



Liverpool City Council International Trade Engagement Strategy



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Executive Summary

Liverpool City Council (LCC) represents a diverse and inclusive community on the precipice of vast institutional change.

The skills and assets of the Local Government Area are all in place to take advantage of these changes. With the development of world class expertise in the medical research, accident and emergency, a burgeoning tertiary education sector and a supportive environment for new industries to flourish within, Liverpool is a city poised to be discovered.

Liverpool's goal is to create a domestically thriving, globally known business landscape that prioritises the expansion and innovation of industry to promote its identity to the world. In order to do so, Liverpool must expand the region's internationally competitive capabilities. Aligning economic priorities and identifying chosen regional markets must be supported by development of export skills within the business community and relationship building at an international and institutional level.

In this report, the opportunities and challenges presented from within Liverpool's business profile are examined, as well as the compatibility and difficulties of entering new international markets in a sustained and considered manner across private and public industry. International markets are prioritised based on their greatest potential to suit Liverpool's strengths. The regulatory and diplomatic ties of Australia to each nation is considered, along with the intersection of each industry sector with Liverpool's ambitions.

Based on this analysis, four strategies have been developed to assist in building momentum within the LCC:

- Development of economic strengths in the region
- Building of a regional identity to inspire local business action
- Development of capacity building programs
- Creation of international connections for the local community

Sustainable and consistent development, aligned to take advantage of unique opportunities presented by the Western Sydney Airport, are critical across all sectors. This means investing into the growth of long-term assets, as well as being open and eager for external investment and interest. The city's global significance relies on the identity and abilities of Liverpool being coordinated. Through local government efforts, the strengths of the region can be highlighted, supported and developed.

This report presents a framework through which LCC can assess the options and opportunities for government to direct efforts internally and towards international markets.



Introduction

Australian Business Consulting & Solutions (ABCS), a division of NSW Business Chamber has been engaged to assist Liverpool City Council (LCC) to develop an International Engagement Strategy that will enhance its international competitiveness and stimulate growth of its region in preparation for the launch of the Western Sydney Airport (WSA) in 2026.

The development of the WSA has triggered an unprecedented change in the regional economy.

From the growth of new industry to the expansion of existing industry, the implications to sector development in the region, stimulated by ongoing economic and infrastructure investments are positive and long term.

Healthy global cities have visible models for business growth. They enjoy recognition for an easy place to do business, provide talent pathways, offer an attractive live, work and

play quotient and are recognised for sector excellence. Underpinned by LCCs economic strategy to address transport, social liveability, housing, services, health and education, the Liverpool Region is rapidly developing the foundations of a global city.

Existing business tenure is stable, the 'Start-up' ecosystem is growing, flagship organisations in education, health and innovation are providing anchors for emerging creative supply chains and living areas that are transforming to meet the needs of a growing and diverse population.

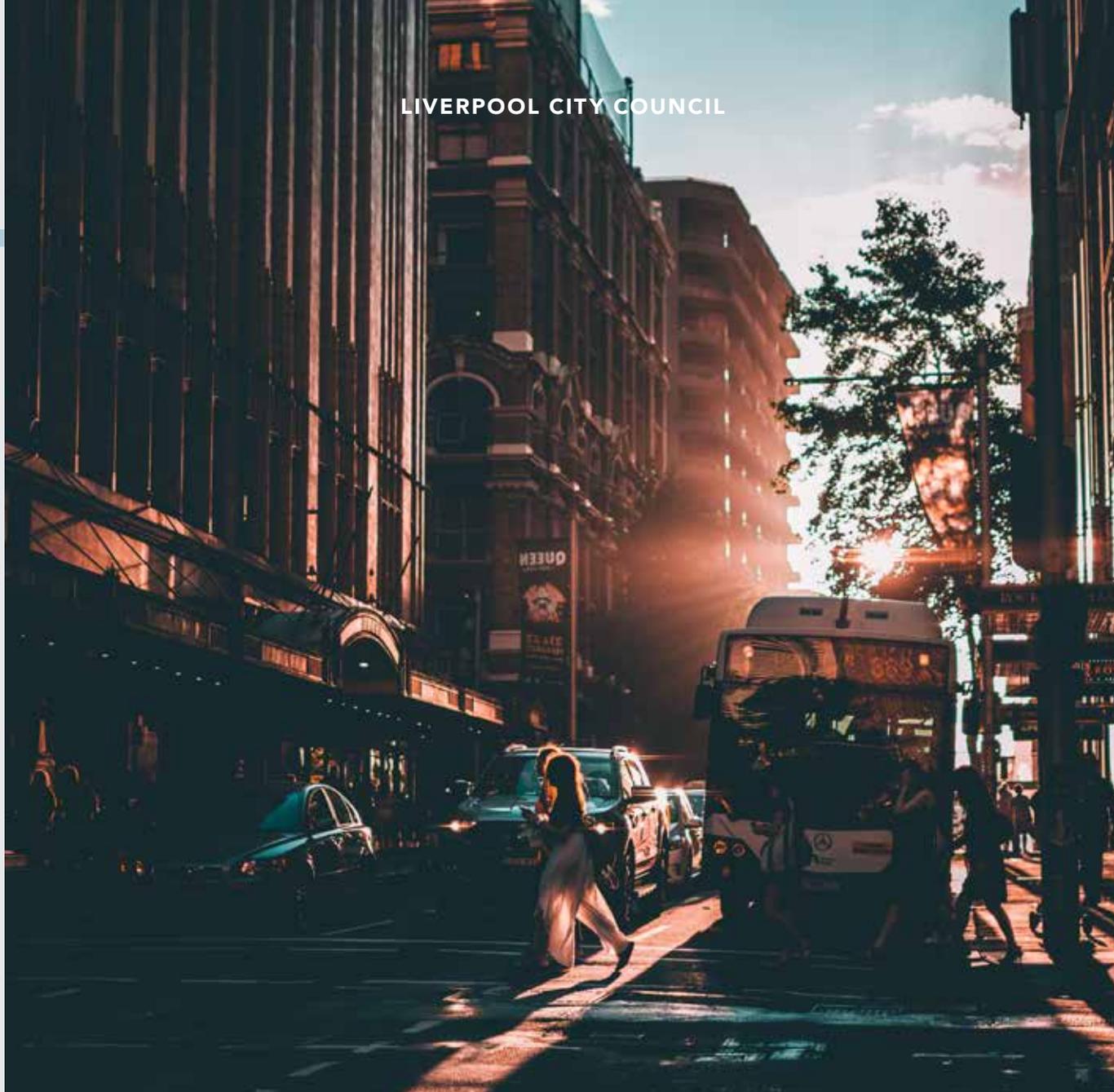
The timing for LCC to build a platform for international growth is immediate. The export landscape is immature and LCC has a unique opportunity to develop trade support pillars which will attract business to the region, create momentum for international market expansion and brand the region as a global destination.

This report will include:

- A Statement of Ambition for Council's vision to be a competitive global location
- Key capability areas of the Liverpool economy
- Strategic recommendations to achieve Council's vision for international engagement
- Identification of priority offshore markets that correlate to Liverpool's key capability areas
- Long and short term actions as they relate to capacity development of local businesses, trade delegations and strategic partnership development
- Linkages to Council's Economic Development Strategy 2019-2029 and Community Strategic Plan, Our Home Liverpool 2027.

Liverpool City Council will create a domestically thriving, globally known business landscape that prioritises the expansion and innovation of industry through an alignment to economic priorities; promotion of regional identity in chosen markets; export skill development and trade connections for accelerated business and investment success.

STATEMENT OF AMBITION



Consultation and Research

In preparation for the report, a strategic workshop, local business interviews and a scan of international markets was conducted to determine findings.

The strategic workshop was held with Liverpool Hospital, Ingham Institute of Applied Medical Research, Western Sydney University, University of Wollongong, Southern Strength Advanced Manufacturing Network, Liverpool Chamber of Commerce, South West Sydney Local Health District and Regional Development Australia.

Contributors represented their business cohorts and identified the strengths and weaknesses of the region and the

elements required to build an appropriate trade ecosystem.

41 local businesses were interviewed to analyse their export capability, trade strengths and weaknesses and support infrastructure required to be global companies in the future. Thirty-nine businesses were established entities greater than 3 years and one Start-up was in its inaugural year.

International market research was conducted using a Success Probability Matrix to analyse the maturity of the sector, complexity of the business environment, competitiveness of the sector and cultural ease of engagement.

Top 10 Survey Findings

1 Business cohort are primarily importers vs exporters. 60% of companies interviewed were not exporting and 40% exported to limited markets (NZ, USA, China and SE Asia). 86% of companies imported componentry, systems or widgets for repurposing or resale in their domestic markets.

2 Businesses owners consider exporting a longer term strategy, preferring to focus investments on domestic markets. 46% of companies were not considering plans to expand internationally with 80% of current exporters planning to continue global expansion. Finding the time to develop new markets and ability to meet competitive pricing offered by their global competitors were cited as major impediments for international growth.

3 Exporting is unplanned but sustainable. Of those businesses exporting, their journey was 'accidental' and not part of their business plan. All exporters operate an agent or reseller arrangement and have exported for greater than 5 years. A 'lack of confidence' or 'resources' to set up their own operation in market were cited as major barriers. 'Quality of product' however were cited as the main reason for their export longevity reinforcing Australia's global reputation for provision of high quality, clean and safe goods and services.

4 Asian markets most attractive. Companies looking to expand globally are most interested in possible export opportunities within the Asia Pacific region including in China, New Zealand, South Korea, Japan, Malaysia, Vietnam and India. Proximity, scale of market and consumer trends were cited as primary reasons.

5 Exporters went it alone. None of the companies surveyed cited the assistance of a third party to export. Start-up companies explored international markets using their own online connections and resources. Exporting success was gained through personal trial and error costing some businesses more than they anticipated.

6 Attraction of skilled talent to the region a major barrier to growth. Whilst mid to low skill jobs are filled by a local workforce, those businesses requiring technical, skill based talent had difficulty sourcing locally citing attraction of the CBD as a major barrier. Highly skilled employees and senior management travelled over 40 minutes from the northern and eastern suburbs of Sydney.

7 Live, work and play efforts welcomed but has a way to go. Businesses welcomed Councils efforts to modernise the region. The development of the intermodal

hub, freeway upgrades, land availability, housing and retail precinct modernisation were cited as positive building blocks for a growing and global city. However, changing the region's social perception to be safe, vibrant and an interesting place to 'play' outside work hours was cited as a vital element in attracting global companies, highly skilled people, Start-up communities and extended tourism time in the region.

8 Council's role was unknown. The role of Council to step up and take a leadership position in establishing a regional global identity; promoting industry excellence; facilitating pathways to export and connecting business to in market opportunities were cited as activities that would add value to business.

9 Lack of State and Federal support. Nearly all interviewees cited an absence of trade programs and support by federal, state and local government to help them export. Only one company used federal government assistance.

10 Practical connections to business were most valuable. Industry focused business delegations led by the Council were cited as the most preferred way to start business on their trade journey. Access to funding, training and business matching were cited as the most important elements in their intent to export in the future.

An aerial photograph of a busy pedestrian crossing with white stripes on a dark asphalt surface. Numerous people are walking across the crossing, some carrying bags or umbrellas. The scene is brightly lit, casting distinct shadows. A large, semi-transparent white circle is centered over the image, containing the text.

**What will it
take to make
Liverpool
a known
global city?**



Current landscape

Economic priorities

The Liverpool Local Government Area takes in a diverse economy with recent growth in population-driven industries as well as core strength in the manufacturing sector.

It is the 7th largest LGA in NSW and has a projected population growth of 2.04% p.a. over the next 20 years. This is above the projected growth rates for Sydney and NSW as a whole.

This major expansion is attributed to the planned growth of South Western Sydney, prompted by investment into large-scale infrastructure projects like the WSA.

Additionally, the population in Liverpool is relatively young and diverse with a lower median age than the state average and half the population speaking languages other than English at home.

The total Regional Gross Product of Liverpool sits at \$11.26 billion as of June 2018. Current infrastructure priorities are: the construction of Western Sydney Airport and surrounding mixed-use business precinct, the Aerotropolis development, the South-West Rail extension, a rapid transit corridor between WSA and Liverpool, upgrades to Liverpool Hospital, new university campuses, health and education precincts and the Moorebank Intermodal.

Domestic market

Liverpool catchment houses 15,538 businesses of which 6,999 are employing businesses. Industry growth in the region is coming from health, transport and construction. Manufacturing is still the largest employer in the LGA, despite downturns prompted by the global financial crisis of 2007-08 and parity with the US dollar.

Health is currently the second largest employer, but planned expansions to Liverpool Hospital and the creation of the Liverpool Innovation Precinct will likely see this sector gain on manufacturing.

Spurred by the impending aerotropolis, housing demand and rezoning for mixed use commercial buildings in the CBD; construction is a prominent industry, from the residential through to commercial scale.

As of the 2016 census only 30.5% of locals stayed in the LGA to work, with employment self-containment in Liverpool up from the previous census (28.7% as at 2011). Liverpool LGA's actual workforce is made of 37.8% of workers who live in the LGA, while 62.2% of workers live outside of the LGA.

Global relevance

According to ABS 2017, NSW has a total of 14,697 exporters with an export value of \$2.9 billion. The

Liverpool region accounts for an estimated 300 exporters, and the total export value is unknown.

The creation of the Western Sydney Airport provides Liverpool an opportunity to transform itself into a global city strategically elevating Liverpool as an important edge city which provides a concentration of commerce, entertainment and shopping.

As other edge cities emerge over time along major transport routes, Liverpool can play an active role in positioning itself as the leading edge city in the region, connecting Sydney with Greater Western NSW and forging its own identity through the economic growth promoted by ongoing infrastructure and industry revitalisation.

Liverpool's development of key assets and the implementation of public works strategies are the foundations from which this recognition can develop. Assets such as the Liverpool Hospital upgrade, the WSA and the Moorebank Intermodal provide improvements in core capability areas that allow for an expansion of processes to build global significance.

The Liverpool Hospital is the largest free-standing hospital in Australia, and represents the anchor of a robust and growing health sector in Liverpool. Additionally, the Ingham Institute of Applied Medical Research and the South Western Sydney Private Hospital



are all within the Liverpool CBD, and form the core of a growing innovation precinct supported by significant medical practices.

Mixed-use high rises can be constructed to attract new business to the area, and provide residential property within the CBD.

Projects like the Georges River upgrade and changing restrictions on businesses allow for a true 18-hour economy to develop, with a vibrant and accessible CBD. All of these already ongoing projects are also designed to change the perception of the area nationally, and funnel high value business into the region, to continue to develop the components necessary for a global city.

Current skill set

Liverpool has a strong residential population working in the manufacturing sector that has remained in the region despite challenges brought on by the global financial crisis and parity with the US dollar.

Due to its position as an 'edge city' for Sydney CBD, Liverpool's logistics and transport industry is well developed. Direct access to three arterial roads and the commencement of operations at the Moorebank Intermodal in 2018 take advantage of this geography. Moorebank, rail

linkages and the Western Sydney Airport build on it's position as the gateway between Sydney and NSW as a whole.

Tertiary education has increasingly become a sector of strength for Liverpool, with STEM specific campuses from a number of regional universities opening or expanding over the next few years. The University of Western Sydney, University of Wollongong and University of New South Wales already have a presence in the area. While the proposed 'Multiversity' area in the Western Sydney Aerotropolis including engineering and aerospace will bring the University of Newcastle (UON) to the region as well, it is estimated that these campuses will bring 10,000 students to the Liverpool CBD area once at capacity.

Priority sectors

Based on current skills and developing projects within Liverpool, there are a number of priority sectors to focus investment.

Aerospace, Agribusiness, Education, Health, Logistics and Transport are the most internationally relevant sectors.

While construction is an important aspect of the development of the city, Liverpool's current environment is directing construction towards expanding the city, rather than positioning itself as a construction business hub for the export of skills. Likewise, developments in public works and community projects highlight the vibrancy and commitment of the city to long-term success, but from an international perspective, support the commercial sectors rather than providing opportunities by themselves. Each sector was chosen based on the following:

- Liverpool's current strength in the sector.
- Planned developments that will affect the sector within Liverpool.
- International appetite for the skills or products created by that sector:

Aerospace: the WSA represents a once in a generation opportunity, as new large-scale commercial and freight international airports are exceedingly rare.

Agribusiness: Liverpool's existing manufacturing sector has a strong focus on food and groceries. A proposed Fresh Food Precinct within the aerotropolis area would support international expansion for production and development. Existing logistics connections between Liverpool and rural agribusiness also provides an area for development in conjunction with WSA.

Education: Three universities currently have campuses within the Liverpool LGA. These three plus University of Newcastle will launch a STEM campus as part of the aerotropolis. This sector is an importer of international students, and continues to grow as these campuses mature.

Health: Liverpool Hospital is the largest free-standing hospital in Australia. A promised \$740 million upgrade will increase the ability of the hospital to research and develop medical technologies and skills. Liverpool Hospital will also serve as the anchor institute for a planned innovation precinct, including the Ingham Institute of Applied Medical Research, South Western Sydney Private Hospital and the region's universities. The innovation precinct allows for a supportive Start-up environment to expand the LGA health and technology profile.

Logistics and Transport: Liverpool has direct access to the Southern Sydney Freight Line, the M5 and M7 motorways and the Hume Highway, and is within 30 minutes by road to Sydney Kingsford Smith Airport and Port Botany. Rail and Air asset development mean the region can develop a 'hub and spoke' model of logistical support between rural NSW and the world. This is supported by the continued development of the Moorebank Intermodal, which increases containerised trade from the region.

Barriers to growth



While the WSA offers a link between Liverpool and the world, businesses in the area must be ready to take advantage of this unique opportunity. For Liverpool to grow as an internationally recognised city, several important barriers need to be addressed at fundamental levels. Without this, the expansion of the region's capabilities will not align with the potential of the WSA and other major infrastructure upgrades.

Immature export sector

Liverpool is home to an established business community with a low percentage of export representing an opportunity to encourage global expansion.

Businesses lack awareness of the support and education offered by government on how to achieve export success. Current perception remains within local business communities that the domestic market continues to be the safest and most viable area for expansion.

Additionally, businesses within Liverpool are much more likely to be importers than exporters. Businesses who are exporting tend to do so through individual connections, rather than sustained and deliberate expansion. Changing the perception of the value exporting can bring to a business requires a change in mindset that time and labour required to build an export capable company is outweighed by the opportunities available domestically.

Major barriers to exporting for the region's businesses include lack of knowledge about export regulations, foreign markets, and logistics/transportation. Financial barriers such as insufficient working capital and labour resources, prohibitive administration costs, regulatory and infrastructure barriers and excessive financial risk delay movement outward.

These barriers to growth have formed the platform for the development of the regional exporting strategies described in this paper.

Live, work and play

Liverpool City Council has developed numerous public works plans designed to transform the city into one that is interconnected, walkable and possess an 18-hour economy. These have all been identified as the requirements of a globally accessible city. The concept of these plans is to redress the image of Liverpool, to redefine the perception of the region as being a family-friendly, vibrant alternative or complementary location to Sydney and Parramatta. These projects, many of which have already created change in the city, take time to change external perception.

For management and technically skilled workers, the value of leisure and cultural activities within Sydney present a superior proposition to those offered in Liverpool. For less technical workers, the lifestyle of the area continues to improve, however the options for work are not as diverse as what can be found in the Greater Sydney Area.

While changes to local zoning laws and major projects will expand options for a local workforce, tailored initiatives to encourage highly skilled workers who exit the region to work in the CBD would assist with the skills shortage of highly skilled workers within the Liverpool region.

Global relevance

There is not a single formula that defines what makes a successful global city, but there are common factors that can be observed.

Global cities are places that have an attractive business environment, providing employment and investment opportunities; they have diverse economies and a supportive regulatory environment for construction and business growth.

To build a reputation as a global city, the city must also possess a cultural environment that is inclusive, welcoming and accessible to newcomers. The city

must have a defined identity, and a unique selling point within the region it is located.

Generally, cities will focus in two major areas for their unique selling point. Either, they will have foundational cultural artefacts that draw tourists and money to the region (canals of Venice, the Eiffel Tower in Paris) or they have a specialist business environment that brings in not just businesses in that sector, but associated companies to support the sector (Hamburg as an export hub, Silicon Valley as a technology Start-up incubator).

As with the 'Live, Work, Play' question, the creation of a global city takes time. Importantly, it also takes a strong and focused definition of what the city will be. The reliance on existing strength, such as Liverpool's logistics history, or redefinition via new opportunities (aerospace and defence through WSA) depends on the local government's understanding of the potential of the region, and how best to market that.

Appropriate land use

The ability for manufacturing businesses to grow is dependent on their access to the leasing of specialised or appropriately sized site. Work has been done to improve the commercial capabilities of the CBD and continual improvements need to be a priority for the local industrial sector. One respondent to the Chamber's interview questions noted that they were currently using three warehouses across the region because they lacked access to a single space large enough.

Land use must also be considered carefully. Liverpool City Council has proposed and researched the potential for a rapid transit corridor between the WSA and Liverpool CBD. Projects like this must be undertaken to link the city as closely and efficiently to the airport as possible, or risk that the airport will underperform until supported correctly.



Key Strengths of Region

The pace of change within Liverpool has increased exponentially since the inception of the WSA. While the export market is underdeveloped in the region, the strength and assets of both business and government present opportunities for the city to achieve the goal of being internationally known and valued.

Infrastructure

The creation of an international Liverpool, to be a third CBD of the Greater Sydney Area, relies on its transport. If a city does not provide residents the ability to access every aspect of their lives within 30 minutes of their homes, talent retention remains a challenge.

Liverpool maintains much of the city structure laid down at its inception, in the Hoddle Grid. This grid gives the city simple building blocks from which ambitious projects can be launched, and is a design principle that can be emulated in developing the city and aerotropolis.

Projects like the M12 Motorway and South West Sydney Rail Extension highlight the ongoing development of Liverpool's transportation capabilities. Council's efforts to look ahead and address the future of transport with a proposed Rapid Transit Corridor from WSA to Liverpool demonstrates the principle of new infrastructure being addressed as a continuous program of improvements.

Sectors

AEROSPACE

The Western Sydney Airport is a defining piece of infrastructure of the region, that will change how and who

it does business with. It also presents the greatest potential for expansion. Liverpool's current aerospace industry is non-existent, but as the airport and aerotropolis begin to be built, the sector will develop. Already Northrup Grumman have agreed to take a \$54 million facility within the airport. Four universities have collaborated to announce a 'multiversity' campus within the aerotropolis with a focus on STEM, aerospace engineering and associated fields. A centrepiece of the Aerotropolis will be a STEM focused high school.

All of the components of a competitive and engaging environment are beginning to come together for the Aerospace sector. Liverpool's support of Start-up's combined with these cornerstones allows for the development of long-term education and career prospects within the region.

AGRIBUSINESS

The Liverpool LGA is not only suburban and metropolitan areas; it also includes a portion of the agricultural producers of the Sydney Basin. These producers, along with Liverpool's manufacturing sector represent a skilled and capable asset. It is via the addition of a Fresh Food Precinct within the Aerotropolis that this sector will be elevated.

Proposed by the NSW Farmers Association and supported by local government, the precinct would create a custom-built export facility for fresh foods and pre-packaged products. The Precinct is expected to create 12,000 jobs across a variety of fields, not just within Liverpool but among the wider agricultural industry.

Taking advantages of planned infrastructure upgrades and the

opportunity to plan consolidated industry groupings, the Fresh Food Precinct, can create a hub for domestic and international food processing and exporting.

EDUCATION

Liverpool's educational assets are new, but have already benefited the region. Western Sydney University, University of Wollongong, University of New South Wales all currently have campuses within the CBD. The addition of the 'multiversity', with the UON diversifies the education portfolio further. Vocational education is also expanding, with two TAFE institutes in the area and a proposed agricultural high school as part of the Fresh Food Precinct.

Specialised departments such as the MARC's Institute offer the chance for unique, internationally significant work within the region, the close connections of organisations around the Innovation Precinct keep talent in Liverpool.

HEALTH

Liverpool Hospital, the Ingham Institute of Applied Medical Research and local universities allow for an innovative precinct that is engaging with some of Australia's most pressing health problems.

The cooperative nature that is core to the identity of Liverpool city is reflected in the innovation precinct. An area of the CBD in which stellar organisations support education and employment opportunities. The success of these larger organisations help to bring in smaller supporting businesses and Start-ups. The precinct concept is testament to the principles that push Liverpool towards international success.

LOGISTICS AND TRANSPORT

Whilst the Airport is a key driver it is the support of the current industry that will build sector success. Containerised trade moving through the Moorebank Intermodal, the new road and rail upgrades and the geographic position of Liverpool all show a region in which transport is a specialised and critical field.

New technologies and ideas, such as autonomous vehicles for the Rapid Transit Corridor, demonstrate Liverpool's willingness to adapt sectors to maintain advantages.

Cooperation of public and private industry

The strongest value to Liverpool is the manner in which commercial assets are created and being implemented.

LCC has embraced the opportunities offered by changes in the region, and in doing so has sought to develop and deepen the relationship between public and private works.

The health innovation precinct in the CBD and the proposed multiversity in the aerropolis are evidence of a holistic view of city and regional development. The consideration of education and private business in how the city moves from its current state and perception into a new identity is key.

An area for opportunity associated with the new areas of WSA and the aerropolis is for businesses to collocate and collaborate to improve the value chain and offer a competitive advantage to other areas in NSW. For example, advanced manufacturing businesses can collocate and collaborate with public institutions, to conceptualise, prototype and develop products all within one region.



Australia's largest trading markets

Country	FTA?	Ease of doing business	Inbound Investment, 2017 (A\$m)	Outbound Investment, 2017 (A\$m)	Import of Goods into Australia, 2017 (A\$m)	Export of Goods out of Australia, 2017 (A\$m)
New Zealand	√	1	45,059	103,040	7,812	9,100
China	√	78	64,954	77,099	64,524	100,184
United States	√	6	896,850	664,512	31,313	12,269
Japan	√	34	219,236	125,122	21,098	44,981
Taiwan	None	15	14,829	8,194	4,377	8,969
Canada	√	18	47,335	46,888	2,146	1,618
Germany	Under Negotiation	20	47,153	73,643	13,731	2,403
Singapore	√	2	82,038	59,418	8,272	6,628
South Korea	√	4	26,310	19,890	30,859	21,209
Malaysia	√	24	21,331	9,597	11,026	5,959
India	In Progress	100	15,494	13,957	5,109	15,748
Thailand	√	26	3,120	4,453	14,394	4,476
Vietnam	√	68	735	2,335	5,094	4,628
Indonesia	√	72	1,044	10,734	4,212	7,030
Hong Kong	In Progress	5	116,602	47,402	755	12,035
Luxembourg	Under Negotiation	63	80,985	18,014	32,929	3,022
Switzerland	None	33	53,693	35,889	3,038	1,440
Norway	None	8	19,856	Nil	399	85
Belgium	Under Negotiation	52	305,323	4,486	1,984	1,256
France	Under Negotiation	31	24,793	50,983	4,901	1,416
Netherlands	Under Negotiation	32	79,025	43,555	2,328	3,078
Ireland	Under Negotiation	17	23,799	17,037	1,819	98
United Kingdom	None	7	481,387	333,117	6,876	6,114

LIVERPOOL CITY COUNCIL

a. Countries where Australia receives significant investment into Australia include Bermuda \$28.9bn, Virgin Islands (British) \$24.3bn.

b. Countries listed are World Trade Organisation (WTO) members and so offer trading terms via the WTO (and those that are party to any WTO plurilateral arrangements). Also a number nation's offer special economic zones which also are a pathway for market entry that may offer benefits Australian firms should consider (India, UK, USA, Thailand, Malaysia, Japan, S Korea, China)

Import of Services Into Australia, 2017 (A\$m)	Export of Services out of Australia, 2017 (A\$m)	Two-Way Trade, 2017 (A\$m)	Number of visitors of Australia 2017 (by '000)	Total visitor spend in Australia 2017 (\$'000)	Source of international students ('000)	rank of international students
5,584	4,936	27,432	1,231,089	1,652,041		
2,873	15,812	183,393	1,251,095	8,284,648	192.1	1
16,178	8,703	68,463	728,983	1,733,446	7.8	17
3,514	2,259	71,852	397,888	1,008,867	11	14
329	1,430	15,105	167,192	715,156	12.7	12
2,115	1,025	6,904	157,886	446,552	3.9	25
2,963	1,643	20,740	200,415	710,292	3.3	28
5,141	5,333	25,374	381,979	1,067,848	7.2	18
1,071	2,157	55,296	276,837	1,049,021	21.4	7
957	2,613	20,555	352,960	1,107,165	25.5	5
2,167	4,412	27,436	282,981	101,5523	73	2
2,844	1,305	23,019	90,153	403,550	19.7	8
1,524	1,541	12,787	505,555*	1,853,137*	23.1	6
3,696	1,601	16,539	173,295	563,723	15.2	10
2,976	2,993	18,759	258,266	988,188	13.6	11
113	44	36,108	231,522*	850,948*		
706	1,025	6,209	53,006	217,498	0.9	47
417	277	1,178	105,490	392,554	1.4	38
138	180	3,558	231,522	850,948	0.4	67
2,127	928	9,372	121,517	504,117	4	24
1,119	495	7,020	52,834	181,250	0.8	49
1,067	504	3,488	231,522*	850,948*	0.7	55
8,216	5,422	26,628	689,133	2,021,989	5.3	21

An aerial photograph of a city, likely Seattle, showing a dense urban area with a prominent skyline of skyscrapers. The city is situated near a large body of water, with a bridge visible in the distance. The text is overlaid on the image in a large, white, sans-serif font.

New Zealand
China USA
Japan Vietnam
Malaysia
Hong Kong
Germany India
Singapore
South Korea
Canada Thailand
Indonesia

Recommended Markets

The following markets have been identified as the primary focus areas for LCC to develop activities that will accelerate trade success for the business community.

Markets have been categorised as Tier one and Tier two, with Tier one markets presenting a greater strategic fit against the region’s assets and business strengths.

Tier one markets were assessed using the following criteria:

- Sector maturity
- Business complexity
- Sector competition
- Regulation
- Current diplomatic ties
- Cultural fit
- Financial ease
- Current national engagement

It is recommended that LCC focus on Tier 1 markets within the next 1-3 years.

Tier two markets were assessed using the same criteria as Tier 1, but are considered a longer term focus for LCC as the priority sectors within these countries are evolving and the strategic fit not as high as Tier 1 countries. LCC should review Tier 2 countries annually and adopt a more long term

planning approach of 3-10 years.

Tier one markets, priority sectors and actions recommended in this report complement and support those outlined in the NSW Trade and Investment Action plan. Strong collaboration with NSW Trade and Investment to invest in funding and programs to improve the awareness and uptake of international trade is critical to LCC's success.

	Tier one market				Tier two market					
	1-3 YEAR HORIZON				3-10 YEAR HORIZON					
	New Zealand	China	USA	Japan	Taiwan	Canada	Germany	ASEAN Nations	South Korea	India
Aerospace	√		√	√			√			
Defence	√		√	√			√		√	
Medical	√	√	√		√			√		√
Advanced manufacturing		√	√			√				
Agribusiness		√		√				√		√
Transport and logistics				√			√			
Education	√	√	√	√		√		√	√	

New Zealand

New Zealand is currently ranked as the number one country for ease of doing business globally.

Over 650,000 New Zealand (NZ) nationals currently live in Australia (15% of total NZ Population).

NZ is a signatory party to hundreds of treaties and agreements with Australia, the most significant being the Australian and New Zealand Free Trade Agreement and the Australia New Zealand Economic Relations Trade Agreement.

Whilst the following sectors are recommended as immediate areas of focus for LCC development, primary and food processing industries will benefit from a no-curfew WSA and expand logistical supply chains. The planned inclusion of an Agribusiness Export Hub will provide NZ's businesses with multiple pathways to engage with Liverpool business.

Aerospace and Defence OPPORTUNITIES

NZ's defence capabilities are currently in review. In May of 2018, the federal government issued a Strategic Defence Policy Statement outlining a number of ongoing projects and new developments. The close military ties between Australia and NZ through the ANZAC alliance and membership to numerous multilateral organisations and treaties (such as NATO and the Five Eyes surveillance group) make Liverpool's design for an Aerospace and Defence precinct a natural export partner.

On a federal level, at the start of 2018, then Prime Minister Malcolm Turnbull called for Australia to upscale its defence exports, identifying NZ as a priority market.

\$20 million per annum is budgeted to identify and assist with export readiness in the sector and LCC can collaborate with Federal Government to build and expand defence contractors located within the WSA Precinct.

CHALLENGES

NZ relies heavily on multi-national corporations and national defence departments overseas for the supply of their military equipment and upgrades. Tenders take a long time to secure and businesses like Lewis Machine & Tools or foreign government departments like the United States Department of Defence carry higher probabilities for winning large-scale projects. Smaller pieces of total projects are often absorbed by these same organisations. Defence developers would need to work with hyper-specialised supporting components, often in partnership with existing multi-nationals in order to have their business recognised for export.

The lack of an established defence manufacturing and innovation sector in Liverpool means that currently all goals in this sector depend on successful execution of broader planned developments. While the

WSA and a move towards advanced manufacturing are highlighted in Liverpool's Community Strategic Plan (2027), both sectors are not significant or competitive currently. Investment in the aerospace and defence sectors within Liverpool must be a priority to maintain relevance with NZ's industry.

Medical OPPORTUNITIES

In February of 2017, a treaty-level agreement was signed between NZ and Australia, referred to as the Science, Research and Innovation Cooperation Agreement. The agreement addresses chronic diseases, advance general healthcare and improve the accuracy of GPS signals. This, on top of the existing reciprocal health agreement between Australia and NZ provide an open environment for medical innovation across the Tasman Sea.

NZ currently has the highest rate of skin cancer in the world, and a national obesity related health crisis. The geographic proximity and shared colonial history between our countries means that population-wide health issues are often similar. Research and execution of health policy allows for a cooperative response to these issues. The Ingham Institute of Applied Medical Research, Liverpool's premier medical research organisation, has undertaken a number of studies around mental

An aerial photograph of a town nestled in a valley, surrounded by mountains and a large lake. A large, semi-transparent white circle is overlaid on the center of the image, containing the text. The background shows a mix of urban buildings, green spaces, and rugged mountain terrain under a cloudy sky.

**Two way trade
is estimated
at \$26.8 billion.**



health and is a world leader in prostate cancer research. The University of Otago in Christchurch has a similar program studying bowel cancer, its causes and the relationship to gut flora. The Auckland Medical Research Foundation has a similar focus on gastro-intestinal cancer through their association with the Auckland Bioengineering Institute. The University of Auckland's school of population health is leading research into global obesity statistics.

While there are complementary medical research and innovation sectors across NZ, there is also a focus on various forms of mental health, pharmacology, developmental and paediatric medical care. Branding Liverpool's medical precinct with attributes of cohesion and collaboration from which creative, sustainable medical solutions evolve will attract cooperative works with NZ's institutes.

CHALLENGES

NZ's small population limits the size

of its research sector, talent pool and funding. Leading innovative organisations are based in Christchurch and Auckland. The lack of geographic diversity, population density and depth of the industry should be considered. The industry's contribution to the local economy which was estimated at \$1.3 billion in 2015 and Australia and the United States are consistent partners in trade within the industry.

The G20 group of nations exemplify the competitive nature of the medical innovation field. All G20 countries feature medical innovation as a priority with larger economies such as Germany, France and the United States outweighing the field in funding and resources to outpace NZ's sector. As a result of this NZ is frequently dependent upon multi-nationals and external business to fund and resource innovation in their medical practices. The specialisation of the NZ medical research community reflects niches not already filled by larger bodies but can be internationally irrelevant.

Liverpool's expanding health sector has an opportunity to deliver benefits from association with NZ but should monitor possible inequity in sector exchange as the sector develops.

Education OPPORTUNITIES

Like Australia, the university system in NZ is undergoing disruption. Flexible and multi-mode education is part of the discussion at a national policy level challenging traditional institutions.

NZ's education industry enjoys high participation rates despite a small international market. Mature age education is on the rise with 50% of people over 15 maintaining a tertiary qualification.

The Universities of Auckland and Otago both hold rankings in the top 200 universities globally, and the Victoria University of Wellington is nationally ranked the highest for research quality across a number of disciplines. A mutual recognition

scheme between NZ and Australia allows for easy transfer of students compared to other nations. As of 2018, NZ is trialling a 'free first year' of university with an intent to go to a three year free program by 2024. Australian citizens residing for at least three years in NZ can participate.

NZ's tertiary rate of completion from its indigenous population remains low, with the metro location of major universities a barrier.

Institutes of Technology and Polytechnics are underfunded and face student shortages. Australian universities and private vocational bodies are well-positioned to assist in building a NZ vocational framework that is competitive and efficient.

While Liverpool's tertiary education community is still in a building period, new ideas offered by the NZ system should be explored. The construction of an industry specialist high school and the universities allows for cohesive education structures that play to the intended strengths of the region. Concepts being trialled in Liverpool provide an exportable service for NZ, while the innovative campuses throughout the CBD provide attractive opportunities for

international students looking to experience work placement and practical studies.

CHALLENGES

In 2017, the Australian government proposed to increase international student fees for NZ students. While the policy was not enacted, the divergent philosophies of Australia's price rises in HECS and NZ trialling free tertiary education need to be considered for international initiatives.

Liverpool currently has three university campuses in the area, with a fourth scheduled to join the 'multiversity' STEM campus in the Aerotropolis. The region already houses half the amount of universities throughout all of NZ. Construction skills shortages in NZ are challenging Polytechnic Institutes while Liverpool possesses a strong vocational workforce and expanding TAFE facilities. The export of vocational education or the migration of students looking to learn vocational skills into Liverpool may prove counterproductive to the short term export aims.

RECOMMENDATIONS

Aerospace/Defence	Medical	Education
<ul style="list-style-type: none"> • Commission research into skills shortages in defence manufacturing in Australia • Attract Australian defence Start-ups to the aerospace hub around WSA. • Market WSA no-curfew commercial airport to local producers with NZ import orders. 	<ul style="list-style-type: none"> • Invite leading researchers for exchanges at Liverpool Hospital and medical precinct tours. • Encourage cross-border collaboration on data gathering and research into shared problems (obesity, gastrointestinal cancers) 	<ul style="list-style-type: none"> • Build relationships/ programs with leading NZ universities in growth fields (medical, engineering) • Lobby for increasing mutual recognition of TAFE qualifications • Invite senior administrative members of major NZ cities to tour and view the aerospace or medical precinct concepts.

Two way trade is estimated at

\$26.8 BN

GDP:

\$201 BN

(NZD)

GDP Growth Rate:

3.1%

Per Capita GDP:

\$38,500

(NZD)

Major Exports:

Dairy, Meat, Logs, Fruit, Crude Oil, Wine

Major Imports:

Petroleum, Mechanical Machinery, Vehicles, Electrical Machinery, Textiles

Value of Imports into Australia:

\$11.8 BN

Value of Exports out of Australia:

\$13 BN

Value of Two-Way Trade:

\$27.4 BN

YOY Percentage Growth of Two-Way Trade:

7.0%

Visitors per Year to Australia:

1.3 MN

Visitors Spending Per Year:

\$2.6 BN

A photograph of the Shanghai skyline, featuring the Oriental Pearl Tower on the left and various skyscrapers in the background. The scene is viewed from across a body of water under a cloudy sky. A large white circle is overlaid on the image, containing text.

**Two way trade is
estimated at \$183.4 billion
and Australia relies
heavily on China for
export and import.**

China

China is currently Australia's largest trading partner accounting for 24% of total trade and ranked 78 for ease of doing business.

Two way trade is estimated at \$183.4 billion and Australia relies heavily on China for export and import. There are over 192,100 international students in Australia, making it our number 1 market for students. China is Signatory to Australia's most profitable Free Trade Agreement, the China Australia Free Trade Agreement. Over 1.2 Million Chinese nationals live in Australia.

The following sectors have been identified as immediate areas of greatest opportunity for LCC to focus regional development.

Agribusiness OPPORTUNITIES

China is the second largest importer of agricultural products in the world. While there has been a domestic focus on developing smart agricultural practices, the growth of the middle-class and the challenges of modernising a vast system mean importation remains critical for the continued growth of the nation. US protectionism has resulted in tariffs hikes between the two nations opening opportunities for Australian agribusiness exporters to fill gaps.

Recommended in the Western Sydney City Deal and supported by the NSW Farmers Association, A Fresh Food Precinct within the Aerotropolis would allow for the integration of new technologies into the processed food-manufacturing sector. Agri-tech is a key area of investment for China as it seeks to shift towards a sustainable and competitive industry.

The goal of the precinct, to provide ready-to-eat meals across the globe within 36 hours of an order being placed is ambitious, but aligns with the expectations and demands of Chinese consumers. Combining this convenience with Australia's perception as a 'clean, green and safe' ecology with well-regulated food processing safety protocols is a unique competitive advantage in the China market.

The existing Liverpool manufacturing sector and the Moorebank Intermodal mean that both freight and manufacturing are positioned to expand into China before the airport scheduled opening in 2026.

CHALLENGES

The Agriculture Sustainable Development Plan (2015-2025) is the centrepiece of China's agricultural policy and drives significant changes in the local sector. China continues to develop technology for self-sufficiency so that trade shifts do not affect its ability to feed its population. For example, it is estimated that should China stop sourcing US soybeans, it would take the entire world supply of soy to fill the void.

China's investment into Australian agribusiness has dropped by 8% in 2018, prompted by tightening rules on overseas investment. In conjunction with the Chinese policy change, Australia has increased the regulation of foreign investment into strategic infrastructure assets. Australia remains the second largest recipient of Chinese investment

across all sectors. The challenge for the Fresh Food Precinct is in securing capital for the proposed integration of cutting-edge technologies like the Internet of Things and Blockchain providence software and to remain ahead of the ongoing developments around FDI and agricultural trade pressures in China.

Medical Innovation OPPORTUNITIES

The maturation and expansion of the Chinese middle class is triggering fundamental societal shifts away from three-generation households. China's ageing population (250 million people over 60 by 2020) and an underdeveloped aged-care infrastructure presents Liverpool service providers and 'teach the teacher' programs opportunities in nursing and aged care. Western Sydney University's Liverpool campus, with its focus on nursing can explore advanced training across a range of disciplines.

Made in China 2025 is the most influential piece of policy in the healthcare sector in China. The policy aims to push innovation across pharmacy, medical technology and healthcare delivery. While the goal of the paper is to promote Chinese innovation in these areas, the implementation of systemic changes leaves opportunities for foreign niche industry to fill skills gaps in the short term. Additionally, collaboration and education that can be provided by Liverpool Hospital, the various university departments and the

GDP:
\$11.2 TN
(USD)

GDP Growth Rate:
6.7%

Per Capita GDP:
\$8,123.18
(USD)

Major Exports:
Electronics, Machinery,
Computers, Furniture,
Clothing, Medical
equipment, Plastics and
Vehicles

Major Imports:
Electronic equipment,
Mineral fuels, Ores, Medical
equipment, Vehicles,
Plastics, Organic Chemicals,
Oil seeds, Copper.

Value of Imports
into Australia:
\$64 BN
(AUD)

Value of Exports
out of Australia:
\$100 BN
(AUD)

Value of Two-Way Trade:
\$183.4 BN
(AUD)

YOY Percentage Growth
of Two-Way Trade:
16.1%

Visitors per Year
to Australia:
1.2 MN

Visitors Spending Per Year:
\$9.78 BN
(AUD)

Ingham Institute of Medical Research represent high value export and relationship building opportunities.

The sale and development of Intellectual Property in the pharmaceutical space presents a possibility for the research based groups within Liverpool’s Innovation precinct. China will be the world’s second largest pharmaceutical market by 2020. Exponential consumer growth and the Made in China 2025 policy paves the way for healthcare solutions to be marketed.

CHALLENGES

While the Made in China 2025 policy represents an opportunity for trade in services, it can also be viewed as an inherently protectionist, which over time may replace foreign businesses with Chinese ones. Filling specialised roles within the medical technology sector relies on relevant agents in the LGA having funding and resources to outpace China’s expanding industry. Made in China 2025 rules that only the final processing of a good needs take place in China so foreign businesses seeking incentives from this policy may need to cede control of their product for market opportunities.

‘Teach the Teacher’ programs rely on the mutual recognition of qualifications for service providers and courses being run in a foreign market. While mutual recognition is an aspect of the China Australia Free Trade Agreement, it is one that is being gradually accepted as each nation looks to protect nationally significant industries from influxes of talent and shore up national skills shortages.

Education OPPORTUNITIES

China is the largest supplier of international students to Australia, with 103,000 enrolments in 2018, and 8% increase on 2017. As wealthier Chinese study internationally, the opportunity for universities to offer unique value propositions are paramount. Liverpool’s multicultural demographic and modern campuses provide a new option for students beyond the traditionally areas

of Sydney, Melbourne and Brisbane. Liverpool’s focus on healthcare education, through the Western Sydney University Nursing campus and teaching wing of Liverpool Hospital provide services which are gaps in China.

As China’s population grows, educational technologies which tailor teaching methods to large groups of students at a time are in demand. In particular, technologies catering to the challenging Gaokao exam and assisting students to gain a high mark are a huge area of growth.

China and its centralised government is well placed to make education a holistic and economic enterprise. In the past, the emphasis on wider educational access and development of vocational skills in the 1990s and 2000s focused on building domestic infrastructure, expanding exports and foundational works in logistics and engineering.

Now, China is building a smart workforce that innovates and adapts ahead of Western counterparts. Technology and the shift from government means that foreign education facilities and general innovative tools are increasingly welcomed.

The relative youth and innovation of Liverpool’s tertiary education system places institutions in a good position to develop flexible and agile international models that meet the needs of the Chinese market.

CHALLENGES

Exporting education, be it technology or services, requires cooperation with existing entities for new products to be viewed as credible. Relationships with educational institutions in China are a competitive commodity, as organisations from other developed nations seek to find a foothold in the sector. As China develops its modern education system, the sheer scale and speed of development may position China as a leading education industry. This means western industries looking to export their education services to China have a short term timeframe to collaborate with like-minded institutions and position their products as part of an overall Chinese reform.

The perception of China as the testing grounds for innovative educational delivery techniques means that institutes looking to engage in China must provide unique, futureproof methodologies tailored to Chinese students needs. Emphasis should be placed on requirements of future employment opportunities and a supply pipeline of educated students.

Liverpool’s tertiary education sector is relatively new and decentralised with flagship campuses located in other areas, so Liverpool will need to offer unique value propositions for favourable relationships with China.

Advanced manufacturing OPPORTUNITIES

The Chinese government is focused on technological advancements in agriculture, education, health and research as the new pillars of the economy; advanced manufacturing remains a strength in all of these areas. As an example, in 2013 only one of the top ten global solar cell manufacturers was Chinese, now four of the top five are. However, as the advanced manufacturing sector continues to grow, centralised around the city of Shenzhen, the cost of manufacturing rises. Many businesses have solved this

by outsourcing their manufacturing to contractors, or into developing nations. However, products are still administered and branded through China.

The West has long had a scepticism for the quality of Chinese made goods. While innovative products exist, achieving sales remains a challenge. The attraction of regional offices based in Liverpool, with all of its comparative transport and logistics advantages, is increased by the reputation of Australian goods and services. Corporate offices in Liverpool can market and brand products Australian, while the robust manufacturing economy of the region can be utilised for the final processing of goods.

A shared interest in autonomous manufacturing and artificial intelligence may also offer Liverpool’s educational institutes avenues to build relationships with Chinese universities and urban developers. Liverpool can benefit from the skills and research present in China in the development of advanced infrastructure systems.

CHALLENGES

The advanced manufacturing sector in Liverpool is developing. While the aerotropolis and the concept of a regionally contained product

development cycle are being developed, Liverpool’s advanced manufacturing capabilities need aggressive growth. The global recognition of areas like Silicon Valley are dependent on the presence of innovators to bring in international acclaim. Currently, Liverpool faces a skills drainage caused by Sydney’s diverse job market.

Australia’s relative high labour costs make further challenges for Liverpool as an outsourcing location. Chinese advanced manufacturers may have the ability to shape the aerotropolis around their factories and offices, but Liverpool’s advantages are not economically competitive with developing markets.

As part of the move from a ‘made in China’ mentality to an ‘innovated in China’ one, companies are more interested in acquiring foreign companies instead of direct investment. As foreign direct investment decreases, so does the ability for Start-ups to rely on the interest and wealth of China to fund their initial capital costs. China has set the goal of importing less than 5% of their technology by 2045, the window into which Australian advanced manufacturers can find a market is finite.

RECOMMENDATIONS			
Agribusiness	Medical	Education	Advanced Manufacturing
<ul style="list-style-type: none"> • Develop and shift the current manufacturing sector in Liverpool further towards processing food. • Present a marketing package on the WSA to Chinese investors/importers (based on fresh-food precinct and commercial manufacturing). • Focus expansion on Moorebank Intermodal around ‘last stop before port’ commodity shipping 	<ul style="list-style-type: none"> • Continue to encourage Allied Health courses in university precinct. • Connect via delegation visits private medical research groups with Chinese investors. 	<ul style="list-style-type: none"> • Promote Liverpool’s education precinct as an international alternative to Sydney City. • Encourage private education sector in Liverpool to internationalise services 	<ul style="list-style-type: none"> • Present new A-Grade commercial buildings as potential field offices for Chinese companies • Conduct business delegations specific to the continuation of relationship building on cutting-edge infrastructure projects

United States of America

The United States of America (USA) is ranked 6 for ease of doing business.

Despite recent protectionist moves within America's political landscape, Australia remains a key ally in the Pacific region. Currently the USA is Australia's 3rd largest trading partner with two way trade rising 5% in 2017 estimated at \$68.5 billion. The USA continues to be Australia's largest two way services trading partner.

The following sectors have been identified as immediate areas of greatest opportunity for LCC to focus regional development.

Aerospace and Defence **OPPORTUNITIES**

With one of the most expensive and well-resourced standing armies, the largest space exploration program and some of the world's busiest airports, the USA presents a diverse range of opportunities for Liverpool. Agreements between Australia and the USA are varied and significant, as one of the key allies for the US Pacific Strategy.

In the middle of 2017, Boeing signed a \$35 million contract with the CSIRO to create their largest research and development facility outside of the USA. The creation of the WSA as curfew free, 7-days a week airport, Northrop Grumman building a \$54M facility at the precinct has already garnered US attention. The scale of operations for this facility inevitably create an environment

for supporting businesses to grow. The airport also brings Holsworthy Army Base closer to the world and the potential for shared military exercises or secondments is increased with the airport's presence.

The USA is the second largest source of visitors to the country, and the presence of a second airport in the Greater Sydney Region has the potential to increase tourism to the west. As Liverpool remodels its city centre, ability to draw business and leisure international visitors increases.

CHALLENGES

The USA's increasingly aggressive foreign policy bolsters the risk of Australia being drawn into conflicts and operations that run counter to the interests of our largest economic partner China, whose aggressive movements in the South China Sea are a cause for concern for nations with shared economic and political interest in the two Great Powers. The ability to maintain complex business relationships with the two nations may well be compromised by the other.

The privatisation of the US space industry makes it more likely that cheaper countries, instead of diplomatically close countries may benefit from outsourcing programs. While Australia has a historic supporting

role for many NASA missions, our space agency and the private industry programs do not share the same legacy.

The success of the WSA is dependent entirely on the ability to plan and build adequate connections between the airport itself and the surrounding cities. While the LCC and state government are currently committed to a planned series of developments, that plan must remain in place for the airport to gain full utility. Once the airport is operational, Liverpool faces a further challenge of presenting and marketing a brand that draws tourists and businesses to the area. Without the development of unique city characteristics, even business visitors are not guaranteed.

Medical Innovation **OPPORTUNITIES**

Commitments were made in the first half of 2018 to create a new body, The Australian Advisory on Technology and Health Competitiveness, which has formed an alliance with a comparable body in the United States. This alliance promotes shared health technology developments. Further, CSIRO and Swinburne University have co-located close to Silicon Valley, widely considered the most significant global innovation hub.

American health research into obesity, gastro-intestinal cancers and



**The USA is
Australia's most
significant alliance
partner accounting
for 9% of total trade**

The combination of government support, educational commitment and private industry drive is building an ecosystem of amalgamated businesses that take advantage of the strengths of each sector.

afflictions corresponds with the priorities pursued by Liverpool Hospital and the Ingham Institute of Applied Medical Research. The collaboration fostered by CSIRO and others paves way for other institutes to follow suit.

Student exchange programs provide an opportunity for shared experiences that frequently have a net positive influence on local perception of other nations. Marketing the Liverpool campuses of WSU, UoW and UNSW for semesters abroad, or post-graduate research positions is an important component of extending the relationship between US and Australian institutes.

The Texas Medical Centre has already accepted bids from a pair of Australian companies in September of 2018 to work for a number of months with the centre via an Austrade Bio-bridge program. Programs such as this can be used for the funding and education of Start-ups and to incentivise skilled graduates to stay in the Liverpool region.

CHALLENGES

The USA leads the world in the Start-up arena. For Liverpool to compete in this sector a Start-up environment should be considered to foster Australian and USA collaborations. While the USA has a market for medical research into disease and

cancer, medical technology is a favoured commercially viable route. Disruptive businesses are a hallmark of the American medical technology sector. Liverpool should work with The MARCs institute at Western Sydney and the Ingham Institute of Applied Medical Research as well as private starts-ups to maintain agile and globally innovative programs to attract US interest and Investment.

Education OPPORTUNITIES

Australia's education exports reached \$20 billion in 2016 with the USA being the most popular destination for Australian's studying abroad. Soft power ties, built by cultural and personal connections students make are invaluable.

Mutual recognition programs and post-graduate research grants are a continual source of development and collaboration for US and Australian students and educators. Liverpool's development of an innovation precinct that encompasses the local universities allows for the potential importation of skills via these programs.

CHALLENGES

Despite the international reputation of American Universities, their primary

GDP:
\$20.4 TN
(USD)

GDP Growth Rate:
2.9%

Per Capita GDP:
\$62,152.10
(USD)

Major Exports:
Motor vehicles, aircrafts,
medical instruments,
telecom equipment

Major Imports:
beef, meat, aircraft and
parts, pharmaceutical
products

Value of Imports
into Australia:
\$31.3 BN
(AUD)

Value of Exports
out of Australia:
\$12.2 BN
(AUD)

Value of Two-Way Trade:
\$68.5 BN
(AUD)

YOY Percentage Growth
of Two-Way Trade:
9%

Visitors per Year
to Australia:
759,000

Visitors Spending
Per Year:
\$3.7 BN
(AUD)

and secondary schooling is suffering from critical shortages in funding and staffing. The USA is ranked 17th for international students studying in Australia. The priority of our education markets do not necessarily align. The Liverpool region will face a significant investment of marketing to find synergy with American universities. Regional and community colleges are more likely to support exchange programs.

The USA does not have an established and centralised qualification recognition system, meaning that fulfilling entire degrees in Australia is a risk for American citizens and transporting Australian educated students to the US for work is dependent on the discretion of their employer. Barriers for entry such as these make drawing the two educational systems as close as the NZ-Australia relationship a challenge.

Advanced Manufacturing OPPORTUNITIES

Start-up culture can be said to have been born in the USA with the dot com boom, and matured through it’s subsequent crash. While Europe, Korea and Japan are competitive advanced manufacturers, the US maintains a position as a world leader in innovative

technologies.

The combination of government support, educational commitment and private industry drive is building an ecosystem of amalgamated businesses that take advantage of the strengths of each sector.

3D printing is at the forefront of the advanced manufacturing sector. The Department of Defence in the US has recently built a concrete 3D printer for the construction of outposts and bases. Multiple developments in 3D printing have come from the USA. However in Australia, a local company collaborated with a European business to develop a 3D printed jet engine. Liverpool’s ability to draw companies from around Australia into design and innovation hubs must be developed. The skill sets for innovative product design exist, they only need an industry environment that supports them.

The concept of a single region providing the talent for conceptualising, prototyping, manufacturing and shipping a product is a possibility with the design and direction of the Aerotropolis. Focusing on unique projects and Start-ups that develop from university research can allow Liverpool to fill a complementary niche to America’s maturing advanced manufacturers.

CHALLENGES

Through the 20th century, the USA was the manufacturing leader of the world. Today, outsourcing and economic expansion in Asia has moved business out of the USA. The global financial crisis also impacted the US manufacturing industry. While advanced manufacturing is being invested into, the USA is no longer standing at the summit of this profitable sector. India, South Korea, the European Union, Japan and China have staked claims to leading in various parts of this industry.

Advanced manufacturing is referred to as a sector, but it contains a multitude of different industries within it. As Liverpool develops innovation hubs around the medical and aerospace industries and seeks to make the Western Sydney Airport a success, focus on these sectors must remain consistent. Encouraging Start-ups that have direct relationship with Liverpool’s core capabilities further develop the reputation of those skills, and to stand out against the mature market of the US, hyper-specialisation and unique product offerings must be a priority.

RECOMMENDATIONS

Aerospace/Defence	Medical	Education	Advanced Manufacturing
<ul style="list-style-type: none"> • Market Western Sydney Airport as an alternate personal flight destination • Promote other spaces in aerospace precinct to American businesses looking for Australian bases • Continue modernising urban spaces to build tourism profile 	<ul style="list-style-type: none"> • As with New Zealand, promote collaborative data gathering and research on shared medical issues. • Encourage and potentially provide funds for medical Start-ups in the region. • Develop domestic relationship further with CSIRO to build overseas relationship. 	<ul style="list-style-type: none"> • Look to build specific ties and supportive schemes between Campuses and US universities. • Create marketing plan for US students to come to the area’s universities (look to engineering sector) 	<ul style="list-style-type: none"> • Focus on developing a Start-up environment that encourages agile and hyper specialised advanced manufacturing • Develop the ‘one region, one product’ model for competitive difference. • Build career pathway support for graduates in the area to keep them in Liverpool and mature their talents

An aerial photograph of a densely populated Japanese city, likely Tokyo, showing a mix of high-rise apartment buildings and smaller residential structures. A large, semi-transparent white circle is centered over the image, containing bold black text. The text states that Australia is the largest supplier of raw materials to Japan, with a two-way trade valued at \$72 billion.

**Australia is the
biggest supplier
of raw materials
to Japan. Two way
trade is estimated
at \$72 BN.**

Japan

Japan overtook the USA as Australia's second largest trading partner and accounts for 9.4% of total trade.

Japan is ranked 34 for ease of doing business. Japan is a signatory to a bilateral agreement (JAEPA) and two multilateral agreements that are in negotiation or coming into force (TPP-11 and RCEP).

Around 430,000 Japanese students study in Australia currently and Japan is the most studied language in Australian schools. Japan has 102 sister city relationships and 6 state to state relationships. Currently LCC has a Cultural Sister City relationship with Toda.

The following sectors have been identified as immediate areas of greatest opportunity for LCC to focus regional development.

Aerospace and Defence OPPORTUNITIES

In 2015, Japan changed the laws that surrounded the abilities of the Japan Self Defence Force (JSDF) to wage wars of self-defence in connection with allies. Australia does not possess a formal alliance with Japan. However a number of close agreements between the Australian Defence Force (ADF) and JSDF has seen us working together on humanitarian aid missions and shared military practice exercises. As the ADF looks to build those ties and expand Australia's defence relationship, Liverpool may benefit from the proximity to Holsworthy Army Base. Shared exercises in the region would expand the tourism economy through visiting Japanese service-people and allow for word of mouth marketing of the region to Japanese citizens.

As with other nations, the aerotropolis and airport provide an opportunity for Japanese investment and tourism. Already two Japanese financial companies have agreed to take offices in the aerotropolis. Corporate marketing of the area as a southern hemisphere base may also assist Liverpool's issues of management level skill drain from the region.

CHALLENGES

Currently Australia and Japan are in a 'quasi-alliance', both are formal allies with the US, but do not possess a bilateral alliance. The recent changes in US foreign policy may expand to effect the ability of Japan and Australia to engage with one another, particularly as Japan faces sovereignty encroachment from China in the South China Sea. If called to assist in the region, Australia's economic and political ties to larger powers may cause distance with Japan.

Agribusiness OPPORTUNITIES

Japan relies on Australian agricultural commodities as the country is far from self-sufficiency. Providence and sustainability are key to this market and new technologies that can be deployed via a Fresh Food Precinct allow for unique competitive advantages in Liverpool.

One of Australia's greatest strength is the ability to grow counter-seasonal

GDP:
\$5.1 TN
(USD)

GDP Growth Rate:
1.0%

Per Capita GDP:
\$40,849.20
(USD)

Major Exports:
Vehicles, Electronics,
Computers,
Medical apparatus,
iron, plastics,
chemicals,
gems, fuels.

Major Imports: Mineral
fuels, electronics, vehicles,
ores, organic chemicals,
plastics and clothing.

Value of Imports
into Australia:
\$21 BN
(AUD)

Value of Exports
out of Australia:
\$44.9 BN
(AUD)

Value of Two-Way Trade:
\$72 BN
(AUD)

YOY Percentage Growth
of Two-Way Trade:
9.3%

Visitors per Year
to Australia:
429,000

Visitors Spending
Per Year:
\$1.7 BN
(AUD)

crops. With the creation of the Fresh Food Precinct, closing the gap between harvest and supply of pre-packaged foods (international farm to table thinking), Liverpool can position itself as the connective line between the Sydney Basin and the world. Beyond the ability of the region to produce raw produce, the presence of the Western Sydney Airport and Moorebank Intermodal allow the area to become a key exporter for the high-protein grains of rural NSW, as well as short shelf-life foodstuffs of the area.

Natural foods and organic products are in high demand and Australia is well placed with our 'clean and fresh' reputation. Tariff reductions under the Japan Australia Economic Partnership Agreement are opening new Australian markets e.g., Australian nuts and dried fruits sales have grown year on year as tariffs reduce and consumer awareness grows.

Japan faces one of the most severe ageing population demographic shifts of any nation and the pre-packaged food market is in high demand. The manufacturing base in Liverpool already has strong capabilities in food processing, which along with the Fresh Food Precinct, can be utilised to test and develop innovative food solutions marketed in Japan.

CHALLENGES

Processed food is a creative and sophisticated market in Japan, one in which quality and price consciousness are extremely mature. Products must be unique and innovative to capture attention. In such a competitive market, Japanese made products have the edge on marketing and brand recognition.

Competition is not confined to the processed food sector. Canada and the United States are two of the largest agricultural importers to Japan and remain a major competitor, even with the counter-seasonal advantage. The size and scale of their export market, as well as the sophistication of logistics networks, means Liverpool's developing agribusiness export hub must aim to be cutting edge to remain competitive.

Education OPPORTUNITIES

Japan and Australia have a wide range of links between schools, research organisations and universities, including the recognition of Australian bachelor degrees in 2016 by Japan. Beyond this, Japan is a global leader in research, education, science and innovation. Hundreds of formal partnerships already exist between Australian and Japanese universities. Shifting to more strategic partnerships, including developing double and joint degree programs would allow for increased collaborative learning. This has already been shown to benefit both sides, with the quality of collaborative research proven to be much higher when compared to both countries individually. The international reputation of Japan as a leading science and technology innovator remains true despite challenges from other developed nations. Government programs like the New Colombo Plan support the ability of Liverpool's STEM focused universities to continue or build collaborative relationships with Japan.

CHALLENGES

Japan's total Research and Development expenditure is seven times that of Australia. Liverpool's ability to be equal partners in any collaborative educational pursuit is compromised by the extent to which funds are accessible and directed to education. Liverpool's relatively new campuses may have innovative programs, but the ability to publish and display them on the same scale needs to be developed.

Trends in education across both groups may not align either, as Japan's institutes continue to push the limits of AI capabilities and robotics, Liverpool's current educational persona is heavily medically focused. It is not a case of these focuses being exclusive, but rather that funding and interest may not be funnelled into like-minded programs that would allow for extensive and costly collaborative research or grants.

Around 430,000 Japanese students study in Australia currently and Japan is the most studied language in Australian schools.

Transport and Logistics OPPORTUNITIES

Japan’s transport capabilities are legendary across the world. An absolute world leader in passenger transportation, Japan has consistently pursued dramatic innovations like MagLev railways and less substantial but consistent upgrades to their planning and IT infrastructure. Disaster mitigation for logistical assets is also something in which Japan excels, due to external crises and natural disasters throughout centuries.

Liverpool, with the expansion of the Moorebank Intermodal and numerous road and rail upgrades should look to Japan for how to upgrade the LGA’s transport capabilities.

The 30-minute city is an ambition for The Greater Sydney Area, something that Liverpool must succeed at to position themselves as the 3rd CBD and the corridor between the WSA and Sydney Harbour. Rapid transit corridors and autonomous vehicles need to be considered but implementing upgrades and rethinking existing transportation norms in Australia relies on experienced information and education, an area of expertise in Japan. It is important that local government’s planning department, as well as Federal and State Government and private industries work together to build this vision.

CHALLENGES

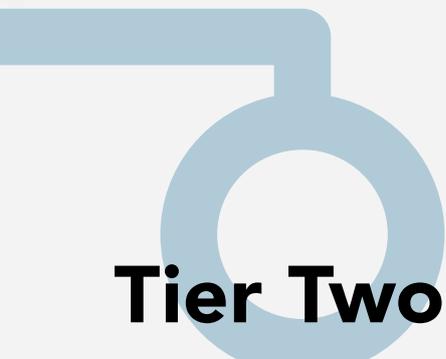
Liverpool’s transport and logistics

network is not competitive with Japanese systems. The benefits of long-term cooperation for Japanese businesses must be clearly expressed. The potential for the Liverpool area to serve as a testing ground and provide space for the development of unique solutions has to be marketed correctly.

Additionally, the close links to Sydney, Penrith, Campbelltown and regional areas may not be compatible with innovative solutions brought into the region. Long-term projects like the Leppington train line extension are already underway, using the railway technology that is standard for the region. The ability of trackless trams, or other new developments to seamlessly link with older systems may complicate any potential interest in the area.

RECOMMENDATIONS

Aerospace/Defence	Agribusiness	Education	Transport/Logistics
<ul style="list-style-type: none"> • Increase collaboration with RAAF or Holsworthy Army base for shared exercises • Create campaign for financial services companies to locate in the CBD which will build business tourists. 	<ul style="list-style-type: none"> • Develop manufacturing sector expertise in processed foods. • Target Australian short-shelf life produce suppliers for WSA commercial shipment flights. • Prioritise research and product development for highly competitive products. 	<ul style="list-style-type: none"> • Develop joint and double degrees between existing partnerships and new Liverpool campuses. • Market the area as an alternative to Sydney CBD for international students. • Build the profile of world-leading work being conducted by the region’s institutes. 	<ul style="list-style-type: none"> • Delegation visits to Tokyo and other transport hubs by stakeholders in new infrastructure developments around Western Sydney Airport. • Push for secondary logistics focus to be developed as part of the engineering multiversity concept



Tier Two Markets

Secondary markets present a longer term opportunity for businesses in the region where unprecedented growth is expected in the next 20 years.

ASEAN Nations

New Zealand, USA and China are Australia's closest allies and economic partners, however the future of ASEAN to our nation's economy cannot be understated. The ASEAN nations are party to a number of bilateral and multi-lateral free trade agreements with Australia, a number that increases with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and Regional Comprehensive Economic Partnership. As a bloc, ASEAN's import and export market value is larger than China's. An important part of these new agreements will be trade in services, with education and health as top priorities. The expansion of these fields in Liverpool provides opportunities for shared educational programs and internships within the healthcare sector. ASEAN also represents an agribusiness market that is more diverse in its demands than China, but less matured than Japan, particularly around horticulture and seafood. Vietnam, Thailand and Indonesia in particular have strong economies and government commitment to become globally competitive. Liverpool can use the existing close relations between ASEAN and Australia to focus on the region as a secondary agricultural market, to support and potentially exceed ties to China's uncertain market.

Taiwan

One of Asia's largest traders, Taiwan has developed an economy of services, some of which may benefit Liverpool. Taiwan is a world leader in ICT products and innovation, with a healthcare system whose structure is based on Britain's (a structure that Australia's system is also based upon). The shared British heritage also brings shared challenges and with the focus on medical technology identified as part of the 5+2 initiatives, the planned upgrades to Liverpool Hospital could benefit from association with Taiwan on their medical IT infrastructure and bio/medtech.

Canada

Canada and Australia have frequently been classified as part of the same band of "middle power" nations, who benefit and are challenged by the great powers of China, Russia and the US. While we are competitors in many agricultural markets, there are complementary services and education fields where Canada and Australia could cooperate. Additionally, the Canadian cities of Toronto and Montreal are tech hubs boasting robust Start-up cultures and dedicated government funding for entrepreneur programs. Information sharing on smart cities and cutting-edge technologies that can work to modernise Liverpool's identity as a self-contained city should be considered for the longer term.

Germany

The leading economic nation of the European Union, Germany continues to be a force for defence manufacturing, transport and logistics. Hamburg is the 3rd largest container port in Europe and the export capital of Germany, where autonomous vehicles for logistical purposes and sophisticated logistic support IT is in place. Linking the WSA with Europe as flight paths develop means that Germany is an important country to market the benefits of WSA to. Germany is also the base for a number of defence companies that may benefit from facilities similar to Northrup Grumman's already proposed WSA space.

South Korea

South Korea is a historical ally, with shared strategic interests in the Pacific region, solidified by years of mutual security cooperation. So close are these ties that outside of the United States, Australia is the only nation that has held a 2+2 ministerial meeting with Korea (defence and foreign affairs ministers shared strategic meeting). The Korea-Australia Free Trade Agreement (signed in 2014) positioned Korea as the fourth largest two-way trading partner, and one of the primary exports from Australia to Korea is education services. The development of Liverpool's educational infrastructure is key to expanding its international presence. The good relations between Australia and Korea allow for this outreach to take place and for mutual recognition of qualifications for skill exchanges.

India

Positioned as the next rising giant, after China's ascent in the 2000's, India's economy is being reshaped by its growing and younger middle class. Estimated to surpass China's 250 million middle class by 2030, India is an important longer term trading partner for Australia. Current regulation and ethical business challenges make the market less accessible for foreign entities with a degree of difficulty greater than Tier One market recommendations however India's hunger for agricultural products and services remains undiminished and will grow. The proposed 'pre-check' ability of the Fresh Food Precinct, to allow goods to be checked against the destination's regulatory requirements provides an attractive market for Liverpool to grow relationships that will result in Indian investment and relationship building in the longer term.



Building a robust export community

LCC is well placed to champion and collaborate with partners to develop a successful trade ecosystem.

LCC has strong relationships in the region and more broadly across the State with the prime players required to build a robust export community including government, industry, universities and businesses in the export supply chain.

Ultimately an effective trade ecosystem will not only drive export excellence from the region but also attract investment into the region. An example of a potential trade ecosystem for LCC is illustrated in here:

The immaturity of the export market in the Liverpool region means that LCC has a clean slate for the development of its international trade engagement strategy.

LCC require foundational strategies in place to develop a robust trade ecosystem which will be necessary for an effective trade narrative in 2025. Investment by LCC will be required to achieve trade engagement outcomes and should be considered in forward budgets.

- Business set up
- Staff recruitment
- In-market representation
- Investments support
- Regulation management
- Product registrations
- Compliance management
- Contracts
- Sales growth



- Overseas partner intelligence Austrade, State Government Chamber networks
- Sector Intelligence
- Sector Regulation
- Case Studies



- Business matching
- Buyer identification
 - Sale Negotiation
 - Export
- Business Delegations
- Growth Centre support packages



Intended Outcomes



Development of a brand identity that connects the city to an easy place to do business



Achievement of economic growth targets that result in GDP increase



Harnessing existing sector excellence in health and transportation for global recognition



Attraction of businesses that are innovative including advanced manufacturing, research and education



Facilitating stimulating career pathways from study to work



Development of transport and logistics sector to support a green and sustainable airport

Strategies

The following strategies will kick start the journey towards increasing businesses to export in Tier one markets. The scope of the suggested actions is not exhaustive and LCC in collaboration with stakeholders should review actions regularly to identify further regional export market development initiatives.

Strategy 1

Develop Economic strengths of the region

Alignment of economic development, investment and marketing teams along with key stakeholders will ensure that LCC achieves its objective of becoming a global city.

RECOMMENDED ACTIONS

1.1: Map out a potential trade ecosystem for 2025

- Identify regional assets, collaborative partners, trade supply chain, capacity building requirements
- Establish trade networks in Tier one markets using collaborative partnerships
- Conduct business delegations to Tier one markets to promote the identity of the region, the business landscape and inbound and outbound trade opportunities

1.2: Develop business attraction strategies for companies to set up in the region

- Develop a Trade and Investment Pack 2025 to promote pathways into the region for international trade engagement; economic development priorities, investment objectives, contact points
- Identify existing exporters from priority sectors located in NSW and broader Australia for relocation/ expansion into the Region
- Focus Start-up programs/ hubs on high tech in the health, education and advanced manufacturing sectors
- Develop incentives (financial and non-financial) to reward business for exploring new markets eg, first time exporters; and established business

Strategy 2

Build a regional identity to inspire local business action

It is recommended that LCC infuse international content to all of its current marketing mediums and begin the journey towards recognition of the region as a global city.

RECOMMENDED ACTIONS

2.1: Develop an international marketing strategy

- Develop business personas for better campaign segmentation
- Articulate the region's key value proposition and differentiation to competing regions
- Allocate funding and resources to execution of marketing priorities

2.2: Promote a regional identity in Tier one and Tier two markets

- Review regional assets in priority sectors, live work and play initiatives and optimise branding and content for international trade attraction
- Upgrade website with international engagement content and resources
- Promote international activity

and results domestically to demonstrate international trade engagement in action. Use NSW Government and Austrade marketing including overseas posts to promote international success stories.

2.3: Develop a live, work and play narrative to support business attraction

- Map out export narratives against different business personas identified for growth in the region
- Review all marketing content and highlight the strengths of the region across all marketing mediums
- Create social momentum using case studies, social media and sharing within existing business community

Strategy 3
Develop Capacity Building Program

The immaturity of international trade conducted by business in the region means that LCC can build a program of awareness, education, do it yourself resources and connections from the ground up. Program priorities should align with identified business personas and priority sectors.

RECOMMENDED ACTIONS

3.1: Foster a community of trade experts

- Invite contributors to LCC programme of works with competencies including Tier one priority market knowledge; export readiness development; strategy; access to finance; regulatory and government understanding; mentoring and coaching
- Introduce an ‘ask an expert’ service fulfilled by trade experts (private and government)
- Collaborate with NSW Government Trade and Investment Concierge service to offer localised ‘triage’ service for the region

3.2: Create an online export hub

- Use hub to engage community, trigger push notifications on LCC activity including content, ask and expert, DIY tools and resources
- Monetise hub with sponsorship and content advertising

3.3: Launch an events program

- Connect business online (webinars) and face to face to build capability for non-exporting through to experienced exporting.
- Topics should include: international trade as a viable commercial opportunity; trade readiness, access to finance, investment readiness and investment business models, global opportunities in priority sectors and priority markets
- Host regular strategic roundtable discussions to understand live issues

3.4: Identify and target born global companies

- Review existing Start-up programmes to align international engagement strategies in priority markets
- Create a Mentorship programme

Strategy 4
Build practical connections for trade success

Authentic connections are key to successful international engagement. LCC is in a unique position through its government and private enterprise to build connections in priority markets as it shapes the business landscape and prepares for the creation of a global city.

RECOMMENDED ACTIONS

4.1: Build and maintain strong collaborative relationships with nominated Tier one markets

- Allocate a dedicated LCC international trade team to deliver activity
- Collaborate with NSW Government and Austrade overseas posts, as well as Business Chambers to conduct LCC led outbound sector delegations and invite inbound sector delegations to the Liverpool region

4.2: Provide practical connections to potential buyers in Tier one countries

- Create a formal strategic alliance program with groups who offer business matching and connection services in priority sectors and markets

- Facilitate and take a leadership position in both attending and driving attendance by business and stakeholders at relevant business expos in priority sectors
- Establish in market representation with trusted partners for accelerated results for business in the region

4.3: Collaborate with other Western Sydney Councils for a broader global reach

- Review neighbouring international trade strategies for synergies and possible funding or programs which may be more successful through collaboration.





AUSTRALIAN BUSINESS Consulting & Solutions

Australian Business Consulting & Solutions (ABCS) is a division of NSW Business Chamber. ABCS has been helping Australian business for over 30 years to expand their exports and viability in international markets while advocating for policy changes that benefit all Australians.

Our services include international strategy development, market assessment, market research, partnership opportunities, international agreements and export sale and shipment.

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