about the identity of a place, and this at a time when the meaning place is often blurred, arranged in overlapping layers, or contentions. The way forward lies in educating the public about design. This demands an inclusive consultation process and is dependent upon the delivery of visible results. People need to be given the opportunity to see and benefit from good design. This process has begun in ACT as urban design has been used to target crime prevention, the LAPACs consultation process, Section Master Plans, ACT Heritage and the Our City Programme all make important contributions to raising awareness and sensitising people to design issues.

Like other communities around the world, PALM recognises that timesavings and certainty are the greatest incentives to development proponents and would encourage site development characteristics in future developments that are consistent with Canberra's vision and goals. These are powerful tools that need to be nurtured and possibly expanded to help achieve Canberra's sustainable goals.

Austin, Texas has pioneered a voluntary “score card” system not unlike the PALM High Quality Sustainable Design Outcomes system. It has a geographic orientation that might be considered by PALM. The score card system embodies three separate incentive programs that developers can choose to use. The methods differ dramatically and depending on the size, location, and land use of the development contemplated one may be more financially desirable than another. Each of these has been developed to promote the goals of the City of Austin, Master Planning Guidelines for Smart Growth. They are each based on a primary geographic policy that promotes only projects in the desired growth corridor and zone as selected by the City Council. Significant financial incentives are provided to developments in the downtown urban core and to those that locate near transit stations and along transit corridors. The score card system has been in place in Austin, Texas for three years and has been highly influential in accomplishing the renaissance of downtown Austin. The three methods are described as follows:

- Zone Specific Incentive Method (generally small projects). This method provides a sliding scale waiver of limited development fees and capital recovery fees by zone.
- Smart Growth Matrix Method (generally large projects located along a corridor or around a node). This method subjects a project to analysis against a series of Smart Growth community objectives and sets the level of financial incentives to the threshold of points scored.
- Primary Employer Incentive Method (large projects that bring substantial new primary employees to the Austin area). This method facilitates the location of primary employers within a desired zone to assist the city in the achievement of its objectives to create, good jobs with appropriate benefits for the citizens of the city, build the tax base of the city, and protect the environmentally sensitive areas of the city. This method provides for a case-by-case negotiation with primary employers that could include but not be limited to substantial waivers of development fees, and infrastructure improvements.

It may well be appropriate for PALM and Austin to establish mechanisms for jointly reviewing the two strategies with the end goal of further developing best practice and creating a transferable model, which could be adapted and implemented by other cities.

Density and urban infill

The parameters in which the city has to develop are changing. At the heart of sustainable urban development debates are issues of density and infill development. Or put more directly, maximising land potential using less land and ensuring that urban land is a renewable resource. This raises issues that the city has to face, particularly concerning urban infill. Canberra is a low-density city, which has developed within established parameters. However, demographic and social trends envisaged throughout OECD countries over the next two decades present opportunities to maximise density potentials in cities thus providing multi-functional sustainable housing development. In the United States Smart Growth initiatives seek to increase residential density and cities such as Portland, Oregon have for some time pursued policies to increase residential density. The Netherlands and France, amongst others demonstrate the positive outcomes that can be realised through increasing housing density in urban locations.

Density remains an important factor when considering housing provision and the location of jobs. It is a crucial factor to realising more sustainable urban development and reinforcing urban centres. However, there is a gap between understanding and practice. Lord Rogers, Chair of the UK Urban Task Force, commented that (*The Observer*, 13 February 2000) the British are particularly extravagant with land use, with density levels of on average 23 dwellings per hectare over the last ten years -- compared to a US average of 40 dwellings.

"The free market economy of the last decades has encouraged a laissez-faire attitude to planning. Over the last 20 years, the built up area in England has doubled. Lax controls on greenfield development has fuelled growth outside urban boundaries.

If there is to be an urban renaissance, some tough decisions need to be taken. In some cases, planning allocations need to be revisited and permissions modified. There may be occasions when it is appropriate to encourage higher densities or greater mix of uses. We should not allow low-density, residential developments on greenfield land to go ahead if the political will, and the market demand to sustain something better, is there."

Density in Canberra is very low, on average 12 dwellings per hectare. As articulated in current planning strategies in the city, increasing densities is a necessity to realising other policy goals. The Urban Development Programme

has identified where within future development, density can be increased. It rightly recognises the resistance that will emerge in some areas of the city; the effect of could be the pursuit of a more cautious option with weaker results. Attitudes to density globally are changing. It is now widely recognised that increasing urban density is an integral part of realising sustainable urban development. The Urban Renaissance Task Force in the United Kingdom noted that densities vary enormously in English towns, from as high as 100-200 dwellings per hectare to as low as 5-10. Historically, development since the 1960s in the UK has resulted in densities of around 20-25 dwellings per hectare. The extensive urban study on which the Task Force drew its conclusions revealed that increases to only 35-40 dwellings per hectare would result in a less car reliant society. Canberra is making progress, a debate on density has emerged, a challenge for the future is to ensure that the planning system appropriately enables greater densities whilst addressing barriers that exist within the community.

Research for 'Urban Infrastructure Issues in Canberra', 1996 provides some very important facts concerning construction costs in relation to greenfield and urban infill development. The research demonstrated that developments adjacent to existing services were more cost effective, for example, estimated capital infrastructure costs of developing a greenfield block, an urban renewal site and a redevelopment site were: AUD 52 400, AUD 37 100, AUD 9 725 respectively. This information reinforces the validity of the current policy direction, which promotes urban consolidation. Some of the new development taking place in Canberra is marking a break with tradition and introducing more innovative approaches.

The original planning ethos in Canberra sought to provide employment and housing in the same location. Civic still has a major deficit in terms of residential provision and new ways of thinking are required to overcome this. As part of Maryland's Smart Growth Initiative the "Live Near Your Work" pilot encourages home ownership near places of employment. The State's housing and community development agency is implementing this programme to encourage people to live in older neighbourhoods near their jobs. The programme provides a minimum of AUD 3 000 to home buyers moving to targeted areas. The local government designates the area and administers the programme for its jurisdiction. Participating employers including businesses, non-governmental organisations, universities and government agencies establish the eligibility requirements, promote the programme to employees and provide the matching funding. One half of the contribution is provided by the state and the other half is provided by the employer. The employer and the local government determine the proximity to the employment centre in which an employee must reside to qualify for the incentive. The benefit to the employer

is that it will cultivate a stable, nearby work force with an investment in the community.

Box 15. Kingston Foreshore: an example of sustainable urban development

Covering 37 ha on the shores of Canberra's principal lake, Lake Burley Griffin, the site connects into to one of the Australian Capital Territory's most important wetland habitats, the Jerrabomberra Wetlands. It is within 2 km of the Parliamentary Triangle and adjoins the cosmopolitan areas of Kingston and Manuka. The now derelict site once accommodated a range of industrial and semi-industrial uses. The heritage-listed and now disused Powerhouse was the first permanent public structure associated directly with the Federal Capital.

Although the original plan for Canberra did not envisage the development of industrial uses in this location the government determined that a modern powerhouse was needed to meet the needs of the city and in 1912 work began to construct Canberra's first power station. The construction of the powerhouse, and a railway line to supply coal, saw a number of semi-industrial, transport and distribution uses develop in the area. After 1920 Kingston became the focus of commercial activity in Canberra. Kingston shops (then called Eastlake), workers cottages and temporary dwellings added to the growing community south of the river which assisted in the move of public servants from Melbourne in time for the opening of the Provisional Parliament House in May 1927. The powerhouse ceased operation in 1957 and other industrial uses progressively relocated from the area over subsequent decades as the national capital grew. Lake Burley Griffin was developed by the former National Capital Development Commission in the 1960s. Although much of the existing land and buildings are vacant, the site now occupies a prime location on the southern shore of the East Basin of Lake Burley Griffin.

In April 1995, the ACT Government announced its intention to redevelop the area. The Interim Kingston Foreshore Development Authority was established in September 1995 to organise and conduct a design competition to generate innovative concepts and facilitate the transition of the site to its new use.

The Canberra community prepared a Community Brief for the development of Kingston Foreshore. This Brief provides a statement of key development principles, a theme for the development, types of uses and a list of questions and answers which sum up the community's aspirations. Community acceptance of development of this key site in Canberra was important and the successes realised here contribute to a model of sustainable urban development relevant elsewhere.

The end result has seen the creation of the Kingston Foreshore Development Authority who is responsible for the site for the 10-15 year development period, which lies ahead. The site is to be decontaminated and redeveloped as a mixed use water front precinct with a strong arts, cultural, tourism and leisure theme.

Box 15 (continued)

The overall objectives for Kingston Foreshore are:

- *to complement the existing metropolitan urban structure,*
- *to implement best practice Ecologically Sustainable Development principles,*
- *to provide a diverse range of experiences by allowing the community to access and use the site in multiple ways,*
- *to reflect and strengthen the unique qualities of the natural and built environments and the cultural identity of the Canberra community,*
- *to deliver environmental and quality-of-life dividends while a delivering a sound financial return on investment, and*
- *to implement the projects in accordance with a staging strategy responsive to circumstances, needs and demands.*

The project will realise:

- *1 700 residential dwellings, 250 room hotel, approx. 30 000 m² of commercial workspace, 7 000 m² of speciality retail space, 14 500 m² of arts, cultural tourism and leisure space,*
- *16 hectares of parklands, plaza, promenades and other public spaces,*
- *Retention and adaptive reuse of heritage listed power house,*
- *Decontamination of former industrial land,*
- *Significant contribution to the vitality of the metropolitan core area,*
- *Maximise the use of existing social, physical and transport infrastructure,*
- *Provision of increased housing choice,*
- *Annual average of 670 construction jobs every year for 10 years; 1 600 permanent jobs,*
- *High quality real estate significantly enhancing the Territory's rate and land tax base, and*
- *Provision of infrastructure and public transport efficiencies.*

Estimated quantifiable benefits to the ACT Government of over AUD 52 million* in net present value terms in excess of that achieved in an alternative greenfields development. This figure excludes the additional direct financial returns to Government from the anticipated profitability of the venture.

Infrastructure investment of AUD 120 million will be staged over 10 years.

Notes: AUD in 1999 prices. NPV using discount factor of 15 per cent.

Parallels with Canberra found in Germany, a federal state, serve as an important reminder of the importance of city centres and the need for appropriate policy responses to bring about appropriate development. The German Federal Ministry for Regional Planning, Building and Urban Development (OECD, 1998a) developed a programme to create vibrant city and district centres. The Federal Government has introduced supporting measures aimed at a balanced settlement structure by developing town and city centres as vibrant locations with housing and an appropriate urban diversity of retail trade outlets, services and cultural facilities. The inclusion of urban development assistance in the Federal Building Code makes it possible to strengthen town and city centres and to re-use derelict sites in inner cities as well as land previously used for military purposes or by the railway authorities. This is also desirable from the point of view of achieving a better mix of land uses. Since 1998 urban development funding is concentrated on focal areas relevant to city centres and funds to promote social housing construction are increasingly being focused on urban renewal areas. Urban development assistance funding is to be used for "additional city centre requirements".

Since 1999 the funding concept for the new *Länder* gives priority to city centres and modernisation. The 1998 Building and Regional Planning Act strengthens city centre functions and structures, in particular through planning law and through intervention under nature conservation law; which is resulting in a better use of planning areas in town and city centres; the social protection statute which is acting against the displacement of the residential population in inner-city areas; project and development plans as project-based binding construction plans which are resulting in the rapid establishment of construction rights and the implementation of these projects in town and city centres.

Länder and the Communes can now apply planning law to carry out infill development; creating clear objectives in land planning; drawing up local authority concepts for retail trade; reviewing old binding construction plans for "critical" unplanned inner urban areas; taking co-ordination among neighbouring local authorities seriously; rectifying abortive developments on greenfield sites or integrating locations; strengthening advice and information given to local authorities and retail traders, using urban development assistance to promote town and city centre retail trade as well; influencing locational competition through city marketing and city management to benefit town and city centres; reducing city-centre traffic with the aid of city logistics; improving the accessibility of town and city centres; building more dwellings in city centres; making town and city centres safer; using vacant properties to achieve an attractive mixing of housing, trade and business; developing integrated concepts for providing assistance.

Kingston Foreshore is an important example of sustainable urban development in Canberra and merits recognition. It very much marks the new Canberra. The successful implementation of this proposal over the next 15 years will contribute to establishing a new agenda in the city and will have widespread lessons of best practice. This site is largest derelict site in the city and the only opportunity the ACT has to deliver a development of this scale in the city and it is located on the edge of one of Canberra's most important landmarks, Lake Burley Griffin. As this project progresses and develops it will be important for the ACT to communicate its progress to the whole of Canberra. Articulating successes from this important location will benefit other town centres and clearly has a relationship with Civic. Kingston Foreshore, Civic and the Parliamentary Zone are all connected and reflect a new era in Canberra's development. In particular, Kingston Foreshore and Civic should be mutually supporting and contribute to the establishment of vibrant mixed-use parts of the city.

Quality of life objectives

The 'quality of life' that cities can offer is getting attention on the political agenda. At an OECD Spatial Planning Conference in 1999, John Zetter (UK) noted *the global trend of increasingly articulate and demanding stakeholders* -- the direct result of which is increased participation in determining how cities develop -- whilst simultaneously demanding more and better opportunities. Changing lifestyles -- increased leisure time, changing employment patterns, ageing populations and socio-economic disparities all place greater pressure on urban form -- all in effect result in greater demands for improved quality of life opportunities. Environmental awareness and local level action is continually improving and actually at quite a sophisticated level of understanding within civil society. Communities already participate in improving urban environments; Groundwork Trust in the United Kingdom, for example co-ordinates numerous local level activities with an aim to link environmental, social and economic regeneration as a contribution to realising sustainable development. The Liveability Agenda launched in 1998 in the United States is another important example establishing the federal government as a partner with state and local efforts to build liveable communities that ensure a high quality of life and strong, sustainable economic growth. The billion dollar Agenda benefited from strong presidential support. Japanese cities, for several years now have been involved in 'eco-networking', which at their simplest they facilitate the construction of urban green ways but more generally encompass both "*built form and process changes and delivering multiple environmental benefits*" (OECD, 1996, p. 108). The examples can be multiplied, but the important point is that quality of life expectations exist and

urban policy at all levels of government has to respond to accordingly. Globalisation creates opportunities; it also changes the benchmarks for performance and reinforces the importance of a sense of place and identity in an overall assessment of competitiveness. High standards of urban landscape quality and urban life quality as major elements of the attractiveness of places and renovation of urban functions in accordance with changes in the economy and in society to improve urban productivity should be realised to make cities more competitive.

Quality of life objectives for Canberra are well articulated. High standards of living and amenity since its origins ensure that quality of life factors remain high on the agenda and typically, some areas have higher amenity value than others. Canberra benefits from an articulate and participative community driven by a diverse range of factors. The city actively encourages participation but a strong sense of community does not necessarily mean that the perspectives are citywide and therefore truly inclusive. It is important that an appropriate balance is struck which is sensitive to the needs of the community but equally able to fulfil the complex range of factors, which will bring about sustainable urban development. Government, the community and business all recognise the importance of quality of life in Canberra the task for the future concerns enhancing and building on what exists and using it to develop wider economic and social benefits. The high quality of life that Canberra can offer is being used to market the city for inward investment. This is entirely appropriate as places compete for the knowledge based and service related industries. The personnel involved in these areas demand particular types of places which can be generalised as “*green and pleasant overall, with close and affordable suburban housing, an extensive sports-oriented park system, and an ample array of cultural and entertainment facilities, with related urban open space.*” (Carr, Rivlin & Stone, 1992). Canberra scores high on these standards but must take care to ensure that all of the community of Canberra reaps the rewards of the city and that issues of access and equity are considered along with growth and prosperity.

Universities and higher education institutions

The Australian National University, predominantly a research university (some three-quarters of the budget is focused toward post-graduate students) with approximately 9 000 students, is world re-known. The research focus of the ANU, particularly in the fields of IT&T and biotechnology impact globally, nationally, regionally and locally. Complementing the national role of the ANU the contribution the university makes to Canberra is significant and

perhaps most importantly, 68.2 per cent of ANU graduates find employment in the region. The university is located adjacent to Civic.

The University of Canberra (authority for which was transferred to the ACT government in 1999) provides learning with an emphasis professional career development. It has an undergraduate programme of around 9 200 students and an established research programme. Some 60 per cent of students at the university work almost full time and there are 1 300 internet students. The university occupies a suburban location.

The Australian Defence Force Academy provides undergraduate and post-graduate programmes for the Australian military services. A small proportion of civilian students attend the Academy. Defence is an important part of the ACT economy.

The Canberra Institute of Technology is the largest provider of tertiary education in the ACT, providing services to approximately 20 000 students. There are six campuses dispersed throughout the suburbs with the largest located in Reid and Bruce, 6 000 and 5 000 students respectively. The Institute is focused on lifelong learning with an emphasis on community access and links with industry.

As discussed in Part I, these institutions, amongst others, have a crucial role to play in the economic development of Canberra however, the challenge for the future is broader, universities and research institutions have an important role in the overall urban development of any city. In the United States, the Department for Housing and Urban Development sees universities as a force for positive change within communities and entering a challenging and productive era whereby they can help reshape American cities. In 1994 the then Secretary of HUD quoted Professor Greiner who stated *“If every research-intensive university in this country commits itself to changing a small portion of events in its own community; if every urban and metropolitan research university in this country commits itself to addressing needs in its own city -- then in the total of all our acts on behalf of our neighbours and our mutual future, we will be a massive and unparalleled force for the good of our people and our country”* (Greiner, 1994). With the wealth of resources and opportunities available in Canberra compared, in particularly to US cities this should be a similar challenge to which the city can respond and potentially help others develop effective strategies. The academic base in the city cannot afford to be complacent during times of prosperity; it must capitalise on the current strengths of the city to contribute to an even better future.

The presence of robust educational institutions in a city or region has broader implications particularly in terms of land use and land availability, transport and housing. The development of various institutions throughout Canberra's evolution has ensured that students' numbers are dispersed throughout many of the town centres. This results in a requirement to ensure an effective public transport system which is affordable to students, students in the ACT are amongst the highest users of public transport. The housing needs of students, both undergraduate and post-graduate, tend to be an issue for most universities throughout OECD countries. Ensuring an appropriate supply which reflects changing participation levels and which is affordable is a serious issue. Institutions in the ACT are not immune here and the pressures are being felt.

The physical location of educational institutions is important in any city. Dispersing campuses throughout the town centres was an important element of the earlier planning ethos. The location of the ANU with respect to Civic and covering a site of comparable size has specific implications for changes taking place in Civic; however poor connections need to be overcome. The ANU is an advantage to Civic and a strength on which it can build. This has been recognised in part but will require sustained efforts by all parties to ensure that mutual economic, social and cultural benefits are realised. Students, along with the diplomatic community represents the largest communities of foreigners in Canberra, communities critical to the city's international role and ambition. Appropriate consideration should be paramount in developing Civic specific and citywide strategies.

The tertiary education sector in the ACT has some important challenges ahead. Undoubtedly, as a sector it has a pivotal role to play in Canberra's future. Learning from elsewhere is part of the process, but it is only one element. Canberra must develop a strategy, which maximises its strengths and ensures that Canberra reaps the rewards. Responsibility for this, as with so many factors on which the future of Canberra depends, does not just lie with government. The academic and research sector should take the lead working in a tri-partite relationship with government and business.

Affordable housing

Maintaining diversity and social balance in a city is an important factor. Access to affordable housing is an important element of this. Economically and socially the ACT is a stable urban environment however, ensuring that this remains the case demands that the housing needs for all of society are addressed. Actual poverty levels in the ACT are considerably lower than elsewhere in Australia and access to public housing is generally quite high.

Affordable housing actually crosses all sectors of society and demand is affected by changing demographic and economic scenarios. Housing requirements in the city are well researched. The key issue for the ACT is ensuring that the appropriate policy mechanisms are developed to ensure that appropriate provision is realised. Providing affordable housing requires that location is considered at the outset, retro-fitting redundant buildings, for example, is only positive if the location is appropriate for the users. Students, working single people and the ageing population all present opportunities for the ACT to reinforce policies to increase density and promote more sustainable patterns of urban development through the reinforcement of town centres, particularly maximises the opportunities presented by Civic. Ensuring that affordable housing takes place in appropriate locations means avoiding scenarios whereby more low-income housing goes to remote areas which have poor public transport links.

Box 16. CASPAR housing developments

The Joseph Rowntree Foundation CASPAR developments comprise City-centre Apartments for Single People at Affordable Rents. They are high density, design-driven projects of about 50 flats on brownfield inner city sites. The Foundation states that "The growing number of single person households seems to us a real resource for reviving city living. This group is less worried than young families about schools, safe play areas, etc. They have the spending money, energy and creativity that makes cities succeed. So for social and economic -- as well as environmental -- reasons, we decided to put our money where our thinking had taken us: we have invested in our first two CASPAR developments in the hope that others will be helped by a living demonstration of what works -- for investors who want a good return, for local authorities who are responsible for urban regeneration, and, most importantly, for the future residents of these schemes."

Three principles lie at the heart of the CASPAR project, they are:

1) "City centre..."

Lord Rogers' Urban Task Force has demonstrated that an "urban renaissance" must include well-designed homes in the centres of our major conurbation is to reverse the "exodus" of population to the suburbs and rural areas. The development of brownfield urban sites reduces the necessity of building on greenfield land and destroying countryside. Living close to work not only saves the hassles of daily commuting but reduces traffic congestion and pollution. The presence of more middle income single people in the inner city helps achieve the economic and social aims of urban regeneration. It is those with resources who have tended to leave, while those who remain are often the families and older people on the lowest incomes.

Box 16 (continued)

2) "...Apartments for Single People..."

Although most existing housing is for families -- as is most new building for sale -- Government projections show that some 80 per cent of all the extra households in the period up to 2021 could be made up of single people. The homes of tomorrow need to reflect this changing profile. For many of the growing numbers of single people -- who marry later, or not at all, or who divorce or separate -- living in family-sized homes in the suburbs may not appeal. Many will prefer to pursue modern lifestyles in downtown areas where jobs and leisure facilities are close at hand.

3) "...at Affordable Rents"

For those moving around for job reasons and not yet ready to put down roots, it is easier to move in and out of renting without the responsibilities of maintenance, gardening and DIY. Those not in a fixed relationship will not yet wish to take out a mortgage in two names. Divorcees may have other financial commitments, which make buying their home a problem. Recent graduates with loans to repay may not be ready for mortgage debts. For all these -- for whom home ownership may well be the answer at some other time of their life -- renting seems best. Single people in work -- but not in high paid jobs -- face a trap. They are not likely to qualify for subsidised social housing but may not be able to afford to buy a home in the area where they want to live. But affordable rented property -- within the means of those on average incomes -- can be good for investors. With low maintenance costs and sufficient numbers of apartments to produce some economies of scale, the yield can be attractive. Rental income should increase each year, roughly in line with earnings. And there are the possibilities for substantial capital growth.

Source: Joseph Rowntree Foundation, www.jrf.org.uk

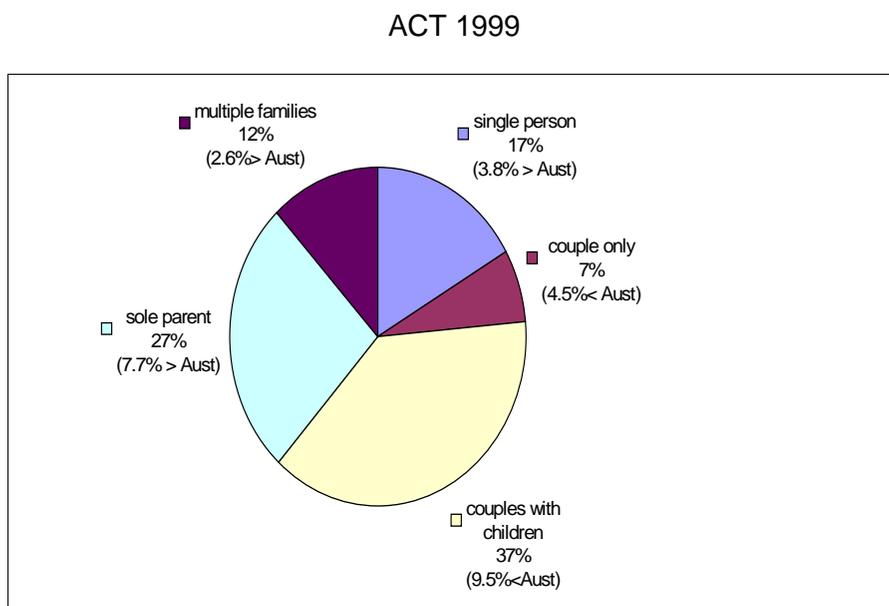
Whilst public housing can often meet the needs of the vulnerable and lower income residents but there are many who require different access opportunities which either reflect their economic or social need. The high number of graduate students and younger employed people present a challenge for both the public and private sectors. The CASPAR project in the United Kingdom is an interesting approach to providing affordable housing for single people in urban centres and could be an important model for Canberra to look at. Civic, for example, should be providing a balanced range of accommodation reflective of current and future scenarios.

How can the ACT develop effective strategies for affordable housing which respond appropriately to the needs of the community (communities), government policy and private sector realities? Future policy should emerge from inclusive debate to maintain social balance within the city.

Partnerships and social equity -- social capital in the ACT

Australia's social security system is focused on poverty relief and income redistribution and is funded through the general taxation system. Payments are uniform and based on residency, they are not time limited. In its submission to the UN concerning sustainable development the following statement was made: *"The approach taken when developing social policy is one that aims to address challenges by drawing on values such as interdependence, tolerance, self-reliance, and upholding an obligation to other members of the community"*.

Figure 3. Household type of people in poverty and per cent difference from Australian average



Note: Using the Henderson half-average poverty line. The Henderson half-average method is used to determine the poverty line for different types of households. The poverty line in the ACT is set at half the average Australians equivalent disposable income (after tax).

Source: ACT Poverty Task Group (2000).

In the ACT significant capacity to realise effective partnerships, over 26 per cent of the population of Canberra already participate in some form of voluntary activity for more than four hours per week. This is an incredible resource which exists in the city, the commitment of the people of Canberra to Canberra is unquestionable and provides a foundation to build and deliver social capital. In its Budget 2000 the ACT articulated the importance that Social Capital has cross-sectorally throughout the ACT. Social Capital is stated to be the basis of quality of life in Canberra and the ACT government envisages that *Canberra: Building Social Capital* will further develop the government vision for Canberra as a *clever, caring capital* and the three outcomes highlighted in the Government Plan 1998-2001:

- a healthy, safe, diverse and contributing community,
- accessible, cost effective services, and
- a dynamic sustainable economy.

The policy initiative builds on a rare commodity in a city, the fact that 26.1 per cent of citizens actively participate in voluntary work for four or more hours per week. Enhancing social capital in the ACT is a real opportunity. Whilst poverty levels are considerably lower than the rest of Australia, in 1999, the percentage of people in poverty in the ACT was about 8.5 per cent (approximately 25 500 people) compared to the Australian average of 13.1 per cent. The percentage of children in poverty in the ACT was 11.2 per cent; the Australian rate is higher at 18.6 per cent.

Budgetary and cross-sectoral policy initiatives have resulted in community, business and government partnerships to tackle issues of alienation, disadvantage, poverty and exclusion and to address many of the issues which cities throughout OECD countries are coming to terms with. Location matters as part of any poverty strategy and it is important to ensure, for example, that affordable housing is not located in fringe locations which are generally the worst served areas in terms of public transport. Not only does this exacerbate physical problems of urban sprawl but it also comprises social cohesion. The ACT recognises the link between social capital and the economy, and as partnerships are the heart of the issue, recent findings on the role of partnerships at the local level by the OECD LEED programme have relevance for Canberra.

“Sustained growth and reductions in unemployment across the OECD have not diminished the need for co-operative mechanisms at local level. On the contrary, renewed prosperity has brought new challenges. Benefits of growth are not distributed evenly. In providing co-operative solutions to local problems, governance instruments can complement market outcomes and redistribution

functions of the state. Tighter labour markets have been associated with local shortages of labour and skills. Both public services and the private sector have felt an increased need to co-operate with local bodies in order to fuel economic development and suit business needs locally. Budgetary challenges accompanying the new labour market context have also contributed to strengthen the need to work in partnership in order to implement policies and allocate resources more efficiently.”

Of the countries participating in the project OECD found that:

"Social partner organisations (trade unions and business organisations) have been present in most partnership organisations. In many countries where they represent the majority of employers and employees, they have often been considered as representing the civil society in general. Trade unions and business organisations have provided essential information on the need and availability of skills and qualifications in the different economic sectors. Partnerships have also benefited from the expertise held by trade unions in service provision. In Ireland, trade unions helped to set up the local employment services (LES) managed by the area-based partnerships. The business community has often provided expertise in the management of different projects, holding seminars and giving specific assistance, as in Austria and Ireland. Trade unions and business organisations have gone further and, with the assistance of the state, negotiated measures to promote economic development. In Italy, partnership agreements (area contracts) have had as one of their main goals the implementation of exceptional measures aimed at improving the flexibility of the labour market, simplifying business investment procedures and reinforcing the security of investment. For the most common types of partnerships (territorial pacts, supported by the central government, and territorial pacts for employment, jointly supported with the EU), simplification of the procedures for the approval of investment projects has also been concluded, involving a number of organisations and public services.”

The ACT, to compliment its Social Capital strategy is also developing a Government and Community Compact which will build on the existing long-term capacity in the city which has resulted in a highly participative and socially responsible civil society. The ACT Compact will guide the future direction of partnership between government and the community and will ultimately provide an overarching framework which will be dependent upon a variety of cross-sectoral policies and processes. The initiative will clearly

impact upon the development of a long-term Canberra strategy. Canberra is in good shape to meet the challenges that lie ahead, many of the fundamentals are already in place implementation will be the key. This, however, will be facilitated in part by basic principles of an open approach to government and consultation, which exist in the city and are unlikely to change.

Community participation in planning

The planning system in the ACT allows for considerable participation and consultation for all parties at all stages of the development process. In principle this is very positive; however community representatives and the business sector express dissatisfaction. In the ACT third parties have the right to challenge any decision resulting in a lengthier administrative process requiring decisions to be heard by the Planning Commissioner. It is clear from discussions with a broad spectrum of Canberran society that the system needs to be revised. This task in the ACT will require careful management but it many of the frameworks and processes already established should make this possible. Considerable capacity exists within all sectors to develop a system where all parties have clear roles. The planning process needs to provide greater certainty and efficiency to investors and developers whilst also providing appropriate consultative mechanisms for the citizenry and others affected. This means that the long term vision must drive the local planning processes and the public sector must invest more at the early stages in order to engage local people and come up with local plans which are more ‘investment ready’ and less likely to lead to disputes and delays. (A charging mechanism might then be put in place to recover costs from developers operating within a more certain and less disputed terrain). The public sector needs to accept that this is an arena for greater leadership by the public realm itself.

The absence of a shared vision on which a Canberra Strategy would be based could be an exacerbating factor. Very detailed plans and strategies exist on a micro-scale; they would be a necessary part of any strategic plan but they are insufficient to guide the development of the city in a holistic and coherent manner. The suburbs of Canberra by their very nature are mutually supporting and dependent upon each other to maintain a cohesive society. This places Canberra in a very strong position for the future, but it will require a unifying strategy to ensure the original vision is not lost.

Important initiatives have been taken by the ACT with respect to community consultation, the Local Planning Advisory Committees (LAPACS), the Section Master plan process and other broad ranging consultative processes which are the norm in all strategy preparations result in a high degree of public

participation in the planning system. The ACT government established the Local Area Planning Advisory Committees in 1995 with the purpose of enabling community participation in the planning process. The committees, in their advisory capacity comment on a broad range of planning matters -- from policy and plans to development proposals. Committees exist for six districts: Manuka; Burley Griffin; Ginninderra; Inner North; Majura and West Belconnen, the committees are made up of representatives from suburb residents groups, residents and business. In 2000 a Protocol was established which sets out roles and responsibilities for the community, business and government. Some of the committees are more active than others depending on individual participation levels and the specific dynamics of the issues they have confronted. The LAPACs could be expanded to take on a more formal and universal role in the government. The added accountability might help to reduce the incidence of objections. An examination by ACT of the allocation of planning responsibilities and decision making could streamline that system but at the same time provide trust in government that is needed.

One programme that has been successful in the United States in building trust in local government at the grass roots level involves the development of *neighbourhood plans* by neighbourhoods themselves. This process may have some lessons for Canberra, particularly as trust seems to be a point of concern both in terms of institutions and process. The neighbourhood planning process invites each neighbourhood planning area to develop a plan to address issues of concern to the community, while the City provides guidance to insure citywide goals are met. Neighbourhood plans may include provisions to:

- enhance the community’s liveability;
- provide amenities for its residents;
- define and enhance the character of its neighbourhood;
- plan for neighbourhood traffic management;
- provide limited opportunities for compact, mixed-use development along commercial streets or corridors;
- provide for infill development where appropriate;
- provide housing choices for a range of incomes.

One goal of the Neighbourhood Plans is to identify opportunities for new infill development that are compatible with the character of existing neighbourhoods. By focusing on opportunities for infill and redevelopment a community can make more efficient use of existing infrastructure such as streets

and water and sewer lines, provide affordable housing within the city, minimise traffic congestion by reducing commuting distances, and relieve some of the pressure for suburban sprawl. The neighbourhood planning process allows government and the neighbourhoods to work together to achieve some sustainable development goals. Some cities have become so comfortable with the process that they have formalised the allocation of responsibilities and resources. They have in some cases given neighbourhoods' decision-making authority on certain issues. They have created District Councils composed of elected representatives from the neighbourhoods who have, in certain cases, received budget authority over items directly related to neighbourhood concerns. The mechanisms that have worked build trust in local government at the grass roots level and provide a political springboard for aspiring governmental officials.

An increasingly effective planning tool introduced by the ACT are Section Master Plans. A legislative amendment to the Territory Plan in 1997 requires the preparation of Section Master Plans prior to the approval of a development application for multi-unit proposals (3 dwellings or more) in higher density residential areas of inner north Canberra. The Section Master Plans provide a balance between the known pressure for redevelopment, and retention of amenities. In particular, the Section Master Plans identify:

- the relationship to any relevant existing Community Value Statement adopted by a community advisory group on planning which has been established by the Minister,
- any elements of existing urban fabric, streetscape or landscape which warrant protection or consideration including the specific character of the section and its surrounding streets and impacts on traffic and parking, and
- the preferred pattern of any redevelopment in terms of form of re-subdivision, orientation and form of new buildings, arrangements for vehicular access and parking, landscaping and built form design themes and staging.

The Section Master Plan assists lessees who do not wish to redevelop their properties to contribute to the planning framework for their section, and developers in understanding their requirements for retaining residential amenity, and its impact on their proposal. A formal process for the preparation of Section Master Plans is developed. The process involves Planning and Land Management (PALM) inviting lessees and residents of the nominated sections, lessees and residents of the surrounding sections, representatives of community

associations, Local Area Planning Advisory Committee (LAPAC) members and developers to comment on the draft documents. Comment is also sought from other Government agencies, including the National Capital Authority, Conservator of Flora and Fauna and the Heritage Unit. The Minister for Urban Services approves the Section Master Plans. A Section Master Plan may be reviewed at any time in the future; however any amendment is subject to the same public consultation and approval process as required in preparing the original section master plan.

The Section Master Plans unquestionably contribute positively to the changing planning scenario in Canberra, facilitating new policy directions towards a compact, denser -- more sustainable -- Canberra. They have an important role in the overall planning process. However, due to their micro-scale it may be worth considering a more strategic approach. The Master Plans should operate within in a broader spectrum. The system should be sufficiently flexible to encourage appropriate development and in tune with community needs and desires.

Public participation in planning, as in any other sector pertaining to governance is a democratic right which is respected in most OECD countries. Effective participation delivers the maximum benefits and outcomes to all stakeholders. The current system of public participation in planning in the ACT is highly complex, well developed and by and large expectation driven. The initiative to develop protocols and build in formalised systems with agreed roles and responsibilities would bring about positive rewards. Some of the challenges which lie ahead concern both government and the community. It will be important to ensure that all of the community has a voice -- encouraging greater participation by indigenous people and young people who will bring differing and meaningful perspectives to the process. The future planning of Canberra -- physically, socially, economically and environmentally -- affects the whole of society and thus demands an approach which captures a whole of government and whole of community synergy to address the needs of all stakeholders.

Transport and infrastructure

An issue for Canberra is that while the original Walter Burley Griffin design was very impressive in a number of ways, unfortunately due to WWI and the Depression, construction only took off after WWII and by then the light rail plan was lost in favour of the American model of freeways, expressways and parkways. This planned garden city complete with integrated town centres still has a territorial sustainability concern that is not unlike those of conventionally

un- or mis-planned cities of the world with sprawl induced congestion. Canberra does not have congestion in the typical sense, referring to the time lost in traffic delays. Concentration in active spaces comes from good land use where there is competition for space with lots of pedestrians, buses and cars -- a problem not solved by widening the road. Bad congestion is the daily gridlock resulting from the imbalance of transportation and land use. Canberra does not have the bad, but it also does not have the good kind of concentration either. Unconnected developments can make sprawl worse. There is in the city though, a healthy regard for land use planning and with it an incredible yearning to do more of it to avoid a possible future unsustainable condition that is undesired.

The ACT is in the process of preparing an Integrated land Use and Transport Planning Strategy to meet the requirements of the *National Greenhouse Strategy* (ACT, 1998a). A discussion paper was released in 1999, which states the objectives and approaches of the ACT. The Territory Plan will ensure that the principles of sustainable development are promoted through policy. Of the many issues surrounding transport and land use funding and transport options are particularly important.

Infrastructure investment has an important impact on the growth, productivity, competitiveness, and the regeneration of cities. The OECD report (1998b): *Integrating Transport in the City* provides valuable analysis. The report stated that the interdependent constraints are widely accepted -- social, financial, environmental, technical, legal and political. Commenting that,

“As a vital element and driving force of economic globalisation, urban transport is directly affected by its dictates: flexibility, optimal performance, deregulation, keen competition forcing operators to rationalise risk taking, and the emphasis on financial rationales. But as a basic function of urban life, social cohesion, territorial development and labour-market organisation, urban transport cannot ignore the social environment: pricing, choice of routes, social demands, negotiations with residents, management targets are all based on a mix of economic and social criteria, their thrust constantly changing with the culture, the times, and the situation on the ground. Finally, as a major source of pollution and health hazards, and a consumer of time and energy, urban transport is directly concerned by the search for forms of sustainable development; new goals are being built into transport options, not without controversy as to the “right balance” between economic efficiency and environmental control: social acceptability, the arbiter in this debate, is becoming an important factor in government decision making.”

Member countries will be forced to address this point as stakeholder interest increases and public financial constraints continue. Because cities are unlikely to benefit from increased public expenditure, increased private investment will be required for infrastructure -- managing this investment effectively will be vital.

Like Australia, German citizens are highly reliant upon the private motor car and like Canberra there are concerted efforts to realise more sustainable practices. Germany currently has the highest car ownership rate in Europe. Rising incomes, expanding labour forces, changes in household composition, increased leisure time and lifestyle changes have resulted in more car journeys. Trends in spatial planning which have led to increased suburbanisation, "edge city" development, out of town shopping and leisure facilities, as well as land-use and transport policies throughout OECD Member countries have led to excessive car travel in cities and their immediate surroundings. Redressing the negative impacts of current trends is widely accepted as crucial to achieving urban sustainability.

Road transport was the main means of transport used for both passengers and goods, accounting for some 50 million people (84% of all passengers) in 1996. In 1997, 3.5 million passenger cars were newly registered and in that year the total number of passenger cars was 41.4 million, while the number of all road motor vehicles was 49.0 million. The road network in Germany is second only to that of the United States. The environmental benefits, which followed specific legislation aimed at reducing industrial pollution, are being counteracted in some parts of Germany through increased car use. With the introduction of the emission-oriented motor vehicle tax on 1 January 1997, the Federal Government has adopted another measure to reduce pollution caused by motor cars. In addition to this, it has also improved the pre-conditions for cycling and hence for a shift away from motor traffic by extensively amending the Road Traffic Regulations. Germany car ownership is lowest in city centres, and higher in the suburbs and rural surroundings than in more remote rural areas. The high network density of the road infrastructure promotes use and enables greater connectivity between places. Land-use patterns significantly affect transportation issues. The research institute Deutsches Institut für Wirtschaftsforschung (DIW) also recognises that land-use lies at the heart of achieving a sustainable transport initiative. It is recognised that regional transport has doubled over the last 30 years in Germany largely as a result of the continual process of suburbanisation and urban sprawl. It is estimated that regional transport of passengers and goods accounts for 20 per cent of primary energy consumed in Germany. The public transport system in Germany has been expanded since the 1960s and there are ongoing measures. Use ranges from 13-45 per cent. Typically in cities with better public transport

provision car use is reduced even though the overall trend is that of increased car ownership and use.

How Canberra balances high levels of car use against future policy directions is a challenge, which should be high on the political agenda. It may require some difficult choices; nonetheless the issue will become increasingly important in the long term.

Conclusion

Over recent years the ACT has devoted considerable resources to the preparation of plans and strategies to realise a more sustainable future. The plans are of an exceptionally high standard and work hard to marry the reality of what is feasible within the parameters of Canberra to the optimum desired outcome. Transferring the lessons of how to make a success of strategic planning for Civic -- a plan which will help the rest of Canberra to become more sustainable -- will make an important contribution to the evolution of international best practice. The ACT is attempting to pursue an integrated approach not only with respect to land management and transport but with respect to economic development and social policy. The introduction of 'social capital' as a budgetary theme in 2000 will make an important contribution to overall outcomes. Measuring the success of strategies and policies over time will be necessary. Pursuing a more sustainable path is underway in Canberra; it has a strong asset base on which to build. As home to both the Commonwealth and Territory governments, Canberra is in a strong position to pursue sustainable development.

An urban renaissance city: Assessment and recommendations

The renaissance of cities is being realised through imaginative and innovative policies and projects with a focus on the contribution of cities to economic growth, social cohesion and the quality of life.

An "urban renaissance" city has:

- a vision for the future based on broad public consultation;
- a strategic plan to guide development, including urban regeneration at the centre and growth management on the periphery of the functional region;

- made a clear analysis of how environmental, economic and social issues are linked, and is adopting policies to address the threats to sustainable development;
- identified its territorial assets which are to be maintained and enhanced, and is committed to maintaining and developing infrastructures to make best use of territorial assets;
- identified the obstacles to implementing better policies to address congestion and pollution, the re-use of brownfield sites, the integration of distressed urban areas, the needs of an ageing population, the problems of long-term unemployed, as well as the obstacles to taking advantage of ICT, the new economy, the promotion of small and medium enterprises, etc.
- recognised the importance of the "learning city-region" concept, and facilitates effective organisational learning to develop high levels of innovative capacity;
- identified the national policies and programmes with both a positive and negative impact on its development;
- clarified the roles and responsibilities of national and regional government, and the allocation of resources, and adopted the metropolitan governance principles;
- developed partnerships with other cities and regions, and local partnerships with civil society;
- set benchmarks to measure progress.

Canberra is making considerable progress toward the goal of being a "renaissance city". Events of the 1990s, and especially the growing awareness of sustainability issues and the downsizing of the public sector, invite a fresh reassessment of the opportunities Canberra enjoys and the challenges it confronts. Now that more than half its employment comes from the private sector, Canberra must compete with other cities, but it has some unique advantages, including a strong planning culture, a government that is flexible and innovative in an institutional framework that is only a little more than a decade old, a well-educated population, and an environment rich in amenities. Canberra can be as important a model for urban development in the 21st Century as it has been in the 20th if it can take advantage of its inherent strengths, if it

can create new assets that take advantage of its role as a national capital, and if it can maintain the high quality of its environment and public services while making progress toward sustainability. There is an opportunity for Canberra to be “cutting edge” -- and the process of strategic planning which this report seeks to promote should push the boundaries of traditional thinking which often reflects more static and fragmented ways of handling spatial, economic and social aspects of urban development. Innovation in Canberra should be in accord with its own tradition as a place, which was innovative when it was planned.

These issues call attention to the importance of redevelopment in the central part of Canberra known as *Civic*. Canberra is a polycentric city-state, with viable, multifunctional sub-centres, but with a centre that has been identified in several strategic documents as an area to be strengthened. Current and anticipated social, economic and environmental considerations converge to make this a priority, and provide opportunities for diversity in urban form, which had been absent in previous stages in *Civics*' development.

The question is how the core, *Civic*, can be strengthened to produce a more sustainable overall outcome. This is consistent with the logic of territorial development based on the valorisation of the strengths and assets of places, and on strategies to release their potential. Cities, which are the key building blocks of the economy, should be developed, not according to an abstract model, but to achieve their potential. That trajectory of development will necessarily vary from one place to another, and will change over time, but in all places it will take account of how spatial organisation integrates economic, social and environmental factors.

A vision for the future based on broad public consultation

Canberrans have a vision for the future, and the public is very involved. But it is not clear how much Canberra would need to be different for this vision to be realised, so strong is the satisfaction of so many with Canberra as it is. This means that discussion about the city's rate of growth and what that implies for its spatial structure is lively. A sustainable Canberra will need a strategy to develop its economic base that takes better account of its existing assets and of the opportunities for the private sector, and will need to manage its environment carefully. The quality of design will be critical to the social acceptability of change. Alternative scenarios should be generated to help people see how the future of Canberra might be different from its present condition -- not as a blueprint, but as a process. These could generate intense debate, but could be combined with a review of Canberra's strengths,

weaknesses, opportunities and threats. To ensure that the planning process provides certainty and efficiency a long-term vision must drive the local planning processes engaging local people and businesses at the early stages of the plan process to reduce conflict and achieve satisfactory outcomes for all parties. Above all the process of vision building should help people better understand how the well being of individual communities is interdependent with the well being of Canberra as a whole.

Canberra can become Australia's knowledge capital:

- where the world comes to learn about Australia,
- where Australians come to learn, and create knowledge,
- where Australians come to learn about sustainable development.

A strategic plan to guide development, including urban regeneration at the centre and growth management on the periphery of the functional region

Sustainable economic future for Canberra means that Canberra can sustain growth in the private sector, with synergies with a strong and innovative public sector. This in turn leads to a reconsideration of existing land uses and the future demands on the built environment, which in turn call attention to the opportunities for regenerating Civic.

This is essential for Civic to address its problems and help it reach its potential. Its problems include an outmoded stock of office space and misallocation of land use; its potential as a centre for Canberra, developed in complementarity with the important national spaces of the capital district, suggests more mixed use, more residential space, more space for small entrepreneurial companies, and more cultural functions. A strategic plan takes a long-term perspective, and combines economic and social with spatial objectives. It is not a land use plan directly, but assumes that the way space is organised has social, economic and environmental impacts. It should have measurable goals, which are not solely confined to land use. In the case of Canberra, a strategic plan aiming to improve Civic should, amongst other things, seek to improve transport, develop an ACT cultural identity, link Civic to an enriched range of national capital assets and uses, increase private-sector employment and strengthen entrepreneurship, enhance accessibility to affordable housing, raise the level of design for buildings, landscape and the public realm, and strengthen links between the city and the university. It should

have clear recommendations for implementation, which identify possible policy conflicts, and highlight institutional and governance responsibilities.

A strategic plan for Civic would frame ways of thinking about the qualities of a place and ways of valuing them; link emergent, extrapolating, exogenous and endogenous trends, and recognise that consensus cannot remove all conflicts. The strategic plan would:

- identify what a better Civic can contribute to Canberra’s capital functions as well as to its regional role,
- identify policies and programmes that can reinforce existing sub-centres and communities in conjunction with a strategy for Civic, and
- identify key projects and a timetable, which combine economic, social and environmental priorities for Civic.

The development of Civic should be understood as part of a broader process by which more Canberrans in the future might live closer to the geographic centre of Canberra, thus helping to relieve pressure on the periphery where problems of infrastructure development and the concentration of low-income housing are likely to intensify.

Everybody has an interest in the long term, but no one has responsibility for it. A development authority for Civic might be explored as one option. A bipartisan group or board could play a leadership role, and in the process Future Canberra could become an autonomous, ongoing operation, bringing together the ACT and leaders from the private sector and the communities of Canberra. The leadership group which champions a long-term vision for the city should be bi-partisan and consensual. It could be both a catalyst for the development of Civic, helping to see to it that plans are investment-ready and socially acceptable, and share responsibility for implementation of a strategic plan. It is important that citizens, investors, owners and users understand what the future of Civic will be, and have confidence that plans will be realised. The steps to follow would begin with a statement of objectives, proceed to an audit and analysis, the setting of priorities and of measurement goals. A small number of significant and ambitious long-term projects will help translate a vision into things that happen.

In the report on the Ecological City (OECD, 1996), a proposal was advanced to help areas such as Civic cope with the need for flexible planning within an existing framework of rules and norms. Such an area could be

labelled a Sustainable Performance Area. Specific, measurable objectives could be set for a fixed period of time, say five or seven years. In return, certain rules or procedures that might inhibit innovation or slow down action and investment would be relaxed or suspended.

A clear analysis of how environmental, economic and social issues are linked, and is adopting policies to address the threats to sustainable development

Sustainable development is a clear objective of ACT policy, and a cross-sectoral, integrative, area-based approach can be recognised in many policy and planning documents. Sustainability and integrated territorial policies require strategic plans based on a vision of the future of places. There needs to be a better recognition of the agglomeration imperatives of the private sector. These need not compromise the already high standard of environmental quality, which Canberra has achieved. A forward-looking approach that takes account of changes in the nature of work, in the family structure of society, and in the physical production of an environment for living should call attention to the potential benefits of the regeneration of Civic from a sustainable development perspective. The cross-sectoral approach can be strengthened by taking a whole of government approach to issues such as sports and the arts which tend to be peripheral, but have the potential to reinforce local business and contribute to the growth of social capital.

Specific environmental issues worth highlighting include the No Waste Strategy, the opportunity for green procurement by the ACT, and the challenge of restraining the growth in car use. Social issues include the availability and location of affordable housing for low and middle income earners. These issues require not only that realistic and demanding targets be set, but also the careful selection of appropriate policy instruments, and on-going analysis of both efficiency and effectiveness, to see to it that wasteful environmental practices are not being subsidised by the public. Endogenous economic growth is an important element of a sustainable city. Nurturing existing potential and developing a strong and diverse culture of entrepreneurship is important in the ACT and presents opportunities to synergise further the three core elements of sustainable development. The opportunities presented by further developing business incubators, for example, will make an important contribution to private sector growth in the city. Developing local potential, which is relevant local and global economies, will contribute to a more robust private sector in the city. Key questions include: What instruments will help? What better policies will cost? How can private-sector investment be leveraged to get part of the task accomplished?

Identified its territorial assets which are to be maintained and enhanced, and is committed to maintaining and developing infrastructures to make best use of territorial assets

Every territory has an optimal trajectory for its development based on its assets and opportunities. Therefore, a strategy for development must begin with an analysis of each regions territorial assets, competitive advantage and specific potential (territorial capital). Investment that is tailored to territorial capital will be more profitable, the aim is to give every part of a country an equal chance to develop on the understanding that development will not be uniform but specific to each area and in keeping with its assets and potential.

Canberra's many strengths need to be communicated better, and to a larger audience in and outside of Australia. An audit of the ACT's territorial assets should be undertaken, with a view toward policy and legislation needed to guide heritage in synergy with planning, urban design, environment and economic development.

There is significant potential for Canberra to increase its international profile, for example, by making greater efforts to increase the numbers of international visitors. A tourism strategy however will need to involve both ACT and the NCA as the attractions and assets of Canberra are more broadly in the public than in the private domain.

Support and funding for sports and the arts need not rely exclusively on the public sector and on voluntary efforts. There is potential for more mixed private-public funding. There may be a need for a better co-ordination.

Landscape is critical to the quality of life in, and image of, Canberra. The features of this landscape that make it such an asset, as part of the city's cultural life and as an element in its ecology, need to be analysed, not only in individual areas and neighbourhoods, but for the city as a whole amongst the hills which surround it, and form the watershed which is part of its functional definition. There needs to be a long-term strategy for the upgrading, maintenance and replacement of the features of Canberra's natural landscape which are the product of design and intervention. Efforts in this direction already undertaken by the NCA for the Parliamentary Triangle only constitute a beginning toward this end. A strategy should be drawn up between ACT and NCA, and a capital environment fund created.

Identified the obstacles to implementing better policies to address congestion and pollution, the re-use of brownfield sites, the integration of distressed urban areas, the needs of an ageing population, the problems of long-term unemployed, as well as the obstacles to taking advantage of ICT, the new economy, the promotion of small and medium enterprises, etc.

Many of these issues have been highlighted in different plans, and efforts to identify obstacles and opportunities appear to be embedded in the planning process. But the gap between good analysis and effective implementation is not easily bridged, especially given public questioning about measures to concentrate more of the future demand for housing in existing districts. The existing planning system in Canberra includes rules on consultation and the right of appeal which can be cumbersome and frustrating, and can draw too much attention to land-use issues at the expense of some of the other policy objectives which need to be addressed. An examination of the allocation of planning responsibilities could streamline the system for greater certainty and efficiency, and simultaneously build public confidence.

Negative trends include high levels of car dependency and of kilometres driven per week; the third highest rental housing costs of capital cities; and a concentration of low-income housing in areas poorly served by public transport, all indicating a problem in co-ordinating land use with transport according to criteria and expectations shaped by contemporary concerns for sustainable urban travel. The ACT should consider conducting an urban travel self-assessment using the OECD-ECMT guidelines, in the light of the resources in the ACT budget being spent on transport. Car dependency is a major issue, and cannot be avoided just because easy solutions are not at hand.

The ACT should consider both quantitative and qualitative targets for environmental policy, and peer review with other States and Territories.

Opportunities for growth transcend the conventional opposition between public and private sectors. As a national capital with a unique array of sophisticated knowledge-based activities, Canberra is in a unique position to set forth an economic development strategy that articulates the benefits the public sector brings, and its potential contribution to continued economic growth, through better links with the private sector. Maximising this potential will require some imaginative economic development strategies because the pre-conditions for success are relatively unique. Defence, the application of information technology to government services, and science are three fields worth investigating further where Canberra's expertise may be an advantage waiting to be developed. In addition, Australia's excellence in public

management suggests the potential for a strategy to attract training and consultancy activities with an Asia-Pacific outreach.

Recognised the importance of the "learning city-region" concept, and facilitates effective organisational learning to develop high levels of innovative capacity

Issues to be addressed include how to prevent a brain drain of local university graduates; how to improve student accommodation; how to expand the international base of the student population and draw on the considerable numbers of alumni to support Canberra's international profile; and how to better integrate the spatial development of institutions of higher education with the development of Canberra as a vibrant city.

Organisational learning is everyone's concern, in both the public and private sectors. Internships within government should be considered for citizens and community leaders, with a special focus on young people. A major Leadership School for the Public Sector could be considered, drawing upon Canberra's large diplomatic community (perhaps an untapped resource) to create a market.

Identified the national policies and programmes with both a positive and negative impact on its development.

Regardless of whether a country has a centralised or federalised system, national macro-economic and sectoral policies have an impact on territorial development. The national programme on sustainable development would appear to have a positive influence, but a full assessment of the territorial impact of national policies and programmes has yet to be undertaken.

Clarified the roles and responsibilities of national and regional government, and the allocation of resources, and adopted the metropolitan governance principles

ACT should consider adopting the OECD Metropolitan Governance Principles.

Cross-border relations with NSW are apparently excellent, but spillover issues related to the growth of housing and economic activity in NSW suggest the need for a regional approach based on the functional labour market

area. In addition, Commonwealth and ACT responsibilities for water management suggest that an expansion of water services to growth areas in NSW adjacent to the ACT should take place in the context of a growth management plan for the region as a whole, and after more development has taken place in ACT. ACT and Future Canberra should determine short, medium and long-term priorities, concerning how ACT can take greater leadership for the Canberra functional region.

The ACT and NCA should support a single comprehensive strategic planning process and the development of a shared strategic vision for Canberra expressed in simple, non-technical terms to assure broad public understanding.

Developed partnerships with other cities and regions, and local partnerships with civil society.

LAPACs are a form of public consultation that might take on a more formal and universal role, to add to accountability. They similarly have an important role to play in broader initiatives in the city such as the emerging Compact. The local capacity which exists within the LAPACs should be built upon.

International examples and comparators include Ottawa, Bonn, Brussels, Strasbourg, Pretoria, Geneva, and Austin. Sister City relations with Beijing and Nara should be useful.

Set benchmarks to measure progress.

Explicit benchmarks should be developed that help articulate the vision of Canberra's future, and provide detailed targets towards which progress can be measured and reported on. The benchmarks should be long-term, and can be linked to ongoing products such as the State of the Territory Report and the State of the Environment Report.

OECD will be willing to engage ACT in a follow-up of this exercise in 12-18 months.

Box 17. Priority actions to maintain the momentum

Develop the strategy and vision

A sustainable Canberra needs a strategic vision based on an assessment of its strengths and weaknesses, and informed by an understanding of the principles and objectives of sustainable development. Future Canberra should be seen as the starting point from which the new, shared strategic vision for Canberra can emerge. Maximising the benefits from existing ‘whole of government’ principles and concerted efforts to engage social partners and civil society is imperative. The strategy must be robust and durable; it should be long-term in aspiration and capable of responding in a flexible and transparent context.

Realise the potential of Civic

A strategic vision for a sustainable Canberra can be implemented if resources are directed towards creating a market for the renewal and improvement of the city. Civic has been identified as a priority and an opportunity for Canberra. Developing appropriate mechanisms to implement the goals articulated in strategy documents for Civic is essential to ensure that it becomes a civic centre appropriate for the 21st Century.

Endogenous growth

A sustainable Canberra will be dependent upon accelerating a diverse culture of entrepreneurship. The city is in a strong position to do this and the Innovation Framework is an important opportunity. It will require ongoing monitoring and development to deliver optimal outcomes.

NOTES

1. National Capital Planning Authority (NCPA), Australian Commonwealth Territory (ACT), National Development Commission (NCDC).
2. The Y Plan was developed in the 1960s to realise an urban structure, which would accommodate rapid growth, building outward in a series of towns reinforced by the location of Government activity in each town.
3. Incentives are offered to encourage development in Civic, they include: a waiver of the lease variation component of the development application fee (DA); remission of any change of use charge (CUC) associated with the conversion of existing office space in accordance with this Policy (note: this does not include CUC assessed in regard to additional land, for which full market value must be paid; and a waiver of duty); a once-only waiver of stamp duty for the sale or sublease of residential units individually valued at less than AUD 350 000 (the waiver is for the full value of duty up to AUD 250 000 and thereafter progressively reduces to a zero waiver at AUD 350 000). For the purposes of determining whether a property falls with the AUD 250 000 or AUD 350 000 thresholds, the value of any goods or chattels sold in connection with the property (*e.g.* furniture in relation to a serviced apartment) is taken to be included in the value of the property. The waiver is only applicable for a period of 12 months after the development has been completed. No waivers will be granted in respect to contract for sale entered into after 30 June 2003. The above stamp duty waiver only applies, where the contract for sale for the unit was entered into on or after 20 December 1999. Where the contract for sale was entered into prior to this date, a once-only full waiver of stamp duty for the sale or sublease of residential units individually valued at less than AUD 250 000 applies. A once-only waiver of stamp duty for the sale or sublease of the commercial component of the development other than office space. The waiver is only applicable for a period of 12 months after the development has been completed. No waivers will be granted in respect to contract for sale entered into after 30 June 2003.

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PART III

**SELECTION OF EXPERT PAPERS
FROM THE FUTURE CANBERRA SYMPOSIUM**

held 9 May 2001

PAPER 1

“FUTURE OPPORTUNITIES FOR BUSINESS IN CANBERRA: WHAT DOES BUSINESS NEED TO OPERATE SUCCESSFULLY?”

by Roslyn Hughes

Core requirements

To be successful, high technology businesses need to have:

- a product or service (based on IP and the creation of value);
- a market;
- human resources (management and other skills);
- money (finance, capital).

Environment

The operating environment can also help in creating a business. More than ever, it is important for businesses to operate in an environment where there is:

- a strong culture of innovation;
- a focus on networking and collaboration;
- critical mass in the size, capacity and number of existing companies;
- excellent infrastructure, including transport and communication links;
- competitive cost structures – rent, tax, wages;
- world class R&D capability;
- quality lifestyle.

ACT's competitive advantages

The ACT has the following competitive advantages in meeting the needs of business:

- excellent infrastructure -- in transport, communications, utilities and the provision of Government services;
- highly skilled workforce -- in 1999, around 53% of the ACT working age population had post-school qualifications, compared with 44% nationally (ACT, 2000);
- access to a large public sector market -- the Federal and ACT Governments account for over 40% of total IT expenditure in Australia (ACT, 1999);
- competitive cost structures, *e.g.* rent, labour costs, taxes;
- strong R&D capability -- in excess of 5% of GDP in the ACT is spent on R&D (3 times the national average -- see Information Industries Development Board, http://www.iidb.act.gov.au/key_reasons.htm);
- quality lifestyle -- Canberra has clean air, a pleasant environment, diverse cultural attractions, and the average commuting time from home to work is around 20 minutes.

Future opportunities

Future opportunities for business in the ACT lie in:

- commercialising IP -- taking advantage of the ACT's R&D strengths, especially in enabling technologies;
- maximising interaction between research institutions, business and government;
- expanding service provision to government;
- celebrating business successes;
- marketing IP better in order to secure finance and growth opportunities.

Future challenges

Businesses also face a number of challenges in their efforts to take up these opportunities. There is a need to:

- encourage a shift in culture, from one in which people focus on “getting a job” to one in which they seek to “create a job”;
- build critical mass in the size, capacity and number of high technology companies;
- treat business failures as learning experiences;
- break down “silos” between organisations;
- challenge entrenched vested interests;
- emphasise business ethics & honesty.

How will EPIcorp help to meet the challenges?

EPIcorp Limited is the Australian Capital Region’s (ACR) new technology commercialisation centre. Its mission is to grow dynamic enterprises through the provision of world class support for new start and spin off technology businesses in the Australian Capital Region.

EPIcorp will play an important role in taking up the opportunities, and addressing the challenges, outlined above. In particular, it will:

- Commercialise intellectual property (IP) developed in the region, using successful business models.
- Provide a range of services to entrepreneurs, including:
 - * business development services;
 - * accommodation & communication facilities;
 - * seed funding and access to later stage finance;
 - * mentoring and training.

- Encourage greater interaction amongst key players in the region:
 - * the EPIcorp consortium consists of two universities (Australian National University and the University of Canberra), the Federal Government’s research organisation CSIRO, and the Capital Region Enterprise and Employment Development Association (CREEDA);
 - * EPIcorp’s Board includes several private sector representatives.
- Provide a focus for the development of an entrepreneurial culture in the ACT.
- Provide a focus for investment opportunities and risk taking in establishing new businesses.

Implications for the Future Canberra strategy

This overview of opportunities and challenges facing business in the ACT highlights a number of issues that need to be addressed in the Future Canberra strategy, including:

- building critical mass in the size, capacity and number of high technology companies;
- creating synergies between existing enterprises and new Government initiatives;
- creating incentives for greater interaction between research and education institutions, business and Government;
- changing the balance from entrenched silos of interest, and leveraging diversity (age, gender and industries) to create more representative decision-making bodies;
- celebrating business successes & learning from business failures.

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PAPER 2

“CANBERRA – A LIVEABLE CITY?”

by John McInerney

As you can see from my CV, I am a professional town planner, and as you can imagine, well versed in professional jargon, but today I want to talk about Canberra’s liveability in plain straightforward language; because it is a straightforward question -- is Canberra a good place to live in, and by implication I guess, how can we improve it?

And liveability is variable. For young singles the term may mean night-time entertainment and a sense of activity. For a retired couple it’s access to parks, but also a sense of activity in the streets when they go to a restaurant. For nearly everyone the judgement on liveability is fairly easy, as it’s a personal response to their physical environment.

When in Civic do they feel enlivened by being in the intellectual and cultural heart of a community of around 300 000 people? Is there a sense of “belonging” in the suburbs of Belconnen or Woden -- a feeling of being part of a local community but also connected to Civic; and can they get to that centre without the increasingly expensive use of a car?

The sense of liveability that I am looking for goes beyond the provision of services such as schools, shops, and recreation space -- those services that Canberra’s planners have provided for so well -- even to the envy of much of the rest of Australia. In a sense it is the next level of achievement for a community, after it has organised the day to day services. One thing is certain; it requires a community to have taken responsibility for what their city is. In the case of Canberra, not Walter Burley Griffin’s idea of what it should be, or for that matter Robert Menzies, or John Howard’s, but what Canberra citizens and their elected representatives decide is best for themselves and their families and visitors. Articulating that vision in a physical form is perhaps a planners major role, and I include politicians and community leaders within that word planner. Canberra has not shortage of planners in that sense, but for my

purposes I have chosen a few who have expressed views over the years on issues related to liveability.

One of those citizens who ought to have a fair idea of liveability is Sir John Overall, ex head of the National Capital Development Commission; a man, says the Canberra Times, “*who built the modern and vibrant city of today*”. In his autobiographical book *Canberra -- Yesterday, Today and Tomorrow*, on the last few pages, he says “*Australia’s National Parliament has nothing around it but traffic systems and open space. Visitors to Canberra find it’s great public buildings scattered to the far corners of the National Capital Triangle. Canberra is a microcosm of the country and its culture but it still has no physical heart*”.

Or a visitor to the city, ex Sydney City Councillor Elizabeth Farrelly, who recently wrote “*Canberra’s single most obvious characteristic, though, the thing that overwhelms all other impressions, is its vast, verdant openness. Canberra boasts about 300 times the parkland area of London’s enormous Hyde Park -- for something like a 60th of the population*”. She went on to talk of what might have been:

“The answer is mixed. Certainly Griffin intended much denser development of the parliamentary triangle, and along the primary boulevard and tram lines. The vast tracts of sacred grassland that now moat each institution, for example, would have been built upon, providing continuous definition of streets and vistas. Urbanity, or something like it” (Farrelly, 2001).

These two impressions may be surprising to some of you, and perhaps arguable, but they are not unique. Crispin Hull, a Canberra Times columnist, noted less than 6 per cent of Canberra commuters using public transport compared to 30 per cent of Sydney city commuters, and the resulting spread of car parks around Civic, adding to the sense of emptiness. He concluded “*There are perfectly good parking lots in the centre of the city for residential infill*”.

On the other hand many Canberrans talk of a different vision for Canberra -- one based on landscape and nature -- a “Bush Capital”. The beauty of many streetscapes is, I think, undeniable. In fact, it is arguable that something of international importance has been created in Canberra streetscapes and issues of heritage preservation are relevant.

I have come to the conclusion however, that there is truth in those negative comments and that there is a need for a new vision that concentrates on the idea of a liveable city. I have also realised that any new vision is, to a great

extent, pre-determined by what exists now in Canberra, and what exists now was largely determined by two 19th century international planning philosophies generally called the City Beautiful Movement and Garden Cities. Therefore, before heading on to the idea of Liveable Cities, I would like to briefly outline the basis of those two philosophies.

The City Beautiful: as evolved in America by the beginning of the 1900s

The City Beautiful has a longer historical lineage than the Garden City, and was the main driver behind Griffin's winning design for Canberra.

- A physical expression of the ideal democracy with land uses located in the best interest of the community, promoting freedom of expression and commerce.
- Maximising public ownership of land and infrastructure to allow for the most efficient use of private land (the extension of this idea leads to the Canberra leasehold system).
- Improvements in 'Aesthetics' in all site layouts and buildings, referencing the late 19th century layouts of Paris and Washington.
- The radial thoroughfare adjusted to incorporate existing landform, with terminating vistas as the driving design themes.
- Public transport (trains and trams) linking residential districts comprising multi-storey apartments and terraces at a net density of 126 persons per acre (compare Canberra at 25 per acre).

The Garden City: As accepted in Australia at the time of the Federal Capital Planning Congress (May 1901)

- The creation of a healthy, disease free environment determined by fresh air, sunlight and uncrowded conditions.
- The reproduction of a virile race of white Australians.
- The creation of high standards of moral health as opposed to the degeneration and disintegration of character seen in congested urban areas.

- The provision of social stability as opposed to the revolutionary sentiments that found their breeding grounds in slums, and
- Financial viability, garden suburbs promising value and prospective profits.

Incidentally, some of you may have noted the similarity of City Beautiful ideas with New Urbanism ideas emerging from America over the last few years. For instance, Peter Katz in his book *The New Urbanism* says “*Contemporary suburbs have failed -- they may have diversity of use and user but they are segregated by car domination*”.

The ultimate dominance of the Garden City concept in Canberra was guaranteed by the growth of car ownership after the war, and the result was described by a previous Capital Works Director, Percy Owen “*Griffin had imagined a far more compact capital city than the one we have, a city with buildings and spaces within walking distance of workplaces or connected by the railway and tram system that were part of the dream. Not achieving that dream, through a spread out suburbia, took the life out of the city and emphasises its artificiality and its remoteness. It became (after the 1950s) a motor car city*”.

I worked as a planner for the National Development Planning Commission during the early 70s and were all committed to the Y plan based on self-contained districts, the single family detached dwelling, and almost total car ownership. The realities of this millennium were just vague possibilities, sustainability had not been invented, and the word “environment” was just coming in to planners’ dictionaries. Arguably, the most significant change since then has been the emergence of a demand for what could be called urbanity, and this is an Australian wide phenomenon. The predetermined family structure built around Sunday roasts and circumscribed by a front and back yard, with work being something that Dad drove to every morning, has been replaced by a multi-cultural, media dominated, worlds best standard lifestyle. The new Australian (and I don’t mean the New Australian of the 50s and 60s), expects to change their residence as their needs change over time, to be serviced by urban centres that provide a full range of social and entertainment facilities, to anticipate survival without a personal car, to meet and congregate in public/private spaces and be provided with food and drink at the same time, and finally to enjoy the spatial experience that “urban” cities overseas have been providing for centuries -- and of course they expect to travel in those countries as part of their world-aware existence.

And there are further changes to come, as a recent research study in the US on economic drivers, by Professor Richard Florida indicates (Florida, 2000). There, the most reliable indication of a city's potential leadership in the new economy is the percentage of gays in the population. Not because gays are themselves essential to support leading edge technology cities, says the Professor, but because the gay population is a reliable indicator of the things that are -- diversity, tolerance, openness, and an interesting cultural and recreational life. Not surprisingly, Lucy Turnbull, Deputy Lord Mayor of Sydney commented that the research was fantastic news for Sydney, and she said *"The gay culture in Sydney is the harbinger of many of the lifestyle qualities that are now so attractive to the heterosexual population as well, notably a fun and active street life that is not entirely mall bound."*

I conclude there is now a need for a new, Canberra-generated philosophy, aimed at creating a more urban rather than suburban Canberra, with a significant central area permanent population, connected to the district centres by a revitalised public transport system. The principal characteristics add up to what I call the Liveable City, and these characteristics or principles can be listed as follows:

The Liveable City

- There should be a multi-use city centre with a wide range of activities and opportunities; mindful that the quality of the urban experience is largely determined by what happens at street level.
- City centres should contain relatively extensive sectors of permanent residential uses.
- Programs of public domain improvements need expansion as part of Central City revitalisation, resolving connections to surrounding areas, quality of street design, and the servicing of all residents and visitors.
- All the above should be applicable, as appropriate, to all lower order centres.
- Emphasis must be placed on developing all forms of public transport to achieve a viable and sustainable mix of public and private transport.
- Public transport planning must be integrated with land use planning to achieve necessary residential densities and central area car parking limitations.

I am proposing that these principles be the basis of the next stage of the Future Canberra process, which could be in the form of a strategic direction statement -- to which I will return later.

Before looking further at the application of Liveable City to Canberra, I want to address a planning technique that has been used in the past to stymie innovative strategic changes -- the need to reserve land for "future use".

In the past, particularly during the 50s and 60s, there was clearly a need to allow for future major land users. I believe, with a few exceptions, that the major users have been allocated and that Canberra should now be developed to serve the needs to its current citizens and visitors.

The first of the Liveable City principles effectively looks for an active multi-use centre with a bustling street life. In other words, more of the Civic Revitalisation program; and I note it received additional funds in the current budget. The "liveability returns" of relatively small expenditures of this kind are enormous, and justify the preparation of plans for a large number of projects to be "on the shelf", waiting for a window of opportunity. The revitalisation of central Melbourne in the 80s and 90s used this technique with great success.

The second principle calls for more permanent residents in the city centre. I am aware of current government initiatives, but the end product so far has been relatively small. As an example of what can be achieved, almost entirely through planning controls, the City of Sydney doubled its central city population in four years from 1996 to 2000. In 1996, the planning controls were changed to give a 50 per cent increase in floor space for residential as opposed to office use, and height limits were adjusted accordingly. Melbourne City Council went even further and set up a Residential 2000 project group which actively searched out locations in the City for additional residential uses.

Of equal importance is the idea of a general upgrade of the public domain, linking the centre with its surrounding uses, particularly the University, the northern residential areas and across the lake to the parliamentary triangle, and especially the historic 'Griffin' link to Russell. The completion of the new Museum is a challenge to connect it to the City and the University and put paid to the following criticism by Farrelly: "*So, what kind of nation does enshrine a big empty paddock as its symbolic heart*".

Finally, I want to address the question of whether an expanded public transport service is viable and sustainable.

As a part answer let me mention that some 30 cities throughout the world are currently installing or extending varieties of bus/light rail systems in their central areas, and that number is expected to double in ten years. Closer to home, Sydney has an expanding light rail system and a new system of bus Transitways being constructed to serve western Sydney. The lifeblood of this Transitway system, and in fact all successful public transport systems, is a concentration of commuters within walking distance of stops. In Canberra, dispersed suburbs are served by buses, and to move this basic system up a notch requires a radical restructure of land uses and 'Transitway' type access routes, connecting ultimately into the city centre. There is a useful coincidence of residential densities being needed for public transport and being a positive help to improved urbanity.

A little further from home, Adelaide's O-Bahn system, based on a German model, is proving increasingly viable and another example for Canberra to study.

My conclusion is that Canberra does not actually have the luxury of a choice. A viable, sustainable, public transport system is a prerequisite to reach that next level of community achievement I spoke about earlier. The price to pay is land use plan changes allowing carefully located higher residential densities, and mandating restricted central area car parking.

In closing, I would like to touch on perhaps the greatest impediment to "Canberra the liveable city" -- and that is whether the existing political/planning system can accommodate new planning philosophies when even minor planning decisions often seem to become major political issues. I am also aware and supportive of the fact that the Canberra community will not accept any reduction in the openness and accessibility of current democratic processes -- if anything there is a demand for more involvement by all interested parties.

If past experiences in other Australian cities can be a guide, any successful major shift requires the conjunction of a "climate for change" with consistent and dynamic leadership able to articulate and champion new visions and strategies. I think we have that now in Canberra. The complete shift can take 3-5 years but is usually followed by a significantly longer period of stability and implementation. I believe this process *has* begun in Canberra and we here today are part of it. The Future Canberra programme began in October last year and as a result of a wide-ranging community consultation, including the OECD input, PALM should be in a position to produce results later this year or next year. The process has so far been of world standard and I hope it continues at that level.

Around ten years ago the City of Sydney carried out a similar process and first up produced two simple, easy to read booklets which set the stage for a major shift in planning direction, and still continue to guide the city's development. These booklets proposed a strategic development framework with an integrated transportation underpinning. Here, the equivalent publications should include a Regional Strategy for the ACT with surrounding districts, and separate but integrated strategies for Central Canberra, and the centres of Woden/Western Creek, Belconnen, Tuggeranong and Gungahlin.

Canberra has the ability not only to absorb the best techniques from other States and Territories, but also to pioneer its own, and I refer particularly to the success of the Section Master Plan redevelopment approach in the inner suburbs. This uniquely Canberran solution is still in its infancy and could be expanded to cover several sections at a time and even roadways. Creative management of the DA process can effectively implement strategies in anticipation of their formal incorporation in the Territory plan.

Planning *is* a form of politics, and the long term nature of a new strategic plan makes it particularly vulnerable to political expediency. Again, Sydney and Melbourne experience suggests the need for a driving group, perhaps a standing government committee expanded as necessary to create a bi-partisan, continuing body, acceptable to the government of the day.

This body should also co-ordinate a major program of capital works allied with Livable City and geared to highlight the benefits of the strategic framework. The works could range from small urban design improvements in Civic to major new public transport initiatives. This public sector investment will also act as a catalyst for a major increase in private sector investment throughout all areas of the ACT. And this is ultimately, the combination of public and private investment is the return to the people of Canberra for the efforts they have put into Future Canberra since October, and will put in for the next few, years to create Canberra -- the Livable City.

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PAPER 3

“ECOLOGICALLY SUSTAINABLE DEVELOPMENT IN CANBERRA: A CITIZEN’S VIEW”

by Brett Odgers

It is said that as people grow older they become more conservative and assume more simple paradigms of life, compared with the freedom, open-mindedness and passions of youth. In my case, at 61 years I have been reflecting more about the spiritual and ethical aspects of life, a Napoleonic code to deal with the urban consolidation of Canberra, and -- for more than a decade now -- the future of Canberra depending upon a concept of three -- better two -- words “sustainable development”.

The inclusion of the adverb “ecologically” has not served the environmental cause, or even the overall concept, particularly well because it allows anyone to confine the notion of “sustainable development” to just the natural environment, instead of linking it to all sectors of human activity. Another important feature of ecologically sustainable development I would like to emphasise arises from this all-encompassing nature. It is similar to Walter Burley Griffin’s *Preliminary General Plan* (Griffin, 1912) for Canberra in that it is a response to momentous challenges and an outline of a design, that assembles basic objectives, functions, values, principles and symbols in a coherent, interrelated and inspiring package. Its implementation is left to succeeding generations to appreciate, translate, interpret, create, apply and enjoy.

The ACT Commissioner for the Environment, Dr Joe Baker, is a leading interpreter of ESD. He epitomises the established Australian tradition of defining “environment” in broad social terms and taking a “whole systems approach.”

Sustainable development, or ESD for short, has the virtue of being a simple concept, a powerful idea, and providing a whole system overview of the direction humanity should be taking. This is not a grandiose statement. The

reality is that it was conceived globally during the period 1975 to 1990 when a trilogy of United Nations reports and resolutions addressed the contemporary challenges of war and peace (*Palme Report*: UN, 1982), the North and South Divide (*Brandt Report*: UN, 1980 and 1983) and environment and development (*Brundtland Report*: UN, 1987), culminating in the crucial Rio Conference 1992 and Agenda 21 on sustainable development, which Australia signed.

The Council of Australian Governments had already in 1992 adopted the *National Strategy for ESD* based upon an outstanding national process of inclusive community consensus-building. Progress since has been slow but inexorable. In this year 2001 Australian governments tend to lose sight of the global situation where the prevailing patterns of production and consumption are causing environmental devastation, resource depletion and social instability.

Australia may be focussed on trends in global trade but has lately been decoupling itself from global environmental ethics and imperatives: as say reported by the Worldwatch Institute in 1999, land degradation is approaching the earth's biological limits; the resources of the rainforests are disappearing; species extinction accelerating (at 1 000 times the rate of evolution); the oceans are now degrading alarmingly; and climate change poses enormous ecological, economic and public health threats. As a major food exporter, Australia is under a cloud of land degradation.

The essence of sustainable development is the interdependence and integration of social, economic and environmental sustainability. The National Strategy is encapsulated in a single goal, three core objectives (including intergenerational equity) and seven guiding principles. The document then covers nine basic sectors of the economy and 22 intersectoral policy areas of social, environmental and institutional significance. The essential approach is applicable at global, regional, national, State and local levels.

The NSESD was a triumph of broad national community conflict resolution and constructive policymaking, but national and political leadership was required to implement it. It is no surprise that the United Nations reports that Agenda 21 is being more readily and effectively applied at local levels.

My views as a citizen on Canberra's future derive from my life long residence, professional background (in environmental economics and public administration) and recent involvement with community conservation and residents organisations, together with the providential Future Canberra programme and OECD Review. I am not entertaining idealised scenarios but rather meeting with the manifest problems, practicalities and prospects of living

in Canberra at a crucial period -- I would say predicament -- in its history. ESD is an amalgam of factors and my forecasts for Canberra are similarly a synthesising of predictable trends and recommended manageable responses.

I am confident about Canberra's economic sustainability. The factors of production are robust and well suited to the advent of new global and technological forces. There have always been a diverse employment base, secure investment, productive assets, sound education system, continuing research and innovation and population growth. This underlying prosperity is due largely to the evolution of National Capital and Seat of Government functions, augmented by the regional role and proximity to Sydney.

A significant qualification, typical of Australian governments generally, is that ACT Government policies towards employment and job creation are very limited.

Canberra for me has always been an enjoyable place to live and exciting in the way opportunities keep emerging for development of many kinds: the central lake, new and recycled parliament houses, changing forms of urban settlement in the beautiful natural setting of the Territory, enhancing Canberra's qualities, continuing growth of cultural, artistic and spiritual resources, and location for science and technology enterprises. The community unrest over current infill developments has served to remind us also of the special heritage legacies of Canberra's planners, architects and landscape designers from Griffin, Weston and their successors to the heyday of the NCDC: *the Griffin Plan – Garden City – a national capital deserving of the role – an ideal democracy – first class town planning.*

As Canberra has grown in terms of size and pace, say during the accelerated period of the 1970s or during the rapid and at times indiscriminate developments of the last few years, questions have arisen as to how much and what sort of development enhances Canberra. It should not be difficult to answer these questions because Canberra, of all cities, is the subject of well-defined roles, responsibilities, plans, statutory planning processes and public appraisal. Their significance is local, regional, national and global. Canberra should capitalise on its assets but also realise its obligations as a presumed exemplary national capital. They reinforce one another.

Canberra cannot claim to be a sustainable city. It has been said from a sustainability viewpoint to portray "inherently destructive imagery." The energy and materials metabolism of Canberra is as high as the other Australian cities. Its per capita "ecological footprint" is just as large. Apart from solid waste management, efforts at energy and resource conservation are modest

indeed. The ACT *Greenhouse Strategy* (ACT, 2000) may compare well with other parts of Australia but in the international context the proposed measures are far from radical enough in any sector. The transport system is shamefully private car-dependent with a languishing public transport system and government policies that perpetuate this situation.

There are no pretensions to greater self-sufficiency in food production. Food requires more resources than shelter, transport or power. Inordinate capital investment has been allowed in the retail shopping sector, with Canberra “leading the nation in retail sales” (14% increase during the year 2000). On the expanding perimeter of Canberra, high value native fauna and flora continue to be lost. Resources for nature conservation are constrained and restoration of degraded biodiversity, especially the lowland grasslands and woodlands ecosystems, is not being addressed.

Another barrier to sustainability is the declining public sector capacity for raising revenue, professional competence and maintenance of its planning system.

Countervailing moves for urban consolidation and location of jobs closer to residential areas and satellite Towns are proceeding slowly, whilst public transport and more socially and environmentally sustainable housing are regressing. A commendable “Sustainable Development Index for Residential Development” was issued by the Department of Urban Services last year, but it is not accompanied by broader scale land use and transport policies at the metropolitan, district and suburban levels. Section Master Plans utilising community value statements are under way, but not within a metropolitan framework of structural change.

There is a range of government programs designed to encourage householders make *some* better environmental choices, but they do not extend to the complementary opportunities available with communal, rather than individual household, planning for more productive use of land and resources.

For all its virtues, the new Residential Code does not really address either communal planning with its sustainability potential or Canberra’s continuing aspiration for lively, complex, complementary and dense urban facilities. A liveable city to layer upon liveable neighbourhoods.

Some of the necessary radical initiatives towards sustainable development depend upon Commonwealth and intergovernmental national policies, but they are lagging behind many other advanced countries, in such crucial areas as climate change, renewable energy systems, land, water and

forests management, ecological taxation and cultural heritage protection. For its own long-term welfare, therefore, the ACT must be better geared to these global imperatives.

On the score of social sustainability, Canberra is well endowed but recent developments have revealed major shortcomings. The present Government's policies on social capital and Local Area Planning Advisory Committees (LAPACS) have verified the existence of community capacity to participate in democratic processes, but the processes themselves have been unsatisfactory: most importantly, consultation and selected representation are no substitute for real participation. The Legislative Assembly performs well as a legislature and committees sounding board, but again the community has lost a deal of confidence and trust in the credibility and responsiveness of the planning processes. Resulting resistance to infill proposals, the residential policies code and landscape preservation has practically halted even minimalist progress.

This weakening of democratic processes in Canberra is related to a failure, for a decade or more now, on the part of government to refurbish the overall vision, plan and metropolitan strategy for Canberra, so that the community can feel like stakeholders (ownership) and share in collective understandings and values about Canberra's development path. In turn, a distilled vision and associated strategy and values should provide a context for improved local consultation processes, a better informed citizenry, more tolerance, co-operation, harmony and resolution of conflicts.

The weakness is deep-seated. Canberra is lacking strong institutions: a fully competent and professional bureaucracy (witness the unrest over urban infill); an Executive that upholds accountability and whole of government policy consistency (witness the 2001 Budget concessions to car-owners despite a strong community campaign for a better bus service); and the Tourism and Special Events Corporation which wilfully overrides public appeals to National Capital, cultural and sustainability values. This predicament is compounded by the universal trend, where Canberra is no exception, for the public sector to give way to the private sector, privatisation, market economics and business-model "new managerialism." The "public interest" lies usually in the ad hoc discretion of the Government rather than a framework of integrated policy criteria and consistency.

In addition, community groups are well aware of the government budget austerity and neglect of the revenue base. Lack of financial resources impinges on the range of community aspirations for improved, more decentralised governance (say through empowerment of LAPACs) through to the funding of environmental programs; it places at risk, for example, the

community service obligations of ACT Forests at a time when they are being further privatised. Given the contraction of the public sector and government capability universally, responsibility is passing to both the private sector and communities. “Social capital” requires genuine partnerships with government.

One other institutional lament for community groups has been the severance and decline of Commonwealth responsibility in the planning of Canberra. Major issues such as the character of the National Capital, main roads, an integrated transport system, a metropolitan development strategy, location of Australian government employment, heritage, Canberra’s open space system, Lake Burley Griffin and redevelopment of Commonwealth landholdings have significant ramifications for both Commonwealth and Territory. The ACT government appears to proceed however in a Commonwealth vacuum.

Conclusions

In the perspective of the whole sustainable development and institutional system, there are many parts which need fixing and within the same time frame. Opportunities such as federation centenaries and OECD Reviews can provide the catalyst for concerted efforts in new directions. Global economic, environmental and political pressures will drive change. The main agents of change are at this juncture, however, in the ACT itself.

The thesis of my presentation is that Canberra has a potentially great future, sustainable development is the paramount contemporary challenge-cum-opportunity and there is a wealth of options available to the Government and the community for creating preferred changes.

Many of the initiatives towards democratisation or community involvement in planning are part of the way established. Government reforms towards policy integration, strategic metropolitan planning and professional capability require a fresh commitment. On the substantial contents of sustainable development policies, many non-government organisations in Canberra are engaged in formulating proposals and demonstrating solutions. Indeed, the ACT Government and the National Capital Authority undertook various major reviews through the 1990s that provided comprehensive guidelines for achieving sustainability, but the momentum and commitment fell away.

From my viewpoint, the sustainability priorities demanding attention include:

- a sustainable city template;
- revised metropolitan plan;
- democratisation and resourcing of planning;
- restoration of planning integrity and the nexus with National Capital planning;
- public transport;
- appropriate urban consolidation in the context of metropolitan planning;
- energy conservation;
- greater self reliance in local food production;
- decentralisation of employment, and
- increased allocation of resources to nature conservation.

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PAPER 4

“PUTTING THE PUBLIC BACK IN PARTICIPATION ‘READY, WILLING AND ABLE?’”

by Susan Pellegrino

Introduction

I do not claim to be an expert on the issues facing us regarding urban development -- but perhaps some of what I talk about today will serve to raise discussion -- rather than provide answers -- and surely this is a healthy thing.

As a representative of the Youth Coalition of the ACT and the Young Women’s Consultative Forum, I bring a different perspective to that of economists and architects -- I will focus on the place of social equity and community participation within the planning of the future Canberra as a sustainable, liveable and economically viable city.

What type of city do we want Canberra to be in the future?

It is important to ask us this question. I believe that we each have an ‘ideal’ -- a definite view of the way we wish to live. And there is nothing wrong with asking for your utopian vision -- because from the expression and combination of such visions -- directions and priorities are formed. As citizens of Canberra we have the right to participate, at all levels -- and therefore it is more and more accepted that planning is no longer simply the domain of experts.

For myself, my vision of the future Canberra is one where there is a strong commitment to the active pursuit of social justice -- emphasising the principles of equality and participation at all levels.

Government has the role of ensuring consultation with community, whilst being sure not to compromise principles to appease ‘the loudest voice.’ It is true that with the maturing of Canberra as a city, local residents have become more active and organised and expect their views to be heard. This is something that we should revel in -- as it demonstrates the personal investments that individuals have -- on a variety of levels -- within their community...

Whilst meeting community expectations at a local level, Government must also meet expectations as the National Capital -- to be able to be held up as a role model to other countries, as one which is inclusive, and recognises the diversity and varying needs of its citizens -- one which actively seeks to hear and respond to all voices -- particularly those more difficult to engage -- no small feat -- but one which Government must embrace if we are to achieve the much touted...

Strong sense of community: challenges ahead: whose responsibility?

If we are to achieve this, we must recognise the contributions being made by individuals and groups within our community, the special contributions of indigenous people, and those from diverse backgrounds.

Active, positive communities back leaders to make courageous decisions, whilst increased participative democracy develops acknowledgement and ownership by communities. These are the benefits Government will reap if it actively invests in building upon Canberra’s.

The sum of the skills and knowledge held by members of our society

Investing in a strong social policy, which will create life opportunities through education, employment and improved health will assist in building a community in which people feel a sense of belonging and want to contribute to their community -- which build on the social capital of the community. Is it any wonder why people feel disassociated from their community when basic needs such as the needs of a young woman requiring emergency accommodation cannot be met; or as a young person you are the subject of increasing control, monitoring and exclusion from public space.

As leaders, Government must invest in assisting those groups who are disempowered to be able to participate on a level footing, and ensure that a whole of community responsibility is adopted.

This responsibility extends to the nature of partnerships developed between community, business and Government. It can be said that all large corporations which consider themselves builders of capital wealth for shareholders and stability for the broader community, should also embrace their role as good corporate citizens by building social capital. Government should encourage corporations to contribute to social capital in the form of social infrastructure when corporations plan new developments. Planning agreements between government and corporation can ensure that developmental rights are linked to reciprocal obligations regarding broader community goals (e.g. through ensuring participatory community planning, employment generation, accessibility, etc) (Robinson, 1999).

Role of community: engaging, empowering and exciting community

The community must have an active voice and sense of ownership in the qualities and management of the ACT. There needs to be interest of whole communities.

It is the job of Government to gather the technical information they require, as Governments must make decisions based on the best information they have. An important part of this information is what their citizens think and value.

Government already has a number of good mechanisms to facilitate community involvement and consultation in planning and policies which affect their lives. Factors and conditions, both within Government and community, which might facilitate or constrain such participation must be ‘voiced.’

Government’s part in facilitating fruitful participation includes a strong commitment to the processes (including adequate resourcing (both physical and imparting of knowledge regarding Government processes). This also means that recognition must be given to the need for Government to prioritise the resourcing of social infrastructures.

It is a reality that Government’s wishes to have a participatory community will continue to be ‘tokenistic’ whilst resources are not directed to addressing basic needs -- ensuring that all citizens have the opportunity to experience certainty and stability, with accommodation and other basic needs being met. Individuals cannot participate in the broader community if their energies are directed to mere survival. State Government must also commit to lobbying the Federal Government for support in prioritising and addressing these needs.

How, for example, can young people living below the poverty line on the Common Youth Allowance really participate at all levels?

Government must also have a genuine commitment to implementing jointly derived outcomes. Participatory mechanisms become constrained when relationships have not been nurtured, and when previous participation has been limited and 'tokenistic.' One such relationship is that between young people, planners and public space.

Young people and public space: the engagement of young people in urban planning

Public space continues to be a site of potential conflict between young people and other groups in the community. Young people also argue that they have nowhere to go, that they have a right to be there, and that they are not doing anything wrong. It is a fact that many of the central places in Canberra are shopping complexes, however young people are often targeted by security personal if they congregate in these complexes.

In 1993 the Australian Youth Foundation conducted a national study of young people in which the majority of respondents expressed strong feelings of alienation from their communities. More recently, National Crime Prevention research has again served to highlight the importance of incorporating young people's concerns in planning and developmental strategies. Young people must be given the opportunity to utilise public space, which often exists and is seen as 'adult space.'

Numerous projects have been undertaken in different States and Territories and by various stakeholders in an attempt to address these issues. These include co-operative ventures between major retail corporations, youth services and local councils; and the work done by UNESCO within their '*Growing Up in Cities*' project (UNESCO, 1997), designed to involve young people in the planning and creation of their urban environment.

Such research and related projects have demonstrated the need for strong guiding principles, policies and strategies which identify and act on the key issues related to young people, planning and public space. In an effort to ensure social inclusion rather than exclusion, we must recognise that young people are valuable and valued members of the community with rights and a diversity of needs and aspirations, and recognise that young people are legitimate stakeholders in planning processes and users of public space.

Good practise would include a youth policy that was reflected in planning regulations and social impact assessments, with underlying strategies aimed at increasing young people's participation in planning and consultative forums that affect their wellbeing. For a variety of reasons, including historical, cultural, economic, legal and social disadvantage; there are specific considerations which need to be taken into account when negotiating with Indigenous young people on the issues relating to public space.

Many have the long-held assumption that young people are not interested in planning processes, or will have unrealistic expectations. Contrary to this, past and present projects indicate that given the opportunity, young people will engage in authentic participation opportunities -- where their contribution is valued -- and will offer insightful and practical ideas which taken into account the needs of the whole community.

Many young people are actively involved in local community issues and in creating change at this level. Enabling young people to contribute and create change within their community is an ongoing and fluid process. For example, the education system has a role to play in informing young people of their rights and responsibilities, and encouraging avenues for participation in the working of the greater community. Once again, on a broader level, this means having measures in place to support young people -- and all citizens -- to participate.

The work done by Dr Karen Malone (1997), as part of UNESCO's '*Growing Up In Cities*' project in Braybrook, Melbourne, illustrated the need to prioritise the building of neighbourhoods in which young people have an 'equal footing', ensuring young people are skilled to be able to participate fully in planning processes, and that their contributions are valued.

Dr Malone's work also demonstrates the value of consultants and planners being prepared to use a variety of different processes and mediums to involve, stimulate and excite different community members -- using video peer interview, photography, participant led-tours... Ensuring that creative ways of accessing the views of young people and of communicating with young people on their own terms are explored and adopted:

"Chasing behind a group of young people on bicycles during a neighbourhood tour while trying to write notes and take photographs has been the most successful research method we have used."
(Malone, 1999).

Encouraging and supporting the participation of young people in the planning processes of Canberra's urban revitalisation should be an important priority for Canberra. These processes also have the potential to provide young people with an opportunity to have greater involvement in, and sense of positive identity with, the life of the Canberra community.

In the words of Dr Malone:

“Planning with young people means exposing the layers of historical and social debris on the streets, reading the neighbourhood from the lives of young people, and embarking on participatory processes with them. The role of the young person is to be willing, the task of the planner is to be able.” (Malone, 1999).

Conclusion

Ensuring inclusive systems and participatory planning means addressing power relationships and understanding the culture of a community. Inevitably this will mean recognising and sometimes challenging existing structures and cultures. On a practical level, this will also mean recognising the need for, and value in investing in a strong social policy aimed at addressing existing inequities.

Government and planners need to appeal to the beliefs and aspirations of ordinary people who want a better life in a better environment -- to excite and engage the community -- to demonstrate a willingness to take risks -- to include and embrace all its citizens, at all levels.

In this way powerful life partnerships will be formed and brave new worlds created.

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PAPER 5

“FUTURE CANBERRA—SUSTAINABLE OUTCOMES”

by Colin Stewart

The role of architecture and urban design in producing a more sustainable city

I'd like to talk briefly about the role of architecture and urban design in achieving a quality built environment and a more sustainable city.

Our submission to the OECD focused upon the value and need for a single vision statement for the ACT in terms of the vision for our city and a sustainable city.

This single vision statement or strategic plan would bring together national, regional and local strategies for a sustainable city. It would bring together policies in planning and design that are currently being adopted as well as identifying new challenges ahead of us.

This vision statement would for example address the issues and impacts associated with the expanding city/suburbs and how we might achieve more compact integrated city.

We don't believe the Territory Plan (ACT, 1993) adequately addressed these fundamental issues of what policies need to be adopted to achieve sustainability. But we do support the view that good design/good urban design policies for a more compact city make good business sense and good environmental sense. We support the view that there is a link between design culture, entrepreneurial culture and environmental culture of our city.

I would like to now focus on the central area of Canberra but make the point that most of these observations can be applied and should be applied at the neighbourhood level and town centre level throughout the ACT.

Each part of our city is under pressure for change. This pressure is coming from changing demographics, changing social values, changing lifestyles, changing households, changing work places, etc. In each case I believe that people need to identify what it is they want to see in their neighbourhood or centre and once this is achieved there are often exciting opportunities for achieving good design outcomes.

Fundamentally it seems the neighbourhoods that are best adapting to change and are prospering are those that have increasing numbers of households, offer a diverse range of house types or lifestyles, are diversifying business and non-residential activities available and are becoming more compact, more closely built, more pedestrian friendly.

I am certainly excited and confident about a changing mood in Canberra towards exploring change, new ideas, new housing types, while of course not forgetting the values or 'collective memories' that all people value.

Now back to the Central Area of Canberra.

We must remember firstly, in relation to the central area that Canberra is growing up, is only partly built and unlike most other great cities has a vast public domain at its heart in the central national area. Never has there been such an exciting challenge ahead for this city to express its true colours.

What amazes me about the central area is the vast areas of car parks. If you think of each car park as a potential building site for a range of activities, including national, regional and local uses (business, institutions, accommodation etc) there is the potential to extend the urbanism of the city without losing the value of the landscape setting or the richness of the national place.

What worries me is the dominance of the expressways or parkways that dissect the central area and the lost opportunities to create grand avenues in their place. I am also concerned about the extent of the public domain and the vast extent of underdeveloped or vacant urban land for example on Constitution Avenue, there seems to me to be a vast no man's land between the city, Reid, Campbell and the lake. It's not park, it's just vacant land waiting to be utilised and apparently ignoring its true opportunity cost.

When you leave the city at the Sydney & Melbourne buildings and head south on your way to Woden via Parliament House you don't really pass any activity or place except a glimpse of the Hyatt and quick glimpse of the

British Embassy and that's about it. Yes, you do pass a lot of car parks! If you're walking, good luck!

Alternatively when you leave the city and head to Russell or the airport what do you see? If you go via Constitution Avenue if you can find it, you go past a few buildings on one side of the road and nothing really on the other except at Anzac Parade. Going via Parkes Way, there's a good view of the lake and nothing else.

This is not in our eyes a complete city centre or great national area. This is an opportunity waiting to be seized by an inspired community to be grasped as the next great challenge in building this city.

Constitution Avenue must be several kilometres long and connect the city centre or regional centre with Russell, which I like to refer to as the international or world centre.

The building or completion of London Circuit as a city boulevard and the building of Constitution Avenue as a grand boulevard would capitalise on the ideal northern orientation it offers along its entire length coupled with the glorious views and proximity to the lake and central national area. In my eyes this opens up some very seductive urban imagery. This grand Constitution Avenue will link the two extremes to the city from the north and provide a dress circle location for a truly great urban vista and address of the highest order.

It would be shameful if we relegate this avenue and the other avenues in the central area to a second rate role as commuter routes, as expressways and lifeless traffic arteries, parking lots or vacant lots.

The indications are that this will not be the case. The NCA's most recent publication on the Parliamentary Triangle (NCA, 2000) identifies this as a major issue and proposes to strengthen the avenues. The NCA's role in restructuring Russell to complete this apex of the triangle by linking Constitution and King's Avenues has also enormous positive potential for the next phase of city building.

Of course the Kingston Foreshore project will extend Kinston to the lake and will with other new developments in Barton effectively link Kingston through Barton to the Parliamentary Triangle and King's Avenue. The development and building of the grand Constitution Avenue axis will effectively serve to link in an urban sense the city centre to Russell and on to Barton and Kingston.

These ideas are by no means new, they keep coming up and they can be extended to State Circle, which offers so much potential as a grand address encircling Parliament House.

Why these ideas are coming to the fore now is related to the growing realisation and importance of the need for achieving a more compact city that can offer an alternative to the dribbling of suburbia forever outwards.

Whether we look at a neighbourhood, a local centre, a town centre or indeed the national area we have an obligation to utilise land wisely, effectively and efficiently to create compact integrated urban places of a significant density to enable more people to live close to urban facilities to be close to attractions and to create an environment that is conducive to improved public transport, easy walking regimes and environmentally responsible lifestyles.

In conclusion I would like to mention that in preparing these brief notes and observations I was impressed and absorbed by the thoughts in cities by Richard Rogers the architect and author of *Cities for a Small Planet* (Roger, 1998). Richard Rogers is renowned for giving the Reith Lecture in London in recent times and also of course was with Renzo Piano the architect for the Pompidou Centre in Paris.

In his book Rogers states that ‘culture’ and in particular architecture was the fourth most important voting issue in France. That’s a challenge for us to match here in Canberra and in Australia.

We, the RAIA, applaud the ACT Government in initiating this wonderful event and conference with the OECD to review Canberra’s future and we certainly welcome further debate and discussion particularly from the best minds around the world on the subject -- Future Canberra.

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PAPER 6

“FUTURE CANBERRA: POVERTY OR PARTICIPATION”

by Marianne Vreugdenhil and Daniel Stubbs

Introduction

Equity, cultural relevance and a high degree of social participation are all elements necessary in building the Canberra of the future. The question remains: how do we create an environment characterised by social diversity and social justice; an environment in which people no longer live in disadvantage?

On the surface, Canberra appears to be a city of opportunities, enjoying a high average income, a wide range of resources and a pleasant ‘bush capital’ environment. However, one in twelve people in Canberra currently live in poverty, experiencing hardship in such areas as health, housing and education as found in the *ACT Poverty Task Group Report (2000a)* (p. 21, paper 4). This paper seeks to identify the risks associated with ignoring the needs of this disadvantaged sector of society and to explore ways in which key social policy changes can create an environment where a future Canberra meets these needs.

The ACT Poverty Task Group Report

In December 2000, the ACT Poverty Task Group, a joint initiative of the ACT Government and ACTCOSS, released a report on the experiences of Canberra’s most disadvantaged residents.

The report found:

- households in poverty in the ACT are more likely to belong to single-person households or single-parent households and are less likely to be working;

- the costs of housing and transport significantly contribute to poverty in the ACT given the relatively high cost of living and the sprawling nature of Canberra’s suburbs; and
- Canberra’s relative affluence means community expectations and costs are higher than other comparable areas. This intensifies the impact of poverty in the region (ACT Poverty Task Group, 2000a).

The risks for the future of Canberra

If current trends continue, Canberra is facing a very serious crisis for its most disadvantaged citizens. Public housing stock is diminishing, public transport services are being eroded and the number of people living in poverty is increasing as the gap between those with high incomes and those with low incomes increases.

To better understand the problems Canberra faces in the future, it is important to understand the impact of poverty on its residents now. The following three scenarios are provided to highlight the very real disadvantage experienced by people living in poverty in Canberra.

- **Scenario 1:** Ruth, a 74-year-old recipient of the Age Pension, lives in Fadden with her 78-year-old husband who has mobility difficulties. She has cared for him for five years though she does not drive. She uses community transport to take her husband to his medical appointments but this is not always available. She relies on neighbours to do the grocery shopping. She does not socialise much due to her caring responsibilities and the infrequent bus service.
- **Scenario 2:** Tan and Li-Na live together in a small, privately rented flat in the Belconnen area with their two children. Both work in low paying, casual jobs and most of their income goes towards rent and child care costs.
- **Scenario 3:** Jane is a young woman with a mental illness who lives in a public housing flat and is supported by a Social Security payment. She attends classes when she can but is unable to do so regularly. She cannot save money as her entire income is accounted for with food, transport, accommodation and medical costs. She has fallen behind in her rent and is at risk of eviction.

The factors that link these three scenarios correlate to the four key areas identified as requiring attention in the *ACT Poverty Task Group Report*:

- personal safety and well being;
- access to resources;
- equity in access to resources; and
- participation in the community.

Personal safety and well being

A part of being disadvantageded is not being aware of your rights and entitlements or being able to access advocacy services. Jane is unaware of her tenancy rights which directly impacts on her personal safety and well being were she to be evicted.

Access to resources

Housing: The *ACT Poverty Task Group Report* highlighted the need for affordable and appropriate housing as has the *Draft Future Canberra Statement* (ACT, 2001). People living in situations like Tan and Li-Na are unable to escape the poverty cycle whilst the majority of their wage is spent on accommodation costs. The private rental market is particularly inaccessible in the ACT due to the high costs and the relative shortage of places. In addition, questions need to be asked about the appropriateness of decreasing public housing stock whilst hoping the private rental market will meet the increase in need for accommodation.

Transport: the layout of Canberra, while attractive, necessitates a frequent and effective public transportation system. For people such as Ruth and her husband, having to rely on the under-resourced community transport scheme is an inefficient way of meeting their needs. In addition to tasks such as attending doctors' appointments, the very act of socialising, meeting with friends or buying the local paper, becomes extremely difficult. Social isolation is a very real problem in the ACT.

Equity in access to resources

Young people, people with disabilities, Indigenous people, sole-parent families, people from linguistically and culturally diverse backgrounds and those on low incomes are all affected by inequity in accessing resources. This can be the result of a lack of knowledge or barriers to accessing these resources.

Participation in the community

The *Draft Future Canberra Statement* (ACT, 2001) and the *ACT Poverty Task Group Report* recognise the importance of Canberra being a participative city. This raises the question: how do people living in disadvantage *i.e.*, people with limited access to transport, housing, education and other options, participate in the life of the community? Furthermore, given access to these resources is becoming more problematic, how can we avert the trend in Canberra towards already disadvantaged people becoming further disadvantaged? The answer to these questions will direct the remainder of this paper.

Equity, participation and social capital

The *Draft Future Canberra Statement* (ACT, 2001) identifies equity as one of its key community goals, providing opportunities for all members of the community to participate. ACTCOSS supports this notion of a future Canberra whose social planning is based on these principles.

The notion of a participative city encompasses two aspects: participation in decision making and participation in the community. For Canberra to be a truly progressive city, responsive to the needs of its residents, both aspects need to be addressed *i.e.*, effective consumer input mechanisms and sufficient resources to allow residents to engage with the community. This involves such factors as the ability to access:

- transport to attend appointments, go shopping or visit friends; and
- community services in readily accessible neighbourhood locations.

These are the resources, which enable people to engage with their community, make connections and make a contribution.

To this end, we need to rethink the notion of the Welfare State. Services such as affordable housing, regular and accessible public transport, and a well-resourced health and education system, are not services to be viewed as a drain on the public purse. These services are the key to the social fabric of a community. These are at the heart of what is meant by social capital because they enable people to “*work together to forge partnerships and develop community spirit and participation*” (Urban Services, 2001, p. 3).

The Government’s notion of social capital in recent times is commendable, as it recognises that a community with a high degree of social capital is one in which its members contribute and are supported by one another. However, social capital needs to be seen in the wider context of the state of the community sector. The community sector’s role continues to grow as the obligations placed upon it expand. Building social capital in the ACT requires a real and ongoing commitment from Government, and a recognition that investment in the community needs to take place consistently and in partnership with the community sector.

Costs and benefits

How can the Government afford the high costs associated with this infrastructure and these services? The answer to this question is in two parts. First, there is a need to recognise that spending on community services is actually an investment and a cost saving for society. Second, the community sector has an important role to play in suring up society resilience through community capacity building and greater community connectedness.

Economic costs and benefits

To begin with, we need to re-evaluate what is meant by a ‘cost’. While it costs money to provide services such as the public bus system, its costs Canberra in other ways if these services are not provided. Even from an economic rationalist perspective, this holds true because it is not cost effective if a lack of resources leads to:

- more people reliant on Social Security benefits because education and employment services are not provided to aid them to escape the poverty cycle;
- costs of private transport (such as roads, pollution, car accidents, traffic congestion) increase because of the lack of public transport; and
- people’s health declines because there are not adequate preventative health services, which in turn increases the costs on the health system.

It is these big picture costs that need to be considered and guarded against.

Non-monetary costs and benefits

There are costs that a community bears which are not necessarily monetary. As a community, we accept responsibility for the wellbeing of all its members. If members of that society cannot attend events, visit family or get to their local doctor, they are unable to participate fully in the community. Social disconnection and disengagement follow.

Social capital or community connectedness

Social capital is a term that the ACT Government has recently begun to use quite extensively. It is not a term which rings true for all. Other ways of thinking of the concept are in terms of building community capacity or increasing community connectedness

The community services sector has an important role to play in developing community capacity. Those living in the greatest disadvantage have

the most to gain from being more connected with the community they live in. It is these people on whom the community sector currently needs to focus its services, due to the relative disadvantage they face. Therefore, the community sector is best placed to promote greater participation and involvement for these disadvantaged groups.

The way forward

There are several concrete policy strategies that, if undertaken now, can lead to a future Canberra where all its residents can enjoy a high quality of life. There is a need for an ongoing commitment to the following:

Resourcing of the community sector

As outlined above, the community sector plays an integral part in community capacity building. This cannot be achieved without adequate resourcing. This resourcing is required in the form of funding to employ skilled staff, meet the needs of consumers and afford suitable and safe accommodation. An increasing burden is being placed on the community sector and voluntary organisations to provide services previously funded by the Government. Whilst initiatives such as partnerships between business and the community are to be commended, it is important the Government recognises that it has the primary role of identifying and meeting the needs of Canberra's citizens.

Social planning and infrastructure

Both housing and transport are key to building a city where all its residents have equitable access to resources. A suitable amount of public housing stock and a regular bus service would go some way to addressing this unmet need in the community. When a person has a home and the stability it offers them, they are in a position to access education, employment and health services more readily. When they have transport, they have greater access to resources and the community, and consequently, are better able to participate in the life of the community.

Conclusion

With the immediate implementation of a number of strategic policy initiatives, the future of Canberra could be one, which is inclusive, equitable and culturally relevant. ACTCOSS would no longer need to be a voice for disadvantaged people in the community, calling for the alleviation of poverty, because poverty would no longer be a reality. Its primary role would be as a peak industry body for the community sector. Furthermore, the role of a well-resourced community sector would be to provide services that are responsive to the needs of people living in the ACT.

To conclude, the scenarios outlined at the beginning of this paper are reworked below to illustrate how future Canberra could look for its residents.

- **Scenario 1:** Ruth and her husband are able to live independently in their own home with adequately funded support services from the community such as a shopping service, in home respite and a community transport service for travel to medical appointments. The public transport system is regular, affordable and accessible so Ruth is able to attend social events and participate in the life of the community as well as perform her caring role.
- **Scenario 2:** While Tan and Li-Na are still employed in relatively low income jobs, they are accommodated in high quality, low cost housing, a growing sector in Canberra, so they are able to afford to meet the needs of themselves and their children because they are not outlaying large amounts of money in the highly priced private rental market.
- **Scenario 3:** Jane, a young woman with a mental illness, lives independently in the community with adequate support services when she requires them. As a matter of course, she has been made aware of her rights as a consumer and a tenant and is able to access consumer protection mechanisms when needed.

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OECD PUBLICATIONS, 2, rue André-Pascal, 75775 PARIS CEDEX 16
PRINTED IN FRANCE
(04 2002 03 1 P) ISBN 92-64-19690-0 – No. 52479 2002